

Procurement Statistics for July-December 2014 in Aruba

Report
2016

The Kingdom of the Netherlands for Aruba has formalized the Government Procurement Agreement (GPA/113), on July 4th 2014, as a member of the World Trade Organization (WTO)



PROCUREMENT STATISTICS FOR THE NETHERLANDS WITH RESPECT TO ARUBA

TABLE OF CONTENTS

INTRODUCTION	2
REPORTING ENTITIES	2
DATA COLLECTION	3
Sources	3
Criteria	4
CPC CLASSIFICATION	4
CURRENCY	5
Special Drawing Right (SDR)	5
Aruban Florin	5
CONTENTS OF THE REPORT	5
All contracts covered by the Agreement	6
Contracts covered by the Agreement under limited Tendering	7
Listing of contracts broken down by category goods and services according to CPC code	8
CONCLUSION	9

Introduction

The World Trade Organization Agreement on Government Procurement (GPA) is the pre-eminent international instrument regulating the conduct of international trade in government procurement markets. It aims to ensure fair, transparent and non-discriminatory conditions of competition for purchases of goods, services and construction services by the public entities covered by the Agreement. It also serves the broader purpose of promoting good governance, the efficient and effective management of public resources, and the attainment of best value for money in national procurement systems. The fundamental aim of the GPA is to mutually open government procurement markets among its parties¹.

Aruba as part of the Kingdom of the Netherlands is bound to the Government Procurement Agreement as of July 4th of 2014. In compliance with the Government Procurement Agreement, each Party shall collect and report to the Committee statistics on its contracts covered by the Agreement. The Agreement further specifies that the report shall be submitted within two years of the end of the reporting period. This is the first report for Aruba, which covers the period from July 2014 to December 2014.

Reporting Entities

As set out in the Government Procurement Agreement, Aruba is to report statistics on all its contracts covered by the Agreement. Annex 1 of the Agreement contains a list of Central Government Entities in Aruba of which all procurements should be reported. Apart from the listed government entities, there are no other entities that are covered by the Agreement. The following sixteen entities are covered by the Agreement.

List of Entities:

1. Ministry of General Affairs²
2. Ministry of Justice and Education
3. Ministry of Finance, Communication, Utilities and Energy³
4. Ministry of Health and Sport
5. Ministry of Integration, Infrastructure and Environment
6. Ministry of Economic Affairs, Social Affairs and Culture
7. Ministry of Tourism, Transportation and Labour
8. Parliament of Aruba
9. Raad van Advies (Council of Advisers)
10. Algemene Rekenkamer Aruba (Court of Auditors Aruba)
11. Dienst Openbare Werken (Department of Public Works)
12. Serlimar (Environmental Agency)
13. Sociale Verzekeringsbank (Social Insurance Bank)
14. Algemene Ziektekosten Vereniging (General Health Insurance Association)
15. Instituto Medico San Nicolas (Medical Institute)
16. Wegen Infrastructuur Fonds (Infrastructure Fund)

¹ Source: <https://e-gpa.wto.org/en/GPAInBrief>

² For the Ministry of General Affairs, this Agreement does not cover procurement by its subordinate unit Veiligheidsdienst Aruba.

³ For the Ministry of Finance, Communication, Utilities and Energy, this Agreement does not cover the procurement by its subordinate unit Meldpunt Ongebruikelijke Transacties.

Data collection

The Central Bureau of Statistics is responsible for publishing the statistics on all government procurements covered by the Agreement. To acquire the necessary data for this report, different entities were approached to request them to provide information regarding procurements.

Sources

Entities 1 to 10

To gather the necessary information, the Central Bureau of Statistics approached the Ministry of Finance and subsequently its Department of Finance to obtain information about awarded contracts within the report period. When a government entity awards a contract through tendering, a request is made to the Department of Finance to make the funds available in the amount for which the contract was awarded. The Department of Finance registers these requests and other information related to the contracts for the entities 1 through 10 in the above mentioned list. Thus, this department forms a central point from where information regarding government procurements is collected.

Entities 11 to 16

The remaining entities, 11 through 16 on the abovementioned list, were approached separately for information regarding their procurements, as information regarding procurements by these entities is not registered by the Department of Finance. Entities 11 through 16 all informed the Central Bureau of Statistics that no procurements had been issued in the period from July to December 2014.

Note

The Government Procurement Agreement specifies in its Annexes to Appendix 1 all entities that are covered by the Agreement. Annex 1 contains a list of the central government entities whose procurement is covered by this Agreement. In Aruba, local government projects can be funded by the Fondo Desaroyo Aruba (FDA). The FDA is a development fund to which Aruba and The Netherlands contributed in the period from 2009 to 2015. The fund is managed independently by a foundation consisting of a board of three members. The board decides how the funds are distributed and is also responsible for the control, implementation as well as the administrative procedures of projects. The FDA finances local government projects which contribute to the improvement of the quality of governance, education, sustainable economic development and public health⁴.

Information from entities that receive funding from the Fondo Desaroyo Aruba is not yet listed in this report, since such information pertaining to FDA funding has not yet been received.

