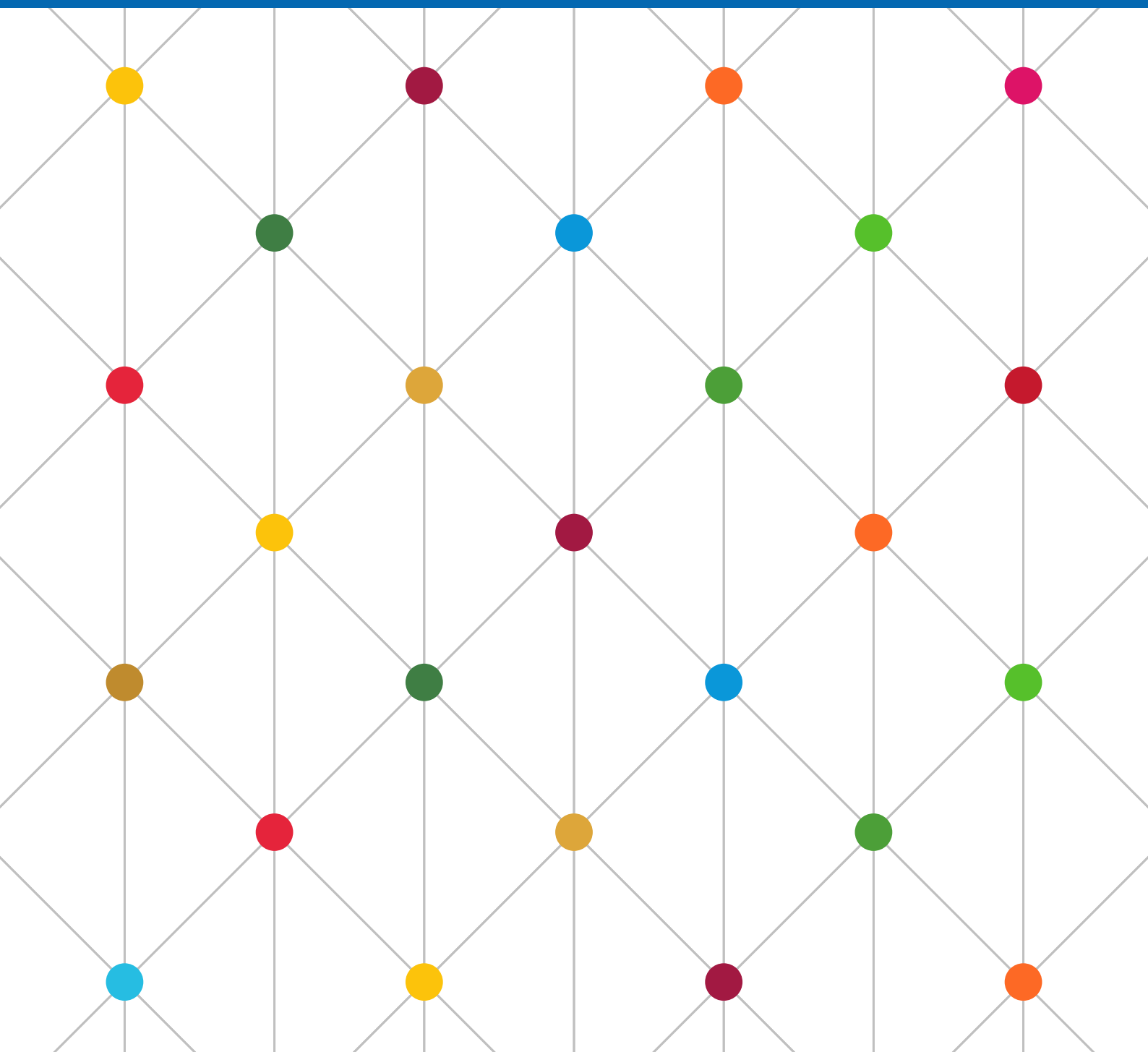


# Resource Guide

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BUILDING TRANSPARENT AND  
OPEN PUBLIC PROCUREMENT SYSTEMS  
FOR ACHIEVING THE SDGS IN ASEAN



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# INTRODUCTION

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Corruption poses a significant threat to economies around the world. It weakens institutions, erodes public trust, undermines fair competition, and discourages investment. According to the United Nations Office on Drugs and Crime (UNODC), approximately 10 to 25 percent of all funds spent globally on procurement is lost to corruption. As a result, poor infrastructure development and insufficient service delivery to taxpayers and citizens prevail.

The [COVID-19 health crisis has also brought forth the vulnerability of the procurement function to corrupt practices](#) when it lacks the necessary tools to ensure transparency, accountability, and integrity throughout the procurement cycle. Hence, this crossroads can be perceived as an opportunity for public procurement to build community resilience, catalyse economic development, and reinvent public and private partnerships towards the creation of public value. These values encourage a move away from restrictive processes to give way to open digital platforms based on transparency, fair and competitive contracting.

