

TC ABSTRACT

I. BASIC PROJECT DATA

Country/Region:	Regional
TC Name:	Asia - Latin-America e-Government Procurement Initiative.
TC Number:	RG-T2412
Team Leader/Members:	Leslie Harper (IFD/FMM), Team Leader; Carlos Pimenta (IFD/FMM); Javier Davila (VPC/FMP); Daniel Sanchez (IFD/FMM); Ana Cristina Calderon; (IFD/FMM); and Marina Massini (IFD/FMM).
Type of TC:	Research and Dissemination
Operation Supported by the TC:	No
Reference to Request:	N/A
Date of TC Abstract:	September 2013
Beneficiary:	Regional
Executing Agency:	Inter-American Development Bank
IDB Funding Requested:	US\$630,000
Local counterpart:	US\$50,000 ¹
Total:	US\$630,000
Disbursement period:	36 months
Required start date:	June 2014
Types of consultants:	Both firms and individual consultants
Prepared by Unit:	IFD/FMM
UDR:	IFD/FMM
Included in Country Strategy:	N/A
TC included in CPD:	
GCI-9 Sector Priority:	Institutions for development Fiscal efficiency and sustainability

II. OBJECTIVE AND JUSTIFICATION

- 2.1 The main objective of the program is to support the strengthening of e-government procurement (e-GP) management in the region through a better leveraging of the knowledge assets that the international community has in the area and by promoting the use of international better practices, innovative solutions in the design and implementation of countries' e-GP modernization.²
- 2.2 While state-of-the-art technology is available to develop almost fully automated procurement systems, there are other critical components in the process of designing and implementing an e-GP system. Governments have to take the lead in adopting the appropriate legal environment, changing the institutional processes, and build capacity among parties involved in the e-GP program.

¹ This will be participating country contributions in kind (staff time, data, travel, hosting of events etc).

² See the following links for more information on e-GP: <http://www.uncitral.org/pdf/english/congress/Leipold.pdf>
http://siteresources.worldbank.org/INTPROCUREMENT/Resources/eGP_Note_V1-1.doc

- 2.3 The use of e-GP catalyzes the economic development process by stimulating markets, modernizing the public sector, and improving government performance. The huge potential of efficiency gains can considerably contribute to reducing/redistributing fiscal expenditures. The use of e-GP in an increasing number of countries clearly has shown major efficiency gains. The simplification and/or elimination of repetitive tasks in the procurement process by automation results in time and cost savings.
- 2.4 Over the years, the majority of countries in Latin America and the Caribbean (LAC) have made progress in introducing information technology into their procurement systems, but most have been carried out in isolation and few have achieved significant results, after several years of implementation. Among the main factors that explain the limited advancement in this area include the lack of specific knowledge among the institutions in charge of public procurement, limited access to financing for technological tools and lack of specialized technical assistance in the region. This program will support the countries in the process of design and implementation of more suitable e-GP strategies by using the international lessons learned and cutting edge knowledge in the area.
- 2.5 Learning from the experience of Asian countries could be very beneficial for future e-GP implementations in the Latin America as both regions have countries that have carried-out successful implementations in this area (Korea, Chile, Panamá) and countries that are in the process of overhauling and modernizing their e-GP systems. This is a natural partnership that this program will enable.

III. DESCRIPTION OF ACTIVITIES AND OUTPUTS

- 3.1 **Component I. Strategic planning.** This component will be based on international best practices and new trends in public procurement will finance strategic planning on new business models, policy and regulatory frameworks, redesigning procurement services, guidelines and models on e-GP. This component will finance: four public procurement reform strategic planning documents and six e-GP action plans. These planning documents will help the governments of the region effectively map out the next steps for their reform programs.
- 3.2 **Component II. Knowledge management.** This component will support research on the topic of e-GP, including the: (i) creation of e-GP baseline indicators; (ii) four studies or working papers on the topic; (iii) training courses including technical visits to the republic of Korea to learn about their procurement and financial management systems;³ (iv) the operation of a e-GP network in the region; and (v) the publication of the papers selected in Component III.

³ The training courses are planned for 2015 and 2016 in continuation of current training programs underway that will be completed in 2014.

- 3.3 **Component III. Asia Latin America e-GP conference.** This component will support the Fifth Global Conference on e-GP that will be organized jointly with the Asian Development Bank (location to be determined). This conference will provide a space for the countries to have access to networking opportunities, training and sharing of experiences and best practices. It will include inaugural lectures with high-level leaders, researchers and entrepreneurs to learn the latest trends in the public and private sectors. The target audience will be over 200 government leaders and industry experts from 80 countries, including ministers, deputy ministers, general procurement directors and heads of information technology. In addition, for this conference there will be a call for papers promoting research in the use of good international practices and innovative solutions in e-GP.

IV. BUDGET

Component	Description	Consultants	Travel	Event logistics	IDB	Local*	Total
Component 1	Strategic planning. 4 public procurement reform strategic planning documents and 6 e-GP action plans. These planning documents will help the governments of the region effectively map out the next steps for their reform programs.	80,000	20,000	50,000	\$150,000	\$0	\$150,000
Component 2	Research and knowledge management. (i) creation of e-GP baseline indicators; (ii) 4 studies or working papers on the topic; (iii) training courses including technical visits to the republic of Korea to learn about their procurement and financial management systems; (iii) the operation of a e-GP network in the region; and (iv) the publication of the papers selected in Component 3.	140,000	20,000	35,000	\$195,000	\$0	\$195,000
Component 3	Asia and Latin America e-GP conference	50,000	30,000	150,000	\$230,000	\$0	\$230,000
Contingencies					\$30,000	\$0	\$30,000
Fund Monitoring					\$25,000	\$0	\$25,000
TOTAL					\$630,000	\$0	\$630,000

*These will be in kind resources provided by the participating countries

V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 This TC will be executed by the IDB and directly coordinated, administered, managed and supported by the fiscal and municipal management division (IFD/FMM).

VI. PROJECT RISKS AND ISSUES

- 6.1 For the activities to be successful, this program will require on-going participation and commitment on behalf of the countries. There is a risk that competing priorities will slow the process down. This will be mitigated by ensuring country ownership of the process from the beginning.

VII. ENVIRONMENTAL AND SOCIAL CLASSIFICATION

- 7.1 In view of the nature of the operation, this project was classified as a category “C” operation and does not need environmental assessments or social consultations.