

In the LAC region, public procurement agencies or public procurement regulatory and monitoring entities are central bodies in charge of the regulation and monitoring of a country's public procurement system. This is different from the model commonly found in OECD countries, where these bodies are often a contracting authority. In the LAC context, it is uncommon for procurement regulatory entities to purchase on behalf of public sector entities, with the exception of framework agreements and reverse auctions. The most common model found in the region is for countries to centralise policy and monitoring and decentralise operations. Experience from the region has shown that having an agency with a dedicated policy and monitoring role can drive change by ensuring that new rules and regulations, developed as part of the modernisation of legal frameworks, are implemented.

By developing better regulatory frameworks, institutional structures and control systems, procurement regulatory agencies can help to simplify regulations and procedures through the establishment of standard bidding procedures. For example, in Colombia the public procurement agency "Colombia Compra Eficiente" was created in 2012 and shortly after given a mandate to promote efficiency in the use of public funds (e.g. centralised procurement strategies), responsibility for centralisation and dissemination of public procurement information through the e-procurement system SECOP, as well as the development and dissemination of procurement policies and expertise.

According to the survey results, 95.5% of countries including Costa Rica and Honduras, have established a public procurement regulatory entity at the central level that is in charge of policy and monitoring. In addition, some countries, especially those with a federal system (e.g. Argentina, Brazil and Mexico) have public procurement agencies at the sub-national level. However, those agencies were not a focus of the survey.

In 36.4% of surveyed countries, agencies are reported to be independent. Such is the case in Chile, Ecuador and Paraguay. However, the most common structure found in 59.1% of LAC countries is that these agencies are public entities that operate within or under the supervision of a high-level government body, such as a ministry or presidency, as seen for example in Jamaica and Honduras. Belize is the only country in the region that does not have an office or unit specifically for the policy and monitoring of public procurement, however there are preliminary discussions in the country regarding the appropriate type of entity that will be developed.

The most common tasks of procurement regulatory agencies are establishing policies for contracting authorities (100%) and coordinating training for public officials in charge of public procurement (95.2%). In slightly over three-quarters of countries these agencies act as manager of the system for awarding framework agreements or other consolidated instruments, while in only one third of the countries these agencies undertake the role of purchasing on behalf of the government. The most common reasons reported for establishing these agencies were better prices of goods and services, lower transaction costs, and more efficiency in contract management.

### Methodology and definitions

Data were collected through 2015 OECD-IDB Survey on Public Procurement that focused on strategic public procurement, e-procurement, procurement regulatory bodies, and public procurement at regional levels. 22 LAC countries responded to the survey. Respondents to the survey were country heads of procurement, delegates to Inter-American Network on Government Procurement (INGP) responsible for procurement policies at the central government level, and senior officials in public procurement regulatory and monitoring agencies.

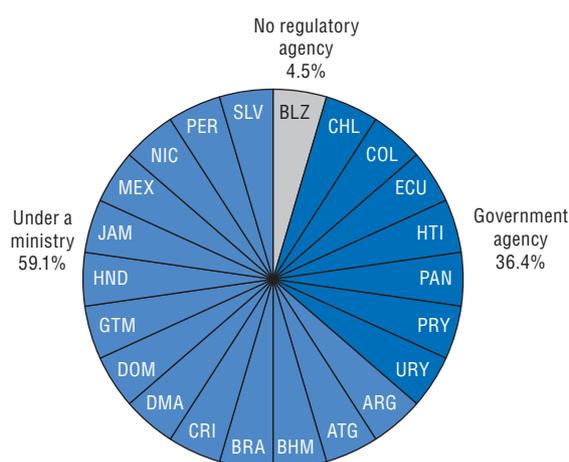
According to the United Nations Commission on International Trade Law (UNCITRAL), a framework agreement is a procedure conducted in two stages: a first stage to select a supplier or a contractor to be a party to a framework agreement with a procuring entity, and a second stage to award a procurement contract under the framework agreement to a supplier or contractor party to the framework agreement.

### Further reading

Harper, L., A. Calderon and J. Muñoz (2016), "Elements of public procurement reform and their effect on the public sector in Latin America and the Caribbean." *Journal of Public Procurement*, Vol. 16, issue 3, 439 – Fall 2016.

OECD (2016), *Towards Efficient Public Procurement in Colombia: Making the Difference*, OECD Public Governance Reviews, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264252103-en>.

## 9.9. Legal status of procurement regulatory agencies, 2015



Source: OECD-IDB (2015), Survey on Public Procurement.

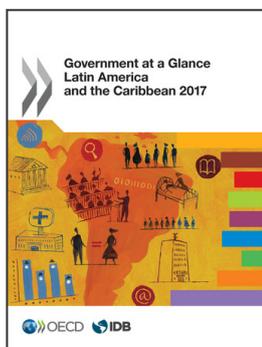
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## 9.10. Role of procurement regulatory agencies, 2015

	Contracting authority aggregating demand and purchasing	Manager of the national system awarding framework agreements or other consolidated instruments	Coordinate training for public officials in charge of public procurement	Establish policies for contracting authorities
Antigua and Barbuda	○	●	○	●
Argentina	○	●	●	●
Bahamas	●	●	●	●
Brazil	●	○	●	●
Chile	○	●	●	●
Colombia	○	●	●	●
Costa Rica	○	●	●	●
Dominica	○	○	●	●
Dominican Republic	○	○	●	●
Ecuador	○	●	●	●
El Salvador	○	○	●	●
Guatemala	○	●	●	●
Haiti	○	●	●	●
Honduras	●	●	●	●
Jamaica	●	●	●	●
Mexico	●	●	●	●
Nicaragua	○	○	●	●
Panama	●	●	●	●
Paraguay	○	●	●	●
Peru	●	●	●	●
Uruguay	○	●	●	●
<b>LAC total</b>				
Yes ●	7	16	20	21
No ○	14	5	1	0
<b>OECD total</b>				
Yes ●	22	22	10	8
No ○	6	6	18	20

Source: OECD-IDB (2015), Survey on Public Procurement.

StatLink <http://dx.doi.org/10.1787/888933431929>



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