

ORGANIZATION OF AMERICAN STATES GOVERNMENT PROCUREMENT PROGRAM

Summary Report of Activities

1. Name of the Program

Government Procurement Program

2. Coordination

- OAS through the Executive Secretariat for Integral Development.
- Orlando Mason, Program Coordinator

3. Brief Description of Project/ Activity

The Program provides government procurement strategy makers and program managers from the Americas with opportunities to: 1) cooperate in reviewing lessons learned and best practices of leading institutions, and 2) to strengthen their capabilities for defining modernization strategies and implementing programs and projects in government procurement.

It is expected that by generating and disseminating information, providing access to experts, organizing training and mobilizing technical support the Program will contribute to reduce the time, cost and risk of implementing initiatives to modernize government procurement processes and at the same time will increase the quality and the impact of the solutions adopted in each country. The Program also includes activities intended to support the countries in the preparation of regional technical cooperation project profiles to advance their own strategies. What follows is a Summary Report of the Program implementation since 2003.

4. Objectives

The objectives of the Government Procurement Program are:

- To foster and facilitate the exchange of experiences, mutual support and joint action among government, business sector, technical institutions and other civil society executives with a view to improving procurement operations as a way to reduce cost and increase value for money for the State, increase competitiveness, economic growth and employment to reduce poverty and achieve a more equal and integral development that strengthen democratic governance.
- To support each participating government in their efforts to design and implement their strategies for improving government procurement operations, including the necessary coordination, road map, financing and institutional framework, that can contribute to transparency, efficiency, competitive SME participation, good use of new information and communication technologies and economic integration.

5. Beneficiary Countries, Target and Stockholders

The Program has a regional scope and provides benefits to all OAS Member States. Its main target group is the Senior Government Procurement Executives (SGPE) of the OAS member countries and it follows the priorities of action declared in the Summits of the Americas and the guidelines established by the OAS General Assembly.

6. Activities

First phase (2003 and 2004).

2003

- **June – Dec.** Design of a Questionnaire to prepare E-Government Procurement National Profiles. A pilot testing of the survey was completed in Bolivia, Colombia, Ecuador, Peru and Venezuela .
- **December** Participation in the International Seminar on E-Government Procurement, organized by CONSUCODE of Peru. The OAS sponsored the participation of the other Andean countries.

2004

- **January – May**, Missions to Central American and the Andean Countries to participate in technical and consultative meetings with Senior Government Procurement Executives, prepare assessments, support the preparation of E-Government Procurement National Profiles and identify, areas of interest for technical cooperation
- **June 2 – 4**, Seminar on SMEs Participation in E-Government Procurement. Co organized by the OAS and CLAMPI (Latinamerican Confederation of Small Industrial Enterprises , Bogota, Colombia.
- **June 2004**. Participation in the Mercosur’s Workshop on Small Business Participation in Government Procurement. Consultative meetings with SGPE of Mercosur
- **June - September**, Preparation of a Report on “Modernization of the State Purchases and Procurement Practices as an Instrument for Trade and Development. Realities and Challenges of the Public Procurement Systems in Latin America”
- **June – September**, Preparation of a comparative review of existing E-Government Procurement sites focusing on its functionalities and main statistics.
- **July 14-15**, Organization of a “Coordination Meeting of authorities responsible for strategies of cooperation in the development of e-government procurement in the countries of Central America”. San José, Costa Rica
- **July 26-27**, Organization of a “Coordination Meeting of authorities responsible for strategies of cooperation in the development of e-government procurement in the countries of the Andean Community”, in Lima, Peru
- **September, 14-17**, II Inter-American Seminar on Strategies and Cooperation in E-Government Procurement: Institutional Organization, SMEs, Trade and Development, Sao Paulo, Brazil. Co-organized by the OAS and the Government of Brazil. 15 countries represented by 32 SGPE.
- **September 17**, Support the creation and launching of the Inter-American E-Government Procurement Network. The Network was launched by 32 high-level executives and experts related to strategy formulation and management of modernization of government procurement practices in 15 Latin-American countries

- **September '04 – May '05**, Support the preparation of E-Government Procurement National Profiles. First version were completed for Argentina, Bolivia, Chile, Colombia, Costa Rica, Ecuador, Guatemala, El Salvador, Mexico, Panama, Peru and Uruguay. Preparations of profiles were coordinated by the head of national government offices of each country.
- **November '04 – February '05** Organization of Electronic Forums on Strategies for the Development of E-Government Procurement to review the experiences of the Government of Chile (November), the Government of Mexico (December) and the Government of Costa Rica (February '05). They were conducted in Spanish. In March '05 a forum conducted in English discussed the experiences of the Government of Mexico and the Government of Chile. E-Forums were organized by the OAS Government Procurement Program and the OAS Best Practices Program.

