



# Technical Assistance Report

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Project Number: 47192-001  
Regional—Capacity Development Technical Assistance (R-CDTA)  
December 2013

**Asia Pacific Public Electronic Procurement Network**  
(Cofinanced by the Republic of Korea e-Asia and Knowledge  
Partnership Fund)

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
APPN	–	Asia Pacific Procurement Network
DMC	–	developing member country
e-GP	–	electronic government procurement
EU	–	European Union
INGP	–	Inter-American Network on Government Procurement
MDB-EGP	–	Multilateral Development Banks Electronic Government Procurement
PPN	–	Public Procurement Network
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Type</b>	–	Regional—capacity development technical assistance (R-CDTA)
<b>Targeting classification</b>	–	General intervention
<b>Sector</b>	–	Public sector management (national government administration; public procurement; electronic government procurement)
<b>Theme</b>	–	Governance (public administration (national and decentralized); anticorruption), economic growth (promoting economic efficiency and enabling business environment), regional cooperation and integration (trade and investments; money and finance; other regional public goods), capacity development (institutional development; organizational development; client relations, network, and partnership development)
<b>Climate change</b>	–	Mitigation (contributes to paperless procurement transactions)
<b>Location (impact)</b>	–	Regional (high)
<b>Partnerships</b>	–	Republic of Korea e-Asia and Knowledge Partnership Fund

## NOTE

In this report, “\$” refers to US dollars.

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## I. INTRODUCTION

1. The Asian Development Bank (ADB) has promoted electronic government procurement (e-GP) as a key component of procurement reforms in developing member countries (DMCs). ADB's involvement in promoting e-GP acknowledges its potential to enhance procurement transparency and provide wider access to information and markets. Moreover, through leveraging technology, e-GP offers opportunities to innovate and streamline public procurement for greater efficiency and economy. e-GP can also contribute to improved governance, particularly when aligned with initiatives in budgeting, taxation, and audit. ADB is a founding member of the Multilateral Development Banks Electronic Government Procurement (MDB-EGP) working group that coordinates conferences, workshops, research, and support of e-procurement initiatives. The MDB-EGP working group developed an e-GP toolkit in 2003–2005, and has hosted a series of conferences on e-GP bi-annually. The Asia Pacific Procurement Partnership Initiative<sup>1</sup> has supported a variety of e-GP initiatives—including an e-GP survey; update of the e-GP toolkit; case studies of e-GP implementation in selected DMCs (Armenia, the People's Republic of China, India, and the Philippines); and hosting of the 2011 Asia Pacific Electronic Government Procurement conference in Denpasar, Indonesia

2. . As a follow-up to the e-GP conference in Denpasar, the Republic of Korea and ADB organized a Public Procurement Service Workshop on e-Procurement and Cooperation, with participants from Indonesia, Mongolia, Turkey, Uzbekistan, and Viet Nam to (i) share experiences, benefits, challenges, and main concerns in implementing e-procurement in the public sector; (ii) identify potential areas of cooperation at the bilateral and regional level; and (iii) enhance e-procurement collaboration through a regional cooperative network. The concept of establishing an Asia Pacific procurement network was supported by all country representatives present at the workshop. It appears that while e-GP is one of the major topics of potential cooperation, wider public procurement networking and cooperation in areas of public procurement reform is more warranted. The workshop participants also stressed the role ADB plays in facilitating regional cooperation and integration. The workshop concluded that establishment of the network is necessary to foster formal and informal cooperation within institutions and individuals in Asia and the Pacific at the national level, which are responsible for public procurement regulation, management, and reform. Concept clearance for the TA was obtained from the Office of the Vice-President, Administration and Corporate Management on 24 June 2013. The design and monitoring framework is in Appendix 1.<sup>2</sup>

## II. ISSUES

3. For many DMCs in the region and around the world, e-GP has become one of the main e-government initiatives, as governments look to improve their procurement through a more open, competitive, and transparent environment; and to support reforms to address corruption. E-procurement continues to prove to be a viable alternative to manual procurement processes—bringing cost savings, time and process efficiencies, and transparency. For many governments, the introduction of e-procurement reflects a significant change to business practices, many of which do not possess the range of skill sets required to support and manage a new business environment. Countries in the region have followed different approaches, functionalities, and business models for the implementation of e-GP—from user pays systems to government-funded systems and support for bid submission, and use of online catalogues.

