

Implementing the OECD Recommendation on Public Procurement in OECD and Partner Countries

2020-2024 Report



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Please cite this publication as:

OECD (2025), *Implementing the OECD Recommendation on Public Procurement in OECD and Partner Countries: 2020-2024 Report*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/02a46a58-en>.

ISBN 978-92-64-95561-5 (print)
ISBN 978-92-64-83419-4 (PDF)
ISBN 978-92-64-51598-7 (HTML)

OECD Public Governance Reviews
ISSN 2219-0406 (print)
ISSN 2219-0414 (online)

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Foreword

Public procurement is a major economic activity that has undergone significant changes across economic, financial, social, and technological dimensions over the past five years. The COVID-19 crisis disrupted global supply chains, underscoring the need for agile procurement systems to ensure public service delivery, economic resilience, public safety, and citizens' well-being. Emerging technologies are transforming procurement processes, enhancing efficiency, transparency, and accountability, while raising ethical and governance challenges. This transformation also has an impact on the delivery of public services, given the key role of public procurement in this area.

Public procurement is recognised as a strategic lever for achieving the 2030 Agenda for Sustainable Development. OECD research has revealed public scepticism about governments' ability to address complex challenges such as climate change and artificial intelligence (AI), reinforcing the need for robust public integrity frameworks to rebuild trust in institutions.

The 2015 OECD Recommendation of the Council on Public Procurement emphasises the critical role of public procurement governance in achieving efficiency, delivering and ensuring satisfaction with high-quality public services, and advancing public policy objectives throughout all stages of the procurement cycle. The Recommendation was developed by the Working Party of the Leading Practitioners on Public Procurement (LPP) under the purview of the Public Governance Committee (PGC) and adopted by the [OECD Council in February 2015](#).

A [first report on the implementation of the Recommendation](#) was submitted to the Council in 2019, assessing progress of Adherents in implementing the provisions of the Recommendation between 2015 and 2018. It concluded that Adherents had made significant progress in implementing the Recommendation's provisions but identified areas where further work could be done to improve implementation.

This second report reviews progress achieved since the publication of the 2019 report, while identifying key areas for further action to ensure Adherents continue to strengthen their public procurement systems and equip them for future challenges. It draws on the Survey on Public Procurement carried out in 2024 in 35 Adherents and 5 non-Adherents. It highlights Adherents' efforts over the period 2018-2024 to implement the Recommendation in an evolving context, marked by rapid digital transformation, economic, and social challenges, and the disruptive impacts of the COVID-19 crisis on global supply chains and geopolitical tensions. Among others, these developments have highlighted the need for resilient procurement systems, effective risk management, enhanced transparency and accountability, and strategies to maximise public procurement's contribution to achieve multiple objectives, including sustainable development goals.

This publication reproduces in part the Report on the Implementation of the OECD Recommendation on Public Procurement, which was approved by the OECD Public Governance Committee on 17 June 2025 via written procedure and declassified by the Council of the OECD on 27 June 2025 by written procedure.

Acknowledgements

This report was prepared by the OECD Public Governance Directorate (GOV), under the direction and leadership of Elsa Pilichowski, Director, and of János Bertók, Deputy Director, and the guidance of Paulo Magina, Head of GOV's Infrastructure and Public Procurement Division. The report was co-ordinated by Erika Bozzay, Deputy Head of the Infrastructure and Public Procurement Division and Matthieu Cahen, Senior Counsellor of the Public Governance Directorate. Giulia Morando, Anna Bilous, Tenzin Dekyi, and Sára Kende validated and analysed survey responses, formulated data inputs, and drafted the report. Inputs were provided by Jacobo García Villarreal, Kenza Khachani, Masayuki Omote, Simon Cox, and Sanda Jugo from the Infrastructure and Public Procurement Division. The report also benefitted from valuable comments from Claire Marguerettaz from the Directorate for Legal Affairs, as well as colleagues from the Anti-Corruption Division in the Directorate for Financial and Enterprise Affairs. Editorial support was provided by Dovile Bogusyte.

Special thanks go to the delegates and senior public officials participating in the OECD Working Party of Leading Practitioners on Public Procurement for implementing the Survey on Public Procurement that formed the basis of this report. The report also benefitted from the valuable inputs of the Competition Committee and the Working Group on Bribery in International Business Transactions, directly involved in this exercise, as prescribed in the Recommendation.

The report integrates data and evidence collected through the Survey on Public Procurement conducted in 2024 to assess progress on the implementation of the Recommendation against its twelve principles and since the implementation of the previous edition of the survey in 2018. The data collection phase took place from June to November 2024. The questionnaire received responses from 35 Adherents (Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czechia, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Türkiye, United Kingdom, and United States), and five non-Adherents (Brazil, Bulgaria, Croatia, Peru, and Romania).

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Executive summary

The OECD Recommendation of the Council on Public Procurement is a cornerstone of good governance in public procurement, guiding policy reforms and practice improvements globally to enhance the efficiency, effectiveness, and fairness of public procurement processes. This report assesses the implementation of the Recommendation by Adherents and finds that, while progress has been made, further efforts are needed to address remaining challenges. The main high-level findings are summarised below:

While transparency practices are well-established, further improvements are needed throughout the public procurement lifecycle. Pre-tendering and post-contract transparency remains limited. Balancing adequate levels of transparency with the protection of confidential information through appropriate and timely disclosure could enhance accountability and competition and contribute to a more transparent and competitive procurement landscape.

Although promoting access to public procurement opportunities is recognised as vital for fostering competition, building a robust competitive environment remains challenging. Frequent legal and policy changes can reduce system stability and the attractiveness of procurement opportunities. Strengthening strategic public procurement planning, alongside efforts to maintain adaptable yet stable and predictable frameworks, would help enhance access and competition.

Practices to foster stakeholder participation in public procurement are commonplace, but there is scope to improve the quality of these processes. Closing feedback loops remains challenging. Proportionate consultations and timely feedback would sustain stakeholder interest and maximise the benefits of participatory processes, enhancing transparency and inclusiveness.

Significant progress in e-procurement systems has been made, yet there remain opportunities for further advancements. Digital tools and centralised platforms have improved access and data integration, yet frequent regulatory changes may disrupt system stability. Integration with broader digital government systems is uneven, and some innovative technologies remain underused, highlighting opportunities for greater efficiency and effectiveness.

While efficiency in public procurement is a shared goal among Respondents, especially in a context of challenging budgetary constraints, additional efforts are required to improve measurement and reporting on efficiency gains. Mechanisms and tools to track or communicate efficiency gain results transparently remain limited. User-oriented features could enhance accessibility, accountability, and responsiveness, driving greater efficiency in public procurement.

Better integration of public procurement with public financial management is needed to enhance synergies between systems. Procurement plans usually align with budget planning, and mechanisms to keep tenders within budget are well-established. However, descriptions of financial and human resource requirements during the planning stage remain limited. Harmonising procurement practices across public service delivery models and promoting targeted training programmes would help foster integration.

Some progress has been made in strengthening the public procurement function, but further efforts are needed to make it competitive. Professionalisation initiatives are expanding, however, procurement is not widely recognised as a distinct civil service profession, and incentives for officials remain largely non-financial.

Integrity measures in public procurement are widespread, yet efforts should continue to ensure proactive integrity risk management. The systematic enforcement of conflict-of-interest policies and the collection of data on submission of mandatory interest declarations could be further improved. Emerging technologies could be leveraged in the future to enhance integrity measures, transparency, and accountability.

Ex ante and ex post accountability measures are widely implemented, but stronger co-ordination among different control bodies and authorities is required, especially as procurement functions are being redefined. Lessons learned during the COVID-19 pandemic have not been thoroughly integrated into emergency procurement procedures to strengthen accountability mechanisms. Limited audits of emergency procurement processes highlight opportunities to enhance emergency preparedness and oversight.

While public procurement is used strategically to achieve policy objectives, progress is needed to develop strategies for integrating various goals into procurement practices and measuring impact. Targets and prioritisation methodologies are commonly established for green-related objectives only. Moreover, there remain opportunities to improve the assessment of public procurement's impact on policy objectives.

The introduction of risk-based approaches is stagnating. The integration of comprehensive risk management strategies across all stages of the procurement cycle remains limited. Developing targeted strategies and tools to address various forms of risks would contribute to improving overall risk management across Adherents.

Evaluation practices on the effectiveness and impact of public procurement are slightly expanding, but they could be further enhanced if supported by quality data collection and use. KPIs are common, but impact assessments remain limited as presented by the Survey results. Timely, high-quality data across the procurement lifecycle would allow the development of indicators to track performance and cost savings, measure effectiveness, and support better-informed public procurement choices.

While the Recommendation has guided Adherents in enhancing their public procurement systems over the past decade, recent trends and challenges highlight the need for its revision to ensure continued relevance in a rapidly evolving landscape. To this end, the Recommendation could expand its scope to look at opportunities offered by emerging technologies to enhance efficiency, transparency, and accountability, but also the risks that come with these technologies. Aligning procurement with goals that are central to national agendas, which can include economic, environmental, social, and other public interest goals, calls for methodologies to manage trade-offs and assess policy impacts effectively, especially amid fiscal constraints. The COVID-19 pandemic exposed supply chain vulnerabilities, underscoring the need for resilient public procurement systems and a stronger focus on crisis and emergency preparedness. Low levels of trust in public institutions observed across OECD countries also highlight the need to leverage innovative ways of engaging with relevant stakeholders and increase transparency and accountability. The Recommendation could further look at enhancing stage-appropriate transparency and fostering fair competition, to help address declining competition trends for public tenders observed in several Adherents.

1 Overview

This chapter provides background on the OECD Recommendation on Public Procurement and an overview of developments in public procurement in OECD and accession candidate countries since the 2019 implementation report. It presents the purpose and methodology of the current implementation report.

1.1. History and context

The [OECD Recommendation on Public Procurement](#) (hereafter “the Recommendation”) was adopted by the OECD Council in February 2015, following rigorous and extensive consultations with Members and non-Members, relevant OECD policy communities, and various stakeholders involved in public procurement. Building upon and replacing the foundational principles of the [2008 OECD Recommendation on Enhancing Integrity in Public Procurement](#), the Recommendation expands its scope aiming to address the increasingly complex procurement landscape. It emphasises the critical role of procurement governance in achieving efficiency and advancing public policy objectives – such as enhanced well-being and more prosperous and inclusive societies – throughout all stages of the procurement cycle, from defining public needs to executing contracts effectively.

The Recommendation responds to the evolving challenges and complexities in the public procurement environment, characterised by the need for greater transparency, the fight against corruption and fraud, the importance of fostering competition, and the integration of innovative procurement practices. Since its adoption, the Recommendation has become a cornerstone of good governance in public procurement, guiding policy reforms and practice improvements globally to enhance the efficiency, effectiveness, and fairness of public procurement processes. The Recommendation is open to adherence by OECD Members and non-Members. All 38 OECD Members have adhered to the Recommendation (hereafter referred to as “Adherents”).

1.2. Purpose and scope of the Recommendation

The Recommendation provides Adherents with a holistic framework that covers all aspects of the public procurement cycle. Its purpose is to guide governments in designing and implementing procurement systems that are efficient, transparent, and accountable, while also ensuring value for money and fostering trust in public institutions.

The Recommendation is structured around twelve key integrated principles, which can be applied across different legal and administrative frameworks. These include transparency, integrity, access, balance, stakeholder participation, efficiency, e-procurement, capacity, evaluation, risk management, accountability, and integration (Figure 1.1).

Figure 1.1. The integrated principles of the 2015 OECD Recommendation on Public Procurement



Source: (OECD, 2015^[1]).

Each principle is elaborated upon with specific guidance, providing a detailed roadmap for governments to follow in improving their procurement systems. The scope of the Recommendation is broad, addressing the needs of diverse procurement environments while emphasising the alignment of procurement practices with overarching public policy goals.

1.3. Overview of developments

Since the adoption of the Recommendation in 2015, the field of public procurement has undergone significant changes driven by economic, financial, social, and technological developments. The 2008 global financial crisis and subsequent economic recovery had already highlighted the critical role of public procurement in stimulating economic activity, ensuring the efficient use of public funds, and supporting broader socio-economic objectives (OECD, 2013^[2]).

More recently, the COVID-19 outbreak, with its disrupting impact on global supply chains (OECD, 2020^[3]), forced governments to adapt procurement practices to ensure resilience and continuity in the provision of goods and services (OECD, 2020^[4]), particularly in critical sectors such as healthcare and energy. The pandemic highlighted the vital role of public procurement in delivering essential public services and ensuring citizens' well-being and safety, as procurement strategies and practices directly impact the quality of life. In addition, the challenges faced during the COVID-19 crisis underlined the need for robust procurement functions and effective risk management to build resilience and uphold accountability and security of supply chains.

The rise of digital technologies has also had a profound impact on procurement processes. Notably, the widespread adoption of digital procurement systems has driven cost and time savings through automation and standardisation of the procurement processes, while improving transparency and accountability of the public procurement systems. Technologies like blockchain, artificial intelligence (AI), and data analytics have the potential to further improve value-for-money, strengthen accountability and transparency, and prevent the misuse of public resources. However, these advancements also raise new challenges. To

ensure that procurement-related decisions continue upholding legal compliance, ethical standards, fairness, and societal values in this new environment, it is key to develop strategies to mitigate risks such as bias, as well as to ensure accountability in AI-driven decision-making. In this regard, the OECD and the United Nations Educational, Scientific and Cultural Organisation (UNESCO) prepared a G7 Toolkit for Artificial Intelligence in the Public Sector for the 2024 Italian G7 Presidency and the G7 Digital and Technology Working Group (OECD, 2024^[5]). This Toolkit aims to support and guide governments in developing, deploying, and using AI in the public sector in a safe, secure, and trustworthy manner and examines strategies from G7 countries to use AI innovation in public procurement.

Additionally, there has been a growing recognition of the potential of public procurement to contribute to the 2030 Agenda for Sustainable Development, advancing broader societal goals such as environmental protection, innovation and social aspects. In line with this, the [Action Plan on Governing Green](#), annexed to the [Declaration on Building Trust and Reinforcing Democracy](#) adopted on 18 November 2022 during the meeting of the PGC at Ministerial level, calls for expanding the use of green public procurement. Notably, the Action Plan emphasises ensuring that all participants in the supply chain for public contracts, to the extent possible, meet environmental standards, while also improving the measurement of green procurement practices' impact.

There has also been increasing recognition of the relationship between public procurement and strengthening integrity in the private sector, including through incentivising suppliers to adopt and maintain internal controls, ethics and compliance programmes. [The OECD Anti-Bribery Recommendation](#), revised in 2021, calls on OECD Working Group on Bribery members to encourage procuring agencies to consider such programmes in their decisions to grant public advantages (including public procurement contracts) for the purpose of preventing and detecting bribery of foreign public officials in international business transactions, as well as ensure capacity of relevant government agencies to achieve this objective. The importance of promoting private sector integrity through government procurement practices was also recognised in the UN Convention Against Corruption Conference of States Parties Resolution 10/9 adopted in 2023 and in a number of recent bilateral and multilateral agreements, such as the Indo-Pacific Economic Framework for Prosperity Fair Economy Pillar which entered into force in 2024. The incentivisation of corporate compliance contributes to the development of more sound and stable markets in which corruption is less likely to undermine competition.

Furthermore, recent findings from the 2023 OECD Trust Survey suggest that citizens doubt governments' capacity to address complex policy challenges with long-term implications, difficult trade-offs, and large unknowns, such as climate change and the emergence of artificial intelligence (OECD, 2024^[6]). While some of these results relate to the inherent uncertainty and complexity associated with these policy areas, concerns about integrity and fairness – both of high-level political officials and government policy overall – also fuel citizens' scepticism about government's ability to take policy decisions competently and ethically (OECD, 2024^[6]). Indeed, perceptions about public sector integrity have slightly deteriorated between 2021 and 2023, representing a concern in several Adherents. In particular, on average, over 43% of people in 30 Adherents that responded to the 2023 OECD Trust Survey¹ believe that a civil servant might engage in petty corruption, while only 36% think they would not (OECD, 2024^[6]), highlighting the need of robust public integrity frameworks to build and sustain trust. Public procurement, accounting for 12.9% of GDP in Adherents² in 2021, has a critical role to play in this context by directly influencing outcomes in health, climate, and social responsibility to help address global challenges. Sound, integrity-driven public procurement systems are thus essential not only for ensuring transparent and effective operations but also for generating the highest value added for society. Transparent public procurement systems enable the public to track procurement activities, thereby helping in re-gaining trust in the public sector and democratic institutions.

In response to these developments, related OECD and other international standards have been adopted or updated to complement the Recommendation. These include guidelines on integrating sustainability into public procurement, best practices for managing procurement risks, frameworks for enhancing the

professionalisation of the procurement workforce, and legal instruments such as the [Recommendation on the Governance of Infrastructure](#) and the [Recommendation on Fighting Bid Rigging in Public Procurement](#). Additionally, co-ordination with related OECD bodies, such as the (then) Working Party of Senior Budget Officials (now the Committee of Senior Budget Officials, SBO) and the Development Assistance Committee, as well as international fora like the United Nations Commission on International Trade Law (UNCITRAL), has ensured a comprehensive approach to implementing the Recommendation across Adherents.

1.4. Purpose and methodology

This Report provides an overview of the implementation of the Recommendation across Adherents based on collected data since the first implementation Report (OECD, 2019^[7]) prepared in 2019, as well as conclusions regarding its continued relevance. The Report aims to provide a comprehensive evaluation of current practices, identify emerging trends, and highlight areas where further improvements are needed. It serves as a tool for continuous learning and improvement, ensuring that the Recommendation continues to support governments in achieving efficient, transparent, and accountable public procurement systems in the face of new challenges and opportunities.

The primary source of information for this Report is a dedicated survey (the survey on the OECD Recommendation on Public Procurement 2024, hereinafter “2024 Survey”), designed by the Secretariat and finalised in collaboration with LPP Bureau members, who provided feedback on a first draft version. The 2024 Survey was specifically tailored to capture the current state of implementation of the Recommendation, also focusing on its ongoing relevance in a rapidly evolving procurement landscape. The 2024 Survey was distributed between June and July 2024 to all 38 Adherents to the Recommendation, as well as to the 5 Adherent accession candidate countries for which Accession Roadmaps were adopted in 2022³, ensuring a broad representation of experiences and practices across different governance contexts. While those accession candidate countries are not yet Adherents to the Recommendation⁴, they have actively engaged in the policy area covered by the Recommendation and contributed to LPP discussions on implementing and sharing good practices in the field of public procurement. Responses were received from 35 Adherents: Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czechia, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Türkiye, United Kingdom, and United States and the 5 non-Adherents covered in this Report. These 40 countries are hereafter referred to in this Report as “Respondents”.

In addition to the 2024 Survey, the methodology incorporated qualitative data collection methods as part of the continuous work of the Secretariat, including country work, targeted interviews, and consultations with key stakeholders. These qualitative insights provided a deeper understanding of the challenges and successes faced by Adherents in implementing the Recommendation, complementing the quantitative data from the 2024 Survey. This approach allowed for a nuanced analysis of how the Recommendation is applied in practice and the factors influencing its effectiveness.

The quantitative data from the 2024 Survey was analysed using statistical methods to identify trends, measure the extent of implementation of the Recommendation’s principles, and assess progress since the 2019 implementation Report (OECD, 2019^[7]). Key metrics included the percentage of Adherents having adopted specific practices recommended by this legal instrument, as well as the frequency and scope of those practices. The Secretariat validated the quantitative data, conducting follow-up with individual Respondents to clarify outstanding issues and ensure the analysis represents the most accurate data available on the subject.

Progress was measured by comparing the 2024 Survey data with the baseline established in the 2019 implementation Report⁵, whenever possible. This comparison allowed for an assessment of improvements

in the implementation of the Recommendation, as well as the identification of emerging trends and persistent gaps. The methodology also considered the broader context of economic, social, and technological developments that may have influenced the implementation of the Recommendation.

The combined use of these methodologies ensured a robust and comprehensive evaluation of how the Recommendation is being applied by Adherents and its continued relevance in the face of evolving challenges. The findings from this analysis will guide future updates to the Recommendation and inform ongoing efforts to enhance excellence in public procurement practices globally.

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Notes

¹ The following Adherents responded to the 2023 OECD Trust Survey: Australia, Belgium, Canada, Chile, Colombia, Costa Rica, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Latvia, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Portugal, Slovak Republic, Slovenia, Korea, Spain, Sweden, Switzerland, United Kingdom.

² Data for Chile is not available. Data for Türkiye is not included in the average.

³ Brazil, Bulgaria, Croatia, Peru and Romania.

⁴ The accession countries will adhere to the Recommendation at the time of becoming Members.

⁵ The 2019 implementation Report presents data collected through a questionnaire which was conducted in 2018 amongst Adherents and certain non-Adherents. The questionnaire received responses from Australia, Austria, Belgium, Canada, Chile, Costa Rica, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, and Türkiye. Morocco and Peru also responded to the questionnaire.

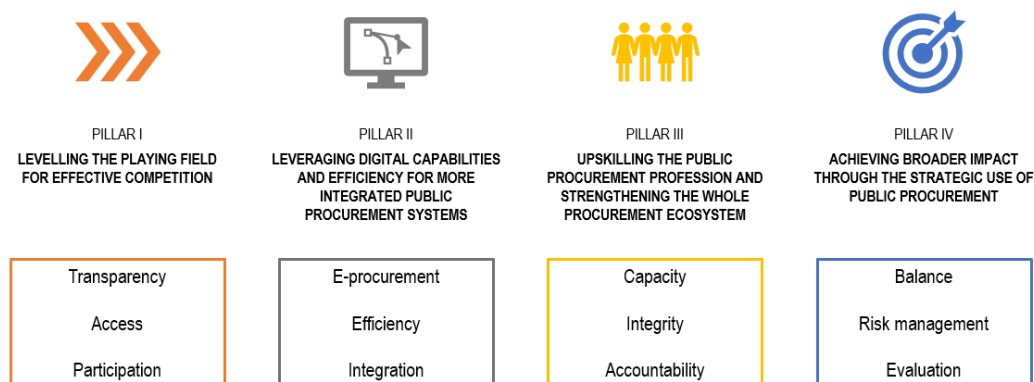
2

Implementation of the OECD Recommendation in Member and Partner Countries

This chapter summarises key findings on how Respondents are implementing each of the twelve principles set out in the Recommendation on Public Procurement while providing an integrated analysis of overarching dimensions. The twelve principles are clustered under four main thematic pillars that highlight their interconnectedness and linkages. Each proposed thematic pillar and related principles of the Recommendation are assessed individually. Data gathered through the 2024 Survey on progress against relevant actions is presented, supported by additional analysis, evidence, and illustrative examples.

The OECD Recommendation on Public Procurement contains twelve integrated principles for efficient and effective public procurement: transparency, integrity, access, balance, stakeholder participation, efficiency, e-procurement, capacity, evaluation, risk management, accountability, and integration. The twelve principles put forth by the Recommendation are interconnected and mutually reinforcing each other into a coherent system and integrating public procurement in the broader public governance context. Achieving consistent progress requires Adherents to make their best efforts to implement the Recommendation as a whole and part of good governance reform. This chapter presents the twelve principles clustered under four main thematic pillars that highlight their interconnectedness and linkages (Box 2.1).

Figure 2.1. Recommendation's thematic pillars



Source: Developed by the OECD, 2024.

2.1. Pillar I: Levelling the playing field for effective competition

The first thematic pillar of this Report is structured around three principles that contribute to promoting a level playing field to ensure transparent, open, fair, and non-discriminatory conditions in public procurement: transparency; access; and stakeholder participation.

Competition is widely regarded as a cornerstone of efficient and effective public procurement. It fosters innovation, improves service quality, and can result in significant cost savings for governments. Supporting competition in public tenders is a multi-dimensional endeavour which relies on several principles anchored in the Recommendation. It requires ensuring visibility on public procurement processes and spending, developing policies and strategies to provide effective access to procurement opportunities, and finally encourage all stakeholders to actively contribute to the design of the public procurement system.

The Recommendation promotes robust competition that encourages suppliers to offer the best value for money, which ultimately leads to improved outcomes for public services. Competitive procurement contributes to combatting corruption, reducing inefficiencies, and optimising public spending. Further, empirical evidence demonstrates that competitive tenders, when compared to non-competitive methods, are associated with lower contract prices and enhanced service delivery. International good practices also highlight the benefits of clear and open procurement procedures that minimise barriers to entry, ensuring broader participation from both small and large businesses. Complementing this, the [Recommendation on Competitive Neutrality](#) calls on its Adherents to establish open, fair, non-discriminatory, and transparent conditions of competition in government procurement processes so that no enterprise, regardless of its ownership, nationality, or legal form, receives an undue advantage.

2.1.1. Exercising transparency can support genuine competition and promote accountability

Transparency in public procurement is a prerequisite for fostering competition. It serves to level the playing field by ensuring that all potential suppliers, including smaller firms, have access to the same information and are able to participate on an equal footing (OECD, 2019^[1]). Further, transparency can help mitigate risks of favouritism, corruption, and inefficiency by making procurement processes more open and accountable, enabling scrutiny of public procurement activities. The 2019 implementation Report highlighted increased transparency as a significant advancement in public procurement practices across Adherents.

While transparency is widely seen as a key enabler of competition in public procurement by ensuring all potential bidders have equal access to information, some studies and analyses point to a more nuanced picture. Evidence shows that transparency can both enhance and hinder competition. On the positive side, greater transparency reduces information asymmetries and fosters trust, encouraging a wider range of suppliers to engage in competitive bidding (OECD, 2019^[1]). This can lead to more competitive pricing, better value for money, and improved service quality. However, unstructured transparency that lacks appropriate timing for disclosure can also have adverse effects on competition. Studies show that full disclosure of all aspects of the procurement process may, in some cases, facilitate collusion among bidders, especially in markets with limited suppliers (Schmidt et al., 2022^[2]). In this regard, the recently revised [Recommendation on Fighting Bid Rigging in Public Procurement](#) encourages Adherents to seek to limit bid-rigging risks and assess their procurement laws and practices to ensure that they do not inadvertently facilitate collusion. This should notably be ensured by establishing rules or guidelines on procurement transparency and on the conditions and timing of releasing tender-related information.

