Transparent and competitive procurement processes

Anna Spindler, Deputy Director Sustainable Procurement Operations 5th Conference of States Parties to the UN Convention against Corruption Panama – 25 November 2013
Governments spend 5-25% of their GDP on procurement - it is a vital field for anti-corruption efforts

- Corruption continues to be one of the greatest obstacles to economic development around the world

- Countries spend between 5-25% of their GDP on procurement - corruption can increase costs by up to 20%**

- Due to the high volume of procurement transactions, anti-corruption efforts in this field can have a strong impact

- The UN procurement principles of Transparency, Fairness and Competition are applied along the whole spectrum of our procurement activities

⇒ Transparency is key to ensure accountability, which promotes competition and minimizes opportunities for fraud. Its inclusion in the Call for Action is vital

* Transparency International Annual Report 2012
** World Bank, OECD, Transparency International, EU
How do governments leverage transparency for the *Call to Action* Agenda?

1. **Make procurement practices transparent**
   - Publish procurement policies
   - Give access to procurement plans
   - Advertise tender notices
   - Disclose evaluation criteria in solicitation documents
   - Publish contract awards and prices paid
   - Establish clear protest mechanism
   - Implement financial and conflict of interest disclosure requirements for public procurement officials
   - Publish supplier-sanction lists

2. **Empower oversight organizations in civil society**

3. **Foster competitive business environment**
How do governments leverage transparency for the *Call to Action* Agenda? (cont.)

2. Empower oversight organizations in civil society
   - Enable civil society organizations to hold public officials accountable
   - Allow and broaden access for these organizations
   - Support open data and transparency initiatives such as International Aid Transparency Initiative (IATI) or Extractives Industry Transparency Initiatives (EITI)

3. Foster a competitive business environment
   - Prevent supplier collusion through competitive business environment
   - Promote transparent business practices among industry sector partners
   - Build capacity by encouraging practitioners to get professional qualifications such as from the Chartered Institute of Purchasing and Supply (CIPS)
   - Support international liberalization initiatives such as the WTO Agreement on Government Procurement (GPA)
   - Work to eliminate grey areas that might induce mismanagement
E-procurement systems are an effective way for governments to reduce possibilities for corruption

Benefits of e-procurement systems

- Improve transparency
- Increase efficiency
- Assure consistency across public agencies
- Ensure compliance with regulations
- Use intelligence-software for analysis and informing policy decisions
- Widening supplier market
The United Nations Global Marketplace (UNGM) is a powerful tool to enhance transparency and competition

**UN procurement**

- **Goods**: 6.8 US$bn
- **Services**: 8.6 US$bn
- **Total**: 15.4 US$bn

*Total UN procurement of goods and services 2012, US$bn; Source: UN Annual Statistical Report (2012)*

**UNGM - The common procurement portal for the UN**

- The UNGM acts as a single window, through which potential suppliers may register with 24 different UN organizations.
- These organizations account for over 99% of the total 15.4 US$bn of UN procurement spend.

**UNGM has a United Nations General Assembly mandate to:**

- **Enhance transparency** and increase harmonization of UN procurement practices.
- Simplify and streamline the registration process for vendors.
- Increase procurement opportunities for vendors from developing countries.
- Create one common UN global procurement portal.

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The United Nations Global Marketplace (UNGM) is a powerful tool to enhance transparency and competition.
The UNGM promotes transparency in the UN’s procurement process in several ways

**Ensuring uniform access**
- Harmonized portal across UN organizations
- Easy registration process

**Setting standards for vendors**
- UN Supplier Code of Conduct’s foundation is based on ensuring respect for fundamental human rights, social justice and human dignity, and the equal rights of men and women.
- Addresses environmental awareness and anti-corruption.
- Vendors to the United Nations are expected to agree with and promote these values.
- Strongly encourages all vendors to join the Global Compact.

**Enhancing competition**
- Open data on procurement awards >30,000 US$
- 1,600 new vendor registrations monthly, 25 procurement notices posted daily, 300 active procurement notices at any time
- Extensive information on UN procurement provided to vendors

→ UNGM improves transparency, increases efficiency and ensures consistency across agencies.
Joining together in the *Call to Action*,
we give a voice to the cause.