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MODERN TRENDS IN INTERNATIONAL PUBLIC PROCUREMENT

СУЧАСНІ ТЕНДЕНЦІЇ В МІЖНАРОДНИХ ДЕРЖАВНИХ ЗАКУПІВЕЛЬ

Public procurement in countries where this element of public finance management is well-established has undergone significant evolution and improvement over the past seven to five years. The rapid development of information technology and AI algorithms, coupled with efforts to achieve sustainable development goals in the areas of greening, social and governance, is gradually shifting the emphasis from a strictly economic objective – price efficiency – to more long-term and sustainable principles in justifying procurement.

The main global trends in public procurement include:

1. The Strategic Pivot from Transactional Efficiency to Sustainable and Social Value Creation.

The integration of Green and Social Award Criteria is becoming a mandatory norm, necessitating new effectiveness metrics beyond mere compliance.

Moreover, public procurement is increasingly being used to support inclusive development, requiring the legislative and practical feasibility of Gender-Responsive Procurement and the addition of disability-friendly criteria to tenders.

2. Digital Transformation as the Catalyst for Transparency, Integrity, and Cross-Border Collaboration.

The pervasive adoption of digital technologies is fundamentally reshaping procurement practices, driving both domestic efficiency and international cooperation, while creating new regulatory and integrity challenges.

The key ones are:

– Digital Transformation is essential for optimizing procurement, but its full potential is constrained by the need for cross-border recognition of qualified

electronic signatures and systemic platform deficiencies that hinder seamless international participation;

- Advanced technological tools, including AI in public procurement, are becoming critical for red-flag corruption detection and the more sophisticated detection and deterrence of bid-rigging;

- Efforts toward greater Joint Cross-Border Purchasing (e.g., under EU Regulation 2022/2463 for energy equipment or vaccines) will continue to accelerate as a response to global supply chain shocks and market volatility.

3. The Resurgence of Protectionism and the Balancing Act of Economic Sovereignty vs. Free Trade.

Contemporary international economic volatility and geopolitical risks have triggered a notable trend toward Protectionism and Localization in public procurement, which directly challenges the principles of the WTO Government Procurement Agreement (GPA) and regional free trade agreements:

- New legislative instruments, such as the EU’s Foreign Subsidies Regulation 2022/2560 [1], signal an era of increased scrutiny on foreign bidders, forcing domestic legal frameworks to navigate complex alignment challenges.

- Nations are actively exploring the legal feasibility and practical economic impact of 'Buy National' Preferences (e.g., “Buy American” [2] and “BABA” [3]), which requires careful reconciliation with international commitments and association agreements.

4. Procurement in Crisis and Reconstruction: Developing Agile and Resilient Frameworks.

The experience of global crises (e.g., the COVID-19 pandemic, wartime) has highlighted the need for public procurement frameworks that are simultaneously agile and robust, particularly in the context of large-scale international reconstruction efforts.

The proper governance of Emergency Procurement Exceptions (during public health crises or wartime) requires stronger legal safeguards and enhanced oversight to prevent abuse and corruption.

Post-conflict and reconstruction tenders funded by international donors necessitate the development of a coherent legal matrix that effectively reconciles national procurement laws with varying donor rules and conditionalities.

5. Professionalization and Integrity as Foundational Pillars for Effective Reform.

The success of all modern procurement reforms – be it digital, green, or social – ultimately rests on the expertise, ethics, and accountability of the human capital within contracting authorities.

Among the main areas:

- Systemic Professionalization in Public Procurement is a prerequisite for effective reform, requiring dedicated, in-house training programmes to implement complex modern criteria and contract management tools.

– Stronger internal integrity mechanisms, including clear rules on Conflict-of-Interest Declarations and robust whistle-blower protection, are non-negotiable for safeguarding the trillion dollars spent annually and building public trust.

The main consequences of new global trends boil down to three key theses: higher efficiency through technology, higher value for money through non-price criteria, and higher transparency and professionalism of the industry as a whole.

To achieve these consequences and implement positive global trends in public procurement, a comprehensive strategy is needed, encompassing legislative changes, technological modernization, and human capital development.

At the same time, the risk of protectionism is one of the greatest threats to the efficiency and international integration of the public procurement system, which has increased significantly in recent years. It arises when formally open procedures actually limit competition in favor of national, regional, or local suppliers, undermining the principle of the best price-quality ratio.

To avoid the risk of protectionism, it is necessary to implement systematic, transparent, and legally sound public procurement mechanisms at the state policy level.

Protection against protectionism at this level is based on the implementation of international agreements that open markets and establish non-discriminatory rules. Compliance with international agreements is a cornerstone of the further development of free international trade and public procurement as its component.

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