

PROSPEROUS
INCLUSIVE
RESILIENT
SUSTAINABLE
ASIA AND THE PACIFIC



Digital procurement innovations

African Public Procurement Network Webinar
Use of Disruptive Technologies for powering public procurement and
good governance
July 27, 2023

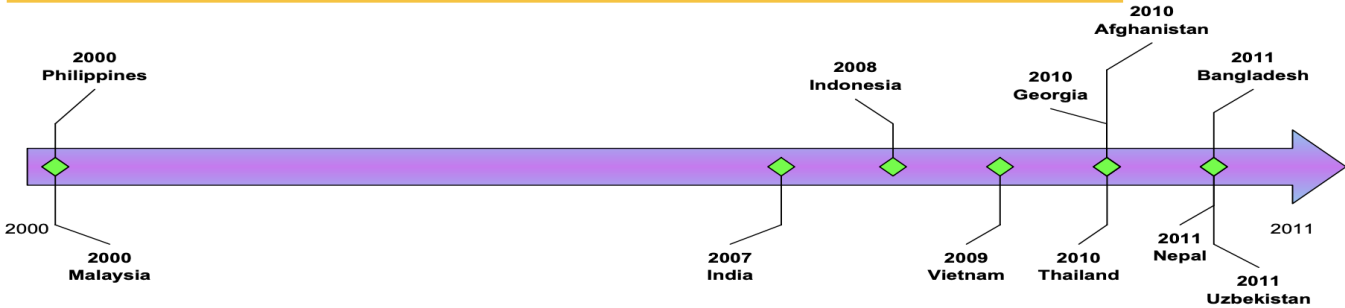
Galiya Ismakova,
Principal Procurement Specialist, Asian Development Bank