The Recommendation states that Adherents should:

*Ensure an adequate degree of **transparency** of the public procurement system in all stages of the procurement cycle. To this end, Adherents should:*

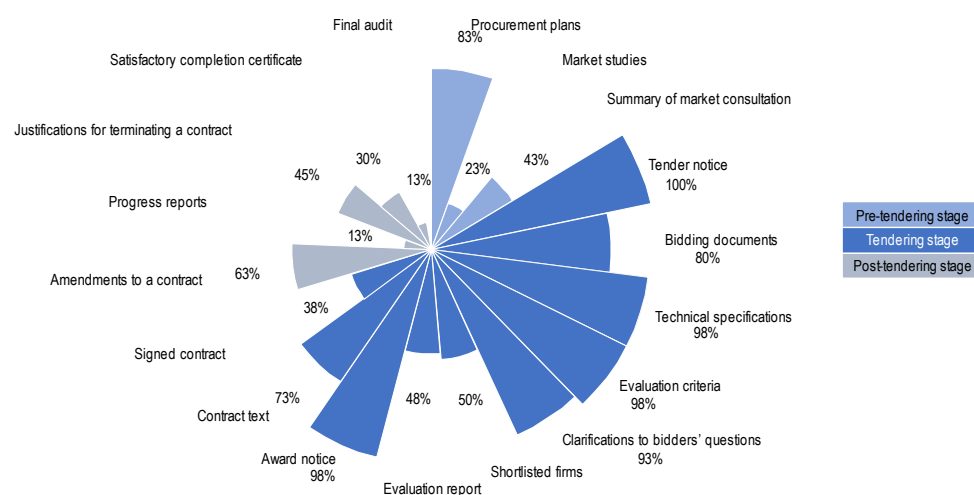
- i) Promote fair and equitable treatment for potential suppliers by providing an adequate and timely degree of transparency in each phase of the public procurement cycle, while taking into account the legitimate needs for protection of trade secrets and proprietary information and other privacy concerns, as well as the need to avoid information that can be used by interested suppliers to distort competition in the procurement process. Additionally, suppliers should be required to provide appropriate transparency in subcontracting relationships.*
- ii) Allow free access, through an online portal, for all stakeholders, including potential domestic and foreign suppliers, civil society and the general public, to public procurement information notably related to the public procurement system (e.g. institutional frameworks, laws and regulations), the specific procurements (e.g. procurement forecasts, calls for tender, award announcements), and the performance of the public procurement system (e.g. benchmarks, monitoring results). Published data should be meaningful for stakeholder uses.*
- iii) Ensure visibility of the flow of public funds, from the beginning of the budgeting process throughout the public procurement cycle to allow (i) stakeholders to understand government priorities and spending, and (ii) policy makers to organise procurement strategically.*

Data highlight that efforts have been made to make public procurement documents and data publicly available, contributing to fostering transparency. In addition to collecting previously monitored information on the extent of transparency in public procurement, the 2024 Survey was expanded to include newer elements such as publication of key information on e-procurement systems. Notably, while almost all Respondents publish tender notices (100%), technical specifications (98%), and evaluation criteria (98%), fewer release summaries of market consultations and justifications for terminating a contract (43%), signed contracts (38%), satisfactory completion certificates (30%), market studies (23%), final audits (13%), and

progress reports (13%). In some cases, the lower publication rates may reflect concerns about inadvertently facilitating collusion, particularly when disclosing information that could influence future bidding behaviours.

There is a considerable difference in the availability of data and/or documents online depending on the stage of the procurement. While at the tendering stage most Respondents make the information available, documents and/or data are less available during pre-tendering and post-tendering stages (Figure 2.2). As noted above, the lower availability of data and documents in the pre-tendering stage may stem from concerns about facilitating collusion.

Figure 2.2. Documents or data publicly available, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

In line with this trend, the majority of Respondents reported having adopted transparency requirements on the tendering stage, while transparency on other stages of the procurement process remains less common. This highlights opportunities to strengthen transparency across all phases of the public procurement cycle, ensuring timely and adequate disclosure throughout. Notably, 98% (39 out of 40) of Respondents have requirements to publish tender announcements and mandate the publication of tender documents, 95% (38 out of 40) require notifications of award, and 78% (31 out of 40) disclose the awarded price. Real-time transparency has also been enhanced by the increasing adoption and integration of e-procurement systems.

Pre-tendering and contract execution transparency obligations remain limited among Respondents, leaving room for improvement in promoting visibility on future opportunities and current contracts. Indeed, only 22 out of 40 Respondents reported having a requirement to publish procurement plans (55%). In the contract execution and in the post-contract phases, publication requirements are even less common, indicating an area for further progress. While contract amendments are required to be published by the majority of Respondents (29 out of 40, or 73%), only 30% (12 out of 40) have requirements to publish contract completion certificates. As already noted in the 2019 implementation Report, post-contract information also remains less frequently disclosed, with only 38% of Respondents (15 out of 40) having requirements in place to publish evaluation reports. In the United Kingdom, the 2023 Procurement Act, coming into force on 24 February 2025, aims to create a more open and transparent procurement regime by delivering “transparency by default” across the full commercial lifecycle. Notably, as part of these efforts,

the Act will introduce requirements to publish new notices, to cover all stages of the procurement lifecycle, including the contract management phase. This will allow visibility and enable comprehensive data capture about procurement and contracting activities across the full procurement lifecycle (Government Commercial Function, 2024^[3]).

While publishing data enhances transparency, its value to stakeholders highly depends on easy and centralised access. Box 2.1 illustrates a good practice example from Finland in this area. Most Respondents use an online central platform to share procurement information (39 out of 40, or 98%). Some also rely on the online platforms or webpages of individual contracting authorities (17 out of 40 Respondents, or 43%). However, decentralised publication can limit visibility of existing and future opportunities if key documents are scattered across multiple sites instead of being centralised. Depending on the administrative structure, some Respondents operate regional e-procurement platforms (for instance, Spain), while others have multiple commercial public procurement systems and/or databases (e.g., Germany, Slovak Republic, Sweden). To maximise usability, Respondents reported publishing relevant documents in a machine-readable format (23) or, where data is dispersed, aggregating it into regular reports (6).

Box 2.1. Finland: Hansel's use of e-invoicing data to make government spending more transparent

Hansel, Finland's central purchasing agency, worked to build a public open data portal so that everyone could analyse government spending. The OpenProcurement.fi service, launched in 2017, provides public access to information on state and other public organisations' procurement. Users can search the purchases of more than 70 government buyers and around 20 000 suppliers each year from 2016 to the present. They can see details such as the procurement category, date, and price of every invoice. Bulk downloads are available in various formats through Finland's open data directory. The service shows the parties from which products and services have been procured as well as when these purchases were made. Data from OpenProcurement.fi has led to high-profile investigations in Finnish media. The project's goal was to increase transparency, but it has also highlighted potential savings: for example, one ministry's stationery costs were 1 000 times more than another. Economic operators also use the service for market research. The portal allows procurement data to be analysed from three perspectives:

- Buyers: Buyers are state and other organisations that purchase goods and services.
- Suppliers: When the supplier is a private individual, the supplier is marked as "supplier information not public" (this process is made easier by Finland's central supplier registry). Some state and other organisations' purchases are classified as confidential by law and are not included in the service.
- Procurement categories: Purchases can be also inspected by procurement category. From there, users can also inspect the product and service groups that the data has been divided into based on the posting of invoices.

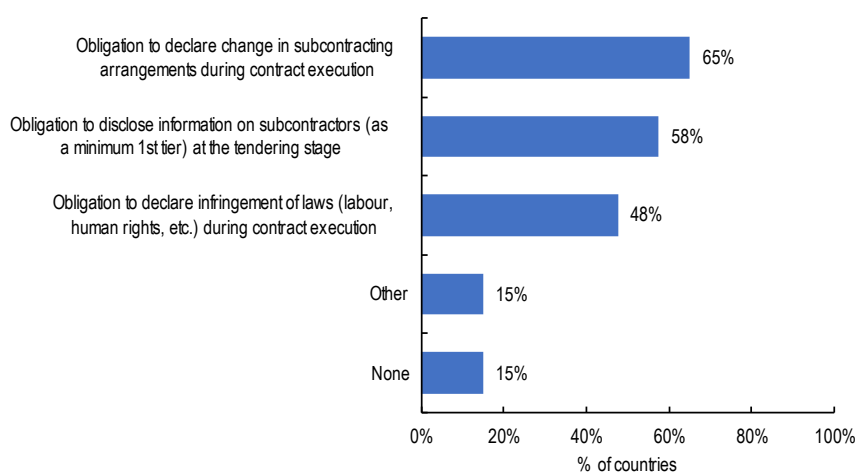
Because Finland uses a mandatory centralised e-invoicing system, the accuracy of the data is very high. Central government data is collected from the state invoice system and data for other organisations is based on invoice data submitted to Hansel. Thanks to the availability of the data and a strong political commitment, the initial project was launched in only nine months.

Source: (OECD, 2024^[4]).

Besides variations on publication requirements across the public procurement lifecycle, certain types of procurement are often excluded from transparency obligations. These include small-value purchases (21 Respondents, or 53%), defense and national security-related procurement (29 Respondents, or 73%), uncompetitive procedures (11 Respondents, or 28%), and emergency procurement (13 Respondents, or 33%). Notably, also in line with the [Recommendation on Guidelines on Corporate Governance of State-Owned Enterprises](#), SOEs, which often engage in significant procurement activities, is generally not exempt from transparency obligations. Indeed, 39 out of 40 Respondents reported that SOEs are subject to publication requirements, with the exception of Iceland.

The majority of Respondents reported having requirements for supply chain disclosure as of 2024, reflecting a commitment to increased transparency of public procurement processes. Indeed, the Recommendation provides that suppliers should be required to ensure appropriate transparency in subcontracting relationships. In particular, data points to significant progress being made in requiring information on relationships between awarded contractors and their supply chains. According to the 2024 Survey, more than half of Respondents (23 out of 40, or 58%) require disclosure of subcontractors, at least for the first tier¹, during the tendering stage. The obligation to declare changes in subcontracting arrangements during the contract execution is even more prevalent, with 26 Respondents (65%) enforcing this rule. Furthermore, 19 Respondents mandate the declaration of infringements related to labour or human rights laws during contract execution (Figure 2.3). These obligations may likely reflect lessons learnt from the COVID-19 pandemic, which exposed potential vulnerabilities in supply chains and associated risks, providing new opportunities to explore agile approaches that align with citizens' expectations for responsible and transparent practices (OECD, 2020^[5]).

Figure 2.3. Transparency obligations, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Transparency emerges as a principle of the Recommendation that Respondents appear well-positioned to implement, also supported by the widespread adoption and integration of e-procurement systems. However, further efforts could be done to strengthen it throughout the public procurement lifecycle. While the publication of tender announcements and documents is nearly universal among Respondents, there is scope to increase transparency in the pre-tendering and post-contract phases, through the appropriately adapted disclosure of preliminary market consultations, evaluation reports, and final audits, which remain less commonly published. Conscious of the importance of balancing transparency with the need to protect trade secrets and confidential information, carefully timed disclosure of relevant information could further

increase accountability and foster competition. By strengthening these practices, Adherents would contribute to a more transparent and competitive public procurement landscape.

2.1.2. Respondents need to further co-ordinate efforts to be customers of choice

Widening access to public procurement opportunities is a fundamental principle that aims not only to ensure fairness and equal opportunity for all potential suppliers, regardless of their size or location, but also to encourage competition for public contracts. Policy makers increasingly recognise that public procurement has the potential to contribute to socio-economic development and foster inclusive growth. Therefore, it is crucial to enable potential suppliers of all sizes and backgrounds to benefit from the award of public procurement contracts. Notably, ensuring that competitors of all sizes have access to public procurement opportunities can boost competition, increase supplier diversity, and promote innovation. In addition, relying on a more varied supplier base consisting of businesses of different sizes can strengthen the resilience of the public sector's supply chain.

The Recommendation states that Adherents should:

facilitate access to procurement opportunities for potential competitors of all sizes. To this end, Adherents should:

- i) Have in place coherent and stable institutional, legal and regulatory frameworks, which are essential to increase participation in doing business with the public sector and are key starting points to assure sustainable and efficient public procurement systems. These frameworks should:*
 - 1. be as clear and simple as possible;*
 - 2. avoid including requirements which duplicate or conflict with other legislation or regulation; and*
 - 3. treat bidders, including foreign suppliers, in a fair, transparent and equitable manner, taking into account Adherents' international commitments (e.g., the Agreement on Government Procurement within the framework of the World Trade Organization, the European Union Procurement Directives, and bilateral or multilateral trade agreements).*
- ii) Deliver clear and integrated tender documentation, standardised where possible and proportionate to the need, to ensure that:*
 - 1. specific tender opportunities are designed so as to encourage broad participation from potential competitors, including new entrants and small and medium enterprises. This requires providing clear guidance to inform buyers' expectations (including specifications and contract as well as payment terms) and binding information about evaluation and award criteria and their weights (whether they are focused specifically on price, include elements of price/quality ratio or support secondary policy objectives);*
 - 2. the extent and complexity of information required in tender documentation and the time allotted for suppliers to respond is proportionate to the size and complexity of the procurement, taking into account any exigent circumstances such as emergency procurement.*
- iii) Use competitive tendering and limit the use of exceptions and single-source procurement. Competitive procedures should be the standard method for conducting procurement as a means of driving efficiencies, fighting corruption, obtaining fair and reasonable pricing and ensuring competitive outcomes. If exceptional circumstances justify limitations to competitive tendering and the use of single-source procurement, such exceptions should be limited, pre-defined and should require appropriate justification when employed, subject to adequate oversight taking into account the increased risk of corruption, including by foreign suppliers.*

70% of Respondents (28 out of 40) indicated having a strategy to improve competition in public procurement. However, for 93% of them, this objective is pursued as part of a broader procurement strategy, typically alongside other goals. Only 7% of Respondents have a standalone specific strategy dedicated to increasing competition in public tenders. Having a dedicated strategy can more explicitly diagnose the causes of limited competition and facilitate focused actions to foster participation in public procurement processes. Notably, a 2023 Special Report of the European Court of Auditors highlighted a decline in competition for public contracts in the EU single market over the past 10 years (European Court

of Auditors, 2023^[6]). It is notable in this context that among the 24 Respondents that are EU Member States, only 14 (around 58%) reported having a strategy for increasing competition in public procurement, which is below the average for all Respondents. Box 2.2 illustrates Hungary's efforts to foster competition in public procurement through a dedicated Action Plan.

Box 2.2. Hungary's Action Plan to increase competition in public procurement for 2023-2026

The Government of Hungary has taken several steps to address competition challenges in public procurement and increase access to procurement opportunities, in connection with the measures contained in its Recovery and Resilience Plan.

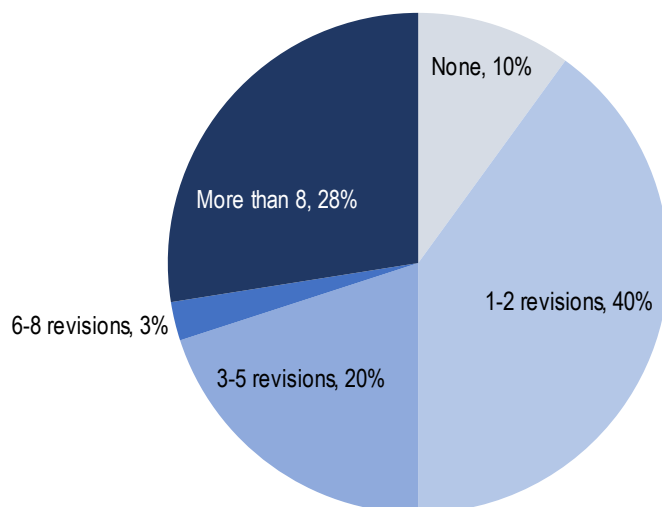
In February 2022, the Government adopted Decree 63/2022, introducing specific measures targeted at reducing the rate of single-bid procurements. These include the obligation to use preliminary market consultations for certain procurements above EU thresholds and the requirement for contracting authorities most affected by single-bid procurements to prepare and publish a plan of measures to address this issue. The Decree also mandates the minister in charge of public procurement policy to continuously monitor the data on the proportion of single-bid public procurements, to prepare an annual analysis based on the outcome of the monitoring, and to publish the results of the analysis no later than 15 February of each year.

In addition, in March 2023, the Government endorsed an action plan (Government Decision 1118/2023) to increase competition in public procurement, comprising 14 measures for 2023-2026 and targeting various stakeholders and areas of procurement, such as improvements to the e-Procurement system and capacity building of contracting authorities and SMEs. In 2024, the action plan was updated to include 28 additional measures. Key initiatives focus on enhancing competition through data analysis, automated systems, and improved search and notification functions in the country's Electronic Procurement System. The plan promotes SMEs' participation via training, grants, and guidance. It addresses fairness and integrity with conflict-of-interest and corruption guidelines, and sector-specific measures, including procurement contract improvements and reducing single-bid situations. The plan also includes collaboration initiatives, such as a technical working group for the health sector.

Source: (OECD, 2024^[7]).

While the majority of Respondents (90%, or 36 out of 40) adapted their legal framework to evolving conditions at least once in the past 5 years, nearly a third revised it more than eight times, with changes every 7.5 months on average (Figure 2.4). These frequent updates can pose considerable strains on the attractiveness of procurement procedures and create a legal environment that is overly complex and sometimes fragmented. Frequent changes to the procurement framework could impede broad participation from potential competitors, especially new entrants and SMEs, who might have less capacity and resources to adapt to the changing rules. Maintaining a clear and predictable regulatory framework that avoids duplicating requirements or conflicting with other legislation contributes to improving access to public procurement opportunities. Notably, most of the Respondents that revised their frameworks more than eight times (82% or 9 out of 11) also reported having mandatory stakeholder consultations on formal changes to public procurement laws and regulations. This approach could help mitigate some of the challenges posed by frequent legal updates by ensuring that the perspectives and needs of relevant stakeholders are considered. Recent OECD work with Slovenia on competition found that further engaging with stakeholders beyond consultations would be beneficial for building capacity for future reforms and removing legal uncertainty (OECD, 2025, forthcoming^[8]).

Figure 2.4. Frequency of revision to the primary legal framework for public procurement in the past 5 years, 2024

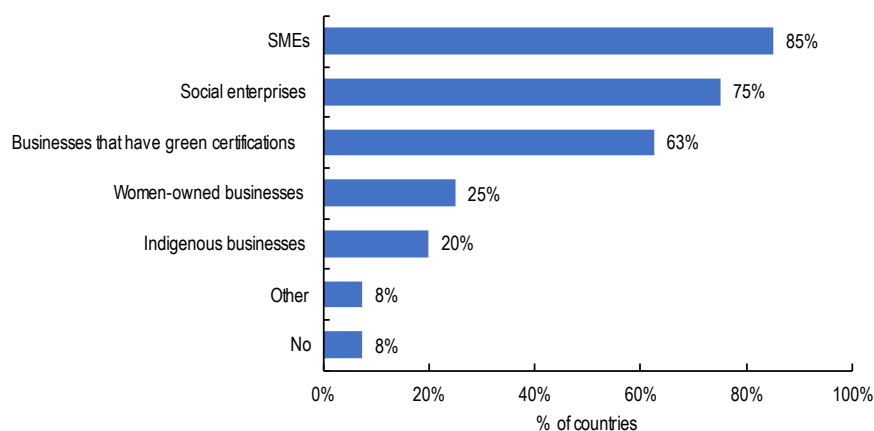


Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Nearly all Respondents (93%) have policies in place to support specific categories of businesses, such as SMEs, social enterprises, businesses with green certifications, women-owned businesses, or indigenous businesses, in accessing public procurement tenders. Out of 40 Respondents, 34 (85%) indicated having policies to improve access to procurement processes for SMEs, 30 (75%) for social enterprises, 25 (63%) for businesses with green certifications, 10 (25%) for women-owned businesses, and 8 (20%) for indigenous businesses (Figure 2.5). For example, the government of Canada aims to increase the economic opportunities of First Nations, Inuit, and Métis businesses through mandating that at least 5% of the total value of contracts needs to be held by Indigenous businesses (Government of Canada, 2024^[9]). In EU countries, the EU Directive 2014/24/EU provides that contracts may be reserved for companies that are dedicated to the integration of people with disabilities (European Parliament; Council of the European Union, 2014^[10]). These policies are important as these categories of businesses often encounter more barriers than others when bidding for public contracts. Ensuring that these businesses can also benefit from the award of public contracts can enhance equal access to public procurement opportunities.

Figure 2.5. Categories of businesses supported by policies to improve access to public procurement processes, 2024

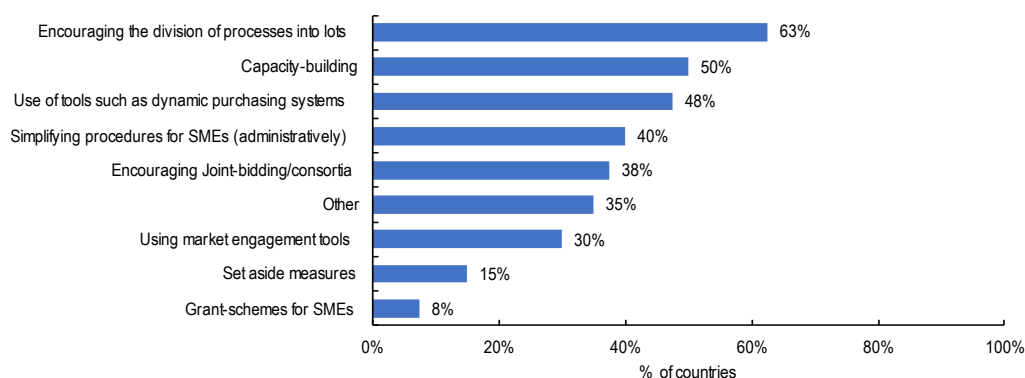


Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

Recognising the benefits of engaging SMEs in public tenders and the challenges they may face, 83% of Respondents reported implementing at least one dedicated measure aimed at promoting SMEs' access to public procurement opportunities. SMEs contribute new ideas, specialised knowledge, and niche solutions to the market, while also serving as important local employers, investing in their local communities, and playing a vital role in achieving secondary policy objectives like regional development (OECD, 2018^[11]). The three most commonly reported measures for improving SMEs' access include: dividing processes into lots (63%); developing capacity-building initiatives (50%); and using tools such as dynamic purchasing systems² (48%) (Figure 2.6). Simplified administrative procedures, adopted by 40% of Respondents, also help reduce complexity and encourage SMEs in participating more effectively in procurement processes (Glas and Eßig, 2018^[12]). An example of such initiatives is the European Single Procurement Document (ESPD), which simplifies the bidding process by providing a standardised document that reduces the number of forms SMEs need to submit.

Figure 2.6. Measures adopted to enhance SMEs' access to public procurement processes, 2024



Note: Data is shown for 40 Respondents. "Set aside measures" refer to mechanisms allowing contracting authorities to reserve procurements to specific categories of suppliers.

Source: OECD (2024), Survey on Public Procurement.

The vast majority of Respondents (37 out of 40, 93%) also reported having simplified public procurement rules and procedures in place for “smaller value” contracts, which also encourage SMEs to participate in those tenders. The 2019 implementation Report highlighted that, as of 2018, the majority of Respondents already had some measures to encourage SMEs’ participation, including through the use of e-procurement (88%), the division of contracts (82%), and joint bidding (69%). However, it also pointed out that the complexity of procurement processes still poses barriers to access, particularly for smaller suppliers. In fact, SMEs often struggle with the intricate and resource-heavy requirements involved in public procurement processes, including extensive documentation and compliance with complex legal standards. These barriers significantly disadvantage SMEs compared to larger enterprises, which typically have more resources and dedicated bidding teams to navigate these processes effectively (OECD, 2018^[11]). Box 2.3 discusses some common measures adopted to facilitate the access of SMEs to public procurement opportunities.

Box 2.3. Common measures to improve the access of SMEs to public procurement opportunities

A wide range of policy options is available to foster a conducive environment to SMEs’ participation in public procurement opportunities. While the effectiveness of these measures varies, a combination of approaches is generally expected to improve SMEs’ access, participation, and success in public tenders. Key measures and strategies to reduce administrative burdens and increase SMEs’ participation in public procurement include:

- **Encouraging the use of e-procurement:** The development and integration of digital procurement platforms with other digital government systems can reduce administrative burdens for small suppliers, streamline tendering procedures, and increase transparency by providing real-time updates and access to procurement data.
- **Simplifying processes and documentation requirements:** Standardising processes and reducing the number of required documents can simplify bidding for SMEs.
- **Providing information and guidance to SMEs:** Making information about procurement opportunities more accessible, and offering guidance on participating in tenders, can help SMEs navigate the process. Initiatives may include helpdesks and materials specifically designed for small businesses.
- **Capacity-building activities:** Providing procurement training and development programmes can enhance SMEs’ skills and knowledge, enabling more effective participation in public tenders.
- **Encouraging the division of contracts into lots:** Breaking down large contracts into smaller, more manageable lots can lower entry barriers for SMEs by reducing the scale and technical requirements. However, the effectiveness of this measure is mixed, as lots must be appropriately sized to significantly increase SMEs’ chances of winning. Research also suggests that the division of contracts into smaller lots, a key feature of the 2014 EU Public Procurement Directives, has mainly benefitted contracts below EUR 25,000 in value. Additionally, splitting contracts into lots may potentially make it easier for economic operators to arrange implicit or explicit collusive agreements and operate together as a “cartel” for the purpose of manipulating competition and inflating prices.
- **Ensuring timely and efficient payment terms/arrangements for SMEs:** Given that cash flow management is a significant challenge for SMEs, prompt and advance payments from public authorities are essential. Measures to encourage timely payments include codes of conduct, e-invoicing systems, and reverse factoring arrangements that allow SMEs to receive payments

faster. In some Adherents, such as Korea, the central purchasing body provides upfront payments of up to a certain threshold of the government's contract value. These approaches aim to help SMEs maintain healthy cash flow, enabling them to compete more effectively in public procurement.

- **Encouraging the use of Dynamic Purchasing Systems (DPSs):** It can be challenging for SMEs to access framework agreements (especially large ones) due to their lack of capacity to offer low prices like larger businesses, and because they may not be able to offer goods or services for a sustained period of time. DPSs can bring many benefits such as the standardisation of processes, and the simplification of administrative documents. They provide flexibility for suppliers to join at any time and are also associated with a reduced risk and costs of tendering.

