



# OECD work on Public Procurement

**Presentation to DFØs  
Procurement Conference**

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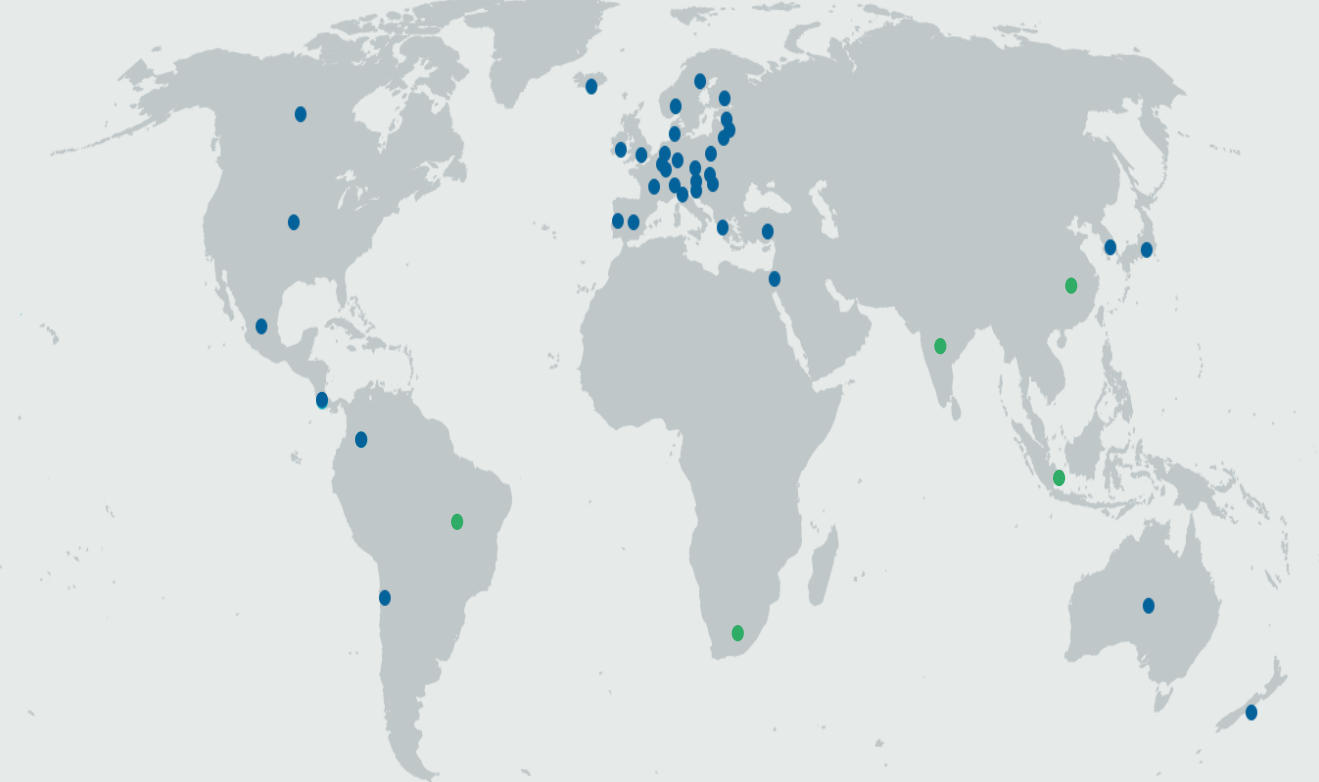
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# Who we are: Our **global** outreach

OECD 38 Member countries and 5 key partners represent about 80% of world trade and investment



## MEMBERS

- |                |                 |                     |
|----------------|-----------------|---------------------|
| Australia      | Israel          | Sweden              |
| Austria        | Italy           | Switzerland         |
| Belgium        | Japan           | Turkey              |
| Canada         | South Korea     | United Kingdom      |
| Chile          | Latvia          | United States       |
| Colombia       | Lithuania       |                     |
| Costa Rica     | Luxembourg      |                     |
| Czech Republic | Mexico          |                     |
| Denmark        | Netherlands     | <b>KEY PARTNERS</b> |
| Estonia        | New Zealand     |                     |
| Finland        | Norway          | Brazil              |
| France         | Poland          | China               |
| Germany        | Portugal        | India               |
| Greece         | Slovak Republic | Indonesia           |
| Hungary        | Slovenia        | South Africa        |
| Iceland        | Spain           |                     |
| Ireland        |                 |                     |

