The Role of Government Procurement in Responding to COVID-19 (Endorsed, 17 Nov 2021)

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The Role of Government Procurement in Responding to COVID-19

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Section I: Introduction

Government procurement can be understood as the procurement of goods, services and works by, or on behalf of, a public authority, such as a government agency. Government spending is one of the most important elements in an economic system since a significant amount of public expenditure is channelled through government procurement. Governments are large consumers that, according to the World Bank, spend an estimated US$9.5 trillion in government procurement contracts every year, which in many developing economies represents approximately 15-22 percent of their GDP. Under the APEC Putrajaya Vision 2040, APEC economies agreed to “foster quality growth that brings palpable benefits and greater health and wellbeing to all, including MSMEs” and also to maintain APEC as “an efficient and effective incubator of ideas”.

Government procurement is an important mechanism that economies can use to transform public service delivery, create jobs, and stimulate private sector growth. A well-performing government procurement system can increase citizens’ confidence in government and boost private sector competitiveness, including micro, small- and medium-sized businesses.

The relevance of government procurement as a public policy tool has been highlighted during the COVID-19 outbreak. Across economies, there has been a need for urgent government expenditure to acquire essential goods and services to respond to COVID-19 and any future pandemics. At the same time, government procurement procedures have been challenged by this unprecedented global public-health emergency. These challenges included disruptions to global supply chains, sudden drops in demand for certain goods, abrupt spikes in demand for others, and an increased reliance on digital procurement processes due to lockdown-type measures and physical distancing rules adopted by some economies.

With that in mind, Canada and Chile, co-sponsored by China, Hong Kong, China and The Philippines, have implemented a joint initiative entitled “The role of government procurement in responding to COVID-19” with the aim of exchanging information and reviewing practices in economies’ responses to the COVID-19 pandemic with respect to government procurement. The initiative, which is part of the APEC Committee on Trade and Investment (CTI) 2021 Work Program, includes three components: (1) a questionnaire circulated on April 10th, 2021 to gather information on economies’ government procurement policies and practices, (2) a series of virtual discussions to share best practices and challenges faced during the pandemic, and (3) the publication of a comprehensive report summarizing the findings of the initiative.

1 For further information, visit the World Bank Procurement for Development at https://www.worldbank.org/en/topic/procurement-for-development
procurement practices during the COVID-19 pandemic; (2) a webinar convened on October 5th, 2021 to discuss the responses to the questionnaire and collect perspectives of experts from international organizations; and (3) this final report to outline the key findings and share recommendations that could support the work of member economies during the post-pandemic economic recovery period.

The Sections II and III of this report provide an overview of the perspectives of the experts that participated in the October 2021 webinar and the key findings from the 18 APEC economies’ responses to the questionnaire that was circulated in April 2021. The concluding section lays out recommendations made by experts in the context of the October 2021 webinar.

Section II: Experts’ Perspectives

The webinar on October 5th gathered a range of international experts and experts from APEC Economies to discuss the challenges and opportunities in government procurement during the COVID-19 pandemic; the types of responses seen across the board; the specific programs designed to facilitate MSME’s participation in government procurement processes during the pandemic; and potential recommendations to be considered by Economies and APEC.

Chile’s Vice-Minister for Finance, Mr. Alejandro Weber, provided opening remarks and a high-level perspective on the role that government procurement has played during the pandemic. Given the swiftness and level of impact of COVID-19, he highlighted the critical role that government procurement played in securing medical goods and services to fight the pandemic, as well as the supply of vaccines for Economies’ vaccination programs. He also noted that one of the main challenges faced was supply chain disruption, which affected purchases not only of emergency goods, but also other supplies acquired by the

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2 The webinar, convened on October 5th, 2021, included two sessions. The first session consisted of presentations by guest experts from international organizations on the question of how government procurement can contribute to the post-pandemic economic recovery. The second session provided APEC economies with an opportunity to share information on their economy’s responses during the COVID-19 pandemic with respect to government procurement. Each session concluded with a Q&A period where the participants (i.e. officials working or interested in government procurement matters nominated by APEC economies to attend the webinar) were able to raised questions to the speakers. For ease of reference, the final agenda of the event is included under Annex 1.
government – a sentiment echoed by participant economies during the webinar. He mentioned that in Chile, 60% of government procurement is provided by MSMEs, a situation not uncommon in other APEC economies. Thus, the adoption of specific measures to facilitate the continued participation of MSMEs in government procurement may have helped secure the subsistence of many of these companies and its workforce.

Chile’s National Director for the Government Procurement Agency (ChileCompra) also provided remarks and an institutional vision of government procurement during the pandemic. She highlighted as potential key areas of work in government procurement from an institutional perspective: developing a better service, such as comprehensive user attention in public procurement; increasing the coverage of capacity building programs; taking advantage of digital tools; creating alliances with different stakeholders (business associations, regional governments, municipalities, etc.) to help increase the outreach and effectiveness of these programs; providing adequate and constant training for government procurement officials, aiming to increase professionalization in the service; increasing transparency, objectivity, efficiency and traceability of government procurement processes, which will create greater trust in the system and provide greater certainty, particularly for MSMEs; reducing entry barriers for MSMEs participation in government procurement; creating monitoring mechanisms to generate preventive red flags, so that purchasing entities can correct potential irregularities, which can be particularly useful in case of direct awards extensively used during COVID-19; generating higher levels of transparency by providing public procurement data in open formats, which is a highly valued source of information for public purchasing decisions and serves for accountability purposes since members of civil society can then see how taxpayers money is spent; and simplifying purchasing and bidding processes in order to reduce bureaucracy and increase efficiency.

To close, she provided a few lessons learned during the pandemic. First, the importance of transparency: it is essential that these procurement processes are fully transparent to facilitate ex post control by auditing bodies, and by civil society as well. Second, governments must find a suitable balance between the celerity of the acquisition and the compliance of appropriate standards of integrity and transparency. Thanks to e-procurement solutions, it is possible to get a proper balance between reduction of bureaucracy and celerity, on one hand, and transparency and integrity, on the other. Third, the importance of working with civil society to achieve different goals, as social control is essential to have integrity enforced. In this regard, the role of civil society is key, whether through NGOs, think tanks, universities, or the press and media. Fourth, the importance of
training and capacity building. She noted that during the pandemic she realized that not all public institutions were duly prepared to conduct emergency procurement. For this reason, it is very relevant to train and teach them what kind of information they should publish, and how they should justify direct awards. Fifth, to take advantage of multilateral spaces like APEC to exchange experiences and knowledge with other economies. It is highly valuable to learn from each other and find opportunities for cooperation.

During Session 1 of the webinar, guest experts from the World Bank, the MAPS Secretariat housed at the Organisation for Economic Co-operation and Development (OECD) and the Organisation of American States (OAS) shared their views on the role of government procurement in responding to COVID-19.

All of the experts recognized that the member economies faced numerous challenges in the areas of government procurement during the COVID-19 pandemic. In addition to the challenges underscored by the member economies in the responses to the questionnaire as well as during Session 2 of the webinar, the experts mentioned, among others, the lack of mechanisms to facilitate ethical pricing, the constant changes to the rules governing procurement, and fewer opportunities for competitive processes.

Mr. Varun Eknath from the World Bank and Dr. Anirudh Shingal acknowledged that ensuring globally recognized best practices in matters of procurement requires time and can result in delays in procuring essential supplies. Procuring agencies may need to dispense with normal practices to meet urgent needs for critical equipment. However, they emphasized that, while warranted, such actions may lead to higher costs in the overall procurement and greater vulnerability in contract-related fraud. Additionally, they suggested that economies with government procurement commitments in trade agreements or open procurement systems have benefited from a reduction in the number of procedures and the time taken to complete the procurement process of medical products.

In the same vein, Mr. Nicolás Penagos from the MAPS Secretariat, housed at the OECD reiterated that many procurements to tackle the crisis should not be carried out necessarily through emergency procurement methods. In that respect, he recommended that every economy carry out comprehensive assessments of their domestic procurement systems in order to ensure that emergency measures are appropriately applied. Mr. Penagos noted that procurement is an important means of materializing policy goals, especially related to pandemic recovery.

Ms. Helena Fonseca from the OAS further highlighted the importance of engaging civil
society in government procurement processes and policies, as well as strengthening the
capacity of procurement officials to support suppliers while ensuring robust transparency
and accountability standards. All speakers stressed the need to continue supporting and
improving digitization and e-procurement systems.

Finally, all experts underscored those economies should pay special attention to lessons
learned during the pandemic in order to inform future policies and transform government
procurement into a strategic tool that will support the economic recovery.

In Session 2, experts from APEC Economies share their experiences and provided real life
types of measures taken by their governments on government procurement to fight the pandemic.

Ms. Carol Treneski, Director, Procurement Policy Branch Department of Finance of Australia
presented some of the initiatives put in place by the Australian Government to assist
suppliers, including MSMEs, and Australian Government procuring entities (entities) with
procurement and contracting issues during COVID-19. She noted that guidance included
that entities give consideration to challenges suppliers may have in meeting their
contractual obligations with entities due to COVID-19 disruption, putting their financial
viability, ability to retain staff and supply chains at risk. She noted the importance of
outreach activities, through several strategic engagement channels with the business
community, to provide guidance to procuring entities that are managing existing contracts
and procuring urgent goods and services, such as personal protective equipment and
medical equipment. The end goal of these activities was to better manage supplier relations,
including with SMEs, to achieve the necessary procurement outcomes. These outreach
activities in turn, helped identify where the most assistance was needed, namely: being
reasonable in the approach to suppliers that are dependent on supply chains that may not
be able to provide goods within previously agreed timeframes; considering smaller
packages of work or bringing forward work that does not rely on disrupted supply chains;
and paying suppliers as quickly as possible. Special measures were also taken to support
MSMEs, particularly looking to ensure timely payment which is critical for them to ensure
cash flow. For these, policies like "Supplier Pay On-time or Pay Interest Policy" have been
updated. Australia has also leveraged technologies for different purposes like accessibility
to procurement processes, and providing a coordinated response to the pandemic
according to community’s needs (COVID-19 Procurement Hub), among others.

