

This document lays out the DPA's narrative on Inclusive Procurement and recommendations for policymakers to take foster an inclusive and effective public tender process.

Key message 1: An inclusive, effective public procurement system that is adaptable to new and emerging technologies supports growth of the digital economy

Lower costs

- Inclusive procurement principles and practices provide an opportunity for businesses of all sizes, especially SMBs, to participate in government tenders on a level playing field. This widens the pool of suppliers that can bid on a particular project.
- This results in mutual benefits – governments reap the benefits of a competitive business environment by enjoying lower costs. SMBs also benefit as they can bid for contracts which they not ordinarily be able to participate in, which helps promote job creation, drive productivity and fosters innovation.

Economic Growth

- Inclusive procurement principles and practices contribute to a vibrant private sector, helping governments get the most out of its investments into digital technology, which in turn supports economic growth

Supply-chain resilience

- Inclusive procurement principles and practices allow both local and foreign SMBs to take part in the public tender process. This can strengthen the resiliency of the supplier base and help the government address the risks of its supply chains.
- Restrictive procurement requirements can undermine the long-term competitiveness of domestic markets in the long run. It increases the vulnerability of supply chains, encourage anti-competitive behavior, and increase inflationary pressure on the prices of goods and services which will eventually lead to inefficient outcomes for consumers and businesses through higher consumer prices and misallocations of resources.

Key message 2: Fairness, level playing field, and freedom of choice principles are key in supporting a more inclusive procurement process

- Fairness, level playing field, and freedom of choice principles should be incorporated into procurement requirements to ensure a competitive and fair digital environment, including preventing the restriction of customer choice, and access to a wide variety of digital applications.
- Fairness, level playing field, and freedom of choice principles is required to foster innovation, enhance efficiency and drive down unnecessary costs for businesses. Conversely, inability to freely select providers can have harmful impacts such as higher costs for businesses, impede innovation, and more security breaches.

Policy recommendations:

- For governments to adopt digital technology when conducting public procurement to simplify the process, encourage openness and inclusivity, as well as enhance efficiency and trim down costs.
- For government to avoid imposing strict local resourcing requirements and remove public procurement restrictions on foreign firms in order to develop a more competitive tender process.
- For governments to set out clear and non-discriminatory guidelines for public procurement tenders, especially on technical and security requirements. Adopting industry-led fairness, level playing field, and freedom of choice principles highlight best practices for software procurement is important to ensure that the emerging digital economy remains competitive and fair.