

Capacity-building for implementing public e-procurement systems

*OECD FORUM FOR POLICY DIALOGUE
SHARING LESSONS ON PROMOTING GOOD GOVERNANCE
AND INTEGRITY IN PUBLIC PROCUREMENT*

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Implementing Public e-Procurement Presentation Outline

- Enabling Conditions

(Source: High-Level Seminar on e-Procurement, Good Governance for Development in Arab Countries Initiative held in Naples in January 2006)

- Guiding Principle

- Implementation Roadmap

- Integrated Capacity Building

- Conclusion

Internet and the Market

- The Internet is **not neutral**.
 - It is *changing* the marketplace of countries.
 - It is *transforming the relationship* with suppliers. There is a shift from the traditional buyers and seller's model, to a new model where sellers become participants.
- e-Procurement is now a structure that accompanies a market.

e-Procurement

- e-Procurement is **building new** markets and increasing the **diffusion in existing** markets.
- e-Procurement is not only about setting the conditions right. It is about **making the people** who need to take it **forward on board**.
- With the implementation of public e-Procurement, the **market** shall be **led by the public sector**, while traditionally it is the public sector that tries to catch up with the market.
- The public administration is **transformed** from **an authority** (power) to a **service provider** (function)

e-Procurement Initiatives

What to Consider?

- Impact of the **political will**
- **Fear of competition** with the change of the market place
- **Risk of exclusion**
- Impact of **free trade agreements** between countries
- Most suitable **organizational model**
- **Direct and indirect benefits**
- **Direct and indirect costs**
- **Coordination** between all stakeholders

Public e-Procurement Implementation

Enabling Condition: Public Policy

- **Structural reform** is required to address the economical and legal challenges faced by an e-procurement program
- There has to be **choices** between following an indirect procurement system and direct procurement system

UAE Experience

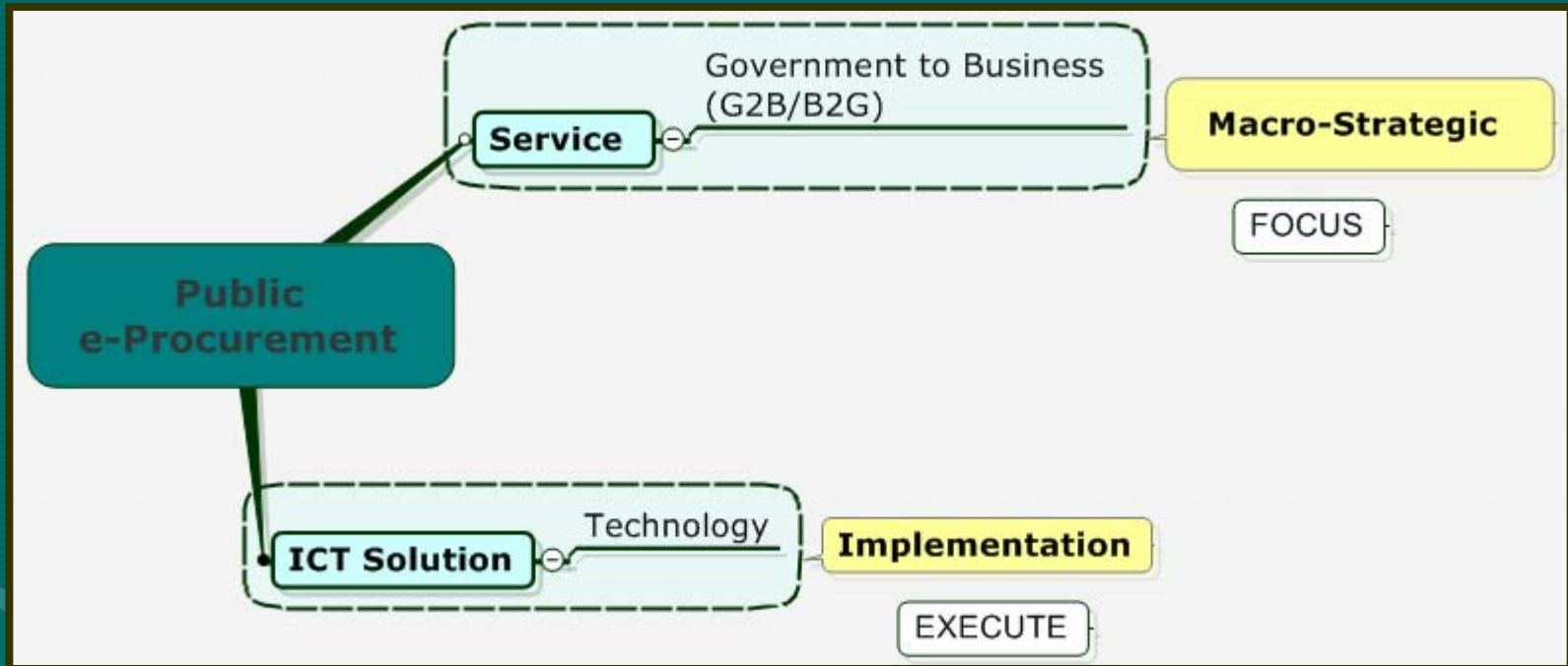
- **integrated approach** in reform
- Financial and e-Procurement went together (budget reform, purchasing, and payments)