The European Union has a permanent delegation to the OECD

Most recent accessions:



Five countries are in the accession process for OECD membership: Brazil, Bulgaria, Croatia, Peru, Romania

# Public procurement has significant global impact

Public procurement – a large share of the global economy:

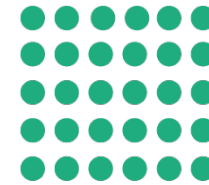
- **12% of GDP in OECD countries**
- **30% of general government expenditures**
- **63% spent at the sub-national level**

## Public procurement is supporting:

- delivery of public services to citizens
- achievement of broader policy goals

Public procurement impacts many areas of public service delivery:

Share of procurement spending<sup>3</sup>



30%

Health



17%

Economic affairs



12%

Education



10%

Defence



10%

Social protection

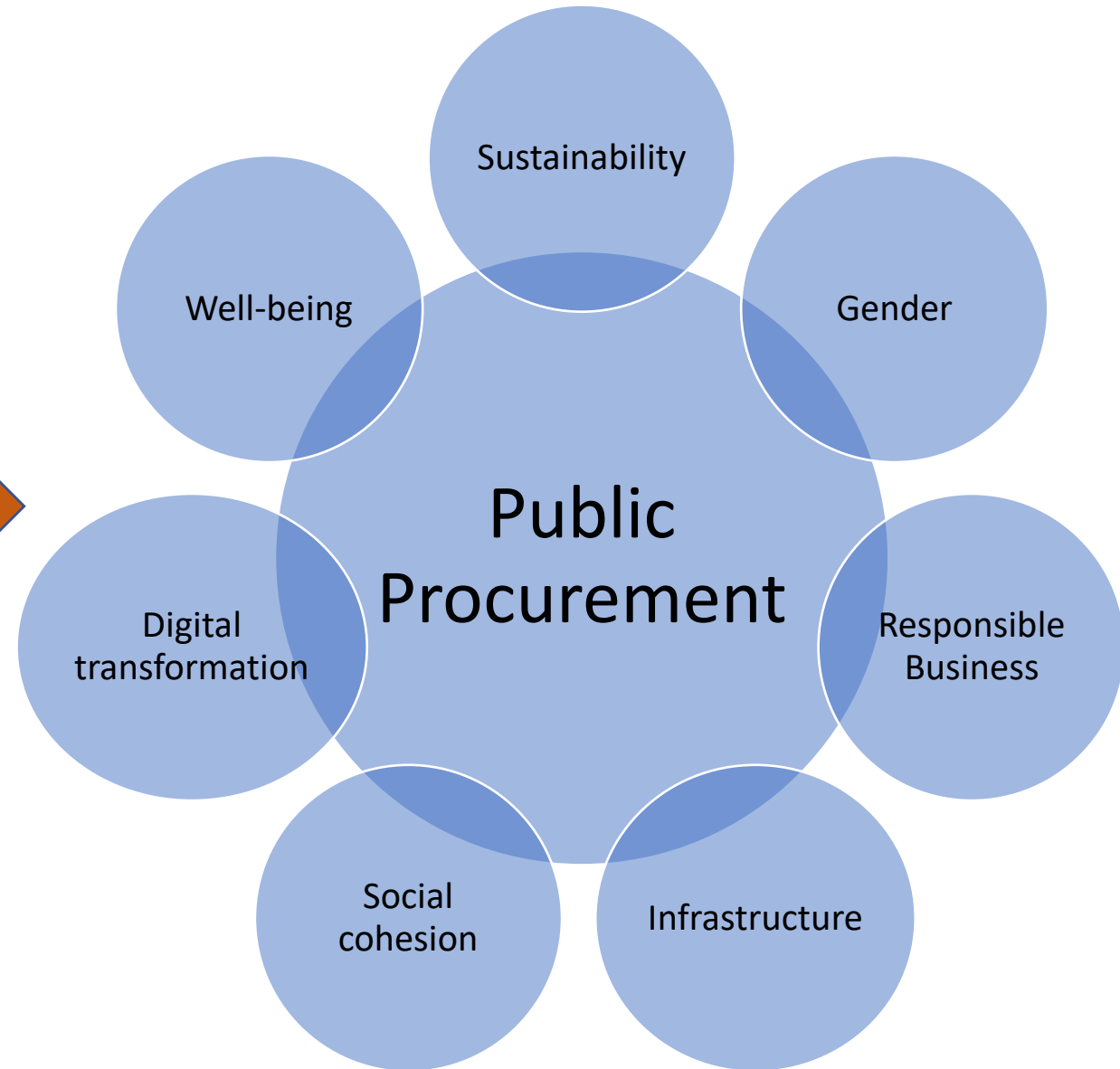
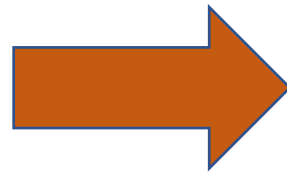


