

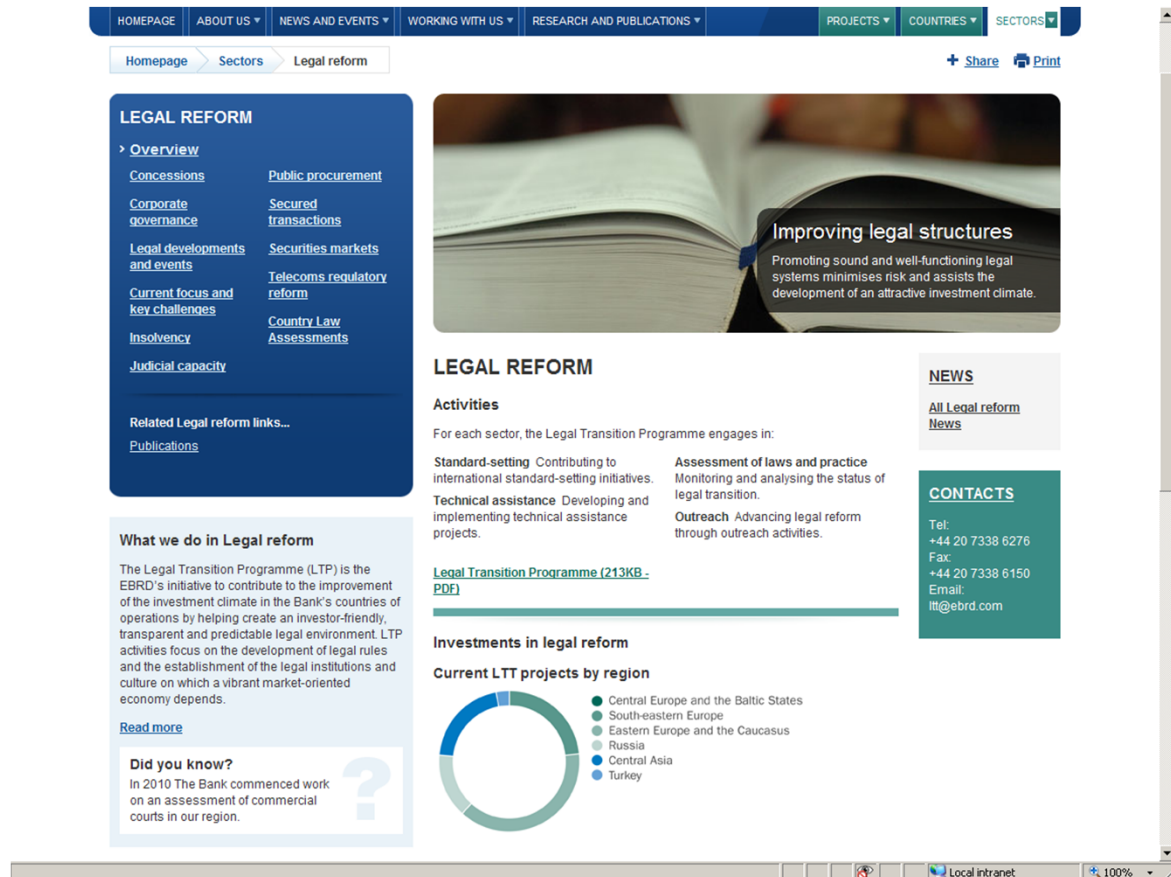
eProcurement reform

EBRD technical cooperation related to implementation of eProcurement in public sector

**Eliza Niewiadomska
EBRD Legal Transition Programme
Public Procurement Network Meeting
Rome, December 2014**

Who We Are: EBRD Legal Transition Programme

- First steps in 1991
- Legal Transition Programme established in 1995
- Funded by Bank budget and donors
- Covers sectors crucial for market economy development
- From 2004 operates under 3-year Action Plans
- Public procurement included in 2009



The screenshot shows the EBRD website's 'Legal reform' page. The navigation bar includes 'HOME PAGE', 'ABOUT US', 'NEWS AND EVENTS', 'WORKING WITH US', 'RESEARCH AND PUBLICATIONS', 'PROJECTS', 'COUNTRIES', and 'SECTORS'. The 'Legal reform' page features a sidebar with a 'LEGAL REFORM' menu containing links for 'Overview', 'Concessions', 'Corporate governance', 'Legal developments and events', 'Current focus and key challenges', 'Insolvency', 'Judicial capacity', 'Public procurement', 'Secured transactions', 'Securities markets', 'Telecoms regulatory reform', and 'Country Law Assessments'. Below the sidebar is a 'What we do in Legal reform' section with a 'Read more' link and a 'Did you know?' box. The main content area includes a banner for 'Improving legal structures', a 'LEGAL REFORM' section with 'Activities' and 'Investments in legal reform' (including a donut chart for 'Current LTT projects by region'), and a 'CONTACTS' section with phone, fax, and email information.