Ms. Zhe Zhang, Deputy Director, Department of Treasury, Government Procurement
Management Office, Ministry of Finance of China informed that in early 2020 China created a "green channel" for COVID-19 prevention and control procurement. This channel for managing purchases and government procurement procedures of epidemic prevention materials allows procurement units (including state organs, institutions, and organizations at various levels) to not comply with the methods and procedures prescribed in the PRC Public Procurement Law and no examination and approval is required for procurement of imported materials. Actions were also taken to enhance the use of e-procurement and to develop databases to release information on what products were needed where, so as to better match between the supply and demand. China also conducted outreach activities and capacity building to facilitate participation of suppliers and buyers in procurement processes during the pandemic and rapidly adapt to the new reality. Ms. Zhang also mentioned that 3 key areas for further work for PRC are (1) Build a complete emergence procurement system; (2) Promote the development of electronic procurement; (3) Strengthen international cooperation and exchanges.

Ms. Joyce Li, Assistant Secretary, Development Bureau from Hong Kong, China focused on measures taken by her Economy to support the construction industry throughout the COVID-19 crisis. The construction industry is a key sector for APEC Economies with an important participation of MSMEs. In Hong Kong, China, MSMEs represent 98% of the establishments linked to the construction industry and hire 50% of the workforce in the industry. She showed that specific challenges for the sector were not as different as for other industries, namely the need of implementing anti-epidemic measures to ensure operational continuity, difficulties in securing project finance and cash flow and global effect of potential economic downturn. Some specific measures taken to address these challenges were: providing more tender opportunities to small and medium sized contractors by inviting these contractors to tender for contracts that marginally exceed their group tender limits in public works contracts; providing advance payment to contractors and consultants to facilitate their cash flow under on-going and new public works contracts; expediting the processing of payment applications, variation orders and claims in public works contracts; taking a flexible approach in handling of extension of time claims arising from COVID-19; relaxing of employed capital for retention on the list of approved contractors for public works and the list of approved suppliers of materials and specialist contractors for public works; adjusting group tender limits to provide more equitable tender opportunities to small and medium sized contracts in public works.

Ms. Elissa Lacca, Director of Acquisitions of the General Directorate of Supply, Ministry of
Economy and Finance of Peru mentioned some of the obstacles that Peru faced during the COVID-19 pandemic like shortages and inflated prices; increase of the demand of basic goods; suspension of ongoing procedures and contracts already signed; lack of technical standards for biosecurity equipment; and a lack of capacity in procurement matters, among others. To address some of these obstacles, new strategies were adopted, including the possibility of making modifications to procurement agreements; providing money advances to suppliers (something not originally included in agreements); preparing materials to better inform entities about public procurement procedures; and developing a search engine for direct procurement to attend to the health emergency. Peru also adopted specific measures to support MSMEs, including having more flexibility in rating factors for MSMEs during procurement processes; and prioritizing MSME’s participation in certain sectors.

The final speaker in this section, Mrs. Rowena Candice M. Ruiz, Executive Director, Government Procurement Policy Board, Technical Support Office of The Philippines focused her remarks on the use of digital tools during the pandemic and on the need to increase transparency on procurement processes. Some of the measures taken by the Philippines included: streamlining emergency procurement rules; providing alternative documentary requirements; and authorizing electronic bid submission as well as procurement reports. Other measures linked to the use of digital tools are the existence of a special portal (GPPB Online Portal) to track all contracts awarded during the pandemic; an in-house developed platform, primarily to ensure timely, accurate and complete information on blacklisted entities to prevent the award of contract by other procuring entities to the said blacklisted entities (GPPB Online Blacklisting Portal); a platform for generating data analytics on the buying patterns of procuring entities, the volume and amounts of awarded contracts, the average procurement periods and timelines, the basic gender profile of procurement officers, the risk registry, level of compliance, and the overall procurement health (GPPB Procurement Dashboard); online training to a broad range of stakeholders to ensure proper understanding of procurement processes and regulations; and the use of digital signatures by procurement officers, a measure that facilitates the conduct of procurement activities even when procurement personnel are operating under alternative working arrangements, among other measures.

Some of the suggested policy considerations made by the APEC Economy experts during their presentations and the following Q&A were:

- Strengthening the efficacy as much as the efficiency of procurement regimes
• Providing greater emphasis on risk management
• Ensuring proper training and development to raise standards
• Leveraging digital tools to greater facilitate procurement processes
• Increasing transparency in government procurement
• Working more closely with different stakeholders

To conclude the webinar, Ms. Nadine Nickner (Director, Government Procurement, Trade and Environment Division, Global Affairs Canada) provided some concluding remarks, highlighting some of the key themes that emerged during the two sessions. Specifically, Ms. Nickner noted that some of the procurement related challenges highlighted in several of the presentations included, inter alia, a lack of inter-institutional coordination and multi-sectoral collaboration to respond quickly, constant changes in the rules governing public procurement, less opportunities for competitive processes, higher cost in the overall procurement, and greater vulnerability in contract-related fraud.

On a way forward in transforming government procurement into a strategic tool to support economic recovery, Ms. Nickner stated that some presenters suggested that member economies should pay special attention to lessons learned and in that regard, should carry out comprehensive assessment of their domestic procurement systems so as to be in a position to respond more effectively and efficiently to future emergencies. It was also emphasized that engaging civil society in government procurement processes and policies and strengthening the capacity of procurement officials to respond quickly would be key.

Finally, she concluded her remarks by noting that several presenters underlined the importance of simplifying contracting processes so as to increase variety of suppliers who participated in these procurements – this includes for example, women, visible minorities, micro, small and medium sized enterprises.

Ms. Nickner thanked the speakers for their valuable contributions and underlined the importance of these sessions as a mechanism for APEC Economies to share best practices in government procurement.

Section III: APEC Economies’ Responses to the Questionnaire

A total of 18 economies responded to the questionnaire “The role of government procurement in responding to COVID-19” circulated on April 2021 amongst APEC’s member economies through the CTI. Five economies – Australia, China, Hong Kong, China, Peru, and
the Philippines – shared further information during Session 2 of the October 2021 webinar. The questionnaire, which is included in Annex 2 along with the economies’ responses, comprised questions regarding government procurement challenges that arose due to the COVID-19 pandemic, and procurement strategies and institutional arrangements adopted in response to these challenges, with a special focus on strategies and policies to support MSME participation in the procurement market.

**Challenges**

Overall, in conducting pandemic and non-pandemic-related procurements, most of the 18 respondent economies faced obstacles as a consequence of the COVID-19 pandemic that can be classified under the following three areas: (1) delivery times; (2) costs; and (3) suppliers’ abilities to meet contractual obligations.

1. The majority of the respondent economies experienced delays in the delivery of pandemic and non-pandemic-related goods and services, including construction services, due to, *inter alia*, restrictions in movement of goods and people resulting from quarantines and lockdowns, as well as a reduced workforce or closures of certain government entities. As it relates specifically to pandemic-related procurements, one third of the respondent economies indicated a lack of measures or capacity to carry out emergency procurements.

2. In addition to the unstable price of pandemic-related goods (e.g. masks, gloves) engendered by a high demand and a global shortage, some economies noted an increase in the overall cost associated with conducting procurement. In some instances, additional payments or services were required for completion of pre-COVID procurement processes.

3. The COVID-19 pandemic affected businesses’ financial viability and ability to retain their workforces, putting at risk a supplier’s capacity to undertake a procurement or fulfill its contract obligations. The impacts include confirmed orders being cancelled, low-quality goods, as well as inaccuracy of the commodity and the quantity delivered.

**Procurement Strategies and Institutional Arrangements**

In response to the pandemic and the challenges faced, almost all respondent economies implemented new procurement strategies and institutional arrangements and over one third of the respondent economies adopted additional measures to support the participation of MSMEs in the government procurement processes.
4. In order to facilitate expeditious procurements, more than half of the respondent economies developed guidance on emergency procurement measures or amended their legislation on procurement to provide additional flexibility for the procurement of pandemic-related goods and services.

5. Some economies promoted the use of electronic platforms and increased digitalization of procurement processes to ensure transparency, track procurement data and accept online submission of bids and documents.

6. To mitigate risks caused by high demand and delivery delays, two economies instituted a government-wide approach to procure pandemic-related goods where the central government conducted procurements on behalf of procuring entities at all levels.

7. In many economies, procuring entities received guidance to implement actions such as: being reasonable in the approach to suppliers that are dependent on supply chains; procuring smaller packages of work; paying suppliers as quickly as possible; and ensuring queries from suppliers are triaged and responded to quickly and appropriately.

8. Also, with a view of supporting suppliers, some economies adopted new measures targeted to MSMEs such as: the development of price preference or set-aside programs; the creation of a seminar to inform businesses; and new flexibility for MSMEs throughout the procurement process.

9. A number of economies increased engagement with industry throughout the pandemic. The feedback received allowed economies to adjust their policies and programs to address specific areas of concerns of suppliers as a result of COVID.

Section IV: Conclusion and Recommendations

The perspectives of select experts delivered during the October 2021 webinar and key findings from the questionnaire responses illustrated that many APEC economies faced similar challenges and adopted complementary practices in response to the COVID-19 pandemic with respect to government procurement.

