A GLOBAL STOCK-TAKE OF DEVELOPMENTS IN PUBLIC PROCUREMENT

HIGHLIGHTS OF RESEARCH STUDY

JANUARY 19, 2022
Governments must do ‘more with less’: need for increasing fiscal space and rationalization of resources

- Public demand for more ‘social value’ from public goods and services
- COVID pandemic and global slowdown brings new immediacy to these challenges

Two main consequences:

1. Focus on ‘Value for Money’ and ‘Fit for Purpose’
2. The need for technology-leveraged service delivery

A socioeconomic development tool
The process of public purchasing that would provide optimal value-for-money (VfM) to ultimate end-users within the context of country-owned priorities and objectives

A transactional business process
A discrete transaction for a specific purchase through which a buyer identifies its needs and engages in such transaction to obtain its needs from a given market within a VfM framework

A set of electronic and digital tools
Electronic and digital platforms and processes for use of new technologies by government to provide optimal VfM in public purchasing

SCOPE AND APPROACH OF STOCK-TAKE REVIEW
What are most critical ways public procurement can promote economic growth and development effectiveness?

Value for Money (VfM) -- that is country owned and driven:

Increase in VfM is a function of improvements in four critical dimensions:

- Economy, efficiency, effectiveness, and equity
- National regulatory framework:
  - Calibrates relative country-owned balance and focus of these essential elements
What are most critical ways public procurement can promote economic growth and development effectiveness?

Increased **Value for Money (VfM)** driven by improvements in:

- **Economy** and **efficiency** - essentially transaction-specific costs and benefits:
  - ‘internal’ or intrinsic considerations
    = **transactional** focus

- **Effectiveness** and **equity** - essentially wider costs and benefits:
  - externalities: positive or negative considerations
    = **socio-economic** focus

**THROUGH**: Application of electronic and digital capabilities and innovations by governments to provide optimal VfM

= **e-platforms** at every level
REPORT: THREE MAIN PROCUREMENT POLICY AREAS OF CONSIDERATION

In addition to traditional financial dimensions:

1. **Economic**
   - Micro and Small-Medium Enterprises (SMEs)
   - Innovative Procurement
   - Local Content

2. **Social**
   - Labor and Human Rights
   - Disadvantaged Groups

3. **Environmental**
   - Cross-cutting issues:
     - **EXTERNALITIES**: Synergies & Trade-offs
     - **MONITORING & MEASUREMENT**: Outcomes & Impacts
A TRANSACTIONAL BUSINESS PROCESS

EFFECTIVENESS – at the “core” of increasing social value

Measured by achievement of:

• **Economy, efficiency, equity:** correct implementation
  • Mandated socioeconomic goals:
    (e.g., increased training and professionalization of staff, total number of SMEs or Disadvantaged awarded contracts, application of “green” qualification and evaluation criteria, accurate M&E frameworks, etc.)

• **OUTCOME AND IMPACTS:** systemic integrity in terms of transparency, responsiveness and accountability
  • Regulatory frameworks
  • Operational benchmarks
DIGITAL TOOLS IN E-GP

GROWTH OF E-GP AND BASIC CHALLENGES

Primary driver of electronic Government Procurement (e-GP): greater efficiency, transparency, monitoring and measurement
  • Robust real-time quantity and quality of data, interoperability with other government systems (e.g., company registers, beneficial ownership, tax information, etc.)

E-GP provides governments with more options for data collection AND analytics, strategizing procurement, and managing cost, starting from e-GP publishing systems to end-to-end e-GP purchasing platforms

BUT:
  • For successful e-GP, need strong political commitment and adequate and sustained resource allocation, as well as effective inter-operability with other government e-platforms
MORE STRATEGIC PUBLIC PROCUREMENT: A SOCIOECONOMIC DEVELOPMENT TOOL

Country-perspective: National Development Framework (varied matrix of national policy objectives)

Country-owned: Identification of Measurement and Substantive Gaps

Value for Money (VfM) (to maximize considerations of economy, efficiency, effectiveness, and equity)
A POSSIBLE ACTION AGENDA FOR STAKEHOLDERS

SUMMARY OF FINDINGS: DETAILED THREE ANNEXES OF REPORT AND RECOMMENDATIONS TO "CLOSE THE GAPS"

Socioeconomic Development Tools, Transactional Processes, Digital Tools

- Monitoring and Measurement
  - Benchmarking country-owned achievements
    - Current data limitations: outcomes, impacts

- Capacity Building
  - Strengthening critical institutional and actor capabilities

- Procurement Governance
  - Guiding, supporting, and sustaining country-owned operational frameworks
THANK YOU!

HOW TO GET IN TOUCH:

PROCUREMENTHUB@WORLDBANK.ORG

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