



Assessing country procurement systems and supporting good practice:

The contribution of the 2015 OECD Recommendation on Public Procurement

WTO Symposium on Government Procurement Agreement

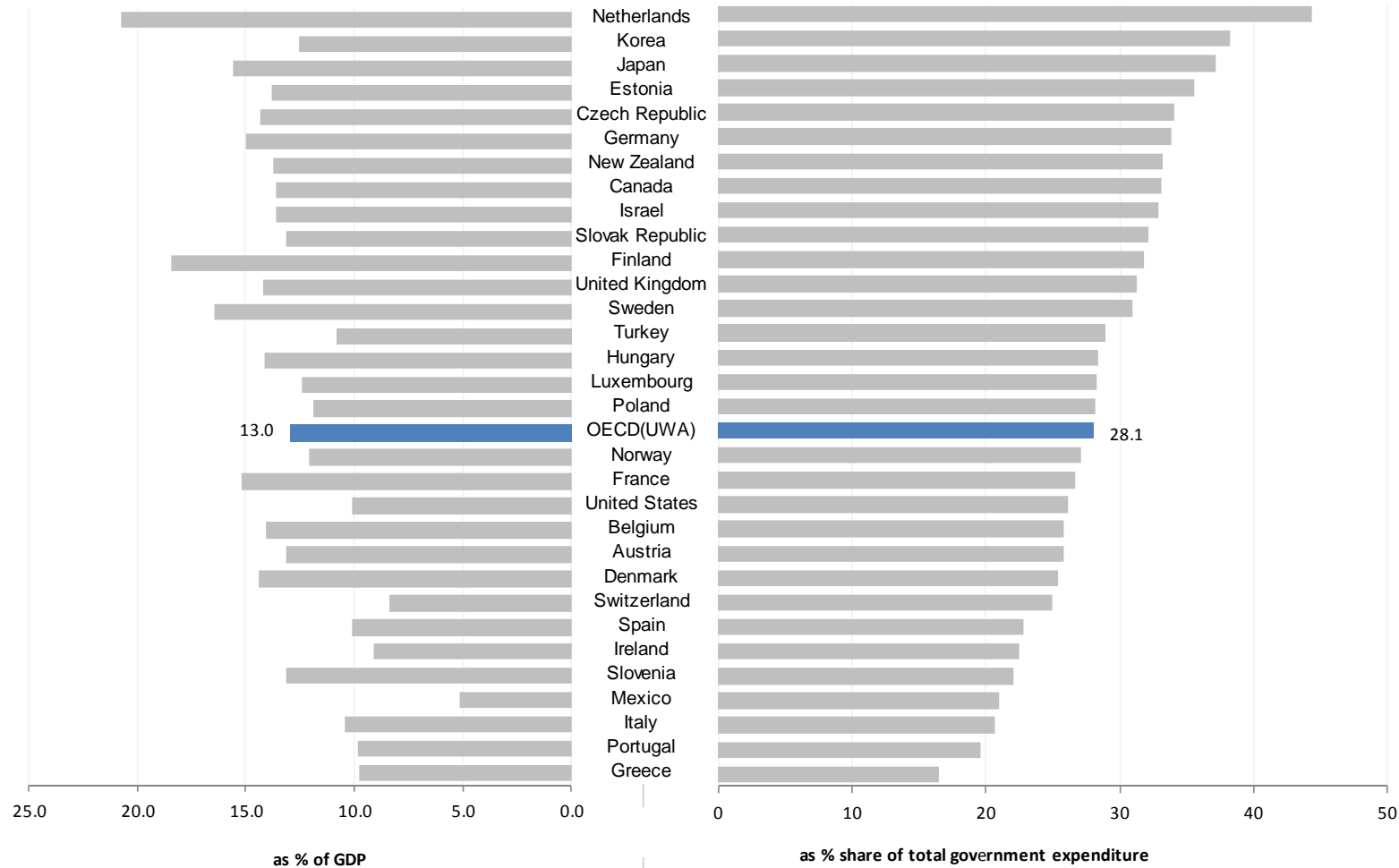
17 September 2015, Geneva

Janos Bertok, Head of Division, Public Sector Integrity



Public Procurement really matters

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



Source: OECD National Accounts Statistics. (2013)