Public e-Procurement Implementation

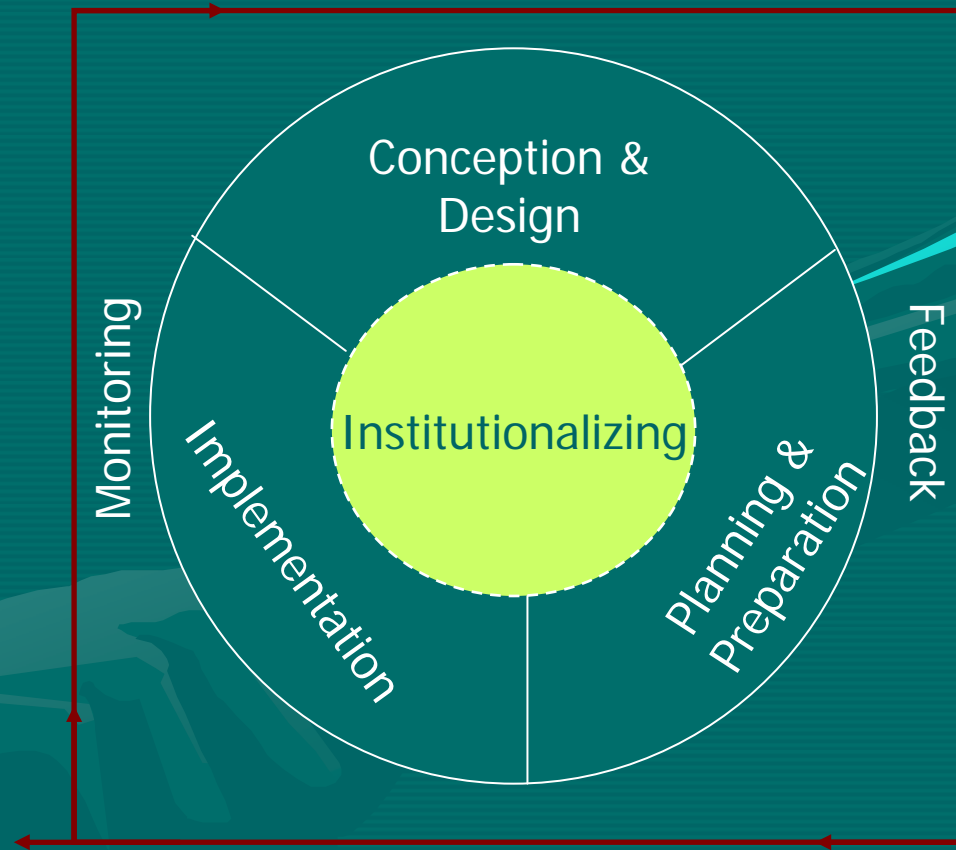
Enabling Condition: Human Capital

- The implementation of an e-procurement solution requires a **capacity building program** to go with it, so as to address the organizational challenge it faces.
- There is a need to establish the necessary **cooperation framework** both internally within the Public Administration and with Suppliers.

