



## Outcomes Document

### Event summary

The Indo-Pacific Economic Framework for Prosperity (IPEF) was launched in May 2022. It comprises of the following partner countries: Australia, Brunei Darussalam, Fiji, India, Indonesia, Japan, the Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand, United States of America and Viet Nam. On 6 June 2024, the IPEF Ministerial meeting in Singapore concluded in the signing of the Fair Economy Agreement.

Under the Catalogue of Technical Assistance and Capacity Building (TACB) Initiatives for the IPEF Pillar IV Fair Economy Agreement, the Bureau of International Narcotics and Law Enforcement (INL) within the United States Department of State has funded, with the United Nations Office on Drugs and Crime (UNODC), three anti-corruption workshops to build IPEF partner capacity on key anti-corruption priority areas: foreign bribery, public procurement, and asset recovery.

**The workshop on public procurement was co-organized with the Malaysian Anti-Corruption Commission (MACC) in Kuala Lumpur, Malaysia, on 9 – 10 October 2024.**

47 participants from Brunei Darussalam, Fiji, India, Indonesia, Malaysia, Republic of Korea, the Philippines, Thailand, Singapore, the United States of America, and Viet Nam attended the workshop, bringing diverse experiences and perspectives from anti-corruption and public procurement. Additionally, experts from Open Ownership, Open Contracting Partnership, and George Washington University were invited to share their expertise.

The workshop featured a combination of expert presentations, practical exercises, panel discussions and collaborative discussions with a small and whole group focus. Following small group discussions, rapporteurs from each group were nominated to present to the whole group, which provided opportunities for active participation.

### Event objectives

This workshop aimed to enhance practitioners' understanding of and capacity on public procurement, identify common challenges and good practices, strengthen cooperation among

IPEF partners and relevant stakeholders, identify TACB needs, and serve to develop follow-on activities at the national and international level to support Pillar IV’s anti-corruption objectives.

Participants were invited to complete an evaluation form on the workshop. Out of 33 responses:

- 90 per cent of participants noted that they were satisfied or very satisfied with the workshop;
- 97 per cent of participants agreed or highly agreed that the workshop enhanced their understanding of international instruments and standards related to public procurement;
- 94 per cent of participants agreed or highly agreed that the examples provided by IPEF partners were insightful in demonstrating how they currently approached public procurement processes; and
- 94 per cent of participants agreed or highly agreed that the workshop facilitated the sharing of lessons learned and relevant stories among IPEF partners.

When invited to comment on what participants liked most about the workshop, participants noted they enjoyed the group discussions, the opportunities to interact with IPEF partners and share comparative best practices, and the wealth of knowledge and understanding learned from the workshop. Participants also noted that IPEF partners demonstrated, through discussions, an appreciation of each other’s respective strengths and challenges, and how these challenges can be collectively addressed under the Fair Economy Agreement.

## Outcomes Document

This Outcomes Document sets out the key challenges, recommendations, and next steps raised by participants in this workshop. **It is to be circulated to the TACB Working Group and to IPEF focal points.**

## Key challenges

Legal frameworks and policies on public procurement and other areas impacting public procurement	
<b>Lack of legislation, frameworks, and policies on public procurement</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Lack central legislation on public procurement;</li> <li>• Lack adequate legislation and frameworks on reviewing and managing public procurement outcomes, including consistent appeal mechanisms and other measures, such as suspension and debarments.</li> </ul>
<b>Other legal and policy gaps</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Lack legislation, policies, and frameworks on areas impacting public procurement, such as beneficial ownership transparency and the collection, use, and sharing of data.</li> </ul>