Region	Projects
Central Europe and the Baltic States	1
South-eastern Europe	1
Eastern Europe and the Caucasus	1
Russia	1
Central Asia	1
Turkey	1

LEGISLATIVE REFORMS:

Support in drafting primary and secondary legislation
Drafting guidelines for procurement officers

REGULATORY CAPACITY BUILDING:

Regulatory training for national public procurement authorities
Policy advice to national public procurement reform leaders

ePROCUREMENT IMPLEMENTATION:

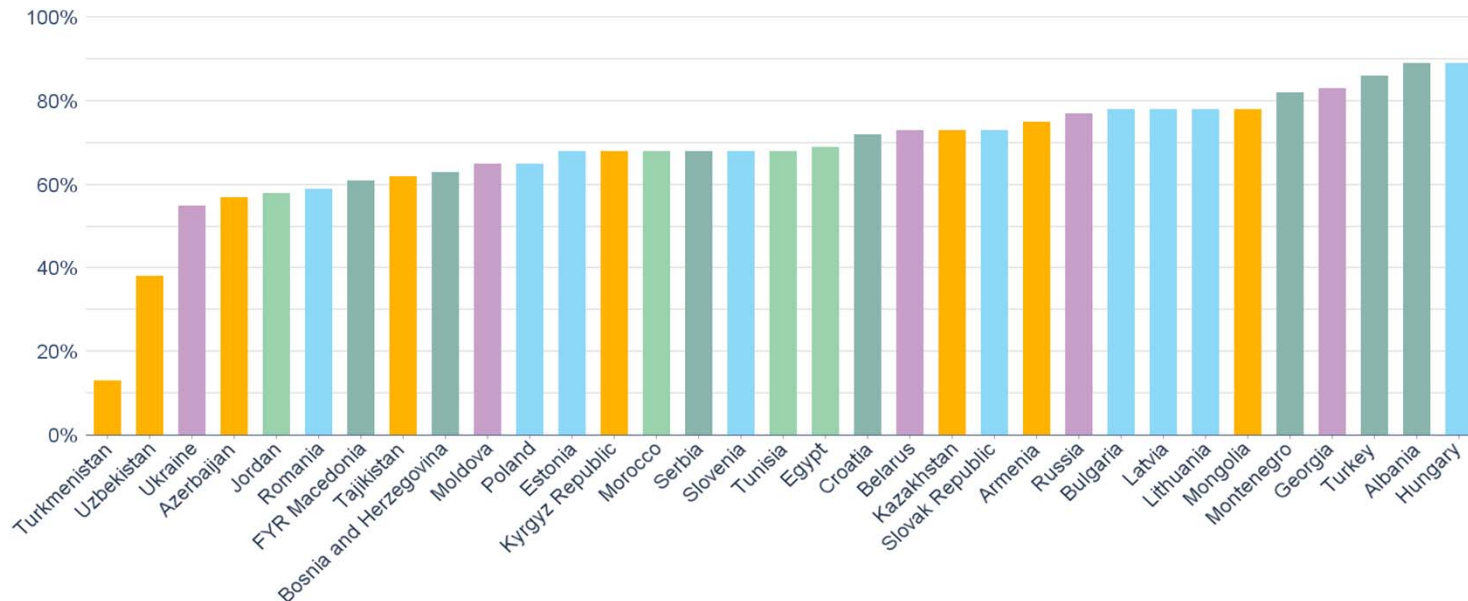
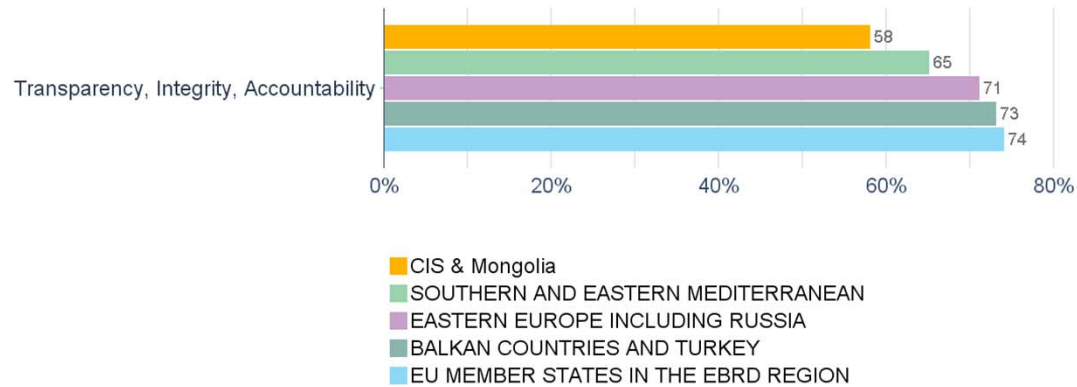
Developing national reform strategies promoting use of the eProcurement tools to increase transparency and accountability of public procurement
Dedicated technical advice during reform implementation and piloting