Indeed, open and transparent public procurement systems are a strategic tool, not only in preventing corruption but for achieving the Sustainable Development Goals (SDGs), as they are a prerequisite of delivering medical goods, water services, quality education infrastructure, access to justice and sustainable infrastructure. Successful experiences around the world demonstrate that open data, e-procurement, citizen engagement and collective action by the private sector can strengthen the integrity and efficiency of public spending.

Responding to this positive trend, this resource guide builds on the UNDP guidebook, [Tackling integrity risks in government contracts](#) (2017), which provides a methodology for governments

to assess normative gaps and loopholes that can lead to corruption in government contracts.

Through this new Resource Guide, UNDP promotes a multi-stakeholder approach wherein governments, citizens, and the private sector work together to strengthen transparency and openness in public procurement systems.

Recent literature on procurement, in both the public and private sectors, have recognized that its efficiency depends on the “[highly interconnected network of co-existing elements: stakeholders, business imperatives, suppliers, third-party partners, data \(internal\), intelligence \(external\), enabling tools and systems](#)”. This is contrary to the historically common practice wherein the procurement function tried to increase impact and maturity by addressing these elements in a one-off rather than an integrated manner. Moreover, few organizations took the time to be reflective and see how inter-related procurement is as a business function.

Hence, this publication advocates for a systems approach in which all relevant stakeholders (public officials, citizens and the private sector) collaborate to improve the procurement ecosystem; its structures therewith, internal and external impacts, and resources. In doing so, the paper recommends five interlocking pieces for ensuring transparent and open public procurement systems. Upon execution, these strategic enablers can pool savings from procurement and optimize public funds for sustainable development.

The five enablers are:

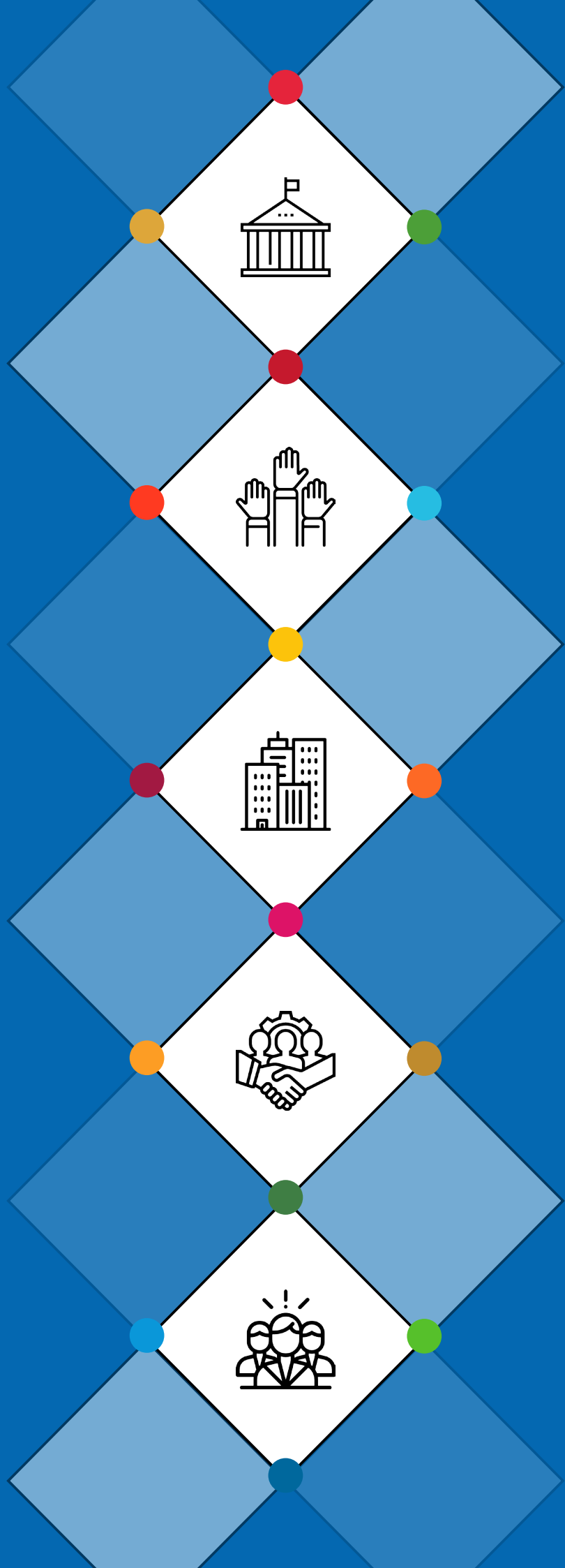
1. Transparent and open public procurement institutions.
2. Citizen participation, monitoring and reporting through procurement cycle.