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<sup>1</sup> ADB. 2009. *Technical Assistance for the Asia Pacific Procurement Partnership Initiative*. Manila (TA 7437-REG, approved on 11 December 2009).

<sup>2</sup> The TA first appeared in the business opportunities sections of ADB's website on 24 October 2013.

The various solutions and business models available for e-procurement give governments multiple options and questions to consider when developing a strategy to meet their needs and operate within their specific environment. While producing knowledge solutions (such as the e-GP tool kit and e-GP handbook) are beneficial for DMCs, face-to-face and online collaboration of public procurement professionals involved in e-GP implementation has substantial potential as part of wider procurement reforms. The need for such collaboration was stressed by the administrator of the Republic of Korea Public Procurement Service and seconded by the majority of participants at the Denpasar conference. Asia and the Pacific is missing an opportunity to realize synergies of regional cooperation and integration, especially in view of similar initiatives in other parts of the world such as the Pan-European Public Procurement Online.<sup>3</sup> The EU PPN<sup>4</sup> is spearheading procurement collaboration in Europe. The Inter-American Network on Government Procurement (INGP) focuses on procurement collaboration in Latin America and the Caribbean.<sup>5</sup>

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

4. The technical assistance (TA) will build the capacity of DMCs in Asia and the Pacific in implementing e-GP and enhance the transparency of public procurement tenders. It will target all DMCs in the region and open membership to non-DMCs that wish to share their experience in implementing e-GP. Possible coordination and collaboration with the INGP will be considered. The TA will explore opportunities for continuous self-funding of the Asia Pacific Public Procurement Network through contributions of member countries.

5. The impact of the TA will be that a significant number of participating ADB DMCs will develop e-GP systems based on international best practices. The outcome will be strengthened capacity of public procurement agencies to implement e-GP solutions based on international best practice.

#### B. Methodology and Key Activities

6. The TA will have seven outputs: (i) electronic publication of an e-GP handbook, (ii) reports on comparative analysis of e-GP platforms and their suitability for cross-border trade, (iii) operationalizing a web forum of public procurement professionals, (iv) an interactive wiki of

<sup>3</sup> Pan-European Public Procurement Online (PEPPOL). <http://www.peppol.eu/>

<sup>4</sup> The EU PPN is an informal European-wide cooperation network in public procurement, established on 31 January 2003 in Copenhagen. The objectives of the network are to strengthen the application and enforcement of procurement rules through mutual exchange of experience and benchmarking, and to create reliable and effective informal cooperation including problem solving in cross-border cases related to public procurement. Full membership in the EU PPN is open to all EU member states. Associate membership is open to countries of the European Economic Area, accessing countries, and candidate countries committed to applying the EU rules. Other countries and state-based organizations operating at the European level can be invited to participate in the EU PPN, when appropriate. The European Commission has the status of observer and supports the activities of the EU PPN. Public Procurement Network. Rules of operation. [http://www.publicprocurementnetwork.org/index.php?option=com\\_content&view=article&id=58&Itemid=57](http://www.publicprocurementnetwork.org/index.php?option=com_content&view=article&id=58&Itemid=57)

<sup>5</sup> The Inter-American Network on Government Procurement (INGP), is an initiative of the American countries constituted as a regional technical cooperation mechanism, composed by governmental institutions, headed by the national directors, who have the highest responsibility regarding the regulation, management, and modernization of government procurement in the 32 countries of Latin America and the Caribbean. <http://www.ricg.org/what-is-the-ingp/content/3/en/>

e-GP guidance notes, (v) annual e-GP meetings, (vi) technical working group meetings and (vii) pilot testing of “software as service”<sup>6</sup> applicability for e-GP in small countries.

