

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

Seoul, Republic of Korea
10-11 March 2011

Aide-Memoire

1. Meeting

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

2. Introduction

The United Nations Project Office on Governance (UNPOG) is an operational arm of the Division for Public Administration and Development Management (DPADM), the United Nations Department of Economic and Social Affairs (UNDESA). Since its inception in 2006, the UNPOG has been undertaking various programme activities of advocacy, research, and capacity development to support public sector organizations in different regions of the world for advancing good public governance.

The UNPOG is initiating a programme on the subject of public sector e-procurement as a critical factor to ensure good governance in a fair, efficient, transparent, accountable, participatory, and corruption preventive manner.

3. Background

Technological innovation and change in social and economic systems are deeply interwoven with each other. Advancement of technologies often leads to reforms of social and economic mechanisms, and emerging trends of economic and social practices, such as those in transport and communications, may call for further development of new technologies.

A series of recent innovation on information and communication technology (ICT) has been extensively applied to the practices of public sector organizations. The application of ICT to government activities has been making remarkable impacts on their productivity, efficiency, and fairness, and it has been leading to substantial reforms of governmental structures and operations. In some cases, active and systematic participation of citizens, NGOs and the private sector is made possible through the use of a tailor-made on-line system built in the government decision-making processes, and, for this reason, these outside sources compete with, or replace, government agencies for public service delivery.

The public procurement service is an integral part of the public administration, and carries vital importance in national economy of a country or a group of countries. For example, the volume of goods and services procured by the public sector of European countries exceeds 16% of the European Community's GDP. How to ensure efficient and fair public procurement thus came to the center of attention of a number of countries. In addition to a number of individual countries, international communities also made responses to the recognized need for good governance in public procurement. The initiative of the Task Force on Procurement led by OECD-DAC, for example, resulted in the formulation and application of guidelines for assessing the quality and effectiveness of public procurement systems.

It is in this context that online procurement of goods and services for the use of government agencies, in short, "e-procurement" or "e-government procurement", needs to be closely examined. The practice of applications

of e-procurement to the public sector is differentiated among groups of countries. Governments of some countries have already established refined and complex systems of e-procurement, and fully make use of the merits of the e-procurement modality for saving time and energy of government officials in undertaking public procurement operations, creating better environment for competitive bidding, and eliminating rooms for corruptions. Governments of some countries, on the other hand, seem to be struggling for funds and legal frameworks to build physical infrastructures for introducing e-procurement systems.

The support of international organizations has also been extended to their member countries so as to enable them to make better use of e-procurement systems to provide public procurement service delivery in an efficient and democratic manner. For instance, the Multilateral Development Banks, including the World Bank, the Inter-American Development Bank, the African Development Bank, and the Asian Development Bank, has been playing leading roles to provide the member countries with up-to-date strategic guidelines to promote common understanding of public sector e-procurement. The day-to-day activities of this group of international financial institutions include the service of an online toolkit for assisting the member governments in the planning, management, and implementation of public sector e-procurement systems.

The proposed Research and Policy Development Consultation Meeting on e-Procurement for Innovative Governance aims at clarifying strong points and shortcomings of e-procurement systems presently practiced in different groups of countries, identifying common challenges and issues for advancing innovative governance through the use of e-procurement, and clarifying elements required for developing a common framework or a toolkit for a systematic application of e-procurement schemes in developing countries.

4. The Context

The UNPOG project document established research and policy development as a foundation for effective policy selection and implementation, including e-Government as a sub-theme¹. In this regard, this Research and Policy Development Consultation Meeting on e-Procurement for Innovative Governance will initiate a global process to be followed-up by the DPADM in other regions, in response to current demand for e-procurement as a growing area in governmental operations in all regions. Therefore, the intention is to eventually cover the 192 United Nations member states by focusing on the following:

4.1. Overall Vision for All Regions - Medium-long Term Activities

a) An inventory of e-procurement systems initially for Asia and the Pacific and eventually for all regions will be established. This inventory would include legal and institutional frameworks for e-procurement in all the United Nations member states, among other aspects, and **will be part of the United Nations Public Administration Country Studies (UN-PACS)**. This inventory will also collect information on the existing e-procurement activities being developed by OECD, the World Bank, and others. The inventory is expected to facilitate the possible formation of partnerships/synergies among relevant organizational activities and also clarify the added value of this particular initiative while avoiding thematic and geographic duplication. **The inventory will also generate regional Compendia of e-Procurement Practices.**

b) A common framework/toolkit will be designed to enhance e-procurement activities in developing countries in all regions. Experts attending the meeting in Seoul will suggest elements of this toolkit, which will allow for national and regional flexibility. The participation of experts from selected Asia and Pacific developing countries will provide a reality check. In addition, the DPADM will start to improve its knowledge and expertise on e-procurement for further advisory activities (see next item).

¹ - Page 7, Project Document "The United Nations Project Office on Governance"

c) A series of possible technical cooperation/capacity development activities will be organized in all regions to support developing countries in enhancing their e-procurement capabilities. The emphasis is not on technology but on institutional design and public administration aspects.

4.2. Meeting in Seoul - Short-term Activities (please see more details below under “objectives” and “outputs”

a) Experts attending the meeting in Seoul will suggest state-of-the-art approaches and features of the research and a methodology for information collection in the Asia and the Pacific Region.

In addition, the information will become a basis for UNPOG research activities in the preparation of a Compendium of e-procurement practices in Asia and Pacific.

b) The preparation of a questionnaire for the experts attending the meeting in Seoul would be part of this step in the process aimed at the preparation of a framework/toolkit.

One of the major outcomes of the meeting will be the design of a pilot e-procurement framework/toolkit for Asia and the Pacific Region as a reference for developing countries and least developing countries in Asia Pacific that want to develop their local e-procurement systems.

