

CARICOM FRAMEWORK ON PUBLIC PROCUREMENT



PRESENTATION

AT

REGIONAL MEETING ON PUBLIC
PROCUREMENT SYSTEMS IN LATIN AMERICA
AND THE CARIBBEAN

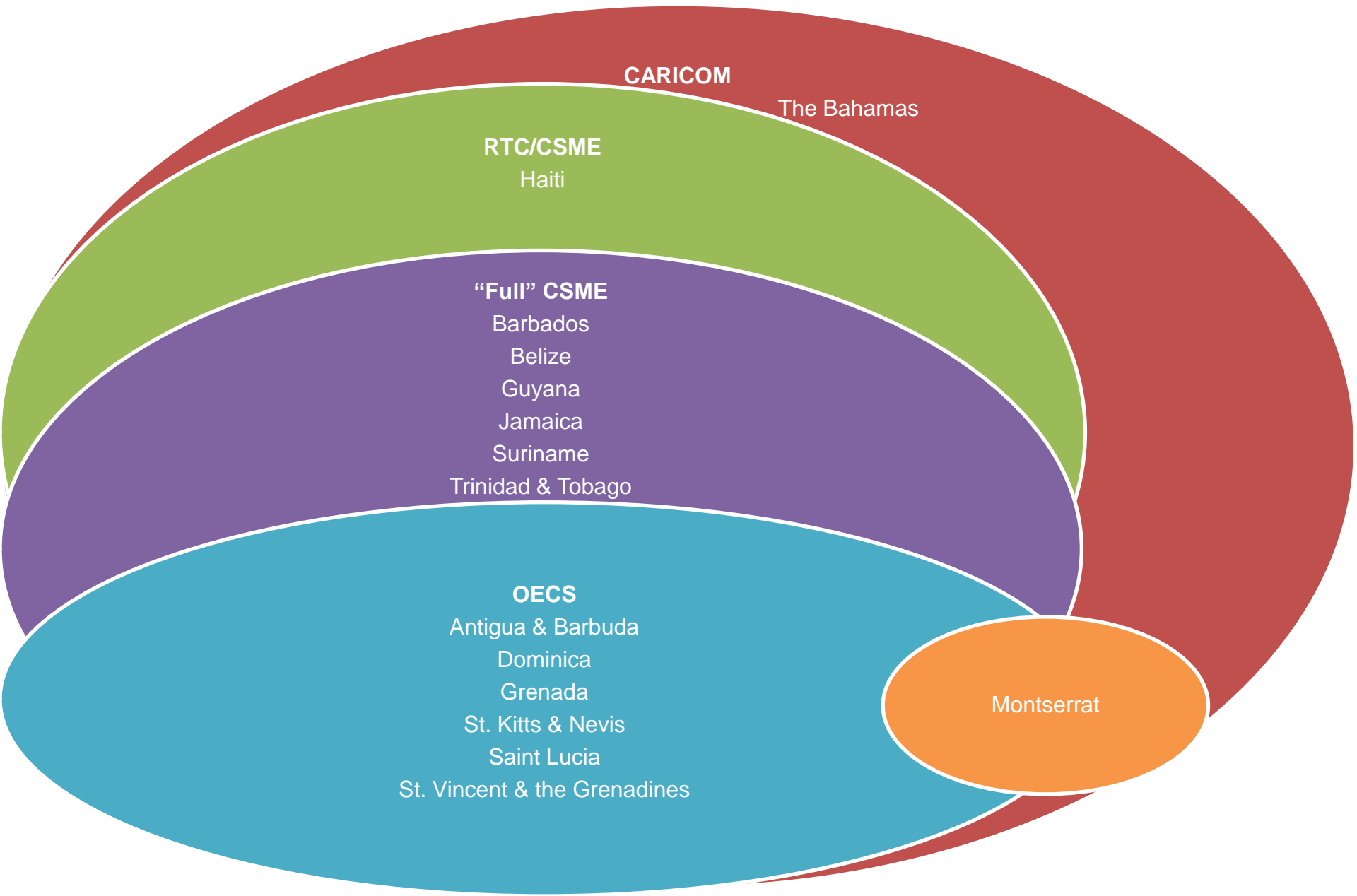
15-16 July 2015

Quito, Ecuador

CONTENT OF PRESENTATION

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CARICOM MEMBERSHIP



OECS

Antigua & Barbuda
Dominica
Grenada
Montserrat
St. Kitts & Nevis
Saint Lucia
St. Vincent and the
Grenadines