e-Procurement Implementation Guiding Principle



Public e-Procurement Implementation Roadmap



Public e-Procurement Implementation Roadmap

Conception & Design

- Enabling Environment
 - favourable policy and legal infrastructure
 - Laws should be general to allow for **flexibilities**
 - The details and specifics should be reflected in by-laws and decrees
 - **Simplification of the laws** themselves should be considered
 - e-readiness
 - processes: *rationalization, take action and provide leadership*
 - organizational set-up: *centralized or decentralized*
 - technical infrastructure: *connectivity, security, standardization, scalability*

Regional Experience

- Public Procurement Law
- e-Transaction laws
- Progressive evolution

Public e-Procurement Implementation Roadmap

Conception & Design

- Scope Identification
 - mission and values
 - strategic goals development

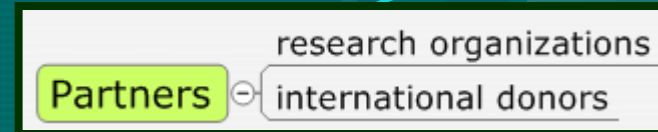
Lebanon Experience

- National e-Strategy
- e-Government
- Priority Service
 - Online procurement portal
 - Lead example for electronic commerce on the national level

Public e-Procurement Implementation Roadmap

Conception & Design

- Stakeholder Involvement



Lebanon Experience

- Board of Tenders
- NeS working committees
- Champions from 5 public sector administration

UAE Experience

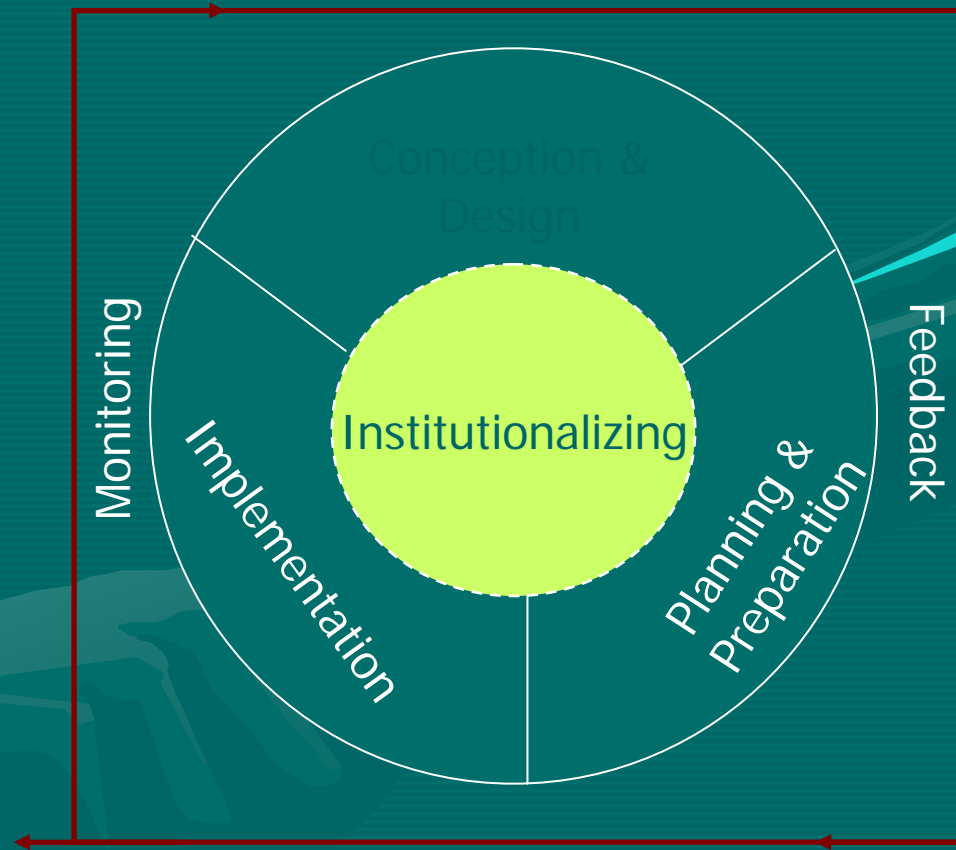
- Policy Makers
- Finance
- Public-private sector partnership