The Consultation Meeting in Seoul will be the first step which is part of a plan to organize other meetings on e-Procurement in other regions, thus representing a global process on e-Procurement supported by the international community. The next meeting will be held before the end of 2011, possibly in Europe, as a follow-up to the Consultation in the Republic of Korea to validate the framework agreed for Asia and the Pacific and customize it in other Regions.

Therefore, the Consultation Meeting in Seoul will start a process that would eventually cover all regions and would provide an opportunity to benefit the United Nations member states through a concrete process, projects, and counting on products designed to enhance capacities in developing countries.

5. Main Theme

The Consultation Meeting in Seoul will focus on complex issues of innovation emerging in public governance processes intertwined with the rapid development and extensive application of electronic information and communication technologies to supply chain management in the public sector. Particular focus will be placed on merits and shortcomings of e-procurement systems currently practiced in countries at different development stages and in different geographic regions, as well as in diverse organizational contexts. The meeting will pay particular attention to practices in the Asia and the Pacific Region, but it will also highlight inputs and innovative programmes and approaches in other regions as well.

This theme interlinks with the United Nations Agenda and specifically with the mandate of the UNPOG and the DPADM/UNDESA. It is a natural outgrowth of the discussions and recommendations by the Committee of Experts on Public Administration (CEPA) as to e-Government and public service delivery with the extensive use of information and communication technologies.

6. Main Objectives

The main objective of the Consultation Meeting is to provide the UNPOG with technical inputs and guidance to undertake the following initiatives:

- (a) Collect and analyze relevant publications, documents, cases and practices to clarify merits and shortcomings of the legal, administrative, and other institutional aspects of systems of e-procurement

currently practiced in countries at different stages of implementation and in different geographic regions, as well as in diverse organizational and developmental contexts;

(b) Identify common challenges and issues shared by groups of countries for advancing innovative governance with the application of information and communication technologies in government procurement processes; and

(c) Clarify elements for the development of a common framework or a toolkit for a more systematic approach on the part of developing countries for having e-procurement systems in the public sector. Eventually, the main beneficiaries will be concerned government officials and practitioners, who are committed to innovatively advancing transparency, accountability, efficiency, prevention of corruption, and other basic values and norms of good public governance, through the application of e-procurement systems.

7. Outputs

The Research and Policy Development Consultation Meeting is expected to produce the following:

- (a) A report on the Consultation Meeting for Research and Policy Development Consultation to be published in the United Nations Public Administration Network (UNPAN) for dissemination of the findings and proposals, summarizing the background information, major discussion points and conclusions, including proposals for follow-up activities to be undertaken by the UNPOG and other organizations;
- (b) A concise matrix showing common merits and shortcomings of government e-procurement systems presently available in groups of countries at different levels of development of e-procurement practices, in different socio-economic development contexts, and/or in different geographic regions;
- (c) A list of recommendations for developing a common framework or toolkit for supporting the development of e-procurement systems in the public sector for the use of concerned government officials and practitioners;
- (d) A list of suggestions on the approach and methodologies that the UNPOG and other organizations should employ for information gathering and analysis on legal, administrative, managerial and other institutional aspects of public sector e-procurement systems currently practiced by governments and multi-lateral agencies for countries in Asia and the Pacific, as well as in other regions;
- (e) Questionnaires to collect from the member states of the United Nations publications and documents, as well as case studies and practices, on major legal and administrative systems of e-procurement currently practiced in Asia and the Pacific, as well as in other regions;
- (f) A summary of major initiatives undertaken by multilateral agencies to assist governments, particularly those of developing countries, in introducing and advancing e-procurement systems to innovate governance processes;
- (g) Audiovisual records on deliberations at the Consultation Meeting; and
- (h) A network of experts and professionals to mutually support programme activities to promote innovations through the application of government e-procurement methodologies.

The items (b) to (f) above will be part of the report described in item (a).

8. Preparatory Activities

The following inputs and preparatory activities are envisaged for the Research and Policy Development Consultation Meeting:

- (a) Collections of cases, practices, documents and publications to be prepared by participating experts to support deliberations at the Consultation Meeting;
- (b) Preparation of an overview paper, as well as pre-meeting discussions and dissemination, through UNPAN, of the overview paper, cases, monographs, and documents; and
- (c) Preparation by the UNPOG of a results-based programme of the Consultation Meeting, as well as a technical note to be circulated in advance to guide the meeting participants.

9. Participants

The Consultation Meeting will be attended by approximately thirteen (13) government officials and experts on electronic government procurement representing different regions and organizations, as well as two (2) substantive officers of the DPADM/UNDESA and four (4) substantive officers and a consultant of the UNPOG to function as both resource persons and the Secretariat of the Consultation Meeting.

10. Inputs

The UNPOG will provide the following inputs for organizing the Research and Policy Development Consultation Meeting on e-Procurement for Innovative Governance:

- (a) Approximately ten (13) government officials and experts on electronic government procurement representing different regions, under the arrangement of the Special Service Agreement (SSA);
- (b) Two (2) substantive officers of the DPADM/UNDESA as resource persons; and
- (c) Four (4) substantive officers of the UNPOG to function as both resource persons and support to the Secretariat of the consultation meeting.

The Ministry of Public Administration and Security of the Republic of Korea will provide in kind inputs to cover the meeting venue, audiovisual equipment, and other relevant facilities.

11. Language

The Research and Policy Development Consultation Meeting on e-Procurement for Innovative Governance will be conducted in English.

12. Tentative Date and Venue

The Meeting will take place from 10 to 11 March 2011, in the Conference Room located on the 17th Floor of the Korea Local Finance Association Building, Seoul, Republic of Korea.