Considering that, during the October 2021 webinar, guest experts recommended APEC provide the member economies with opportunities to undertake further collaboration on government procurement through information sharing, potential new activities or initiatives could be proposed to the APEC CTI:

- to exchange experiences on digitization of government procurement processes and
e-procurement systems;

- to promote procurement strategies and institutional arrangements that transform government procurement into a strategic tool supporting the post-pandemic economic recovery; and
- to collect statistical data on pandemic-related procurements.
# Annex 1 – Webinar Final Agenda

## VIRTUAL EVENT ON THE ROLE OF GOVERNMENT PROCUREMENT IN RESPONDING TO COVID-19

Organizers: Canada & Chile

## AGENDA

*Tuesday, 5 October 7:00 AM (Santiago time) / 6:00 PM (Singapore time)*

<table>
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<tr>
<th>Time</th>
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| 07:00am - 07:20am (Santiago time) | **Opening Session**<br>Welcome and Introduction by Mr. Alejandro Weber, Undersecretary of Finance, Ministry of Finance, Chile.  
Keynote Speaker: Ms. Tania Perich, National Director, Government Procurement Agency (ChileCompra), Chile |
| 07:20am - 08:20am (Santiago time) | **Session 1: The role of government procurement in responding to the COVID-19 pandemic.**  
Mr. Varun Eknath, Operations Analyst, World Bank  
Dr. Anirudh Shingal, Associate Professor Economics, SPJIMR, Mumbai and Senior Associate, Global Governance Programme, EUI, Florence.  
Mr. Nicolás Penagos, Head of Methodology for Assessing Procurement Systems (MAPS) Secretariat, Organisation for Economic Co-operation and Development (OECD)  
Ms. Helena Fonseca, Senior specialist in public management - Technical Secretary of the Inter American Network on Government Procurement, Organization of American States (OAS) |
<p>| 6:00pm - 6:20pm (Singapore time) | (20 minutes)                                                                                 |
| 6:20pm - 7:20pm (Singapore time) | (1 hour)                                                                                     |</p>
<table>
<thead>
<tr>
<th>Session 2: Information sharing on APEC members’ work to address government procurement challenges resulting from the COVID-19 pandemic</th>
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<td>Speakers will share information on each economy’s response during the COVID-19 pandemic with respect to government procurement. For instance, they can present any special rules, directives, policies, or guidelines in government procurement, institutional arrangements to address the obstacles resulting from the COVID-19 pandemic or the challenges, and opportunities MSMEs face to participate in GP, how this may have changed during the pandemic and the measures taken to support their participation in GP.</td>
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<tr>
<td>• Ms. Carol Treneski, Director, Procurement Policy and Practice, Department of Finance, Australia.</td>
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<tr>
<td>• Ms. Zhe Zhang, Deputy Director, Department of Treasury, Government Procurement Management Office, Ministry of Finance, China.</td>
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<td>• Ms. Joyce Li, Assistant Secretary, Development Bureau, Hong Kong, China.</td>
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<tr>
<td>• Ms. Elissa Lacca, Director of Acquisitions of the General Directorate of Supply, Ministry of Economy and Finance, Peru.</td>
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<td>09:45am - 10:00am (Santiago time)</td>
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<td>8:45pm - 9:00pm (Singapore time)</td>
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**Moderator/Facilitator:** Rebecca Barnes, Canada CTI Representative.
Annex 2– Questionnaire and Economies’ responses

Australia

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

The pandemic presented significant challenges to government entities for rapid procurement of supplies and equipment, particularly in support of the protection of the health and welfare of Australians.

In addition, the COVID-19 pandemic continues to have a significant impact on businesses of all sizes, putting at risk a business’s ability to meet its contractual obligations, its financial viability, and its ability to retain staff. In response to the risks, the Department of Finance’s (Finance) engagement with industry identified a number of ways the Australian Government could assist businesses, namely:

1. being reasonable in the approach to suppliers that are dependent on supply chains that may not be able to provide goods within previously agreed timeframes;
2. considering smaller packages of work or bringing forward work that does not rely on disrupted supply chains; and
3. paying suppliers as quickly as possible.

Finance has provided assistance to government entities that manage existing contracts and in procuring urgent goods and services and continues to work with entities to develop responses to emerging needs. Finance also received numerous queries from suppliers of Personal Protective Equipment and medical equipment and ensured these were triaged quickly and appropriately and that all suppliers were treated transparently and equitably.
2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

A COVID-19 Procurement Policy Note was issued to provide guidance to government officials on how to engage with business during the COVID-19 pandemic. The policy note identified expectations for entities to support suppliers at risk where it was possible.

In particular, the note identified that Approaches to Market were to be progressed on a case-by-case basis, taking into account the impact of the COVID-19 pandemic on potential tenderer’s ability to deliver. Guidance on the expectations of contract managers was also provided, identifying that relationships with suppliers should be maintained, and any issues arising from the pandemic should be managed in a collaborative and sensible manner.

It also identified that, where appropriate and possible, that procuring entities were to work with suppliers to maintain business continuity, provide relief by agreeing that termination rights not be exercised, liquidated damages not be claimed, or that contracts be varied or specific requirements waived to address COVID-19 pandemic circumstances.

The importance of paying suppliers on time was also reiterated in the Policy Note, identifying the need for entities to pay suppliers as quickly as possible so suppliers could maintain cash flow, and where possible, to consider other payment arrangements that may assist suppliers, consistent with the Australian Government’s ‘Supplier Pay on-Time or Pay Interest Policy’. Importantly, this policy requires supplier invoices to be paid within 20 calendar days, and that payment card processes should be used at the point of sale for amounts below $10,000, in preference to suppliers issuing invoices.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES. As per paragraphs 7.18 and 7.19 of the Commonwealth Procurement Rules, relevant entities must report contracts and amendments on AusTender within 42 days of entering into (or amending) a contract if they are valued at or above the reporting threshold.
Reporting thresholds (including GST) are: $10,000 for non-corporate Commonwealth entities; and for prescribed corporate Commonwealth entities, $400,000 for procurements other than procurement of construction services or $7.5 million for procurement of construction services.

3.1 If yes, what type of enterprises does your government collect data on?

☐ Micro enterprises
☒ Small enterprises
☒ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

As per paragraph 5.6 of the Commonwealth Procurement Rules, the Australian Government is committed to non-corporate Commonwealth entities sourcing at least 10 per cent of all procurements by value from SMEs. In addition, paragraph 5.7 provides that the Government has a target of non-corporate Commonwealth entities procuring 35 per cent of contracts, by value, with a value of up to $20 million from SMEs.

Data from the 2019-20 Financial Year indicates that the percentage of contacts awarded to SMEs in 2019-20 is well above the Commonwealth SME target, and remains comparatively consistent with the prior Financial Year’s results. In 2019-20, 25.2 per cent of contracts by value, or $13.6 billion by value were awarded to SMEs.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

As per the response to Question 1, the Australian government issued a COVID-19 Procurement Policy Note providing guidance to procuring authorities on the expectations
of procuring authorities to support suppliers that may be at risk. This guidance was also applicable to SMEs.

The Commonwealth Procurement Rules were also updated on 14 December 2020 to include a new Appendix A exemption for the procurement of goods and services from a SME for procurements valued up to $200,000. A SME is defined in the Commonwealth Procurement Rules as an Australian or New Zealand firm with fewer than 200 full-time equivalent employees.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

The Department of Defense, in collaboration with Finance, put in place a COVID-19 Procurement Hub at the height of COVID-19 in Australia. The Hub provided support to procurement decision-makers through flexible and scalable service to minimize administrative effort, assist the relevant delegate and their team to deliver value for money outcomes, and enhance capability of the entity. It benefited suppliers, including SMEs, as the establishment of the Hub ensured that procurements continued even though Government priorities had shifted, and resources had been diverted.
Canada

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

Given the extremely high global demand for COVID-19 related goods, there are many risks and challenges associated with procurement of these supplies. This situation is further complicated by export restrictions on personnel protective equipment (PPE) and other goods.

Contract negotiations have also evolved rapidly, with a number of terms being requested by suppliers that do not come up in the normal course of business.

We have had challenges with respect to quality of goods for both N95 respirators and with test swabs. In both cases we took immediate action including suspending orders with certain manufacturers, and working closely with others to ensure that production issues are identified and corrected as soon as possible.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

The Government of Canada is collaborating with provinces and territories on an ongoing basis to identify their needs and purchase required equipment, supplies and services to combat COVID-19. This includes:

1. Ordering in bulk on behalf of provinces and territories;
2. Supplementing those orders by purchasing everything immediately available that meets requirements; and
3. Ramping up domestic manufacturing capacity, through the Plan to Mobilize Industry to fight COVID-19, being led by Innovation, Science and Economic Development Canada.
This is over and above efforts provinces and territories are taking to secure their own supply. At the outset of the pandemic, the Government of Canada created a COVID-19 Supply Council which brings together a diverse group of leaders to provide the government with advice on the procurement of critical goods and services to fight the pandemic. The Government of Canada also posted a call to action to suppliers on the Government of Canada’s Buy and Sell webpage to find out what goods and services they could provide to support Canada’s response to COVID-19. Public Services and Procurement Canada (PSPC) received more than 26,000 submissions.

As part of its overall procurement strategy, the Government of Canada established a diversified roster of suppliers to help mitigate the risks posed by intense global competition and constrained supply chains. Across the various products purchased, contracts have been established with multiple providers, both domestic and international, to help establish reliable sources of critical goods. Having diverse supply chains operating simultaneously has been instrumental in Canada’s response to the COVID-19 pandemic.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO.