When and How: Legal Assessment 2010



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Transparency Safeguards in Public Procurement Policies in the EBRD regions in 2010





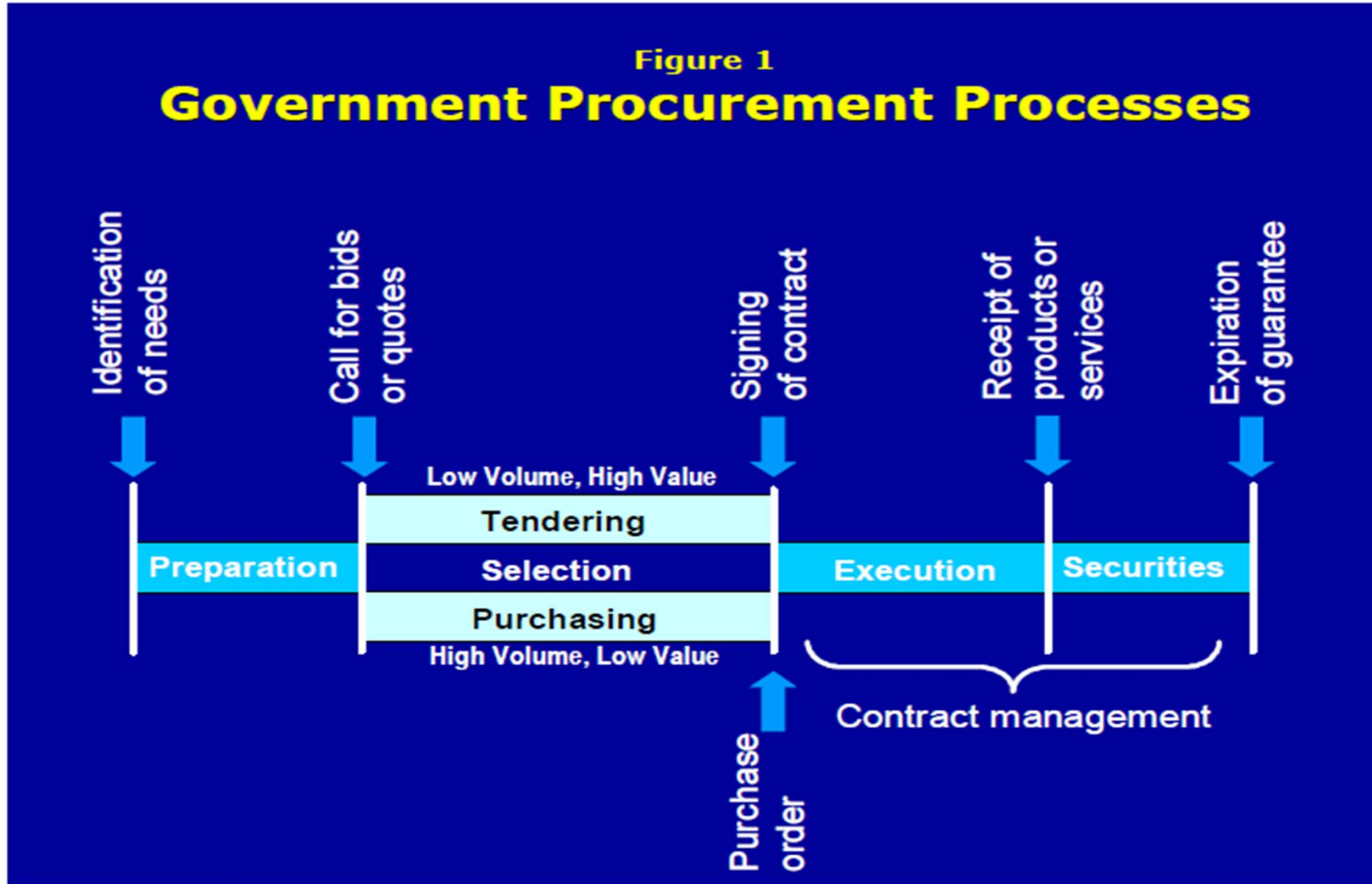
- eProcurement is the replacement of paper-based procedures with information technology – online workflows and electronic tools
- - in order to increase transparency, speed and competition of procurement procedures and to reduce the transaction costs for public contracts for all stakeholders

International Standards on eProcurement

- 2011 UNCITRAL Model Law
- 2011 MDB e-Government Procurement Tool Kit
- 2012 GPA of the WTO
- 2014 EU Public Procurement Directives

