

ProSME's Newsletter (#3) – Public Procurement in Colombia

September 2022

1 – New president, new opportunities?

Last August, Colombia initiated a new political cycle with the investiture of President Gustavo Petro, the first left-wing president in its history. Petro pledges to shift the country towards an energy transition, a productive economy, equity, and comprehensive peace. However, to achieve what he has claimed, he will have to face a complex political and social scenario, as he will need to build alliances to reach majorities in Congress while meeting strong social demands for changes that emerged after the Social Outburst of 2021.

During his first speech as the newly elected president, Petro introduced some reforms he aims to implement: healthcare, retirement pensions, taxation, education, and labour laws. In addition, he stated that education, health, drinking water, and water infrastructure were prioritized in the annual budget. ANI (Agencia Nacional de Infraestructuras – the National Infrastructure Agency) will be in charge of all those projects, although traditionally, the agency exclusively managed transport infrastructure. Moreover, the government will stand for decentralization, and regional governments are expected to gain prominence. Thus, our companies will surely find many opportunities in the field of public procurement at a regional level.

The new administration will maintain the concession model that has been operating in past years. Nevertheless, they have explicitly expressed their will to accelerate both awarding processes and Private-Public Partnerships. In the same line of thought, the Government's Programme is oriented toward strengthening new sustainable transport modes, so railway, fluvial, and intermodal transport will be brought to the centre of the policies. Yet, projects already awarded, such as the 5th Generation Vial Infrastructure Programme will advance with their agreed-upon schedule.

At the moment these lines are being written, Petro's Cabinet is still being settled. However, the president has made selections across the political spectrum, with even some moderate choices for key roles that have dissipated some initial hesitation. All things considered, it remains to be seen whether all these initiatives come into being. It is time to keep an eye on Petro's decisions since his first 100 days will show the roadmap for the rest term in office.

2 – Energy, IT, Infrastructure... Colombia is a land of opportunities

As identified in previous stages of this project, Colombia offers a wide range of opportunities for companies interested in public procurement in sectors such as infrastructure, agribusiness, information technology, creative industries, energy, and the environment. Indeed, and despite the turnaround in the national government, those fields of opportunities not only remained, but are supposed to be strengthened.



In terms of the energy sector, President Petro's proposal on limiting oil activity has positioned him as a key figure in the global energy transition. In line with the commitments acquired by Colombia under the Paris Agreement, Petro stated during the presidential campaign that more decisive measures should be taken to restrict the exploitation of coal and hydrocarbons. He also aimed to boost non-conventional renewable energy sources and leave the extraction of current fossil fuel reserves for domestic consumption. In addition, he pointed out that Ecopetrol, a mixed company with state majority ownership, should play a fundamental role in this transition and redirect part of its exploration budget towards a new Energy Transition Fund.

However, as soon as he was elected, Petro had to land his proposals and clarified some of these initiatives, pointing out that, although his commitment to decarbonisation remains, gas exploration and oil exports were intended to continue in the short term. The Government's ultimate goal is to lay the foundations for this transition through a gradual de-escalation of the extraction-based model while ensuring the reliability and stability of the energy system, sources of employment, and economic resources from the sector. Furthermore, in a recent interview, the new Minister of Mines, Irene Vélez, concluded that the energy transition process would take more than a decade and that the need to maintain and even promote the extraction of minerals could be necessary to complete this transition.

In this sector, most of the opportunities involve blue and green hydrogen, solar and wind power, biomass, and biogas.

Regarding the relevance of IT, Petro's administration publicly advocated for a social and economic transformation based on it. The virtual space appears as a new scenario where social exchanges of all kinds, including trade and knowledge, take place. Therefore, according to Petro's Government Plan, improving the connectivity of the population throughout the country is a prerequisite for generating wealth and well-being under a *global* society in rapid transformation.

For that, Petro's Administration aims to establish a fibre optic expansion plan to accomplish free internet and digital transformation at national level, prioritizing rural areas and promoting community networks and small internet service providers in towns, while democratizing communications. Currently, Colombia ranks below the Latin American average in connectivity, and the region is also below world levels in this area.