FULL CSME

Antigua & Barbuda
Barbados
Belize
Dominica
Grenada
Guyana
Jamaica
St. Kitts & Nevis
Saint Lucia
St. Vincent and the
Grenadines
Suriname
Trinidad & Tobago

RTC Parties

Antigua & Barbuda
Barbados
Belize
Dominica
Grenada
Guyana
Haiti
Jamaica
St. Kitts & Nevis
Saint Lucia
St. Vincent and the
Grenadines
Suriname
Trinidad & Tobago

CARICOM

Antigua & Barbuda
The Bahamas
Barbados
Belize
Dominica
Grenada
Guyana
Haiti
Jamaica
Montserrat
St. Kitts & Nevis
Saint Lucia
St. Vincent and the
Grenadines
Suriname
Trinidad & Tobago

CARICOM - Objectives

- **Article 6 of Revised Treaty of Chaguaramas (RTC)**
 - Improved standards of living and work
 - Full employment of labour and other factors of production
 - Expansion of trade and economic relations with third States
 - Enhanced functional cooperation including more operation of common services and activities

Revised Treaty - meet objectives

- CSME
 - Free Movement
 - Skilled labour, Services, Goods, Businesses (Right of Establishment)
Capital, (removal of exchange restrictions & free convertibility of currencies)
 - Integrated capital market, convergence of macro-economic policies, harmonised fiscal policy, single currency, harmonised investment policies
- Special regime for disadvantaged countries, regions, sectors
- Competition policy
- Regional policies approved or advanced
 - Agriculture, food and nutrition security, energy, industry & Information and Communications Technology

BACKGROUND

- The Revised Treaty of Chaguaramas (RTC) provides the overarching justification for the establishment and implementation of a regional Public Procurement Regime.
- Article 239 of the RTC obliges Member States to ***“elaborate a Protocol relating.... to.... Government Procurement.”(Built – in-Agenda***
- In addition, the Community has taken steps to facilitate cross-border trade in goods (Article 79) and services (Chapter III), observing the principles of non-discrimination as contained in Article 8, all of which have a direct bearing on Public Procurement of goods and services

BACKGROUND

- Member State governments are generally the largest procurers of goods and services in their respective national contexts.
- The collective volume and value of Public Procurement region-wide is considerable (estimated at 20% of GDP to be between EC\$ 25 - \$32bn in 2010).

Framework Regional Integration Policy (FRIP) on Public Procurement

- This Policy provided the basic instruction to draft legally binding obligations, rules and other disciplines on Public Procurement in order to effect its inclusion in the Revised Treaty.
- The FRIP General Provisions outlines the definition of terms and set of objectives.
- The primary objective is the full integration of the national procurement markets in Member States into a single, unified and open area.

PRINCIPLES THE GOVERNS THE FRIP

- National Treatment – non discrimination between domestic suppliers and external (regional) suppliers;
- Most Favoured Nation (MFN) – non discrimination among contracting parties by National procuring entity
- Transparency
- Procedural Fairness

OBJECTIVES OF THE FRIP

- Set out the conditions necessary for full integration of the national procurement markets of the Member States into a single, unified and open area for Public Procurement to bolster the CSME
- Creation of the necessary competitive and non-discriminatory conditions to facilitate achievement of value for taxpayers' money.
- Provision of opportunities for access to a single market with regional sales opportunities.
- Strengthening the competitiveness of the regional supplier base and encourage the rational use of scarce resources.