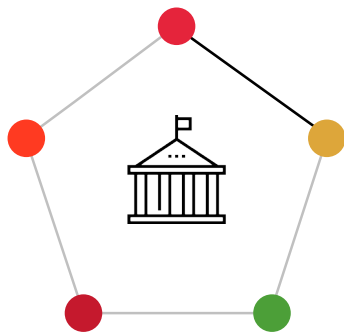
3. Private sector engagement and promotion of responsible business conduct and business integrity.
4. Collaboration with oversight institutions in the prevention and identification of 'red flags'.
5. Inclusive and fair environment for public procurement to be accessible by small and medium enterprises, businesses owned by women, persons with disabilities, and other traditionally underrepresented groups.

The guide is structured around the five enablers and presents relevant examples where they have been applied with good results. These strategies can also benefit from innovation and new technologies as a cross-cutting enabler for open and transparent government procurement to accelerate transformation towards sustainable development.

Since transparency in government operations is multi-dimensional, in turn, these strategies will illuminate the connections between transparency in government contracts and achieving enhanced governance results.

**FIVE  
COMPONENTS  
OF  
TRANSPARENT  
AND OPEN  
PUBLIC  
PROCUREMENT  
ECOSYSTEMS**





# TRANSPARENT AND OPEN PUBLIC PROCUREMENT INSTITUTIONS

When government creates a transparent and [open contracting system](#), it can win trust, increase the value for money of public contracts, reduce corruption risks, and encourage the growth of higher and efficient competition for small and medium-sized enterprises. Such a system also entails disclosure of timely and useful information throughout the procurement cycle to allow for the monitoring of public funds expenditure, capturing data to inform procurement planning and management, and increasing competition among bidders.

A transparent and open system consists of three dimensions: First, the government must establish relevant institutional arrangements to plan, develop, manage and enforce its contracts, while also creating a cadre of procurement professionals to lead the charge; second, clear legal frameworks are necessary to secure key principles for the functionality of a national public procurement system, namely to optimise efficiency and value for money in the delivery of public services while respecting the principles of non-discrimination, equal treatment, transparency and proportionality; and third, a transparent, publicly accessible monitoring system is required to allow the public to scrutinize, identify red flags (signals corruption risks or inefficiency), and determine where public funds have been spent compared to official allocations.

Furthermore, governments should collaborate with civil society to determine a collaborative approach to implementing open data and design

concrete steps to enhance overall transparency in government contracting. The following international examples of early adopters of open contracting may offer insightful [lessons](#) for those just beginning the journey. For instance, [Ukraine’s Prozorro](#) e-procurement portal where “everyone sees everything”, and [Georgia’s](#) open-source procurement monitoring and analytics portal, are among the most transparent in Europe. Asia also has its front runners, such as the Korea ON-line E-Procurement System ([KONEPS](#)) in the Republic of Korea and the Philippine Government Electronic Procurement System ([PS-PhilGEPS](#)).

UNDP’s collaboration with CoST (the Infrastructure Transparency Initiative), through the “FairBiz”<sup>1</sup> Project, has also led to better monitoring of infrastructure projects. The initiative works with local stakeholders to increase the completeness and accuracy of government - disclosed infrastructure project/contract information at various stages of the project cycle. Within Southeast Asia, CoST currently has active programmes in [Thailand](#) and Indonesia. In Thailand, a recent legal reform has been fundamental in consolidating a culture of transparency. In 2019, the Government issued a public announcement on institutionalized disclosure of infrastructure project information in line with CoST data standards. Although disclosure was not yet mandated for all

<sup>1</sup> FairBiz (2018-2021) is the UNDP’s programme for Promoting a Fair Business Environment in ASEAN, funded by the UK Government.



public infrastructure projects, but only to the projects selected to integrate CoST, it is a step towards adopting an internationally recognized disclosure standard in all public infrastructure projects in Thailand. As a result, in 2020, the Thai Ministry of Finance announced a cost saving of [US\\$ 360 million](#) as a result of the deterrent effect of the CoST approach.

The open contracting movement is also making inroads in Southeast Asia. In [Indonesia](#), for example, the City of Bandung was one of the first in the country to [publish procurement planning, tender and award data](#), according to an open contracting data standard developed in conjunction with the World Bank.

In the [Indonesia Open Government Partnership National Action Plan 2018–2020](#), open contracting is defined as an initiative to assist public procurement transparency in addition to the broader objective of making progress on the SDGs.