Moreover, infrastructure is another pillar for the newly positioned Executive. Indeed, the Colombian Government has developed a new plan to transform the national infrastructures. This plan includes a country-wide electric railway network based on complementarity with the trade lines around the maritime traffic of the Panama Canal (to enable its financing and maintenance) as well as to connect strategically the foothills of the Llanos to the Caribbean. Besides, sustainable navigability of the rivers shall be restored.

Additionally, developing specialized logistics platforms (Rail-Road-Fluvial intermodal) is intended to favour the improvement of logistics times and processes, which will result in a reduction of costs and the increase of country's competitiveness. In this regard, the Ministry of Transport, through the ANI, will build new tertiary roads and maintain the existing ones to support the entire agri-food system and promote agricultural exports.



Concerning public mobility, clean energy transport at affordable rates is intended to be promoted throughout the country. In partnership with district and municipal governments, central Administration has committed to promote incentives to use the most efficient and lowest-emission public transportation, and to implement metro projects, intercity trains, regional trains, electric buses, taxis, and intelligent transport systems

The Government's Plan includes all the aforementioned initiatives, which establishes lines of work for the rest of the mandate. In essence, it illustrates that Colombia is still a relevant land of opportunities for our companies that, if well-coordinated, will be able to share their know-how while the country benefits from it to move forward.

3 - 'Colombia Compra Eficiente - SECOP'

[Decree 4170 of 2011](#) establishes the [National Agency for Public Procurement - Colombia Compra Eficiente](#) as the governing body for public procurement in the country. Its objective is to develop and promote public policies and tools for state procurement and contracting processes, to generate greater efficiency, transparency, and optimize state resources.

This entity strengthens market player confidence in its transparency and anti-corruption practices, by fostering competitive participation and inclusion, adopting capacity-building practices to apply new technologies, and innovation and continuous improvement in public procurement and contracting processes.

This Agency has been entrusted with the duty of managing the [Electronic System for Public Procurement \(SECOP\)](#), which is the official electronic tendering system for public procurement in Colombia.

The platform has two components:

[SECOP I](#): It is the platform on which State Entities must publish the Process Documents, from contract planning to its settlement. It also allows State Entities and the private sector to have open and regulated communication on Procurement Processes.

[SECOP II](#): SECOP II functions as a transactional platform with accounts for State Entities and Suppliers. Each account has users associated with it. From their accounts, State Entities create, evaluate, and award Procurement Processes. Suppliers can comment on the Process Documents, submit bids, and follow the selection process online.

National or foreign suppliers use the SECOP II platform to receive notifications and submit bids to tenders that match their business profile. The Agency has published a step-by-step [Guide](#) to register suppliers.

Also, the entity online training (in Spanish) throughout the year. The following are planned for September 2022, which may be of interest to SMEs:

- How does SECOP II work for Suppliers? - General and Registration
Mon, 19/09/2022 - 09:00 to 12:00 (Colombian Time).
Virtual Training via Microsoft Teams.



Registration via the [form](#).

- Aspects and recommendations for setting up your Supplier account in SECOP II
Wed, 21/09/2022 - 09:00 to 12:00 (Colombian Time).

Virtual Training via Microsoft Teams.

Registration via the [form](#).

- Learn how to submit bids in SECOP II
Mon, 26/09/2022 - 14:00 to 17:00 (Colombian Time).

Virtual Training via Microsoft Teams.

Registration via the [form](#).

Currently, Jorge Tirado Navarro is the [General Director of the National Public Procurement Agency - Colombia Compra Eficiente](#). Since 2020, he has served as Deputy Director of Contractual Management in the National Agency for Public Procurement, an area responsible for the concepts that respond to consultation requests from citizens and state entities about the application, interpretation, and scope of the legal norms for State Contracting and Public Procurement, as well as the preparation and adoption of Model Documents, among others.

He is a lawyer and philosopher from the [Universidad de Los Andes](#), with academic studies in Public Management and Administrative Institutions and a master's degree in Public Law and Public Administration from the same university. Additionally, he studied for a Master's Degree in Law at [Columbia University](#).

The new government took office last August, so we must be aware of possible changes in the Agency's conditions and processes.

Ángela María Hernández (AWEX)
Marjorie Inghels (AWEX)
Frédérique Martiquet (Business France)
María Ángeles Guerra (BTI)
Izarne Laskurain (BTI)