3.1 If yes, what type of enterprises does your government collect data on?

N/A

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises
3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

PSPC’s Office of Small and Medium Enterprises (OSME) did adopt additional measures to support the participation of MSMEs in response to the pandemic, such as:

- Expanded OSME’s InfoLine from 2 agents to 40, by training and coordinating temporary resources from other areas of PSPC to handle influx of incoming inquiries from suppliers who were new to federal procurement.
- Created a callback request form to provide businesses new to procurement with another means of requesting assistance, since the OSME teams were often overloaded with requests in real-time.
- Analysed the inquiries to the InfoLine and produced or revised web content for PSPC’s BuyAndSell.gc.ca portal for suppliers to address questions and enable self-service in near real-time.
- Created a new seminar to assist the new suppliers responding to the call who had no previous experience with federal procurement: “Supplying Essential Goods and Services to the Government of Canada during COVID-19”; this later became “Finding Opportunities and Supplying Goods and Services to the Government of Canada during COVID-19”.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Nil.
Chile

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

In the case of Chile, the Public Procurement Bureau, ChileCompra, is responsible to manage the transactional platform www.mercadopublico.cl through which 850 organizations, Ministries, services, hospitals, municipalities, universities, and the Armed Forces carry out their purchases by autonomously manner.

To find out the specific difficulties in pandemic acquisitions, it is necessary to turn to the public entities that are making such purchases of goods and services relative with the pandemic emergency, because each entity that makes its purchases autonomously through our electronic platform.

Nevertheless, our purchasing system has been a useful tool to address the contingency, not only for the agencies have been able to make their purchases of goods and services of properly manner and on time, but also, of transparent way and taken to account with accountability of public funds regarding the tender processes carried out in the pandemic situation. In this context of sanitary emergency, we have placed a greater focus on transparency and knowing what is happening with the public procurement processes, supported by the technology as the main component.

Chilecompra has implemented control panels on the website, with public information regarding public procurement data related to the pandemic, identifying buyers and suppliers and the detail regarding the type of contracting, the product purchased and the amounts involve. This information is in www.chilecompra.cl, and every people can download the information as open data format: [https://app.powerbi.com/view?r=eyJrIjoiNmU2NzBkNzUtYmM1Mi00NGVmLTljYWQtNTIxNTlhMTQ4ZjQ5IiwidCI6ImIwMGQ1ZjQ5LTk4YWMtNGJjNS1hMmM5LWNhZmRmNzEyMTZmMCIsImMiOjR9](https://app.powerbi.com/view?r=eyJrIjoiNmU2NzBkNzUtYmM1Mi00NGVmLTljYWQtNTIxNTlhMTQ4ZjQ5IiwidCI6ImIwMGQ1ZjQ5LTk4YWMtNGJjNS1hMmM5LWNhZmRmNzEyMTZmMCIsImMiOjR9).

We have also strengthened our networking with the Budget Bureau, the Ministry of Health, the General Comptroller’s Bureau, the General Audit Council, and the Undersecretary of
Regional Development, incorporating new alerts, Red Flags, proposed by OCDS for these contingency issues; and also advising and supporting strategic services to improve the quality of the purchasing processes and that, finally, the information is available to the public by the website.

Not only the information has to be available, but the processes also must be well done, and that is something that ChileCompra constantly reinforce. For this reason, ChileCompra has worked to strengthen the capacities of suppliers and users through training, and through the permanent guidelines for public suppliers to carry out the procurement processes.

We have issued directives associated with the COVID19 contingency with recommendations to optimize purchasing processes. For example, Directive No. 34 relative to recommendations on public procurement for suppliers due to the COVID 19 pandemic and Directive No. 36 with recommendations for using of limited tendering and that allow monitoring and traceability (https://www.chilecompra.cl/category/centro-de-documentacion/normativa/directivas-de-compra/).

Finally, with the purpose to give more transparency and open the market for a greater participation of small companies, the fast-track procurement called “Compra Ágil” in Spanish, is a tool was launched in April 2020, which provide more transparency and participation for Micro, Small and Medium-sized companies in purchases of smaller amounts. This new purchase method is detailed in question 3.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

ChileCompra has been Coordination actions between the public services in order to facilitate the public procurement, for example, the interoperability for the payment process with the State financial system, the Management of Contracts and Contractual Behavior by a digitalization of online processes to facilitate the management and promote the transparency of contractual processes.
For greater efficiency, ChileCompra carry out coordinated procurement, by the demand aggregation, permit take advantage of economies of scale and obtain better prices for the Government, which can redirect these expenses and make better use of public resources. These can be mandated (one or more services are brought together so that ChileCompra makes a purchase by mandate in a manner) or jointly coordinated (aggregation of demand between 2 or more services).

In particular, ChileCompra has carried out five processes of coordinated procurement regarding to elements for Personal Protection, such as, masks, gloves, alcohol gel, disposable gowns and face shields, supply of basic health supplies, and medical devices for Chile’s Hospital Network in a period of pandemic.

The completed processes have permitted the State to obtain significant savings, over 8,250 million pesos, that is, 39% savings compared to the total budget. Currently, a new notice of Coordinated Purchasing with the mandate for the Acquisition of Supply of basic supplies, personal protection elements and medical devices is currently in the publication stage, ID 1122317-9-LR21, to supply the Hospital Network during the second semester of this year for an estimated amount of 35,163 million pesos.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?

☒ Micro enterprises
☒ Small enterprises
☒ Medium enterprises
3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

Regarding the amount of procurement (purchase orders), the proportion of purchases from MSMEs has had a small increase, it went from 65% in 2019 to 69% in 2020. Regarding the amounts traded, the proportion for MSMEs have remained within the usual values of the last 10 years, being 55% in 2019 and 59% in 2020.

In the first 3 months of 2021, there is no change in behavior compared to what happened in 2021.

Finally, under the context of the COVID-19 pandemic, there has not been a decrease in the proportion of acquisitions awarded to MSMEs.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

In April 2020, the procurement modality called “Compra Ágil” was implemented, focused on MSMEs, for all public procurement of below 1.5 million pesos. It was launched in the context of the Emergency Economic Plan associated with the coronavirus, with the aim of opening the market for purchases under 30 UTM or “Unidades Tributarias Mensuales” (about 2,000 USD) and that represent 80% of public procurement under the platform: www.mercadopublico.cl.

This tool seeks to give greater transparency and traceability to a large percentage of purchase orders. Also, this tool permit conducts the entire quotation and adjudication process completely online and establish that the quotations submitted by suppliers are available by electronic means. One year after its implementation, more than 147 million dollars, with 192,605 purchase orders and where 80% of the amounts represent MSME participation, equivalent to more than 116 million dollars.
5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

The Executive submitted a bill to Congress that seeks to strengthen the role of ChileCompra by providing more attributions and allowing it to have procurement mechanisms that respond to emergency situations.

In addition, this bill highlights the permanent role of ChileCompra as permanent coordinator with public entities and with trade associations and civil society agencies, establishing relevant coordination in matters of recommendations for the Pandemic.

Among the recommendations given to public entities highlight the directed oriented to improve the quality of the data, in order to maintain a better traceability in terms of the comparison of products acquired in the public procurement system.
China

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

   1. Due to the surge of COVID-19 pandemic, the price of epidemic prevention materials has risen greatly, and the procurement cost has increased accordingly;

   2. Due to the prevention and control of the epidemic, procurement agencies were unable to carry out or continue to conduct face-to-face procurement activities within the specified time, and as procurement stalled.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

   1. Chinese government establishes a "Green channel" for epidemic prevention and control procurement. The Ministry of Finance of China issued the "Notice on Facilitation of Procurement for Epidemic Prevention and Control", clarifying that public agencies, institutions, and organizations at all levels, if they meet the primary goal of epidemic prevention and control, when they organize the procurement of goods, projects and services related to epidemic prevention and control, may NOT implement the methods and procedures prescribed by the Law of Procurement of China.

   2. The Chinese government issued the "Notice on Issues Related to Government Procurement Activities During the Period of Epidemic Prevention and Control" to promote the electronicization of procurement projects. Where conditions permit, purchase documents and bidding documents can be submitted online, and processes such as electronic bid opening and electronic review can be implemented online as well. The Chinese government has also set up a special website to publish information on procurement requirements for epidemic prevention and control and supplier supply information to promote the docking of supply and demand.
3. The Chinese government issued the "Notice on Supporting the Production and Supply of Medical Supplies Required for the Prevention and Control of the COVID-19 Epidemic in Supporting the Resumption of Work and Production of Enterprises", prioritizing the direct purchase of goods, projects and related products for the prevention and control of the epidemic from the enterprises that resumed work and production.

4. On the Chinese government's procurement of agricultural products in poverty-stricken areas, an online sales platform for agricultural and sideline products has been opened to support the sale of unsalable agricultural products in epidemic-stricken areas.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?

[no response provided]

☐ Micro enterprises
☐ Small enterprises
☒ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

The relevant data for 2020 is still under statistics, and the relevant situation will be presented later.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.
The Chinese government issued the "Administrative Measures on Government Procurement to Promote the Development of Small and Medium-Sized Enterprises (SMEs)", which in principle encourages government budgetary units to reserve items, below a certain amount, to small, medium, and micro enterprises, and encourages large enterprises to form consortia or subcontracting with small, medium, and micro enterprises. Small, medium, and micro enterprises will be able to take part in the share of government procurement contracts to support the development of business.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Nil.
Hong Kong, China

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

In the fight against the spread of the virus, the Government needs to procure and supply anti-epidemic items (AEIs) to meet operational needs in the provision of public services. Hence, it is important to ensure an adequate stock of AEIs as part of our anti-epidemic efforts. With the surge of global demand, prices of AEIs generally increased substantially. In some cases, our government procurement agency was asked to confirm orders once offered and make upfront payment prior to delivery of goods. In some other cases, though orders had been confirmed, they were subsequently cancelled for various reasons.

For public works procurement, materials ordered from overseas have been affected. There are also cash flow difficulties and challenges to timely completion of projects by contractors arising from the COVID-19 pandemic.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

The Government had adopted a multi-pronged approach in the procurement of AEIs including arranging direct purchases and stepping up efforts in sourcing AEIs from different markets.

