



India's Government e Marketplace: Technology for Sustainable Development

05 DECEMBER 2022



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- Contours of Administrative divisions in India; Limitations in Public Procurement.
- GeM: The Genesis
 - Product, Services, Forward Auction
 - Stakeholders: Who, What, How
 - Features in Brief
 - Integrations
- GeM: Promoting 3 Pillars of Sustainable Development: **Economic Viability, Environmental Protection** and **Social Equity**.



Administrative Divisions in India

- Union of States; Indian Federalism
- Centre, State, Concurrent List, Residual Powers
- Varied Procurement Policies, Procedures, Preferences
- Difficulties for Smaller states to establish elaborate procedures

Major Limitations in Indian Public Procurement till 2016

Not exhaustive

Limitations and inefficiencies in procurement system



Localized supplier base



Varying prices across bids of similar products



In-silo buying with no option of demand pooling

Time consuming and manual processes



Manual interventions leading to high turnaround time



Administrative overheads for public buying organizations



Potential collusion risk with manual rate negotiations

Multi-pronged and complex procurement guidelines



General Financial Rules for central buyers, different norms for each state



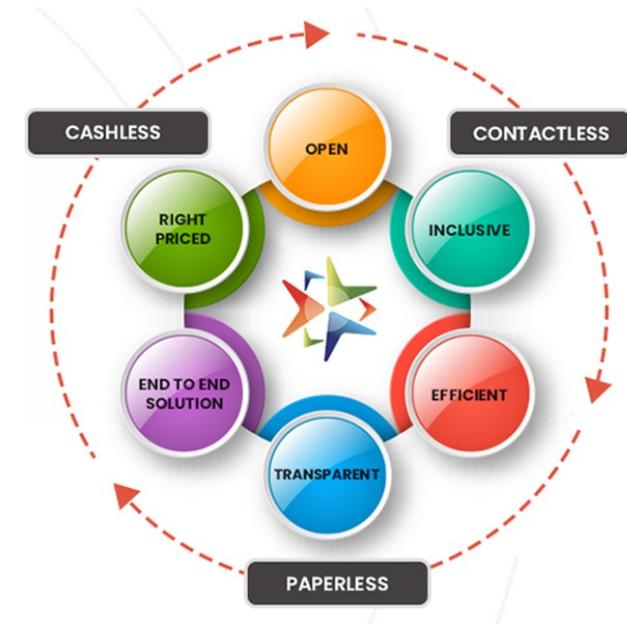
Other policies such as MSME's, Make in India and various ministry guidelines



Spend reservation for specific goods, e.g., Khadi

The Genesis: Government e-Marketplace (GeM)

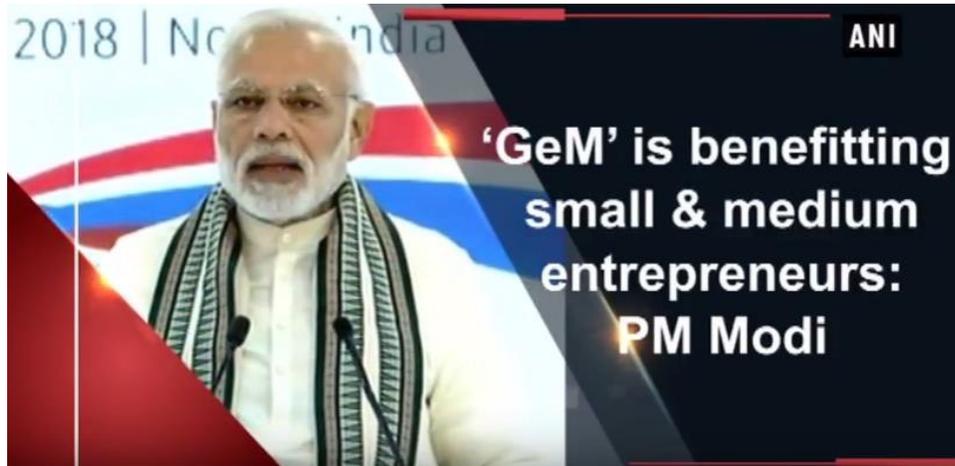
- **Unified online procurement portal** for all Central and State Ministries, Departments, Bodies & PSEs
- **Rule 149 of the GFR amended**, mandating the procurement of Goods and Services from GeM for all the Central Ministries and Departments
- Multiple tools enabled for public procurement: **Direct purchase, L1, Bid / Reverse Auction, and Forward Auction**
- Commitment to Three pillars: **Efficiency, Transparency & Inclusiveness** in public procurement



The government is committed to curbing corruption. One of the key aspects of this objective is to minimize the Government's human transactional interface.

