

Unclassified

GOV/PGC/ETH/A(2013)5

Organisation de Coopération et de Développement Économiques
Organisation for Economic Co-operation and Development

04-Nov-2013

English - Or. English

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

GOV/PGC/ETH/A(2013)5
Unclassified

Agenda

OECD Meeting of Leading Practitioners on Public Procurement

7-8 November 2013, CC6

Despina Pachnou : Telephone : +(33-1) 45 24 95 25 / Email : Despina.PACHNOU@oecd.org

JT03347855

Complete document available on OLIS in its original format

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

English - Or. English



Meeting of Leading Practitioners in Public Procurement

Paris, 7-8 November 2013

AGENDA

Context

At a time when unemployment touches over 48 million people in OECD countries¹ and public debts are at historic heights, governments face the **challenge of doing more with less** to restore public trust. Governments need to develop strategic governance tools that meet public needs, respect budget constraints and, at the same time, target investments to maximise growth and create jobs. OECD countries reaffirmed their commitment to rebuilding trust in governments, markets and institutions at the 2013 Meeting of the Council at Ministerial Level on “Jobs, Equality and Trust”.

Considering that procurement accounts for approximately 13% of GDP and a third of government expenditures on average in OECD countries², its sound management is a **crucial element for a strategic state**. This was recognised in June 2013 by the OECD Council, which called for the update of the 2008 *OECD Recommendation on Enhancing Integrity in Public Procurement* to guide governments on how to transform procurement from a compliance-based to a strategic function. At times of economic crisis procurement is an instrument that can support:

- **Fiscal space.** Many OECD countries undertake reforms to restructure and consolidate procurement to make it more time- and cost-efficient. At the same time, sound public service delivery depends on ensuring adequate skills and capabilities in the procurement workforce.
- **A clear vision of what are the priority needs that states are expected to address.** Governments are increasingly using procurement not only to provide public services but also to pursue other objectives, such as promoting innovation, greening the economy or supporting disadvantaged groups. A challenge for governments is to prioritise needs, meet citizens’ demands and avoid the pitfall of overloading procurement with different objectives which may lessen its efficiency.
- **Strategic planning that takes into account trade-offs and is based on evidence.** When using procurement to support policy objectives, governments might underestimate related trade-offs. For example, tender criteria to ensure green or socially responsible procurement might hinder competition. Governments are increasingly attempting to find evidence on whether government

¹ OECD Employment Outlook 2013

² Report to Council on progress made in implementing the OECD Recommendation on Enhancing Integrity in Public Procurement, at <http://www.oecd.org/gov/ethics/combined%20files.pdf>

objectives are being achieved through procurement in order to enable policy-makers to take strategic decisions.

- **A clean and effective interface between governments and the private sector.** Governments are expected to find ways to cooperate with the private sector to deliver cost-effective quality services to the public while preventing risks to integrity in the procurement process.

The meeting of Leading Practitioners on Procurement will discuss experiences in transforming procurement into a strategic function. The results of the meeting will contribute to the preparation of the **update of the OECD Recommendation on Enhancing Integrity in Public Procurement** based on international good practice and evidence. The results will also provide important inputs into the **Public Governance Committee's work on the role of the Strategic State**.

Leading Practitioners will also be debriefed on the outcomes of the meeting of the UNEP-OECD Joint Working Group on Promoting Best GPP Practices on 6th November at the OECD. In this meeting, country case studies on green public procurement best practices will be presented and discussed. The joint working group will also discuss GPP input in the update of the 2008 OECD Recommendation on Enhancing Integrity in Public Procurement.

Objectives

The meeting aims to:

- Review experiences in using procurement to promote economic, social and environmental objectives, in particular the related trade-offs and impact;
- Explore the conditions for professionalising procurement and transforming it from a compliance-based process to a strategic function;
- Shape the development of a methodology to monitor the performance of procurement systems based on the review of existing data in OECD countries;
- Discuss the roadmap for updating the OECD Recommendation on Enhancing Integrity in Public Procurement.

Participants

The meeting is upon invitation only. The meeting will bring together senior procurement officials from governments at national or federal level from OECD countries and G20 countries, as well as accession and key partner countries. In addition the debate will be enriched by bringing the perspective of key actors in relevant sessions, in particular from:

- International organisations with long-standing experience in this field, such as the World Bank, the EBRD and the IADB;
- Private sector, with the Business and Industry Advisory Committee to the OECD and organisations such as FIDIC and MEDEF; and
- Supreme Audit Institutions, such as TCU in Brazil.

