

41. Transparency in public procurement

In public procurement, the financial interests at stake, the volume of transactions, and the close interaction between the public and the private sectors create multiple opportunities for private gain and waste at the expense of taxpayers. Providing an adequate degree of transparency throughout the entire public procurement cycle is critical to minimising the risk of fraud, corruption and mismanagement of public funds, and to levelling the playing field for businesses thereby promoting competition. The accessibility of information, stakeholder participation in key stages of the procurement cycle, and the possibility of review and remedy in case of dispute are essential to transparency and accountability in public procurement.

Public availability of procurement information is largely determined by the type of information. OECD member countries more frequently make information available about the pre-tendering and tendering phases of the procurement cycle, including laws and policies (always publically available in 34 OECD countries) and selection and evaluation criteria (21 countries). In comparison, fewer countries publish information about events that occur post-award, such as justification for awarding contracts (available in 13 countries), contract modifications (11 countries) or information that allows the tracking of procurement spending (6 countries). Estonia, Iceland, Italy, Japan and Korea stand out as making the most types of procurement information available to the public.

Citizen participation in key stages of the public procurement cycle promotes direct public scrutiny and transparency. Thirteen OECD countries have mandatory or voluntary participation mechanisms in place, mostly for the bid opening process and public hearings on the terms of a contract. Notably, Japan and Korea involve citizens in one or more stages of the procurement cycle. The Czech Republic, Poland and the United States have relatively more voluntary consultation mechanisms in place.

Review and remedy mechanisms are important to provide a check against fraud in the contract award process. In cases of dispute, all responding member countries (with the exception of Slovenia) allow contract award decisions to be reviewed by the courts. Yet, access to the judicial review system can be costly and time-consuming. In order to respond to disputes in a more timely manner, more than half of OECD member countries have introduced special review bodies. In addition, 19 OECD countries provide alternative dispute resolution mechanisms, either through the

ombudsman, conciliation procedures or arbitration panels. Data on the number of public procurement disputes filed each year are available in a few countries.

Methodology and definitions

Data were collected by the OECD 2010 Survey on Public Procurement which focused on the level of transparency, participation and available remedies in central government procurement processes. Respondents to the survey were OECD country officials responsible for procurement at the central government level. A total of 33 OECD members, as well as Brazil, Egypt and Ukraine responded to the survey.

Further country-specific data on the mechanisms to routinely involve citizens in key stages of the procurement cycle and the review and remedy mechanisms available to bidders are available in Annex G.

A special review body is a body independent of the contracting authority and the administrative and civil courts. In certain countries it may be part of the public procurement agency. The decisions of the review body are usually binding, subject to an appeal in civil or administrative courts (source: adapted from SIGMA, OECD).

Further reading

OECD (2007), "Public Procurement Review and Remedy Systems in the European Union", *SIGMA Paper*, No. 41, OECD Publishing, Paris.

OECD (2009), *OECD Principles for Integrity in Public Procurement*, OECD Publishing, Paris.

OECD (2010), *Enhancing Integrity in Public Procurement: A Toolbox*, available at www.oecd.org/governance/procurement/toolbox.

Table notes

41.1: In Australia, justification for awarding a contract to a selected contractor may be withheld in certain situations.


Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

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41.1 Public availability of procurement information at the central level of government (2010)

	Laws and policies	General information for potential bidders	Selection and evaluation criteria	Contract award	Specific guidance on application procedures	Tender documents	Procurement plan of anticipated tenders	Justification for awarding contract to selected contractor	Contract modifications	Tracking procurement spending
Australia	●	●	●	●	●	●	●	■	●	○
Austria	●	●	●	●	●	●	●	○	●	○
Belgium	●	●	●	●	●	●	●	●	●	○
Canada	●	●	■	●	●	■	○	■	●	○
Chile	●	●	●	●	●	●	●	●	●	●
Czech Republic	●	●	●	●	●	●	●	●	●	●
Denmark	●	●	●	●	●	●	●	●	●	○
Estonia	●	●	●	●	●	■	●	●	■	●
Finland	●	●	●	●	●	■	●	●	○	○
France	●	●	●	●	●	●	●	■	●	■
Germany	●	●	●	●	○	●	○	○	○	○
Greece	●	●	●	●	●	●	●	●	○	○
Hungary	●	●	●	●	●	●	●	●	●	●
Iceland	●	●	●	●	●	●	●	●	●	■
Ireland	●	●	●	●	●	●	●	●	●	○
Israel	●	●	●	●	●	●	●	■	●	○
Italy	●	●	●	●	●	●	●	■	●	■
Japan	●	●	●	●	●	●	●	●	●	■
Korea	●	●	●	●	●	●	●	●	●	●
Luxembourg	●	●	●	●	●	●	●	■	■	●
Mexico	●	●	●	●	●	●	●	●	●	●
Netherlands	●	●	●	●	●	●	●	●	●	○
New Zealand	●	■	●	●	■	●	●	■	■	○
Norway	●	●	●	●	●	■	●	■	■	■
Poland	●	●	●	●	●	●	●	●	■	○
Portugal	●	●	●	●	●	●	●	●	●	●
Slovak Republic	●	●	●	●	●	■	●	○	●	○
Slovenia	●	●	●	●	●	●	●	■	●	■
Spain	●	●	●	●	●	●	●	●	●	○
Sweden	●	●	●	●	●	●	●	●	○	○
Switzerland	●	●	●	●	●	●	○	●	○	●
Turkey	●	●	●	●	●	●	●	■	■	●
United Kingdom	●	●	○	●	●	○	●	●	○	○
United States	●	●	●	●	●	●	●	○	■	●
Brazil	●	●	●	●	■	●	○	■	●	●
Egypt	●	●	●	●	●	●	○	○	●	○
Ukraine	●	●	●	●	●	●	●	■	○	○
Total OECD34										
● Always	34	26	21	21	19	18	17	13	11	6
■ Upon request	0	1	1	0	1	5	0	10	7	6
● Sometimes	0	7	11	13	13	10	14	7	10	5
○ Not available	0	0	1	0	1	1	3	4	6	17

Source: OECD 2010 Survey on Public Procurement.

StatLink  <http://dx.doi.org/10.1787/888932392191>

41.2 Central government review and remedy mechanisms available for public procurement (2010)

Review mechanisms	Total OECD34	
Courts	33	Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom, the United States.
Alternative dispute mechanisms	20	Australia, Austria, Belgium, Canada, Chile, the Czech Republic, France, Hungary, Iceland, Israel, Italy, Korea, Luxembourg, Mexico, New Zealand, Norway, Portugal, Spain, the United Kingdom, the United States.
Special review bodies	20	Austria, Belgium, Canada, Chile, the Czech Republic, Estonia, Germany, Hungary, Iceland, Japan, Korea, Mexico, Norway, Poland, the Slovak Republic, Slovenia, Spain, Switzerland, Turkey, the United States.

Source: OECD 2010 Survey on Public Procurement.

StatLink  <http://dx.doi.org/10.1787/888932392210>



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