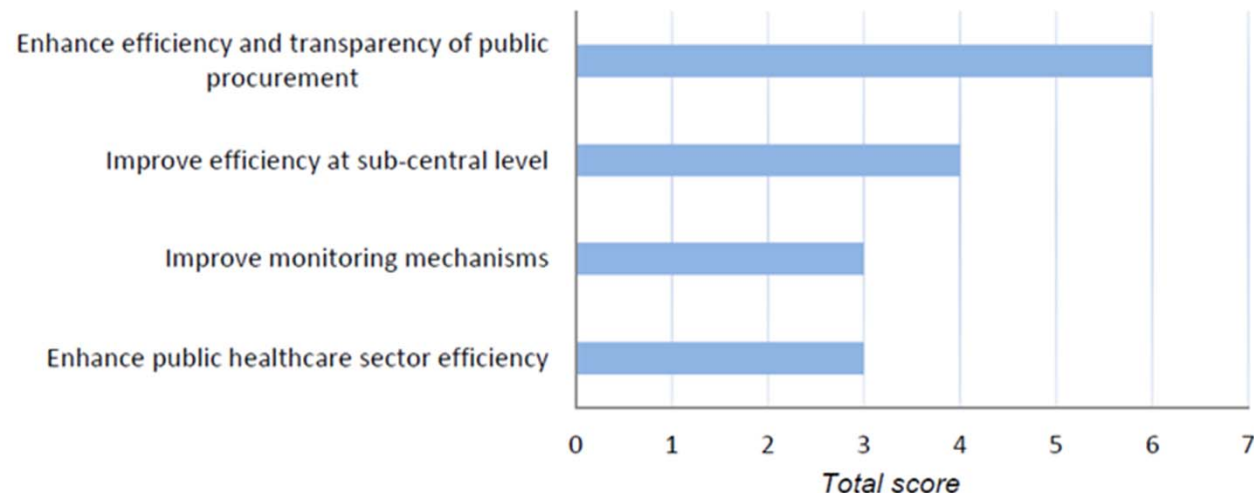


... it matters for business too

- Public sector efficiency is the second business priority area for reform after product market regulation

And public procurement the top priority in the public sector:

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





Procurement is a major source of corruption: 57% of foreign bribery cases

Figure 20. Purpose of the bribes



Data from the OECD Foreign Bribery Report,

Source: OECD analysis of foreign bribery cases concluded between 15/02/1999 and 01/06/2014



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 – testing 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, Northern Ireland, Greece, but also Korea, Chile, Mexico, Colombia, Peru but also Morocco, etc
- Identifying **good practices** and providing **international standards** on public procurement – Compendiums on Green Procurement, Transparency, Accountability and Anticorruption; on Innovation
- Organising **policy dialogue** to share insights & shape directions for future reforms, build strategic partnership with private sector: G20-B20