GeM: National & International Recognition

Not exhaustive



GeM is a gift of PM Modi to country:
Suresh Prabhu (Minister of Commerce & Industry)

Bloomberg Markets

Government's Version of Amazon Helps India Save \$1 Billion

By [Vrishti Beniwal](#)

September 18, 2020, 9:44 AM GMT+5:30

- ▶ Paperless, cashless program replaced archaic system in 2016
- ▶ Savings can help amid widening fiscal deficit after pandemic

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The Indian government's move to shift a part of its \$400 billion public procurement to an online market platform has already saved the administration about \$1 billion so far at a time when it's trying to rein in its fiscal deficit, according to a government official.

The four-year-old Government e-Marketplace or GeM, often referred to as

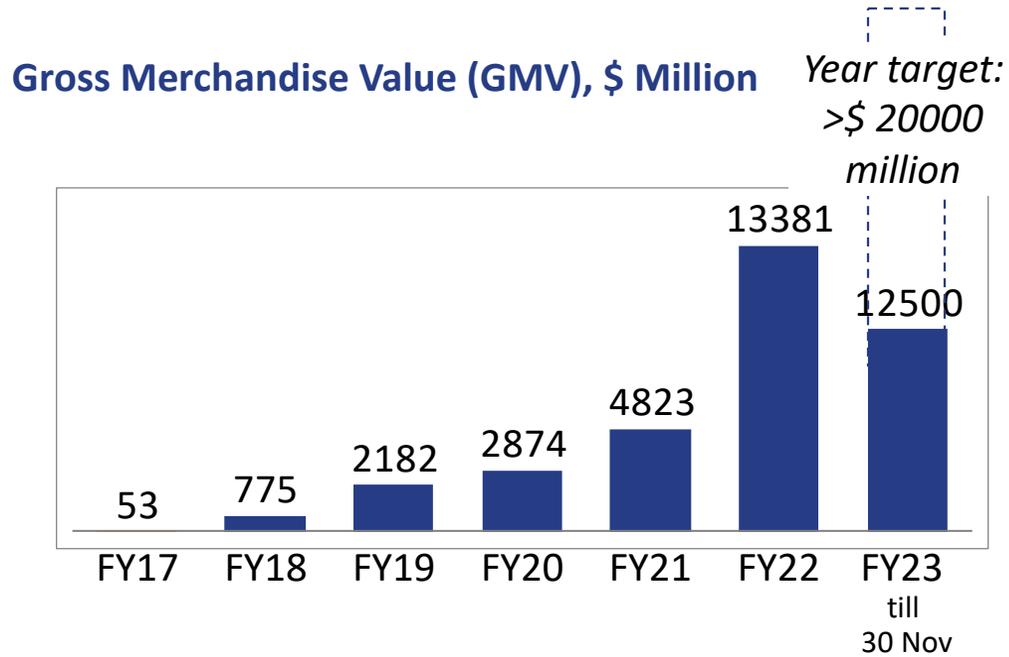


GeM has increased transparency and efficiency of procurement; and is leading to time & cost saving as well as quality improvement in procurement

From Proof of Concept, GeM has come a long way

Witnessing strong growth momentum; On track to cross \$ 20 Billion in GMV in FY23

Strong growth trajectory...