To facilitate contractors’ cash flow in public works contracts, with effective from early 2020, the Government has:

1. Provided advance payment to contractors (a maximum of 2%-5% of the value of works capped at HK$10 million or HK$30 million depending on the nature of works and type of contracts), and this interim measure is subject to review in 2022; and
2. Expedited processing payment application (within 21 calendar days) by the procuring departments of the Government.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO.

3.1 If yes, what type of enterprises does your government collect data on?

N/A

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

All new suppliers who had supplied AEIs during the COVID-19 pandemic were invited to be enlisted in the Government’s supplier list so that they would be invited to participate in future procurement of the same/similar goods.

For public works procurement, there are interim measures from October 2020 to September 2022 (subject to review) to support small and medium-sized contractors by
broadening the span of groups of contractors to be invited to tender, including:

1. Inviting lower group contractors to submit tenders for a higher group of public works contracts with pre-tender estimate marginally exceeding the tender limit set for the lower group contractors; and

2. Splitting specialist works from the main works and inviting separate contract(s) for the specialist works with due regard to project-specific technical requirements.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

To encourage competition and minimize entry barriers particularly for start-ups and MSMEs, since April 2019, the Government’s procurement policy requires that, as a general rule, tenderer’s experience should not be set as an essential requirement in non-works tenders. In addition, to avoid placing start-ups and MSMEs in an unduly disadvantageous position, the Government’s procurement policy also requires that tenderers’ experience should generally account for no more than 15% of the total technical marks in the marking schemes.
Indonesia

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

Provisions on government procurement (GP) related to COVID-19 handling have been established to accelerate the procurement processes through simplification as the pandemic affects public safety. Due to that reason, in general, it is important to make sure that goods/services needed to handle the pandemic handling are those categorized as emergency procurement (cannot be postponed and should be immediately conducted). If goods/services are outside such categories, procurement provisions to be used are those with normal procedures. Several challenges regarding procuring goods/services during the COVID-19 pandemic as follows:

1. There is still a problem of accuracy of goods/services needed from government institutions (needs identification), including what goods/services to buy, their quantities, time of delivery, etc;

2. There is potential risk from contracting officers’ side since there is a possibility to give payment in advance (up to 100%) when purchasing goods/services related to COVID-19 handling. Therefore, contracting officers need to identify and validate suppliers’ profiles beforehand and to ensure that the existing budget is available;

3. During the early period of COVID-19 in Indonesia, government institutions experienced scarcity/shortage of essential goods/services in tackling COVID-19, not to mention unstable prices in the market. For that reason, accuracy to determine capable suppliers is required, as well as to fasten procurement process. Another case during the period was the mismatch of goods received by hospitals as a result of a limited database for medical equipment availability (e.g., item of goods and their volume);

4. Difficulties in renovating hospitals and constructing buildings for COVID-19 patients/suspects due to the reluctance of construction suppliers for doing such works. One of which reason is the time limitation to complete the works;
5. Medical products are difficult to obtain because suppliers with marketing authorization are very limited. Marketing authorization for medical products in Indonesia needs some procedures to be passed.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

New strategies and policies are introduced to respond to the COVID-19 pandemic, including in the context of government procurement. The Government of Indonesia, through the National Public Procurement Agency (NPPA), has issued several policies during the pandemic situation, such as:

1. Chairman of NPPA Circular Letter Number 3 of 2020 regarding Implementation of GP in Handling COVID-19. This regulation stipulates the acceleration of procurement processes (Emergency Procurement) which, of course, without determining the principles of procurement (effective, efficient, accountable). Procuring entities can appoint suppliers to purchase medicine and medical equipment as well as health-related goods for handling COVID-19. These suppliers can be those that have provided similar goods or those which are e-catalogue suppliers. Procuring entities will be assisted by auditors after the payment to ensure whether the price is reasonable;

2. Chairman of NPPA Circular Letter Number 4 of 2020 regarding New Verification of Qualification and Negotiation Mechanism during the COVID-19 pandemic. This regulation stipulates online procedures for proof of qualification/clarification as well as negotiation in the selection of suppliers stage. For those that should be conducted in person, procuring entities and invited bidders shall apply health protocols;

stipulates that all procurement packages (Emergency Procurement) to be recorded in the electronic procurement system along with Minutes of Handover and Minutes of Price Calculation;

4. Chairman of NPPA and Minister of Home Affairs Joint Circular Letter regarding Further Explanation on Procurement of Goods/Services Contracts toward the Adjustment of Local Government Budget (APBD) as a Result of a Public Health Emergency during Corona Virus Disease 2019 (COVID-19) Outbreak That Declared as National Disaster. Local Governments shall prioritize the use of budget allocations and/or the revised reallocations budget of 2020 to the COVID-19 handling and/or facing threats to the economy. In the case local governments will not be able to pay in the year of 2020 as a result of liquidity difficulties, it will be counted as debt to the second Party (suppliers) and will be allocated in the next-year budget based on applied law and regulation.

Aside from regulations as mentioned above, health-related goods (ventilators) are also available in the government e-catalogue system. Such goods are developed and produced by local suppliers in order to fulfil the needs of ventilators during the COVID-19 pandemic.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?

☐ Micro enterprises
☒ Small enterprises
☐ Medium enterprises
3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

Firstly, it is important to note that NPPA does collect the data on Micro and Small Enterprises which participate in open tender, however, we only have combined data of those two in our database at the moment.

In 2020, the share of government procurement awarded to Micro and Small Enterprises was approximately 17% of total value of goods/services packages if we compare to 2019, although this share increased by value, yet it actually decreased by around 9%. Nevertheless, the decline of the share needs to be further thoroughly analyzed through some research in order to understand to what extent the COVID-19 pandemic contributes to this matter.

Note:*conducted through e-tendering based on the value of tender results

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

In 2020, during the COVID-19 pandemic, NPPA issued two policies to support Micro and Small Businesses, namely:

1. Chairman of NPPA Circular Letter Number 18 of 2020 about Electronic Direct Procurement for Micro and Small Businesses for packages worth up to IDR 200 million (goods, construction, other services) and up to IDR 100 million (consulting services);

2. Chairman of NPPA Circular Letter Number 21 of 2020 about Direct Procurement for Micro and Small Business through “Bela Pengadaan”. Bela Pengadaan is a platform of government procurement transactions developed by NPPA (cooperation with some marketplace) for procurement value up to IDR 50 million. “Bela Pengadaan” is a program to support the Micro and Small Business Go Digital Program and Bangga Buatan Indonesia (National Program) through the process of direct procurement conducted by the central and local governments;
3. Products of MSMEs to be available in e-catalogue.

4. Presidential Regulation Number 12 of 2021, a revision of Presidential Regulation Number 16 of 2018 about Government Procurement. The revision was a response to the new Law “UU Cipta Kerja” (Job Creation Law) which was promulgated in November 2020. There are some provisions regarding MSMEs in the new government procurement regulation, as follows:

- Use of products of Micro and Small Enterprises and Cooperatives from domestic production in the preparation of Technical Specifications/Term of References;
- Ministries/Institutions/Local Governments are required to allocate at least 40% of the budget value for government procurement of Ministries/Institutions/Local Government;
- Value of the package for procurement of goods/construction work/other services with value up to IDR 15,000,000,000 is allocated for small businesses and/or cooperatives;
- The ceiling value of the procurement budget is exempted for work packages that require technical capabilities that cannot be met by small businesses and cooperatives;
- The Ministry of Cooperatives and SMEs and Local Governments expanded the participation of small businesses and cooperatives by including goods/services produced by small businesses in an electronic catalog;
- Non-small business providers or cooperatives should involve small businesses and/or cooperatives in the form of partnerships, subcontracts, or other forms of cooperation, if there are capable small businesses or cooperatives to provide goods/services.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

1. PaDi (Digital Market) UMKM (https://padiumkm.id/) PaDi UMKM or Digital Market for Micro, Small and Medium Enterprises is a digital platform initiated by the Ministry of SOEs in order to facilitate MSMEs promote their products to SOEs in
Indonesia as well as a tool for SOEs to purchase products from MSMEs;

2. E-Order of the Regional Government of DKI Jakarta E-Order DKI Jakarta is an online marketplace for Micro and Small Enterprises in the DKI Jakarta Province (procurement value up to IDR 50 million). This facilitates MSEs to promote their goods/services and the DKI Jakarta Government to purchase MSEs goods/services.

**Japan**

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

COVID-19 pandemic have adversely affected the construction and delivery dates in government procurement.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

N/A.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

**NO.**

3.1. If yes, what type of enterprises does your government collect data on?

N/A
☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2. If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

Based on the “Act on Ensuring the Receipt of Orders from the Government and Other Public Agencies by Small and Medium-sized Enterprise”, the government of Japan formulates a basic policy on contracts by government with SMEs, every year. In accordance with it, each ministry draws up a contract policy every year in order to increase opportunities for MSMEs to receive orders for general procurement.

In the basic policy formulated in 2020, the government decided to take new measures as a response to the COVID-19 pandemic, such as setting appropriate prices based on the current market price and the flexible response to the construction period and the deadline. The basic policy also stipulates to consider those measures to increase procurement opportunities for MSMEs.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Nil.
Korea

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

Because of the COVID-19, Korea sometimes had to procure certain goods and services quickly. However, the current law generally requires the use of bidding process before deciding on whom the government will enter into a contract with, which can take up to 40 days. There is an exception to this general rule, but the exception is pretty narrow. This made us to consider how to speed up the procurement process.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

For a more efficient and speedy process, Korea came up with several measures. The most important ones are as follows;

1. Korea increased the amount the contract price has to be under, to enter into a negotiated contract. This way, the bidding process could be more easily skipped;

2. Korea allowed the bidding process to be shortened to 5 days. This speeded up the process significantly, and Korean government was able to procure more easily goods and services necessary to fight the spread of COVID-19.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

Nil.
3.1 If yes, what type of enterprises does your government collect data on?
N/A

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?
N/A

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

Nil.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Nil.
1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

As is public knowledge, in Mexico as with the rest of the world, the health crisis caused by COVID-19 meant significant challenges to ensure the timely supply of the goods and services necessary to face this disease.

