THOUGHTS AND CHALLENGES OF ELECTRONIC PROCUREMENT

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THOUGHTS AND CHALLENGES OF ELECTRONIC PROCUREMENT

What are we doing?

What should we be doing?
What are we doing?
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WHAT ARE WE DOING?

- Pre-procedure
- Procedure
- Contract Management

Same for electronic procurement
Rollout of e-procurement in the EU

- **PP Directives entry into force** – Apr 2014
- **eInvoicing Directive** – May 2014
- **e-CERTIS 2.0** – 2016
- **eNotification/eAccess (all CAs*)** – Apr 2016
- **eSubmission (CPBs)** – Apr 2017
- **eSubmission (all CAs) – Oct 2018**
- **CEN eInvoicing standard** – May 2017
- **eNotification/eAccess (all CAs*) – Apr 2016**
- **eInvoicing (all CAs)** – Nov 2019

* Contracting Authorities
** Depending on the availability of the European standard
Commission Strategy for Public Procurement 2017
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WHAT ARE WE DOING?

Commission Communication Making Public Procurement work in and for Europe COM(2017) 572:

1. Increasing transparency, integrity and better data

2. Boosting the digital transformation of procurement
Mandatory contract registers

Fundamentally similar to current obligation of publishing contract information on TED

No enforcement mechanism

No system for automatic data capture
Whole process needs to "undergo digital transformation"

But, how?

With what purpose?

And how will that be achieved without touching the legal framework?
Proposals are very light:

Developing existing standards (ESPD/eCertis)

Single Digital Gateway

European services e-card
All gates
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### WHAT ARE WE DOING? (ESPD)

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WHAT ARE WE DOING? (ESPD)

In May 2017 the Commission published its review of the ESPD:

16 Member States were still using paper version

16 Member States were using the Commission’s service and not their own ESPD system (even though the Commission’s is temporary)
“Technical, legal and procedural issues were raised during the meetings.”
NOTHING TO SEE HERE
“Please note that eCertis is a reference tool and not a service of legal advice. It does not guarantee that the information resulting from a query will be recognised as valid by a contracting authority.”
2017 Commission ESPD review also covered the e-Certis:

- e-Certis imposes positive obligations on Member States to keep it updated
- Commission will “monitor” the compliance - so why is e-Certis just a “reference tool”? 

WHAT ARE WE DOING? (ECERTIS)
What should we be doing?
Technological islands

Data standards and APIs

Modern electronic procurement system
WHAT SHOULD WE BE DOING?

Open Contracting Data Standard (OCDS)

Quickly becoming the default data standard for procurement

Supported widely and with strong governance system

Free and open source (Apache License 2.0)
If OCDS is not feasible, perhaps a cross-border standard/API like the e-invoicing standard:

Standard is still under development (European Committee for Standardisation CEN/TC 434 - Electronic Invoicing)

Use of EU standard will be mandatory - applicable to public sector and as such, to procurement activities as well
WHAT SHOULD WE BE DOING? (PARAGUAY)

- Paraguay GDP: $27.5B - $2.4B spent in procurement
- Created “traditional” electronic procurement in 2004 - mostly to curb corruption
- Paraguay joined Open Government Partnership in 2012
- Data started to become more open from 2014 onwards when new Government came into power.
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WHAT SHOULD WE BE DOING?

Contract 1  Invoice 1  Payment 1  Contract 1 Mod  Invoice 2  Payment 2

Procurement Portal & Procurement Platform

National procurement central database

Finance Ministry IT system
1. Current EU electronic procurement approach revolves around old mental frameworks

2. ESPD and eCertis are bandages on deeper wounds

3. Member States will be stuck in technological islands (standards and APIs matter...
CONCLUSIONS

CHALLENGE

Publications system

Transaction system
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