### **C. Cost and Financing**

7. The TA is estimated to cost \$1,400,000, of which (i) \$900,000 will be financed on a grant basis by ADB’s Technical Assistance Special Fund (TASF-V); and (ii) \$500,000 will be financed on a grant basis by the Republic of Korea e-Asia and Knowledge Partnership Fund and administered by ADB. The cost estimates and financing plan are in Appendix 2.

### **D. Implementation Arrangements**

8. The TA will be implemented from November 2013 to October 2017. ADB will be the executing agency, and the Operations Services and Financial Management Department will act as focal department during implementation and run a joint secretariat with the Republic of Korea Public Procurement Service, to be based in Manila. The secretariat will be staffed by a part-time international consultant with proven technical expertise in e-GP; a part-time, intermittent logistics consultant; and a part-time website or forum administrator. The secretariat will prepare annual work plans for the network and coordinate all its formal and informal activities (web forums, wiki). The network is likely to have formal and informal (affiliate) membership categories. The target membership of the formal network will include civil servants from ADB member countries who are primarily responsible for policy formulation and implementation related to e-GP solutions, including those with cross-border trade facilities. The members will need to be endorsed to the network by the government department or ministry primarily responsible for oversight of public procurement. Sponsorship of meetings and conference attendance of participants from non-graduated DMCs will be considered primarily for members of the formal network. Graduated DMCs and development partners are expected to self-fund participation in the network activities. Affiliate membership will be open to e-GP professionals and will likely include access to information and knowledge solutions available at the network website and forum.

9. Network activities are envisaged to involve several technical level subgroups: (i) legal and regulatory; (ii) technical design and configuration; (iii) change management and public communications plan; and (iv) government procurement, World Trade Organization government procurement agreements (WTO GPAs), bilateral trade agreements, and implications for e-GP design and implementation.

10. TA implementation will be coordinated with other ongoing ADB initiatives promoting e-procurement, in particular with the information and communication technology and e-governance team of the Regional and Sustainable Development Department and regional departments implementing e-GP.<sup>7</sup>

11. The TA will initially require the services of three individually recruited consultants (lead technical consultant and e-government procurement expert, project analyst and information technology consultant, and logistics consultant). Other short-term consultants or resource persons and researchers will be recruited during implementation based on demands and

<sup>6</sup> Software as a service (SaaS) is a software delivery model in which software and associated data are centrally hosted on the cloud. SaaS is typically accessed by users via a web browser.

<sup>7</sup> ADB. 2012. *Technical Assistance to the Kyrgyz Republic for Implementing the e-Procurement System*. Manila (TA 8297-KGZ, approved on 11 December 2012); ADB. 2012. *Technical Assistance to Uzbekistan for E-Government for Effective Public Management*. Manila (TA 8260-UZB, approved on 17 December 2012).

priorities established by the secretariat and in annual working meetings of participating DMCs. Consultants will be selected in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The outline terms of reference for consultants are in Appendix 3. Procurement of software as service and equipment will follow ADB's Procurement Guidelines (2013, as amended from time to time). Licenses acquired during TA implementation for software as service will be assigned to participating DMCs by specifying the right of the third parties in the service contracts. TA proceeds will be disbursed in accordance with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time), and equipment procured under the TA will be disposed of in accordance with the handbook.

12. The TA will be monitored and evaluated through regular surveys of participating DMCs (results of the survey conducted in 2011<sup>8</sup> will serve as a baseline indicator). Good practices and lessons learned will be disseminated primarily through annual meetings, learning events, and publications. Additional publicity will be generated through web updates of the e-GP Facebook account and press releases to printed and electronic media.

#### **IV. THE PRESIDENT'S DECISION**

13. The President, acting under the authority delegated by the Board, has approved (i) ADB administering a portion of technical assistance not exceeding the equivalent of \$500,000 to be financed on a grant basis by the Republic of Korea e-Asia Knowledge and Partnership Fund; and (ii) ADB providing the balance not exceeding the equivalent of \$900,000 on a grant basis for Asia Pacific Public Electronic Procurement Network, and hereby reports this action to the Board.