Second phase (2005).

2005

- **April**. Preparation of a Comparative analysis of E-GP strategies in the Andean Communities countries.
- **May 19-20**. Organization of a “Coordination Meeting of authorities responsible for strategies of cooperation in the development of E-Government Procurement in the countries of the Andean Community”, Lima, Peru.
- **Jun 20-23**. “III Inter-American Seminar in E-Government Procurement” in Santiago de Chile. Co-organized by the OAS and the Government of Chile. 17 countries represented by 29 SGPE. Two multilateral institutions participated: IADB and the Andean Community Secretariat
- **June 23**, Distribution of a final draft of the work paper “Modernization of the State Purchases and Procurement Practices as an Instrument for Trade and Development. Realities and Challenges of the Public Procurement Systems in Latin America”.
- **June 23**. Support the launching of the Website of the “Inter-American Network in E-GP” (www.compraspublicas.org).
- **Jun 24-25**. Sponsoring institutional visits of E-GP’s strategy makers of El Salvador, Ecuador and Costa Rica to ChileCompra headquarters.
- **Sept. 21-22**. Organization of a “Coordination Meeting on Strategies and Cooperation for the Development of E-Government Procurement in Central America”. San Salvador, El Salvador, September 2005
- **Sept. 24**. Organization of a “Seminar on the Challenges and Opportunities of Free Trade Agreements in Government Procurement”. Co-organized by the OAS and the Government of El Salvador and focused on Central American Countries. San Salvador, El Salvador, September 2005.
- **31 Oct - 2 Nov**. “II Government Procurement Conference of the Americas” Co-organized by OAS, GSA - US Government and the Canadian Commercial Corporation,. Atlanta, Georgia, USA 20 countries represented by 50 SGPE. Three multilateral institutions attended: IADB, CARICOM, Andean Community Secretariat

Third phase. 2006

2006

- **April, Presentation of the OAS Government Procurement Program** activities in the “International Seminar on Government Procurement” in Sao Paolo and in the Expo show of TIC based Solutions for Government, Brasilia, Brazil. Both events organized by the Government of Brazil and were attended by 800 specialists from all States of Brazil. .
- **May 8-12, “Seminar-Workshop on Competitive SME Participation in Government Procurement”**, Mexico City. 14 countries represented by 16 SGPE and 18 Government executives in charge of SME Development in the OAS member states. It was co-organized by the OAS, the SME Congress of the Americas and the Government of Mexico
- **June**, Participation as OAS Government Procurement Program observer and to coordinate Network activities in the workshop organized by CONSUCODE of Peru as Coordinator of the Working Group on Institutionalization of Government Procurement Cooperation.
- **July 26**, Support for the “Conference on Best experiences of E-Government Procurement in the Americas”, San Jose in Costa Rica. Around 400 attendees from the Government and private sector of Costa Rica.
- **July 27-28**, “Seminar-Workshop on Harmonization of Government Procurement Systems, San Jose Costa Rica”. 11 Countries represented by 15 SGPE, it was organized by the OAS and the Government of Costa Rica
- **September 6**, Support for the “Conference on Best experiences of E-Government Procurement in the Americas”, Quito, Ecuador. Around 500 attendees from the Government and Private sector of Ecuador.
- **September 7-8**, “Seminar-workshop on Professional Development and Training in Government Procurement”, Quito, Ecuador, 6 countries represented by 11 SGPE. Co-organized by the OAS and the Government of Ecuador
- **September, 18-19**. “Seminar-Workshop on Strategies for E-Government Procurement Development”, Rio de Janeiro, Brazil, 12 countries represented by 15 Senior Government Procurement Executives (SGPE). Co-organized by the OAS and the Government of Peru.
- **September, 18. Support for the “International Seminar on Government Procurement” of Brazil.** Around 1,000 participant from the public and private sector as well as the civil society from all of Brazil.
- **September 21-22**, “Seminar-Workshop on Links of Government Procurement with Financial Systems”, Asuncion Paraguay, 14 countries represented by 23 SGPE. Co-organized by the OAS and the Government of Paraguay.
- **September 21 Support for the “International Seminar on Government Procurement” of Paraguay. Around 300 participant from the public and private sector of Paraguay.**
- **November 28-30th**, “III Government Procurement Conference of the Americas” to present the results, lessons learned and proposals for action obtained by the Inter-American Government Procurement Network during the year and prepare the Plan of work for 2007. Co-organized by the OAS and the Government of Peru

