

**INTERNATIONAL RESEARCH STUDY OF PUBLIC
PROCUREMENT**

**GOVERNMENT REFORM AND PUBLIC PROCUREMENT
EXECUTIVE REPORT OF THE FIRST WORKSHOP
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1 EXECUTIVE SUMMARY

This research study involved senior practitioners and leading academics from 13 countries who discussed and analysed cases of radical reform relating to public procurement.

Considerable diversity was evident across the case studies arising from societal, demographic, technological, legal and economic differences; the challenge appears to be how to develop national procurement policies and strategies that deal appropriately with the national contexts.

However, several common themes emerged across the cases. Internationally, a lack of adequate management information prevents a more strategic, effective and efficient approach to public procurement in most nations. Partly as a consequence of the lack of information, there is little evidence of planned development, and rather more reaction to pressures and initiatives that are in vogue. A common problem internationally was the low status of the procurement profession and the difficulties in attracting and retaining people with appropriate skills, qualifications and competencies. Whilst a move is evident in some nations towards output and outcome based purchasing, moves away from traditional savings and value for money measures are still problematic.

Public procurement internationally is moving, in most cases, towards a policy role, and focusing less on transactional procurement. This is enabling an alignment of procurement policy with government policy, effectively engaging procurement as a lever of social reform. This move appears to be driven most rapidly in cases of aspirational strategic change, for example the removal of apartheid in South Africa. However, some rule based states where public procurement is more legalistic find it difficult to make this shift towards strategy and policy. Some nations find it easier to have politicians and policy makers working alongside and with strategic procurement personnel, whereas in other nations they are disconnected.

Supplier qualification and registration can play a key role in ensuring societal objectives are met; suppliers may be vetoed at this stage for not conforming to ethical standards. Information is key to public procurement. Many jurisdictions internationally are struggling to make desired progress because their information systems are fragmented, so a total picture cannot be seen; also performance of suppliers compared to strategic intent of public procurement is difficult to assess without information feedback in place.

Consortia models are in vogue, with regional or cross government joining up creating a tier between national and local decision making. Aggregating spend in this way impacts on supply markets. E-procurement, through providing information, can enable greater aggregation of spend. However, concern was expressed about disenfranchising less advantaged individuals, organisations, regions and nations. Internationally many examples were discussed where positive discrimination was used to direct spend towards less advantaged.