

The significance of government procurement for trade and development in the current global economic agenda



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PUBLIC PROCUREMENT

The procurement of goods and services on behalf of a public authority

The process by which government departments or agencies purchase goods and services from the private sector

The purchase by governments and state-owned enterprises of goods, services and works



PUBLIC PROCUREMENT

Public procurement expenditures represent about one third of total government expenditures in OECD countries. In 2013, in GDP terms, government procurement expenditures as measured in national accounts amount to an average of almost 14% of GDP in the European Union and to more than 10% of GDP in the US

OECD statistics, <http://stats.oecd.org> 5 December 2014



PUBLIC PROCUREMENT

Public procurement affects a substantial share of world trade flows, amounting to € 1000 billion per year. It also makes up a significant part of national economies: 10-25% of gross domestic product (GDP). In the EU, the public purchase of goods and services has been estimated to account for 16% of GDP.

*European Union, Public procurement,
<http://ec.europa.eu/trade/policy/accessing-markets/public-procurement/>*



PUBLIC PROCUREMENT

Public procurement is a negotiating area gaining in importance at multilateral, regional and bilateral level, as evidenced by a brief review of procurement provisions in existing trade agreements (FTA, TPP, TTIP, RCEP...)

The fundamental aim of procurement provisions is to mutually open government procurement markets among its parties (goods, services or construction services...)



The WTO Government Procurement Agreement (GPA) : The GPA is composed mainly of two parts: the text of the Agreement and parties' market access schedules of commitments

Free Trade Agreements (FTAs) contain legally binding public procurement provisions with various degrees of liberalization ambition.

UNCITRAL Model Law on Public Procurement 2014



Aims of the negotiations in Public Procurement

to set modern and international standard procurement principles which ensure that public funds

- are spent in a transparent, efficient and non-discriminatory way
- are not diverted for fraudulent or corrupt purposes
- are best used in meeting policy objectives





TRANSPARENCY
Public Procurement


e-Procurement



**Smart Public
Procurement**

New frontiers for
public procurement



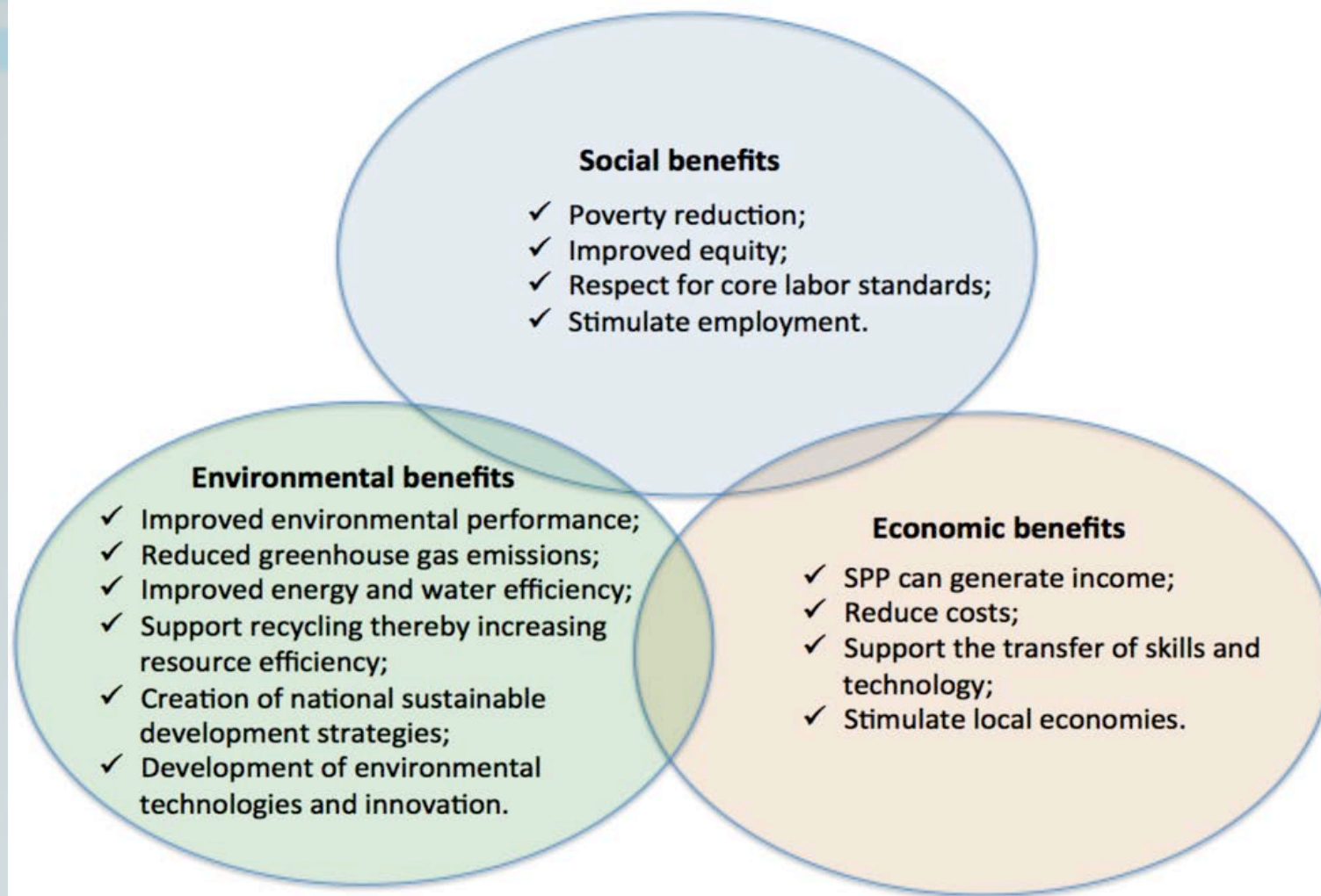
Sustainable Public Procurement

“A process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”

Source: Procuring the Future – the report of the UK Sustainable Procurement Task Force, June 2006. Definition adopted by the Marrakech Task Force on Sustainable Public Procurement.