In the [Philippines Open Government Partnership \(PH-OGP\) National Action Plan \(NAP\) 2019–2021](#), the Procurement Services-Philippine Government Electronic Procurement System (PS-PhilGEPS) via PhilGEPS portal has committed to working with civil society and government stakeholders to identify contracting data to be subjected to mandatory publication. This would utilize the Open Contracting Data Standards to publish data in Annual Procurement Plans, Bid Notices, E-bidding, etc. in addition to the information initially identified by the stakeholders. Indeed, this would enhance service delivery by enabling public monitoring and audit of public procurement.

Nonetheless, the full and effective implementation of standardized open public procurement data remains a work in progress for the region. When it comes to publishing relevant documents (i.e. procurement plans, tender documents and award notices), Southeast Asia still [lags behind other regions](#).<sup>2</sup>

In reviewing successful open contracting models in other regions, some aspects could be advanced in ASEAN countries, including:

- Developing and ensuring the enforcement of open data laws where all procurement and contract performance information (to a large extent via a special contract repository database) is made public by default, rather than requiring that citizens actively request for access ([Slovakia](#))
- Publishing data that is machine readable, searchable by various categories, and can be disaggregated. This allows the use of artificial intelligence to detect both positive (cost savings) and negative (corrupt practices) patterns ([Nepal](#))
- Raising citizens' awareness of their right to information, to hold officials accountable for their compliance with disclosure requirements intended to increase procurement transparency ([India](#)).

The World Bank's 2017 study on [Benchmarking Public Procurement](#) highlights a reluctance to adopt full disclosure and a lack of transparent procurement information as factors which not only affect country rankings on various international indices, such as the [Corruption Perceptions Index](#), but also undermine trade, investment and growth.

<sup>2</sup> Currently, only three countries in Southeast Asia have laws on freedom of information: Indonesia, the Philippines and Thailand.



## CITIZEN PARTICIPATION, MONITORING AND REPORTING

The news is full of examples of the mismanagement of public funds, even in the world's most developed economies.<sup>3</sup> Despite the cacophony of voices and information on social media, such media platforms can raise awareness and mobilize public voices to demand accountability, even if in an unsystematic manner. Throughout the COVID-19 pandemic, the impact of corruption is visible across procurement processes. The procurement of medicines and supplies in health systems have been one of the areas most vulnerable to corruption, but it is not the only one.

A lack of transparency in government contracting is a [long-standing challenge](#) in Southeast Asia. It stymies development and undermines citizens' trust in government. On the other hand, increasing citizen engagement in public procurement processes is helping to address the limitations of transparency, enhance accountability and reduce monitoring costs. It also encourages local populations to take ownership and interest in public projects that directly affect them. The next challenge is how to optimize citizen engagement in terms of cost and time efficiency, and to be able to replicate their engagement across communities.

Some ASEAN countries have encouraged citizen participation and constructively engaged the private sector for more transparent and open public procurement through recent legal reforms and policies. For instance, Thailand's

first ever public procurement law, passed in 2017, requires the use of the Integrity Pact for high-volume contracts. The pact requires that procuring entities and all bidders pledge to not engage in any form of corruption, while independent observers from civil society are invited to scrutinize the procurement process and hold stakeholders accountable to their pledges.

Examples abound of the impact which citizen groups have had on public procurement efficiency, transparency and integrity, particularly when innovative tools are leveraged to facilitate their participation. To cite a globally recognized example, Ukraine's [Dozorro](#) platform was created in 2016 as an [extension of Prozorro](#), the official government procurement system, to facilitate citizen monitoring and to allow feedback from suppliers and flag any violations in the process. Over [200,000 citizens](#) use the site annually. Subsequently, dozens of sanctions have been issued, with over [50 percent of cases flagged](#) through citizen feedback resolved. Additionally, Artificial Intelligence (AI) algorithm was introduced in 2018 to detect patterns of corruption risks and identify red flags. Early results show a [298 percent increase in detection](#) of conspiracy among bidders which, if confirmed officially by the national competition authority, leads to a 3-year ban from participating in tenders and imposes a fine equal to 10 percent of their annual turnover. The platform has not only raised Ukraine's citizen engagement, and proved itself as a [model of value for money](#), it also established

<sup>3</sup> See [lessons learned](#) from Italy, among others.

Ukraine as an innovative example for others in the open government movement. Moreover, the success of Dozorro has stimulated the development of similar initiatives in Ukraine like the [anti-corruption monitoring of tender results](#), which focuses on the integrity and reliability of public contractors who win tenders, and [YOUCONTROL](#), an online business intelligence tool to monitor compliance, conduct market analysis and investigate business environment transparency.

Given Asia's booming infrastructure sector, improving transparency and social accountability in public infrastructure contracts can bring substantial savings and ensure development plans remain on track. Through FairBiz project, supported by UNDP and UK's Prosperity Fund, Thailand's Ministry of Finance has reported US\$ 360 million of savings [since the adoption of the CoST approach](#) (2015) due to its deterrent effect. Indeed, [social accountability is a core feature of CoST](#). With the help of tools like the [data assurance process](#) (which helps stakeholders understand the data published on specific infrastructure projects), media training, citizen monitors and community events, CoST works closely with civil society and the media to influence the public and hold decision-makers accountable.

