E-procurement

The use of digital technology in the public sector is a driver of efficiency and supports the effectiveness of policies by enabling more open, transparent, innovative, participatory and trustworthy government. In this light, the use of e-procurement, defined as the use of information and communications technologies in public procurement, not only increases efficiency by facilitating access to public tenders, thereby increasing competition and decreasing administrative burdens, but can also improve transparency by holding public authorities more accountable.

All OECD countries that responded to the survey announce procurement opportunities and provide tender documents through their e-procurement systems. Moreover, 94% of them are mandated by law to announce procurement opportunities and 78% to provide tender documents through their e-procurement systems, such as in Belgium, Mexico and Portugal.

Functionalities at the beginning of the procurement cycle, in particular publishing of procurement plans (84%), electronic submission of bids (84%) and e-tendering (84%), are provided in most OECD countries surveyed. In contrast, functionalities related to the end of the procurement cycle (except for notification of award (94%)) are provided by a smaller number of OECD countries. For example, fewer countries, in particular Austria, Denmark and New Zealand, provide e-auctions (in e-tendering) (63%), ordering (66%), electronic submission of invoices (56%) and *ex post* contract management (41%) through their e-procurement systems. Furthermore, the majority of the countries that provide these functionalities in their e-procurement systems are not obliged to do so by law, with the exception of electronic submission of invoices.

The main challenge faced by both procuring entities and potential bidders and suppliers to use e-procurement systems are low knowledge and skills of ICT (44%) as mentioned by Hungary, Poland and the United States, among other OECD countries who responded to the survey. Low innovative organisational culture (41%) and low knowledge of the economic opportunities raised by e-procurement systems (34%) were identified as additional challenges for procuring entities as evidenced in countries including Greece, and Spain. Related to potential bidders and suppliers, 13 OECD countries including Canada, Italy and Slovenia identified difficulties to understand or apply the procedures and difficulties in the use of the functionalities as additional challenges (41%).

Methodology and definitions

Data were collected through 2014 OECD Survey on Public Procurement that focused on strategic public procurement, e-procurement, central purchasing bodies, and public procurement at regional levels. Some 32 OECD countries responded to the survey, as well as Brazil, Colombia and Russia. Respondents to the survey were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies.

E-procurement refers to the integration of digital technologies in the replacement or redesign of paper-based procedures throughout the procurement cycle.

Public procurement cycle refers to the sequence of related activities, from needs assessment, through competition and award, to payment and contract management, as well as any subsequent monitoring or auditing.

More data on countries providing functionalities in e-procurement systems (Table 9.7) is available online at *http://dx.doi.org/10.1787/888933249077*.

Further reading

OECD (2015), *Recommendation of the Council on Public Procurement*, OECD, Paris.

OECD (2013), "Implementing the OECD Principles for Integrity in Public Procurement: Progress since 2008", *OECD Public Governance Reviews*, OECD, Paris, *http://dx.doi.org/10.1787/9789264201385-en*.

Figure notes

9.7: Data unavailable for the Czech Republic and Israel. See Statlink for information on more functionalities.

9.8: Data unavailable for the Czech Republic and Israel. The challenges for understanding or applying the procedure and for the use of functionalities are faced only by potential bidders/suppliers.