Sustainable Public Procurement



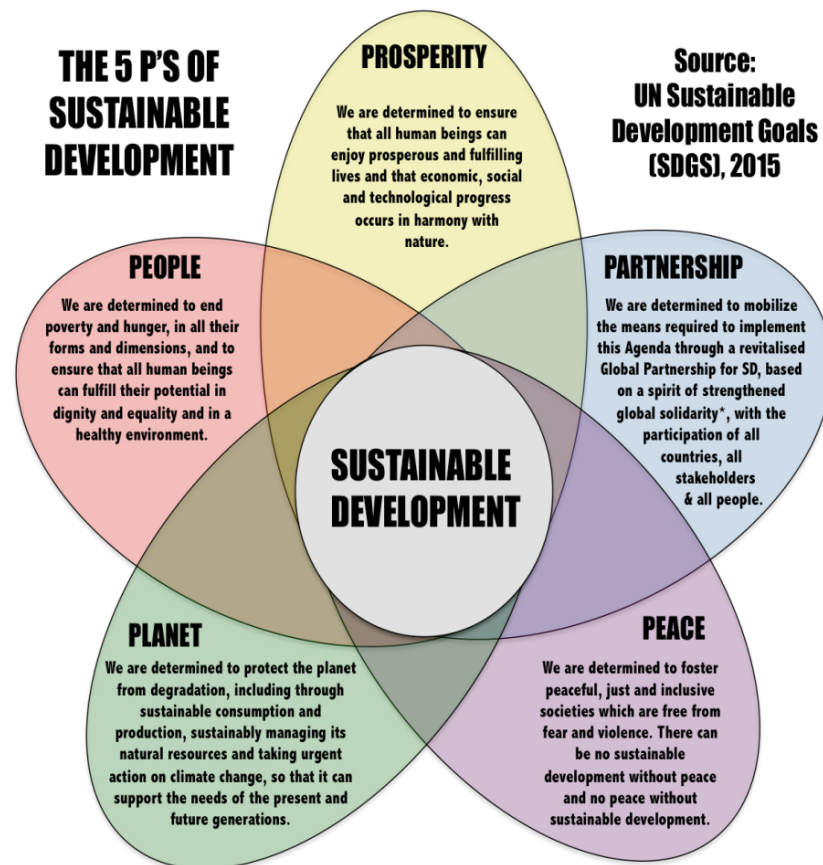
Source : <http://www.scpclearinghouse.org/c/5-sustainable-public-procurement.html>



Public Procurement & 2030 Agenda for Sustainable Development



THE 5 P'S OF SUSTAINABLE DEVELOPMENT



Source:
UN Sustainable Development Goals (SDGs), 2015

CC Wayne Visser 2015

* focussed in particular on the needs of the poorest and most vulnerable and with the participation of all countries. SD = Sustainable Development

GOAL 12

ENSURE SUSTAINABLE CONSUMPTION AND
PRODUCTION PATTERNS

SUSTAINABLE DEVELOPMENT GOALS

More at sustainabledevelopment.un.org/sdgsproposal

12.7 Promote public procurement practices that are sustainable, in accordance with national policies and priorities



Guide to Enactment of the
UNCITRAL Model Law on
Public Procurement

The [UNCITRAL Model Law on Public Procurement](#) provides legal mechanisms for States to promote best practice in public procurement, thus ensuring the sustainability of procurement practices, and allows States to pursue sustainable policy objectives through public procurement.

The [Guide to Enactment of the Model Law](#) discusses considerations that should be taken into account if a State decides to pursue such policy objectives as supporting disadvantaged groups and environmental policies through public procurement, including compliance with applicable international obligations and possible tradeoffs with the primary objectives of public procurement systems (economy, efficiency, competition, transparency, fairness and objectivity).



UN Convention Against Corruption

- **Article 9 – Public procurement and management of public finances:**

Each State Party shall, in accordance with the fundamental principles of its legal system, take the necessary steps to establish appropriate systems of procurement, based on transparency, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption.

- The Convention requires each Party State to, inter alia:

- Publically distribute information relating to procurement procedures and contracts;
- Publish selection and award criteria and tendering rules;
- Establish an effective system of domestic review including appeals to ensure remedies are available where the relevant rules or procedures are not followed;
- Article 9(3) states that each State Party

shall take such civil and administrative measures as may be necessary, in accordance with the fundamental principles of its domestic law, to preserve the integrity of accounting books, records, financial statements or other documents related to public expenditure and revenue and to prevent the falsification of such documents.

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