Starting point – purchase process: pre-tendering, tendering, post-tendering

Figure 1
Government Procurement Processes

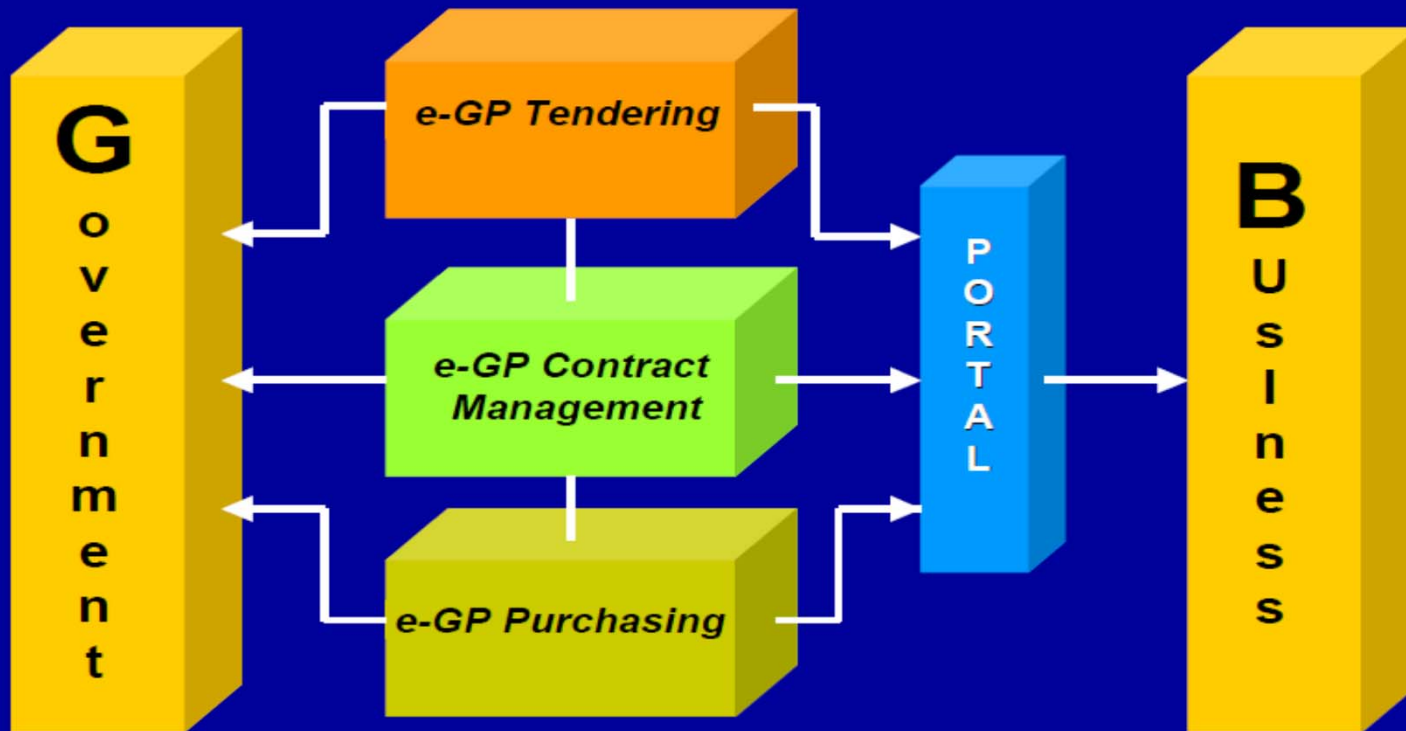


Components of the eProcurement Reform



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Figure 3
e-GP Main Components



Lessons learned from implementations in the EU countries (1)

Comparative analysis - common elements are:

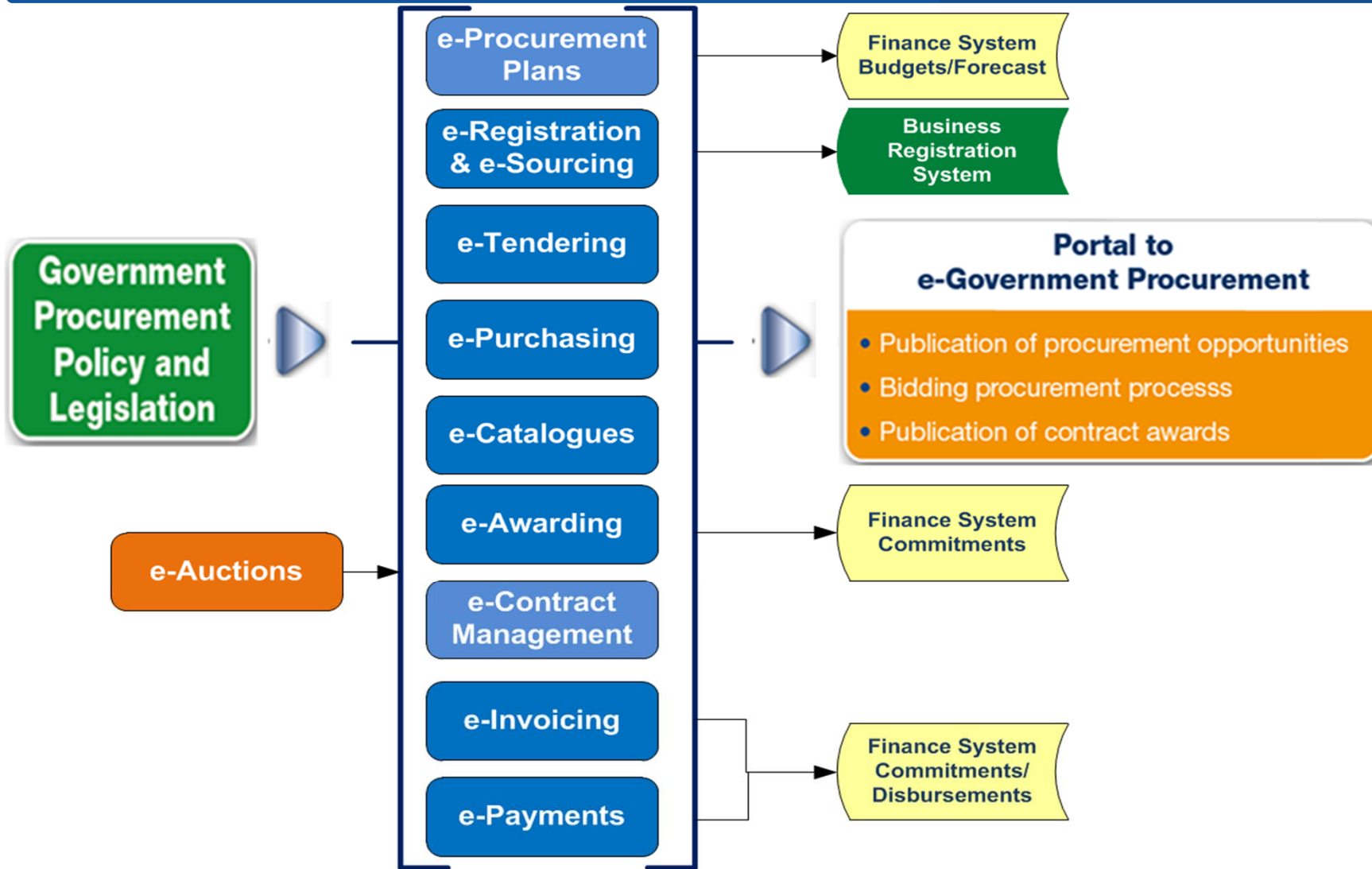
- eProcurement procedures are the only procedures available to the contracting entities in the public sector;
- eProcurement platforms support decentralised general procurement but also enable operation of centralised framework agreements for certain types of goods and services;
- eProcurement platforms employ a single standardised public procurement business process with standard documents and templates available for every procurement method;
- eProcurement platforms operating framework agreements support pre-defined standard technical specification libraries for all centralised procurement commodities;
- eProcurement platforms provide free access to Economic operators (except for framework agreements in Portugal).

Lessons learned from implementations in the EU countries (2)

Portugal and Cyprus differ in the following areas;

- a) In Cyprus, a single platform was paid for by central government and is provided free of charge to all contracting entities, whereas in Portugal the contracting entities have to select an eProcurement Platform Provider from the list of certified platform providers and then pay a service fee;
- b) In Cyprus the eProcurement was implemented as a stand- alone system with very little emphasis on interoperability, whereas in Portugal interoperability was seen as a key requirement;
- c) In Cyprus, central procurement platform process all public procurement information, in Portugal an additional central database was developed to collect and provide procurement information of transactions processed on several eProcurement platforms;
- d) In Cyprus qualified electronic signatures are not required whereas in Portugal they are required during the pre-contract stage. In both countries contracts are signed on paper.