Note: "Reverse factoring arrangements" refer to solutions where a third-party financial institution pays a supplier on behalf of a public buyer shortly after the invoice is issued. "Framework agreements" are agreements between a contracting authority and one or more economic operators which set the terms governing contracts awarded during a given period.

Source: (OECD, 2018^[11]); (Glas and Elsig, 2018^[12]); (European Commission, 2019^[13]); (Hoekman and Taş, 2022^[14]); (OECD, 2025, forthcoming^[8]).

Overall, data shows widespread recognition of the benefits of promoting access to public procurement opportunities for companies of all sizes to foster sound competition. Progress in the use of digital tools has supported efforts to make procurement processes more accessible and competitive. However, despite efforts, creating a robust competitive environment in public procurement has proven challenging, with some studies, such as the recent report of the European Court of Auditors (European Court of Auditors, 2023^[6]), pointing to a decline in competition at least in certain markets, and especially health, IT services, and construction. As provided in the Recommendation, improving access and competition in public procurement requires a multifaceted approach, encompassing a wide array of stakeholders and addressing multiple root causes. In this regard, the multiple reported changes to legal public procurement frameworks can undermine the attractiveness of procurement opportunities and threaten a key element – clear and stable frameworks – of sound public procurement governance. To respond to these challenges, a strengthened focus on strategic public procurement planning to foster access and competition could be considered more broadly going forward.

2.1.3. Effective stakeholder participation could be further reinforced

A key component of an open government (OECD, 2023^[15]), transparent, inclusive, and regular stakeholder participation has the potential to improve the efficiency of public procurement processes. It entails integrating the needs and views of diverse groups of citizens and relevant stakeholders in public policy and decision making. Besides ensuring representation of key actors and official stakeholder perspectives with expert opinion and knowledge, stakeholder participation can help raise awareness and facilitate public learning about a policy issue, identify potential impacts, deliver tailor-made solutions, and ensure their effectiveness. It can also help mobilise support and resources needed to implement a policy or an initiative (OECD, 2022^[16]), and ultimately contribute to greater social cohesion and sense of community, as well as stronger democratic institutions and public trust (OECD, 2022^[16]). Notably, in public procurement, the early engagement of suppliers, business associations, and other relevant stakeholders can build mutual understanding, highlight potential for improvements or flag inadequate solutions, and therefore also act as a risk mitigation measure (OECD, 2017^[17]). In addition, at the post-tendering stage, consultation of unsuccessful bidders can increase levels of competition in future procurements not only by improving supplier confidence but also contributing to better alignment between public needs and market capacity. Citizens and stakeholder participation can also occur with respect to the broader public procurement system, e.g., public procurement reform/legislation.

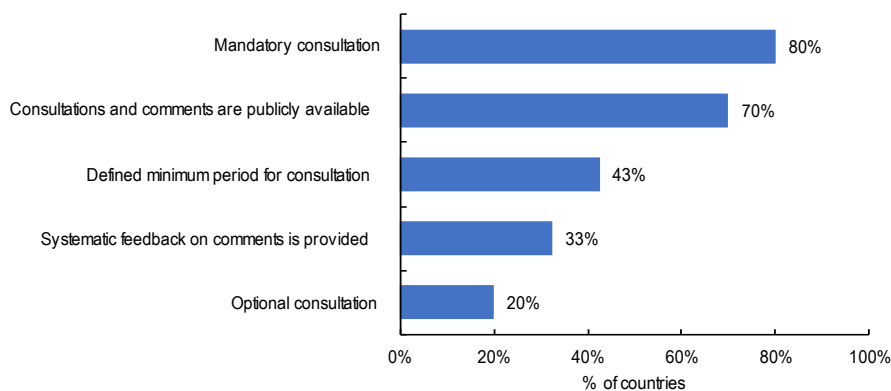
The Recommendation states that Adherents should:

*Foster transparent and effective stakeholder **participation**. To this end, Adherents should:*

- i) *Develop and follow a standard process when formulating changes to the public procurement system. Such standard process should promote public consultations, invite the comments of the private sector and civil society, ensure the publication of the results of the consultation phase and explain the options chosen, all in a transparent manner.*
- ii) *Engage in transparent and regular dialogues with suppliers and business associations to present public procurement objectives and to assure a correct understanding of markets. Effective communication should be conducted to provide potential vendors with a better understanding of the country's needs, and government buyers with information to develop more realistic and effective tender specifications by better understanding market capabilities. Such interactions should be subject to due fairness, transparency and integrity safeguards, which vary depending on whether an active procurement process is ongoing. Such interactions should also be adapted to ensure that foreign companies participating in tenders receive transparent and effective information.*
- iii) *Provide opportunities for direct involvement of relevant external stakeholders in the procurement system with a view to increase transparency and integrity while assuring an adequate level of scrutiny, provided that confidentiality, equal treatment and other legal obligations in the procurement process are maintained.*

Data shows that stakeholder consultations on public procurement laws, regulations, and on related reforms are widespread among Respondents, yet feedback loops often remain incomplete. Indeed, while most Respondents (80%, or 32 out of 40) mandate stakeholder consultations in cases of formal changes to public procurement laws and regulations, consult citizens on public procurement reform/legislation (83% or 33 out of 40), and make consultations and comments publicly available (70%, or 28 out of 40), only a third (33%, or 13 out of 40) provide systematic feedback on the comments received (Figure 2.7). These findings are consistent with the Report on the Implementation of the OECD Recommendation on Open Government, which highlights that citizens across Adherents are not systematically informed of the outcomes of their participation.

Figure 2.7. Mechanisms and modalities for stakeholder consultation in cases of formal changes to public procurement laws and regulations, 2024



Note: Data is shown for 40 Respondents.

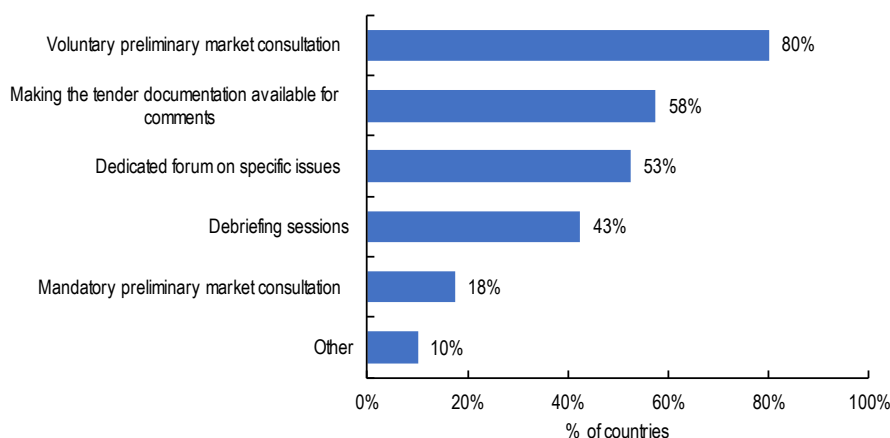
Source: OECD (2024), Survey on Public Procurement.

Providing feedback on the results of consultation processes and the options chosen not only enhances the benefits of public participation, but also improves the quality of inputs and strengthens public trust in

government. In this regard, the latest OECD Survey on Drivers of Trust in Public Institutions revealed that only 39% of the surveyed population believe governments clearly communicate the effects of reforms, which, in turn, undermines trust (OECD, 2024^[18]). In addition, it found that only 32% of the population believes the government would adopt opinions expressed in a public consultation (OECD, 2024^[18]). This perceived lack of openness can weaken public confidence in the government's evidence-informed decision making.

Likewise, while almost all Respondents use preliminary market consultations to build a mutual understanding of the governments' needs and the supplier market, fewer engage in debriefing sessions with suppliers after the tender process. In addition to mandatory or voluntary consultations, Respondents also reported making the tender documentation available to suppliers and business associations for comments (58% or 23) and having dedicated forums on specific issues not linked to an individual procurement process (53% or 21) (Figure 2.8). In this regard, it is important to note that precautions should be put in place to prevent these interactions from facilitating collusive behaviour. In France, for instance, the leading public purchasing body, the *Union des groupements d'achats publics* (UGAP) is present at trade fairs and organises events to raise awareness of its offer throughout the year (Union des groupements d'achats publics, 2024^[19]).

Figure 2.8. Consultation of suppliers and/or business associations to build mutual understanding of the governments' needs and the supplier market, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Only 18% (7 out of 40) of Respondents carry out frequent debriefing sessions with suppliers after the tender process to offer insights into procurement and promote mutual understanding, while 25% (10 out of 40) only exceptionally do so. Debriefing sessions can foster transparency, improve supplier confidence and performance, and ultimately increase competition in future procurements, benefiting both governments and suppliers. Box 2.4 illustrates a good practice example from Australia in this regard.

Box 2.4. Providing feedback to unsuccessful tenderers in Australia

Australia's Commonwealth Procurement Rules require entities to, on request, provide unsuccessful tenderers with the reasons their submission was not successful.

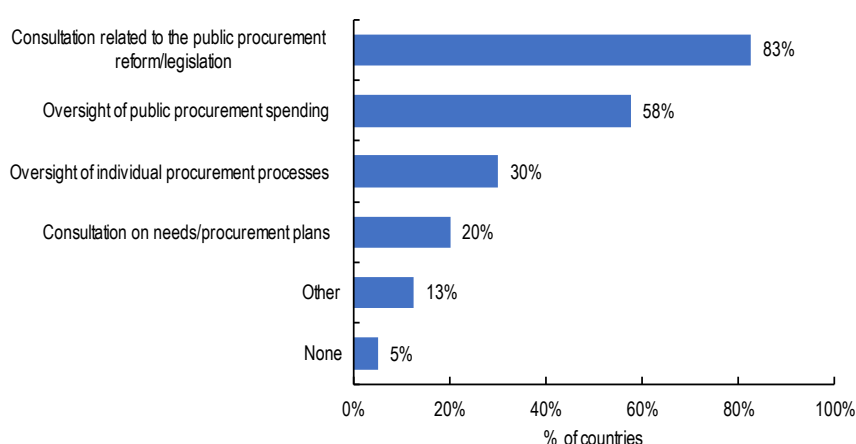
The Department of Finance has published guidance for procuring entities on providing feedback to ensure transparency and accountability and educate the market which, in turn, can improve the standard of submissions in future procurements. As good practice, feedback to unsuccessful tenderers should be offered in person, in the form of a debriefing session, irrespective of whether a tenderer has requested a debrief or not.

In providing feedback, whether in writing or in person, the Department of Finance recommends providing an explanation of why the submission was unsuccessful, information about areas of weakness or non-compliance in the submission, and suggestions on how to improve future submissions. To make such consultations more meaningful, officials are recommended to ask unsuccessful tenderers to provide a list of questions prior to the debriefing session to determine key areas the tenderer would like to focus on. This helps ensure that feedback provided to the tenderers is relevant and adequate.

Source: (Department of Finance, Australian Government, 2024^[20]); (Department of Finance, Australian Government, 2020^[21]).

Furthermore, citizen participation remains limited to a general oversight of public procurement spending (58% or 23 out of 40) and, to some extent, on individual procurement processes (30% or 12 out of 40) (Figure 2.9). Notably, few Respondents (20% or 8 out of 40) involve citizens when devising procurement plans. Civic monitoring in public procurement, through public participation in the oversight, monitoring, and evaluation of procurement decisions and policies, can serve as a social accountability tool allowing citizens to directly participate in making public authorities accountable for their decisions or actions. At the same time, citizen oversight of public procurement spending and individual procurement processes can promote efficiency and improve both access to and quality of public services.

Figure 2.9. Mechanisms used for citizen participation in public procurement, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Consulting citizens on procurement plans, including forecasted government needs as part of the participatory budget process, can make public procurement decisions more transparent and accountable. Such consultations – which should be proportionate to the scope and characteristics of the projects and plans – not only help citizens better understand the functioning of public procurement and spending priorities but also offer them the opportunity to influence them. Ultimately, by giving citizens a role in public decision making, these practices can contribute to strengthening their trust in public institutions (OECD, 2022^[16]). In June 2021, for example, France launched online public consultations on its draft 2021-2025 National Sustainable Public Procurement Plan, inviting relevant stakeholders, including purchasers and decision-makers, to submit their comments and proposals (Ministère de l'Économie, des Finances et de l'Industrie, 2021^[22]).

In conclusion, while the implementation of the Recommendation's participation principle is well underway, there is significant room for improvement in the quality of participatory processes in public procurement. Although most Respondents have established standard procedures for fostering stakeholder participation in areas such as formulating changes to the public procurement system, communicating objectives, and understanding market needs, there is a notable gap in closing feedback loops. To enhance the effectiveness of participation, future efforts should focus on providing feedback to participants regarding the status of their inputs, the ultimate outcomes of their involvement, and the rationale behind the chosen options, as set forth by the Recommendation. Recognising that consultations should be proportionate to the issues at hand, closing feedback loops would help keep stakeholders' interest high and maximise the benefits of participation. Additionally, fostering meaningful participation in the development of procurement plans would further improve their quality and make relevant processes more transparent and inclusive.

2.2. Pillar II: Leveraging digital capabilities and efficiency for more integrated public procurement systems

The second thematic pillar of this Report focuses on strengthening the digitalisation of public procurement processes, while enhancing efficiency and integration within broader public investment management (PIM) systems.

Digital technologies can radically change the way public procurement operations are conducted and reported, enhancing efficiency, transparency, and accountability. Technological advances provide governments with improved data processing capabilities that can inform robust procurement strategies, enhance transaction efficiency, and support better risk management. The use of digital tools in public procurement not only streamlines operations but also enables more open, innovative, and trustworthy governance (OECD, 2017^[23]; OECD, 2024^[24]; OECD, forthcoming^[25]). These technologies can generate data-driven insights on costs and emerging needs, which contribute to more effective policy implementation and monitoring. At the same time, integration with other government IT systems is essential for fully functional e-procurement processes across all phases of the procurement cycle, including contract execution and payment. Interoperability with other platforms – such as public finance management, budgeting, human resources, social security databases, tax registries, auditing, and enterprise resource planning (ERP) systems – provides a comprehensive view of the procurement function (OECD, 2019^[26]) and of its integration within the broader public spending cycle. This integration can boost efficiency and strengthen accountability, reduces risks of errors and data duplication, and supports the development of robust procurement performance measurement frameworks. Conversely, a lack of system integration can increase administrative burdens by requiring users to input the same information across multiple platforms, thereby diminishing the efficiency gains that digitalisation aims to achieve.

2.2.1. E-Procurement is advancing but further opportunities remain to be exploited

The shift towards e-procurement is a crucial step in modernising public procurement frameworks, enabling the streamlining of procurement activities, and improving data management for better monitoring and reporting. Information and communication technologies in public procurement facilitate transparency, access to public tenders, and increased competition. They also contribute to simplifying processes for contract award and management and driving cost savings. By leveraging digital tools, public procurement systems can foster greater collaboration between different governmental entities, ensuring that procurement practices are not only more efficient but also integrated with other public infrastructure management systems. This approach ultimately seeks to bolster accountability and optimise the allocation of public resources.

The Recommendation states that Adherents should:

improve the public procurement system by harnessing the use of digital technologies to support appropriate e-procurement innovation throughout the procurement cycle. To this end, Adherents should:

- i) *Employ recent digital technology developments that allow integrated e-procurement solutions covering the public procurement cycle. Information and communication technologies should be used in public procurement to ensure transparency and access to public tenders, increasing competition, simplifying processes for contract award and management, driving cost savings and integrating public procurement and public finance information.*
- ii) *Pursue state-of-the-art e-procurement tools that are modular, flexible, scalable and secure in order to assure business continuity, privacy and integrity, provide fair treatment and protect sensitive data, while supplying the core capabilities and functions that allow business innovation. E-procurement tools should be simple to use and appropriate to their purpose, and consistent across procurement agencies, to the extent possible; excessively complicated systems could create implementation risks and challenges for new entrants or small and medium enterprises.*

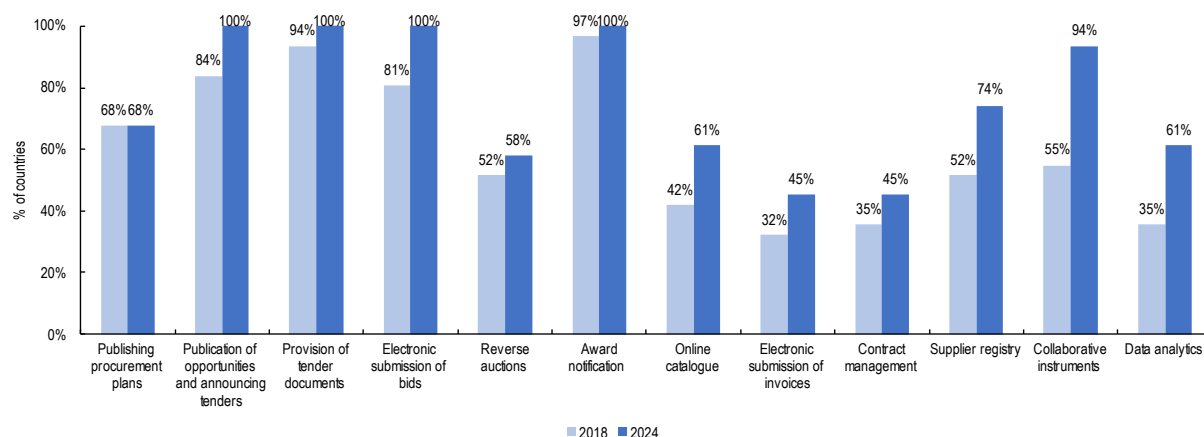
As the evidence shows, the use of centralised platforms and e-procurement systems is widespread across Respondents, contributing to streamlining access to procurement information. Mainstreamed use of centralised platforms is not new, as the 2019 implementation Report already noted that access to procurement opportunities was increasingly facilitated by centralised platforms and e-procurement systems.

The majority of Respondents (58%, or 23 out of 40) reported introducing significant updates to the national/central e-procurement system in the past year, and 83% in the last three years, indicating that these systems are generally keeping pace with technological advancements. In 28% of Respondents, the e-procurement system experienced significant change in the past 6 months. Only 2 Respondents, Czechia and Korea, reported their most recent significant update occurring more than 5 years ago³. Striking a balance between frequent updates and system stability is crucial. On one hand, the current tendency to have frequent significant revisions indicates that e-procurement systems are rapidly evolving to respond to the needs of procuring authorities and bidders. This evolution may also be driven by the more recent push to introduce new modules into e-procurement and ensure the interoperability with other digital government solutions. However, on the other hand, this could signal that the changes are happening too frequently, not allowing the e-procurement systems to stabilise and making procurement professionalisation and capacity building more challenging.

When updating e-procurement systems, providing stakeholders with support in using new portals and the tools they offer can help promote adoption and implementation. For instance, Portugal's Public Procurement Portal (Base.gov.pt) has been modernised to improve transparency and efficiency, offering guides to support suppliers and public entities in the bidding process. The Portuguese Institute of Public Markets, Real Estate, and Construction (IMPIC), an organisation managing the portal, provides detailed guides and user support for effective participation in public procurement (IMPIC, 2025^[27]).

The use of most e-procurement functionalities has increased between 2018 and 2024, reflecting a growing trend towards comprehensive e-procurement solutions. In particular, functionalities that support the contract execution phase (such as online catalogues⁴, electronic submission of invoices, contract management) are expanding. Additionally, there has been a marked increase in the publication of supplier registries (Figure 2.10). However, some Respondents reported that key information, such as procurement plans, is published on individual contracting authorities' websites only, limiting access to consolidated data on a single platform.

Figure 2.10 Functionalities provided by national/central e-procurement systems, 2018 and 2024



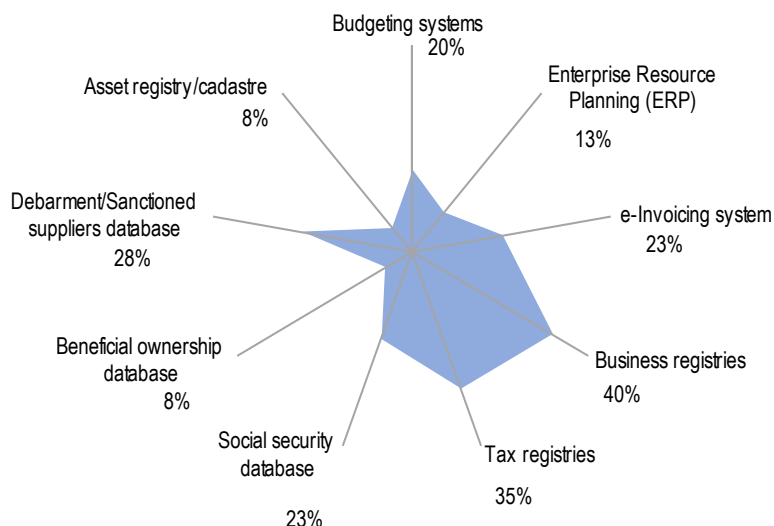
Note: Data for 2018 and 2024 is shown for 31 Respondents who answered to both editions of the survey.

Source: OECD (2018), Survey on Public Procurement; OECD (2024), Survey on Public Procurement.

The opportunities to integrate across different systems and services of digital government are rising, confirming the potential for real-time exchange of information between systems. National and subnational governments are increasingly experimenting with technology to achieve more streamlined and efficient procurement services. More than half of Respondents (27 out of 40, or 68%) reported integrating their digital procurement systems with other digital government systems to allow for real-time exchange of information.

However, for now, progress in integrating systems remains somewhat limited. Only 8% of Respondents have systems integrated with asset registries and beneficial ownership databases, 13% with enterprise resource planning, 23% with social security databases, and 20% with budgeting systems. This area is likely to further develop and receive increased attention in the coming years. Box 2.5 illustrates Korea's approach to advancing its public procurement system, taking integration of public procurement to a new level, as well as the integration of payment monitoring systems into e-procurement in Slovenia.

Figure 2.11. Digital government systems that are integrated with the e-Procurement system(s), 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Box 2.5. Examples of integration across Adherents

Korea's integration of public data

KONEPS (Korea ON-line E-Procurement System) is the Korean Public Procurement Service's (PPS) comprehensive online platform for the management of public procurement, including bidding, contract-signing, and payment.

KONEPS is linked with 227 external platforms or tools to share and retrieve information, allowing for greater efficiency and the broader use of procurement data. This has included the elimination of paper submission of documents such as business registration certificates and tax payment certificates, which are now accessed directly from government databases. It also includes Korea's Bid Rigging Indicator Analysis System (BRIAS), which examines data elements including bidding price, the number of participants, and the competition method, and applies a formula that generates a potential bid-rigging score. If the score is above a certain threshold, this suggests the need to collect more information on the procurement.

The Next-generation KONEPS Project, first launched in July 2021, will unify four additional data systems and integrate 25 other procurement platforms to KONEPS. Importantly, integration of procurement data with taxation records and other government databases will further simplify procurement processes and procedures for the procurement authorities and bidders. As such, it will allow contracting authorities to receive product recommendations based on their needs and purchase history and receive data-based planning support.

Connecting spend and procurement system data in Slovenia

In 2022, the Slovenian public procurement system was upgraded with a mechanism to monitor payments under contracts concluded through successful procurement procedures. A portal for entering payments has been created, where contracting authorities report payments made for contracts

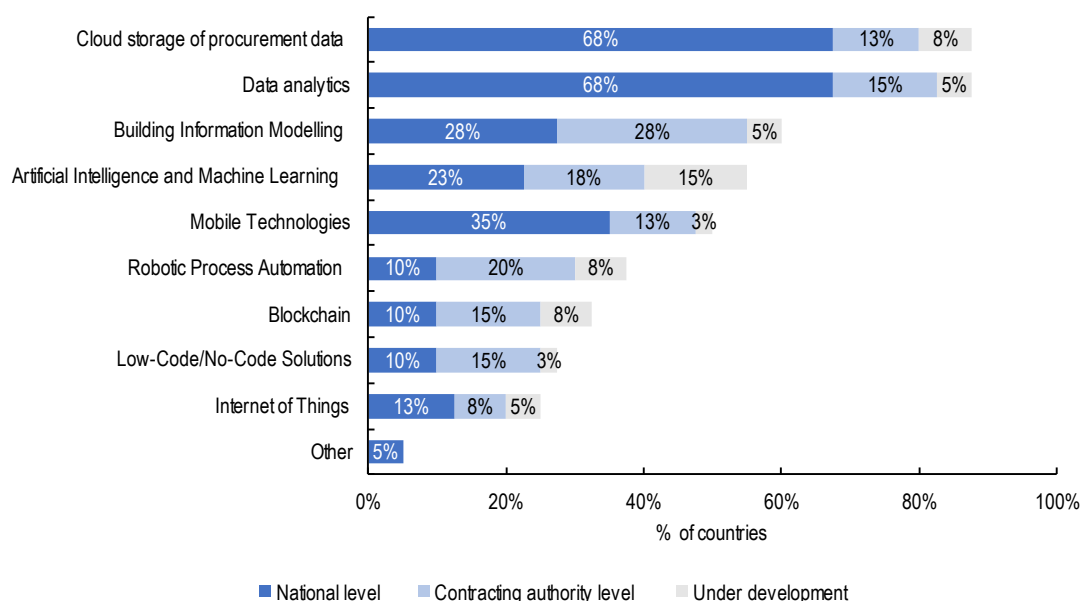
concluded following successful procurement procedures. The portal is managed by the Public Payments Administration of the Republic of Slovenia. Beginning in January 2023, contracting authorities are obliged to report monthly on payments made under public procurement contracts through the payments' portal. The payments portal connects directly to the public procurement portal. The data uploaded by contracting authorities on the payments' portal are transferred back to the procurement portal in the contract file under the relevant contract and allow an overview of the status of contract performance.

Source: (OECD, 2024^[24]); (OECD, 2024 (forthcoming)^[28]).

Public procurement processes at both national and contracting authority levels are increasingly incorporating modern technologies to support and enhance efficiency. The adoption of emerging technologies in procurement is progressing across multiple levels of governance. Key technologies like cloud storage, data analytics, and building information modelling⁵ (BIM) are now essential to national and contracting authorities, offering increased data accessibility and streamlined processes (OECD, forthcoming^[25]). Based on the 2024 Survey responses, the most commonly used technologies among the Respondents include cloud storage for procurement data, data analytics, and BIM (Figure 2.12).