The above indicated, was described in the agreement that established extraordinary actions for the acquisition and importation of goods and services to combat the SARS-CoV2 virus (COVID-19), published in the Official Gazette of Mexico on March 27, 2020, which within the considerations for its issuance provided:

That within the extraordinary actions are among others, acquiring all kinds of goods and services, domestically or internationally, among which are, medical equipment, diagnostic agents, surgical and healing material and hygienic products, as well as all types of merchandise and objects that are necessary to face the contingency, without the need to carry out the public bidding procedure, for the quantities or concepts necessary to face it.

That derived from the pandemic of the SARS-CoV2 virus (COVID-19), at the international level there is an over demand for various goods, services and supplies to provide care for patients infected by said virus, generating shortages and increasing prices of them, so it is necessary to take flexible measures in the procedures for their acquisition and importation, in order to guarantee that such equipment is available for the health care of the affected population, and

That in such circumstances, the Government of Mexico urgently needs to have the material and human resources to provide the population with the health services provided by the State, making it necessary to streamline and simplify procurement procedures and make advance payments to providers of these inputs to guarantee their supply.
2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Faced with the health emergency derived from the pandemic generated by COVID-19, various medical equipment was acquired, both in the Law on Acquisitions, Leases and Services of the Public Sector, and in the Decree declaring extraordinary actions in the affected regions of the entire territory in matters of general health to combat the serious disease of priority attention generated by the SARS-CoV2 virus (COVID-19), published in the Official Gazette of the Federation (DOF) on March 27 of 2020 and the Agreement establishing extraordinary actions that must be carried out for the acquisition and importation of the goods and services referred to in sections II and III of the second article of the Decree by which extraordinary actions are declared in the affected regions throughout the territory in matters of general health to combat the serious disease of priority attention generated by the SARS virus-CoV2 (COVID-19), published in the DOF on April 3, 2020.

In this context, and attention to the health emergency due to COVID-19, and as a facilitating measure in matters of public contracting, the Public Procurement Regulations Unit issued the "Normative Interpretation Criterion TU 03/2020, for the use of media electronic, optical or any other technology in the execution of public acts and institutional meetings in the matter of acquisitions and leases of movable property, provision of services of any nature, public works and services related thereto ".

In which, guidelines are established that must be observed throughout the Federal Public Administration, which carry out contracting procedures under the provisions of the Law of Acquisitions, Leases and Services of the Public Sector, the Law of Public Works and Services Related to the Same , its Regulations, and other applicable provisions, among which are, the use of electronic, optical or any other technology that they have to carry out and attend acts and meetings derived from the contracting procedures.
3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?

☑ Micro enterprises
☑ Small enterprises
☑ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

Regarding the percentage of awards of goods and services to MSMEs under the Law of Acquisitions, Leases and Services of the Public Sector, it remained stable comparing data from 2018, 2019 and 2020 from CompraNet. In the case of contracts made under the Public Works and Related Services Law, the percentage of awards to MSMEs in 2020 was decreased compared to 2018 and 2019 according to data published by CompraNet, although the percentage decrease observed between 2019 and 2020 were not related to a decrease in the amount contracted to MSMEs, but to an increase in the total amount contracted in the Public Works category.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

No additional measures were taken during the Covid-19 pandemic to support the hiring of MSMEs, the ordinary scheme for this purpose was maintained.
5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

N/A
New Zealand

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

There were certain goods and services that were disrupted, or supply was more difficult to secure due to global demand. An example of a new obstacle was the procurement of essential health materials, such as personal protective equipment and hand sanitizer required by government and essential workforces. Normally, New Zealand has a devolved procurement model, where agencies are wholly responsible for their own procurements. For these materials, a government wide approach was instituted centrally to secure materials and then prioritize and target their supply to reach the right areas of need as well as to ensure their efficient movement into and around New Zealand so that organizations did not fail. The effective movement of these materials was particularly impacted by the strict lockdown measures implemented at certain times.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

The Ministry for Business, Innovation and Employment provided guidance to support government agencies to respond to the impacts of COVID-19 and lockdown measures on procurement activity, including:

1. Developing advice and guidance on emergency procurement to support agencies with rapid responses to urgent procurement needs;

2. Providing advice and guidance to agencies, suppliers and other stakeholders on sourcing and contract management issues, for example options to consider if a contract has come to term, how to manage non-urgent procurement activities, and encouraging agencies to show leniency in contract management for example, if a supplier is unable to deliver due to the lockdown;
3. Developing guidance for construction projects that will help agencies form consistent commercial positions and support the construction and infrastructure sector;

4. Confirming requirements on government agencies to pay invoices promptly to improve cash flow and support business sustainability.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO. Not in a systemic or consolidated way.

3.1 If yes, what type of enterprises does your government collect data on?

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

New Zealand does not have preferential treatment policies for MSMEs and did not institute
any during the pandemic.

New Zealand has measures in its government procurement regulatory framework to ensure prompt payment of invoices, which is of significant importance and benefit to MSMEs that participate in government procurement throughout the supply chain. During the pandemic, the Ministry for Business, Innovation and Employment (MBIE) issued guidance and confirmed requirements for government agencies to adhere to these standards to boost cash flow and support business sustainability for MSMEs.

In addition, MBIE issued guidance to encourage agencies to show leniency in contract management, i.e. if their supply was impacted by the pandemic and lockdowns and to consider deferral of non-urgent procurement to allow suppliers to focus on existing contracts and prioritizing and managing their business operations.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

During a period of strict lockdowns, the Government announced an infrastructure and construction program to fund ‘shovel ready’ projects that would be ready to start as soon as the construction industry was able to return to normal to reduce the economic impact of the COVID-19 pandemic.

To stimulate the economy and create jobs, the Government established a $3 billion infrastructure fund (COVID Response and Recovery Fund) to be allocated across regions. The pipeline of projects for investment included, at a high level, about $210 million for climate resilience and flood protection projects, $155 million for transformative energy projects, about $180 million for large-scale construction projects and $50 million for enhanced regional digital connectivity. Many of these investment projects will entail subsequent procurement processes.
1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

Due to the pandemic of COVID-19, the state of emergency declared by the government and the quarantine declared in Peru, the following problems and needs were identified:

1. There was an increase of the demand for essential goods (food, medicines, personal care products, among others), that generated its shortage;

2. There was an increase of the demand of hospital care services and access to health facilities in order to attend the large number of patients infected with COVID-19;

3. The demand of personal health protection equipment (PPE) was increased;

4. The majority of economic activities were suspended due to quarantine;

In this sense, government procurement was affected in the following aspects:

- It was necessary to suspend tendering procedures and the execution of contracts, as long as the security protocols for controlling and preventing the expansion of the pandemic were implemented;

- Although the procurement for essential goods and services to fight against the pandemic was guaranteed, many procuring entities didn’t have the capacity, or resources to carry on emergency procurements, which caused their delay;

- There was a lack of approved standards for the designing and establishment of the technical requirements related to health protection equipment (PPE), and medical devices;

- Suppliers’ offer of goods and services was not enough to attend the demand of essential/basic goods of procuring entities;
Logistic and operative constrains related to the suppliers and the supply chain for providing essential services as a consequence of mandatory immobilization, which affected the timing and quality of the procurements;

Quarantine and suspension of procurements processes caused the increase of additional services required in the contracts, longer time periods in the contract’s execution stage, termination of contracts, additional payments, among other issues.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Peru implemented several measures and issued policies with the aim to reactivate the economy and gradually restart economic activities, such as:

1. Supreme Decree N° 080-2020-PCM, approved the restart of economic activities in the context of the Health Emergency, through a strategy of 4 phases, initiating the first phase with the publication of the referred Supreme Decree for the following economic activities: i) Mining and industry; ii) Works; iii) Services and tourism; iv) Commercial activities;

2. Executive Power, through Urgency Decrees, implemented measures to promote the participation and development of Small and Micro enterprises in business, such as Urgency Decree N° 070-2020, for economic reactivation of the economy through the development of public investment and current spending;

3. Ministry of Economy and Finance (MEF) issued the Directorate Resolution N° 006-2020-EF/54.10, that allowed the restart of the time periods for government procurement processes, according to the National Procurement Law and other procurement regimes;
4. Moreover, MEF issued Supreme Decree N° 103-2020-EF, establishing new time periods and specific procedures for the restart of tendering processes, indicating that the technical specifications shall be adapted according to sanitary protocols, if necessary. Also, it was included the possibility to establish contract amendments that support suppliers, such as advanced payments that were not considered in the original contracts;

5. Regarding the reactivation of works and their corresponding supervision contracts, under the general regime of government procurement, Supervising Agency of Government Procurement (OSCE) issued the Directive N° 005-2020-OSCE/CD. Additionally, OSCE has established the following instruments:

- Guide for the use of limited tendering procedures under emergency circumstances, which offers a practical orientation, through questions and answers, regarding different issues that may arise when using limited tendering procedures. [https://www.gob.pe/institucion/osce/campa%C3%B1as/1181-consulta-la-guia-de-contratacion-directa-bajo-situacion-de-emergencia](https://www.gob.pe/institucion/osce/campa%C3%B1as/1181-consulta-la-guia-de-contratacion-directa-bajo-situacion-de-emergencia);

- Browser of limited tendering procedures to attend the sanitary emergency produced by COVID-19, in order to improve transparency in those procuring processes. [https://portal.osce.gob.pe/osce/conosce/covid19.html](https://portal.osce.gob.pe/osce/conosce/covid19.html);

6. Through Urgency Decrees, the procurement of goods and services to attend the sanitary emergency caused by COVID-19 was commissioned to particular procuring entities with better logistic and operative capacity on behalf of the Ministry of Health, in order to carry out procurements for the implementation of temporary hospitals in some Regions of Peru such as: Piura, Lambayeque, La Libertad, Loreto, Ancash, Lima, Arequipa and Cajamarca.