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<sup>8</sup> ADB 2011. Consolidated View and Analysis of Responses from 27 Asia Pacific Countries to Public Procurement Survey (with e-GP Overview) <http://www.adb.org/projects/documents/consolidated-view-analysis-responses-27-asia-pacific-countries-public-procurement>



## DESIGN AND MONITORING FRAMEWORK

<b>Design Summary</b>	<b>Performance Targets and Indicators with Baselines</b>	<b>Data Sources and Reporting Mechanisms</b>	<b>Assumptions and Risks</b>
<b>Impact</b> Significant number of participating ADB DMCs develop e-GP systems based on international best practices	Efficiency, economy, and transparency of procurement systems improves	ADB 2011 baseline survey	<b>Assumption</b> DMCs are interested in pursuing international best practice in implementing e-GP  <b>Risk</b> Political interference
<b>Outcome</b> Strengthened capacity of public procurement agencies to implement e-GP solutions based on international best practices	An active network of public procurement officials with established mechanism of face-to-face and web-based interactions share experiences and develop e-GP solutions	ADB 2011 baseline survey	<b>Assumption</b> DMCs nominate dedicated public officials responsible for design, development, and ongoing operation of e-GP systems, and support their participation in the network  <b>Risk</b> DMCs do not have sufficient resources to implement e-GP solutions
<b>Outputs</b> 1. e-GP handbook published electronically  2. Reports on comparative analysis of e-GP platforms and their suitability for cross-border trade prepared and disclosed  3. Web forum of public procurement professionals  4. Interactive wiki of e-GP guidance notes  5. Annual e-GP meetings  6. Technical working group meetings  7. Pilot study of “software as service” applicability for small countries	Conversion of e-GP handbook to wiki format by Q3 2014  Well-functioning and moderated website forum hosted by ADB by Q1 2014  Annual meetings of e-GP professionals from DMCs conducted  Technical working group meets at least twice  Software as service framework prepared	ADB publications	<b>Assumption</b> DMCs provide adequate access to information on e-GP implementation  <b>Risk</b> DMCs do not have a systematic way of tracking cross-border trade facilitated by electronic procurement

Activities with Milestones	Inputs	
1.1. Prepare e-GP handbook for electronic publication (Q2 2014)  2.1. Conduct studies and prepare reports on comparative analysis of e-GP platforms for cross-border trade (Q4 2015) 2.2. Update baseline indicator survey and administer annually (Q3 2014)  3.1. Set up the Asia Pacific Public Electronic Procurement Network secretariat; recruit secretariat consultants and formulate work plan (Q4 2013) 3.2. Send nomination requests to ADB member countries (Q1 2014) 3.3. Establish website and web forum (Q1 2014) 3.4. Link e-GP Facebook account to website and web forum (Q1 2014)  4.1. Convert e-GP handbook to wiki format (Q3 2014)  5.1. Produce annual comparative analyses of e-GP implementation status (Q3 2014, Q3 2015, Q3 2016, Q3 2017) 5.2. Logistical support for annual e-GP meetings (annually)  6.1. Set up technical working group (Q2 2015) 6.2. Logistical support for technical working group meetings 6.3. Technical discussion papers preparation  7.1. Pilot test software as service solution for small countries (Q3 2015)	TASF-V: \$900,000	
	Item	Amount (\$'000)
	1. Consultants	90.0
	2. Equipment and software	140.0
	3. Workshops, training, seminars, and conferences	450.0
	4. Surveys and studies	140.0
	5. Miscellaneous administration and support costs	30.0
	6. Contingencies	50.0
	Republic of Korea e-Asia and Knowledge Partnership Fund: \$500,000	
	Item	Amount (\$'000)
	1. Consultants	320.0
	2. Equipment and software	60.0
	3. Workshops, training, seminars, and conferences	60.0
	4. Surveys and studies	10.0
	5. Miscellaneous administration and support costs	5.0
	6. Contingencies	45.0