Moreover, governments are not only digitising traditional processes but are rethinking procurement structures entirely to accommodate AI and Robotic Process Automation (RPA), which are currently being developed to reduce administrative burdens and enhance operational agility. These advancements underscore a shift toward “smart” procurement systems that enable continuous connectivity with suppliers and dynamic co-ordination among stakeholders, driving value and efficiency across the public procurement lifecycle.

Figure 2.12. Types of innovative technologies used to support procurement activities, 2024

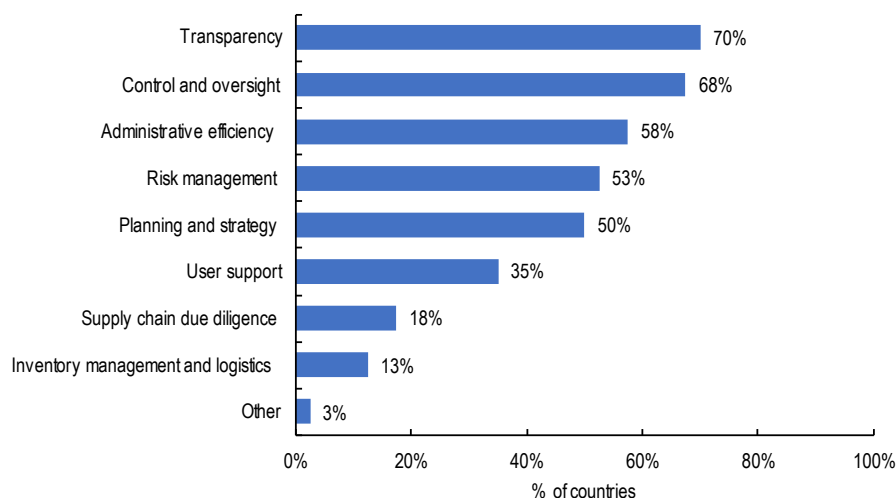


Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Innovative technologies are most commonly leveraged to improve transparency (70% or 28 out of 40 Respondents), control and oversight (68% or 27 out of 40 Respondents), administrative efficiency (58% or 23 out of 40 Respondents), risk management (53% or 21 out of 40 Respondents), and planning and strategy (50% or 20 out of 40 Respondents). However, they remain under-exploited for user support (35% or 14 Respondents), supply chain due diligence (18% or 7 Respondents), and inventory management and logistics (13% or 5 Respondents) (Figure 2.13).

Figure 2.13. Procurement aspects supported by innovative technologies, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

While Respondents made considerable progress in implementing measures aligned with the e-procurement principle, further potential remains to be fully realised. The 2024 Survey results demonstrate that Respondents share the vision of enhancing efficiency and transparency in public procurement. Increasing adoption of digital tools and centralised platforms has improved access to procurement opportunities and data integration, with regular system updates indicating responsiveness to technological advancements. Nonetheless, the frequency of major public procurement system regulatory updates may disrupt system stability, posing challenges for capacity building and professionalisation in procurement. Despite its potential, the integration of e-procurement with broader digital government systems is still low and uneven, with limited connectivity to critical elements such as e-invoicing and contract management. Finally, though innovative technologies such as data analytics and cloud storage are increasingly employed, their application to areas like risk management and supply chain oversight is still underutilised, indicating room for additional significant gains in procurement efficiency.

While efficiency in public procurement is a shared objective, measuring and communicating results could be further improved

Efficiency in public procurement is essential for maximising the value of public spending and ensuring that government resources are used in the most effective way. Given the significant volume of spending involved, well-governed public procurement can help realise substantial savings, achieve strategic policy objectives, and enable rapid responses to evolving needs. Meeting the ever-increasing expectations is particularly challenging in a context of constant fiscal pressures (OECD, 2023^[29]), where strengthening public trust and accountability is key. Furthermore, efficient public procurement practices enhance transparency and play a key role in fostering sustainable public investment and long-term development.

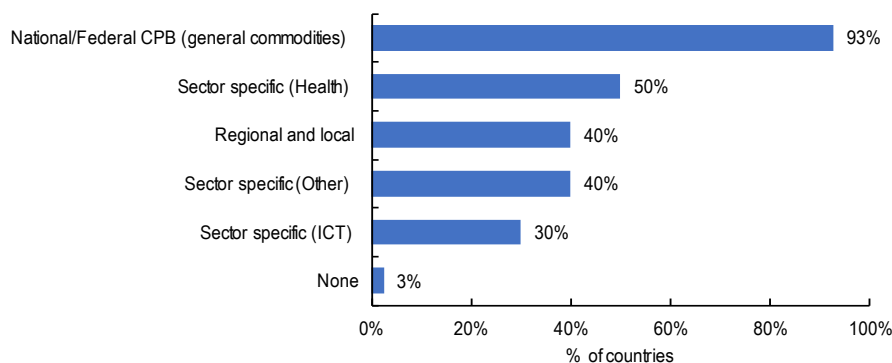
The Recommendation states that Adherents should:

*develop processes to drive **efficiency** throughout the public procurement cycle in satisfying the needs of the government and its citizens. To this end, Adherents should:*

- i) Streamline the public procurement system and its institutional frameworks. Adherents should evaluate existing processes and institutions to identify functional overlap, inefficient silos and other causes of waste. Where possible, a more service-oriented public procurement system should then be built around efficient and effective procurement processes and workflows to reduce administrative red tape and costs, for example through shared services.*
- ii) Implement sound technical processes to satisfy customer needs efficiently. Adherents should take steps to ensure that procurement outcomes meet the needs of customers, for instance by developing appropriate technical specifications, identifying appropriate award criteria, ensuring adequate technical expertise among proposal evaluators, and ensuring adequate resources and expertise are available for contract management following the award of a contract.*
- iii) Develop and use tools to improve procurement procedures, reduce duplication and achieve greater value for money, including centralised purchasing, framework agreements, e-catalogues, dynamic purchasing, e-auctions, joint procurements and contracts with options. Application of such tools across sub-national levels of government, where appropriate and feasible, could further drive efficiency.*

Aiming to promote efficiency, resort to central purchasing bodies (CPBs) has become widespread across Respondents. As of 2024, 93% of Respondents reported having established national or federal CPBs for general commodities. Sector-specific CPBs are also common, with 50% of Respondents using them for health sector procurement and 30% for ICT-related⁶ procurement. By consolidating purchases across multiple agencies, CPBs help achieve economies of scale, reduce transaction costs, and foster more competitive procurement markets. Estimates suggest that rationalising procurement could result in savings of between 7% and 35% of spend, depending on the country (Guerry, 2018^[30]). Over the past few years, the OECD has published a series of case studies on the measurement of the impacts of CPBs on procurement efficiency and productivity, highlighting the potential positive impacts of public procurement in achieving government's objectives (OECD, 2022^[31]) (OECD, 2023^[32]).

Figure 2.14. Existence of CPBs, 2024



Note: Data is shown for 40 Respondents.

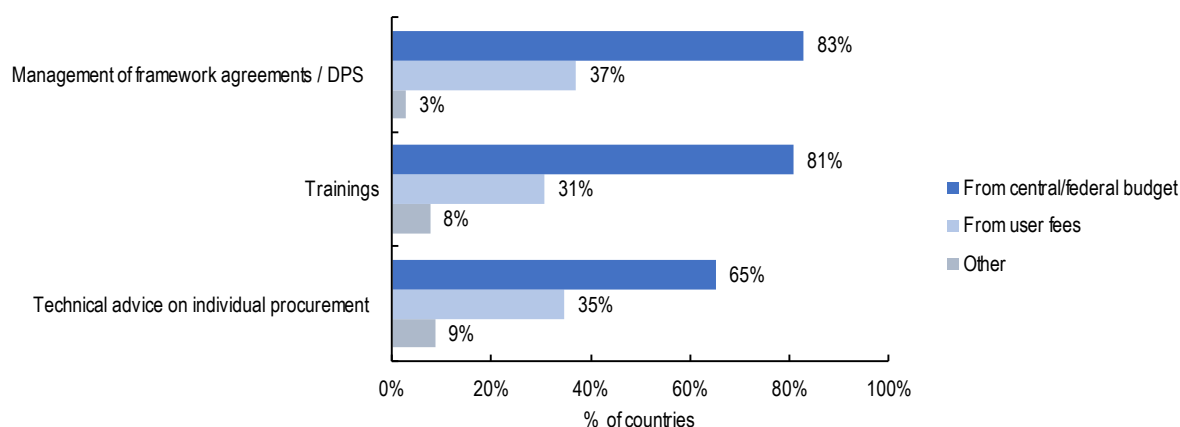
Source: OECD (2024), Survey on Public Procurement.

CPBs also play a role in further driving efficiency across sub-national levels of government. For instance, CPBs help streamline procurement at the regional and local levels, with 40% of Respondents employing them for regional and local procurement (Figure 2.15). This is particularly important in light of

the large share of public procurement done by local governments across Adherents. For instance, as of 2021, 61.2% of Adherents' procurement spending occurred at the sub-national level (OECD, 2023^[33]).

National or federal CPBs are typically financed through a combination of central/federal budgets and user fees, although user fees are less commonly employed for specific activities. In particular, 83% of Respondents (29 out of 35) finance the management of framework agreements or dynamic purchasing systems through the central/federal budget, while only 37% (13 out of 35) use user fees. Similarly, training activities are funded by the central/federal budget in 81% of Respondents (21 out of 26), compared to 31% (8 out of 26) using user fees. For technical advice on individual procurements, 65% of Respondents (15 out of 23) rely on central/federal budget funding, and 35% (8 out of 23) use user fees (Figure 2.15).

Figure 2.15. Financing mechanisms for the activities of the national/federal CPB, 2024



Note: For each activity of the national/federal CPB, data is shown for the Respondents providing that service – management of framework agreements/DPS, for 35 Respondents; trainings, for 26 Respondents; and technical advice on individual procurement, for 23 Respondents.

Source: OECD (2024), Survey on Public Procurement.

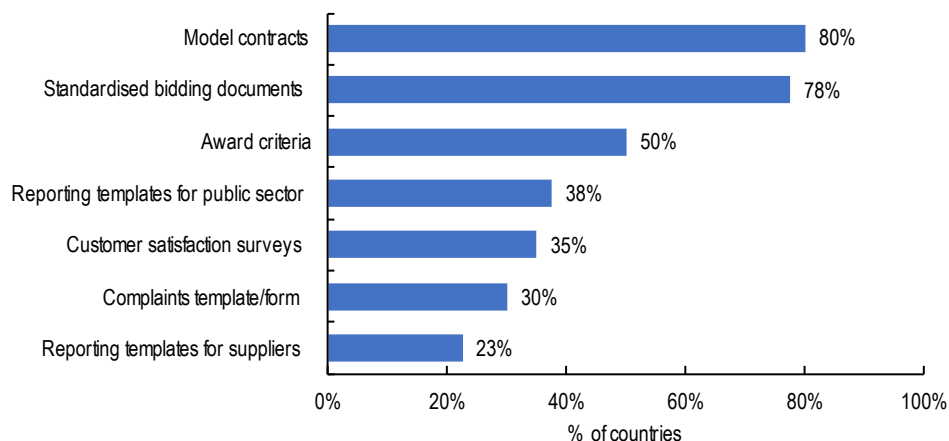
Most Respondents reported using different collaborative tools to improve procurement systems, reduce duplication, and achieve greater value for money. The most commonly used instruments include framework agreements (90% or 36 out of 40 Respondents), centralised purchasing (88% or 35 out of 40 Respondents), joint procurements (83% or 33 out of 40 Respondents), online catalogues (70% or 28 out of 40 Respondents), and dynamic purchasing (65% or 26 Respondents). Fewer Respondents reported using e-auctions (48% or 19 out of 40) and contracts with options⁷ (35% or 14 out of 40).

That said, the measurement of efficiency gains generated through the collaborative tools is lagging, and even when it is conducted it is rarely communicated to contracting authorities. Only 45% of Respondents stated systematically measuring efficiency gains generated through the use of these tools, revealing inconsistencies in tracking the benefits of procurement reforms. Without comprehensive frameworks for performance, inefficiencies may persist, limiting the effectiveness of procurement systems in achieving value for money. This limited monitoring capacity suggests that the efficiency benefits of streamlined procurement processes, such as the reduction of red tape and administrative costs, may not be fully realised. In addition, among Respondents measuring efficiency gains, few are communicating results to the contracting authorities, highlighting the need for greater transparency in sharing the benefits and effectiveness of centralisation.

Tools to facilitate procurement processes such as model contracts (80%) or standardised bidding documents (78%) are broadly used at the national level, yet additional templates which would make it easier to share results and outcomes could be further developed. In fact, only 38% of Respondents have

currently developed reporting templates for contracting authorities, and just 23% have templates available for suppliers (Figure 2.16).

Figure 2.16. Procurement tools used for improving efficiency at the national level, 2024



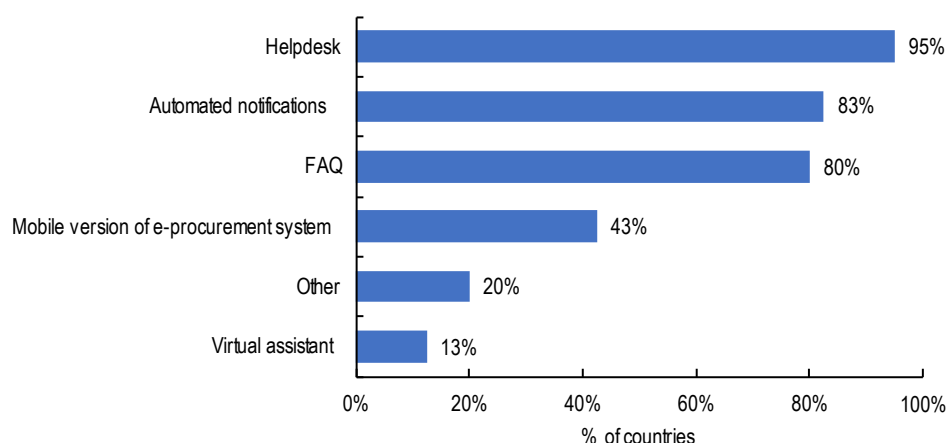
Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Further integration of user-friendly features into national e-procurement systems would contribute to creating a more service-oriented approach that better meets customer needs. Currently, some technological features remain underutilised across Respondents. For example, while the majority of Respondents provide traditional support mechanisms, such as helpdesks (95%), automated notifications (83%), and responses to frequently asked questions (FAQs) (80%), only 43% have implemented a mobile version of their e-procurement system, despite increasing reliance on mobile platforms to perform professional tasks more conveniently and efficiently (Figure). A mobile interface would enable users to engage with procurement processes anytime and anywhere, making these systems more accessible and responsive to immediate needs.

In addition, only 13% have introduced virtual assistants, such as chatbots, to assist users, indicating further opportunities for enhancing support (Figure 2.17). Virtual assistants can offer personalised, around-the-clock assistance, guiding users through complex procedures and providing prompt answers to common inquiries, thus reducing the reliance on human-operated helpdesks and reducing response times. By integrating such user-centric innovations, national e-procurement systems could further improve user satisfaction, facilitate more efficient processes, and ultimately enhance the accessibility and effectiveness of public procurement systems. This, in turn, can drive broader engagement, encouraging more suppliers to participate in government procurement processes and promoting more competitive and diverse markets. Lack of attention dedicated to setting up virtual assistants aligns with findings that AI and other emerging technologies are mostly used for compliance and checks and less so for user support (Figure 2.17).

Figure 2.17. Features available in the national e-procurement system, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Overall, evidence indicates that, while efficiency in public procurement remains a shared objective among Respondents, vital for maximising value and meeting public expectations amidst fiscal pressures, measurement and reporting of efficiency gains still require significant improvement. Tools such as framework agreements, joint procurements model contracts, standardised bidding documents, and e-catalogues have enhanced value for money, yet mechanisms to track and transparently communicate results are still limited. This gap, alongside underutilised tools like reporting templates for contracting authorities and suppliers, suggests further potential for standardisation and transparency. Additionally, expanding user-oriented features – such as mobile e-procurement systems and virtual assistants – would enhance service accessibility and support, advancing a more customer-focused approach. Addressing these opportunities would drive greater efficiency, accountability, and responsiveness in public procurement.

2.2.2. Better integration of public procurement with public financial management would maximise synergies

Integrating public procurement with public financial management systems enhances transparency, accountability, and efficiency in public spending, ensuring that procurement processes are not only aligned with budgetary goals but also contribute directly to broader financial governance objectives. By aligning procurement with public finance management, budgeting, and service delivery processes, governments can build synergies across other areas of public governance, gain a better understanding of procurement-related expenditures, including administrative costs, and leverage this information to optimise procurement practices. Box 2.6 highlights the benefits of integration for the supplier registration process in Chile.

Box 2.6. ChileCompra: integrating digital government systems for better supplier registration

ChileCompra, established under Law 19,886 of 2003, plays a pivotal role in ensuring transparency, efficiency, and equality in public procurement in Chile. As the Directorate of Public Procurement and Contracting, it oversees the *Sistema Electrónico de Compras Públicas* (Electronic Public Procurement System), a centralised platform where government entities manage procurement processes. The platform, accessible via www.chilecompra.cl and its e-marketplace *Mercado Público* (www.mercadopublico.cl), enables real-time, digitalised procurement, fostering participation from micro and small enterprises, which constitute 90% of the suppliers registered on the system.

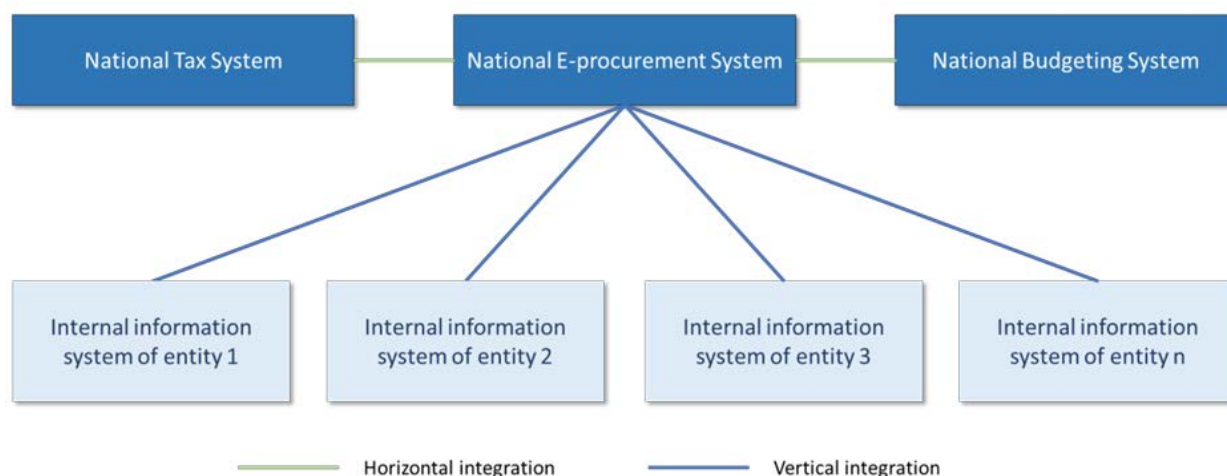
Chile is one of the Adherents with mandatory supplier registration integrated into its e-procurement system. Economic operators must register in *Mercado Público* in order to access public procurement opportunities. To participate in public procurement processes and to validate their capacity, economic operators must register within the supplier registration module of *Mercado Público*. However, the formal validation of the supplier registration is only needed prior to contract signature.

Registering in the supplier registry is a relatively straightforward process, thanks to the integration of the digital governance system. Suppliers need only to submit an online application form and ownership information for registration. Other required documents, such as business registration/certificate of existence, legal representation, and tax payment details, are automatically retrieved from interconnected governmental systems, like the business registry and tax register. Notably, the system verifies automatically whether the applicant company has been convicted of corruption, money laundering, terrorism financing, or bribery. Additionally, *Mercado Público* provides a publicly accessible list of suppliers with such convictions. The registration process is completed on *Mercado Público*, the fully digital e-procurement platform, and takes less than one day, demonstrating the efficiency of integrated digital government systems in managing and maintaining supplier registration.

Source: (OECD, 2022^[34]); (ChileCompra, n.d.^[35]).

In particular, public procurement plays a critical role in the public financial management cycle, especially during budget planning and execution, where linking public procurement procedures with other public financial management systems is key for promoting efficiency, detecting potential cost overruns, quantifying spending and demand trends, and flagging possible risks and improprieties (OECD, 2019^[26]). This alignment requires both vertical and horizontal integration. Vertical integration aligns the national procurement systems with the internal tools used by contracting authorities for procurement and management. Horizontal integration, on the other hand, connects the whole procurement system with other governmental platforms, such as national tax, budgeting, accounting, or social security systems (OECD, 2023^[36]). Figure 2.18 illustrates these two types of integration with regards to e-procurement systems.

Figure 2.18. Example of horizontal and vertical integration of the e-procurement system



Source: (OECD, 2023^[36]).

The Recommendation states that Adherents should:

support **integration** of public procurement into overall public finance management, budgeting and services delivery processes. To this end, Adherents should:

- i) Rationalise public procurement spending by combining procurement processes with public finance management to develop a better understanding of the spending dedicated to public procurement, including the administrative costs involved. This information can be used to improve procurement management, reduce duplication, and deliver goods and services more efficiently. Budget commitments should be issued in a manner that discourages fragmentation and is conducive to the use of efficient procurement techniques.
- ii) Encourage multi-year budgeting and financing to optimise the design and planning of the public procurement cycle. Flexibility, through multi-year financing options – when justified and with proper oversight – should be provided to prevent purchasing decisions that do not properly allocate risks or achieve efficiency due to strict budget regulation and inefficient allocation.
- iii) Harmonise public procurement principles across the spectrum of public services delivery, as appropriate, including for public works, public-private partnerships and concessions. When delivering services under a wide array of arrangements with private-sector partners, Adherents should ensure as much consistency as possible among the frameworks and institutions that govern public services delivery to foster efficiency for the government and predictability for private-sector partners.

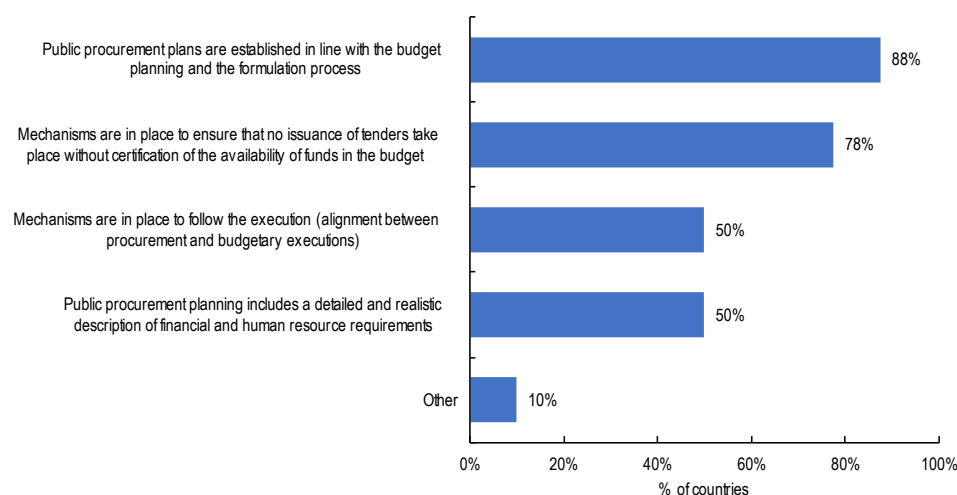
Data indicates slight progress in aligning public procurement with broader public financial management mechanisms over the past five years. Currently, 88% (35 out of 40) of Respondents have public procurement plans that are established in line with the budget planning and formulation process (Figure 2.19). This represents an increase from 83% to 93% among the 29 countries that replied to both surveys in 2018 and 2024. However, as of 2024, only 50% of Respondents (20 out of 40) reported that public procurement planning includes detailed and realistic descriptions of financial and human resource requirements (Figure 2.19), revealing a key area for improvement. These practices have seen a slight increase from 52% in 2018 to 55% in 2024 among countries that replied to both surveys.

Budget design and allocation need to better capture the lifecycle costs and social and environmental impacts of goods and services, including so as to incentivise competition on the green dimensions of the offers. For example, as the acquisition and operation budgets are typically separated, the higher initial costs of environmentally friendly products may lead to suboptimal procurement decisions that do not

maximise value for money as they fail to consider lifecycle costs. To properly account for full lifecycle costs, the total cost of ownership (also referred to as lifecycle cost perspective) should be calculated inclusive of both long-term expenses (for instance, decommissioning and recycling) and savings such as those generated by energy savings. As of 2022, 12 Adherents reported lacking methodologies for estimating full lifecycle costs (OECD, 2024^[37]).

Budget execution and the implementation of procurement plans suffer from limited integration, since only 50% of Respondents have mechanisms in place to ensure alignment between procurement and budget execution (Figure 2.19). Mechanisms ensuring no tenders are issued without budget certification are in place in 78% of Respondents. Budget alignment ensures that procurement commitments do not exceed allocated budgets, which could prevent other issues such as delayed payments for suppliers.