It is important to mention that the abovementioned Urgency Decrees allowed procuring entities to use simplified procedures in public procurement when invoking limited tendering under emergency situations.
3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?

☐ Micro enterprises
☐ Small enterprises
☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

COVID-19 pandemic affected government procurement in general, which involves a low percentage of government procurement awarded to MSMEs and less participation of those enterprises. For further details: https://portal.osce.gob.pe/osce/conosce/participacion-mype.html

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

In order to contribute to the economic reactivation of Peru, some government procurement measures to promote the participation of MSMEs were adopted:

1. Procurement entities updated each of its Homologation Plan, prioritizing the homologation of goods and services when a greater participation of Micro or Small enterprises was expected. Also, PERÚ COMPRAS (the central entity of government procurement), in coordination with Ministry of Production, inform procuring entities concerning procurement opportunities for SMEs in relevant sectors;
2. Moreover, it was stated that each Ministry should send to PERÚ COMPRAS their Homologation Plan updated within 10 working days from the date of the notification on relevant sectors, where SMEs may have comparative advantages in order to provide goods and services;

3. Finally, articles 49 and 50 of the Regulation of the Public Procurement Law were modified in order to establish the following rules:

   - In low amount procurement processes for goods and services, it is established that procurement entities could not require an experience more than 25% of the estimated value to bidders that certify its condition of Micro and Small enterprises, or consortiums formed by such enterprises;

   - In low amount procurement processes, it is provided that bidders under the condition of Micro and Small enterprise and consortiums formed by such enterprises, could apply to obtain an extra of 5% over the total score of tender qualification.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

   - Homologation sheets for the procurement of goods and services have been approved and electronic catalogues that speed up the procurement processes with suppliers in which MSMEs have a meaningful participation have been implemented;

   - PERU COMPRAS has been promoting the Homologation of health protection equipment (as masks) in order to facilitate the production, commercialization and distribution of these goods to face the pandemic.
The Philippines

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

The Philippine government encountered the following obstacles in the procurement of goods and services because of the COVID-19 pandemic:

1. Restrictions in movement and shift to skeleton workforce in different government agencies, as an effect of the pandemic, caused delay in the processing, filing, and submission of documentary requirements for government procurement;

2. Issuance of Business or Mayor's Permit by local government units have been stalled or delayed during the imposition of Enhanced Community Quarantine (ECQ) or lockdowns, including partial closure in local government units;

3. Difficulties among suppliers, manufacturers, distributors, contractors, and consultants to have their oaths administered by the notary public or other authorities given the ECQ;

4. Limitations on the amount of advance payment allowed by auditing rules vis-a-vis the procurement of medical supplies and personal protective equipment (PPE) during the ECQ as suppliers tend to prioritize buyers who are willing to make partial or full payment upon placing their orders;

5. Limited business activities and movement of goods and supplies caused suppliers and manufacturers of medical equipment and PPEs to request for a higher amount of advance payment as mobilization fund;

6. Increased risk for abuses and corruption in the procurement process; and

7. Increased number of requests for clarification on different procurement matters received by the Government Procurement Policy Board (GPPB) and its Technical Support Office (TSO) from stakeholders of government procurement.
2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Yes, to address the obstacles brought about by the COVID-19 pandemic, the Philippine government applied the following issuances to address issues on (i) transparency and accountability for emergency procurement; (ii) bids and other procurement notices; (iii) procurement procedures, including digital tools; (iv) points awarded to specific groups (specially, underrepresented) during bid evaluation; and (v) contact and interaction with suppliers: Based on Philippine laws newly enacted to address COVID-19:

1. GPPB Resolution No. 06-2020 increased the allowable amount of advance payment and issuance of a GPPB Circular No. 1-2020 on the Guidelines for Emergency Procurement under Republic Act (RA) No. 11469 or the Bayanihan to Heal as One Act;

2. GPPB Resolution No. 18-2020 approved the rules on the conduct of procurement activities under RA No. 11494 or the Bayanihan to Recover as One Act;

3. GPPB Resolution No. 19-2020 approved the rules in the conduct of procurement for goods with application of domestic preference covered under RA No. 11494 or the Bayanihan to Recover as One Act. Other issuances;

4. GPPB Resolution No. 03-2020 on the Adoption of Efficient, Effective, and Expedient Procurement Procedures during a State of Public Health Emergency, simplifying the rules on Negotiated Procurement (Emergency Case) during a State of Calamity and;

5. GPPB Resolution No. 04-2020 allowed procuring entities to submit reportorial requirements to give them additional time to consolidate their procurement date when the government agencies have normalized their operations;

6. GPPB Resolution No. 05-2020 and GPPB-TSO Non-Policy Matter Opinion (NPM) No.03-2020 allowed the submission of the recently expired Mayor’s or Business Permit and the Official Receipt as proof of application and payment for the renewal
of the permit and an unnotarized Omnibus Sworn Statement (OSS) subject to submission of the Mayor’s Permit and notarized OSS after award of contract;

7. GPPB Resolution No. 09-2020 approved measures for the efficient conduct of procurement activities during a State of Calamity or implementation of community quarantine or similar restrictions;

8. GPPB Resolution No. 11-2020 approved the electronic submission of Annual Procurement Plans, Procurement Monitoring Reports, and Agency Procurement Compliance and Performance Indicator Results, and Posting and Extension of Deadline for Submission of Annual Procurement Plans and Procurement Monitoring Reports;

9. GPPB Resolution No. 12-2020 approved the prescribed form of the Certification required for the conduct of electronic submission and receipt of bids by the procuring entities;

10. GPPB Resolution No. 14-2020 approved the implementation of the Online Blacklisting Portal to transition to the new standard operations in the government such as online and digital forms of communications, alternative work arrangements, and similar physical distancing measures due to the COVID-19 pandemic;

11. GPPB Resolution No. 01-2021 approved the issuance of a letter to the Inter-Agency Task Force (IATF) for the Management or Emerging Infectious Diseases and to the COVID-19 Vaccine Cluster Asking Clarifications on the Procurement of COVID-19 Vaccines involving the following matters: (1) the procurement modality adopted by the National Task Force Against COVID-19 (NTF) in the preparatory activities and negotiations in the procurement of vaccines; (2) related procurement activities necessary in the proper implementation of the Vaccination Plan; and (3) guidance on the authority for the advance payment required in the tripartite agreement between LGUs with the NTF and AstraZeneca considering that Section 88(1) of Presidential Decree No. 1445 or the Government Auditing Code of the Philippines has prohibited advance payments on government contracts except those with prior approval of the President;
12. GPPB Resolution No. 02-2021 approved the issuance of a resolution seeking clarifications on the intended role of the Procurement Service – Department of Budget and Management in the implementation of the Philippine National Deployment and Vaccination Plan for COVID-19 Vaccine in relation to the Request of the Department of Health to Include COVID-19 Vaccines in the list of common-use supplies and equipment and incorporate such clarifications to the letter to the IATF for the management of emerging infectious diseases and the COVID-19 Vaccine Cluster;

13. GPPB Resolution No. 04-2021 and GPPB Circular No. 01-2021 provided a user-friendly checklist that guides procuring entities on posting requirements under RA No. 9184 and associated issuances, and recently as required under Administrative Order No. (AO) 34, series of 2020;

14. GPPB Resolution 06-2021 approved the issuance of a circular on the guidelines for emergency procurement under RA No. 11525 o the COVID-19 Vaccination Program Act of 2021; Memorandum Order (MO) No. 48, s. 2020 increased the allowable amount of Advance Payment for Procurement Activities under the Bayanihan to Heal as One Act.

15. MO No. 51, s. 2021 granted authority to make Advance Payments for the procurement of COVID-19 Vaccines;

16. AO No. 34, s. 2020 directed strict compliance by all agencies and instrumentalities of the Executive Department with Transparency, Accountability, and Good Governance Policies and Measures in the Procurement Process.


[7] GPPB Resolution No. 09-2020, which can be accessed using this link: https://www.gppb.gov.ph/issuances/Resolutions/GPPB%20Resolution%20No.%2009-2020%20with%20SGD.pdf


[13] GPPB Resolution No. 01-2021, which can be accessed using this link: https://www.gppb.gov.ph/issuances/Resolutions/Resolution%20No.%2001-2021_Request%20for%20IATF%20Procurement%20Details.SGD.pdf

[14] GPPB Resolution No. 02-2021, which can be accessed using this link: https://www.gppb.gov.ph/issuances/Resolutions/Resolution%20No.%2002-2021_Clarifications%20on%20DOH%20Request%20for%20COVID-19%20Vaccines%20Inclusion%20in%20the%20List%20of%20CSE.SGD.pdf

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO.

