



# PUBLIC PROCUREMENT

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# Scope of presentation

- WTO legal basis
- Some advantages and disadvantages
- Current position in EAC
- Cariforum EPA a model?
- Next steps (discussion)

# WTO legal basis

- Agreement on Government Procurement negotiated in Tokyo Round
- Extended in Uruguay Round to include services
- Requires “listed agencies” to make purchases via public tendering
- Main aim to require governments to apply commercial considerations in purchasing
- Few developing countries have signed agreement

# Some advantages and disadvantages

- Government procurement offers major opportunities for local business
- Procurement includes IFI procurement (not just government budget)
- Potential to direct business to SMEs (unless non-discriminatory)
- Transparency introduced by WTO as “Singapore issue”: resisted by AU

# Current position in EAC

- EC has offered text, but no negotiations yet
- Listed in FEPA Article 37 for later discussion
- EAC can argue that transparency was not in Cotonou Convention
- EAC argues that text does not allow affirmative action in favour of SMEs

# Is Cariforum EPA a model?

- 8 pages + annex
- General objective of transparency, while recognising special situation of small island states
- Specifies “procuring entities” (government ministries and public bodies)
- Specifies minimum thresholds:
  - SDR 155,000 for supplies and services
  - SDR 6.5 million for works
  - (SDR 1 = Euro 1.20)

# Is Cariforum EPA a model?

## (2)

- Within Cariforum region, no discrimination between suppliers
- For EC suppliers, MFN treatment depends on decision of Cariforum-EC Council on coverage
- Parties agree to transparency in publishing laws/rules, also on publishing of tenders
- Tendering can be open, selective, “limited”
- Other provisions, e.g. qualification of suppliers, opening of tenders, challenges
- Two years to bring domestic measures into conformity (five years for some states)
- Review every three years

# Next steps for EABC

- ***For discussion:***
  1. Need for research to establish value of public procurement and participation of SMEs
  2. What are opportunities and threats from more open procurement?
  3. How far do current procedures comply?
  4. Priority areas for EABC to intercede with EAC