Year-on-Year
Growth rates

182%

32%

68%

176%

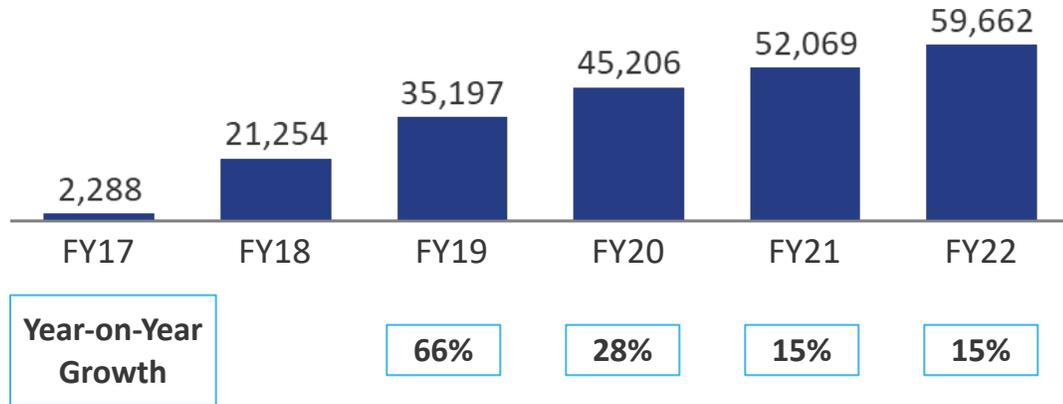
...with contribution across buyer segments

Buyer Category	GMV (\$ Million)			
	FY20-21	FY21-22	FY21-22 (Apr-Sep)	FY22-23 (Apr-Sep)
Central ministries	1796	3676	1336	2873
CPSEs	878	5745	2246	4464
States	2149	3910	1396	2128
TOTAL	4823	13381	4978	9465

↑ 90%

GeM: Consistent growth in Buyer / Seller ecosystem

Growth of buyer organizations on GeM,



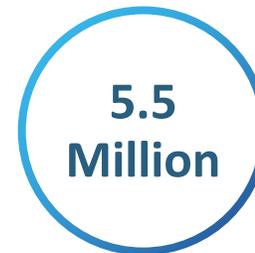
Coverage on GeM (as of 30 Nov 2022):



No. of Product Categories



No. of Service Categories

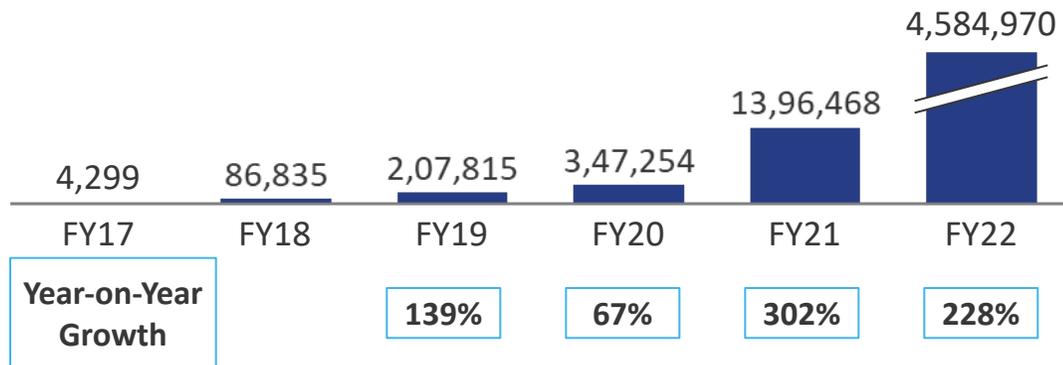


No. of Products



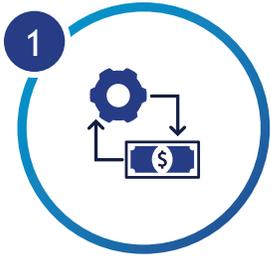
No. of Services

Growth of sellers/ service providers on GeM,



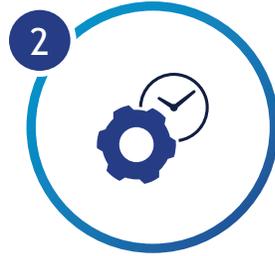
GeM: Reimagining India's Public Procurement via technology, analytics & process digitization

Not exhaustive



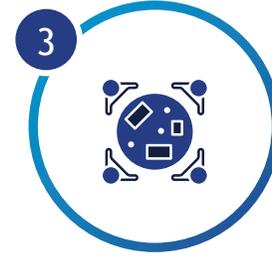
Cost Savings

- Reverse auction: ~25% price reduction vs avg. original L1 price
- Guaranteed discounts via direct OEM deals
- Demand aggregation
- Approx. 10% savings est. FY21-22¹



