

Foreword

The sheer size of public procurement, representing approximately 12% of gross domestic product (GDP) in OECD countries, 14% in European Union economies and 6% in Malta, makes it an important economic activity and a crucial pillar of service delivery. In recent years, the resilience of public procurement systems has been tested by several shocks, including the COVID-19 pandemic. Prior to the pandemic, Malta was a fast-growing open economy of the European Union that achieved a robust economic prior to the pandemic. Yet, the Maltese economy registered a severe contraction during the pandemic due to its economic dependence on the tourism industry.

Used strategically, public procurement can contribute significantly to building a more resilient and sustainable economy and society. The COVID-19 pandemic helped reshaping the way governments invest public money, in terms of sustainability and long-term impact. Given the vulnerabilities revealed by the COVID-19 crisis, it is important that public procurement systems not return to “business as usual”, but rather transition to a more resilient “new normal”. This is particularly relevant since unforeseen external shocks, such as Russia’s war of aggression against Ukraine, are increasingly affecting our globalised economies, and thus the provision of public services and the well-being of citizens.

Malta recognises that public procurement can support the government’s broad strategic goals for economic growth and recovery. The Department of Contracts (DOC) within the Ministry of Finance and Employment has been strengthening the regulatory function of its public procurement system to make it more efficient and effective and achieve more value for money. After a first cooperation with the OECD in 2018 that aimed at rethinking and re-engineering DoC’s public procurement processes, Malta requested additional support from the Organisation to enhance its procurement system in key areas including: i) the organisational structure of the public procurement system, ii) internal processes to carry out public procurement procedures, iii) the implementation of a risk based approach in procurement activities, iv) the strategic use of public procurement, v) the professionalisation of the procurement workforce, and vi) implementing key performance indicators and using a data-driven approach to assess the efficiency and effectiveness of the public procurement system.

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