



**MEANS TO AN END:
the OECD Approach for Effective
Implementation of Public
Procurement Systems
Getting really strategic**

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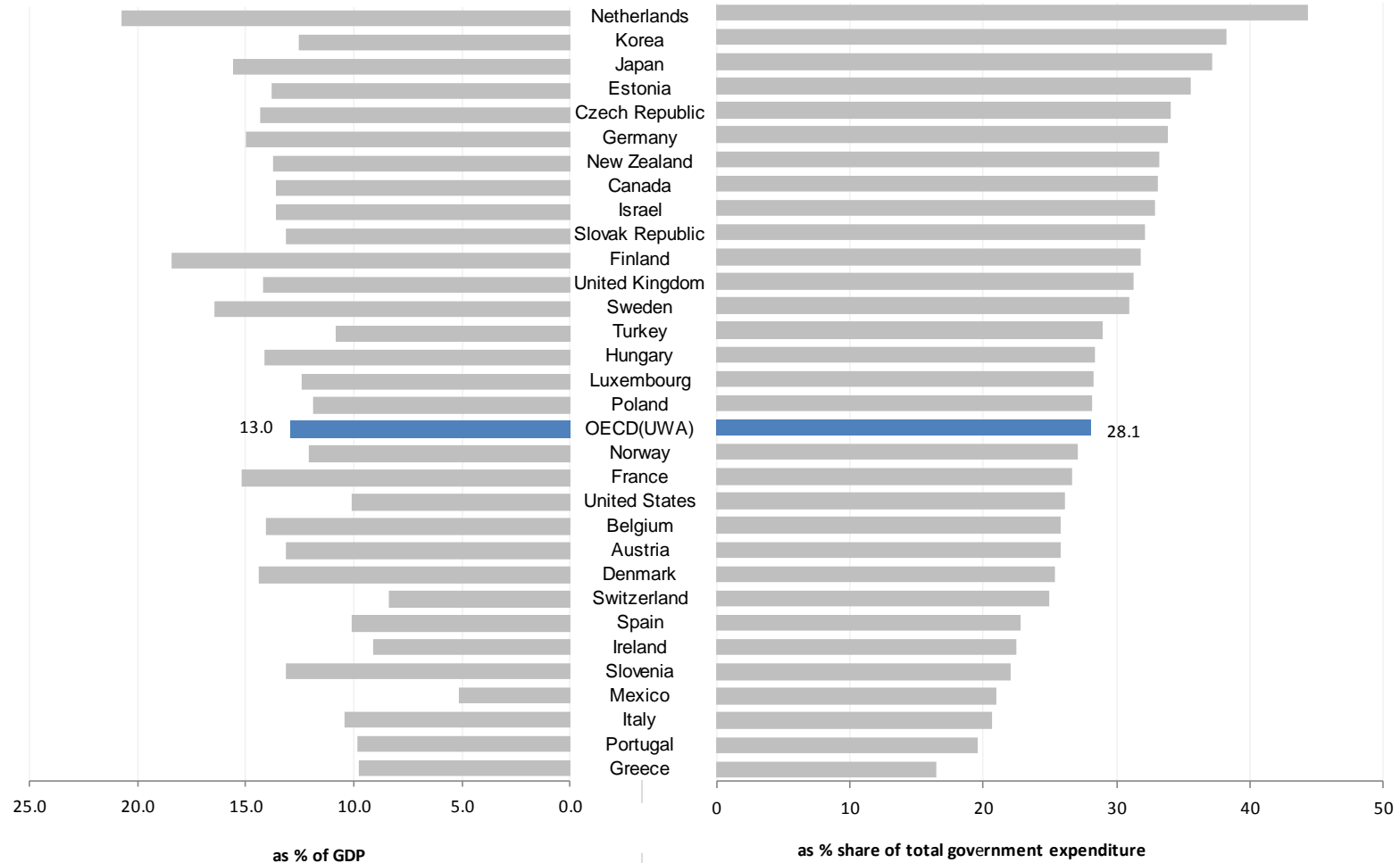
Public Procurement matters

- It stands as a crucial pillar of strategic governance for any government body;
- It is also a high-risk area due to the close interaction between private and public spheres
- Governments face the challenge of ensuring that different priorities are clear, work together and overlaps or conflicts are avoided.