e-Procurement reform - Scope

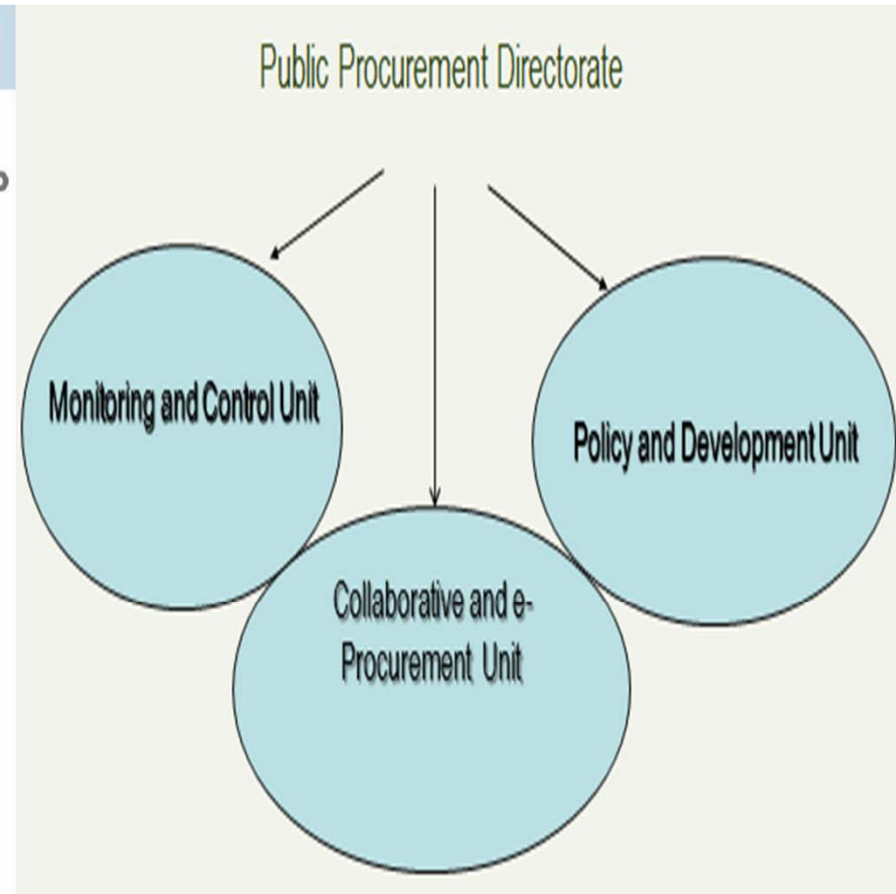
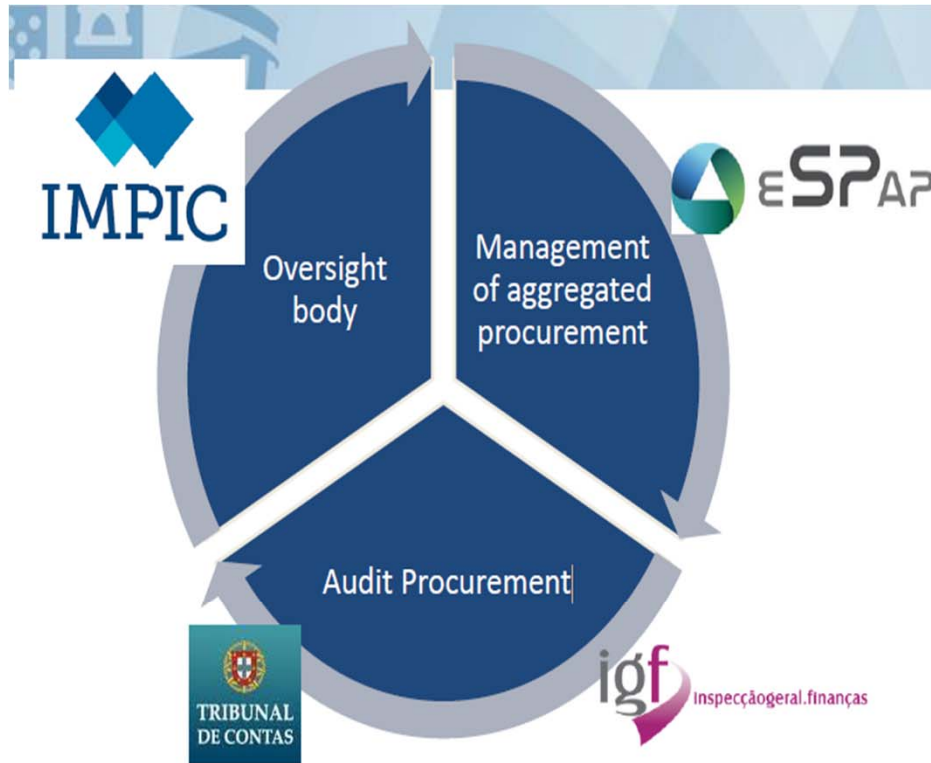


eProcurement reform - Institutional Models

PORTUGAL



CYPRUS



- With selection of multi-platform service based model, the Portuguese government did not bear any initial investment cost, but operating the multi-platform eProcurement model is estimated to cost public sector in Portugal **13.7 million euros for 5 years.**
- With single platform ownership model, the Cyprus government spent 1.5 million euros on acquisition of the eProcurement platform; the 5 years operation will cost central budget in Cyprus **2.275 million euros.**
- Recalculation of cost (to allow for size and complexity of local economies) – a multi-platform model is twice as expensive as a single platform model

eProcurement reform - major benefits recorded by Portugal & Cyprus

- **Tangible Benefits**
 - Lower Prices
 - Shorter Tender Timescales
 - Reduced Administration Costs
 - Free Access for Suppliers
- **Intangible Benefits**
 - More Competition
 - Greater Transparency
 - Greater Accountability
 - Improved Process Control for Government
 - User Friendly for Tenderers
 - Improved Management Reporting & Audit
 - Automatic Collection of Statistical Data