9%

General public services

# Public Procurement = a **key enabler** for a governments' strategic policy agenda

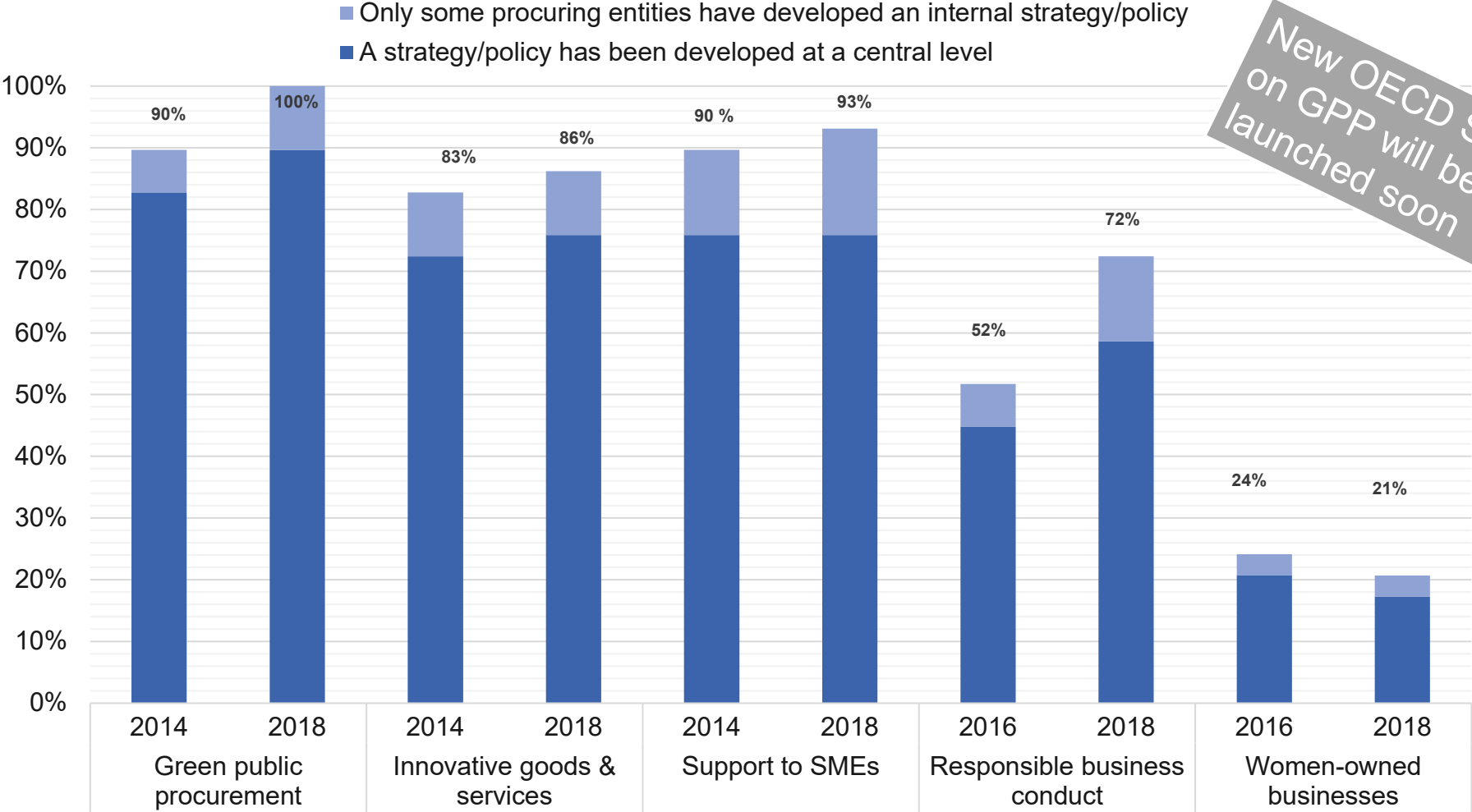
- *Inclusiveness*
- *Climate action*
- *SDGs*
- *Support transformation*
- *Quality of life*
- *Smart cities*
- *Business attractiveness*
- *Regional development*
- *Innovation*
- *Circular Economy*



