



CARIFORUM-EC EPA: PUBLIC PROCUREMENT¹

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Objectives

The Cariforum EPA commits Cariforum countries and the EU to rules on transparency in government procurement. However, the agreement does not require Caribbean governments to allow EU firms to tender for government contracts, since it **does not include provisions on market access** in Public Procurement.

The EU and Cariforum have only agreed to rules that would ensure that relevant information is freely disclosed in order to **facilitate fair and acceptable processes in public tendering** (art. 168 and following). Special attention has been paid to ensuring that the transparency requirements are manageable and in line with Cariforum's development constraints.

In doing so, the Agreement seeks to support a **more efficient use of public budgets** when authorities want to buy products (such as fire engines, computers for schools, water treatment facilities, etc.) on the market.

By promoting transparency and predictability, more suppliers are made aware of tendering opportunities and can feel assured that they enjoy equal opportunities. As a result, Cariforum taxpayers get a better deal in terms of price and quality for their money. On a wider level, accountability of public spending is improved and prospects for economic development are enhanced.

Main Provisions

The procurement chapter sets out some **basic principles** and **minimum transparency rules** that procuring entities should respect when tendering. These however only apply to the relatively few **large contracts** (those in excess of US\$ 200,000) tendered by *central* authorities (art. 167 and Annex VI). Hence, the overwhelming amount of public expenditure by the Cariforum countries is not affected by these provisions. The aim is to keep the transparency requirements manageable and in line with the Cariforum countries' development constraints.

In particular, the procurement chapter seeks to support the gradual creation of a **regional procurement framework** in the Caribbean region. This process is already underway and is expected to receive further momentum through the EPA.

¹ This fact sheet describes the content of part of the CARIFORUM-EC EPA but it does not in any way replace or interpret the provisions of this Agreement.

However, it should be underlined that **the EPA does not grant a right of access to public tenders**. This means that when an authority in a Cariforum country wants to tender a public contract, suppliers established in the EU or in another Cariforum country cannot claim a right to participate in that procurement. It remains for the Parties to decide which suppliers are eligible to tender².

Further development aspects

With a view to ensuring sufficient time for the Cariforum countries to set up the necessary administrative infrastructure, the procurement chapter of the Cariforum EPA foresees a significant implementation period (art. 180) to give Cariforum countries good time to prepare for implementation, *i.e.* 2 years for the more advanced countries and 5 years for Haiti, St. Kitts and Nevis, Saint Lucia and Saint Vincent and the Grenadines. The EPA also envisages development cooperation in this respect (art. 182).

² In this crucial respect, the EPA is different from the Dominican Republic CAFTA with the US or the Chile-EU association agreement: both these agreements grant the right to participate in public tendering for a substantial number of procurements.