Public Procurement can drive economic growth

Public Procurement accounts for around 1/5 of global GDP:
- 50% of total public spending in developing countries
- 30% in developed countries

In the past decade, public procurement has increased 10-fold and this growth trajectory is expected to continue.

Public Procurement addresses policy objectives such as sustainable and green procurement.
Genesis and timeline

- **2013**: G20 request and BPP Kick-off
- **2014**: Pilot data collection in 11 economies
- **2015**: Data collection in 77 economies
- **2016**: Data collection in 189 economies
Benchmarking Public Procurement has been inspired by the WBG Doing Business report, which has a recognized track record in measuring laws and regulations in 189 economies and leveraging reforms.
**Thematic Coverage**

BPP focuses on:

- **The procurement life cycle**, from the needs assessment to the implementation of the procurement contract;

- **Complaint and reporting mechanisms** throughout the process.
Procurement Life Cycle indicator (1)

Measures elements that matter for the private sector throughout the tendering process

- Publication of tender notices
- Time & cost to access tender documents
- E-procurement portal
- Bid security

- Attending the bid opening session
- Time limit to open bids
- Record the bid opening session

- Publication of tender award
- Standstill period
- Notification of the award to losing bidders
Procurement Life Cycle indicator (2)

Measures elements that matter for the private sector during contract management phase

- Time needed to receive a payment
- Request payment online
- Payment of penalties to suppliers in case of late payments
Measures elements that matter for the private sector when filing a complaint

- Standing to file a complaint
- Time and cost needed to file a complaint and obtain a decision
- Suspension of the procurement process
- Remedies available
Types of Indicators

Legal data points
All binding public procurement laws and regulations
Does the regulatory framework provide that competitive tendering should be the default method of procurement?

Time and Cost
Processes as experienced by the private sector in satisfying procurement requirements
What is the price of tender documents, if any?
**Geographical coverage**

### East Asia and Pacific
- 10 economies
  - Hong Kong SAR, China
  - Indonesia
  - Malaysia
  - Mongolia
  - Myanmar
  - Philippines
  - Singapore
  - Taiwan, China
  - Thailand*
  - Vietnam

### Latin America and Caribbean
- 13 economies
  - Argentina
  - Bolivia
  - Brazil
  - Burundi
  - Cameroon
  - Côte d'Ivoire
  - Colombia
  - Ecuador
  - Guatemala
  - Haiti
  - Jamaica
  - Mexico*
  - Nicaragua
  - Peru
  - Uruguay

### OECD High-income
- 16 economies
  - Australia
  - Austria
  - Canada
  - France
  - Hungary
  - Ireland
  - Italy
  - Korea, Rep.
  - Mexico*
  - Netherlands
  - Nicaragua
  - New Zealand
  - Poland
  - Peru
  - Sweden*
  - Spain
  - United Kingdom
  - United States*

### Middle East and North Africa
- 7 economies
  - Algeria
  - Bahrain
  - Egypt, Arab Rep.
  - Morocco
  - Lebanon
  - Jordan*
  - Tunisia

### Sub-Saharan Africa
- 19 economies
  - Botswana
  - Burundi
  - Cameroon
  - Côte d'Ivoire
  - Gambia, The
  - Ghana*
  - Kenya
  - Mauritius
  - Mozambique
  - Namibia
  - Nigeria
  - Senegal
  - Tanzania
  - South Africa
  - Sierra Leone
  - Uganda*
  - Zambia

### Europe and Central Asia
- 10 economies
  - Azerbaijan
  - Bosnia and Herzegovina
  - Bulgaria
  - Kyrgyz Republic
  - Moldova
  - Russia
  - Serbia
  - Turkey*
  - Ukraine
  - Romania

### South Asia
- 2 economies
  - Afghanistan*
  - Nepal

* Pilot economies

BPP 2015
11 countries

BPP 2016
77 countries

BPP 2017
189 countries
Case study assumptions

Case study assumptions are key to ensure cross-country data comparability:

The company, BuildCo, is a private *domestically owned* limited liability company that operates in the *main business-city*. It is a *medium-size company* that generates an annual turnover equivalent to 100 times the GNI per capita.

The procuring entity is a *local authority in the main business city* that is planning to resurface a road for a value equivalent to 30 times the country GNI or USD 2 million, whichever value is the highest. It initiates a *public call for tender*, following an open and competitive procedure. The call for tender attracts 3 offers, including BuildCo’s.

The procurement contract does not include any other work (such as site clearance, subsoil drainage or bridge work or further routine maintenance).
EXAMPLES OF OBSTACLES FACED BY MICRO AND SMALL ENTERPRISES
Bid security, in the 66 economies where required, can range between 0.5% and 100 of the contract value, or be left at the discretion of the procuring entity in 47 economies.
Time needed in practice to receive payment takes longer than 60 days in 19 economies.
A large number of economies do not mandate procuring entities to pay penalties to suppliers in case of delays in payment.

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Cost associated with appealing review decisions range from a flat rate to a variable rate depending on the value of the contract or the review body.
Thank you!

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