PUBLIC PROCUREMENT AND IT SECTOR DEVELOPMENT

CASE OF MONGOLIA

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INTRODUCTION OF PUBLIC PROCUREMENT SYSTEM: LEGAL FRAMEWORK

The Public Procurement Law of Mongolia was ratified by Parliament in 2000.

Public Procurement Principles:

- ✓ Transparency
- ✓ Efficiency
- ✓ Economy
- ✓ Accountability

Features:

- ❖ Public Participation in public procurement
- ❖ Foreign tenderers participating in tenders
- ❖ Granting a margin of preference to tenderers
- ❖ Registration system and Database

INTRODUCTION OF PUBLIC PROCUREMENT SYSTEM: INSTITUTIONAL FRAMEWORK

❖ Legal and Public Procurement Policy Department, Ministry of Finance;

❖ Certified Public Procurement Inspectors, Ministry of Finance,

❖ Public Procurement Professional Body-Government Procurement Agency was established in 2012;

❖ Local Procurement Units were established in 2012 under Administrative Offices of Provinces;

❖ Procuring entities;

❖ Certified Public Procurement Specialists

Development of E-procurement System

➢ Government Procurement official website was launched in 2006.

➢ Web site: *www.e-procurement.mn*

➢ **Main functions:**
- *Bidding announcement;*
- *Bidding results;*
- *Other information.*

➢ This is the first stage of electronic procurement system starting with e-publication function.

DEVELOPMENT OF E-PROCUREMENT SYSTEM

➢ Procurement Management and Monitoring Information System was developed under World Bank assistance and launched in 2007.

➢ Website: *www.pmmis.e-procurement.mn*

➢ **Main functions:**

❖Registration of all procurement plan of the budget administrators (procuring entities);

❖Posting of bidding announcement and results by procuring entities;

Preparation of various procurement reports;

Collecting public procurement statistics.

DEVELOPMENT OF E-PROCUREMENT SYSTEM

➢ The Project on Establishment of e-Procurement System in Mongolia started in October, 2010 (Phase 1).

➢ The cost of the Phase 1 (about US$ 4.2 million) was funded by KOICA.

➢ Web site: www.meps.gov.mn

➢ Admin: Government Procurement Agency of Mongolia

➢ Design of the system is based on the KONEPS

DEVELOPMENT OF E-PROCUREMENT SYSTEM: REGULATION

- ❑ Public Procurement Law of Mongolia
  - ❖ Professional Procurement bodies organize not less 20 percent of their procurement activities via e-procurement system.
- ❑ Guideline for Organizing E-Procurement approved by Ministry of Finance
- ❑ Guideline for Publishing Procurement Plan, Notification, Result of Bids on website.
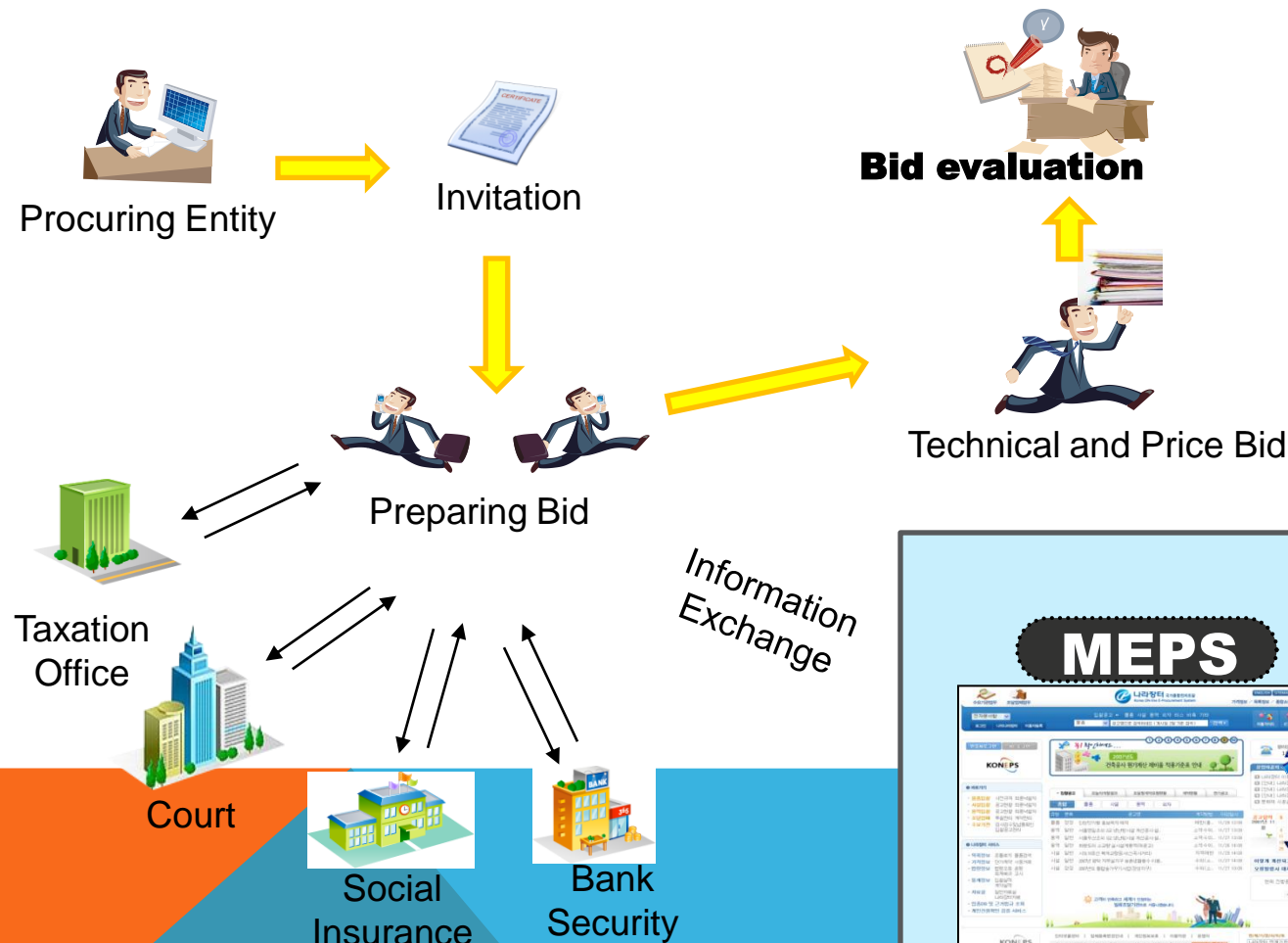
Development of E-Procurement System
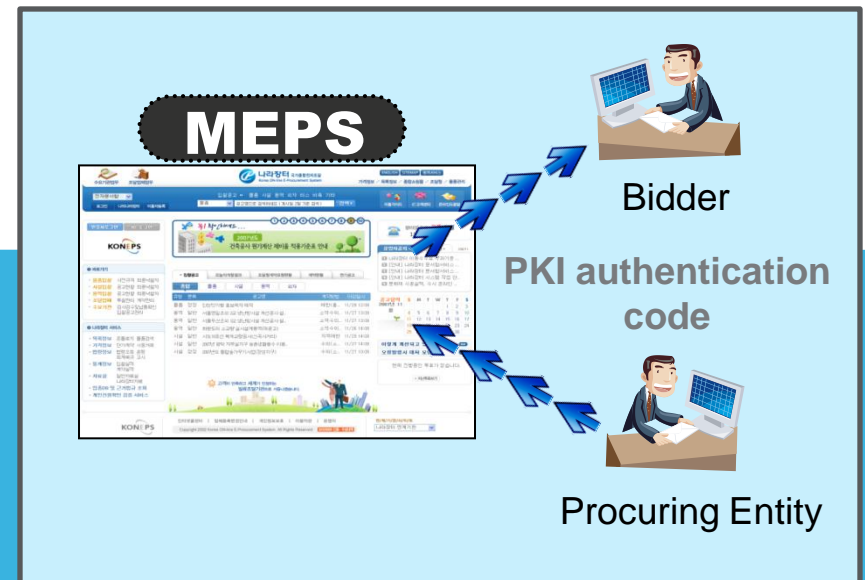## Ensuring Transparency and Effectiveness