Thursday 7 November 2013		
<i>Room CC6</i>		
8.45 - 9.15		<i>Welcoming of participants with breakfast in front of the meeting room</i>
9.15 - 9.30	1	<p>Opening remarks</p> <p>Welcoming participants and setting out the objectives of the meeting, in context of the OECD work on the Strategic state and the G20 agenda.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Janos Bertok, Head of Division, OECD</i> • <i>Lorna Prosper, Senior Director, Procurement Policy, Office of the Comptroller General, Treasury Board of Canada Secretariat</i> <p>Background document: Concept note on the G20 Compendium of good practices on integrity in public procurement</p>
9.30- 10.45	2	<p>Panel discussion: Using procurement to pursue economic, social and environmental objectives: What are the trade-offs?</p> <p>This panel discussion will bring the perspective of procurement officials, the private sector and international organisations on their respective experience with using procurement to support economic, social and environmental objectives.</p> <p>The session aims to:</p> <ul style="list-style-type: none"> - Assess the trade-offs, for example the impact on procurement of additional social or green criteria. - Map out good practices on how to effectively promote green procurement based on the findings from the meeting of the UNEP-OECD joint Working Group on "Promoting best GPP practices" on 6 November. <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Bernard Welschke, Secretary General, Business and Industry Advisory Committee to the OECD (BIAC)</i> • <i>Céline Frackowiak, Adjointe au chef de bureau de la réglementation générale de la commande publique, Direction des affaires juridiques, Ministry of Economy & Finance, France</i> • <i>Despina Pachnou, Policy Analyst, OECD and Farid Yaker, Programme Officer - Sustainable public procurement, United Nations Environment Programme (UNEP)</i>

		<p><u>Background documents:</u></p> <p>-Implementing the OECD Principles For Enhancing Integrity in Public Procurement: Progress since 2008</p> <p>- Case studies on green public procurement best practices</p>
10.45-11.15		Coffee break
11.15-12.30	3	<p><u>Technical session 1. Using procurement to pursue economic, social and environmental objectives: What works in practice?</u></p> <p>The session will build on the panel discussions to explore ways to ensure that procurement is used effectively to pursue economic, social and environmental objectives based on a review of concrete experiences.</p> <p>The objective of the session is to:</p> <ul style="list-style-type: none"> - Explore lessons learned, in particular how to set priorities and avoiding conflicting objective’s when using procurement to support various economic, social and environmental policies; and - Explore the effectiveness of procurement in pursuing various policy objectives. - Identify ways for pursuing policy objectives – for example facilitating SMEs’ access to government contracts versus defining public contracts’ quotas reserved to SMEs. <p><i>Speakers:</i></p> <ul style="list-style-type: none"> • Gilles De Bagneux, président du Comité de la Commande publique, MEDEF • Dorothee Allain-Dupre, Policy Analyst (Multi-level Governance), OECD: OECD/TDPC Principles for Public Investment Across Levels of Government <p><u>Background documents:</u></p> <p>- Implementing the OECD Principles For Enhancing Integrity in Public Procurement: Progress since 2008</p> <p>-Extract from the public procurement chapter in Government at a Glance 2013: Socio-economic and environmental goals in public procurement across the OECD</p>
12.30-13.45		Lunch

<p>13.45-15.00</p>	<p>4</p>	<p>Technical session 2. Strategic procurement: What are the options to develop adequate capacity in the procurement function?</p> <p>This session will provide an opportunity to review approaches and human resource management strategies used by governments to transform procurement into a strategic function of government.</p> <p>The objective of the session is to:</p> <ul style="list-style-type: none"> - Discuss how to position the procurement function strategically within government; - Explore possible solutions to develop skills and capacities of the procurement workforce; and - Map out good practices for professionalising procurement to ensure adequate specialisation and career development. <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Enrico Vink, Managing Director, International Federation of Consulting Engineers (FIDIC)</i> • <i>Javier Dávila, Pérez Head of Public Procurement Unit, Ministry of Public Administration, México</i> • <i>Dora Kovács, Head of department of International Relations and Training, Public Procurement Authority, Hungary</i>
<p>15.00 - 16.00</p>	<p>5</p>	<p>Technical session 2 (continue). Strategic procurement: How to balance controls with flexibility to promote quality public service delivery?</p> <p>This session will explore ways to how to promote performance in procurement while ensuring sound controls.</p> <p>The objective of the session is to:</p> <ul style="list-style-type: none"> - Understand how to move away from a compliance-oriented to a performance-based approach to procurement; and - Explore solutions on providing procurement officials with the flexibility to make buying choices while mitigating risks of waste and corruption in procurement. <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Frederico Julio Goepfert Junior, Department of Logistics Procurement Audit, Federal Court of Accounts, Brazil</i>
<p>16.00-16.30</p>		<p>Coffee break</p>

