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Agreement on public procurement: key concepts

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April 21-24, 2009
Issyk-Kul, Kyrgyz Republic



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An Agreement with a limited number of participants (40 after it was joined by Taiwan, including all EU countries)

- **UNCITRAL Model Law (1994)**
- **Identifies a transparent and predictable regime in public procurement**
- **Allows for discrimination among the participant countries**
- **Specifies the categories of contracts, their types and applicability of provisions of the Agreement to certain organizations.**



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The Agreement focuses on legal aspects of the public procurement system functioning, in particular:

- timely (publications about planned procurements), transparent (acceptance of all potential bidders, bid opening and contract awarding) procedures of procurement organization;
- clear rules of the procedure to appeal against decisions;
- minimum participation of the authorized procurement body;
- regulation of issues on suppliers' qualification.



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Procurement methods under the Agreement

- The key method – unlimited bidding
- Also includes selective bidding (i.e. two-stage and requests for quotations)
- Bidding with limited participation
- An important role is assigned to e-procurement (reverse electronic auctions)



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Negotiations process and thresholds to be covered by the Agreement and lists of organizations covered

- The provisions of the Agreement are applicable only to those contracts with the cost equal and exceeding the so-called thresholds (see handouts);
- Besides, the Agreement covers only those contracting organizations, which are included in a relevant Attachment by the acceding government;
- The Agreement member countries specify their commitments in relevant Annexes (there are five of them)/



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Other issues

Dispute resolution

- Compensation is envisaged only under this Agreement

Developing countries – specific provisions, including offsets

- Envisage privileges for developing countries

New version of the Agreement (2006, not adopted yet)

- Key innovations – expanded use of information technology, usage of e-auctions.



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