Time Efficiency

- Tender cycle time reduced from 34 to 24 days²
- Standard templates e.g., bid forms, T&Cs
- Fast track procurement e.g., DP upto INR 25K
- On-time delivery up from ~80% to ~97% - for orders paid on GeM



Reach & Inclusiveness

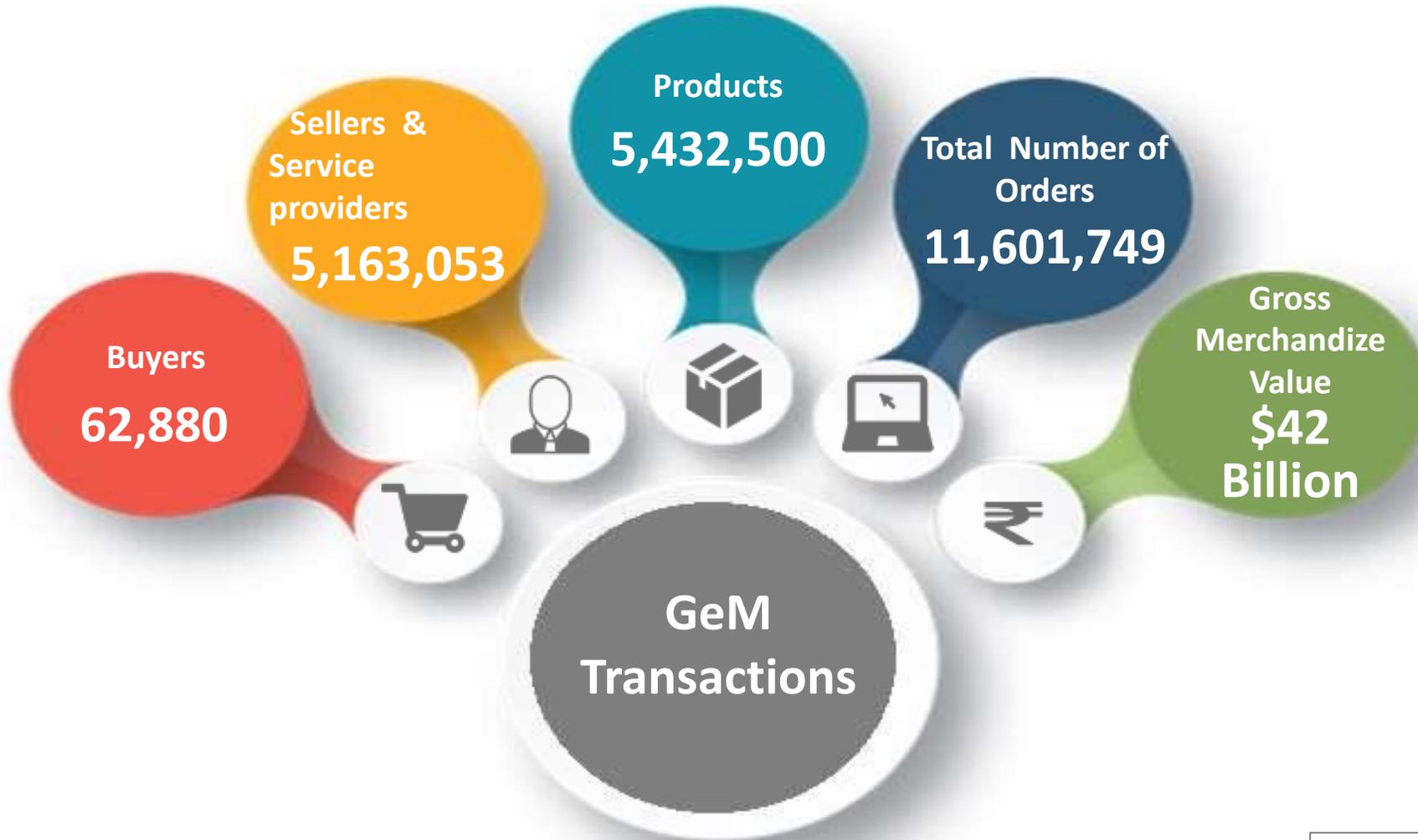
- MSE share >55% of annual GMV since 2016
 - > 800K MSE sellers
 - >130K Women,
 - >39K SC / ST sellers
- GeM Sahay: Instant order-based loans to sellers
- Microportals: Startup Runway, TRIBESINDIA e-store