7. Venue

- Most activities are coordinated in Washington DC

- The conferences and meetings had been co’sponsored by the Governments of Brazil, Chile, Costa Rica, Ecuador, El Salvador, Mexico, Peru, Paraguay and the United States.
- The online forum provides a virtual venue to discuss government procurement issues and has been attended by public managers and representatives from OAS’ member countries.

8. Outcomes and achievements

With the Program support, the Inter-American Government Procurement Network has:

- Deepened its cooperation activities on five priorities areas.
- Compiled common lesson learned that are strategic to Government Procurement modernization in the Americas
- Achieved an accurate assessment of technical cooperation needs
- Integrated workgroups in each of the priority areas and prepared a short and medium term agenda for each of them.
- Facilitated the mutual support for the design of government procurement initiatives under implementation in Bolivia, Costa Rica, El Salvador and Perú with the support of Chile, Brazil and other countries.

The priority areas and the workgroups created to address them are:

Priority areas	Countries	Country coordinator
Strategies for Development of E-Government Procurement	Brazil, Canada, Chile, Costa Rica, Colombia, Jamaica, Mexico, United States, Peru, Guatemala, Uruguay, Brazil.	Brazil
SME Competitive Participation in Government Procurement	Brazil, CARICOM, Ecuador, El Salvador, Peru, Uruguay, Panama	El Salvador
Professional Development and Training	Argentine, Bolivia, Chile, Ecuador, Peru, Honduras	Ecuador
Harmonization of Government Procurement Systems	Bolivia, Brazil, CARICOM, Colombia, Ecuador, Chile, Peru, Uruguay, Nicaragua, Costa Rica, El Salvador	Costa Rica
Links of Government Procurement with Financial Systems	Argentina, Brazil, Colombia, Chile, CARICOM, Costa Rica, Guatemala, Jamaica, México, Peru, Uruguay and Paraguay	Paraguay

- Identification of specific issues of common interest for the modernization of Government Procurement in the Andean Community countries.

- Identification of specific issues of common interests for the modernization of Government Procurement in Central America and Panama.
- The OAS member countries had benefited from the knowledge gained through the Program, this has been a key support to concrete opportunities for action in the modernization of their Government Procurement Systems, for developing better cooperation projects with multilateral institutions and for improving their capacity to finance them. In this sense, Program contributions had allowed a better preparation and implementation of self-sustainable modernization strategies to advance the objectives of transparency, effectiveness and efficiency in Government Procurement.
- The OAS Government Procurement Program has been a key support to consolidate the Inter-American Government Procurement Network (IGPN) structure and operations and advance the development of mechanisms for technical and financial self sustainability
- During the three years of the Program 235 Government Procurement Executives have benefited directly from exchanges with peers and in addition approximately 6000 professionals have attended the international conference in the countries where Program activities had been hosted. The OAS Senior Government procurement Executives have emphasized that these exchanges and participations are playing a very important role in the capacity building efforts undertaken by the OAS' member countries.
- The OAS Government Procurement Program has contributed significantly to the strengthening of National Government Procurement Offices. This is achieved when SGPE improve their managerial and technical skills and are able to make better alliances and develop stakeholders at local and international level resulting in successful preparation and implementation of their strategies to modernize government procurement, including the establishment and strengthening of central government procurement bodies.
- The Program has contributed to create awareness at the highest levels of governments of the importance of modernizing government procurement practices for integral development and of the contributions made by the implementation of electronic government procurement systems to increase transparency, efficacy and efficiency.
- On the financial side, it is worth mentioning the high resource leverage achieved for the resources contributed by the OAS and other donors, including an important in kind contributions of the countries. The US Mission to the OAS project resources have been leveraged with contributions made to the Program by the Institute for Connectivity in the Americas (IDRC/ICA), other areas of the General Secretariat, including the Department of Scholarships, the Government Best Practices Forum supported by CIDA, and by the Government Procurement institutions of Brazil, Canada, Chile, Costa Rica, Ecuador, El Salvador, Mexico, Peru, Paraguay, and the United States, among others. The Program, mobilized directly US\$ 640,500 and was able to mobilize additional contributions in cash and in kind estimated conservatively in US\$ 754,000, for a total expenditure of US\$ 1,390,000 as detailed in the financial report.
- The Program has contributed to the preparation and dissemination of information on E-Government Procurement Development in Latin America using the website of the