SCOPE OF APPLICATION

This Policy applies to all:

- laws, regulations, rules, procedures and practices that relate to Public Procurement;
- procurement by the covered entities of the Member States of goods, services, works or any combination thereof;
- levels of government; and
- procurement methods and/or contractual means, including: i) purchase, ii) lease, iii) rental, and iv) concession arrangements.

PROCUREMENT ACTIVITIES EXCLUDED FROM SCOPE OF COVERAGE

- Agreements entered into by any Member State with an international financing institution which limit participation in procurement due to specific conditions and or limitations stated in the agreement.
- Agreements entered into by any Member State and a third country intended for the joint implementation or exploitation of a project by the contracting parties, and financed by the third party when it limits participation in procurement because of specific conditions and limitations of nationality and/or eligibility of suppliers, etc.
- Employment Contracts

TYPES OF THRESHOLDS

- The **efficiency threshold** sets the value or range of values for use of a specific procurement procedure or measure;
- The **transparency threshold** sets the value above which open competitive procedures must be used;
- The **market access threshold** sets the value above which the non-discrimination principle would be observed as regards market access, i.e., the value above which participation in procurement opportunities are open to the regional market.

CONTRACT VALUE THRESHOLDS

CSME Government Procurement Regime

Agreement	Goods	Services	Works
CSME GP Regime	US\$100,000	US\$100,000	US\$1,000,000
CARIFORUM-EU EPA	US\$248,000	US\$248,000	US\$10,400,682
CARICOM Agreement with Developed Countries may be guided by EPA	US\$248,000	US\$248,000	US\$10,400,682

DIVISION OF THE FRIP

- General Provisions – definition of terms, objectives of the FRIP, Scope of Application, Principles, etc.
- Substantive Provisions – prohibition of offsets, rules of origin, denial of benefits, publicity of laws, regulations, etc., prior information notice, publication of procurement opportunities, identification and publication of minimum tender notices, etc.
- Institutional Provisions – Permanent Committee on GP[PP]; Community PP Notice Board, Dispute Settlement Mechanism

INTERNATIONAL BEST PRACTICE

- The FRIP provisions accords with international best practice:
 - WTO Plurilateral Agreement on Government Procurement
 - Non-binding principles of the Government Procurement Experts Group (GPEG) of Asia-Pacific Economic Commission (APEC)
 - Model Law on Procurement of Goods, Construction and Services by United Nations Commission on International Trade Law (UNCITRAL)

CARICOM Protocol on Public Procurement

- Currently being negotiated by Member States through the Reconstituted Inter-governmental Task Force (IGTF).
- The Protocol contains six (6) parts and forty five (45) Articles:
 - Part one –General Provisions
 - Part two – makes provision for inter alia: prohibition of offsets, transparency, standard bidding documents, negotiations, suppliers challenge and review.

CARICOM Protocol on Public Procurement

- Part three – Temporary Restrictions and Technical Cooperation
- Part four – Institutional Arrangements, the Community Notice Board and Dispute Settlement
- Part five – Special Provisions: General Exceptions and Modification to the Procurement Regime

CARICOM Protocol on Public Procurement

- Part six – Final Clauses: Signature, Ratification, Entry into Force and Accession

Development of Infrastructure and Instruments for CSME Procurement Regime

- Two EU funded Projects under the 10th EDF to support the development of the infrastructure:
 - 10th EDF /CSME/1.1.1/SER 13.14 Needs Assessment for the Development of the Information Technology Platform and Data Management System for the CARICOM Regime on Government Procurement
 - 10th EDF/CSME/1.1.1.3/SER 13.14: Development and Implementation of the Infrastructure and Instruments for an Integrated CSME Procurement Market.

General Matters

- CARICOM Model Bill on Public Procurement to be finalized
- Negotiations on Protocol to be completed and signed by Heads
- Community Notice Board to be designed and deployed with integrated national web based national advertising portals
- Cooperation to be established on a Regional Procurement Training Solution

END OF THIS PART

THANK YOU

Questions and queries

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