Consequently, it is understood that the higher levels of transparency and scrutiny brought about by disclosing data based on CoST standards on over 260 infrastructure projects has led to government officials reducing project budgets and the private sector responding with lower bid prices.

A success story from Paraguay shows the potential of young people to harness open data to ensure transparency and accountability in the education sector. [reAcción](#) is a non-profit civil society organization based in the city of Ciudad del Este. The organization is spearheaded by students who monitor how government funds are allocated to schools in the region. Using the available open contracting data, the students have enabled neglected schools to claim funding for crucial repairs. This initiative has led to a dramatically [fairer distribution of funds](#)

for school facilities: resources and services reached 80 percent of the most needy schools in 2017 compared to less than 20 percent in 2015.

In the Philippines, the mobile application Development LIVE or devLIVE ([DevLIVE](#)) allows people to provide feedback on progress, timeliness and effectiveness of local infrastructure projects in real time. It was developed by UNDP and the Department of the Interior and Local Government (DILG). Through the app, citizens can search for government projects nearby their location. This encourages people to engage in participatory governance by monitoring public projects in their areas. Users can upload geotagged photos and videos capturing the date, time and their location. Further, based on the principle of anonymity, the application also has a feedback moderation process to ensure that feedbacks are accurate and unbiased. Overall, devLIVE is a tool for citizens to report red flags or corruption with both online and offline modes to upload later when there is connectivity. Simultaneously, it gives the government an opportunity to respond to public's grievances and address project implementation issues.

In Malaysia, the [Sinar Project](#) aims to promote transparency and openness in the public sector to hold government accountable. The project also runs [FixMyStreet Malaysia](#), which allows the public to track local government infrastructure projects, as well as raise complaints. This is an application of the globally applied FixMyStreet open source map platform which was originated by [mySociety](#) in the UK.

Nonetheless, it is important to recognize that civil society may feel that their engagement in scrutinizing government spending puts them at personal risk in many places within Southeast Asia. In such contexts, group monitoring through [solidarity groups](#) affiliated with employment, sectoral, or place-based associations, for example, can be an effective and safe channel for citizen engagement. Anonymous [community score cards](#) (CSCs) may be used to provide feedback on public services in some communities, and can be

later compared with other communities' CSCs or to government benchmarks. Such collective action in monitoring public contracts can help flag irregularities or need for government rectification without implicating individuals.

Even with restricted civic space, there are still creative ways that foster accountability without compromising individual anonymity and whistleblower protection. Civil society and community-based groups can be powerful actors driving oversight in such contexts.

Lastly, amidst the COVID-19 crisis, the use of digital space has gained prominence like never before. Indeed, online platforms, applications and social media have widened outreach and introduced new methods of problem-solving. These have played a successful role in enabling participatory governance. However, the potential for leveraging technology and the Internet of Things (IoT) must be protected as well as enhanced by putting in place the relevant safeguards against risks of digital exclusion, dissemination of misinformation, unreliable data and cybercrime.



# PRIVATE SECTOR ENGAGEMENT

In the past, fostering integrity in public procurement may primarily have been perceived as the government's task. However, with the volume of annual public procurement contracts open for competition at approximately [US\\$ 700 billion in ASEAN plus Australia, New Zealand, Japan and Republic of Korea collectively](#), it is now recognized that collective action is needed from all stakeholders – the public sector, the private sector and civil society.

The [private sector has the potential](#) to create significant change, especially when globally, it accounts for approximately [60 percent of the Gross Domestic Product, and 90 percent of jobs](#) in developing countries. As such, enterprises have the resources and influence to advocate for open contracting principles (disclosure, plus participation) to be applied in government procurement and [promote the sustainable development agenda](#).

For example, the European Union recognizes this potential in the Preamble of the last [EU Public Procurement Directive](#) (#24, 2014) which highlights revising and modernizing public procurement rules in order to increase the efficiency of public spending, facilitating in particular the participation of small and medium sized enterprises (SMEs) to better use public procurement in support of common societal goals.

To deepen the collaboration between the public and private sectors for effective public procurement and for promoting responsible corporate behaviour, businesses can incorporate specific components into their existing internal

control frameworks to comply with relevant integrity and transparency standards, as well as influence their trading partners through the following actions:

- Adopting sustainable procurement practices and introducing requirements or preferential conditions to influence the supply chain;
- Establishing corporate governance standards;
- Ensuring transparency through disclosure on issues of conflict of interests and asset declarations;
- Introducing code of conduct or ethical guidelines, especially in contracting and sourcing goods and services.

