

Given the size of government spending on goods, works and services, public procurement can be an extremely useful policy tool to achieve economic growth and promote socio-economic transformation. While the primary objective of public procurement is to deliver the goods and services necessary to accomplish government objectives in a timely, transparent and efficient manner, in recent years, LAC countries have been using public procurement to pursue secondary policy objectives as well.

In fact, the design of procurement policies is no longer exclusively a technical matter in the region, but can also incorporate social, economic, and environmental objectives. In turn, this allows governments to align procurement with strategic policy objectives. In the case of economic policy, this works through fostering the participation of micro, small and medium-sized enterprises (MSMEs) in procurement contracts to increase their contribution to the economy and support employment generation. In the case of social policies, this can be achieved by encouraging the participation of women-owned businesses in tenders, thereby promoting gender equality in the access to economic opportunities. Finally, public procurement has been used to strengthen national policies that seek to protect and promote the environment.

Most of the LAC countries surveyed have been using or are starting to use public procurement as a tool to implement policies or strategies to foster secondary policy objectives. In fact, compared to 94% of OECD countries 72.7% of LAC countries, including Belize, Costa Rica, El Salvador and Peru, have developed strategies to promote environmental objectives. For instance, Belize now requires the procurement of refrigeration goods (air conditioning for cars and buildings) that do not harm the ozone layer, gas-efficient vehicles (with small engines), and low energy consumption fluorescent bulbs for lighting.

Regarding the development of strategies and policies to support MSMEs, 95% of LAC countries, including Argentina, Colombia, Jamaica and Uruguay, have developed one. Guatemala, Dominica, Dominican Republic and Ecuador created policies and strategies that specifically promote the procurement of goods, works and services from women-owned businesses.

The number of LAC countries that report measuring the results of those strategies or policies to promote environmental or socio-economic objectives is significantly low. The main reasons for not doing it include the lack of data, the lack of an appropriate methodology to measure the impact of their policies, non-existence of a legal mandate and insufficient resources. Among LAC countries surveyed that have a strategy or policy developed at the central level or by procuring entities (line ministries), only

Brazil measures the results of its strategy or policy to support green public procurement. Six countries (28.6%), including Dominican Republic, Ecuador, Panama and El Salvador, measure the results of their strategy or policy to support MSMEs. Two of the four countries that have strategies to support women-owned enterprises reported measuring their results.

Methodology and definitions

Data were collected through 2015 OECD-IDB Survey on Public Procurement that focused on strategic public procurement, e-procurement, procurement regulatory bodies, and public procurement at regional levels. 22 LAC countries responded to the survey. Respondents to the survey were country heads of procurement, delegates to Inter-American Network on Government Procurement (INGP) responsible for procurement policies at the central government level, and senior officials in public procurement regulatory and monitoring agencies.

Secondary policy objectives refer to any of a variety of objectives such as sustainable green growth, the development of small and medium-sized enterprises, innovation, standards for responsible business conduct or broader industrial policy objectives, which governments increasingly pursue through use of procurement as a policy lever, in addition to the primary procurement objective.

Green public procurement refers to the process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.

Further reading

Pimenta, C. and N. Rezai (2015), "Public procurement in Latin America", in C. Pimenta and M. Pessoa (eds.), *Public Financial Management in Latin America: The Key to Efficiency and Transparency*, Inter-American Development Bank, Washington, DC.

Kirton, R. (2013), *Gender, Trade and Public Procurement Policy*, Commonwealth Secretariat, London.


Figure notes

9.5: The OECD totals are as reflected in *Government at a Glance 2015*.

9.5. Development of strategic public procurement by objective, 2015

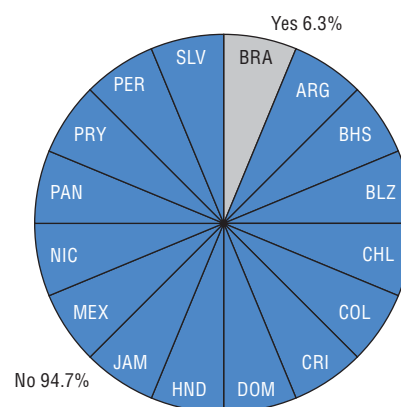
	Green public procurement	Support to MSMEs	Support to procure innovative goods and services	Support to women owned enterprises
Antigua and Barbuda	○	●	●	○
Argentina	●	●	●	○
Bahamas	●	●	●	○
Belize	●	●	●	○
Brazil	◆●	◆●	●	○
Chile	◆●	◆●	●	..
Colombia	◆	●	●	○
Costa Rica	●	●	○	..
Dominica	○	●	●	●
Dominican Republic	◆●	●	◆	●
Ecuador	○	●	●	●
Guatemala	○	●	○	◆
Haiti	○	●	○	○
Honduras	◆	●	◆	○
Jamaica	●	●	●	○
Mexico	●	●	●	○
Nicaragua	◆	○	○	○
Panama	●	◆●	●	○
Paraguay	◆●	◆●	○	○
Peru	●	●	○	○
El Salvador	●	●	○	○
Uruguay	○	●	○	○
Total LAC countries				
◆ A strategy/policy has been developed by some procuring entities	6	4	2	1
● A strategy/policy has been developed at a central level	12	19	12	3
▣ A strategy/policy has been rescinded	0	0	0	0
○ A strategy/policy has never been developed	6	1	8	16
.. Not available				2
Total OECD				
◆ A strategy/policy has been developed by some procuring entities	13	11	10	..
● A strategy/policy has been developed at a central level	27	25	23	..
▣ A strategy/policy has been rescinded	1	0	0	..
○ A strategy/policy has never been developed	2	3	4	..
.. Not available				32

Source: OECD-IDB (2015), Survey on Public Procurement.

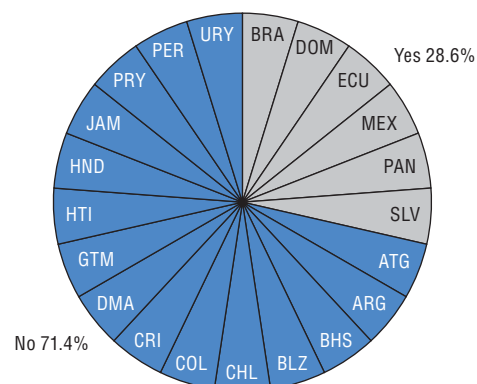
StatLink  <http://dx.doi.org/10.1787/888933431906>

9.6. Measuring results of strategic public procurement's policies/strategies, 2015

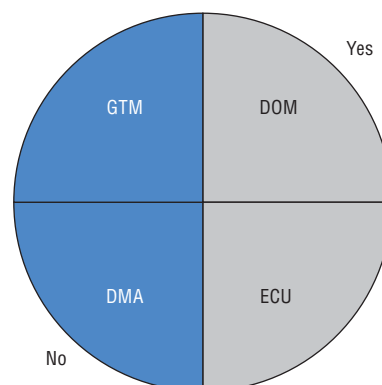
Support for green public procurement




Support for MSMEs

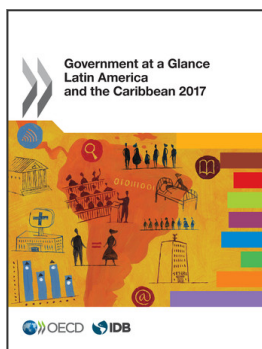


Support to women owned enterprises



Source: OECD-IDB (2015), Survey on Public Procurement.

StatLink  <http://dx.doi.org/10.1787/888933431571>



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