Transparency & Fairness

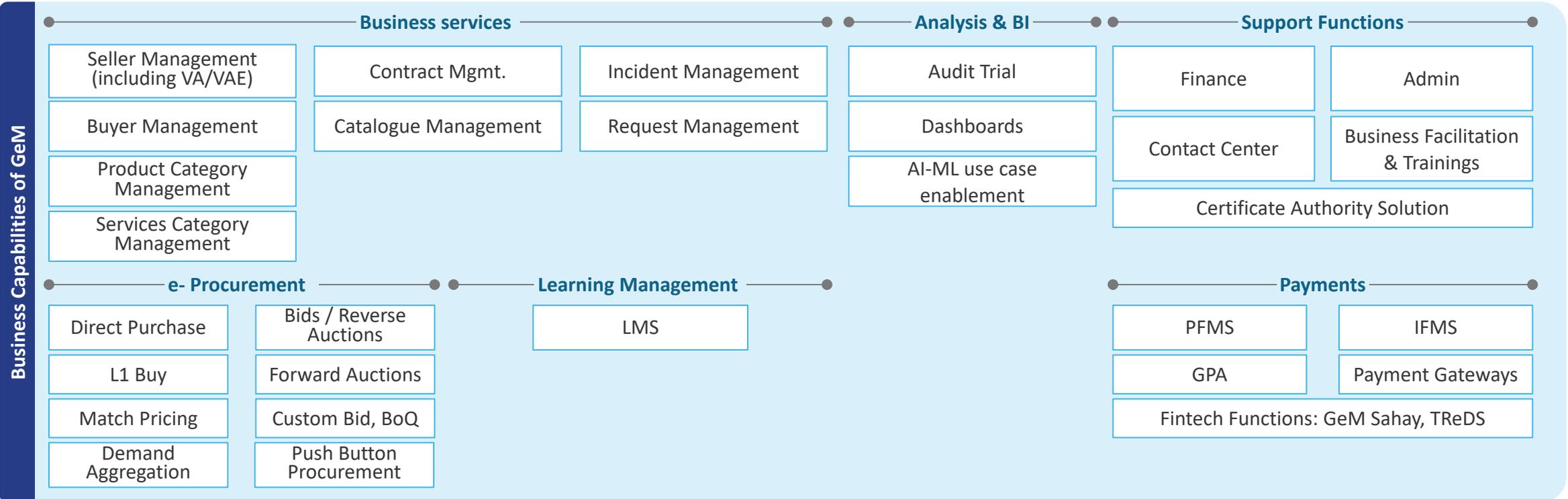
- Integrated payments to drive cashless buying
- Incident management for online grievance redressal
- Dynamic vendor rating for buyers to rate a seller basis experience

KEY STATISTICS



As on 30th Nov 2022

GeM Overview & Architecture





Key Features Supported by the GeM Platform

1. Registration

2. Catalogue Management (CMS)

- a. Product and Service Taxonomy
- b. Standardization of Technical Specifications/Parameters
- c. Goods and Services Supported on the Platform