3.1 If yes, what type of enterprises does your government collect data on?

N/A

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

Although there is no actual monitoring undertaken currently, RA No. 9501 or the Magna Carta for Micro, Small, and Medium-sized enterprises (MSMEs) provide for the monitoring of the compliance of government agencies with the required share of the total procurement value for MSMEs. Furthermore, relevant data may be requested from the Philippine Government Electronic Procurement System (PhilGEPS), the single portal mandated as the primary source of information on all government procurement.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

Under existing procurement, budgetary, and MSME laws in the Philippines, eligible MSEs shall be entitled to a share of at least ten percent (10%) of the total procurement value of goods and services supplied to the government, its bureaus, offices, and agencies annually. However, because of the COVID-19 pandemic, majority of the MSMEs are still temporarily closed or are operating at decreased capacity because of limited cash flow, shortages
related to transportation and logistics, and lack of financing capacity. These may have contributed to the drop in their participation in government procurement. Hence, the central government needs to encourage MSMEs to increase their participation in local procurement programs of central government agencies and local government units.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Whilst not strictly for MSMEs only, adoption of the rules on the conduct of procurement activities under RA No. 9184 (Bayanihan 2) ensures the effective implementation of the domestic preference rules as a support mechanism for local SMEs, in various sectors, and helps jumpstart the local economy in the procurement of COVID-19 related goods covered under the Bayanihan 2. The said adopted procurement rules dispensed the requirement of single largest completed contract for bidders claiming domestic preference considering that the items covered under the Bayanihan 2, if substantially grown, produced or manufactured in the Philippines as evidenced by a Domestic Bidders Certificate of Preference issued by the Department of Trade and Industry, would be new product offerings of the bidders in order to address the shortage of supplies during the COVID-19 pandemic.
Russia

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

A number of comprehensive measures were implemented in order to ensure that the procurement volume is not decreasing as well as to support the Russia’s contract system participants. These measures are aimed at providing necessary conditions, which minimize the negative impact on entrepreneurial activities.

The possibility of continuous procurement was provided during the non-business day due to the epidemiological situation because of the COVID-19 in the Russian Federation.

In addition, a number of amendments to Russian Federation legislation on procurement contract system were introduced and covered:

1. The possibility of the expeditious procurement from the sole supplier in order to provide necessary medical assistance as well as to prevent emergency situations;

2. The write-off of the contract penalties due to the spread of COVID-19 pandemic;

3. The possibility of changing the contract’s due date and (or) contract price and (or) the price of one unit or one service and (or) the size of the advance payment (if there is one), if there are some obstacles (due to COVID-19) which are not completely beyond the Parties’ control.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

See answer to the previous question.
3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

**YES.**

3.1 If yes, what type of enterprises does your government collect data on?

- Micro enterprises
- Small enterprises
- Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

The data for 2020 will be publicly available in the second half of 2021. Thus, we are not able to provide this information to date.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

The following measures were implemented in order to support micro, small and medium-sized enterprises in 2020:

1. The size of the procurement contract’s enforcement is set from the contract price, not from the initial (maximum) contract price (the contract, where only SMEs and SONOs (socially oriented non-profit enterprises) can be participants);

2. SMEs and SONOs are exempted from providing the contract enforcement on the confirmation of their executing previous contracts without penalty;

3. The requirements to provide procurement contract’s enforcement, obligations to
guarantee enforcement are not set in procurement from the SMEs and SONOs (unless the contract provides for the advance payment).

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

None.
Singapore

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

The COVID-19 pandemic has severely diminished global production capacities and disrupted global supply chains as economies take stringent measures such as restricting movement, shutting down businesses and factories to contain the outbreak. Restrictions on air travel considerably diminished global air cargo capacity and connectivity, while seaport capacities were increasingly put under pressure. As an open economy, the fluid global supply landscape has led to supply chain disruptions for Singapore during the early stages of the pandemic. Aside from increased costs, supplier concentration also posed a risk to our ability to secure essential goods and services.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Singapore’s Government Procurement framework calls for open sourcing via the Gebiz platform as the default approach. However, the use of limited tenders or direct contracting is permitted under specific conditions, such as to protect public health, or for reasons of national security. These practices are aligned with international standards laid out in the World Trade Organization’s Agreement on Government Procurement.

To address the rapidly evolving COVID-19 situation and avoid further worsening of the public health situation, government agencies had to obtain necessary goods and services as quickly as possible. While the default approach continues to be open sourcing, the urgency meant that in some cases, it was not practical to do so. For such instances, the procedures under Emergency Procurement allowed government agencies to directly contract with suppliers who have the necessary expertise and resources, instead of going through open sourcing. For example, as we needed to quickly source for and fit out premises to house at-risk persons, and also secure essential medical supplies, the agencies
concerned established direct contracts with the suppliers who were best able to meet the requirements within the shortest timeframe possible.

Regardless of the procurement approach taken, government agencies were required to ensure proper evaluation is done and necessary approvals were sought. In instances where direct contracting was used, government agencies were still expected to assess the reasonableness of quotes received by comparing against prevailing market benchmarks and taking into account the time constraints and world-wide market situation. As with all procurements, transactions conducted during this period are subject to audit and compliance reviews by relevant authorities.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO.

3.1 If yes, what type of enterprises does your government collect data on?

N/A

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A.
4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

N/A.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

N/A
Chinese Taipei

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

Due to the effective control of the pandemic, our government did not face any new obstacles in procuring goods and services as a consequence of the COVID-19 pandemic.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Our Government Procurement Act has established a relevant emergency procurement mechanism, and procurement agencies have been able to conduct procurements flexibly and promptly as a consequence of COVID-19. There have been no other procurement-related measures stipulated in response to the pandemic.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?
3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

The COVID-19 pandemic did not affect the share of government procurement awarded to MSMEs.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

No, our government procurement agency did not adopt any measures or policies to support the participation of MSMEs in government procurement in response to COVID-19.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

No, we do not have any other information to share relating to the COVID-19 pandemic and government procurement.
Thailand

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

According to Regulation of Ministry of Finance on Public Procurement and Supplies Administration B.E. 2560 (A.D. 2017) video Conference is not allowed. Therefore, it is difficult for the authorities to schedule the meeting (such as the meeting of bidding evaluation committee) which cause delays in the delivery of goods or services.

However, Thailand now has established online meeting guidelines in order to carry out the government procurement process for government agencies by allowing committee under Regulation of Ministry of Finance on Public Procurement and Supplies Administration B.E. 2560 to arrange online meeting.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Yes. The Comptroller General’s Department issued the guideline for publishing procurement notices to obtain supplies for the prevention, control or treatment of covid-19 in the electronic government procurement (e-GP) system in order to facilitate government agencies to publish procurement notices faster and easier.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO.

3.1 If yes, what type of enterprises does your government collect data on?

N/A
☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises

3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

Yes. The Comptroller General’s Department allows government agencies to procure goods and services that use to protect, control or cure Covid-19 by Specific method. In emergency situations, government agencies may consider to reduce or waive the penalty for contractual party in the case of delay in delivery goods or services.

To assist suppliers during the epidemic of COVID-19, Thailand has exempted Article 162 in Regulation of Ministry of Finance on Public Procurement and Supplies Administration B.E. 2560, regarding a fixed daily penalty under government contracts or agreements. Normally Thai government shall specify a fixed daily penalty between 0.01 - 0.20 percent of the price of undelivered supplies and between 0.01 - 0.10 percent of the price of such construction work but shall not be lower than 100 baht per day. However, for this case where the contract still has a legal relation, if the final work has not yet been delivered or the final work has delivered but the parcel has not yet been inspected, a fixed daily penalty shall not be charged.
5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

N/A
United States

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

The United States federal government initially faced challenges obtaining PPE and other essential medical supplies due to high demand and global shortages of these products.

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

Due to non-availability, the United States federal government issued an exception to the Trade Agreements and the Buy American statute clauses for certain goods critical to supporting America’s response to COVID-19. Products in the waiver included items such as bleach, hand sanitizers, disinfectants, and N-95 face masks. The waiver was initially issued in April 2020 and has been extended a number of times. Both the need for the waiver and the scope of products covered by the waiver is assessed on a regular basis.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

YES.

3.1 If yes, what type of enterprises does your government collect data on?

Nil.

☐ Micro enterprises
☐ Small enterprises
☐ Medium enterprises
3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

While the United States federal government maintains statistics on government procurements awarded to small business, the data related to the COVID-19 pandemic time period will not be available for a number of years due to the use of multi-year contracts in the U.S. federal procurement system.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

Prior to the COVID-19 pandemic the United States federal government already had policies in place to support participation by small businesses. These policies continued during the COVID-19 pandemic.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Nil.
Vietnam

1. What new obstacles did your government face in procuring goods and services as a consequence of the COVID-19 pandemic, including in obtaining essential goods or services for responding to the pandemic?

Due to the impact of the covid-19 pandemic, the procurement activities are difficult to be conducted due to the shortage of goods and services (e.g., medical supplies and equipment, vaccines).

2. Did your government apply special rules, directives, policies, or guidelines in government procurement, or make any other institutional arrangements in relation to procurement, to address the obstacles resulting from the COVID-19 pandemic? If yes, please, briefly explain.

The Law on Procurement allows the application of direct appointment of contractor for bidding packages of purchasing of drugs, chemicals, medical supplies and equipment in order to carry out the work of prevention and fighting of epidemics in urgent cases.

3. Does your government record data on government procurement contracts awarded to Micro, Small or Medium enterprises?

NO.

3.1 If yes, what type of enterprises does your government collect data on?

N/A

☐ Micro enterprises

☐ Small enterprises

☐ Medium enterprises
3.2 If yes, to what extent has the COVID-19 pandemic affected the share of government procurement awarded to MSMEs?

N/A.

4. In response to the COVID-19 pandemic, did your government procurement agency adopt any measures or policies to support the participation of MSMEs in government procurement? If yes, please describe them.

The SME support policy was enacted prior to the COVID-19 pandemic. According to the provisions of Decree No. 63/2014/ND-CP, for construction and installation bidding packages with the bidding package price not exceeding 5 billion VND, only micro and small enterprises are permitted to participate in bidding.

5. Do you have any other information to share relating to the COVID-19 pandemic and government procurement, including with regards to MSMEs?

Nil.