

**Research and Policy Development Consultation Meeting
on e-Procurement for Innovative Governance**

10 - 11 March 2011

Seoul, Republic of Korea

TABLE OF TECHNICAL INPUT

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*Participants may use as much space as deemed necessary in filling out the following sections.

1. Merits and Problems of Existing e-Procurement Systems

A) Kindly list three or more **merits** shared by the existing public e-procurement systems. In what way have they been successful in promoting innovative governance? Please include short remarks to provide their contexts (developmental stage, geographical scope, legal and institutional background, etc.).

(1) Transparency (aiming at repressing the space for corruption and rent-seeking)

(2) efficiency (achieve a greater saving through reducing the expense and time-cost of transportation and cargo, transactional cost and cost of paper-made documents.)

(3) Contributes to a scientific and systematic Government Procurement Governance, for traditional Government Procurement Processes might be not scientific, systematic or procedural adequately due to excessive artificial factors.

(4) Standardization. Chinese standardization is still immature and on its developing stage, it's expected that the construction of data base of suppliers, experts and commodities would be promoted through e-procurement so as to push forward the standardization of Government Procurement as a whole.

(5) Dispute Settlement restrain, A transparent and systematic electronic Government Procurement serves the public wealth substantially and manifests equity to all the parties participated in, thus it does reduce the number of cases of dispute settlement.

(6) Regulation implementation. A sophisticated electronic Government Procurement system could be conducive to the implementation of directives and regulations.

(7) Competition Stimulation. A scientifically designed E-Government Procurement system could also stimulate the competition between suppliers so as to realize the best value at the lowest expense.

(8) Eco-friendly, a sort of Green procurement itself. E-Government Procurement not only contributes to save more financial fund, but also cuts down the resource—consumption through the disuse of traditional paper-made bidding documents.

(9) Risk circumvention. It's obvious that a high-tech E-Government Procurement may be convenient for risk circumvention, especially those artificial and administrative ones, moral corruption of officials and malfeasance, for example.

(10) Easy for statistics. E-Procurement covers the whole processes of public procurement projects, involving e-sourcing, e-ordering, e-tendering, e-reverse auction, e-payment and etc, and these procedures must be carried out

through the Internet. This means a lot for information and data gathering, what's more, a large and sophisticated data base can probably provide statistical guidance for the further improvement.

(11) Prompt reaction and communication. With the E-Procurement system- a modern technology business platform, all parties participated in the Government Procurement project may communicate, compete and collaborate real time and without any avoidable delay. This would definitely optimize and streamline the administrative conduction of public sectors.

B) Kindly list three or more **major problems** shared by the existing public e-procurement systems. In what way have these problems been proved obstacles to advancing government efficiency, transparency and participatory governance? Please indicate concrete examples to provide details.

(1) The development of e-commerce is still immature, and, as a result, this would exert a negative influence on the electronic Government Procurement.

(2) It's serious that different public sectors and organs are taking their own roads due to Lacking of the coordination between themselves and a centralized e-procurement system.

(3) The construction and development of electronic Government Procurement is hindered by the backward standardization system.

(4) Regional uneven development. As is known to all, China is a developing and transitional country. Interlocally uneven development may be one of the greatest challenges facing the authorities. Chinese E-Government Procurement system may be up against the similar difficulty correspondingly, the construction of E-procurement in western China is still in its early time.

(5) Excessive E-procurement systems. There are tens of E-procurement systems on this continent, which increases the cost of trans-regional business, thus to build trade barriers regionally.

(6) Utilization. A sophisticated E-procurement system ought to realize noticing, tendering, bidding and clearing online, however, the system is used for posting bidding information only in many backward regions in China.

2. A Common Framework / Toolkit for e-Procurement in Developing Countries

UNPOG (United Nations Project Office on Governance) and DPADM (Division for Public Administration for Development Management, UNDESA) will jointly design a common framework and/or toolkit which aims to provide developing countries with a comprehensive set of strategic guidelines to advance e-procurement for innovative governance. In light of the existence of similar toolkits available in other organizations (such as multilateral development banks), and taking into account our necessity to avoid possible redundancies, kindly provide three or more **technical recommendations on how to develop such a common framework/ toolkit with added values.**

(1) Commercialization. To promote commercialization of the operation of the E-procurement system may be one of the incentive methods in the circumstance of market economy to advance the improvement of quality of the system, namely to contract out the conduction of E-procurement system to private IT companies.

(2) Institutionalization. To advance the development of electronic Government Procurement system by statutes and regulations, for example to make it compulsory through statutes or regulations in some well-developed region first.

The reason is that E-procurement have been proved a applicable and efficient way to realize the administrative functions and to serve the public wealth for public sectors.

(3)Integration. To integrate the portals of E-procurement with the E-Government websites, this would be convenient for public supervision and control, and also contributes to facilitate those suppliers who will to participate in Government Procurement projects .Furthermore this would be also conducive to E-Government advancement in return.

3. Recommended Methodologies for Data Collection and Analysis

*Following the conclusion of our consultation meeting (10-11 March), UNPOG and DPADM will undertake data collection and analysis on the e-procurement status of the United Nations member states. The information to be collected will include legal, administrative, managerial and other diverse institutional aspects of their public e-procurement status, including relevant cases of innovative governance. Kindly suggest three or more ideas on **the approach and/or methodologies** to be used in this data-gathering and analysis.*

- (1) Collect information and data through website;
- (2) Case and analysis from newspaper, journals;
- (3) Survey;
- (4) Project report
- (5)

4. Country Surveys

*In order to facilitate the above-mentioned data collection and analysis, UNPOG and DPADM plan to undertake **country surveys**, starting first with the **member states in Asia and the Pacific**. The compilation of these analytical surveys will lead to the formulation of a 'regional inventory of e-procurement systems for innovative governance' in Asia and the Pacific. Kindly list 3 or more concrete recommendations for preparing the **requisite questionnaires**.*

- (1) What authorities are in charged in the administration of e- public procurement? What are there functions?
- (2) What kind of agencies are involved in e-procurement system in the Country? Their activities and responsibilities.
- (3) What is local e-procurement administration procedure, How many steps included;
- (4) What is procedure of e-procurement practice(management) , How many steps included;
- (5) Is Reverse auction used?

5. Past and On-going Initiatives **optional*

Briefly list three or more **major (past and on-going) initiatives** undertaken by multilateral agencies to assist governments, particularly of developing countries, in advancing innovative governance with the application of an e-procurement system. How have they contributed to advancing e-procurement systems? What specific approach have they employed in promoting innovative governance? For each initiative to be listed, kindly provide its title and short descriptions, as well as the name of the agency in charge.

- (1) immediacy control and innovative governance for the government administration and management;
- (2) profit gaining through the design and maintenance of e-procurement system and framework;
- (3) cost saving for procurement agencies and tenders by reducing paper work, traveling and organizing tendering and bidding work.
- (4)
- (5)