<b>Variations in public procurement legislation, frameworks, and policies</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Have varying procurement legislation, frameworks, and policies, including different levels of centralization, evaluation techniques/criteria, bidding, and review processes;</li> <li>• Be subject to different limitations/restrictions, such as small markets and a limited number of suppliers, which contribute to such variations.</li> </ul>
<b>Capacity, capability, and competency in public procurement</b>	
<b>Lack of capacity, capability, and competency in public procurement</b>	<p>IPEF partners may lack capacity, capability, and competency in public procurement, or have an uneven distribution of knowledge in public procurement across its ministries, which can result in challenges such as:</p> <ul style="list-style-type: none"> <li>• Translating technical specifications into goods and services that are to be procured;</li> <li>• Drafting, interpreting, and managing procurement contracts;</li> <li>• Low quality of products and services procured;</li> <li>• Collecting, processing, handling, and analyzing procurement-related data;</li> <li>• A lack of commercial acumen and ability to conduct risk analysis;</li> <li>• Reviewing and managing appeals in public procurement;</li> <li>• Conducting annual procurement planning.</li> </ul> <p>This lack of capacity, capability, and competency is contributed to by:</p> <ul style="list-style-type: none"> <li>• A lack of professional training dedicated to public procurement, with many procurement officers commonly receiving training in relation to supply chain management and from the private sector, which could significantly differ from what public procurement requires;</li> <li>• Variations in population and market size, which impacts the training to be delivered in relation to public procurement.</li> </ul>
<b>Transparency and accountability in public procurement</b>	
<b>Lack of transparency and accountability, inadequate supervision, and monitoring of procurement</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Lack frameworks, systems, and capacity to promote transparency and accountability in public procurement;</li> <li>• Lack sufficient systems to supervise and monitor procurements, including assessing, verifying, and acting on updated information;</li> <li>• Not make available a full range of information to the public – such as reasons for debarment or appeal decisions;</li> <li>• Be unable to detect and/or manage conflicts of interests in public procurement.</li> </ul>

<b>The use of technology and innovations to enhance procurement outcomes</b>	
<b>Challenges in the collection, analysis, and use of data to support procurement outcomes</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Continue to be reliant on paper-based systems and/or face challenges in transitioning fully to electronic procurement;</li> <li>• Face challenges in tailoring electronic procurement systems for small and medium sized enterprises (e.g. managing payment);</li> <li>• Lack structured and integrated data to support procurement outcomes e.g. data may be available but originate from varying sources, such as the market and various ministries;</li> <li>• Face challenges with low quality data;</li> <li>• Lack beneficial ownership data, or have challenges with verifying such data;</li> <li>• Lack the interoperability between different systems;</li> <li>• Lack systems to analyze data, which results in the under-utilization of data;</li> <li>• Face challenges in demonstrating how data is used to drive decision-making;</li> <li>• Need to consider and address cybersecurity and data privacy concerns.</li> </ul>

### Recommendations and next steps

<b>Legal frameworks and policies on public procurement and other areas impacting public procurement</b>	
<b>Enhancing legislation, frameworks, and policies on public procurement</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Provide central legislation for public procurement, where such legislation is lacking;</li> <li>• Review and enhance existing legislation, frameworks, and policies on public procurement in line with international standards;</li> <li>• Provide consistent review and remedy mechanisms in procurement, including oversight, appeals, sanctions, and other measures;</li> <li>• Provide dedicated processes to implement public procurement frameworks, including best practices, checklists, and guidance documents.</li> </ul>
<b>Addressing other legal and policy gaps</b>	<p>IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Review and enhance existing legislation, frameworks, and policies in areas impacting public procurement, such as beneficial ownership transparency, corporate liability, and the abuse of power by public officials in relation to purchasing or procuring goods and services for state entities.</li> </ul>