The following examples from the region are models for fostering and incentivizing business integrity to this effect:

**Indonesia:** [Indonesia Business Links](#) is a resource center for corporate citizenship as well as a channel for public-private sector engagement. It provides capacity-building programmes for its members on anti-corruption and the broader responsible business conduct agenda, for instance by hosting seminars on [implementing the ISO 37001 Anti-Bribery Management System](#). It has also established a Regional Advocacy Committee at the local levels and holds [dialogues to discuss ways to improve the public procurement process](#) between its members and government representatives such as the Corruption Eradication Commission

(KPK), National Public Procurement Agency (LKPP) and the Chamber of Commerce and Industry (KADIN).

**Thailand:** In recent years, the government has specifically engaged with the private sector in reforming a number of laws and policies that regulate the interactions between the public and private sectors, particularly in public procurement and public construction. As the Thai government plans its infrastructure investment for the next two decades, the country is expecting to see approximately US\$ 127.4 billion dedicated to mega-projects, with 97 percent of them for transport and power supply. To mitigate management and integrity risks in public construction, the government introduced various tools such as the Integrity Pact (IP) and CoST Multi-Stakeholder Group.

The **Integrity Pact (IP)** is an agreement whereby the contracting government agency and bidding parties pledge to not be involved in corruption or bribery of any form, and allow a committee of qualified, Independent Observers, which are mostly from the private sector and academia, to monitor and scrutinize the process. As per public procurement regulations in Thailand, high value procurements over 1 billion Thai baht (approximately US\$ 30 million) must be reviewed by the Anti-Corruption Cooperation Committee on whether IP shall be applied to that project. Available data indicate that the bid price falls between 14-28 percent lower than the estimated budget when Integrity Pacts are used to monitor procurement projects.<sup>4</sup>

Another interesting example beyond Southeast Asia is found in [ethical public procurement initiatives in Europe](#) and their dedicated codes of ethics on public procurement. Hungary has introduced an unusual approach in adopting a [single Code of Ethics in Public Procurement](#) (approved by the Hungarian Public Procurement Office) covering both procuring entities and bidders which, for example, puts soft obligations (recommended to be mandatory) on bidders to take account of not only their own commercial interests but also the public interest in securing

value for money. More specific requirements include obliging the bidder to ensure that it can fulfil the contract and that it “strives to avoid excessive sub-contracting”. The objective is to prevent bids from enterprises that are in reality “empty companies” established solely for the tender at hand. This is a common practice in Central and Eastern Europe.

In addition, state parties to the [United Nations Convention against Corruption](#) (UNCAC) recognize their crucial role in levelling the playing field for businesses to compete in a fair and transparent public procurement environment. This has encouraged many governments to take action to improve collaboration with the private sector.

For a more in-depth review of examples of collective action initiatives led by the private sector around the world, the World Economic Forum recently published a Community Paper written by the members of Global Future Council on Transparency and Anti-corruption called, [“Agenda for Business Integrity: Collective Action”](#).

<sup>4</sup> UNDP, *SDG Localization in ASEAN: Experiences in Shaping Policy and Implementation Pathways* (2018)..



## COLLABORATION WITH OVERSIGHT INSTITUTIONS

Oversight is a prerequisite for accountability in public procurement, as in all government activities. The [OECD Recommendation of the Council on Public Procurement](#) advocates for internal controls which take into account legal, financial and administrative procedures in procurement, in combination with audits to ensure consistency in the way procurement rules are applied across the public sector.

While public procurement laws are instrumental in establishing a clear set of rules and ensure uniform practice across all public sector organizations, it is important to recognize that laws which split the authority of oversight, investigation and enforcement between various agencies can lead to inefficiency and confusion of mandate and coordination in their implementation.

There are indications of emerging trends in the ASEAN region of collaboration between procurement authorities and oversight institutions to prevent corruption in government contracts. The case of [The Philippine Open Government Partnership \(PH-OGP\) National Action Plan \(NAP\) 2019–2021](#) exemplifies this with its commitments on auditing government contracts with Citizen Participatory Audit (CPA). In practice, the government's Commission on Audit (COA) body is developing a collaboration with the Philippines Government Electronic Procurement System (PhilGEPS) to identify the data needed as one of the bases for determining the data to be published for the training of auditors of procuring entities and citizen-partners/auditors with the CPA initiative.

It also enables utilization of procurement data from PhilGEPS in conducting audits for specific objectives. This brings forth the scope of a promising collaborative auditing system to be put in place in the Philippines.