9.7. Functionalities provided in e-procurement systems, 2014

	Mandatory and provided	Not mandatory but provided	Not provided
Announcing tenders	AUS, AUT, BEL, CAN, CHL, DNK, EST, FIN, FRA, DEU, GRC, HUN, IRL, ITA, KOR, LUX, MEX, NLD, NZL, NOR, POL, PRT, SVK, SVN, ESP, SWE, CHE, TUR, GBR, USA	ISL, JPN	
Electronic submission of bids (excluding by e-mails)	BEL, CHL, EST, FRA, GRC, ITA, MEX, PRT, USA	AUS, AUT, DNK, FIN, DEU, IRL, JPN, KOR, LUX, NLD, NZL, NOR, SVK, SVN, ESP, SWE, TUR, GBR	CAN, HUN, ISL, POL, CHE
e-tendering	BEL, CAN, CHL, EST, GRC, IRL, ITA, MEX, CHE, USA	AUT, DNK, FIN, FRA, DEU, JPN, KOR, NLD, NZL, NOR, PRT, SVK, SVN, ESP, SWE, TUR, GBR	AUS, HUN, ISL, LUX, POL
Notification of award	AUS, AUT, BEL, CAN, CHL, DNK, EST, FIN, DEU, GRC, HUN, IRL, KOR, MEX, NLD, NZL, NOR, POL, PRT, SVK, SVN, ESP, SWE, CHE, TUR, USA	FRA, ITA, JPN, GBR	ISL, LUX
Electronic submission of invoices (excluding by e-mails)	AUT, DNK, FIN, ITA, NLD, ESP, SVN, SWE, CHE, USA	FRA, DEU, ISL, JPN, KOR, NZL, NOR, GBR	AUS, BEL, CAN, CHL, EST, GRC, HUN, IRL, LUX, MEX, POL, PRT, SVK, TUR
Ex post contract management	CHE, TUR, USA	DNK, FIN, DEU, ITA, JPN, KOR, NZL, NOR, SVN, SWE	AUS, AUT, BEL, CAN, CHL, EST, FRA, GRC, HUN, ISL, IRL, LUX, MEX, NLD, POL, PRT, SVK, ESP, GBR

Source: OECD (2014) Survey on Public Procurement.

StatLink ☐ᗡᓒ *http://dx.doi.org/10.1787/888933249077*

9.8. Main challenges to the use of e-procurement systems, 2014

	Low knowledge/ ICT skills	Low knowledge of the economic opportunities raised by this tool	Low innovative organizational culture	Difficulties to understand or apply the procedure	Difficulties in the use of functionalities	Do not know
Australia	○	○	○	○	○	X
Austria	X	X	X	X	X	✦●
Belgium	○	○	✦●	○	○	X
Canada	✦●	●	●	●	●	X
Chile	○	●	○	●	●	✦
Denmark	○	○	○	●	●	✦
Estonia	○	✦●	○	○	○	X
Finland	X	X	X	X	X	✦●
France	X	X	X	X	X	✦●
Germany	✦	✦●	✦	○	●	X
Greece	●	✦●	✦●	○	○	X
Hungary	✦●	○	✦	●	●	X
Iceland	X	X	X	X	X	✦●
Ireland	○	○	○	●	○	✦
Italy	✦●	○	✦●	●	●	X
Japan	✦●	✦●	○	●	●	X
Korea	✦●	○	✦●	○	○	X
Luxembourg	X	X	X	X	X	✦●
Mexico	✦	✦	✦	○	○	●
Netherlands	✦●	✦●	○	●	●	X
New Zealand	✦●	✦●	○	○	○	X
Norway	○	✦●	●	●	○	X
Poland	✦●	○	✦	●	●	X
Portugal	✦●	○	○	●	○	X
Slovak Republic	●	✦	○	○	●	X
Slovenia	✦●	✦●	✦●	●	●	X
Spain	●	✦●	✦●	○	○	X
Sweden	X	X	X	X	X	✦●
Switzerland	X	X	X	X	X	✦●
Turkey	○	○	✦●	○	○	X
United Kingdom	✦	●	✦	○	●	X
United States	✦●	○	✦●	●	●	X
OECD total						
✦ Procuring entities	14	11	13	X	X	10
● Potential bidders/suppliers	14	12	10	13	13	8
○ Not a major challenge	8	11	10	12	12	X
Brazil	✦●	✦●	✦	●	●	X
Colombia	✦●	✦●	✦●	○	○	X
Russia	○	○	○	●	○	X

Source: OECD (2014) Survey on Public Procurement.

StatLink ☐ᗡᓒ *http://dx.doi.org/10.1787/888933249082*