	<ul style="list-style-type: none"> <li>• Review and enhance existing legislation, frameworks, and policies in relation to the collection, use, and sharing of data to improve procurement outcomes (see “the use of technology and innovations to support procurement outcomes” below).</li> </ul>
<b>Transparency and accountability in public procurement</b>	
<b>Enhancing transparency and accountability in public procurement</b>	<p>To enhance transparency and accountability in public procurement, IPEF partners may:</p> <ul style="list-style-type: none"> <li>• Provide for and enforce codes of conducts on public procurement, including on conflicts of interests;</li> <li>• Invite civil society organizations or other third parties to observe public procurement processes, and providing such parties with the ability to file an appeal or bid protest, if required;</li> <li>• Promote transparency by allowing the right to access information on public procurement, including outcomes of decisions, appeals, and debarment/suspension actions;</li> <li>• Use e-procurement systems and e-catalogs to enhance transparency and allow for better monitoring and supervision of public procurement (see “the use of technology and innovations to support procurement outcomes” below).</li> </ul>
	<p>IPEF partners may encourage buyers and suppliers, including publicly listed companies, to act with integrity by:</p> <ul style="list-style-type: none"> <li>• Providing them with incentives to adopt stronger anti-bribery/corporate integrity management systems, such as under ISO 13001;</li> <li>• Providing suppliers who deliver high-quality products and act with integrity with recognition, including social media publicity to boost their brand;</li> <li>• Considering the use of integrity pacts, which would be signed by buyers and sellers as part of the tender process;</li> <li>• Promoting sustainable procurement practices, including green procurement and green certifications in accordance with international standards.</li> </ul>

<b>The use of technology and innovations to enhance procurement outcomes</b>	
<b>Embedding data standards, tools, and innovations in public procurement, including the collection, analysis, and use of data</b>	<p>In relation to the use of electronic systems, IPEF partners may seek to:</p> <ul style="list-style-type: none"> <li>• Implement end-to-end e-procurement processes and the consistent and reliable use of e-payments, so as to reduce record-keeping inconsistencies and opportunities for irregularities.</li> </ul>
	<p>IPEF partners may seek to harness data to improve the outcomes of public procurement e.g. better price, quality, value for money, and increased competition. Some examples include:</p> <ul style="list-style-type: none"> <li>• The use of a grading system for suppliers based on data from past performance;</li> <li>• The use of red flags, where procurement processes are updated, monitored, and analyzed by systems to detect irregularities;</li> <li>• Data-driven decision-making, where data is used for various purposes, such as to support annual procurement planning. Such data, if made available to the market, in turn allows the market to provide fair and competitive pricings.</li> </ul>
	<p>To rely on data to improve the outcomes of public procurement, IPEF partners may seek to:</p> <ul style="list-style-type: none"> <li>• Integrate procurement data/systems with other types of data/systems, such as beneficial ownership, tax, and market data provided by industry associations, which enhances transparency, competition, and encourages more value for money contracts in the long-term;</li> <li>• Enhance the collection, verification, and analysis of data;</li> <li>• Standardize and streamline data collection domestically and between IPEF partners;</li> <li>• Provide standardized templates in terms of data publication and the use of open data;</li> <li>• Encourage and facilitate feedback on the use of data and innovations in public procurement processes, including from small and medium sized enterprises.</li> </ul>
<b>Building capacity and providing technical assistance to IPEF partners in public procurement</b>	

**Capacity-building and technical assistance**

To build capacity and facilitate technical assistance in public procurement, IPEF partners should:

- Enhance their awareness and use of IPEF mechanisms, including the TACB Working Group and through IPEF focal points;
- Provide knowledge-sharing opportunities and conduct workshops on specific topics relating to public procurement (e.g. appeals, guidelines, e-procurement systems, and the use of data), whether domestically or between IPEF partners, with UNODC facilitation where required;
- Conduct reviews and provide drafting support on domestic legislation to enhance public procurement outcomes (e.g. central legislation on public procurement, beneficial ownership transparency, data-sharing);
- Facilitate technical assistance between IPEF partners on the use of technology and innovations to support public procurement outcomes, including on data and systems integration/interoperability, e-procurement systems, annual procurement planning, data analysis, and data sharing.