

Public procurement systems in LAC are comprised of four main types of organisations: 1) public bodies responsible for the regulatory and legislative frameworks; 2) centralised procurement authorities that provide advice on operations and ensure coordination and monitoring; 3) contracting entities that implement procurement processes or centralise needs; and 4) oversight bodies that ensure the compliance of procurement practices with the regulatory frameworks.

In LAC, central procurement agencies (CPAs) are usually responsible for regulating and monitoring countries' public procurement systems at the central level. While they generally do not make purchases on behalf of other public sector entities, they establish and manage framework agreements, and carry out reverse auctions. Generally, LAC countries also establish procurement policies and monitor performance in a centralised manner through CPAs. In OECD countries, on the other hand, aggregating of procurement demand is often carried out by central purchasing bodies.

The most common role of CPAs in LAC countries (90% of respondent countries) is the establishment of a legal and regulatory framework for contracting authorities, as, for example, in Chile, Ecuador and Panama. These regulatory frameworks are aimed at ensuring the consideration of critical principles of public procurement, such as value for money, transparency, economy and efficiency.

Professionalisation and capacity development also fall under CPAs' responsibility: they co-ordinate training efforts in 80% of LAC countries. These agencies design and implement initiatives to improve the skills and knowledge of officials responsible for procurement in the contracting entities, of potential suppliers, and of citizens. In most cases, CPAs disseminate information and provide support by offering online learning resources. This is the case for example in Guyana and Paraguay.

Under the right conditions, aggregating the purchasing needs of public entities can generate savings, better prices and administrative efficiencies. In comparison, a standalone bid without aggregation often will result in higher transaction costs in terms of time and expenditure, also because it requires conducting the full procurement process (from the initial stage of defining the needs to the final stage of ex-post review) multiple times. As such, framework agreements could be a powerful tool to strategically aggregate procurement demands.

In 65% of LAC countries, CPAs award framework agreements from which contracting authorities then order. Using such framework agreements is mandatory for contracting authorities at the central level of government

in 54% of LAC countries, such as Colombia and Ecuador. This is the case in 77% of OECD countries. In other cases, contracting authorities can also use framework agreements on a voluntary basis, as is the case in Brazil and Uruguay.

Methodology and definitions

Data were collected through the 2018 OECD-IDB Survey on Public Procurement that focused on strategic public procurement, e-procurement, procurement regulatory bodies, public procurement at regional levels and procurement on infrastructure projects. Twenty LAC countries responded to the survey. Respondents to the survey were country heads of procurement, delegates to Inter-American Network on Government Procurement 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, 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

- Calderon Ramirez, A. (2019), *Public Management Reform: Three Stories About Public Procurement Agencification in Latin America*, Maastricht University Press.
- OECD (2018), *SMEs in Public Procurement: Practices and Strategies for Shared Benefits*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/9789264307476-en>.
- OECD (2017), *Public Procurement in Chile: Policy Options for Efficient and Inclusive Framework Agreements*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264275188-en>.

Figure notes

- 10.10 Data for Chile and Mexico are for 2015. Data for OECD countries are from the OECD 2016 Survey on Public Procurement.
- 10.11 In Anguilla, Belize, the Dominican Republic, El Salvador, Guyana, Nicaragua and Saint Lucia, the CPA does not award framework agreements.

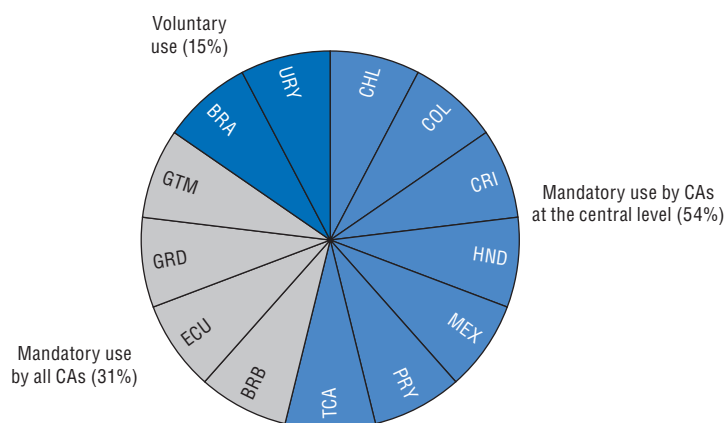
10.10. Role of the procurement regulatory agency, 2018

	CPAs award framework agreements	CPAs establish policies	CPAs coordinate training for public officials
Anguilla	○	●	●
Barbados	●	●	○
Belize	○	●	●
Brazil	●	●	○
Chile	●	●	●
Colombia	●	●	●
Costa Rica	●	●	●
Dominican Republic	○	●	●
Ecuador	●	●	●
El Salvador	○	●	●
Grenada	●	○	○
Guatemala	●	●	●
Guyana	○	●	●
Honduras	●	●	●
Mexico	●	●	●
Nicaragua	○	●	●
Paraguay	●	●	●
Saint Lucia	○	○	○
Turk and Caicos islands	●	●	●
Uruguay	●	●	●
LAC total			
● Yes	13	18	16
○ No	7	2	4
OECD total			
● Yes	28	9	10
○ No	1	20	19

Source: OECD-IDB (2018) Survey on Public Procurement.

StatLink  <https://doi.org/10.1787/888934093253>

10.11. Requirement for contracting authorities of using framework agreements, 2018



Source: OECD-IDB (2018) Survey on Public Procurement.

StatLink  <https://doi.org/10.1787/888934093272>



From:

Government at a Glance: Latin America and the Caribbean 2020

Access the complete publication at:

<https://doi.org/10.1787/13130fbb-en>

Please cite this chapter as:

OECD (2020), "Central procurement agencies", in *Government at a Glance: Latin America and the Caribbean 2020*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/fb7ec50a-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area. Extracts from publications may be subject to additional disclaimers, which are set out in the complete version of the publication, available at the link provided.

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.