# The OECD Recommendation on Public Procurement (2015): comprehensive and strategic approach



# Evidence: All OECD countries are using public procurement in a strategic way



New OECD Survey on GPP will be launched soon

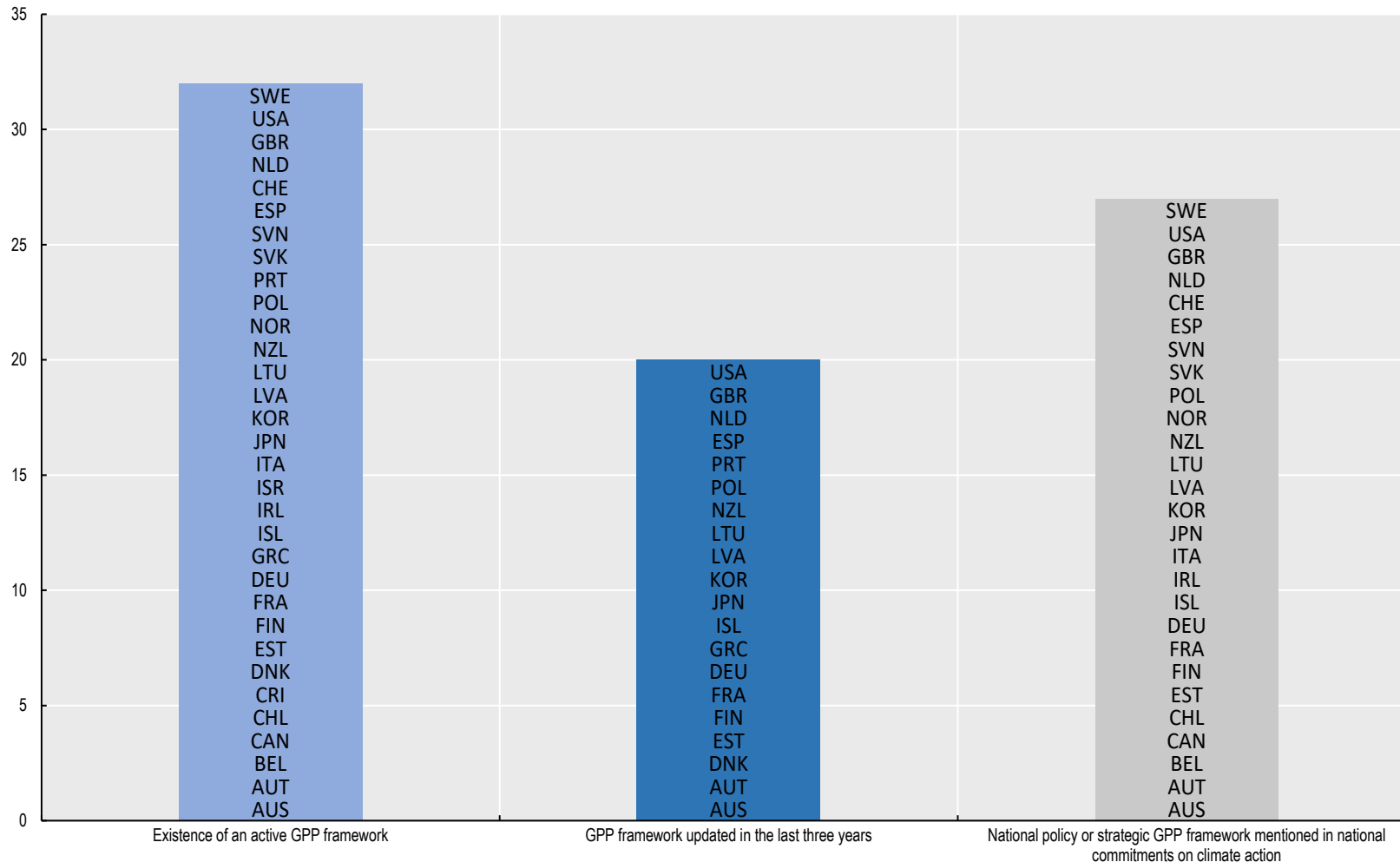
Sources: OECD 2018, 2016 and 2014 Public procurement Surveys