Public e-Procurement Implementation Roadmap

Conception & Design

- Economic Considerations
 - application software, implementation costs, content aggregation, catalog/search engine, transaction, training, participation ...
 - **risk of failure**

Public e-Procurement Implementation Roadmap



Public e-Procurement Implementation Roadmap

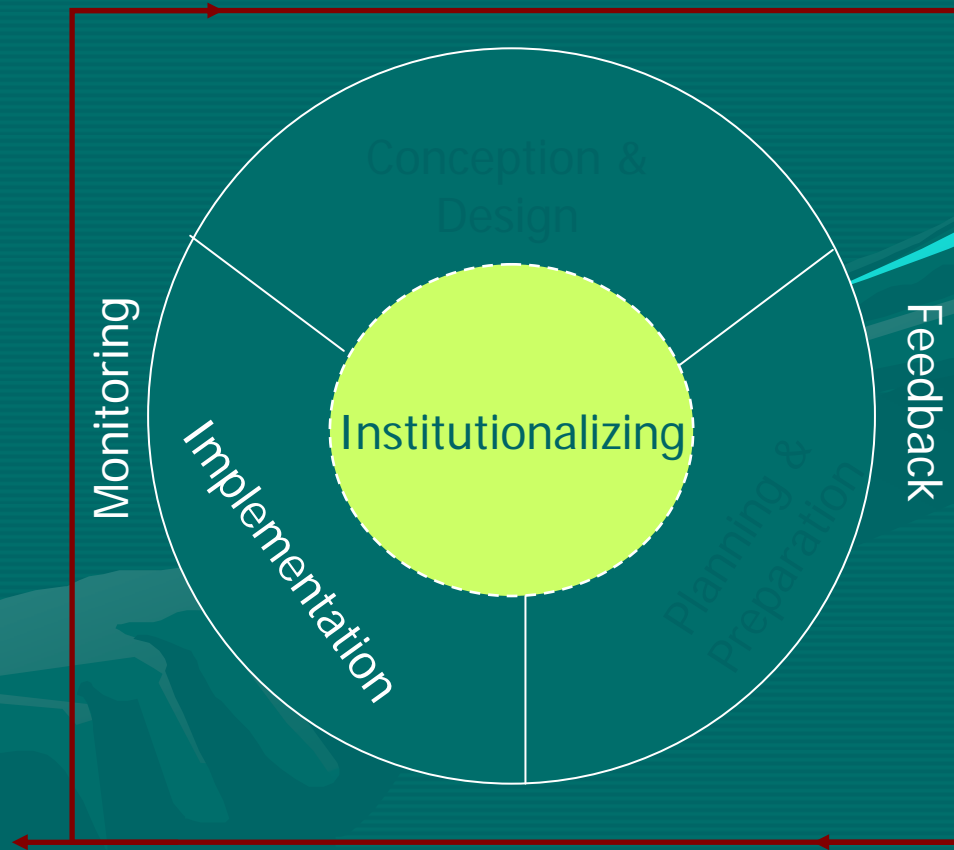
Planning & Preparation

- Aligning systems and processes for results
 - translate goals to actions
 - define performance and success measures
- Prototyping approach
- Financing
- Project Plan
- Quality Plan
- Risk Log
- **Team profile**
- **Communication Plan**

