

## Managing emergency procurement and risks

The COVID-19 pandemic brought to the fore a generalised use of emergency procurement for essential goods and services, highlighting the importance of identifying and managing risks in public procurement systems and processes. The pandemic affected the way governments plan (at different levels), conduct procurement, and manage their ongoing contracts, not only for health products and services, but also for the goods, services and infrastructure needed to provide essential public services. Prior to the pandemic, only a few countries, such as Finland, already had a public procurement strategy in place as part of crisis preparedness, for instance through stockpiling. Most countries have been forced to rethink their risk management strategies and put measures in place that can be activated in the event of a shock.

The majority of governments relied on their existing procurement frameworks with standard exceptions for urgency and emergencies. According to data collected by the OECD on public procurement, infrastructure governance and initial responses to the COVID-19 crisis from 29 OECD countries plus Costa Rica, 14 countries (46.7%) introduced temporary public procurement regulations (e.g. France), or developed additional COVID-19 legislation with specific public procurement provisions, as Slovenia did. However, 25 countries (86%) developed specific guidance to support public buyers conducting procurement during the crisis, from detailing emergency procedures to implementing changes in ongoing contracts or using specific payments terms, as done in Austria (Table 8.8).

Further, 19 out of 29 OECD countries (63.3%) have increased the co-ordination or centralisation of the procurement of essential goods, including not just health products but also IT equipment and services (Table 8.8). Belgium has set up a task force to monitor supplies and communicate orders. In Italy, Consip, the Italian central purchasing body, was given the mandate to centrally procure goods and services needed to respond to the crisis.

Since public contracts represent a significant source of revenue for suppliers of all sizes, 12 out of 29 OECD countries (41%), such as Spain, have put measures in place to support businesses such as extending deadlines for the completion of contracts or providing advance payments (Table 8.8).

The pandemic highlighted a number of procurement risks and associated mitigation measures, but even before the crisis there were efforts to take more of a risk-based approach to public procurement. Initially focusing on integrity threats, in recent years countries have paid increasing attention to other risks that could significantly affect the outcome and impact of public procurement, including operational, financial, reputational, social and environmental, and other contextual risks.

In fact, compared with data gathered in 2016, data from the 2018 OECD Survey on the Implementation of the 2015

OECD Recommendation on Public Procurement show an increasing number of respondents have developed a procurement risk management strategy. Despite this, 43% of respondents still do not have any tools to assess public procurement risks. Among the tools that have been implemented, 9 out of 29 OECD countries (31%) had developed risk databases, 7 (24%) had a risk assessment methodology, 5 (17%) have a risk register and 4 (14%) have risk assessment results (Figure 8.9). For instance, in New Zealand, mandated government agencies must follow guidance on assessing and managing risks, which foresees different obligations, including submitting information on management of high-risk contracts for critical services.

### Methodology and definitions

Data were collected through the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendation on Public Procurement. Thirty-one OECD countries and one accession country (Costa Rica) responded to the survey. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies. Additional data were collected through research developed by the OECD on public procurement and infrastructure governance: initial responses to the coronavirus (COVID-19) crisis and validated by countries.

### Further reading

OECD (2020a), "Stocktaking report on immediate public procurement and infrastructure responses to COVID-19", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, <https://doi.org/10.1787/248d0646-en>.

OECD (2020b), "Public procurement and infrastructure governance: Initial policy responses to the coronavirus (Covid-19) crisis", *OECD Policy Responses to Coronavirus (COVID-19)*, OECD Publishing, Paris, <https://doi.org/10.1787/c0ab0a96-en>.

OECD (2019), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/1de41738-en>.

### Figure notes


8.8. Data for Canada, the Czech Republic, Denmark, Hungary, Israel, Mexico, Portugal and Turkey are not available.

8.9. Data for Colombia, the Czech Republic, Iceland, Luxembourg, the Netherlands, Switzerland, the United Kingdom and the United States are not available.

