e-Government Procurement: Approach taken in ECA countries and Way Forward

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Overview

What is E-Government Procurement?
Road Map of E-Government Procurement
Approach taken in selected ECA countries
What we hope to see in the years ahead?
What is E-Government Procurement?

E-Government Procurement is the use of Information Technology – especially the internet – by Governments in conducting their procurement relationships with suppliers for the procurement of works, goods and consulting services required for the public sector.

Is the application of a high quality management framework to public sector procurement, facilitated through online information and processes.

Source: www.mdb-egp.org
OBJECTIVES OF E-GOVERNMENT PROCUREMENT STRATEGY

To deliver high quality of public services which meets the needs of all citizens in a cost-effective manner through sustainable partnerships between

- Public sector
- Private sector
- Community organizations
- Citizen groups and associations

To broaden the range of service providers

- individual entrepreneurs
- small, medium and large firms

who can provide timely, reliable, value for money services for

- Goods
- Works and
- Services

to achieve

- Transparency in public procurement
- Efficient use of public resources
- Reduction in corruption
Components of E-GP

E-GP consists of three basic components:
• E-Tendering
• E-Purchasing
• E-Contract Management
E-Tendering

Is designed to electronically handle the process of public tender for the procurement of specialized works, goods, and consulting services that are of

• HIGH VALUE and LOW VOLUME

Can be carried out in a phased manner
Provides wide exposure to E-GP at low incremental
E-Purchasing

Is designed to electronically facilitate the procurement of standard goods and services that are of
• LOW VALUE and HIGH VOLUME
is complex
requires substantial system development
E-Contract Management

Is electronic enhancement of the management of:
- Receivables
- Payments
- Contract settlements
- Contract variations
- Bid Securities
- Auditing and Control activities
Elements of a Typical eProcurement System

Pre-Notice Inviting Tender Approval Process
Different Types of Users Creation
User Authentication and Interface
Types of Tenders
Tender Notices
Tender Document
Bid Preparation and uploading
Tender Receipt and Storage and Public Tender Opening Event(s)
Award of Contract
Security Features
Auction Engine – Forward and Reverse Auction and
Integration with Payment Gateways.
Roadmap: Phases and Stages

1. Preparation
2. Supplier Enablement
3. Structure of supply on the Internet
4. Contract capacity consolidation
5. Online purchasing and e-transactions
6. Customized services & supply incentives

- e-GP Purchasing
- e-GP Contract Management
- e-GP Tendering

### E-GP Roadmap

<table>
<thead>
<tr>
<th>Phases</th>
<th>Stages</th>
<th>Activities / Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>0. Readiness</td>
<td>Establish Institutional Framework</td>
<td>Common Vision of e-GP</td>
</tr>
<tr>
<td></td>
<td>General Assessment and Strategic Plan</td>
<td>Identify key agencies, Establish an agreement for coordinated work, Designate Lead Agency</td>
</tr>
<tr>
<td></td>
<td>Connectivity Plan and Internet Assessment</td>
<td>General Procurement Assessments, General Baseline (including quantitative indicators), Business Awareness Private Sector Activation, Connectivity Plan for e-GP</td>
</tr>
<tr>
<td></td>
<td>Publication of tendering opportunities and contract awards information on a single Internet site</td>
<td>Procurement Plan available online (annual or quarterly), Online Publication of tendering opportunities, Publication of each tendering process’ results, Publication of tendering statistics</td>
</tr>
<tr>
<td></td>
<td>Customizable additional services</td>
<td>Search engines, Customizable search in database, Customized information by e-mail or fax, Gathering and dissemination of best practices</td>
</tr>
<tr>
<td></td>
<td>Open access to all bidding documents via Internet</td>
<td>Set up a Procurement Committee, Mandate online bidding documents, Establish electronic security mechanisms, Online access to all original bidding documents, clarifications and additions (trail and latest available)</td>
</tr>
<tr>
<td></td>
<td>Electronic bid submission</td>
<td>Standardize and simplify bidder’s requirements and templates, Reinforce electronic security mechanisms, Bid submission over the Internet (in simplified format), Access to information on the status and progress of each tendering process, Public Bid Opening</td>
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## E-GP Roadmap