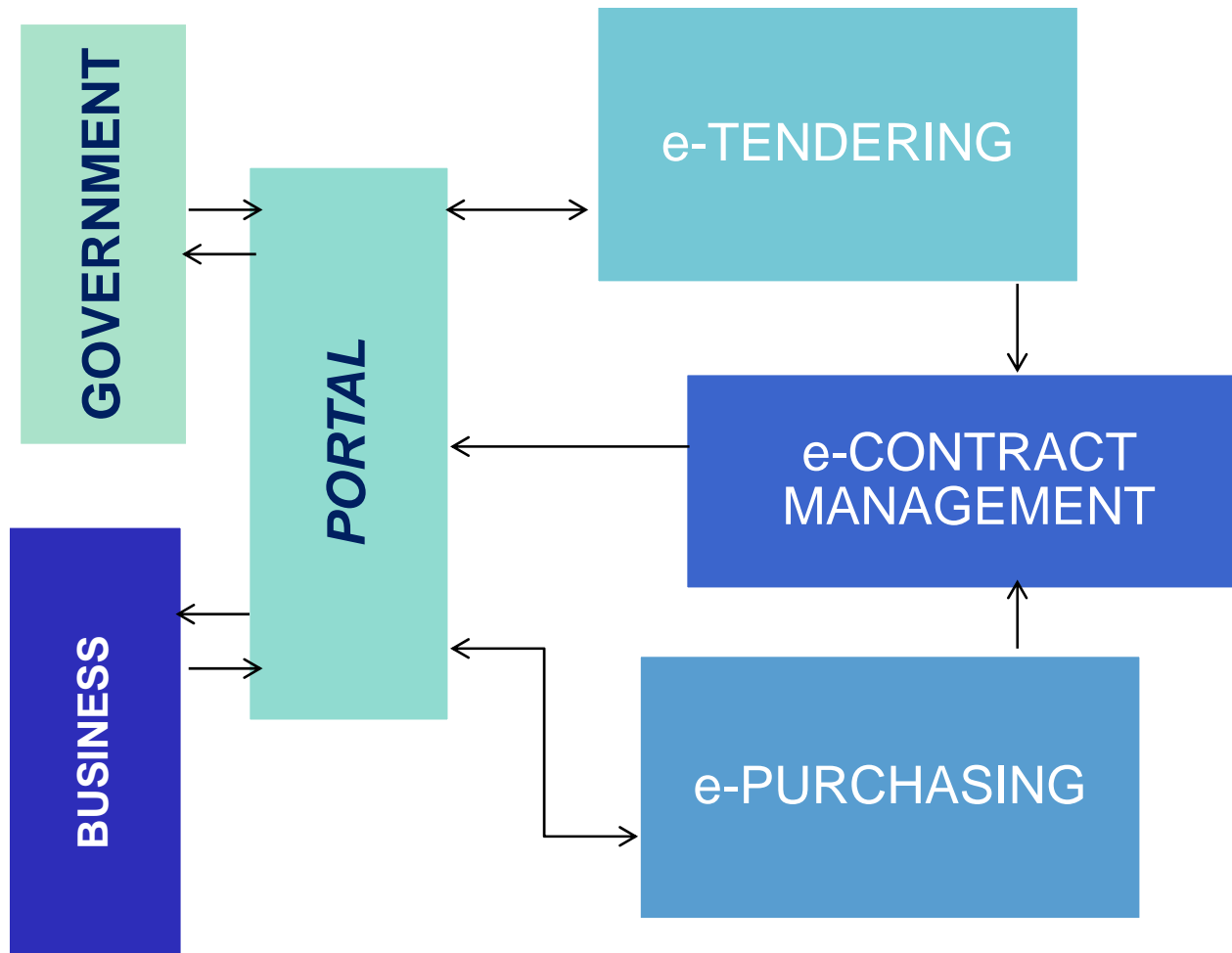
Lessons learned from implementation in the EU countries (3)

1. Both Cyprus and Portugal developed totally new legislation on public procurement as eProcurement requires re-organising of the procurement process.
2. As a part of the eProcurement reform both Cyprus and Portugal created central purchasing units; one central purchasing unit in Cyprus and several specialised central purchasing units in Portugal.
3. Both Cyprus and Portugal introduced online framework agreements for commonly purchased goods and services and are now planning to extend purchasing from e-catalogues to 'low value contracts ' and 'below the EU thresholds' purchases.
4. Both Cyprus and Portugal established new institutional framework. Units responsible for: (a) public procurement policy development, (b) eProcurement system implementation and management, (c) public procurement monitoring, (c) review and remedies procedures, and (d) central purchasing were created.