Figure 2.19. Integration of public procurement with public financial management, 2024



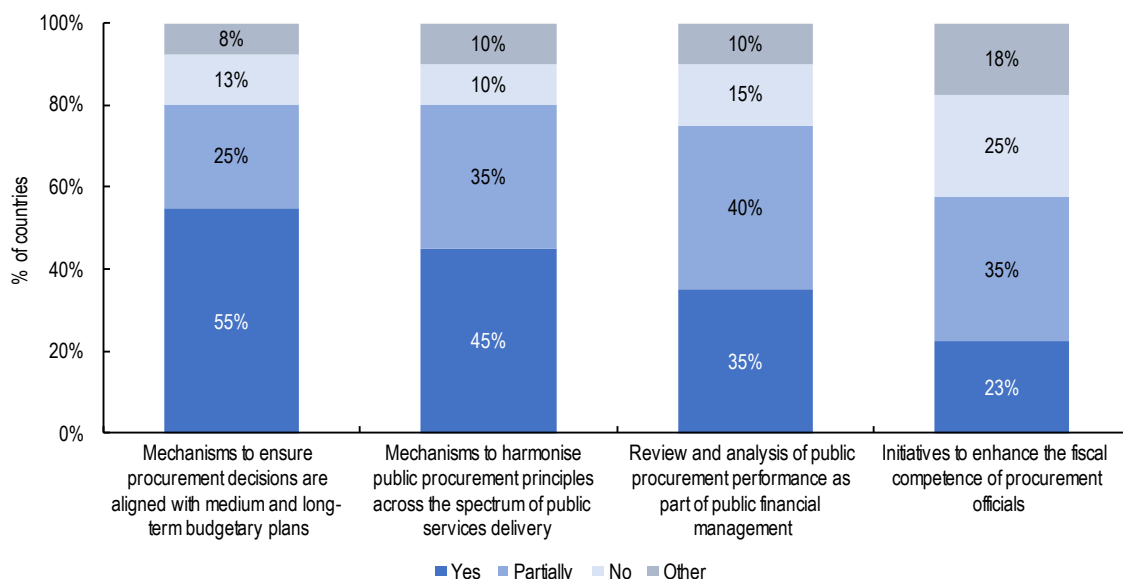
Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Data also highlights a need for better alignment between public procurement and financial management frameworks and processes. Although public procurement represents an integral part of the public spending cycle, only 55% of Respondents have mechanisms for aligning procurement with medium- and long-term budgetary plans, indicating limited fiscal alignment (Figure 2.20). Another 25% (10 Respondents) reported partial alignment through some policies and monitoring mechanisms, while 13% (5 Respondents) acknowledged the lack of comprehensive mechanisms to connect procurement with longer-term budgetary goals.

Fiscal literacy among procurement officials is crucial for the effective integration of e-procurement and public financial management (PFM) systems, as it enables these professionals to make informed decisions that align procurement activities with budgetary constraints and financial regulations. While enhancing the fiscal competence of procurement officials is important for optimising procurement integration, only 58% of Respondents reported having some relevant initiatives as of 2024 (Figure 2.20). Data reveals that 23% (9 out of 40) of Respondents have introduced targeted training programmes and continuous professional development in fiscal management, while 35% (14 out of 40) provide occasional workshops and seminars (Figure 2.20). However, 25% Respondents reported no structured initiatives, signalling a gap in long-term capacity building. This underscores the need for structured, ongoing training to ensure procurement officials are equipped with the fiscal skills required for effective budget management.

Figure 2.20. Integration of public procurement into overall public finance management, budgeting and services delivery processes, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

To harmonise procurement principles across various public service delivery models, including public-private partnerships and concessions, 45% (18 out of 40) of Respondents reported having unified legal frameworks and standardised procedures applicable across all forms of public service delivery. Meanwhile, 35% (14 out of 40) indicated partial harmonisation, with gaps and inconsistencies in the application of these frameworks. These findings suggest there is room for improvement in establishing cohesive procurement systems across different service delivery models.

Although regular audits and performance evaluations are crucial to reviewing procurement performance within public financial management, only 35% of Respondents reported systematically conducting them to assess procurement effectiveness and efficiency. 40% of Respondents stated carrying out occasional reviews or project-based evaluations, which may not provide a comprehensive assessment of procurement efficiency. Additionally, 15% of Respondents lack formal mechanisms to review and analyse procurement performance within the public financial management framework.

Better integration of public procurement with public financial management presents opportunities for enhancing public sector efficiency and optimising resource allocation. While most Respondents now align procurement plans with budget planning and mechanisms that ensure no tenders exceed budget limits are well-established, deeper integration remains challenging. Improving the availability of detailed and realistic descriptions of financial and human resources during the procurement planning stage is one of the areas that requires improvements. Another area which could benefit from better implementation is the alignment of procurement practices across various public service delivery models such as those involving public-private partnerships (PPPs), and concessions. Although progress in harmonising procurement practices across public service delivery models is evident, the varied adoption of unified frameworks highlights a need for greater consistency. Finally, the implementation of targeted training programmes to enhance procurement officials' competences with fiscal skills remains limited, shedding light on a gap in long-term capacity building.

2.3. Pillar III: Upskilling the public procurement profession and strengthening the whole procurement ecosystem

The third thematic pillar of this Report focuses on developing the capacity of the public procurement workforce, while maintaining high standards of integrity and accountability within the whole public procurement system.

Recent dynamic global trends and the current poly-crisis environment are contributing to making public procurement more complex than ever, demanding a sophisticated skillset from public procurement officials, as well as high standards of integrity and accountability (OECD, 2023^[29]). The strategic use of public procurement to achieve key policy objectives and its role in addressing multiple crises, coupled with rising expectations and constant fiscal pressures, require systems which manage public funds efficiently and effectively while contributing to sustainable, resilient societies prepared for the green and digital transitions. This necessitates a skillset that extends beyond technical regulatory knowledge, market research and analysis, and drafting tender documents, to also include project management, negotiation, and other soft skills (OECD, 2023^[29]). Indeed, the capacity of the public procurement workforce is a key element to ensure a sound procurement system to deliver efficiency and value for money, making the professionalisation of this function a priority in public procurement reforms worldwide (OECD, 2023^[29]). At the same time, public procurement is highly vulnerable to waste, mismanagement and corruption, due to the significant financial stakes, transaction volume, and close public-private sector interactions in awarding and managing contracts. Preserving the integrity of procurement systems and establishing clear accountability throughout the procurement cycle are therefore crucial to mitigate these risks.

2.3.1. Respondents are investigating options to strengthen the public procurement function, yet major hurdles remain to make it competitive

Capacity, defined as “the ability to meet obligations and objectives based on existing administrative, financial, human, and infrastructure resources” is a key tenet of public administration (OECD, 2019^[11]). To allow governments to design and deliver effective policies, a public administration that has the capacity to implement policies, deliver services, and provide policy advice to decision-makers is indispensable. As procurement grows in complexity, it is evident that it is not solely an administrative function but also a strategic one within the public service. As a profession, it is multi-disciplinary and requires expertise in a broad range of fields, including law, economics, public administration, accounting, management, and marketing. The increasing use of strategic procurement necessitates these diverse skill sets and experience (OECD, 2019^[11]).

The Recommendation states that Adherents should:

*develop a procurement workforce with the **capacity** to continually deliver value for money efficiently and effectively.*

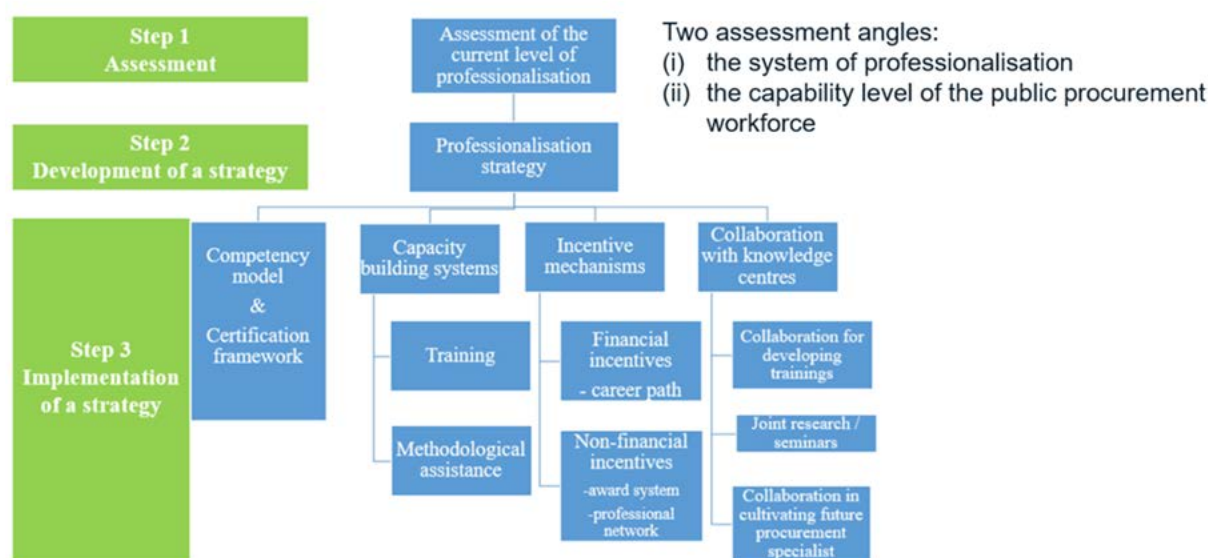
To this end, Adherents should:

- i) *Ensure that procurement officials meet high professional standards for knowledge, practical implementation and integrity by providing a dedicated and regularly updated set of tools, for example, sufficient staff in terms of numbers and skills, recognition of public procurement as a specific profession, certification and regular trainings, integrity standards for public procurement officials and the existence of a unit or team analysing public procurement information and monitoring the performance of the public procurement system.*
- ii) *Provide attractive, competitive and merit-based career options for procurement officials, through the provision of clear means of advancement, protection from political interference in the procurement process and the promotion of national and international good practices in career development to enhance the performance of the procurement workforce.*

- iii) *Promote collaborative approaches with knowledge centres such as universities, think tanks or policy centres to improve skills and competences of the procurement workforce. The expertise and pedagogical experience of knowledge centres should be enlisted as a valuable means of expanding procurement knowledge and upholding a two-way channel between theory and practice, capable of boosting application of innovation to public procurement systems.*

To develop a procurement workforce having the capacity to continuously deliver value for money, Respondents are largely investing in professionalisation initiatives, as demonstrated by the increasing share of those who report introducing measures such as the creation of competency models and certification frameworks since 2018. Professionalisation initiatives typically follow three steps: 1) assessing the current level of professionalisation; 2) developing a professionalisation strategy; and 3) implementing the strategy (Figure 2.21).

Figure 2.21. Key elements to professionalise the public procurement workforce



Source: (OECD, 2023^[29]).

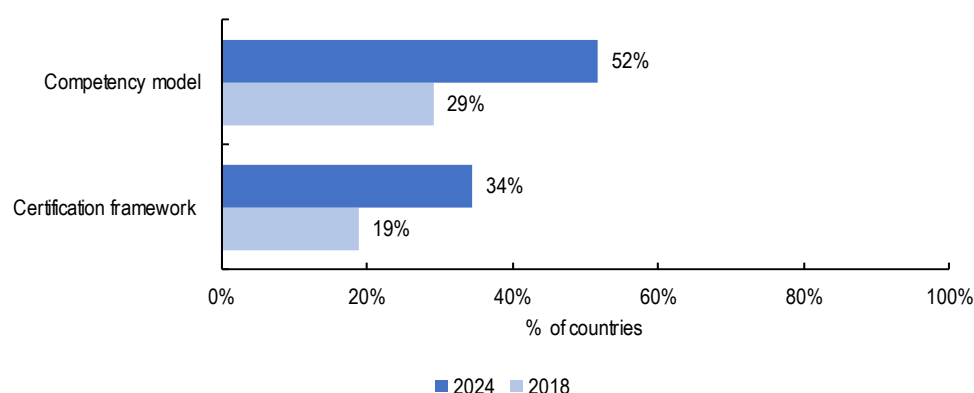
Professionalisation strategies could integrate several dimensions such as developing a competency model, establishing a certification framework, recognising the procurement profession as a stand-alone function within the civil service, reinforcing capability-building systems, setting up incentive mechanisms to attract and retain capable public procurement officials, and promoting collaboration with knowledge centres (OECD, 2023^[29]).

More than half of Respondents (22 out of 40, or 55%) indicated having a competency model for public procurement officials as of 2024. Competency models allow procurement officials to identify critical skills and assess the capability levels required for the overall strategic direction of an organisation (OECD, 2023^[29]). As such, they can be used for recruitment, promotion, and training on the skills and competences relevant to the procurement workforce. The majority of Respondents with a competency model in place (18 out of 22, or 82%) have such a model prepared at the national/central level, while 4 Respondents (Australia, Austria, Germany, and the Netherlands) reported that a competency model was created by certain entities (e.g. contracting authorities or CPBs). Back in 2020, 41% of Respondents reported having a specific competence model for public procurement officials.

38% of Respondents stated having a certification framework in place to recognise procurement as a separate professional discipline within the public sector, highlighting that this is not yet a common practice.

However, this marks a notable increase from 2018, when only 19% of Respondents stated having certification frameworks (Figure 2.22), suggesting an emerging trend towards establishing frameworks to ensure that procurement officials possess the necessary knowledge and skills to effectively carry out their duties. Additionally, 55% of Respondents (22 out of 40) indicated that a certification framework is under development or being considered. In 87% of Respondents with an active certification framework, the certificate can be obtained after passing an exam. Other common requirements include completing a mandatory training programme, having relevant professional experience, or holding an academic degree. However, only 4 Respondents stated that obtaining the certificate is mandatory for carrying out any procurement functions. Box 2.7 provides details on Lithuania's certification framework.

Figure 2.22. Prevalence of competency model and certification framework for public procurement officials, 2018 and 2024



Note: Data for competency model is shown for 31 Respondents with data available for both 2018 and 2024 and for certification framework, for 32 Respondents.

Source: OECD (2018), Survey on Public Procurement. OECD (2024), Survey on Public Procurement.

Box 2.7. Lithuania's certification framework

In July 2022, Lithuania's Public Procurement Office (PPO) introduced the country's first-ever certification framework for the procurement workforce. The certification encompasses 20 modules, covering essential knowledge and skills for procurement officials (such as legislation, market research, needs analysis, green public procurement, socially responsible purchasing, etc.). To obtain certification, candidates must pass a closed-book exam consisting of 50 single or multiple-choice questions within 120 minutes, achieving a minimum score of 80% (40 correct answers). Training is optional for taking the exam, and certification remains valid for five years, requiring renewal through re-examination before expiration. As of May 2023, 820 candidates were certified, with a 65% success rate from 1,247 candidates.

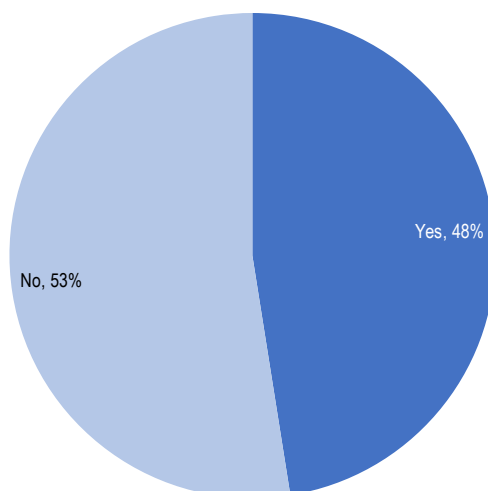
Under the Public Procurement Law, adopted in October 2021 and entered into force in January 2023, contracting authorities must include at least one certified procurement official on public procurement commissions responsible for conducting procurement procedures, with certain exceptions (e.g., low-value procurement procedure).

Source: (OECD, 2024^[38]).

As of 2024, 48% of Respondents (19 out of 40) recognise the public procurement function as a stand-alone profession within the civil service job family (e.g., within official documents or through dedicated job descriptions). More than half of the Respondents that recognise procurement as a specific profession have a competency model (63%). Less than half of them (42%) have a certification framework, but the rest are currently developing one or considering developing one, with the exception of Estonia (due to high administrative costs), New Zealand, and Sweden (that relies on certification frameworks provided by private entities). Only in one Respondent that recognises procurement as a standalone profession the certificate is mandatory to carry out procurement.

73% of the Respondents that have a competency model have also developed a certification framework and/or recognised public procurement as a specific profession. This suggests that countries that develop a competency model tend to further professionalise their workforce by choosing one of the methods (certification or professional recognition) or applying both cumulatively. However, 26% of the Respondents that recognise public procurement as a specific profession have neither a competency model, nor a certification framework.

Figure 2.23. Recognition of public procurement as a profession, 2024

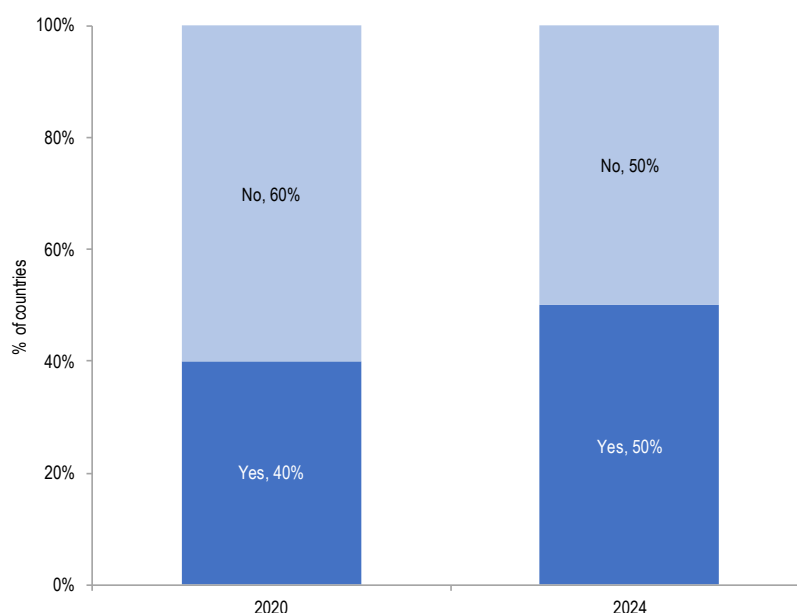


Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Although the proportion of Respondents recognising procurement as a stand-alone profession has risen from 40% in 2018 (OECD, 2023^[29]) to 50% in 2024, this figure is increasing slowly (Figure 2.24). This highlights the need for further, clear action to drive progress.

Figure 2.24. Recognition of public procurement as a profession, 2020 and 2024



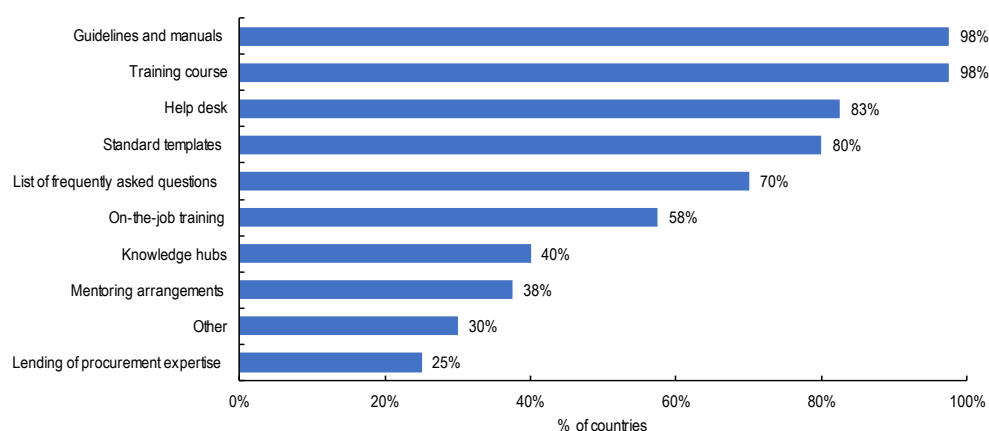
Note: Data for 2020 and 2024 is shown for 30 Respondents who answered to both surveys.

Source: OECD (2020), Survey on the Professionalisation on Public Procurement. OECD (2024), Survey on Public Procurement.

Motivating public procurement officials is crucial not only for maintaining high performance and productivity, but also for attracting skilled professionals, yet in most Respondents procurement remains underpaid vis-à-vis other civil service workstreams. Notably, only 15% of Respondents reported offering competitive salaries, which are key to make public procurement an attractive and competitive career choice, given the complexity and the risks faced by the profession. Incentive mechanisms could play an important role in motivating public officers. They can be classified as financial (e.g., performance-based bonuses) or non-financial (e.g., professional development including training courses and certification, performance management systems, award systems, staff benefits such as flexible working conditions or holidays). While incentives to motivate procurement officials are implemented in approximately half of Respondents (21 out of 40, or 53%), they are mostly non-financial. The three most commonly used incentives among Respondents are professional networks (33%), staff benefits (25%), and clear career progression trajectories (20%). There are also other benefits that can be used as incentives, such as access to scholarships in Costa Rica. To attract and retain talented professionals within strict fiscal constraints, more efforts are needed to develop effective incentive mechanisms.

Respondents employ a combination of capacity-building tools to support officials who carry out public procurement procedures. These initiatives can help ensure procurement officials meet high professional standards for knowledge, practical implementation skills, and integrity. Most Respondents provide methodological assistance through guidelines and manuals (39 out of 40, or 98%), help desks (33 out of 40, or 83%), standard templates (32 out of 40, or 80%), and responses to a list of frequently asked questions (28 out of 40, or 70%). Training courses are offered by 98% of Respondents (39 out of 40), and cover legislation, e-procurement, procurement planning, contract award criteria, innovation procurement, green procurement, socially responsible procurement in more than 80% of cases. Practical training initiatives are less common. Just over half of Respondents (23 out of 40, or 58%) offer on-the-job training, and fewer than half use knowledge hubs (40% or 16 Respondents) and mentoring arrangements (38% or 15 Respondents) and lend procurement expertise to assist contracting authorities in carrying out specific procurement procedures (25% or 10 Respondents) (Figure 2.25). Box 2.8 provides details on the green public procurement training offered by the National School of Administration in Italy.

Figure 2.25. Capacity-building initiatives to support public procurement officials, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Box 2.8. Green Public Procurement course for public administration officials at the National School of Administration in Italy

The National School of Administration of Italy is the institution responsible for selecting, recruiting, and training officials and managers of the Italian Public Administration. The School offers training courses aimed at public servants, taught by teachers and experts from the academic and institutional world, from professional realms and international organisations. One such course is the “Green Public Procurement (GPP) for the sustainable management of works and supply contracts and services”, which aims to develop the skills necessary to the purchase of sustainable products and contracts for works and services. The course includes practical exercises, in-depth sessions based on the analysis of technical documents, and a final examination. Participation in the course is free of charge for employees of central administrations, constitutional bodies, independent authorities, and the National Institute of Statistics.

Source: (Scuola Nazionale dell'Amministrazione, n.d.^[39]).

Lastly, recent OECD data shows that an increasing number of Respondents have recognised the role that knowledge centres such as universities, think tanks or policy centres can play in promoting professionalisation. Knowledge centres may be equipped with specialised expertise in public administration, including public procurement, that may be of necessity in professionalising the workforce. Types of collaboration with knowledge centres can include professional or specialised training institutions, joint research and joint seminars or workshops. Developing joint training courses is one of the most common forms of collaboration between knowledge centres and the public administration. In 2020, 59% of Respondents had collaborated with knowledge centres on training programmes, a notable increase from only 39% in 2018 (OECD, 2023^[29]) (Figure 2.26).

Figure 2.26. Types of collaborative approaches with knowledge centres to improve capability of public procurement workforce

	Professional/ specialised training institutions		Joint Research Programmes		Joint seminars and workshops	
	2018	2020	2018	2020	2018	2020
Australia	○	○	○	○	●	●
Austria	○	●	○	●	●	●
Belgium	○	○	○	○	○	○
Chile	●	○	○	○	●	○
Colombia	..	●	..	○	..	●
Costa Rica	○	○	○	○	○	○
Czech Republic	..	○	..	○	..	○
Denmark	○	○	○	○	○	○
Estonia	○	○	●	●	○	○
Finland	●	●	○	●	●	●
France	○	●	○	●	○	●
Germany	○	○	○	○	○	○
Greece	○	●	●	●	●	●
Hungary	●	●	●	○	●	●
Ireland	○	○	○	○	●	●
Israel	○	●	●	●	○	○
Italy	..	●	..	●	..	●
Japan	○	○	○	○	○	○
Korea	○	●	○	●	○	○
Latvia	●	●	○	○	●	●
Lithuania	○	○	○	○	○	○
Mexico	○	○	○	○	●	○
Netherlands	●	●	●	●	●	●
New Zealand	●	●	○	○	●	●
Norway	●	●	○	●	○	●
Poland	●	●	○	●	●	●
Portugal	○	●	●	○	●	○
Slovak Republic	●	●	●	●	●	●
Slovenia	●	●	●	●	●	●
Spain	○	○	○	○	●	●
Sweden	○	○	●	●	●	●
Switzerland	..	●	..	○	..	●
Türkiye	●	●	○	○	○	●
United Kingdom	..	●	..	●	..	●
OECD Total						
● Yes	12	20	10	15	19	21
○ No	19	14	21	19	12	13
% of ● (Yes)	39%	59%	32%	44%	61%	62%
".." No information	5	2	5	2	5	2
Indonesia	..	●	..	●	..	●
Morocco	○	○	○	●	●	●
Peru	○	○	○	●	○	●

Note: Data for Colombia, Czechia, Italy, Luxembourg, Switzerland, the United Kingdom, and the United States are not available for 2018. Data for Canada, Iceland, Luxembourg, and the United States are not available for 2020. Costa Rica is included as an OECD Member as of May 2021. The government of Lithuania collaborated with Mykolo Romerio University to launch the master programme on public procurement in September 2021.

Source: 2020 OECD Survey on the Professionalisation on Public Procurement in (OECD, 2023^[29]).

Overall, data suggests that, in terms of fostering the capacity of the public procurement workforce, some progress has been made in developing competency models and certification frameworks when compared to 2018. A wide range of capacity-building initiatives exist, and collaboration with knowledge centres to enhance the skills of the procurement workforce is increasingly common. However, there is still room for improvement; less than half of Respondents recognise procurement as a stand-alone profession in the civil service job family. Incentives to motivate procurement officials are largely non-financial and competitive salaries are offered in only a handful of Respondents. To develop a procurement workforce with the capacity to deliver value for money efficiently and effectively, making procurement a recognised, attractive, and competitive career is imperative. Furthermore, developing the capacity of other relevant stakeholders could further contribute to the professionalisation of the whole public procurement ecosystem.

2.3.2. Proactive integrity risk management needs to be strengthened to avoid harming trust in public service

Results from the 2024 Trust Survey show that the public in respondent Adherents is concerned about the integrity of civil servants and elected officials. Citizens' perception that public servants lack integrity can lead to decreased trust in public institutions and a scepticism towards representative democracy. Clearer rules related to integrity and anti-corruption and their implementation would enhance trust in institutions (OECD, 2024^[18]). Public procurement is a key tool for achieving various public policy objectives while delivering valuable goods and services to citizens, but it is highly vulnerable to the risk of bribery or ethical failures. The volume of transactions, the financial interests at stake, the complexity of the processes, and the multitude of stakeholders all contribute to the risks of corruption (OECD, 2020^[40]). As public procurement amounts to a significant portion of public spending, it is important to ensure that public procurement systems and tools work with integrity to ensure the best value for taxpayer's money and make a positive impact on citizens' quality of life (OECD, 2023^[33]).