# Why Green Public Procurement (GPP)?

- ✓ **Contribute towards local, regional, national and international environmental policy goals**
  - e.g.: Achieving emissions reduction through PP strategies, sustainable construction with low-energy buildings and infrastructure, energy-efficient ICT, attaining circular economy, promoting products from organic agriculture etc.
- ✓ **A driver for innovation**
  - Provides your organisation with smarter solutions
  - Provides suppliers with incentives to develop new and greener solutions
- ✓ **Provide financial savings in a life-cycle cost perspective**
  - Energy efficient products reduce utility bills
  - Products with less hazardous substances cut disposal costs

# Alignment of public procurement and environmental objectives across OECD Countries

Green public procurement policy frameworks, 2022

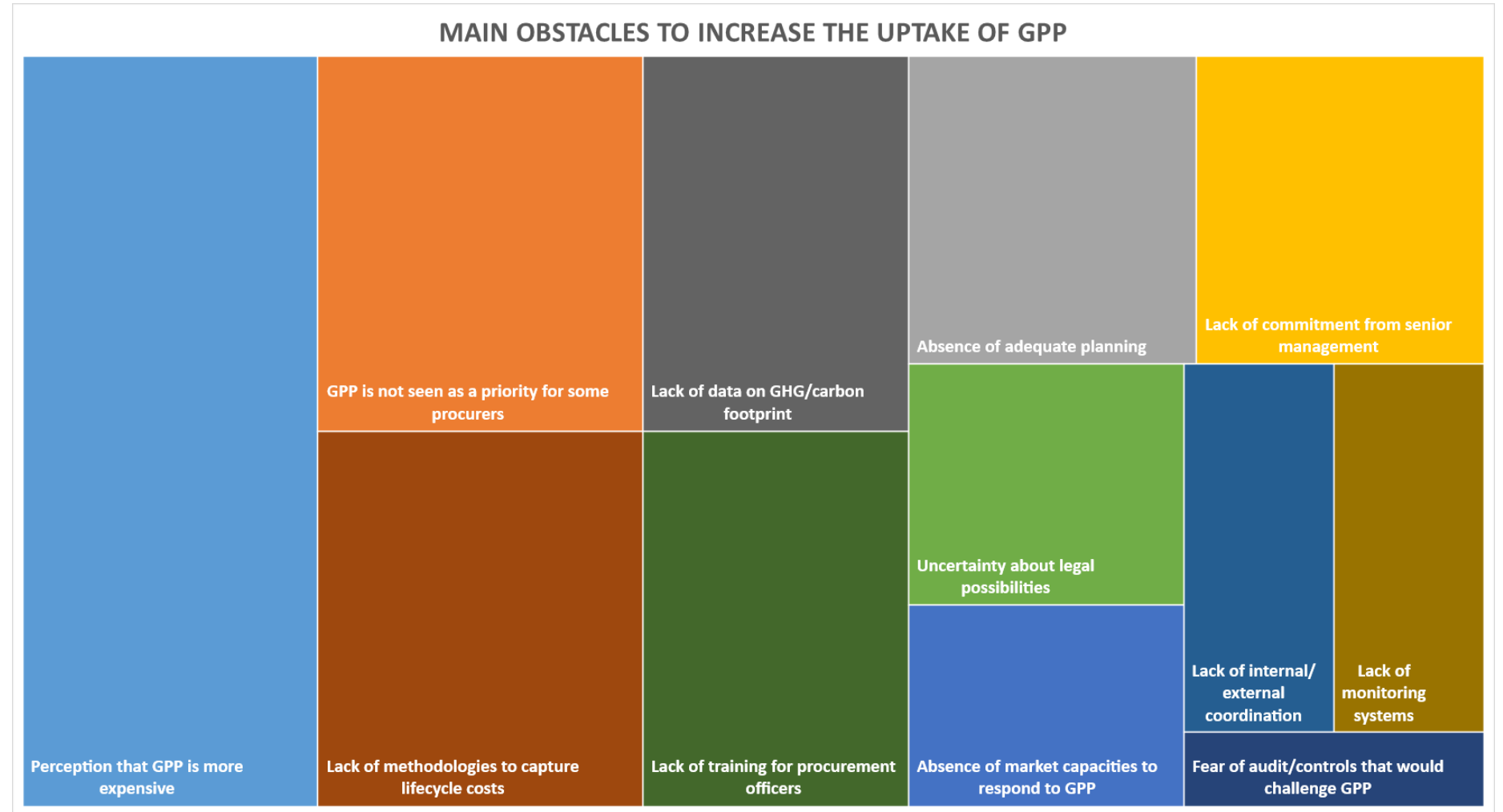


- **94% of the responding countries** have an active national policy or strategic framework on GPP.
- **63%** of countries' GPP policies have been updated in the past three years
- **88%** of OECD countries clearly refer to GPP or public procurement in national commitments on climate action



# Main obstacles to a greater GPP uptake

- **80%** of OECD countries point to the absence of clear understanding of costs (or best value) of green products and services
- Tone from the top is also seen as hindering GPP uptake



# Actions and support to promote Green Public Procurement

**Develop relevant regulatory and strategic frameworks**

Formulate GPP mandatory requirements and targets. Align with national environmental commitments