Under the PPLM:

❖ Procurement Plan shall be published on the websites 1 month after annual state budget is approved.

❖ Invitation for Bid shall be published in daily newspapers.

❖ Result of Bidding shall be published on an official website regularly.

❖ Database of Bidders for E-procurement

❖ To reduce administration costs of Bidders and Procuring Entities

❖ Price of Bidding Documents is lower than paper-based traditional procurement system

❖ Regular Information Dissemination

Development of E-Procurement System in Mongolia: Challenges and Further Development

Development of E-Procurement System Challenges and Further Development

❑ **E-procurement system consists of e-bidding, e-shopping and e-catalogue systems**
- Guidelines for application of e-shopping and framework agreement
- Proper application of e-catalogue

❑ In order to create comprehensive system, it is necessary to link the system with Central Registration and Information sub-system under e-governance system of Mongolia.

IT SECTOR DEVELOPMENT INFORMATION TECHNOLOGY PARK

❑ The Park was established in 2002.

❑ A project IT Park was implemented during 2002-2003 in support of Government of the Republic of Korea.

❑ The Project introduced IT incubator in Mongolia and supported the development of local IT firms.

IT SECTOR DEVELOPMENT INFORMATION TECHNOLOGY PARK

Objective:

❖ To strengthen development of IT sector through encouraging scientific and technological innovation;

❖ To support HR development based on international practices;

❖ To encourage demand and supply of IT products developed by local firm s and institutions in the domestic market;

❖ To promote development of newly established domestic IT firms in incubators.

IT sector Development E-Governance Program

❑ Law on Electronic Signature of Mongolia was approved in 2011.
  ❖ It creates legal environment to introduce e-governance system.

❑ The National Program of Mongolia was approved in 2012.
❑ Objective:
  ❖ To ensure public participation in decision making through introduction of E-Governance in Mongolia

❑ Implementation Plan was published in align with the approval of the Program. It covers the following areas:
  Policy framework
  Security issue
  ❖ Development of IT infrastructure
  ❖ Improving transparency of public service through
  ❖ IT HR development

CONCLUSION

❑ To improve e-procurement system through linking the e-procurement system with government organizations which issue references for Bidders,

❑ To improve IT knowledge and skills of Bidders

❑ To encourage application of IT systems in rural area

❑ To increase internet connection speed through improving IT infrastructure

❑ To enable involvement of local IT firms in projects funded by International Development Institutions to ensure sustai

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