Network, presentations, e-forums and brochures, in addition to the Workshops and Seminars

- Cost reduction and savings of government budget resulting from the implementation of innovative solutions such as electronic bidding that – when applied correctly - allow governments to reduce the cost of products and services. For example, Peru and Costa Rica are two countries that have benefited from knowledge on electronic bidding transferred through the Program.
- As a result of the Program’s achievements, the Governments of El Salvador and the Government of Chile communicate with the General Secretariat of the OAS through its official channels to show their support for the Program and to be thankful for the benefit received

9. Specific outputs

- Five reports on lessons learned and priority cooperation needs in each of the areas addressed by the workgroups. These are:
 - Strategies for E-Government Procurement
 - Competitive SME Participation in Government Procurement
 - Harmonization of Government Procurement Systems
 - Professional Development and Training in Government Procurement
 - Links of Government Procurement with Financial Systems
- Professional development of 235 Senior Government Procurement and other government and private sector executives in these five key aspects of government procurement modernization in all of the Americas. The program has the involvement and participation of National Government Procurement Offices of the countries of North, Central and South America and the active representation of CARICOM, Caribbean Regional Negotiating Machinery, Jamaica and Dominican Republic from the Caribbean.

10. Conclusions and lessons learned on approaches to cooperation

- A high involvement and peer-to-peer interaction of the Senior Government Procurement Executives of the Americas allows an accurate identification of priorities for technical cooperation to support modernization of E-Government Procurement Systems in the region.
- The Program sustainability has been facilitated by the support the institutions that participate in the Inter-American Government Procurement Network, a Network that makes possible for Government Executives of the OAS’ member countries to associate, to share, to exchange and to communicate lesson learned and best practices and receive benefits and mutual support according to the pace and approach of each country modernization strategy.
- The various Program activities are mutually reinforcing. They provide a cohesive structure that facilitates the organization and implementation of joint technical cooperation activities among countries. This has allowed a comprehensive response to the OAS Member needs.

- The Government Procurement Program has been implementing a bottom-up approach in the designing and implementing of the Program activities and in the establishment of objectives and priorities for cooperation. As a result it has made an accurate identification of needs and requirements and has received a high level of support from the OAS member countries who have praised the benefits received. This is reflected in the successful leverage of funds with other donor agencies and with OAS' member governments. Since the beginning of the Program the Governments of the Region have made in-cash and in-kind contributions to cover more than half of the total cost of the program.

The identification of best practices, lessons learned and priorities for cooperation led Senior Government procurement executives to an in-depth analysis of the impact of government procurement on the various dimensions of national development and to the current perception of good government procurement practices as a key policy instrument for integral development. Conversely, this analysis has also shown that bad government procurement practices are a mayor deterrent to development.

Among the issues that have been explored and for which lessons learned, best practices and priorities for cooperation have been identified are:

- The impact of the use of electronic government procurement systems operating through the Internet in increasing the transparency for all participants in government procurement, increasing supply competition by facilitating the participation of all firms, particularly micro, small and medium size firms located in less developed areas of the countries, reducing the transaction costs for governments and all firms, reducing cost of goods and increasing value for money in government procurement and facilitating social overseeing, among other aspects.
- The impact of more transparent, effective and efficient government procurement in saving money for the State and accelerating as well as improving quality in the implementation of all social and economic programs supported by the governments.
- The role of small business competitive participation as a way to reduce costs and increase value for money, flexibility and supply innovation in government procurement
- The impact of more inclusive government procurement practices on the development of small firms and on the strengthening of their competitiveness to participate in any other local or international market, grow and generate more and better employment, acting as independent firms, associated with other small firms or contributing as good suppliers for corporations an larger firms.
- The impact of better government procurement practices in inhibiting corruption, supporting economic and social development, improving the public perception of government performance and strengthening democratic governance.