Lebanon/Jordan Experience

- Project Document
- Grant from Development Gateway/Government of Italy
- Best Practices learning

Public e-Procurement Implementation Roadmap



Public e-Procurement Implementation Roadmap

Implementation

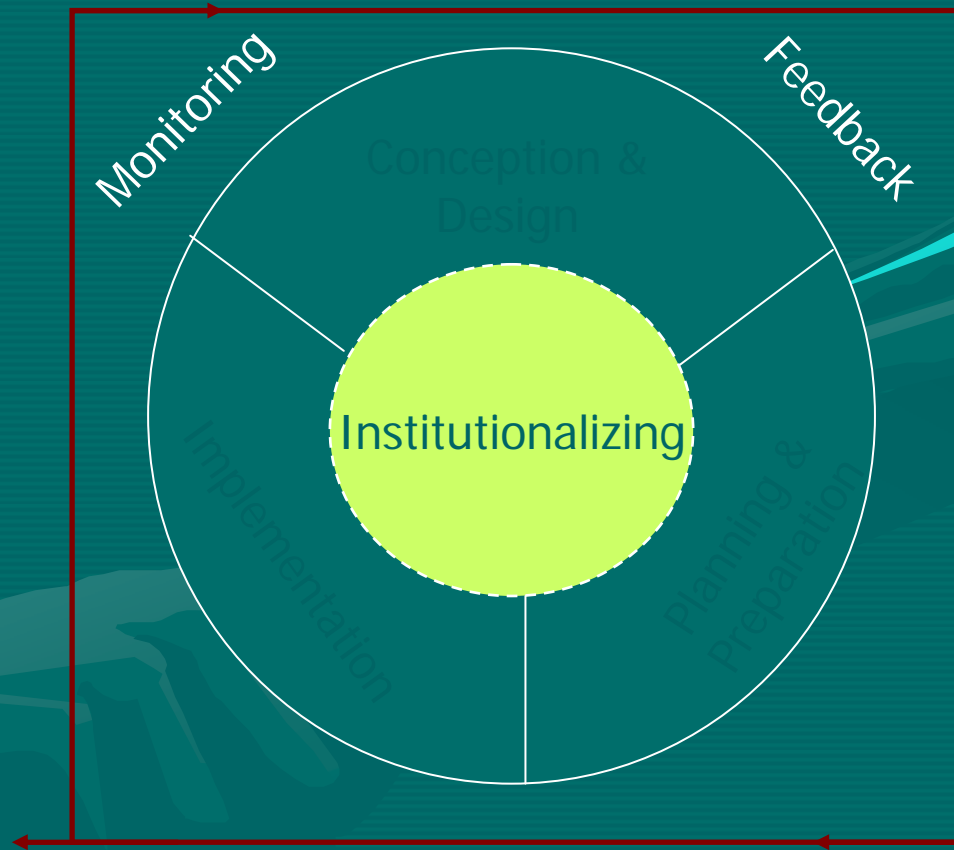
- Management by Exception (**Focus**)
 - Project Leadership
 - Technical Project Management
- Project Stages
- Capacity Building
 - Competency: training
 - Skills: organizational culture
- Deliver (**Execution**)
 - Issue Log
 - Quality Log
 - **Accomplishments Log**
 - **Lessons learnt Log**

UAE Experience

- Phased approach
 - eMarketplace solution starting with largest departments first (2000-2003)
 - specialized applications rolled-out with continued eMarketplace utilization (2003-2005)
 - enhancements combined with integration (2005 –ongoing)

source: Tejari

Public e-Procurement Implementation Roadmap



Public e-Procurement Implementation Roadmap

Indicators & Measuring Progress

- How to **evaluate** that the program results in net benefit?
- Need to have the **right set of indicators** to avoid misleading investment and policy making
- Must maintain the focus on the **global business case**