### Phases

#### 2. Contract Management

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<td>Contract execution</td>
<td>consolidation</td>
<td>Ensure interoperability between FMIS and e-GP system</td>
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<td>Contract capacity</td>
<td>consolidation</td>
<td>Performance management</td>
</tr>
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<td>Procurement policies</td>
<td></td>
<td>Payments management</td>
</tr>
<tr>
<td>Supplier enablement</td>
<td></td>
<td>Consolidation of contract management and bidding policies, rules and regulations</td>
</tr>
<tr>
<td>Structure of supply</td>
<td></td>
<td>Implement e-GP in all government levels (national, regional, local)</td>
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<tr>
<td>Structure of demand</td>
<td></td>
<td>Implement e-GP in all government branches (legislative, executive, judicial)</td>
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<td>Online purchasing and</td>
<td></td>
<td>General Procurement policies</td>
</tr>
<tr>
<td>Electronic processing</td>
<td>Policy for goods and</td>
<td>Policy for goods and services to be purchased by Agencies</td>
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<tr>
<td>of transactions</td>
<td>services to be purchased</td>
<td>Financing and payments policies</td>
</tr>
<tr>
<td>Customized services and</td>
<td>by Agencies</td>
<td>Ex-punt revision policy</td>
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### 3. Purchasing

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Opportunities & Risks of e-GP

Reducing fraud and corruption in public procurement:
- online disclosure of procurement notices
- online disclosure of awarded contracts
- open and fair competition
- increased compliance with procurement policy
- access to public
- less opportunity for corruptive, collusive, fraudulent, and coercive practices

Potential for fraud and corruption:
- inappropriate application of technology
- e-Corruption
Approach taken in selected ECA countries

Armenia
Azerbaijan
Georgia
Objective

Strengthen e-Government Procurement through selected interventions which would lay the basis for a systematic development of a more comprehensive e-GP system.
Components

One: Development of a E-GP strategy and Strengthening the e-GP legal framework in accordance with the Government Procurement Law

Two: Designing institutional mechanisms for implementing e-GP and preparation of technical standards for e-procurement in Government institutions

Three: Capacity building to develop a cadre of e-GP specialists

Four: Increasing public awareness in procurement reforms and e-GP system
One: Development of a E-GP strategy and Strengthening the e-GP legal framework in accordance with the Government Procurement Law

What activities are being carried out:

• Assess E-GP readiness, and develop a E-GP strategy
• Review of the current e-GP laws and identify gaps and make recommendations;
• Adaptation of good practices in the area of e-GP to the country context
• Hold consultations with concerned Government institutions, private sector, bi-lateral and multilateral donors and incorporate their inputs;
• Prepare amendments in the Government Procurement Law to facilitate the systematic development of e-GP

Expected output

• Revised Procurement Law with comprehensive provisions for the development of e-GP in the country
Two: Designing institutional mechanisms for implementing e-GP and preparation of technical standards for e-procurement in Government institutions Components

What activities are being carried out:
• Assess the strengths and weaknesses of existing institutions to carry out e-GP functions;
• Recommend institutional options, organization and management arrangements for carrying out e-GP functions;
• Hold consultations with concerned Government institutions and incorporate their feedback and develop a feasible institutional mechanism for carrying out e-GP systems;
• Design a systematic reporting system based on measurable benchmarks with a view to make procurement monitoring more effective; and
• Prepare detailed technical specifications and standards which will ensure inter-operability between various Government institutions.

Expected outputs
• Design of a viable institutional mechanism for carrying out e-GP system and
• Draft technical specifications for e-GP system
Three: Capacity building to develop a cadre of e-GP specialists

What activities being carried out:
• Design and develop a training program on policy, regulation and technical standards;
• Preparation of training materials suitable for delivery through face to face and distance learning mechanisms;
• Select key staff in Government institutions and provide intensive training in e-GP systems so that they can function as trainers for other staff as well; and
• Provide more advanced training and exposure to working e-Gp system in an advanced country to selected specialists

Expected outputs
• A core group of trained e-GP specialists
• Institutionalization of e-GP training
Four: Increasing public awareness in procurement reforms and e-GP system

What activities are being carried out?
• Carry out mass media campaigns on procurement reforms;
• Provide public access to basic e-GP services through improvements in existing web-sites; and
• Prepare brochures and publications for public dissemination on e-GP systems and procurement reform process and procedures

Expected outputs
• increased public awareness of Government procurement reforms
• information materials on Government procurement reforms
Way Forward - What we hope to see in the years ahead?

**Enabling Environment**
• Creation of enabling environment for private sector and citizen organizations to provide services in a fair and competitive manner

**E-GP tendering**
• Customized search facilities
• Bidding documents on internet
• Electronic bid submission

**E-Purchasing**
• On-line purchasing and E-Transactions
• Customized services

**E-Contract Management**
• Contract execution management
• Contract capacity consolidation

**Linking E-GP systems with Financial Management Systems** – to achieve an E-enabled “Procure to Pay” cycle
Many thanks for your attention

Comments, suggestions welcome..
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