ADB = Asian Development Bank, DMC = developing member country, e-GP = electronic government procurement, Q = quarter, TASF = Technical Assistance Special Fund.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

<b>Item</b>	<b>Amount</b>
<b>A. Asian Development Bank (TASF-V) <sup>a</sup></b>	
1. Consultants	<b>90.00</b>
a. Remuneration and per diem	65.00
b. International and local travel	25.00
2. Equipment and software	<b>140.00</b>
3. Workshops, training, seminars, and conferences	<b>450.00</b>
a. Facilitators	120.00
b. Conference accommodation and travel	330.00
4. Surveys and studies	<b>140.00</b>
5. Miscellaneous administration and support costs	<b>30.00</b>
6. Contingencies	<b>50.00</b>
<b>Subtotal (A)</b>	<b>900.00</b>
<b>B. Republic of Korea e-Asia and Knowledge Partnership Fund <sup>b</sup></b>	
1. Consultants	
a. Remuneration and per diem	<b>320.00</b>
i. International consultants	260.00
ii. National consultants	30.00
b. International and local travel	30.00
2. Equipment and software licenses	<b>60.00</b>
3. Workshops, training, seminars, and conferences	<b>60.00</b>
4. Surveys and studies	<b>10.00</b>
5. Miscellaneous administration and support costs	<b>5.00</b>
6. Contingencies	<b>45.00</b>
<b>Subtotal (B)</b>	<b>500.00</b>
<b>Total</b>	<b>1,400.00</b>

<sup>a</sup> Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-V) .

<sup>b</sup> Administered by the Asian Development Bank.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. **Lead technical consultant and e-government procurement expert** (30 person-months, intermittent, international). The consultant will have proven experience in the design and successful implementation of electronic government procurement (e-GP) solutions in developing member countries (DMCs), proven analytical ability evidenced by e-GP publications, and the ability to organize the work of a diverse group of stakeholders.
2. The consultant will provide the following inputs.
  - (i) Prepare a draft work plan for implementation of the technical assistance (TA) in coordination with the Asian Development Bank (ADB), participating DMCs, and the Republic of Korea Public Procurement Service.
  - (ii) Manage the day-to-day operations of the Asia Pacific Public Electronic Procurement Network permanent secretariat.
  - (iii) Manage membership applications and provide member support.
  - (iv) Design surveys of selected DMCs on e-GP implementation challenges.
  - (v) Act as technical moderator of wikis and interactive forum.
  - (vi) Provide inputs to the functional specifications of “software as service” for the implementation of electronic procurement in small and fragile states, taking into account ADB inputs and capacity constraints of member countries.
  - (vii) Assist ADB in the selection of a software-as-service provider.
  - (viii) Conduct user acceptance tests of configured software in coordination with the user community.
  - (ix) Contribute to formulating agenda of collaboration meetings.
  - (x) Produce annual reports.
  - (xi) Edit knowledge products produced by other experts under the TA.
3. **Project analyst and information technology consultant** (12 person-months, intermittent, international or national). The consultant will create and maintain interactive web forums and wikis, and the e-GP Facebook account. The consultant will administer surveys of selected DMCs.
4. The consultant will provide the following inputs.
  - (i) Design, build, and maintain the TA’s website, including interactive web forums and wikis.
  - (ii) Moderate (with support and inputs from the lead technical consultant) the web forums and wiki content.
  - (iii) Administer surveys of selected DMCs on e-GP implementation challenges.
  - (iv) Participate in user acceptance testing of configured software.
  - (v) Liaise with ADB’s Office of Information Services and Technology and ADB’s Department of External Relations on all matters requiring coordination.
5. **Logistics consultant** (8 person-months, intermittent, international or national). The consultant will have proven experience in organizing workshops, conferences, and meetings involving complex travel and visa arrangements for DMC participants.