In Singapore, government procurement is managed online through its [GeBiz](#) platform. Having implemented a national ICT strategy since the 1980s<sup>5</sup>, the country was an early adopter of ICT to support oversight and enhance efficiency. Consequently, there are many lessons learned, specifically on internal control for procurement, which played a significant role in Singapore's [rating as one of the least corrupt countries in the world in 2018](#). The country's Corrupt Practices Investigation Bureau (CPIB) shows a declining rate of reported corruption annually and touts one of the lowest rates of private sector corruption in the world.

Another example of how public procurement oversight is administered in ASEAN is found in Thailand's Office of the National Anti-Corruption Commission (NACC) and its effort to guide the private sector towards ensuring business integrity. NACC has developed and shared with the local business community [new guidelines developed internally](#) on legal requirements and appropriate internal control measures to combat bribery.

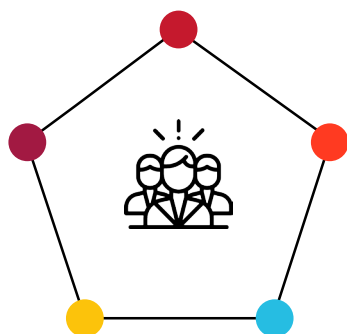
<sup>5</sup> Singapore was an early adopter of anti-corruption law, with the 1960 Prevention of Corruption Act (PCA) that replaced the Prevention of Corruption Ordinance of 1937.

There are international examples of new institutions created specifically for public procurement oversight. The [Jamaican Integrity Commission](#) advises the Prime Minister and Cabinet on asset disclosure mechanisms, monitors contract awards, issues transparency and integrity reports, provides training, and operates a hotline to answer

citizens' information requests. It now works to address systemic weaknesses in overlapping competencies in the fight against corruption, by combining three agencies (including itself) into a single [Anti-Corruption Commission](#).

Georgia presents a good example of facilitating citizens' collaboration with oversight institutions. It does so by opening information to the public about state budget, public resources management and audit findings through the State Audit Office of Georgia's (SAOG) web platform called the [Budget Monitor](#). It empowers citizens to feed into government decision-making while simultaneously allowing them to engage constructively throughout the auditing cycle. In doing so, the users can send out audit requests and proposals, informing the SAOG about deficiencies in public spending. Like the abovementioned CPA initiative in the Philippines, the Budget Monitor highlights the role of citizen participation in supervising and ensuring accountability in public procurement practices.





# INCLUSIVE AND FAIR ENVIRONMENT FOR PUBLIC PROCUREMENT

Public procurement is one of the most powerful tools governments can use to accelerate the achievement of the SDGs within its local economy. A new [report](#) from the Open Contracting Partnership and Spend Network estimates that globally, governments spend US\$13 trillion a year on public contracts for goods, services and works. Public contracting is the world's largest marketplace and there is an untapped opportunity to make it accessible and inclusive for [small and medium enterprises](#); businesses owned by women, persons with disabilities, and other traditionally underrepresented social groups.

The Chartered Institute of Procurement & Supply (CIPS) [advocates for its members to pursue inclusive supplier sourcing](#) given that inclusivity drives competitiveness and transparency, and can also help address inequality, and [unlock innovation](#).

In Southeast Asia, much like other regions, government contracts serve as an important engine of the economy. However, according to the 2018 OECD Southeast Asia [Ministerial Conference on 'Inclusive ASEAN'](#), government contracts in the region have traditionally been inaccessible for women, people with disabilities, SMEs and other underrepresented groups.

In the United States, the federal government actively promotes inclusive government procurement through its [Expand Business](#) programme. It hosts a website with tools and resources to help underrepresented businesses access government contracts. Actions to

promote the inclusion of minority suppliers have been adopted to ensure that some of the goods or services procured by government can be supplied by minority or non-traditional vendors. Known as '[set-asides](#)', each state has a [minority supplier development and certification programme](#), with funds derived from the Federal Government specifically for contracting those on the list. In the private sector, US corporations are also encouraged to tap into minority supplier diversity through the [Corporate Minority Supplier Diversity Program](#) facilitated by the National Minority Supplier Development Council. This programme allows private firms bidding on government contracts to gain points in their evaluation for the inclusion of certified minority suppliers as part of their offer(s).

Therefore, while there are some positive developments, governments still need to go further to facilitate affirmative action provisions to lower barriers to participation in public procurement. To do so, procurement authorities may establish preferential bid evaluation schemes, potentially with a dedicated budget and preferential suppliers list as is done in the United States. Preferential scoring or a special supplier list also allows governments to require other conditions in their evaluation, for instance green procurement or certain desirable certifications.

Similarly, in Latin America, to promote female entrepreneurs in public procurement, the governments of the City of Buenos Aires, Chile and Dominican Republic set aside specific resources to ensure that all tenders and

programmes related to women-led-businesses are easily accessible online and linked with different government areas that seek to support women entrepreneurs. Outreach strategies to spread awareness among women from all backgrounds on the procurement procedure included: conducting business fairs and networking sessions to facilitate engagement between various government purchasing agencies and women entrepreneurs; visits to business associations to present gender-responsive policy reforms and; special initiatives to approach female entrepreneurs in rural areas.