The Recommendation states that Adherents should:

*preserve the **integrity** of the public procurement system through general standards and procurement-specific safeguards. To this end, Adherents should:*

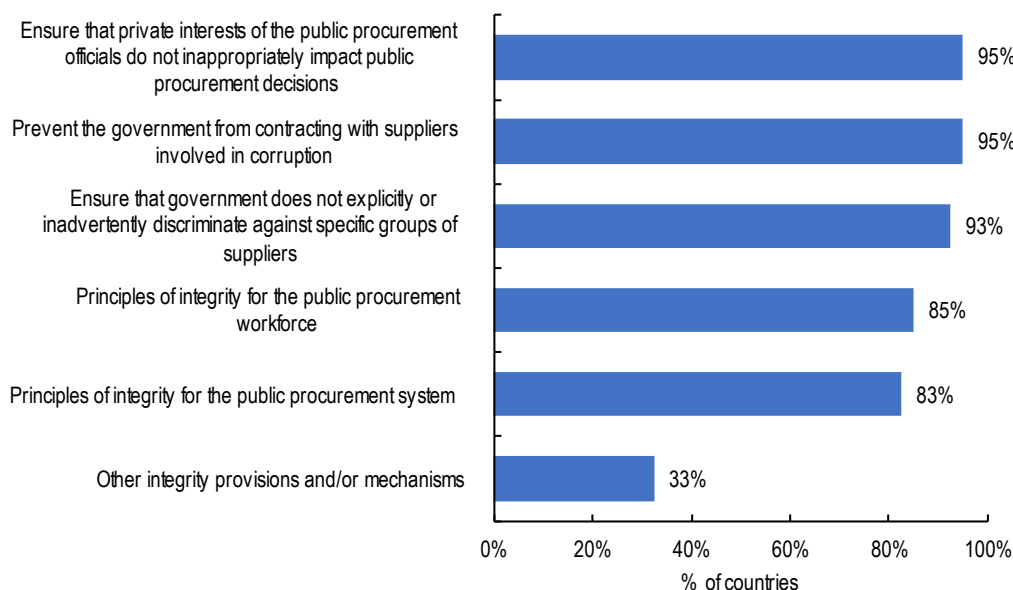
- i) Require high standards of integrity for all stakeholders in the procurement cycle. Standards embodied in integrity frameworks or codes of conduct applicable to public-sector employees (such as on managing conflict of interest, disclosure of information or other standards of professional behaviour) could be expanded (e.g. through integrity pacts).*
- ii) Implement general public sector integrity tools and tailor them to the specific risks of the procurement cycle as necessary (e.g. the heightened risks involved in public-private interaction and fiduciary responsibility in public procurement).*
- iii) Develop integrity training programmes for the procurement workforce, both public and private, to raise awareness about integrity risks, such as corruption, fraud, collusion and discrimination, develop knowledge on ways to counter these risks and foster a culture of integrity to prevent corruption.*
- iv) Develop requirements for internal controls, compliance measures and anti-corruption programmes for suppliers, including appropriate monitoring. Public procurement contracts should contain "no corruption" warranties and measures should be implemented to verify the truthfulness of suppliers' warranties that they have not and will not engage in corruption in connection with the contract. Such programmes should also require appropriate supply-chain transparency to fight corruption in subcontracts, and integrity training requirements for supplier personnel.*

Integrity in public procurement focuses on measures that prevent corruption, ensure fair competition, and maintain trust in public procurement processes. For this, the integrity of the private sector needs to be ensured alongside that of the public sector. The Recommendation therefore urges Adherents to preserve

the integrity of the public procurement system through general integrity standards and procurement-specific safeguards.

Nearly all Respondents (38 out of 40, or 95%) reported having provisions in their regulatory frameworks to ensure that the private interests of public procurement officials do not inappropriately impact public procurement decisions. Similarly, the vast majority of Respondents (34 out of 40, or 85%) have provisions that establish the integrity principles for the public procurement workforce, by for example including and clearly explaining the principle of integrity in the code of conduct for public procurement officials. These codes set out the ethical standards and expected behaviours, and often include provisions related to transparency, fairness, and managing conflicts of interest. Notably, 78% of Respondents (31 out of 40) provide explanations and specific examples of conflict-of-interest situations for public procurement officials to help them identify situations that may carry integrity risks. Likewise, 83% of Respondents have provisions setting integrity principles for the entire public procurement system. Most Respondents (38 out of 40, or 95%) have provisions to prevent the government from contracting with suppliers involved in corruption. Moreover, 93% (37 out of 40) have provisions to ensure the government does not explicitly or inadvertently discriminate against specific groups of suppliers⁸, which also aim to strengthen the integrity of public procurement systems (Figure 2.27).

Figure 2.27. Provisions and/or mechanisms to manage threats to integrity included in the public procurement regulatory framework, 2024



Note: Data is show for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

All Respondents reported having policies and mechanisms in place to identify, prevent, and manage conflicts of interest, such as mandatory declarations, although systematic enforcement of these obligations is often lacking. Most Respondents require procurement officials to declare their private interests (78%) and to declare “no conflict of interest” or notify the competent authority in case of potential conflicts of interest during a public procurement procedure (75%). This practice aims to ensure that decision-makers do not have personal or financial interests that could unduly influence their decisions. However, information on the submission rate of interest declarations by public procurement officials specifically is limited. Almost all Respondents who have a requirement for private interest declaration (87%

or 27 out of 31) reported not having data on the average submission rate of interest declarations by public procurement officials over the past three years.

While some Respondents have developed a specific code of conduct for public procurement officials, in many others, a generic code of conduct for civil servants also applies to public procurement specialists. In Latvia, for example, procurement officials are defined as public officials and the country's generic code of conduct applies to them as well. The code defines conflict of interest as "a situation where, in performing the duties of office of the public official, the public official must take a decision or participate in taking of a decision or perform other activities related to the office of the public official which affect or may affect the personal or financial interests of this public official, his or her relatives or counterparties" (The Parliament of the Republic of Latvia (Saeima), 2002^[41]). Slovakia has a specific definition of conflict of interest provided in the Public Procurement Act (Box 2.9). In some Respondents, central purchasing bodies have developed their own codes of conduct. This is, for instance, the case of Korea, where Public Procurement Service, the central purchasing body, has its own code of conduct for the procurement officials.

Box 2.9. Slovakia's 2023 Strategy for Combating Conflicts of Interest

Slovakia is one of the Adherents that includes a specific definition of conflict of interest in its Public Procurement Act. This definition incorporates principles from European Union Directive 2014/24/EU, Article 24. It defines conflict of interest as "a situation where an interested person who can influence the outcome or course of public procurement has a direct or indirect financial interest, economic interest or other personal interest that can be considered as a threat to his impartiality and independence in connection with public procurement".

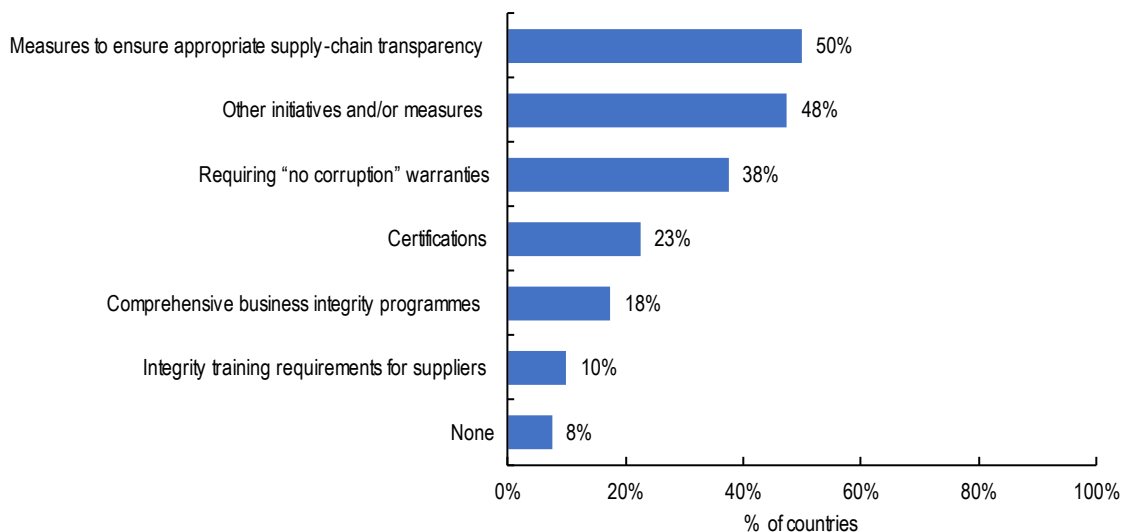
The Office of Public Procurement in Slovakia developed, with the support of the OECD, a Strategy for Combating Conflicts of Interest. The Strategy outlines preventive measures and responsibilities for identifying and managing conflicts of interest, ensuring transparency and fairness in public procurement processes. These include the identification of interested parties, disclosure obligations, the introduction of training programmes and ethics codes, corrective measures (such as exclusion from the procedure or the reassignment of responsibilities), and complaint mechanisms.

Sources: (Slovakian Office for Public Procurement, 2023^[42]).

Other policies include limitations on the participation of certain public officials and political appointees in public procurement procedures, rules for interactions with the business/supplier community, and post-employment restrictions for procurement officials. To mitigate risks associated with public-private role shift, around half of Respondents (55%) reported having cooling-off periods for officials moving between sectors, which may be defined on a case-by-case basis (in 41% of Respondents that have such policies) or as a fixed period of time between 1 to 3 years on average (in 59% of cases).

Promoting integrity among suppliers is a common practice, with 93% of Respondents (37 out of 40) reporting adopting at least one measure to this effect. Efforts in this area include measures for supply-chain transparency, "no corruption" warranties, certifications (e.g., ISO), and integrity programmes (Figure 2.28). A "no corruption" or "anticorruption" warranty is a promise not to engage in any dishonest or unethical behaviour. However, only 15 out of 40 Respondents reported using these warranties. In addition, 20 Respondents have measures to ensure appropriate supply-chain transparency, such as due diligence mechanisms and certifications. Only 4 Respondents reported developing a culture of integrity by requiring setting dedicated trainings for suppliers.

Figure 2.28. Efforts to promote integrity among suppliers, led either by the public or private sector, 2024



Note: Data is shown for 40 Respondents. "Other initiatives and/or measures" reported by Respondents include, for instance, supplier codes of conduct, dedicated offices aiming to encourage suppliers to apply high ethical standards, educational portals on anti-corruption.

Source: OECD (2024), Survey on Public Procurement.

Information on the beneficial ownership of companies bidding for public procurement procedures is also disclosed in the majority of Respondents. Most often bidders must declare this information either during their first supplier registration process (in 9 Respondents), every time they participate in a public procurement process (in 10 Respondents), only in certain procurements (in 6 Respondents), or upon request of the authorities (in 15 Respondents). Moreover, in 18 Respondents the information is shared systematically through information exchange with other government systems, such as the tax registry. However, beneficial ownership databases are integrated with the e-procurement system in only 8% of Respondents. Non-disclosure of beneficial ownership information is subject to sanctions in most cases.

While common practices related to integrity are well-established, there are emerging trends that indicate areas where some Adherents are beginning to implement more advanced measures to further strengthen integrity in public procurement. Integrity pacts, a tool firstly developed by Transparency International (Transparency International, n.d.^[43]) which involves a binding agreement committing a contracting authority and all bidders for a public contract to refraining from corruption, have been in use in certain countries for several years. Under an Integrity Pact, an independent observer, usually a civil society organisation, is appointed to monitor the process and commitments made. The observer has the mandate to review and scrutinise all stages of the procurement process and provide reports and findings to the public and other relevant stakeholders. An interesting example of a variation on integrity pacts is the case of social witnesses in Mexico (Box 2.10).

Box 2.10. Social witnesses in Mexico

The idea of integrity pacts that developed in Mexico focuses less on the contractual aspects of the pact and more on the role of external and independent monitoring, carried out by a third party free of conflict of interest. This independent observer is called a “testigo social” or a social witness.

Article 26 Ter of the Law on Public Sector Acquisitions, Leases and Services (LAASSP), Article 27 Bis of the Law on Public Projects and Related Services (LOPSRM), and Article 43 concerning Public-Private Partnerships establish the role of social witnesses. These witnesses, whether natural or legal persons, are involved in public procurement processes when the contract value reaches a specified threshold.

Social witness is a mechanism for social participation at all stages in public procurement procedures. Natural persons or legal persons technically qualified that meet the requirements can be selected by the Ministry for Anti-Corruption and Good Governance (formerly the Ministry of Public Administration, SFP) to observe public procurement processes. At the end of their participation, social witnesses must present their testimony including recommendations. If they detect irregularities in the contracting procedure, they must submit their testimony to the complaints area of the internal control body within the respective department or to the Oversight Commission of the Chamber of Deputies in the Congress of the Union.

Some challenges to the social witness mechanism have been observed by the OECD and other organisations. These include that the independence of social witnesses could be jeopardised by the fact that the contracting authority, whose procurement procedure the social witness is observing, hires and pays the social witness. The contracting authority could thus apply pressure on the social witness directly or indirectly. Furthermore, to ensure that social witnesses fulfil their roles effectively, it is essential that they are knowledgeable not only about the engineering of public works or specific markets, but also about potential integrity risks. A study by SFP and USAID also recommends expanding the scope of the social witness’ duties from the planning phase up to the execution of the contract. These measures could strengthen the role of social witnesses in monitoring the integrity of public procurement processes.

Source: (SFP and USAID, 2018^[44]) (Cruz-Rubio, 2020^[45]) (OECD, 2021^[46])

With regards to whistleblower protection, procurement systems appear to leverage existing public sector mechanisms. For example, in Canada and the United States systems are in place to protect and encourage whistleblowers in the public sector (and beyond) to come forward without fear of retaliation. In the end of 2019, an EU Directive on the protection of persons who report breaches of Union law (Whistleblowing Directive) entered into force. The Directive sets out the obligation to put in place internal reporting channels in all contracting authorities and contracting entities, at local, regional and national level (European Parliament and Council of the European Union, 2019^[47]). The implementation of reporting channels and protections for whistleblowers is an important tool in supporting procuring officials to report misconduct detected in the course of their duties, including misconduct by suppliers.

While more than a third of Respondents (40% or 16 out of 40) reported using data analytics to identify, analyse, and monitor integrity risks in public procurement, much fewer (10% or 4 out of 40) leverage emerging and innovative technologies such as artificial intelligence (AI) and blockchain. Emerging technologies offer considerable opportunities to ensure transparency, efficiency and reduce risks in public procurement processes. For example, the Italian National Anti-Corruption Authority (ANAC) is building a set of public procurement and context risk indicators at the territorial level to measure corruption risks with the aim to promote transparency and integrity, support efficient and effective public procurement and better

inform policymaking. ANAC is working to integrate as many data sources as possible, to design methodologies for calculation and validation of indicators, and to involve institutional, academic, research, NGOs and other relevant actors to work together on the production and subsequent use of data and indicators. It focuses on an open approach to risk analysis: open data, open software, and open knowledge.

The use of integrity measures is now widespread in public procurement, but the monitoring of their effectiveness could be strengthened. Conflict of interest policies exist in most Respondents, and in an increasing number of Respondents codes of conduct specific to public procurement have been developed. However, there is a need for effective monitoring of conflict-of-interest declarations, particularly those filed by public procurement officials, to enhance their effectiveness. Emerging technologies, such as machine learning and blockchain could be further leveraged to strengthen integrity measures.

2.3.3. Better co-ordination is required to ensure accountability in procurement, especially when procurement's functions are being redefined

Oversight and control of the procurement cycle are essential in supporting accountability and promoting integrity in the public procurement process, and they represent one key principle highlighted in the Recommendation. The oversight of the public procurement cycle is organised internally as well as externally, before and after the procurement process, in order to not only verify conformity to the regulatory frameworks but also to ensure that the public resources are spent in an efficient and effective way (OECD, 2019^[11]). At the same time, rigid oversight mechanisms could lead to an overly risk-averse approach to procurement. Strategic public procurement goals are hinged on the premise that procurement officials judge tenders not only on price, but also other criteria linked to the subject-matter of the contract, such as quality, technical merit, environmental characteristics, cost-effectiveness, and delivery date. Therefore, ensuring that oversight fulfils its goals without stifling the strategic use of public procurement is a delicate balance.

The Recommendation states that Adherents should:

*apply oversight and control mechanisms to support **accountability** throughout the public procurement cycle, including appropriate complaint and sanctions processes. To this end, Adherents should:*

- i) Establish clear lines for oversight of the public procurement cycle to ensure that the chains of responsibility are clear, that oversight mechanisms are in place and that the delegated levels of authority for approval of spending and approval of key procurement milestones is well defined. Rules for justifying and approving exceptions to procurement procedures should be comprehensive and clear, such as in cases of limiting competition.*
- ii) Develop a system of effective and enforceable sanctions for government and private-sector procurement participants, in proportion to the degree of wrong-doing to provide adequate deterrence without creating undue fear of consequences or risk-aversion in the procurement workforce or supplier community.*
- iii) Handle complaints in a fair, timely and transparent way through the establishment of effective courses of action for challenging procurement decisions to correct defects, prevent wrong-doing and build confidence of bidders, including foreign competitors, in the integrity and fairness of the public procurement system. Additional key aspects of an effective complaints system are dedicated and independent review and adequate redress.*
- iv) Ensure that internal controls (including financial controls, internal audit and management controls), and external controls and audits are coordinated, sufficiently resourced and integrated to ensure:*

- 1. the monitoring of the performance of the public procurement system;*

2. *the reliable reporting and compliance with laws and regulations as well as clear channels for reporting credible suspicions of breaches of those laws and regulations to the competent authorities, without fear of reprisals;*
3. *the consistent application of procurement laws, regulations and policies;*
4. *a reduction of duplication and adequate oversight in accordance with national choices;*
5. *independent ex-post assessment and, where appropriate, reporting to relevant oversight bodies.*

All 40 Respondents reported having ex post control measures, either internal or external, applied to public procurement procedures and systems as of 2024, while ex ante internal or external control measures exist in 88% of Respondents. These are most often carried out by the national Courts of Audit externally, but internal audits were also reported in many cases. In Respondents that are also EU Member States, the European Court of Auditors carries out audits to verify that in projects that involve EU funds, the funds have been spent legally and with sound management. Real-time audits on procurement processes exist in 19 Respondents (48%), but they are only common practice in 11 of them.

Despite the widespread existence of control measures, in 18% of Respondents (7 out of 40) there are currently no co-ordination mechanisms between different control bodies and authorities. For the proper functioning of monitoring and control measures and to facilitate the most efficient use of audit and control resources, it is important to ensure that internal controls (including financial controls, internal audit, and management controls), and external controls and audits are co-ordinated and integrated.

88% of Respondents (35 out of 40) reported having mechanisms to suspend suppliers temporarily or permanently from participating in public procurement processes. Grounds for suspension or exclusion are in most cases laid out in countries' public procurement legislation and include offenses such as bribery, corruption, fraud, money laundering, trafficking, and tax evasion. To be effective, sanctions should be proportionate to the degree of wrong-doing, providing adequate deterrence without creating undue fear of consequences or risk aversion among procurement professionals and suppliers. For example, in EU countries, the EU Procurement Directive of 2014 sets out mandatory exclusion grounds for participation in a criminal organisation, corruption, fraud, terrorist offences, money laundering or terrorist financing, and child labour or other forms of human trafficking. Bidders who have committed these offences must be excluded from the supplier appraisal process and their tenders rejected. Additionally, EU Member States may establish further grounds for exclusion. A recent example illustrates how EU legislation, not specifically aimed at public procurement, can also set exclusion grounds, such as the EU Deforestation-free Products Regulation which carries implications for exclusion from procurement processes.

However, in Respondents where suspension mechanisms exist, information about suspended suppliers is not systematically shared among contracting authorities and other stakeholders. This is important for two reasons: avoiding contracting authorities doing business with blacklisted suppliers and creating incentives for suppliers to excel and perform adequately. In 19 Respondents, "blacklists" of suspended suppliers are publicly accessible, usually on the public procurement office's website or in a national criminal register. In some Respondents, such as the Netherlands and Spain, the list of suspended suppliers is only made available under special circumstances.

Less than half of Respondents (18 out of 40, or 45%) have an appeal and complaint functionality integrated directly in their e-procurement systems, either on a mandatory or voluntary basis. This indicates some progress in easing complaints processes and providing timely responses to challenges brought by suppliers. However, there exists room for further improvement. Expanding the integration of this function across e-procurement systems would simplify the appeals process, enhance transparency, and ensure timely responses. Such measures are important, as concerned suppliers can play a critical role in shedding light on irregularities in public procurement practices. An example of an established and efficient appeal system is the United Kingdom's Public Procurement Review Service, which is illustrated in Box 2.11.

Box 2.11. United Kingdom's Public Procurement Review Service

In the United Kingdom, the Public Procurement Review Service (PPRS)⁹ allows public sector suppliers and potential government suppliers to raise concerns, with the option to remain anonymous, where they believe that there has been poor public sector procurement practice. PPRS also accepts cases raised by suppliers concerning the late payment (i.e., not paid within 30 calendar days or as stated in the contract terms) of valid and undisputed invoices on a public sector contract. According to the PPRS's most recent Progress Report for the financial year 2022/2023, the Service received 91 cases. The top reported issues concerned payments, evaluation, the tender process and the use of framework. 98.6% of cases were resolved within 3 months after they were raised.

PPRS is advertised online on "Contracts Finder", where suppliers can search for low-value public sector opportunities, and on the "Find a Tender" service that allows organisations to search and apply for high value contracts in the UK's public and utilities sectors. Additionally, PPRS is promoted on the SME Hub on GOV.UK and the Service is referenced within the commercial playbooks.

Source: (Government Commercial Function, 2023^[48]).

Although the COVID-19 pandemic prompted countries to adopt special measures for emergency procurement, evidence suggests that Respondents may not have fully capitalised on this experience to strengthen the crisis preparedness of their procurement systems. Before the pandemic, most Respondents did not have a public procurement strategy as a part of crisis preparedness, but emergency procurement has gained prominence since 2020 (see Box 2.12 for a country example where emergency procurement was developed before the pandemic). According to research conducted by the OECD on public procurement and infrastructure responses to the COVID-19 crisis, during the pandemic, 25 out of 29 OECD countries (86%) reinforced accountability mechanisms by developing dedicated guidelines to support public buyers in emergency procurement (OECD, 2021^[49]). Additionally, 14 countries (47%) introduced temporary public procurement regulations or additional COVID-19 legislation with specific public procurement provisions (OECD, 2021^[49]). 19 OECD countries (63%) also took measures to increase the co-ordination or centralisation of procurement for certain goods, including not only health products but also other essential goods and services (OECD, 2021^[49]).

Still, as of 2024, only 40% of Respondents reported having detailed guidelines for emergency procurement, and even fewer (23%) stated conducting audits for all emergency procurement procedures. This indicates that, despite some progress, there are still gaps in preparedness and oversight. Transparency requirements are instead most common, existing in 78% of Respondents (Figure 2.29).

Box 2.12. The COVID-19 Lessons Learned Discussion Group under the auspices of INTOSAI

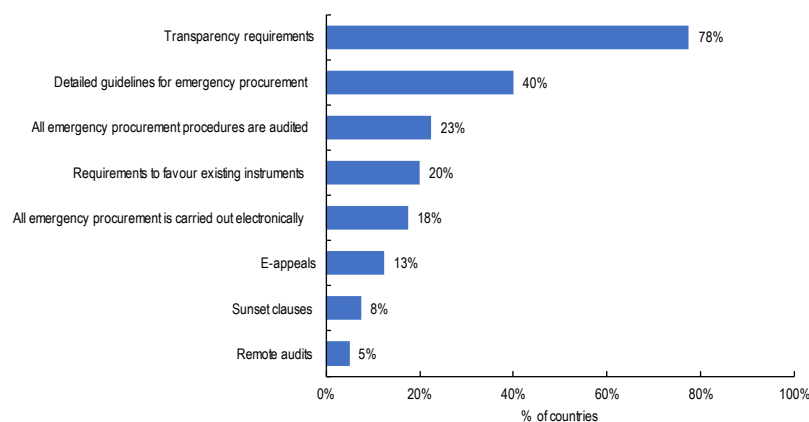
In April 2020, the Comptroller General of the United States established the INTOSAI COVID-19 Initiative under the auspices of the Policy, Finance, and Administration Committee of the International Organization of Supreme Audit Institutions (INTOSAI). The goal of the initiative was to develop a high-level lessons learned document for interested stakeholders with a focus on mitigating and minimising similar crises in the future. To achieve this, the US Government Accountability Office put together a Comptroller General COVID-19 Lessons Learned Discussion Group, including INTOSAI, Supreme Audit Institutions (SAIs), international organisations focused on healthcare, aviation and transportation, and other interested institutions.

The Discussion Group focused on sharing perspectives and best practices among members, demonstrating how SAIs and other Discussion Group members can contribute to preparing for and mitigating the next crisis, and highlighting and institutionalising lessons learned including through the development of an updated lessons learned document. Measures identified to minimise the impact of future emergencies include:

- establishing clear goals and plans, and defining roles and responsibilities for the wide range of government entities and other key players to address unforeseen emergencies with a whole-of-government response;
- developing a transportation preparedness plan that could enhance co-ordination;
- establishing transparency and accountability mechanisms early on to provide greater safeguards and reasonable assurance that public funds reach the intended audiences for the intended purposes, help ensure integrity, and address fraud risks;
- providing clear and consistent communications in the midst of an emergency;
- collecting and analysing adequate and reliable data that can inform decision making and future preparedness.

Source: Terms of Reference of the Comptroller General COVID-19 Lessons Learned Discussion Group.

Figure 2.29. Accountability/control measures for emergency procurement procedures, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement.

Both ex post and ex ante accountability measures are widespread among Respondents, but weak co-ordination mechanisms between different control bodies and authorities highlight opportunities to strengthen the implementation of the Recommendation's accountability principle. Improved co-ordination could increase the effectiveness of accountability measures. Similarly, while suppliers can in most Respondents be suspended on specific grounds, lists of suspended suppliers are not always systematically shared among contracting authorities. Furthermore, although in some Respondents procurement systems were able to promptly react to the challenges of the COVID-19 pandemic, there remains a need to better integrate lessons learned into emergency procurement procedures and guidelines to enhance future preparedness.