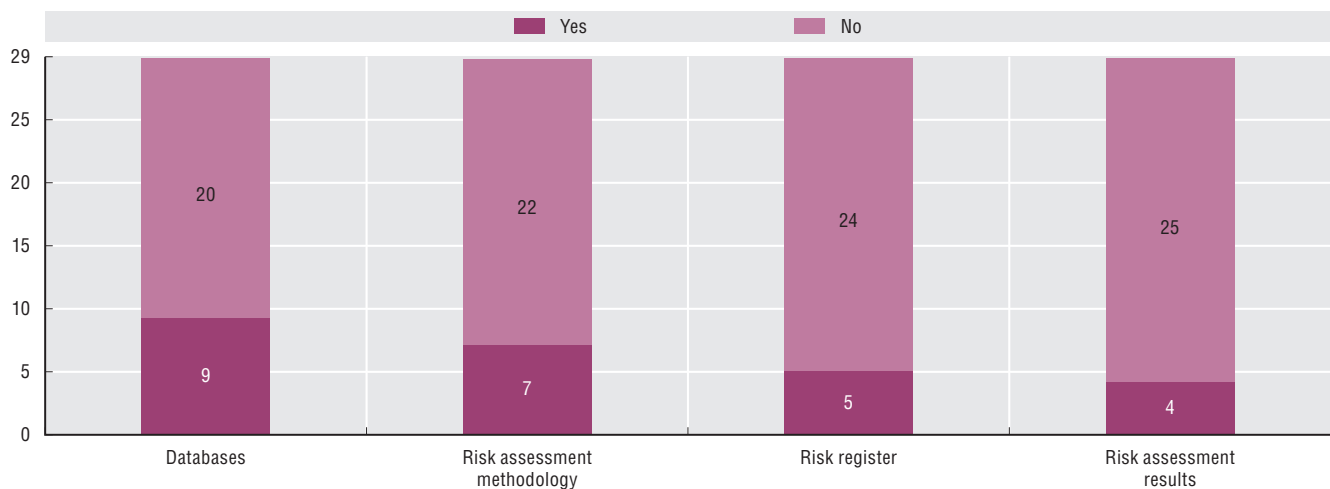
### 8.8. Public procurement measures implemented between March and June 2020 to respond to the COVID-19 outbreak, 2020

	Guidance	Centralisation	Supporting businesses	Changes in regulations
Australia	●	○	○	○
Austria	●	●	○	●
Belgium	●	●	●	○
Chile	●	○	○	○
Colombia	●	○	●	●
Estonia	●	●	○	○
Finland	○	●	○	○
France	○	●	●	●
Germany	●	●	○	○
Greece	●	○	○	●
Iceland	●	○	○	○
Ireland	●	●	●	○
Italy	●	●	●	●
Japan	●	○	○	●
Korea	●	●	●	●
Latvia	●	●	○	●
Lithuania	●	●	○	●
Luxembourg	○	●	○	●
Netherlands	●	○	○	○
New Zealand	●	●	●	○
Norway	●	○	○	○
Poland	●	●	●	●
Slovak Republic	●	●	○	●
Slovenia	●	●	●	●
Spain	○	●	●	○
Sweden	●	●	●	○
Switzerland	●	●	○	●
United Kingdom	●	○	●	○
United States	●	○	○	○
<b>OECD Total</b>				
● Yes	25	19	12	14
○ No	4	10	17	15
Costa Rica	●	○	○	○

Source: OECD (2020), "Stocktaking report on immediate public procurement and infrastructure responses to COVID-19".

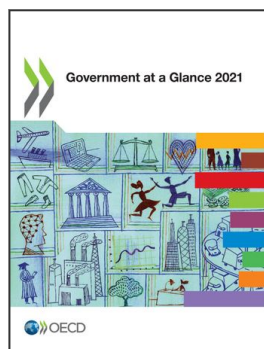
StatLink  <https://doi.org/10.1787/888934258496>

### 8.9. Number of countries with tools in place to assess public procurement risks, 2018



Source: OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

StatLink  <https://doi.org/10.1787/888934258515>



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