16.30 – 17.45	6	<p><u>Technical session 2 (continue). Strategic procurement: How to partner with the private sector?</u></p> <p>The session will seek approaches on how public and private sector can work together to find procurement solutions that correspond to market reality while ensuring transparency in procurement procedures. It builds on the initial discussions of the G20 Working Group on Anti-corruption.</p> <p>The objective of the session is to:</p> <ul style="list-style-type: none"> - Map out successful experiences in market-oriented procurement, including market research, early engagement with potential suppliers, right selection, contract supervision and contract performance measurement; - Define integrity standards in working with the private sector; and - Discuss how to provide incentives for suppliers or impose sanctions for breach of performance or integrity violations. <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Angela Russo, Head of International Cooperation Projects, Consip SpA -Italian Central Purchasing Body</i> • <i>Vincent Champain, General Electric, France</i> • <i>Suthapreda Vunnaporn, Senior Advisor, Office of Public Sector Development Commission, Thailand</i>
18.00		<i>Cocktail (Atrium)</i>

		<p>Friday 8 November 2013</p> <p><i>Room CC6</i></p>
<p>9.30-10.30</p>	<p>7</p>	<p><u>Technical session 3: Key procurement performance indicators: To measure what?</u></p> <p>The session will discuss the findings of the OECD <i>Task Force on Procurement Performance Indicators</i> on what evidence is needed to measure the performance of procurement systems. It will also map out the efforts of other international organisations in this field.</p> <p>The objective of the session is to:</p> <ul style="list-style-type: none"> - Agree on the proposed methodology for performance assessment that the OECD is developing in cooperation in leading OECD countries in this field; and - Bring the lessons learned from previous efforts to measure procurement performance to avoid pitfalls. <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Despina Pachnou, Policy Analyst, OECD</i> • <i>Tania Ghossein, Investment Policy Officer, Global Indicators and Analysis Department, World Bank</i> • <i>Sara Fyson, Lead Governance Advisor, OECD</i> <p><u>Background document: Paper “Towards procurement performance indicators”</u></p>
<p><i>10.30 - 11.00</i></p>		<p><i>Coffee break</i></p>
<p><i>11.00 - 12.30</i></p>	<p>8</p>	<p><u>Technical session 3 (continue). Key procurement performance indicators: What data is already being collected and what is needed to be collected?</u></p> <p>The session will provide an opportunity for procurement officials to present the data already being collected on procurement performance. It will benefit from the on-going work by the Public Governance Committee on evidence required for sound government decision-making.</p> <p>The objective of the session is to:</p> <ul style="list-style-type: none"> - Review what data is already collected in OECD countries based on the results from a questionnaire answered by the OECD Task Force on Procurement Performance Indicators;

	<ul style="list-style-type: none"> - Identify what other data would be necessary to measure the performance of procurement systems; and - Develop a list of basic procurement performance data that all OECD countries could potentially collect. <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Emma Cantera, Economist/ Analyst, OECD</i> • <i>Paca Zuleta, Director, Colombia Compra Eficiente, National Public Procurement Agency, Colombia</i> • <i>Kang-il Seo, Deputy Director, International Cooperation Division, Public Procurement Service, Republic of Korea</i> <p><u>Background document:</u> Paper “Towards procurement performance indicators”</p>
<p>12.30- 13.00</p>	<p><u>Concluding session:</u> Preparing the update of the OECD Recommendation for Enhancing Integrity in Public Procurement in 2014</p> <p>The concluding session will draw on the meeting discussions to prepare the update of the OECD Recommendation on Enhancing Integrity in Public Procurement. It will also provide an opportunity to discuss the roadmap for the update in 2014.</p> <p>Speakers:</p> <ul style="list-style-type: none"> • <i>Janos Bertok, Head of Division, OECD</i> • <i>Lorna Prosper, Senior Director, Procurement Policy, Office of the Comptroller General, Treasury Board of Canada Secretariat</i>