11. Management report

Regarding the management of the Program, the OAS has achieved its objectives with a small structure composed of a part-time Program Coordinator, a Technical Assistant and focused consultancy services. The core of the strategy has been to maintain ongoing communication and dialogue with the SGPE, to contract international consultants of the highest quality to interact, provide advice to the SGPE and moderate technical discussions during the meetings of the IGPN, and to give the SGPE the leading voice in defining the priorities and issues of interest to them. As a result, this initiative enjoys to active involvement of the countries in the co-organization of the meetings and conferences and close coordination with them in the planning and execution.

12. Current needs

- Wide dissemination of the lesson learned and national best practices identified in each of the five priority areas of government procurement modernization in the region. This includes papers and articles to be published.
- Follow up and resources mobilization to implement the Plan of Work for 2007 of the Inter-American Government Procurement Network which includes a jointly selected set of specific lines of action in each of the five priority areas of cooperation.

13. Resources

Financial resources used by the Program have been provided by:

- US Mission to the OAS
- ICA
- CIDA (Canadian International Development Agency)
- OAS, through the scholarship department, DSDE and DTTC
- Contributions in-Cash and in-kind by the Government Procurement Institutions of Brazil, Canada, Chile, Costa Rica, Ecuador, Mexico, Paraguay Peru, and the United States of America

In addition to the management team composed by the Program Coordinator, Technical Assistant and focused consultancy services, the Program has benefited from the institutional, financial and administrative, support of the Executive Secretariat for Integral Development of the OAS through its various Departments, as well as those of the Under Secretariat for Management and other areas of the General Secretariat of the OAS.

14. Amount of Funds (total funds provided; amount of funds used to date, with an indication of breakdown, where possible)

Donor Agency	Amount	SubTotal	Available
<i>GRANTS</i>			
US Mission to the OAS	US\$ 300,000		<i>US\$ 86.</i>
ICA.	US\$ 95,500		<i>0-</i>

Government Procurement Program
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CIDA	US\$ 140,000		0-
US Mission to the OAS (II Conference of the Americas)	US\$ 40,000		0-
OAS-Scholarships Department	US \$ 40,000		0-
US/E-GOV Project SME in GP (IACD)	US\$ 3,000		US\$ 1
US/Andean Government Procurement Project (IACD)	US\$ 22,000		US\$19
Subtotal		<i>US\$ 640,500</i>	<i>US\$ 106</i>
<i>In-kind contributions ^(*)</i>			
<u>In-kind contributions 2003</u>			
Seminar in Lima	US\$ 20,000		
		<i>US\$ 20,000</i>	
<u>In-kind contributions 2004</u>			
Sao Paolo Seminar	US \$80,000		
Coordination meeting Lima	US\$20,000		
Coordination meeting Costa Rica	US\$20,000		
SME Colombia	US\$20,000		
E-GP Pro files	US\$8,000		
E-Forums, Mx, Ch	US \$4,000		
Subtotal		<i>US \$152,000</i>	
<u>In-kind contributions 2005</u>			
E-G Profiles	US \$8,000		
Santiago Seminar	US\$ 80,000		
Atlanta conferences	US\$ 130,000		
E-forums (CR, MC-CH)	US\$4,000		
Coordination meeting Lima	US\$20,000		
Coordination meeting El Salvador	US\$20,000		

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	Subtotal	<i>US \$262,000</i>	
<u>In-kind contributions '06</u>			
Seminar-workshop in Mexico	US\$100,000		
Seminar-workshop in Costa Rica	US\$ 20,000		
Seminar- workshop in Ecuador	US\$ 20,000		
Seminar-workshop in Brazil	US\$ 80,000		
Seminar-workshop in Paraguay	US\$ 20,000		
III Conference of the Americas	US\$ 80,000		
	Subtotal	<i>US \$320,000</i>	
TOTAL		US\$ 1,394,500	US\$ 600

(*) Estimated amount for in-kind contributions from the Governments of Brazil, Chile, Costa Rica, Ecuador, El Salvador, México, Paraguay, Peru, and the United States and among others.