2.4. Pillar IV: Achieving broad public procurement impact, including through its strategic use

The fourth thematic pillar of the Report focuses on how public procurement drives the delivery of high-quality public services, while also fostering broader economic, social, and environmental impact through its strategic use. It entails balancing primary procurement objectives with strategic policy goals, incorporating risk management strategies, and regularly evaluating the effectiveness of the public procurement system.

Public procurement is widely recognised as a strategic tool for achieving government policy priorities, such as promoting a green and circular economy, fostering innovation, supporting small and medium-sized businesses (SMEs), and encouraging ethical behaviour and responsible business practices. Indeed, given its significant volume and the role of public buyers as primary purchasers in sectors like construction, health, and education, public procurement has the potential to steer business practices and drive economic, social, and environmental outcomes. Yet, the multiple policy objectives which are often linked to the use of public procurement require a cautious, structured approach to ensure that it continues to deliver goods, services and works necessary to deliver public services in a timely, economic, and efficient manner.

Effective risk management and regular evaluations contribute to ensuring that those diverse objectives are met, and not at the expense of one another. As shown with the COVID-19 crisis, risks in areas as diverse as compliance, sustainability, and operations can have severe consequences on the quality and quantity of public services governments can provide (OECD, 2023^[50]), hindering public procurement outcomes. Governments can address these challenges through comprehensive risk management strategies to maintain value for money, service continuity, and integrity while supporting the resilience of governments, economies, and society as a whole. Additionally, evaluation plays a role in improving public procurement systems and ensuring their contribution to broader policy outcomes.

2.4.1. While considering public procurement as a strategic vehicle to implement broader policy objectives is mainstreamed, gaps remain to avoid objective overload and ensure effective outcomes

Governments continue to be under pressure to achieve multiple policy goals, reinforcing the need to effectively translate these goals into suitable procurement strategies managing trade-offs between economic efficiency, competition, and broader policy aims. Integrating these policy objectives into public procurement challenges the traditional approach of selecting the lowest bid, as decision-makers are now expected to balance price against various policy priorities. The additional costs associated with broader policy objectives are often cited as the main obstacle to their integration into public procurement contracts (Lerusse and Van de Walle, 2021^[51]).

Broader policy objectives can be integrated at different stages of the public procurement cycle.

During the early stages of needs assessment and specification of requirements, stakeholder consultation can help define relevant policy challenges. In the bidder selection phase, criteria can be designed to avoid excluding new entrants, SMEs and social enterprises, thereby promoting a wider pool of competitors and integrating policy outcomes into award criteria and contractual performance objectives. Finally, at the contract management stage, specific clauses related to policy objectives can be included in the contracts, reserved markets can be used for employment opportunities, and the impact on the achievement of policy objectives can be assessed (Selviaridis, Luzzini and Mena, 2023^[52]).

The Recommendation states that Adherents should:

*Recognise that any use of the public procurement system to pursue secondary policy objectives should be **balanced** against the primary procurement objective. To this end, Adherents should:*

- i) Evaluate the use of public procurement as one method of pursuing secondary policy objectives in accordance with clear national priorities, balancing the potential benefits against the need to achieve value for money. Both the capacity of the procurement workforce to support secondary policy objectives and the burden associated with monitoring progress in promoting such objectives should be considered.*
- ii) Develop an appropriate strategy for the integration of secondary policy objectives in public procurement systems. For secondary policy objectives that will be supported by public procurement, appropriate planning, baseline analysis, risk assessment and target outcomes should be established as the basis for the development of action plans or guidelines for implementation.*
- iii) Employ appropriate impact assessment methodology to measure the effectiveness of procurement in achieving secondary policy objectives. The results of any use of the public procurement system to support secondary policy objectives should be measured according to appropriate milestones to provide policy makers with necessary information regarding the benefits and costs of such use. Effectiveness should be measured both at the level of individual procurements, and against policy objective target outcomes. Additionally, the aggregate effect of pursuing secondary policy objectives on the public procurement system should be periodically assessed to address potential objective overload.*

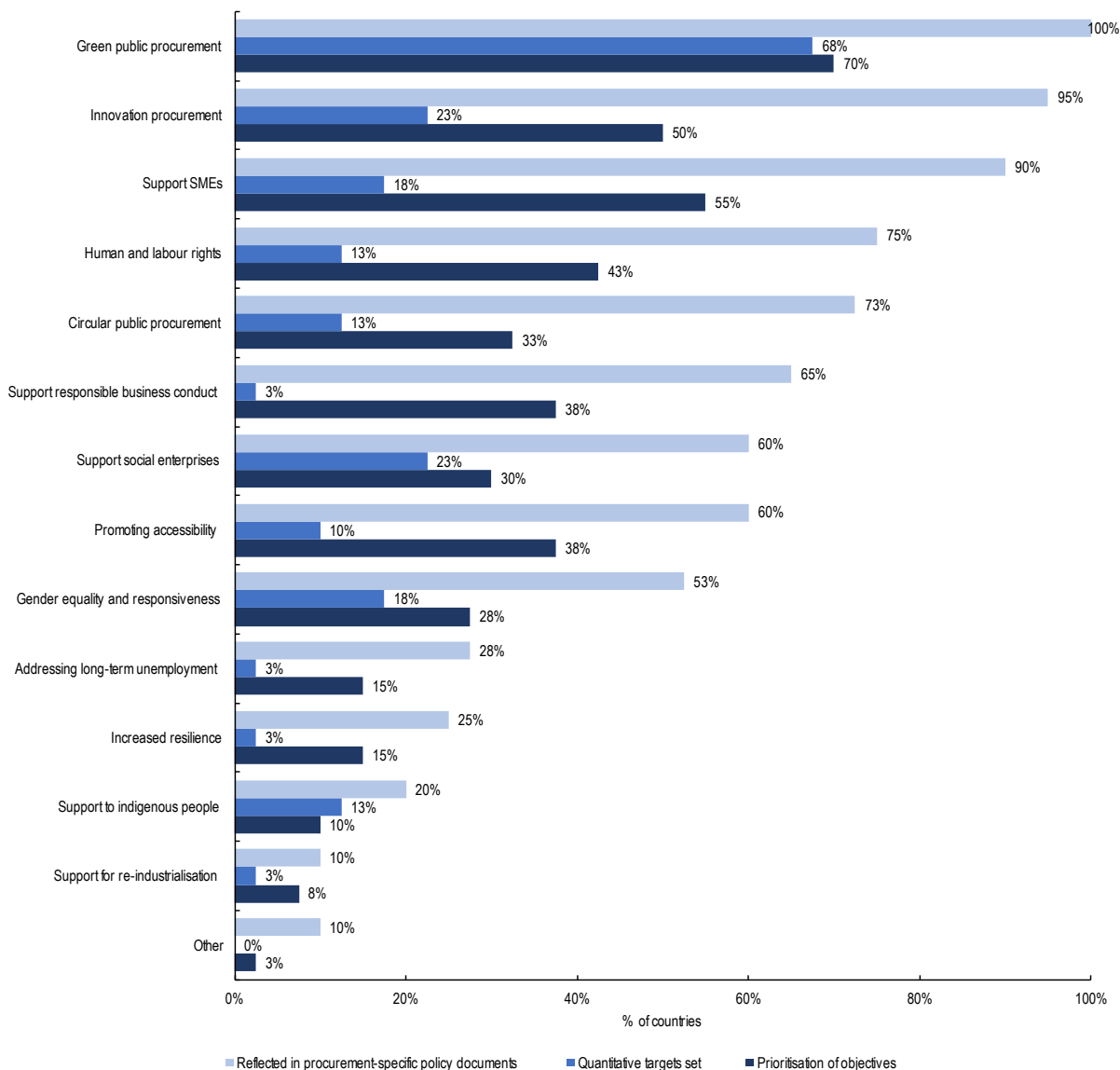
As of 2024, all Respondents reported integrating at least one strategic policy objective into procurement-specific policy documents, with the most common being environment-related objectives (100%), innovation (95% or 38) and support to SMEs (90% or 36) (Figure 2.30). In particular, compared to green objectives, social objectives (support to Indigenous people, addressing long-term unemployment, gender equality and responsiveness, promoting accessibility, supporting social enterprises, and upholding human and labour rights) are less widely integrated into procurement-specific policy documents.

While a measurable approach to achieving strategic objectives through public procurement can help ensure accountability and continuous improvement, challenges persist when it comes to setting quantitative targets, especially in relation to some of those objectives. Environment-related objectives remain the only strategic goal for which more than half of Respondents (68%, or 27 out of 40) have established quantitative targets (Figure 2.30). Fewer Respondents have set quantitative targets for other strategic objectives, possibly due to the difficulty in defining and measuring outcomes in less tangible areas, such as gender equality and innovation. Additionally, as illustrated later in this section, several Respondents measure the impact of strategic public procurement only in terms of processes integrating policy objectives. Box 2.13 provides good practice examples from New Zealand and Norway, which illustrate how public procurement can be leveraged to advance climate-related and human rights considerations.

Although the Recommendation calls on Adherents to develop appropriate methodologies for effectively integrating policy objectives into public procurement systems, practices to prevent objective overload, such as prioritisation, remain limited. Indeed, environment-related goals are the only strategic objective for which

more than two thirds of Respondents (70% or 28 out of 40) have established prioritisation methodologies (Figure 2.30). Prioritisation based on product categories results the most common methodology (53% or 21 out of 40) used for prioritising environment-related objectives. Fewer Respondents conduct cost-benefits analyses (18% or 7) and business cases (13% or 5) in individual procurement. Other strategic objectives are rarely balanced and prioritised.

Figure 2.30. Balancing strategic objectives through public procurement, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

Box 2.13. Strategic use of public procurement across selected Adherents

Using green public procurement in New Zealand

The Government Procurement Rules in New Zealand set out the requirement to integrate environmental considerations in procurement procedures, across all levels of government and for all contracts that meet or exceed the value threshold of NZD 100 000. Most notably, Rule 20 requires contracting authorities to include a set of minimum environmental requirements in designated contract areas (i.e. office supplies, light vehicles, stationary/process heating systems), when purchasing through collaborative contracts – also known as All-of-Government contracts, which are managed by the New Zealand Government Procurement:

- For office supplies, agencies need to purchase items that produce low amounts of waste and/or are recyclable;
- For light vehicles, agencies need to choose a battery electric vehicle (BEV), or a plug-in hybrid electric vehicle if a BEV is not appropriate for the proposed use, unless there are operational requirements or other circumstances that prevent them from doing so. The New Zealand Government has a goal that, where practicable, its fleet should be emissions free by 2025/26;
- For stationary/process heating systems, agencies need to ensure that they are buying a low emission heating option. Agencies must not purchase coal boilers and should not invest in any other kind of fossil-fuelled boiler (such as natural gas or LPG).

To support the implementation, the New Zealand Government Procurement has developed guidance documents and green public procurement criteria that contracting authorities can refer to in public tenders, especially to achieve objectives such as reduction of emissions or waste.

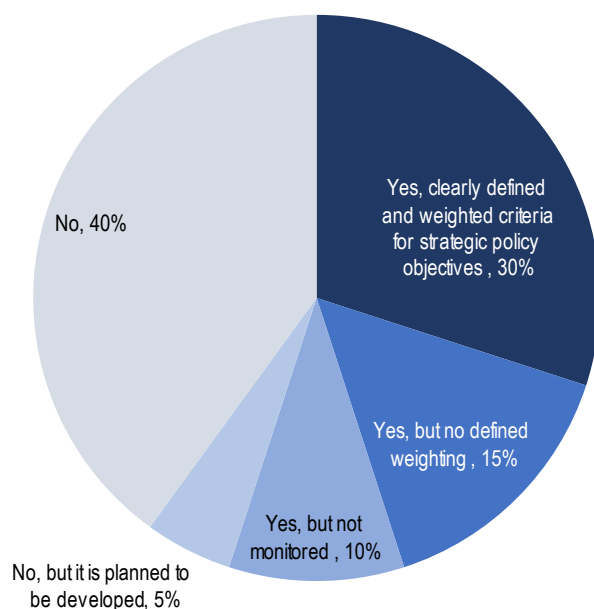
Advancing human rights through public procurement in Norway

In Norway, the Public Procurement Act mandates contracting authorities to implement measures promoting the respect of fundamental human rights in public procurement, particularly where a risk of violation exists. The Transparency Act, effective from July 2022, further enhances human rights accountability by requiring companies to carry out human rights' due diligence across their operations and supply chains in accordance with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and to disclose their due diligence efforts in relation to potential and actual impacts on human rights and decent working conditions. The Transparency Act applies to all companies that are registered in Norway meeting at least two of the three following conditions: more than 50 employees, an annual turnover exceeding NOK 70 million (approximately EUR 6 million) and a balance sheet exceeding NOK 35 million (approximately EUR 3 million). The Transparency Act is part of the Norwegian government's broader efforts to advance the UN sustainable development goals, including Goal 8 on decent work and economic growth and Goal 12 on responsible consumption and production as well as to promote responsible business conduct.

Source: (OECD, 2024^[37]); (Norwegian Agency for Public and Financial Management, n.d.^[53]).

Additionally, just over half of the Respondents (55% or 22) reported having requirements to include strategic policy objectives in contract award criteria (Figure 2.31). By going beyond minimum requirements for the award of contracts, setting such criteria makes strategic objectives an integral part of supplier selection and incentivises bidders to align their practices with specific values and compete on that basis.

Figure 2.31. Requirement for inclusion of strategic policy objectives in contract award criteria, 2024



Note: Data is shown for 40 Respondents.

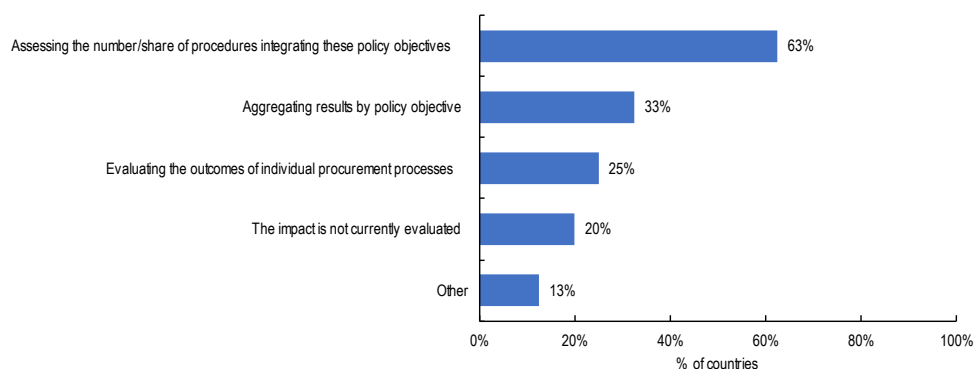
Source: OECD (2024), Survey on Public Procurement

When multiple criteria are used in contract awards, clear and appropriate weighting systems and guidance are needed to ensure the selection process aligns with strategic objectives and remains effective. However, only about half of Respondents (12) that have established requirements to include strategic objectives in contract award criteria have clearly defined weighting (Figure 2.31). To provide guidance in balancing the price criterion against sustainability criteria in bidder selection, for example, the Netherlands has developed a methodology for integrating environmental and climate considerations into public procurement of infrastructure projects.

To support a consistent uptake of a more strategic use of public procurement, Respondents are considering several options to expand the capacity of the procurement workforce. Indeed, weak incentives are notably cited as one of the main challenges to the implementation of public procurement to achieve strategic policy objectives (Selviaridis, Luzzini and Mena, 2023^[52]). 73% of Respondents (29 out of 40) reported using at least one type of financial or non-financial incentive to further promote the uptake of strategic policy objectives. The most common incentives are networking and events (45% or 18), dedicated training courses (40% or 16), technical support to assist in procurement procedures (35% or 14), excellence award systems (25% or 10), dedicated funding (23% or 9), and performance-based bonuses (5% or 2). Such incentives can help improve the motivation and capacity of procurement professionals to understand, evaluate, and incorporate considerations related to policy objectives into procurement processes. Weak incentives have been cited as one of the main challenges to the implementation of public procurement to achieve strategic policy objectives (Selviaridis, Luzzini and Mena, 2023^[52]). France has created the procurement innovation fund and the Innovation Procurement Awards to promote the uptake of innovation procurement. The country also provides dedicated training courses, events, and opportunities for networking and technical support to assist in procurement procedures. In addition, Colombia reported that enhancing control bodies' awareness of the innovation, environmental, and social benefits of strategic public procurement, together with strengthening their inspection procedures, has fostered a more consistent adoption of strategic public procurement practices.

Although promoting the use of public procurement to achieve broader policy objectives is a shared endeavour across Respondents, one fifth (20%) do not evaluate its impact on the achievement of such objectives. Those measuring the impact of such strategies do so mainly through assessing the number or share of procedures integrating such objectives (63% or 25 out of 40). Other less commonly used methodologies include aggregating results by policy objective (33% or 13 out of 40) (Figure 2.32).

Figure 2.32. Evaluation of the impact of procurement on the achievement of strategic policy objectives, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

While procurement practitioners are increasingly expected to understand the impacts and measure the effectiveness and benefits of public procurement strategies in supporting multiple policy objectives, only 25% of Respondents are evaluating the outcomes of individual procurement processes (10 out of 40). Measuring the results of the use of public procurement, both at the level of individual procurements and against policy outcomes allows informing policy makers about the benefits and costs of such use. Additionally, the aggregate effect of pursuing broader policy objectives on the public procurement system could be periodically assessed to address potential objective overload. However, governments' ability to measure the effectiveness of procurement more comprehensively and systematically can be limited by data availability and measurement challenges (Selviaridis, Luzzini and Mena, 2023^[52]). Therefore, efforts should focus on collection and analysis of more quality data and broadening the scope of outcomes measured.

Overall, the strategic use of public procurement is a widespread practice across Respondents, although further progress is needed by Adherents to fully implement the Recommendation's balance principle, particularly in developing effective strategies for integrating broader policy objectives into procurement practices and measuring their impact. Available data shows that, while targets and prioritisation methodologies are commonly established for green-related objectives, they could be more broadly applied to other policy goals as well. Additionally, there is significant scope to enhance assessments of public procurement's impact on policy objectives, focusing more on measurable results and outcomes of procurement processes.

2.4.2. The introduction of a risk-based approach in public procurement is stagnating

More complex procurement strategies, leveraged to support multiple policy objectives and respond to the challenges of the current poly-crisis environment, bring additional risks which can have significant consequences on the quality, quantity, and timeliness of public services. These can range from risks to the procurement process itself to broader risks to project or service delivery (OECD, 2023^[50]). In recent

years, OECD countries have widened their focus from integrity-related threats to other risks to public procurement outcomes, including information technology, financial, reputational, social, and environmental risks. For example, supply chain risks are an increasingly prominent concern for public buyers. While supply chain globalisation and specialisation has generated productivity gains and lowered production prices, it has also increased public buyers' exposure to supply chain risks such as extreme weather events, cyberattacks, and supplier disruptions (OECD, 2023^[50]).

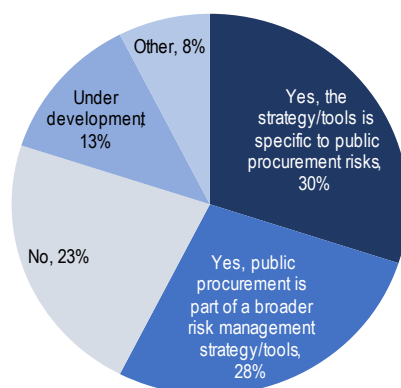
The Recommendation states that Adherents should:

*Integrate **risk management** strategies for mapping, detection and mitigation throughout the public procurement cycle. To this end, Adherents should:*

- i) Develop risk assessment tools to identify and address threats to the proper function of the public procurement system. Where possible, tools should be developed to identify risks of all sorts – including potential mistakes in the performance of administrative tasks and deliberate transgressions – and bring them to the attention of relevant personnel, providing an intervention point where prevention or mitigation is possible.*
- ii) Publicise risk management strategies, for instance, systems of red flags or whistle-blower programmes, and raise awareness and knowledge of the procurement workforce and other stakeholders about the risk management strategies, their implementation plans and measures set up to deal with the identified risks.*

The development of dedicated procurement risk management strategies remains a nascent practice among Respondents, with similar levels compared to 2018. This highlights significant opportunities to further promote the integration of risk management strategies throughout the procurement cycle, as envisaged in the Recommendation. Only 30% of the Respondents (12 out of 40) have developed a strategy specifically for managing public procurement risks. A few other Respondents have instead integrated public procurement into a broader risk management strategy (28% or 11 out of 40) (Figure 2.33). Having a dedicated risk management strategy can help ensure the implementation of a coherent and streamlined risk management approach and strengthen the resilience and efficiency of the procurement system (OECD, 2023^[50]). It can also help to instil a risk management culture in public procurement and to inform the design and implementation of other critical policies, such as integrity and anti-corruption processes.

Figure 2.33. Strategy for the management of public procurement risks, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

To develop effective risk management strategies and ensure an efficient prevention of risks, the procurement workforce and other stakeholders need to adequately understand and implement these strategies. However, less than two thirds of Respondents reported using tools such as dedicated guidance (65% or 15 out of 23), trainings (61% or 14), and helpdesks (26% or 6) to communicate the risk management strategy to the public procurement workforce and other stakeholders, as set forth in the Recommendation. Box 2.14 illustrates a good practice from Sweden in this area.

Box 2.14. Adda's sustainable public procurement risk assessment template in Sweden

In Sweden, Adda, the central purchasing body for Swedish municipalities, developed a sustainable public procurement risk assessment template to identify related risks, evaluate suppliers, and prioritise based on risk and performance. The tool is designed for use by both contracting authorities and suppliers to assess risks within their supply chains.

The template consists of an Excel spread sheet that includes a country risk assessment. While it does not require an in-depth risk assessment, it allows users to understand overall the risks and generate a total risk score. The score, ranging from 1 to 10, considers factors such as country-specific risks, as well as child labour reports, high level of informal employment, and other high-risk indicators. A score of 4 or higher makes it necessary for the contracting authority to require the supplier to fulfil the contract in accordance with ILO core conventions, if Swedish labour law is not applicable.

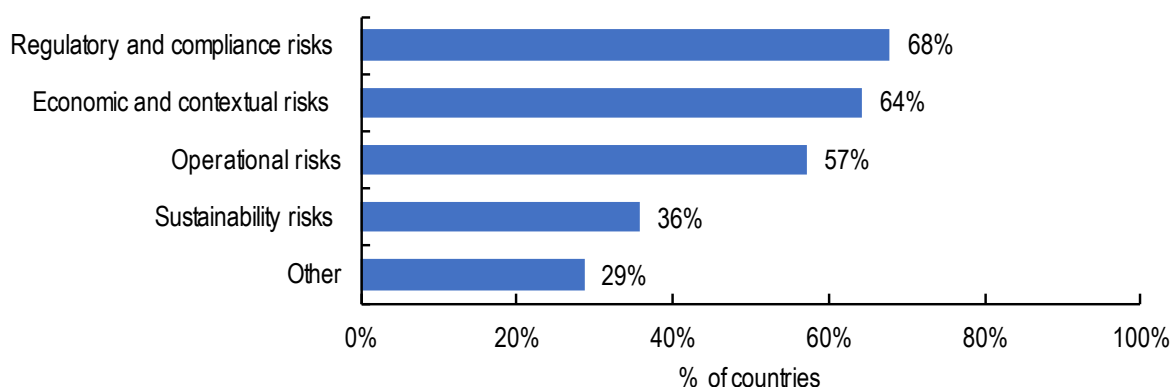
Access to information is crucial to conduct the assessment, and many free resources are available. The guidance includes a list of sources that can be used, including general, human rights, workers' rights, environmental, and vulnerable group-specific resources, together with links to global unions.

Source: Information provided by Adda; (Sustainable Public Procurement, n.d.^[54]).

While regulatory and compliance risks (68%) are still the main focus of risk management strategies, economic and contextual risks (64%) as well as operational risks (57%) are gaining prominence. This trend could possibly be explained by recent major disruptive events such as the COVID-19 pandemic which put strains on global supply chains.

However, only 36% of Respondents (10 out of 28) address sustainability risks (Figure 2.34), highlighting a gap in comprehensive risk management. Indeed, public procurement can be impacted by a wide range of risks that do not occur only during the tendering process, but over the life of the contract or the life of the procured asset. Many of these risks impact the fundamental purpose of procurement, affecting the timely delivery of goods, services or works. Especially in complex projects, risks are not uniformly distributed across economic activities and components of the project. To address this, the OECD's new methodology grounded in science, STEPS – Support Tool for Effective Procurement Strategies – helps inform evidence-based decision making (Box 2.15).

Figure 2.34. Categories of risks addressed by the strategy for the management of public procurement risks, 2024



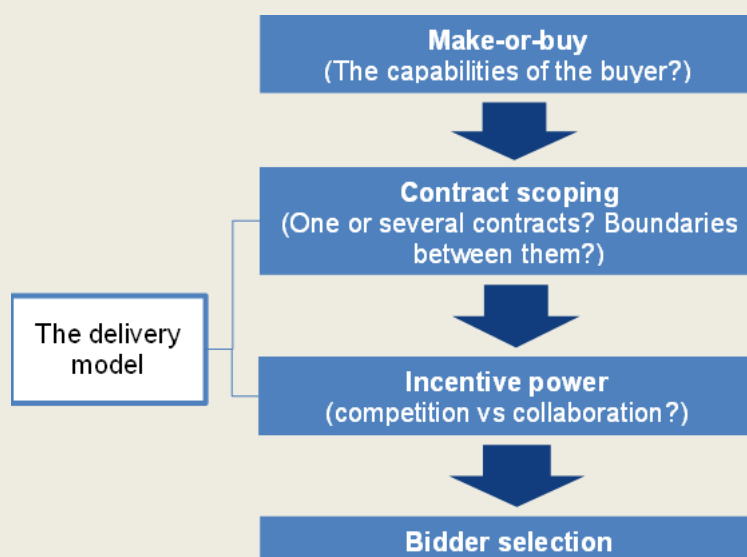
Note: Data is shown for 28 Respondents who reported having or currently developing a strategy/tool for the management of public procurement risks.