Public Procurement really matters

Government procurement as share of GDP and of total govt. expenditures



Source: OECD National Accounts Statistics. (2013)

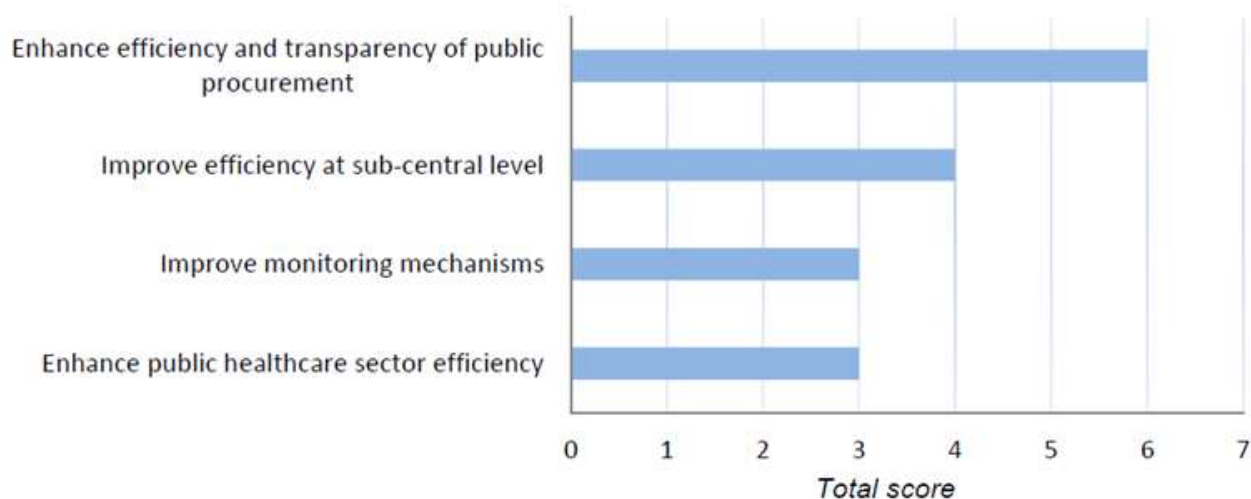


And it matters for everyone

- For the private sector, public sector efficiency is the second business priority area for reform after product market regulation.

And public procurement the top priority in this sector:

Figure 4: Business priorities for reform in the area of public sector efficiency





OECD contribution to reforming public procurement

Supported governments in reforming public procurement systems for sustainable and inclusive growth and trust in government through:

- Building **evidence** from **useful, reliable and comparable data** across OECD countries on the performance of public procurement – Key Performance Indicators
- Undertaking **hands-on peer reviews** that provide assessment of public procurement systems, either national or sectorial, and tailored proposals to address implementation gaps in specific context – in Italy, Greece, Northern Ireland but also US, Korea, Mexico, Colombia
- Organising **policy dialogue** to share insights & shape directions for future reforms, build strategic partnership with private sector - G20
- Identifying **good practices** and providing **international standards** on public procurement – Compendiums on Green Procurement, Transparency, Accountability and Anticorruption



A standard for Public Procurement in the XXI century

- The 2008 OECD Recommendation on Enhancing Integrity in Public Procurement focused on integrity, transparency, accountability, good management, risk prevention and control.
- Interest in governance of public procurement to achieve efficiency and advance public policy objectives has significantly increased.
- The new *2015 OECD Recommendation on Public Procurement* supports a shift from an administrative and compliance-based approach to a strategic and holistic approach to realise government policies.



