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**CHALLENGES AND OPPORTUNITIES IN PUBLIC PROCUREMENT IN THE AMERICAS:
A REPORT ON BEST PRACTICES FOR TRANSPARENCY AND ACCOUNTABILITY**

*Report from civil society and social actors thematic regional working groups
on Democratic Governance (Inputs from Canada, Caribbean and United
States, Mesoamerica and South America)*

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Introduction

Public procurement is a massive undertaking in the regional governments, with billions of dollars of taxpayer money being invested annually in the four sub-regions of America. However, current practices have been shown to potentially undermine democratic values and accountability if transparency is lacking. This report analyzes challenges to reform and recommends best practices drawn from literature and examples around the world.

Challenges to Transparency and Fair Competition

One of the main challenges to transparency in public procurement is the lack of visibility into full contract details, selection criteria, and the networked connections between public agencies and private entities. This lack of transparency opens opportunities for undue influence, favoritism, and corruption, damaging public trust in institutions and deterring competitive bidding. Bureaucratic inefficiencies also impair value for taxpayer money. Conflicts of interest are difficult to detect and address under these conditions.

Member states are faced with the purchase of unnecessary resources or resources that do not align with the institutional goals and objectives of each country, which weakens the democratic system of the region by causing a rejection of state institutions by the population as they see how economic resources are wasted having priorities to a greater or lesser extent.

In the face of these challenges, states must consider the principles of economy, efficiency, rationality, and social and economic sustainability. These principles must be reflected and safeguarded by a national system that procures supply in each state.

Strengthening Democratic Oversight

The source literature underscores how weakening transparency directly undermines democratic accountability. To remedy this, it is proposed to establish a national procurement body to oversee and monitor all procurement processes, providing a central point of contact for transparency and accountability measures. This body would also facilitate third-party monitoring and civil society participation in the procurement process, strengthening democratic oversight.

It is also necessary to pay attention to the practice that is widely used in the region, by some supposedly non-profit institutions, which litigate and lobby for women's human rights, and in reality, are for-profit entities, which sell abortifacient medical equipment in massive quantities, in several countries of our region, and other similar practices on other issues, also related to human rights.

Mitigating Corruption Risks

Corruption is a serious threat to the integrity of public procurement. It degrades competitive markets and wastes funds intended for public benefit. It can also deter participation due to perceived retribution risks. To combat corruption, internationally recognized best practices include establishing enforceable criminal penalties for proven corruption cases and publicly suspending or banning implicated officials and companies.

Opportunities Through Holistic Reform

However, comprehensive reforms integrating procurement and contracting data platforms, ethics rules with oversight "teeth," and inter-jurisdictional cooperation could optimize outcomes. By harnessing technology, community engagement, and global experience, strategic opportunities can be created to strengthen democratic values, markets, and public services through procurement.

Recommendations

Based on the challenges and opportunities identified, the following recommendations are made for improving transparency and accountability in public procurement in the Americas:

1. Establish a national procurement body to oversee and monitor all procurement processes, providing a central point of contact for transparency and accountability measures, and a national registry of suppliers, with a joint effort of the public registries of each local region. This registry must guarantee transparent information about the companies that enter the bidding processes, as well as tax declarations that are relevant to the processes.
2. Facilitate third-party monitoring and civil society participation in the procurement process to strengthen democratic oversight.
3. Integrate procurement and contracting data platforms to increase transparency and efficiency.

4. Strengthen ethics rules with oversight "teeth" to prevent conflicts of interest.
5. Foster inter-jurisdictional cooperation to streamline processes and promote best practices.
6. Adopt spending transparency measures, management, and execution of the public budget.
7. Encourage and facilitate the reporting of irregularities and acts of corruption, including money laundering, protecting whistleblowers, as well as identifying and redressing victims of corruption.
8. Strengthen civil society and social actors (ASCA) by adding the Caribbean region, the United States and Canada.
9. Public notification of bids to maximum possible transparency allowed by security: e.g., more for building bridges, less for building weapons.
10. A publicly available searchable digital registry of all companies both registered in the country, doing business in the country, or competing for bids in the country, with all officers and beneficial owners listed, as well as what projects they are working on.
11. Clearly communicate evaluation criteria, well in advance of award, and then publicize how the winner met those criteria.
12. Procurement contracts should be transparent. Short-term contracts can be opened. Long-term contracts should be made across parties in government to other parties participating for the next government. Completion is required before another contract is signed. All completion terms should be transparent.
13. Provide mechanisms for observation and declaration by civil society and local communities.
14. In the face of cases of corruption in this process, the officials involved should be suspended from their positions for the duration of the preliminary investigations, and if found guilty, they should be deprived of holding any public office in any of the state institutions. In the same way, companies that are involved in these corruption processes should be deprived of participating in future calls for purchases, as well as assume a penalty established by the legislature.
15. Finally, establish impediments, controls and sanctions for companies or associations contracting with governments, which lobby or directly influence legal reforms that favor their sales, when they are related to human rights.
16. With careful adoption of these recommendations and a commitment to transparency and integrity, American continent and Caribbean countries taxpayers' investments through procurement processes can generate both economic efficiency and equitable, sustainable social returns while restoring confidence in democratic decision-making. It is crucial to prioritize transparency and accountability in public procurement to strengthen democratic values, promote fair competition, and ensure the efficient use of taxpayer money.