Further, in Chile, the government implemented a series of actions like holding workshops and developing an e-learning module to build the capacity of civil servants. This was aimed at strengthening the demand for procuring from women-led-businesses within the government.<sup>6</sup>

Similarly, governments are also using public procurement to support young entrepreneurs. For instance, in South Africa, the Guateng provincial government launched an initiative in 2013, designed to increase procurement spending on youth-owned companies. In doing so, it was targeted that 10% of all procurement contracts would be allocated to youth-owned enterprises. To facilitate this process, the [Guateng Enterprise Propeller](#) (GEP) provides financial and non-financial support to young entrepreneurs to make their bids more competitive.<sup>7</sup>

Overall, affirmative action in public procurement is a vital tool to catalyse progress on the sustainable development objectives. Indeed, it can prove to be an important pillar of sustainable public procurement as laid out in the [United Nations Principles of Sustainable Public Procurement](#) wherein, it is rightly defined as

*“a process whereby public organizations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life cycle basis in terms of generating benefits not only to the organization, but also to society and the economy, whilst significantly reducing negative impacts on the environment.”*

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<sup>6</sup> Open Contracting Partnership, [Towards Gender Balance in Public Procurement](#) (2018).

<sup>7</sup> Doyeun Kim, [“Public procurement opens doors for youth-led firms”](#), United Nations, 2017.

# PRIORITY AREAS OF REFORM AND ACTION

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ASEAN's future development relies in part on the results of governance reforms, especially in anti-corruption, promoting transparency in procurement, and building resilient and inclusive institutions. The context to meet country challenges has been set in commitments by ASEAN member states to good governance, as adopted in the [ASEAN Economic Community Blueprint](#) and [ASEAN 2025: Forging Ahead Together](#). All ASEAN member states have also ratified the UNCAC which dedicates its Article 9 to public procurement and the management of public finances.

In recent years, there has been progress in countries across ASEAN in fostering more transparent and open public procurement systems. As such, all have:

- Laws or executive directives, entailing a uniform set of rules and processes for all government contracts, and include objectives or provisions which promote transparency and accountability
- Supporting guidance documents such as procurement manuals and standard bidding documents based on international models
- Public procurement monitoring authorities, usually established within the purview of the Ministry of Finance
- Basic legal frameworks to improve transparency, efficiency and openness in government activities, which also apply to public procurement.

Nonetheless, there are specific gaps in measures that should be addressed to better facilitate transparent and open contracting that will accelerate the achievement of the SDGs.

The following are key preliminary steps that government authorities at the national and subnational levels in the region can adopt to strengthen the integrity, transparency and accountability of government contracts:

- Undertake an integrity risk assessment in public procurement which can offer information on the performance, integrity risks and capacity gaps in the public procurement system. Use it as a strategic tool to enable government authorities to devise an action plan, build capacities and upgrade the public procurement system.
- Disclose budget and procurement (including contract performance) data following international open data standards, in simplified and standardized, machine-readable formats to maximize accessibility and the ability for further analysis
- Disclose data based on citizens' requests and priorities raised by civil society with secure, simple e-access for such requests
- Design advocacy and awareness-raising programmes on citizens' right to information and existing legal frameworks and mechanisms to provide feedback, flag irregularities and to enable constructive citizen participation around public spending

- Local authorities should collaborate with civic groups and business associations to increase their knowledge on how to utilize contracting data for impact and include citizen feedback loops
- Collect and share gender-disaggregated data on procurement bids and expand the public procurement market to women-owned suppliers, persons with disabilities and other underrepresented groups who currently receive less than one percent of public contracts globally
- Promote a multi-stakeholder and collaborative approach with the private sector and civil society groups to increase transparency, openness and accountability in key sectors such as health, infrastructure, education and extractive industries.
- Build partnerships with the private sector to foster a culture of business integrity, particularly among potential bidders for high-value government contracts. Such cooperation between government and business associations as representatives of the private sector may have additional value for economic growth and a good business environment through different supporting measures for national businesses to bid in the foreign public procurement markets of neighboring countries.
- Establish a permanent collective body (committee/commission) on urgent procurement for times like the COVID-19 pandemic. This taskforce should include representatives from the core government bodies such as procurement regulators, business associations and the most influential CSOs.
- Ensure corruption prevention mechanisms are part of the control framework, with clear mandated oversight authority for monitoring and auditing.
- Adopt an integrated strategy towards transparent and open public procurement systems aimed at reducing inefficiencies, improving value for money and attracting private investment in order to maximize the catalytic role of public procurement in achievement of the SDGs.

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