What does transition to eProcurement mean in practice?

1. *New public procurement business model:*
 - *mapping and restructuring of internal procurement decision-making and control mechanisms to suit decentralised and centralised procurement in electronic environment*
2. *New national public procurement institutional framework*
3. *New 'technology neutral' public procurement legislation:*
 - *redefinition of procurement procedures*
 - *redefinition of procurement eligibility rules and prequalification procedures*
 - *new set of standard tender documents*
4. *eProcurement platform enabling selected tools*

Components of eProcurement Reform as observed in practice

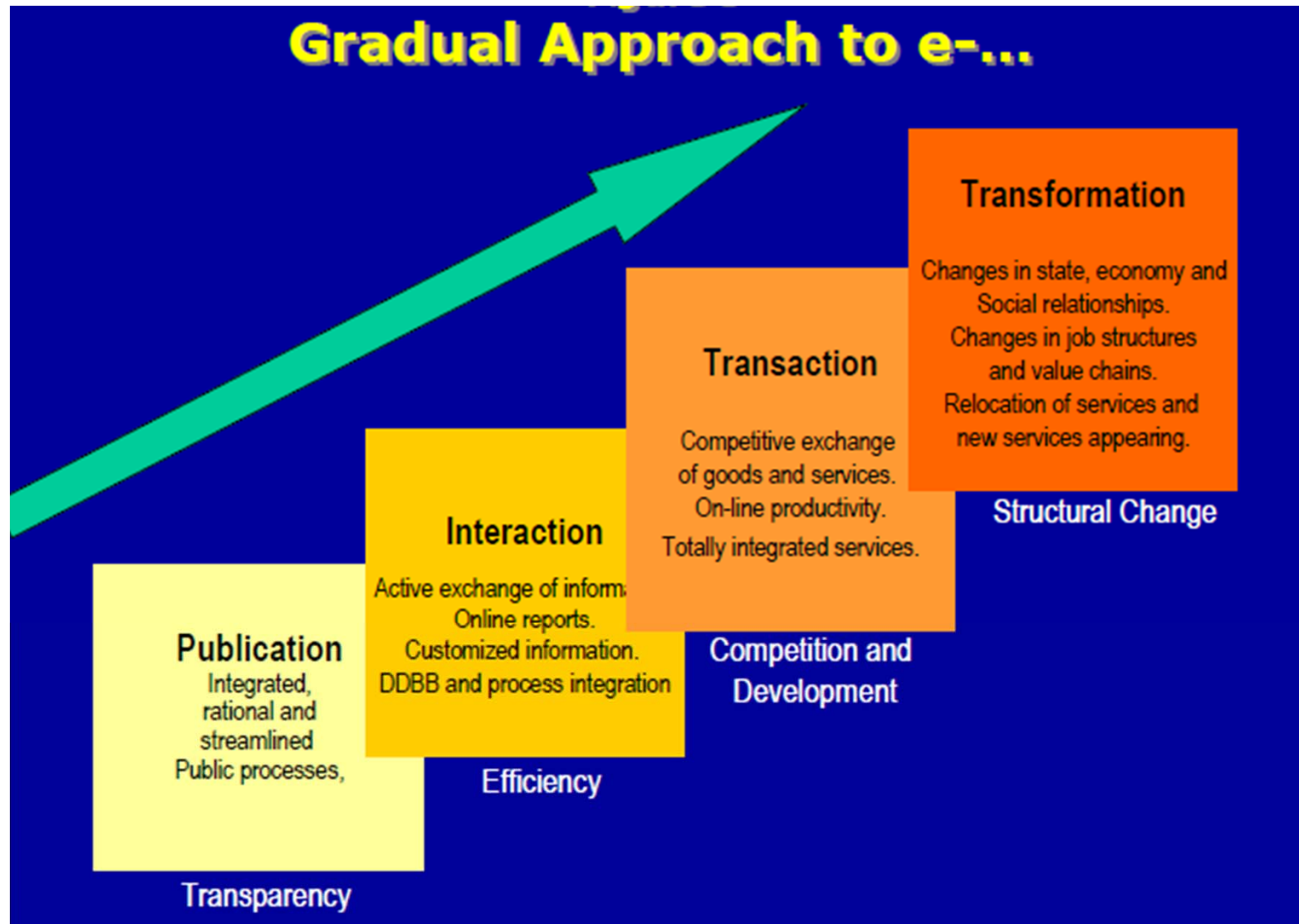


eProcurement reform is about market structural change



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Gradual Approach to e-...





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Thank you for your attention.

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