Public e-Procurement Implementation Roadmap

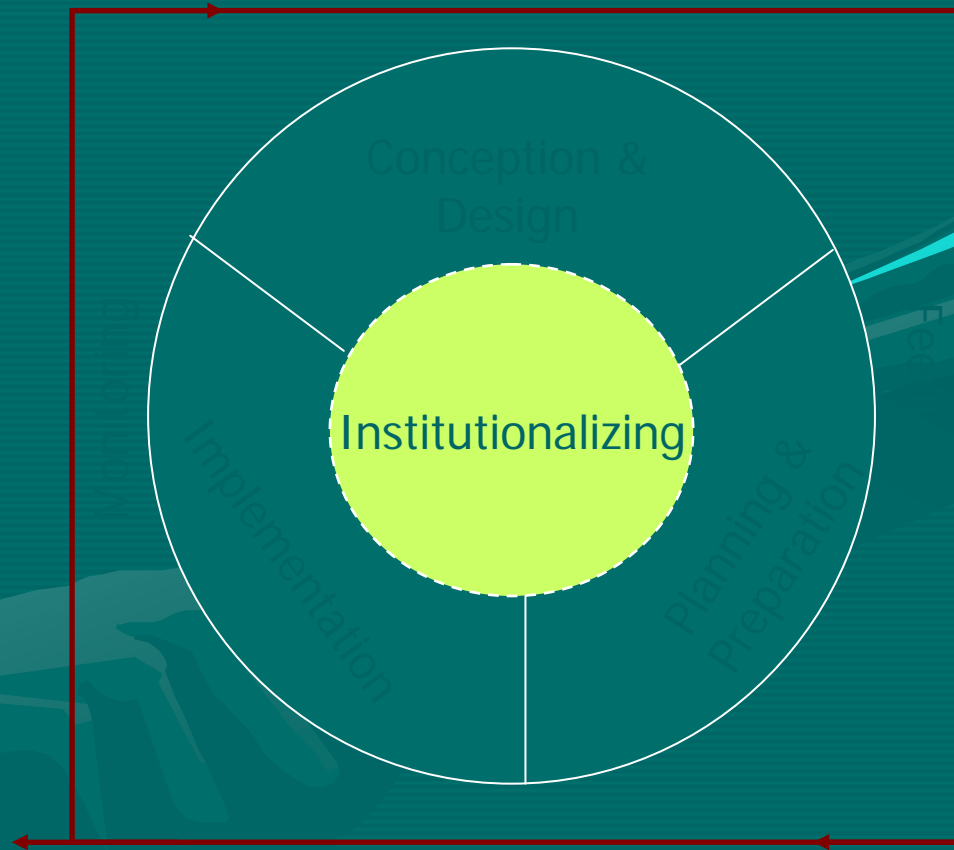
Monitoring and Feedback

- Monitor a strategic goals **Scoreboard**
- **Focus** on key results, major problems, and high-level issues
- **Clear the path** of barriers
- Continuous **re-alignment** of goals and processes
- **Leadership** of the process combined with **Management** of product delivery

Lebanon Experience

- **Steering Committee** (directing and leading)
- **Technical Project Management** (managing delivery)
- **Supplier Database** (shared performance evaluations)
- **Lessons Learnt Repository**

Public e-Procurement Implementation Roadmap



Institutionalizing

Conception & Design

Ownership
Champions
Project Leadership

Planning & Preparation

Project Management Capabilities
Education and awareness on e-Procurement
Education and awareness on ICT implementation project cycle
Team selection and development

Implementation

Training on technical competency and skills development
Public-Private Partnerships
Project Management controls

Monitoring & Feedback

Communication informing
brainstorming
Change Management
Collaboration

Conclusion

Results of Capacity-building for implementing public e-procurement systems

- Conception & Design
 - Planning & Preparation
 - Implementation
 - Monitoring & Feedback
 - Institutionalizing
- Focus and Clarity
Alignment (translation & enabling)
Execution
Synergy & Accountability
Commitment



SUSTAINABILITY

Thank You for your attention

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