Asian Development Bank

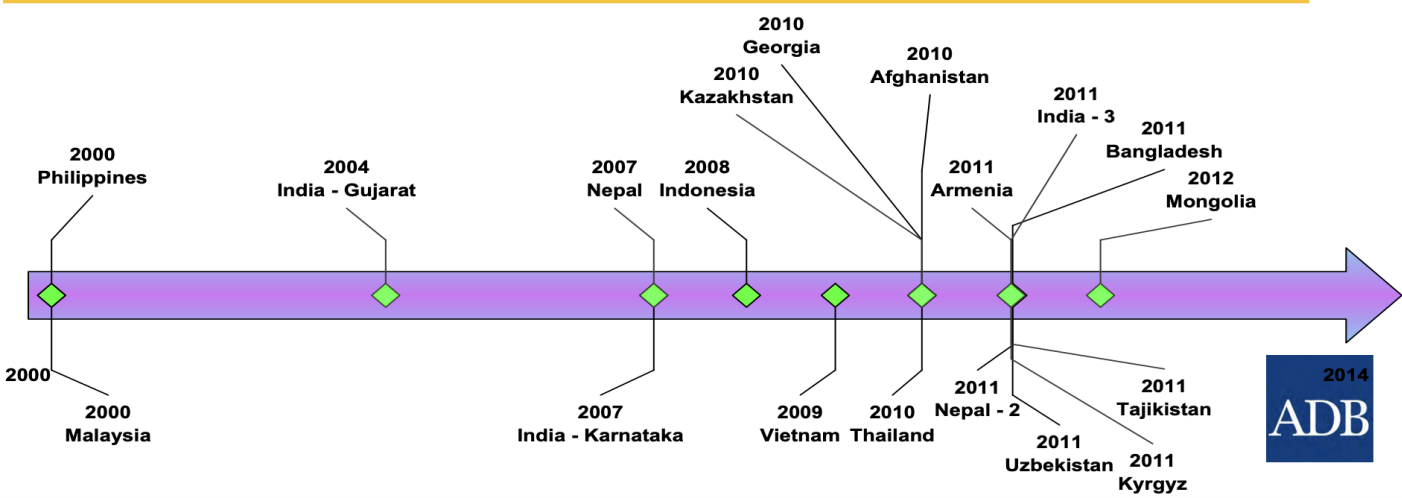


E-Government procurement surveys - Snapshots

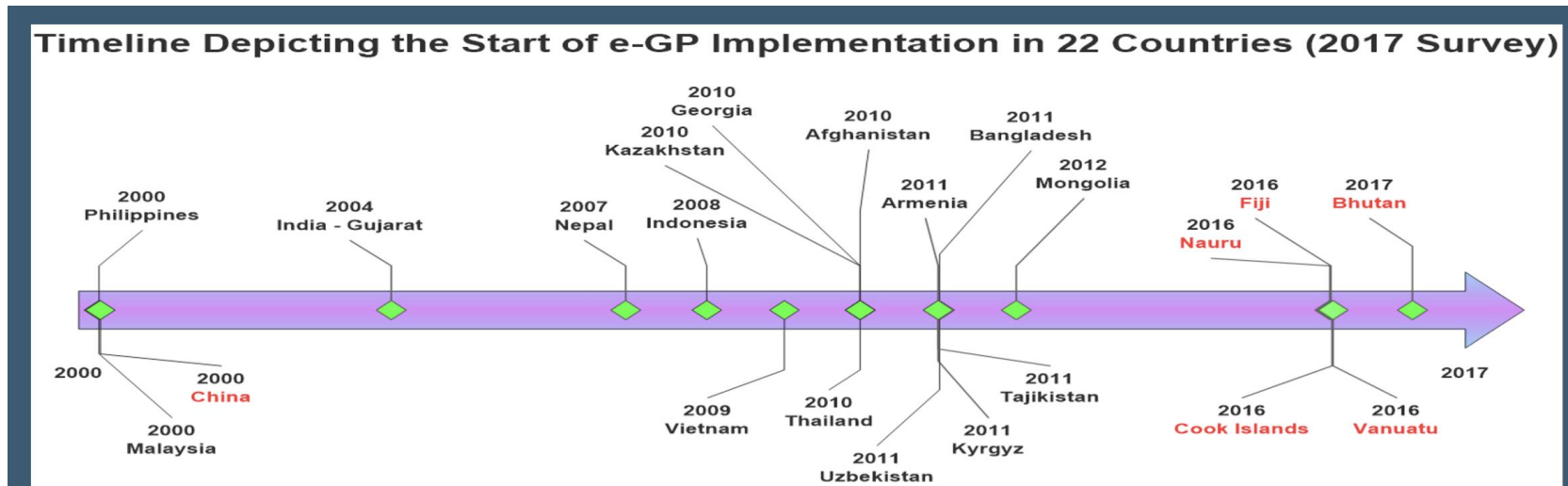
e-GP implementation status in the Asia & Pacific Region as per 2011 survey



e-GP implementation status in Asia and Pacific Region appended as per 2014 survey



E-Government procurement surveys - Snapshots



Necessity is a mother of invention

- Public procurement is traditionally risk averse and rule bound.
- In 2011 only 1/3 of the Developing Member countries (DMCs) started implementing eGP
- By 2017, 2/3 of the countries had made the shift!
- COVID19 pandemic has accelerated the adoption and use of digital commerce and digital procurement.
- eGP has moved from “nice to have” to “must have” category practically overnight

Development challenge

- The public expects Governments to...
- Lead post-pandemic recovery
- Address climate change challenge
- Address inflationary challenges
- Contribute to the social equity issues
- Strengthen supply chain resiliency
- Strengthen trust in public institutions through transparency, integrity, predictability and anti-corruption

Delivery challenge

- Some ADB member countries still do not use electronic procurement beyond publication of opportunities.
- Existing eGP solutions are mostly built for a domestic market participation
- Limited integration with other e-government systems is not yet delivering the streamlining efficiency
- Wealth of procurement data is not yet fully tapped for predictive demand forecasting and purchasing volume consolidation
- Sustainable procurement considerations

Recent benchmarking of good practices in Asia and the Pacific

- **Specialist construction sector functionality includes direct payment of construction subcontractors:** Platform includes construction cost management system. Protects SMEs in works projects via a subcontractor management system so that they can submit invoices and receive payment directly. KONEPS examining Smart Construction Technologies to improve design, construction, and maintenance of projects.
- **User-centered design drives simplification:** South Korea's digital transformation aims to improve user convenience by offering services for suppliers and public users under its 3S (Smart, Speedy, Simple) strategy. Procurement information hub integrates different national systems within a cloud computing environment.



Recent benchmarking of good practices in Asia and the Pacific

- **Policy targets and system functionality drive inclusivity and**

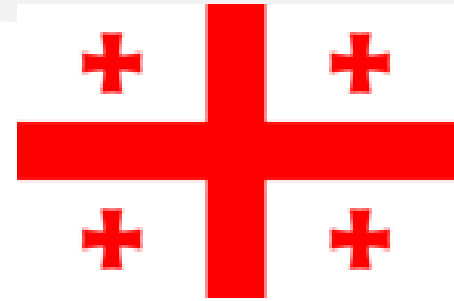
government policy: A key focus is to support and protect MSMEs and other targeted economic groups such as women owned businesses. PPS policy encourages agencies to direct up to 50% of their procurement budget to MSMEs and the Shopping Mall includes search filter options to identify products offered by target groups and which comply with green procurement standards. All transactions processed are subject to prompt payment to ensure suppliers have no overdue payments.

- **No other way to do business with the government:** South Korean procurement processes are not only automated but the business practices are also designed to protect and support electronic business. South Korea has made it clear that all public procurement would only be transacted online so that suppliers are clear that they have to register to win government business; over 500,000 suppliers now process over 1M transactions through the system. PPS hosts annual trade show events to allow SMEs to promote their products to procuring agencies.