**Translate GPP in tender documentation**

Use GPP selection and exclusion criteria, and GPP award criteria

**Engage with the market**

Understanding market solutions and market capacity

**Provide training and capacity building**

Equip public procurers with the motivation and skills needed to procure green

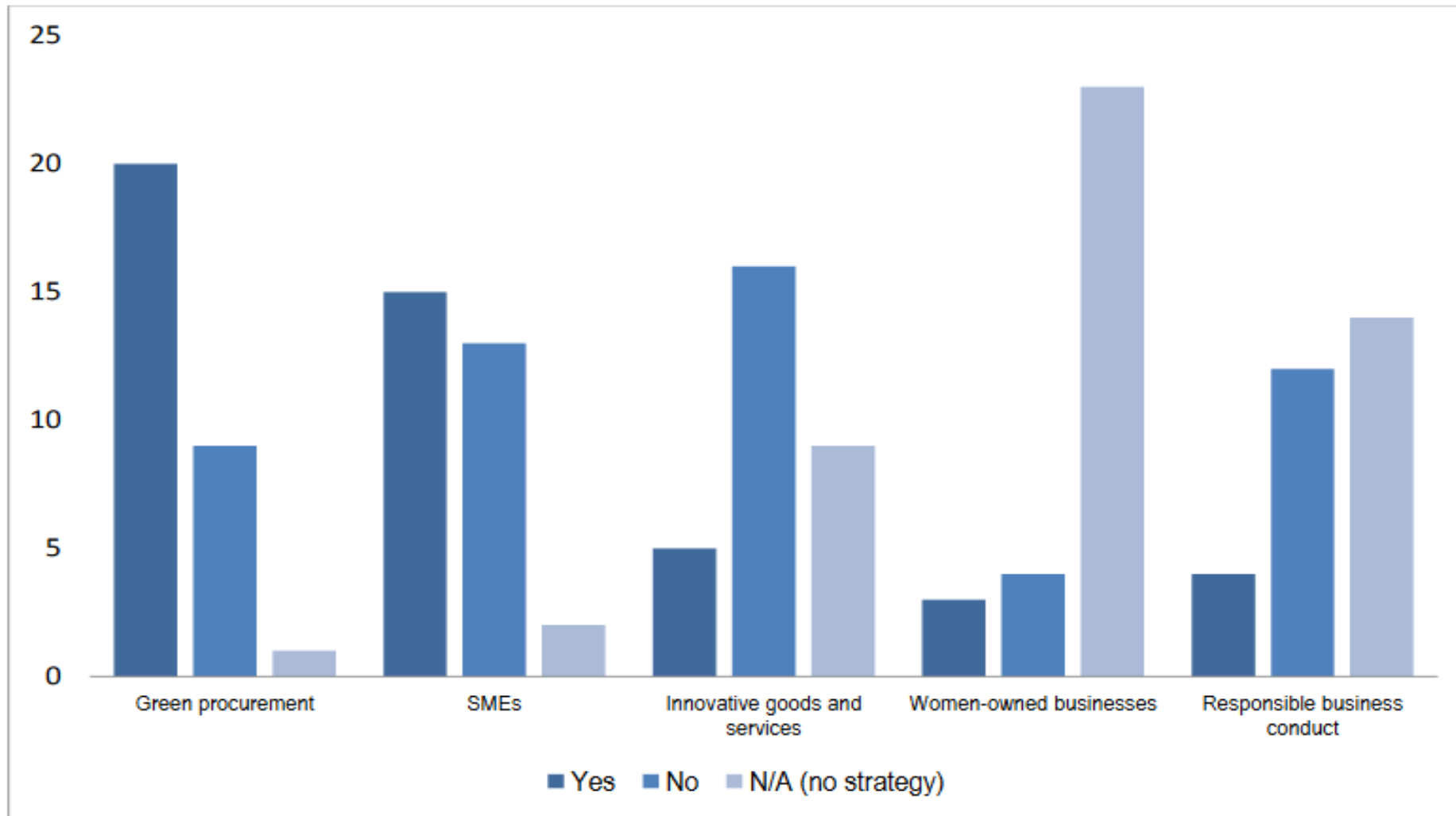
**Measure GPP impacts**

Collect data and evaluate progress – understand what works and what doesn't

**Develop Risk management system**

Ensure informed and systematic decision-making

# Distinct strategic goals... but less follow-up: measurement and monitoring reduce as complexity increases



Source: (OECD, 2017<sup>[16]</sup>).