Since this is the first year of publication of the procurement statistics for Aruba it was a challenge to obtain information on government procurements from the previously listed entities. Information on procurements is not readily available, nor available in the requested format. Producing the information necessary for the statistics was thus a time consuming task for the Department of Finance as well as for the other entities that were approached. Currently all stakeholders are aware and are involved in the process of generating adequate information for future government procurement statistics and are making arrangements to organize procedures to implement the required information in the department workflow for years to come. For the next year, in 2015, the process is expected to be complete and the required information will be readily available, guaranteeing a complete report for in the future.

⁴ <http://www.overheid.aw/document.php?m=5&fileid=10004&f=7d042e9b1838439327cbe7ef198365d7&attachment=0&c=14308>

Criteria

For the determination of which procurements were to be incorporated in this year's report two criteria were relevant. Firstly, whether the date the contracts were awarded were in the period from July 2014 to December 2014 and secondly whether the amount for which the contract was awarded was above the thresholds as indicated in Annex 1 of the Agreement (see below).

In consultation with The Department of Economic Affairs, Commerce and Industry of Aruba and the Department of Finance it was decided that the date to take in account is defined as the date on which the contract was awarded and is considered as the date which will determine in what year the contract shall be reported.

Threshold

In Annex 1 of the Agreement the thresholds for the Central Government Entities are specified as follows.

Supplies⁵

Threshold	SDR 100,000
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Services⁶

Threshold	SDR 100,000
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Construction Services⁷

Threshold	SDR 4,000,000
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CPC Classification

Article 16 of the Agreement requires procurements to be reported by categories of goods and services according to an internationally recognized uniform classification system. The United Nations Central Product Classification (CPC) is a product classification for goods and services. It is an international standard for organizing and analyzing data on industrial production, national accounts, trade, and prices. The Central Bureau of Statistics also uses the CPC in its trade statistics and in its system of national accounts. The CPC used in this report is in agreement with that used by the Central Bureau of Statistics. The version of the Central Product Classification (CPC) used in this report is the 2.0 version⁸, which will be used to categorize all reported procurements. Based on the description of the contracts awarded through procurement, the contracts were categorized according to the CPC classification.

⁵ The Agreement covers procurement of all goods procured by the entities listed in Annex 1.

⁶ The Agreement covers the following services, which are identified in accordance with the United Nations Provisional Central Product Classification (CPC) as contained in document MTN.GNS/W/120. See Annex 5 of the Agreement for the complete list of services covered by the Agreement.

⁷ Construction Services and related engineering services as defined in the CPC division code 51.

⁸ <http://unstats.un.org/unsd/cr/registry/cpc-2.asp>

Currency

Special Drawing Right (SDR)

The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. The currency value of the SDR is defined as a basket of major currencies (the U.S. dollar, Euro, Japanese yen, pound sterling and the Chinese renminbi). The SDR currency value, in terms of US dollar, is calculated daily and the valuation basket is reviewed and adjusted every five years.

Aruban Florin

The national currency of Aruba is the Aruban Florin. The International Standards Organization (ISO) uses the abbreviation 'AWG' as the currency code for Aruba. However, Aruban law uses the abbreviation 'Afl.' for the Aruban florin. The Central Bank of Aruba uses 'AWG' for all transactions with other parties, while the code 'Afl.' is used in its official publications⁹. The Aruban florin is pegged to the US Dollar at an average exchange rate of \$1 = Afl. 1,79.

In the period from July 2014 to December 2014, the SDR rate to the US dollar was at its highest on July 1st when 1 SDR was equal to \$1,54837¹⁰, which was Afl.2,7704. The SDR rate was at its lowest during the abovementioned period on December 31st, when 1 SDR was equal to \$1,44881, which was Afl.2,5651. The exchange rates mentioned here serve as an indication of the SDR rate in relation to the Aruban Florin.

All amounts presented in this report are in SDR, as calculated on the date when the contract was awarded. All contracts covered by this Agreement were awarded in Aruban Florins, and for this report were exchanged to US Dollars at the average exchange rate of Afl. 1,79, and then converted to SDR according to the rate on the date of the awarded contract.

Contents of the Report

In article XVI of the Agreement on the transparency of procurement information, the following is stated about the collection and reporting of statistics. "Each Party shall collect and report to the Committee statistics on its contracts covered by this Agreement and shall contain for Annex 1 procuring entities:

1. the number and total value, for all such entities, of all contracts covered by this Agreement;
2. the number and total value of all contracts covered by this Agreement awarded by each such entity, broken down by categories of goods and services according to an internationally recognized uniform classification system; and
3. the number and total value of all contracts covered by this Agreement awarded by each such entity under limited tendering;"

In the following tables, the procurement information pertaining to the Netherlands with respect to Aruba is presented.