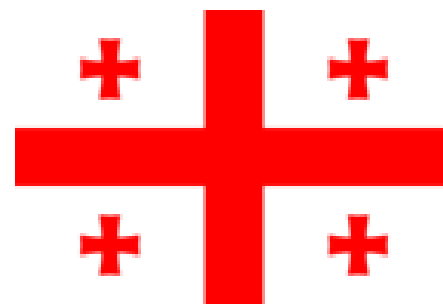
Recent benchmarking of good practices in Asia and the Pacific

- **System integration:** Georgian system integrated with company registration, tax, and finance to support supplier data validation and payments. For national firms, the State Procurement Agency (SPA) system autocomplete selected data fields by validating users via national ID cards.
- **Using demand and cost data to inform new framework agreements:** SPA analyzes all transactions to identify items for centralized procurement. It sources and manages procurement of common goods and services under framework agreements and is expanding range of goods made available through e-catalogue to streamline buying process for a higher percentage of items.
- **Risk management and real time monitoring:** SPA monitoring unit conducts real-time analysis of transactions against a set of risk factors and they follow-up concerns with procurement committees. Monitoring Department reviews all procurement activity in different electronic procurement systems. Issues flagged for review include high total value, award over budget, repeated contract awards to same supplier (potential contract splitting). Monitoring Department reviews documents and requirements, classification, evaluation. Will seek clarification from the procuring agency or file a request for investigation with the dispute resolution.



Recent benchmarking of good practices in Asia and the Pacific

- **Online complaint and Dispute Resolution processes support transparency:** Georgia's system provides Dispute Resolution Board with a list of complaints, including those filed by SPA monitoring unit and publishes online calendar of upcoming hearings, rules for disputes, and instructions for appeal and reports.
- **Public Procurement portals increase access to information:** E-Library contains supporting documentation including Laws, Rules and Regulations, Strategic Plans, System Analytics and Reports and Frequently Asked Questions associated with use of system and services provided through SPA. The Open Contracting Data portal provides data and reports.



Recent benchmarking of good practices in Asia and the Pacific

Standardized platforms installed at the regional level: India manages a distributed network of the GePNIC eProcurement application, representing over 70% of installations at state level as each Indian state government operates under own state procurement laws. NIC develops and maintains the system

Demand aggregation: GeM marketplace aggregates demand for items procured by Central/State Government Departments to allow agency to drive prices lower and standardize specifications. Demand aggregation is estimated to drive annual savings of Rs 40,000 Crore per annum.

Supporting cross-border transactions: NIC has created process to support Donor procurement rules and BOQ for ADB Goods and Service procurement which supports multi-currency and allows bidders to add additional line items not originally specified by procuring agency.



Recent benchmarking of good practices in Asia and the Pacific

System integration: GePNIC eProcurement systems online payment or outside e-transfer to the designated account, allows the procuring agency to check the validity of the payment or account during bid opening.

System security built in: Submissions are encrypted, e-signed using a Digital Token (DSC tokens required by law) and locked until bid opening. Bidders observe bid opening in system including observing openers logging in and unlocking submissions. Bidders and the public can access bid opening and evaluation reports once published for procuring agency.

Improving accessibility: GePNIC mobile application provides access to national dashboard and to login to view information related to a package.



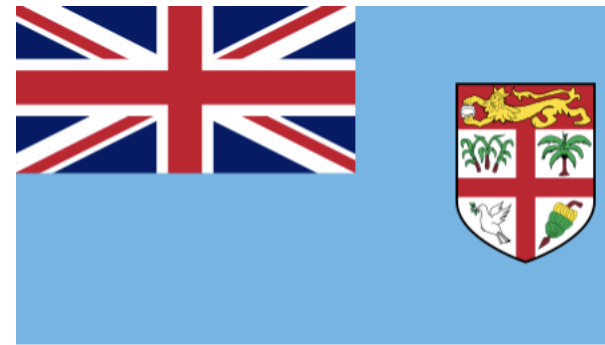
Recent benchmarking of good practices in Asia and the Pacific

Deployment of Software-as-a-Service: reengineer procurement processes to take advantage of digital procurement solutions

Improving supplier participation: 5 times increase in supplier base since going electronic

Improved transparency: visibility of tender process status

Leverage use of commercial software: established SaaS provider offered speedy and cost-efficient deployment



Useful Links

- [Asia Pacific Public Electronic Procurement Network | Asian Development Bank \(adb.org\)](#)
- [52109-001: Strengthening the Asia Pacific Public Electronic Procurement Network | Asian Development Bank \(adb.org\)](#)
- [52109-002: Strengthening the Asia Pacific Public Electronic Procurement Network – Phase 2 | Asian Development Bank \(adb.org\)](#)
- [Asia Pacific Public Electronic Procurement Network Conference | ADB Knowledge Event Repository \(development.asia\)](#)
- <https://events.development.asia/learning-events/asia-pacific-public-electronic-procurement-network-conference>
- [E-Procurement | Asian Development Bank \(adb.org\)](#)
- [e-Government Procurement Handbook | Asian Development Bank \(adb.org\)](#)



Galiya Ismakova

Principal Procurement Specialist

Asian Development Bank

gismakova@adb.org

<https://www.linkedin.com/in/galiya-ismakova-4a49232b/>