



# Benchmarking Public Procurement

## Project Overview

From bridges to roads, hospitals to power plants, trillions of dollars are spent every year by government agencies in public-procurement-related transactions across the globe. In developing countries, it is estimated that US\$820 billion a year is spent on public procurement, accounting for an estimated 15-20% of the gross domestic product (GDP) and up to **50%** or more of total government expenditure. In fragile states, public procurement can account for up to **60-70%** of all government expenditure.



*Benchmarking Public Procurement* grew out of a request from the G20 to develop options for a benchmarking study focused on the public procurement sector. It provides a cross-country comparison of public procurement systems to better understand how transaction costs based in procurement regulations and practices can affect businesses.

*Benchmarking Public Procurement* is designed to support and enhance decision-making by policymakers in order to increase private sector participation in public tender and stimulate competition, which would ultimately reflect positively on both private and public sides of public procurement. The project will help identify areas for reform and achieve more transparent, competitive, and efficient public procurement systems.

## Methodology and Indicators

*Benchmarking Public Procurement* presents data that capture important dimensions of the quality and efficiency of public procurement systems to which business communities across the world are confronted. Over the last year, the *Benchmarking Public Procurement* was successfully piloted to more than 400 respondents in 11 countries, selected for their regulatory, geographic and income level diversity: Afghanistan, Chile, Ghana, Jordan, Mexico, Russian Federation, Sweden, Thailand, Turkey, Uganda and the United States.

Following this pilot phase, the project’s methodology and thematic coverage were refined to focus on three main policy areas that matter for the private sector:

- Bidding for a public procurement tender** •Evaluates the accessibility of information on public procurement opportunities, and measures the ease of bidding for a procurement tender.
- Integrity of the public procurement process** •Assesses the general and specific legal safeguards in place to preserve the integrity of the procurement process.
- Filing a complaint** •Analyzes the process to challenge a public procurement tender through a complaint system.

## Future Steps

Building on the pilot phase findings and lessons, the team is currently preparing for the roll-out of the project in 83 economies across seven regions. The ambition of the *Benchmarking Public Procurement* project is to progressively scale up to 189 economies and identify good practices in the field of public procurement. Through this initiative, economies will be able to learn from each other’s success stories in establishing efficient public procurement policies and practices.

For more information, please visit: [rru.worldbank.org/bpp](http://rru.worldbank.org/bpp).