⁹ Source: <http://www.cbaruba.org/cba/getGlossary.do>

¹⁰ https://www.imf.org/external/np/fin/data/rms_sdrv.aspx

All contracts covered by the Agreement		
Entities	Total Number of Contracts	Total Value in SDR
Ministry of General Affairs	0	0
Ministry of Justice and Education	3	598,809.37
Ministry of Finance, Communication, Utilities and Energy	1	385,254.98
Ministry of Health and Sport	2	281,242.17
Ministry of Integration, Infrastructure and Environment	0	0
Ministry of Economic Affairs, Social Affairs and Culture	0	0
Ministry of Tourism, Transportation and Labour	0	0
Parliament of Aruba	0	0
Raad van Advies (Council of Advisers)	0	0
Algemene Rekenkamer Aruba (Court of Auditors Aruba)	0	0
Dienst Openbare Werken (Department of Public Works)	1	143,556.65
Serlimar (Environmental Agency)	0	0
Sociale Verzekeringsbank (Social Insurance Bank)	0	0
Algemene Ziektekosten Vereniging (General Health Insurance Association)	0	0
Instituto Medico San Nicolas (Medical Institute)	0	0
Wegen Infrastructuur Fonds (Infrastructure Fund)	0	0
Total	7	1,408,863.18

*Excluding information from FDA

In the period from July 2014 to December 2014 a total number of seven contracts can be reported, exceeding the specified threshold. These seven contracts were awarded by four procuring entities for a total of SDR 1,408,863.18.

Contracts covered by the Agreement under limited Tendering		
Entities	Total Number of Contracts	Total Value in SDR
Ministry of General Affairs	0	0
Ministry of Justice and Education	1	121,118.23
Ministry of Finance, Communication, Utilities and Energy	0	0
Ministry of Health and Sport	1	118,326.41
Ministry of Integration, Infrastructure and Environment	0	0
Ministry of Economic Affairs, Social Affairs and Culture	0	0
Ministry of Tourism, Transportation and Labour	0	0
Parliament of Aruba	0	0
Raad van Advies (Council of Advisers)	0	0
Algemene Rekenkamer Aruba (Court of Auditors Aruba)	0	0
Dienst Openbare Werken (Department of Public Works)	0	0
Serlimar (Environmental Agency)	0	0
Sociale Verzekeringsbank (Social Insurance Bank)	0	0
Algemene Ziektekosten Vereniging (General Health Insurance Association)	0	0
Instituto Medico San Nicolas (Medical Institute)	0	0
Wegen Infrastructuur Fonds (Infrastructure Fund)	0	0
		0
Total	2	239,444.64

*Excluding information from FDA

In the reported period a total of two contracts were awarded through limited tendering. Limited tendering is defined as a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice¹¹.

¹¹ Source: Page 8 of the Government Procurement Agreement (GPA/113).

Listing of contracts broken down by category goods and services according to CPC code ¹²					
Entity	Number of contracts	CPC Division	CPC group	CPC 2.0	Value in SDR
Ministry of General Affairs	0	-	-	-	0
Ministry of Justice and Education	2	Pulp, paper and paper products; printed matter and related articles	Books, brochures, leaflets printed, printed maps; music, printed or manuscript	322	477,691.14
	1	Special purpose machinery	Weapons and ammunition and parts thereof	447	121,118.23
Ministry of Finance, Communication, Utilities and Energy	1	Other professional, scientific and technical services	Consulting and management services	831	385,254.98
Ministry of Health and Sport	2	Medical appliances, precision and optical instruments	Medical appliances, precision and optical instruments	48 u	281,242.17
Ministry of Integration, Infrastructure and Environment	0	-	-	-	0
Ministry of Economic Affairs, Social Affairs and Culture	0	-	-	-	0
Ministry of Tourism, Transportation and Labour	0	-	-	-	0
Parliament of Aruba	0	-	-	-	0
Raad van Advies (Council of Advisers)	0	-	-	-	0
Algemene Rekenkamer Aruba (Court of Auditors Aruba)	0	-	-	-	0
Dienst Openbare Werken (Department of Public Works)	1	Fabricated metal products	Other fabricated metal products	429	143,556.65
Serlimar (Environmental Agency)	0	-	-	-	0
Sociale Verzekeringsbank (Social Insurance Bank)	0	-	-	-	0
Algemene Ziektekosten Vereniging (General Health Insurance Association)	0	-	-	-	0
Instituto Medico San Nicolas (Medical Institute)	0	-	-	-	0
Wegen Infrastructuur Fonds (Infrastructure Fund)	0	-	-	-	0

*Excluding information from FDA

Of the total number of procurements, one contract was in the category 'service' while the remaining six contracts were in the category 'goods'. The entity which awarded the most contracts above the threshold in the report period was the Ministry of Justice and Education, having awarded three contracts.

¹² <http://unstats.un.org/unsd/cr/registry/cpc-2.asp>

Conclusion

This is the first report for the Netherlands in respect to Aruba in compliance with The World Trade Organization Agreement on Government Procurement (GPA) covering all government procurements in the period from July 2014 to December 2014. Obtaining the necessary information for producing the procurement statistics has proven to be a challenge because the information is not readily available at the entities covered in the Agreement. The request to provide the information on government procurements made all the entities aware of the current incomplete state of the administration and the need to better document and register information on all contracts. Arrangements have been made to cooperate more closely with the listed entities regarding the administration and procedures that need to be followed to guarantee timely and reliable data for future reports.