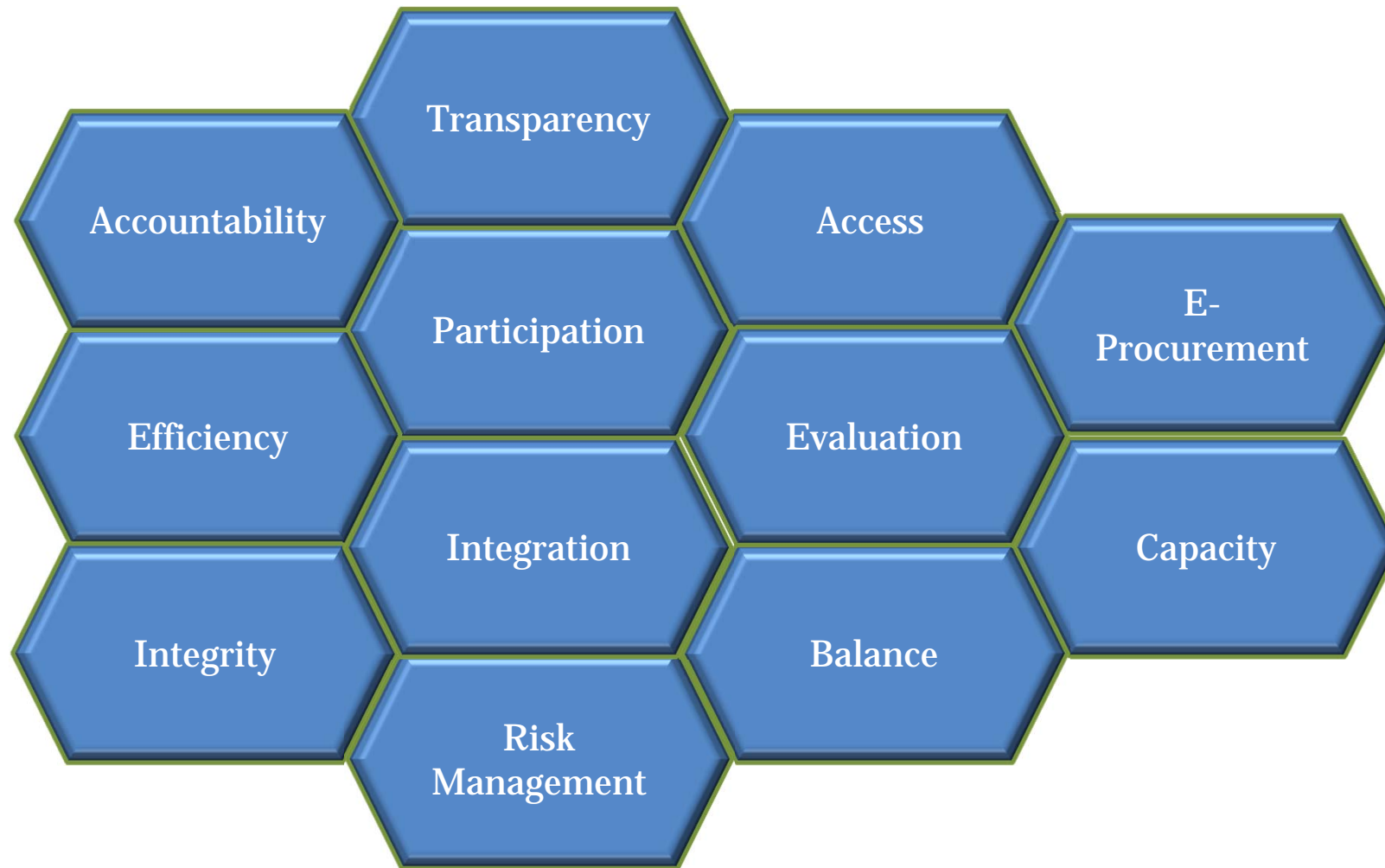


Guidance for Public Procurement in the 21st century

- **Good management:** 2008 OECD *Recommendation on Enhancing Integrity in Public Procurement* focused on integrity, transparency, accountability, risk control
- **Interest in good governance** to achieve policy objectives efficiently has significantly increased
 - 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
 - OECD Recommendation on Governance of PPPs
 - OECD Recommendation on Fighting Bid Rigging



The New Recommendation on Public Procurement: 12 Integrated Principles





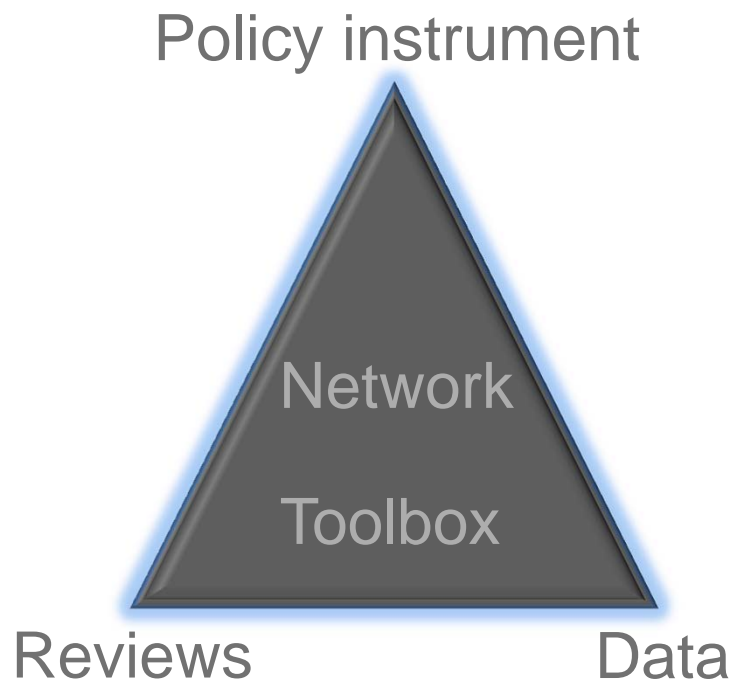
Investing in Better Policies

The 2015 OECD Recommendation

- Supports **strategic** public procurement: professional capacity to address increasing complexities
- Achieve **policy goals** such as SMEs, innovation, environmental protection
- Yields returns as the investment in a sound public procurement brings major outcomes: a 1% saving represents €43 billion per year in OECD countries
- 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
 - Good practices for strategic use of PP => Green, SMEs, innovation
 - Professionalisation
 - eProcurement
- Toolbox - innovative, practical, collaborative solutions



Integrity In Public Procurement G20 Principles

3 PILLARS

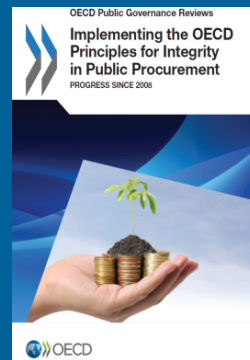
I. ADEQUATE DEGREE OF TRANSPARENCY AND
ACCESSIBILITY OF PROCUREMENT
INFORMATION

II. EFFECTIVE REMEDIES

III. HIGH STANDARDS OF PROPRIETY AND
PROFESSIONALISM



For more information on OECD work on public procurement and integrity



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



Thank you

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

Janos.Bertok@oecd.org