Source: OECD (2024), Survey on Public Procurement

Box 2.15. The Support Tool for Effective Procurement Strategies (STEPS)

Developing a procurement strategy for major infrastructure projects involves critical decisions that can significantly impact costs, timelines, and outcomes. Mistakes in these decisions may lead to limited bidders, ineffective risk allocation, and other problems. Existing approaches for informing procurement strategies rely heavily on subjective judgement, lack comprehensive scope, or are tautological. STEPS is the first available method that helps inform these decisions in an evidence-based method, representing a giant leap forward. Its effective application can lower infrastructure costs without escalating conflicts between suppliers and contractors or diminishing innovation potential.

Figure 2.35. The sequence of decisions in a procurement strategy



The first key question is whether the procuring organisation's capabilities are adequate, given the nature and frequency of infrastructure it must procure and its objectives. Once the project's scope is clear, decisions follow on are whether it should be bought through one or several contracts (i.e., packaging), the nature of those contracts, etc.

STEPS is meant to be applied after project appraisal but before procurement activities, including market engagement. Its application requires at least an outline design of the project and is most effective when preceded by a detailed risk analysis, part of standard project risk management.

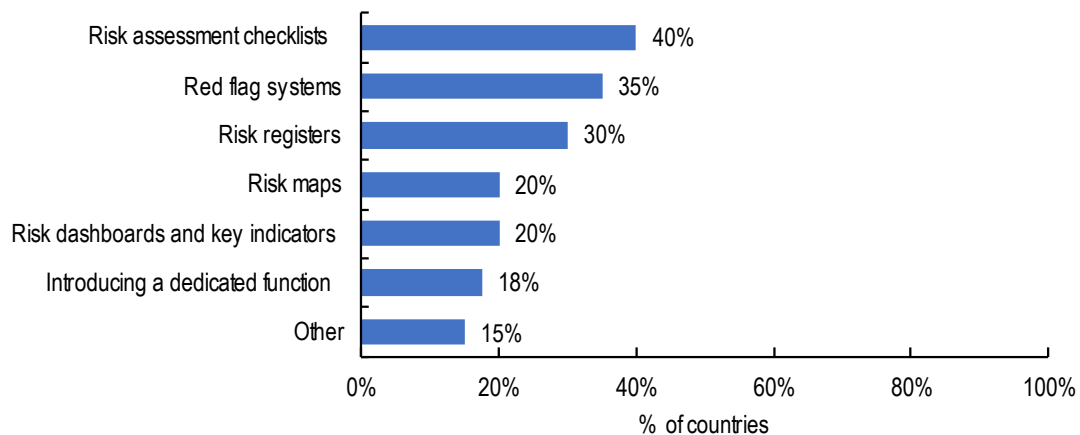
STEPS can be applied to any customised product or service that cannot be bought off the shelf (e.g., all infrastructure, defence projects, industrial plants). The method was piloted on motorway infrastructure in Norway.

Source: (OECD, 2021^[55]).

More than two thirds of the Respondents (73% or 29 out of 40) have developed at least one type of tool for managing public procurement risks, although there remain opportunities for improvement. The Recommendation calls for tools which should be designed to identify risks of all sorts – including potential mistakes in administrative tasks and deliberate transgressions – and provide relevant personnel with an intervention point for prevention or mitigation. Among the tools used by Respondents, the most common include risk assessment checklists (40% or 16) and red flag systems (35% or 14).

Fewer Respondents reported using risk registers (30% or 12), risk maps or risk dashboards and key indicators (20% or 8 each), and dedicated functions (e.g., category manager, sustainability manager) (18% or 7) (Figure 2.36). The Portuguese Court of Auditors, for instance, is developing a risk indicators model with the aim to use big data and data analytics to analyse and manage risks in public procurement processes. The Court is working to integrate various data sources including public procurement and public sector data (Box 2.16).

Figure 2.36. Tools implemented for the management of public procurement risks, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

Box 2.16. The Court of Auditors of Portugal's data-driven approach to risk management in public procurement

The Court of Auditors (*Tribunal de Contas* in Portuguese, TdC), the national Supreme Audit Institution in Portugal, is a key player in the public procurement system safeguarding it from different threats and ensuring its efficiency. The TdC oversees the legality, regularity, economy, efficiency, and effectiveness of public procurement activity through different types of audits (a priori, concomitant, and ex post audits). To fulfil its mission, a large number of audits of public procurement processes are carried out every year, a time-consuming activity requiring a significant commitment of human and financial resources that could be allocated more efficiently through a proper risk-based approach.

Aware of the need to change working methods, in its 2020-22 Strategic Plan TdC identified the necessity to strengthen the use of risk analysis techniques at various levels of its audit activity, including strategy and priority setting as well as the planning of audits and other control actions. The Strategic Plan also recognised the need to innovate and adapt to the opportunities and challenges posed by digitalisation and the use of artificial intelligence. Advancing the risk-based approach of the Court will contribute to enhance the efficiency of the public procurement system in Portugal.

To enhance TdC's audit activities, the OECD and partners at NOVA University of Lisbon supported the TdC in developing a risk assessment methodology for its audit selection for public procurement that relies on data, advanced analytics, and artificial intelligence. At the core of this initiative was the need to map risks and data sources, examine the digital maturity of the TdC to conduct such work, and assess the quality of potential databases that could be used for building a new risk methodology. This work was a precursor to the next phase of the project, which involved developing a proof-of-concept for a data-driven model for the TdC to assess risks in public procurement.

Source: (OECD, 2024^[41]).

In conclusion, findings suggest that further efforts are needed to fully implement the risk management principle of the Recommendation. Indeed, integrating comprehensive risk management strategies across all stages of the procurement cycle remains limited. Moving forward, in the line with the Recommendation's provisions, expanding the development and application of targeted strategies and tools to address various forms of risks would contribute to strengthening the overall risk management across Adherents.

2.4.3. Evaluation of the impact could be broadened, but would require the collection and use of quality data

Public procurement represents a considerable share of GDP in Adherents, requiring not only sound management but also efficient execution. Growing pressure on public spending, coupled with the demand for greater accountability, for monitoring of the achievement of strategic policy objectives, and for improved risk management, highlight the urgency of enhancing measurement in this area (OECD, 2023^[36]). In public procurement, evaluation helps governments assess whether their systems are achieving intended objectives, while supporting them in continuously developing, implementing, and revising their policies, processes, and tools. It provides an objective basis for understanding what works, why, for whom, and under what circumstances, thus helping inform the design of more effective policies or processes. On the contrary, lack of performance measurement frameworks and indicators can hinder the analysis of the effectiveness of the public procurement systems over time. In this regard, the availability of quality data that can be easily accessed represents a prerequisite for implementing sound, comprehensive performance measurement frameworks.

The Recommendation states that Adherents should:

*Drive performance improvements through **evaluation** of the effectiveness of the public procurement system from individual procurements to the system as a whole, at all levels of government where feasible and appropriate. To this end, Adherents should:*

- i) Assess periodically and consistently the results of the procurement process. Public procurement systems should collect consistent, up-to-date and reliable information and use data on prior procurements, particularly regarding price and overall costs, in structuring new needs assessments, as they provide a valuable source of insight and could guide future procurement decisions.*
- ii) Develop indicators to measure performance, effectiveness and savings of the public procurement system for benchmarking and to support strategic policy making on public procurement.*

Evidence demonstrates slight progress in the implementation of evaluation initiatives across Respondents. To drive performance improvements, as of 2024, the majority of Respondents (85% or 34 out of 40) reported defining Key Performance Indicators (KPIs) for the public procurement system. When analysing trends, responses show an increasing use of performance indicators in 2024 (87% or 27 out of 31) compared to the practice in 2018 (58% or 18). For instance, Consip – Italy’s CPB – uses unit price savings and reduction of negative externalities (lower energy consumption and CO2 emissions) as the main KPIs for centralised public procurement, allowing to measure energy efficiency of public buildings and services as well as to set new targets to improve performance. Box 2.17 briefly illustrates the public procurement performance measurement framework developed by the OECD for the consistent assessment of procurement processes.

Box 2.17. OECD public procurement performance measurement framework

Frameworks for the measurement of performance of public procurement are essential to: i) assess progress and achievements periodically and consistently; and ii) identify any gaps in progress against objectives and targets. Such frameworks enable governments, contracting authorities and other stakeholders to use the data to take action and/or to tailor specific strategies. For consistently assessing procurement processes and supporting data-based policy and decision making in public procurement, the OECD has developed a measurement framework for the performance of public procurement systems, which is flexible, customisable, and scalable. The framework:

- Assesses the performance of public procurement at three levels focusing on procurement procedure (tender level, contracting authority level and national level), depending on the existence of data and possibility to aggregate them.
- Identifies three categories of indicators, related to compliance, efficiency and achievement of strategic objectives.
- Covers the whole procurement cycle (from planning to contract management).
- Can be used by different stakeholders (contracting authorities, procurement authorities, central purchasing bodies, etc.).

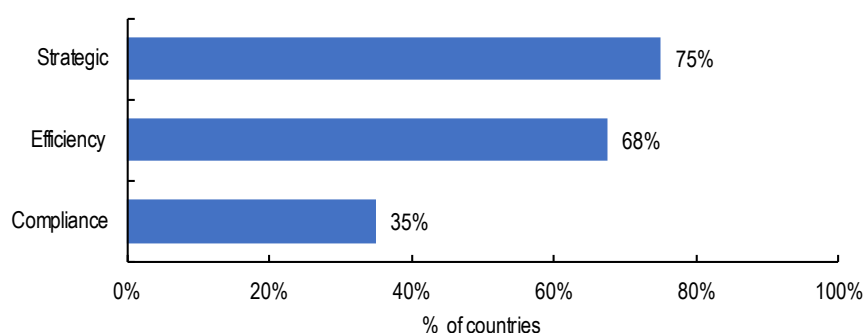
The framework includes 259 indicators and 45 sub-indicators related to compliance, efficiency, and achievement of strategic objectives (e.g., climate change mitigation, innovation, job creation, social aspects, development of SMEs).

Source: (OECD, 2023^[36]).

Indicators can measure the performance of procurement systems in a wide range of areas, yet Respondents largely focus on efficiency and strategic policy objectives. Common KPIs relate to efficiency (68% or 27 out of 40), aimed at assessing whether procurement processes enable achieving the best procurement outcomes and effectiveness as well as the best “value for money”. They can include, for instance, savings (in monetary value and time), level of market participation in specific procedures, and duration of procurement processes (including the tender evaluation phase). The majority of Respondents also use strategic KPIs (75% or 30 out of 40) with the aim to assess how public procurement processes contribute to achieving strategic policy goals. Examples of such KPIs can include the share of sustainable goods and services, the share of procurement awarded to SMEs (in number and volume), or the share of procurement involving innovation features. In addition, and consistent with the findings reported in the section above, in more advanced systems, KPIs can capture the impacts of strategic procurement, such as the reduction in CO2 emissions or energy consumption.

Fewer Respondents use KPIs related to compliance (35% or 14 out of 40) for assessing whether procurement processes and outcomes are in line with the national or any other applicable legislation, including integrity and competition laws (e.g., use of appropriate procedures, transparency requirements, integrity breaches, etc.) (Figure 2.37).

Figure 2.37. Categories of key performance indicators used for the public procurement system, 2024



Note: Data is shown for 40 Respondents.

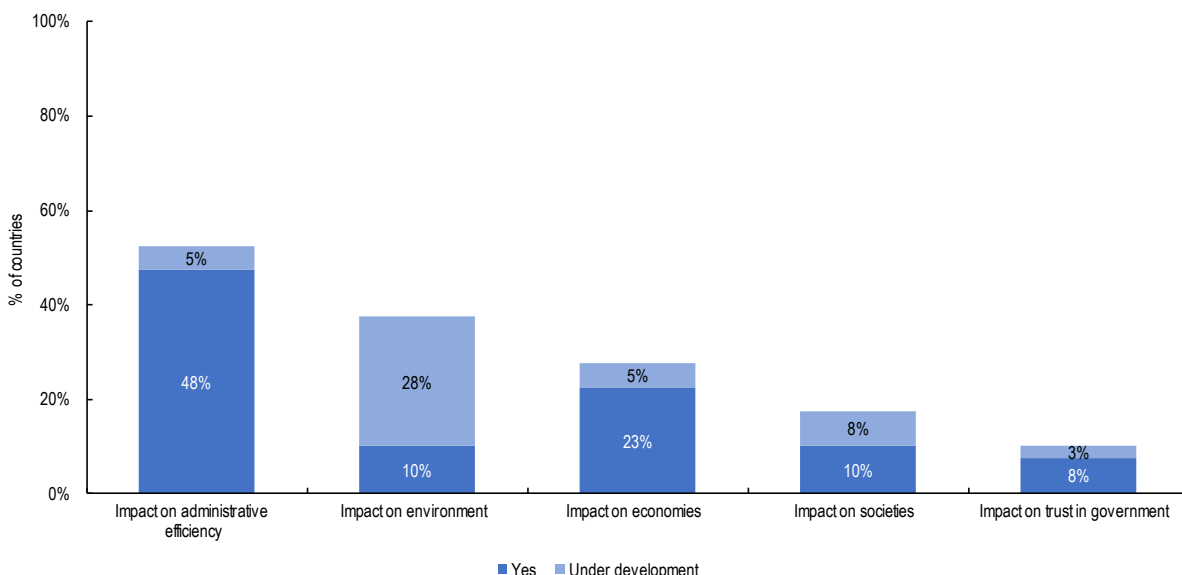
Source: OECD (2024), Survey on Public Procurement

Impact evaluation contributes to ensuring that public procurement actively advances the objectives it aims to achieve. Impact refers to the extent to which the policy or programme has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects (OECD, 2021^[56]). It addresses the ultimate significance and potentially transformative effects, i.e., the longer-term social, environmental, and economic effects, beyond the immediate results. This entails examining the holistic and enduring changes in systems or norms, and potential effects on the well-being of citizens, human rights, gender equality, and the environment. Public procurement can create a significant impact on environmental sustainability, innovation, economic and social goals by shaping the market in which suppliers innovate and compete. Additionally, it highlights that the positive effect of public procurement on the adoption of circular economy practices is stronger for suppliers with less market power. This can help encourage governments to improve access to SMEs to public procurement opportunities to further promote circular economy. Such empirical evidence plays a crucial role in informing better decision and policy making in public procurement.

However, few Respondents measure the impact of public procurement on administrative efficiency (e.g., savings, time to carry out procurement) (48% or 19 out of 40), the economy (e.g., revenues generated for

SMEs) (23% or 9), the environment (e.g., carbon footprint or emissions savings), the society (e.g., inclusion) (10% or 4 each), and trust in government (8% or 3) (Figure 2.38). Less than two thirds of the Respondents (63% or 25 out of 40) reported having carried out any evaluation of public procurement policy reforms. In particular, ex-ante assessments of impact can guide the design and feasibility of a public procurement reform, while ex-post assessments can help ensure accountability and learning.

Figure 2.38. Evaluation of the impact of public procurement, 2024



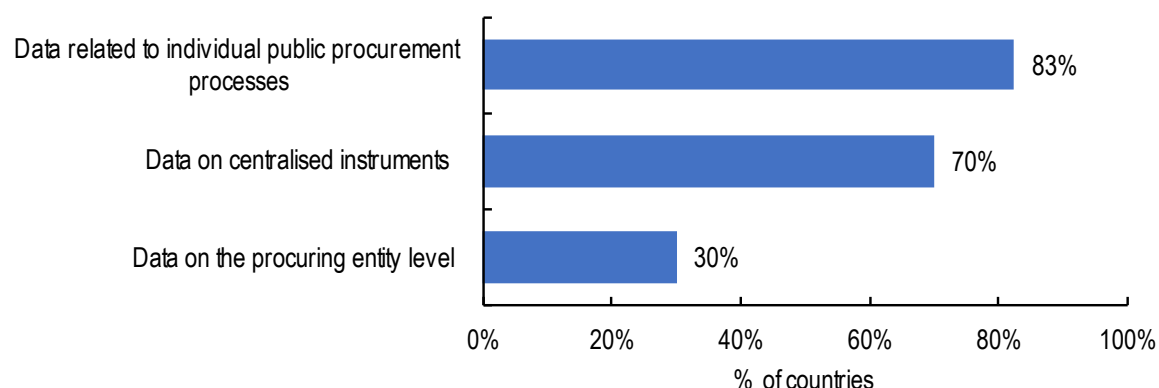
Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

Yet, a pre-condition for evaluating the performance and impact of public procurement is the availability and use of quality data. Quality procurement data can provide a valuable source of insight, inform new needs assessments, and guide future procurement decisions. However, public procurement data are not always collected in a robust and consistent manner, leading to unreliable statistical information which effectively support decision-making. Further, to engage into a comprehensive evaluation of the effectiveness of the procurement system, as called upon by the Recommendation, data beyond procurement processes needs to be collected.

While data on procurement processes are routinely collected, other elements impacting the effectiveness of the system are largely missing. In fact, most Respondents (83% or 33 out of 40) reported collecting data on individual public procurement processes at the central level, including metrics such as the number of bids submitted, the profile of suppliers (e.g., the representation of women in the companies' workforce), invoices, and outcomes/benefits from the process. Data collection on centralised instruments, such as the use of framework agreements and uptake of e-procurement systems, is also common (70% or 28 out of 40 Respondents). However, fewer Respondents (30% or 12) collect data at the procuring entity level such as workforce details, public procurement capacity, or market consultation activities (Figure 2.39). The Slovenian Ministry of Public Administration is addressing these gaps by developing a new portal for contract execution to expand the scope of available data. This initiative will allow for more and better analysis and use of data, to address common misconceptions and create space for counterintuitive ideas within public procurement systems. For example, an analysis of Green Public Procurement and Socially Responsible Public Procurement data in Slovenia between 2016 and 2019 revealed that the introduction of these policies did not influence SMEs and competition, contrary to expectations.

Figure 2.39. Data collection on public procurement at the central level, 2024



Note: Data is shown for 40 Respondents.

Source: OECD (2024), Survey on Public Procurement

Overall, data indicates that while the use of KPIs in public procurement is expanding, there is still significant room to strengthen the uptake of the Recommendation's evaluation principle. In particular, impact assessments on key dimensions – such as administrative efficiency, economic benefits, environmental sustainability, societal outcomes, and public trust – remain limited. Moreover, evaluations of public procurement policy reforms are not yet a common practice, which hinders the effective implementation of this principle. Continuing to ensure the availability of timely, high-quality data, covering the entire procurement lifecycle, would further support the development of indicators to consistently track performance, measure effectiveness, monitor cost savings over time, while facilitating meaningful impact assessments and better-informed public procurement choices.

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Notes

¹ Here, “first tier” refers to the direct subcontractors that the main contractor (i.e., the supplier who wins the public contract) intends to use.

² Dynamic purchasing systems are fully electronic procurement tools used for repeat and standardised purchases. They allow suppliers to join at any time during the system’s validity, as long as they meet the predefined selection criteria.

³ Korea recently rolled out a major update to KONEPS, one of the most advanced e-procurement system across Adherents, following the closure of the 2024 Survey.

⁴ Online catalogues are digital documents or interfaces that display a list of goods and services available for purchase by public sector buyers.

⁵ Building information modelling (BIM) is a digital form of construction and asset operations bringing together technology, process improvements and digital information. Public procurement use cases include better co-ordination with suppliers and the faster production of accurate information to improve decision making.

⁶ ICT stands for “information and communication technology”.

⁷ “Contracts with options” refer to procurement contracts that include provisions allowing a contracting authority to extend the contract duration, increase the quantities ordered, or purchase additional goods or services in the future without launching a new procurement procedure.

⁸ In this context, exclusion aims to prevent the government from awarding contracts to suppliers involved in corrupt or unethical behaviour. In contrast, non-discrimination ensures that suppliers are treated fairly, without bias based on unjustified distinctions.

⁹ From 24 February 2025, the PPRS will be part of the Procurement Review Unit (PRU). The PRU will investigate contracting authorities, to ensure compliance with the Procurement Act 2023, and suppliers, for possible addition to the debarment list. In addition to the PPRS, the PRU will consist of two other services:

- Procurement Compliance Service (PCS): This service investigates contracting authorities’ compliance with the requirements of the Procurement Act 2023 and may issue (and if desired, publish) statutory recommendations to the contracting authority being investigated and/or guidance that applies more generally to contracting authorities following the conclusion of an investigation.
- Debarment Review Service (DRS): This service aims to protect public money from suppliers who pose risks by conducting investigations into suppliers to determine whether they are excluded or excludable suppliers and whether they should be added to the public debarment list. The service is also responsible for managing the debarment list.

3

Conclusions

This chapter concludes the report and presents the continued relevance and next steps for the Recommendation on Public Procurement and its implementation.

Over the past five years, Adherents' efforts to implement the Recommendation have unfolded in an evolving context, marked by rapid digital transformation, economic and social challenges, and the disruptive impacts of the COVID-19 crisis on global supply chains and geopolitical tensions. Among others, these developments have highlighted the need for resilient procurement systems, effective risk management, enhanced transparency and accountability, and strategies to maximise public procurement's contribution to achieve multiple objectives, including sustainable development goals.

3.1. Continued relevance

Since its adoption in 2015, the Recommendation has served as a guiding benchmark, helping Adherents enhance their public procurement systems. However, to remain relevant and continue supporting Adherents in adapting procurement processes and practices to an evolving landscape, it would be beneficial to consider a revision that addresses recent trends and ongoing challenges. The review of the implementation and continued relevance of the Recommendation offers a timely opportunity to assess progress achieved and lessons learned. Meanwhile, it also provides the occasion to reflect on how to revise the content of the Recommendation to ensure its provisions remain relevant, by addressing shifts in technology, economy, and societal expectations to support future-ready public procurement systems.

Notably, the advent of emerging technologies, such as AI and blockchain, the possibilities and risks they provide, and the greater use of digital tools in delivering public services call for revisiting the e-procurement principle. These technologies have significant potential to improve system efficiency, enhance transparency, and support the digital transformation of public procurement. However, their pervasive impact across all procurement dimensions (e.g., integrity, accountability, capacity, participation, etc.), together with the potential risks associated with their use – including bias, discrimination, and threats to data privacy and security – require careful consideration and adequate guidance.

Over the past years, Adherents have become widely aware of the strategic role of public procurement as a tool for advancing broad policy objectives, shifting from a back-office function to a core element of public governance. This shift requires aligning procurement with goals that are central to national agendas, and which can include pressing economic, environmental, social, and other public interest goals. Achieving these priorities while ensuring they are not pursued at the expense of one another amid fiscal constraints calls for robust methodologies to manage trade-offs and assess policy impacts effectively.

Furthermore, the COVID-19 pandemic, the full-scale war of aggression of Russia in Ukraine and other recent geopolitical events shed light on critical supply chain vulnerabilities and the generalised use of emergency procurement for essential goods and services, emphasising the need for public procurement systems that are crisis- and emergency-prepared and resilient. Evidence shows that the scale and breadth of disasters has increased sharply over the last two decades, and that all OECD countries have experienced at least one major crisis or disaster in recent years. (OECD, 2023^[1]) Despite this, there remains potential to better capitalise on the experiences learnt during those challenging times, including the global pandemic, through a stronger focus on crisis and emergency preparedness of public procurement systems.

Considering the low levels of trust observed across Adherents, it would also be beneficial to highlight the significance of leveraging innovative stakeholder engagement methods and enhancing transparency and accountability of public procurement, as a core function of modern public administrations, to restoring trust in public institutions and reinforcing democratic processes. Moreover, greater focus could be placed on fostering competition, potentially as a standalone principle, to comprehensively address declining competition observed in several Adherents. This would entail clearly outlining the multiple aspects to consider throughout the procurement lifecycle to ensure an environment that encourages fair competition. Additionally, in light of the uneven levels of transparency across different procurement phases among

Respondents, including a stronger focus on timely, stage-appropriate disclosure could help balance the principles of transparency and competitiveness throughout the procurement cycle.

Lastly, reorganising and possibly reducing the number of principles in the Recommendation by streamlining some of them to better highlight their interconnectedness could further clarify and reinforce the cohesive framework that a sound public procurement system requires.

Beyond concluding that the Recommendation requires a revision, the Report identifies areas where additional support and guidance may help Adherents advance their procurement practices. For example, further continuing the work on professionalisation and expanding the support to risk management and use of emerging technologies initiatives.

In conclusion, the findings of this Report, along with inputs from LPP discussions, provide an initial basis for assessing how the Recommendation could be revised to better reflect developments occurred since its adoption in 2015. Potential areas for revision include digitalisation, sustainability, emergency preparedness and crisis resilience, transparency, accountability, and efficiency, especially in a context of budgetary constraints. By addressing these areas, the Recommendation would continue to remain a cohesive and coherent resource for building effective public procurement systems for the future.

3.2. Next steps

Considering the above, it is proposed that Adherents continue their efforts to implement the Recommendation. In this regard, Adherents should focus in particular on the findings and challenges identified in this Report. Additionally, they should further promote and raise awareness of the Recommendation among relevant government bodies and other stakeholders.

In turn, the OECD Secretariat will continue supporting Adherents in strengthening their public procurement systems, including through policy dialogue on lessons learned, insights and evidence from Public Governance Reviews, thematic reports, policy papers and working papers. The LPP will lead the policy dialogues, multidisciplinary policy exchanges in the framework of the LPP open exchange series, expert groups on the use of AI in public procurement or focusing on developing measurement frameworks to assess the impact of public procurement strategies, OECD regional networks, and international conferences and events.

It is suggested that the OECD provide additional targeted support to Adherent's implementation by developing practical tools and guidance to assist Adherents in addressing the challenges identified in the Report.

Finally, the OECD will consider revising the Recommendation to ensure its continued relevance and usefulness to countries.

References

- OECD (2023), *Report on the Implementation of the OECD Recommendation on the Governance of Critical Risks*. [1]

Implementing the OECD Recommendation on Public Procurement in OECD and Partner Countries

2020-2024 Report

This report outlines the progress achieved by OECD Member and partner countries between 2020 and 2024 in implementing the 2015 OECD Recommendation on Public Procurement. The Recommendation provides strategic guidance for tackling challenges in public procurement and highlights effective practices to promote a comprehensive and strategic approach. The report analyses how countries adopted and applied the Recommendation's principles in their public procurement systems during the 4-year period. It presents strategic developments, emerging good practices, and key challenges faced in aligning procurement policies with the Recommendation. The report also examines the ongoing relevance of the Recommendation, the extent of its dissemination, and whether it may need to be updated or revised.



PRINT ISBN 978-92-64-95561-5
PDF ISBN 978-92-64-83419-4



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