# Strategic PP requires capable institutions and skilled individuals

- Strategic and sustainable public procurement needs to be understood as a process of **institutional and individual learning**
- Extracting lessons from previous experiences is central to **incremental improvements** of procurement practices
- **Communities of practice** are a way to mainstream strategic and sustainable public procurement



# OECD supports countries in reforming procurement systems in multiple dimensions





# Links to OECD work on Public Procurement and Infrastructure Governance

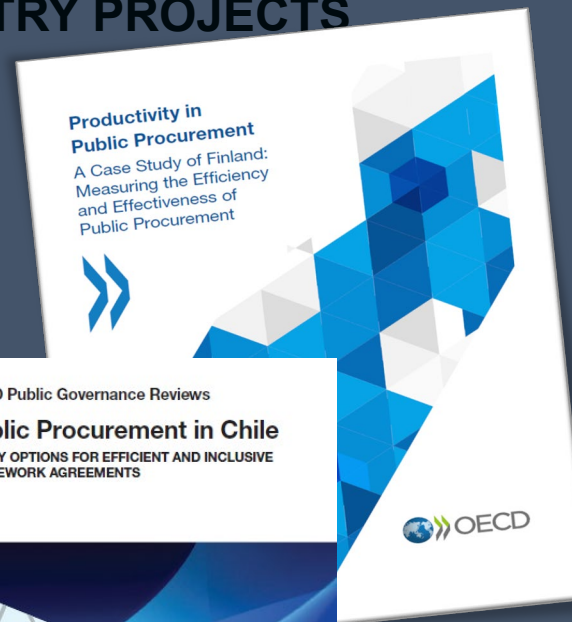
<http://www.oecd.org/gov/public-procurement/>

<https://www.oecd.org/gov/infrastructure-governance/>

## THEMATIC REVIEWS



## COUNTRY PROJECTS



## TOOLS

