

Cooperation Initiatives on e- Procurement Challenges and Perspectives

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Effective Aid

- Partner countries set the strategy
- Donors use **strengthened** country systems:
 - Financial management
 - ***Procurement***
 - Monitoring and evaluation
- Aid harmonization:
 - Common arrangements
 - Simplified procedures
 - Shared information

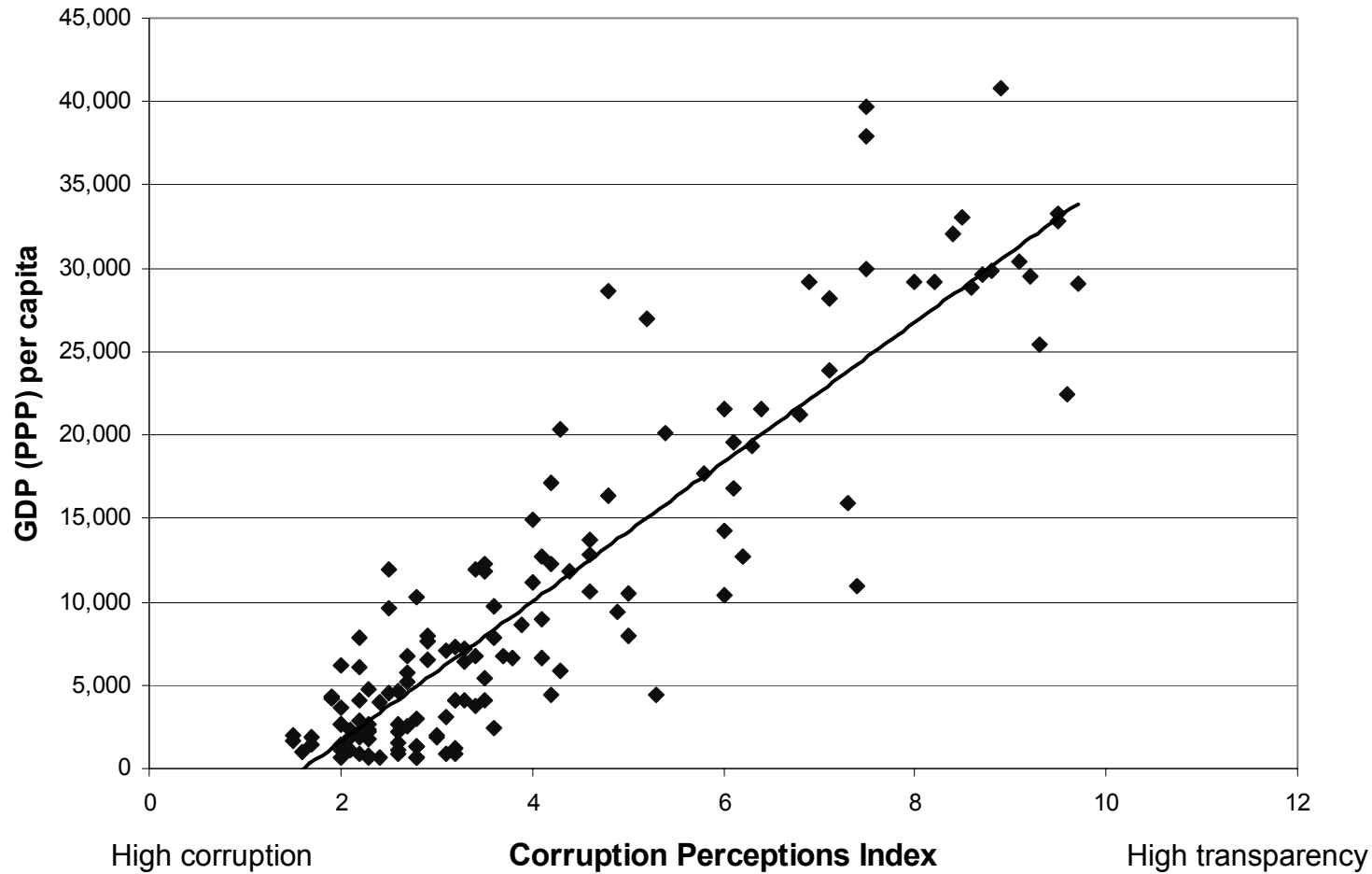
e-Procurement Objectives

- Increase transparency and efficiency in government procurement
- Streamline procurement processes through the adoption of state-of-the-art web-based solutions
- Contribute to local economic development by enabling local suppliers to find national and international business opportunities

Benefits of Transparency

- Annual government procurement – \$3 trillion worldwide, about \$1 trillion in developing countries
- 2005 EU study: price impact of e-procurement in EU countries – 5% savings
- Direct price impact in less transparent countries is even larger
- Indirect impact is larger than the price impact (reallocating resources to more efficient firms)

Corruption vs. Economic Development



Sources:
International Monetary Fund, World Economic Outlook Database, 2004
Transparency International, Corruption Perceptions Index, 2004

Challenges

- Procurement laws and regulations have to be strengthened in many countries
- Procurement processes and procedures need to be clearly identified across several actors
- Lack of standards and inter-operability often cause “Reinventing the wheel”
- Suppliers want “one-stop” source of procurement information