The New Recommendation on Public Procurement: 12 integrated principles





Transparency

- Information relating to the entire procurement cycle provides for greater accountability
- Information shall be easily accessible and meaningful
- Visibility of Funds ensures better understanding of procurement patterns



Integrity

- High Standards for All Stakeholders
- General Tools, Tailored to Procurement
- Integrity Training Programs
- Controls, Compliance, and Anti-Corruption for Suppliers



Access

- Coherent and Stable Frameworks
- Clear and Standardised Tender Documentation
- Competition, Limiting Exceptions



Balance

- Secondary Policies and Primary Procurement Objective
- Appropriate Strategy
- Impact Assessment



Participation

- Standard Process for Change
- Transparent Market Dialogue
- Opportunities for Stakeholder Involvement



Efficiency

- Streamline the System and Institutions
- Sound Technical Processes
- Develop Improved Tools
 - Better Value for Money
 - Reduced Duplication



E-Procurement

- Integrated Solutions Across the Procurement Cycle
- Modular, Flexible, Scalable and Secure

The logo consists of two stylized, overlapping chevron shapes pointing to the right. The top shape is light green and the bottom shape is dark grey.

Capacity

- High Professional Standards:
 - Knowledge
 - Implementation
 - Integrity
- Attractive Career Paths
- Collaborative Approaches with Knowledge Centres



Evaluation

- Periodic and Consistent Assessment of Procurement System Results
- Indicators to Measure:
 - Performance
 - Effectiveness
 - Savings



Risk Management

- Tools to Identify and Address Threats
- Publication of Risk Management Strategies



Accountability

- Clear Lines of Oversight
- Effective and Enforceable Sanctions
- Fair, Timely and Transparent Complaint System
- Internal and External Controls



Integration

- Tie Procurement to Public Finance Management
- Multi-year Budgeting and Financing When Appropriate
- Harmonise Public Services Delivery



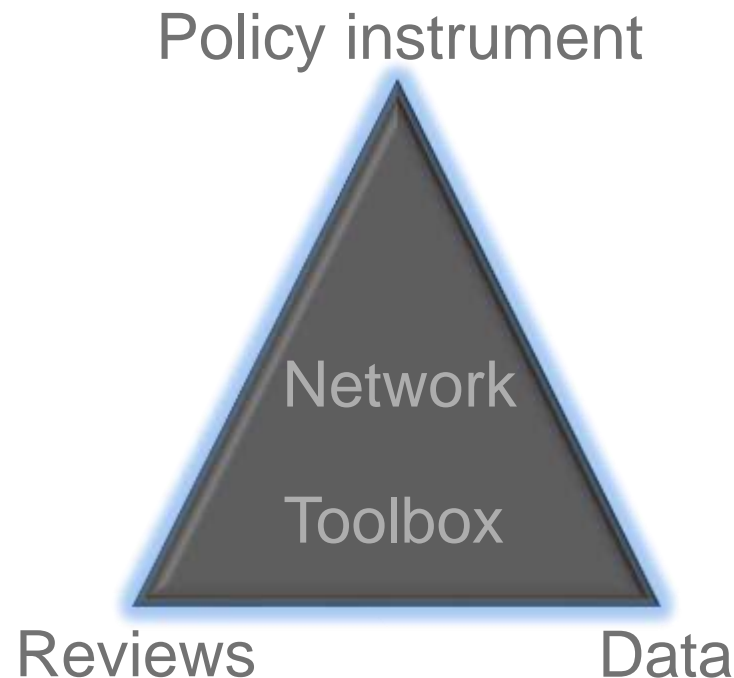
Investing in Better Policies

The New Recommendation:

- Supports dedication of public resources to address the increasing complexity of strategic public procurement
- Yields returns as the investment in a sound public procurement brings major outcomes: **a 1% saving represents 43 billion EUR** per year in OECD countries.
- Supports achievement of policy goals such as job creation, innovation, environmental protection or the development of SME, a crucial pillar of strategic governance and services delivery for any government.
- Supports risk mitigation such as those arisen from public works, complex digital technology or major events.

Implementing the 2015 Recommendation: Federating OECD procurement activities

- **Vision:** An international reference for public procurement standards, good practice and forward-thinking
- **Implementation** of the Recommendation 2015-2018



- Building evidence:
 - Assessment tools
 - Key performance indicators
 - Strategic use of PP => Green, SME, innovation
 - Professionalisation
 - G@G
 - eProcurement
- Toolbox - innovative, practical, collaborative solutions



For more information on OECD work on public procurement and integrity



www.oecd.org/gov/ethics/public-procurement.htm



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Thank you