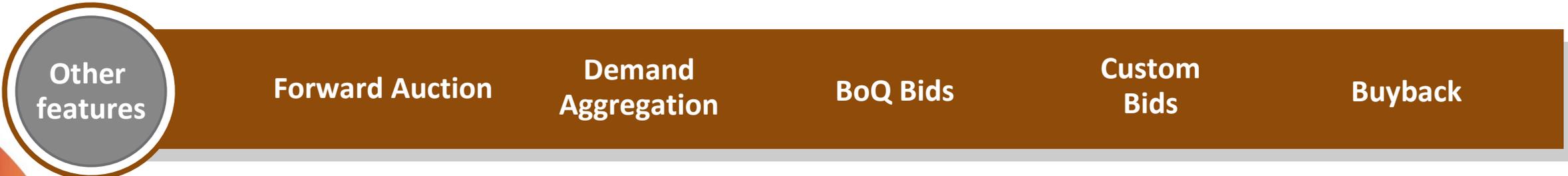
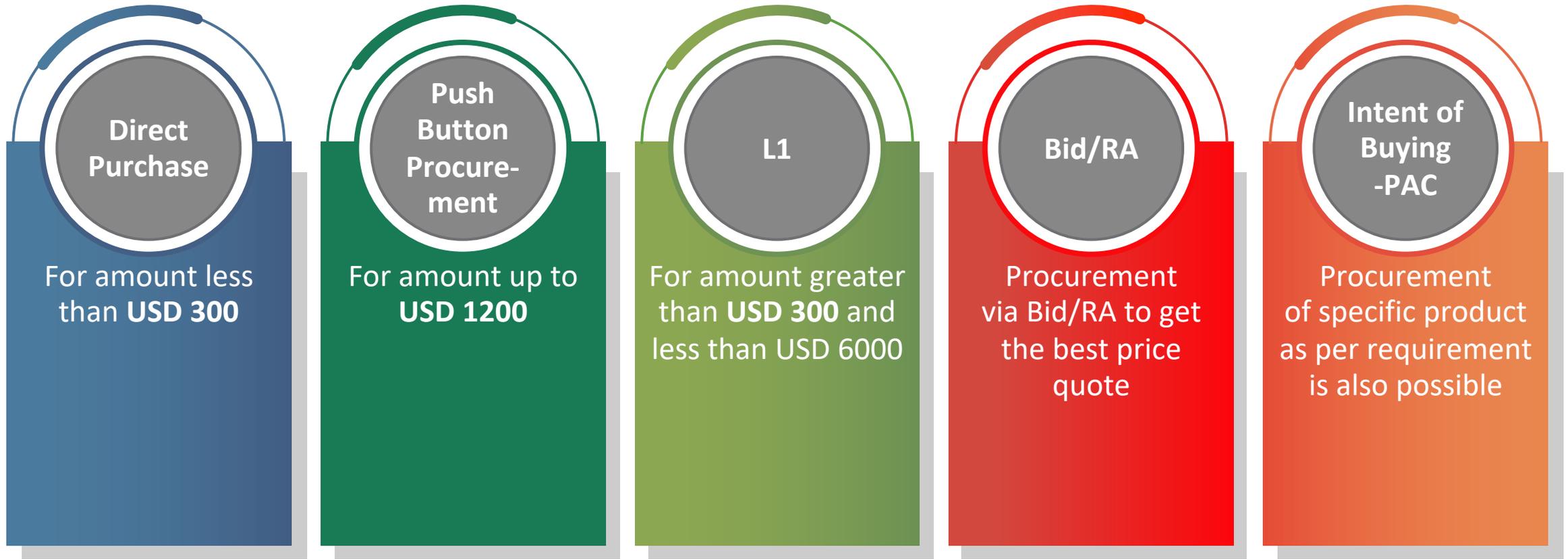
3. Order Placement and Fulfilment

- a. Buying Modes: Direct Purchase, Direct Purchase with L1 and e-bid/RA.
- b. Additional Features provided while buying on GeM
 - i. Demand Aggregation
 - ii. Bunching / Bundling
 - iii. Multi-cart
- c. Order Fulfilment
- d. Contract Management
- e. Payments: PFMS, IFMS, GPA etc

Key Features Supported by the GeM Platform (Contd...)

4. Decision Support
 - a. Business Intelligence and Analytics
 - b. Establishing Price Reasonability
 - c. Buyer and Seller Rating
 - d. Vendor Assessment
 - e. Demand Forecasting
5. Audit Trail
6. Communication and Support
 - a. Communication to Buyers and Sellers
 - b. Contact Center
 - c. Training and Material
7. Dispute Resolution and Incident Management
8. Data Security

E-Procurement | Various e-procurement methods offered by GeM



GeM System | Integration Classification

Banks (19)	GeM Pool Account	Caution Money		EMD	ePBG		
ERP (28)	CPSU	Autonomous Bodies		Railways			
Government financial management	PFMS	IFMS (4)					
Authentication	LDAP						
Verification	Aadhaar	PAN GSTN	MCA 21	Udhyam Aadhaar	Startup	FSSAI	
E-sign/DSC	e-Mudhra						
Logistics	India Post						
Tender information	CPPP						
Financing	Sahay	TReDS					
Payment gateway	SBI MOPS						

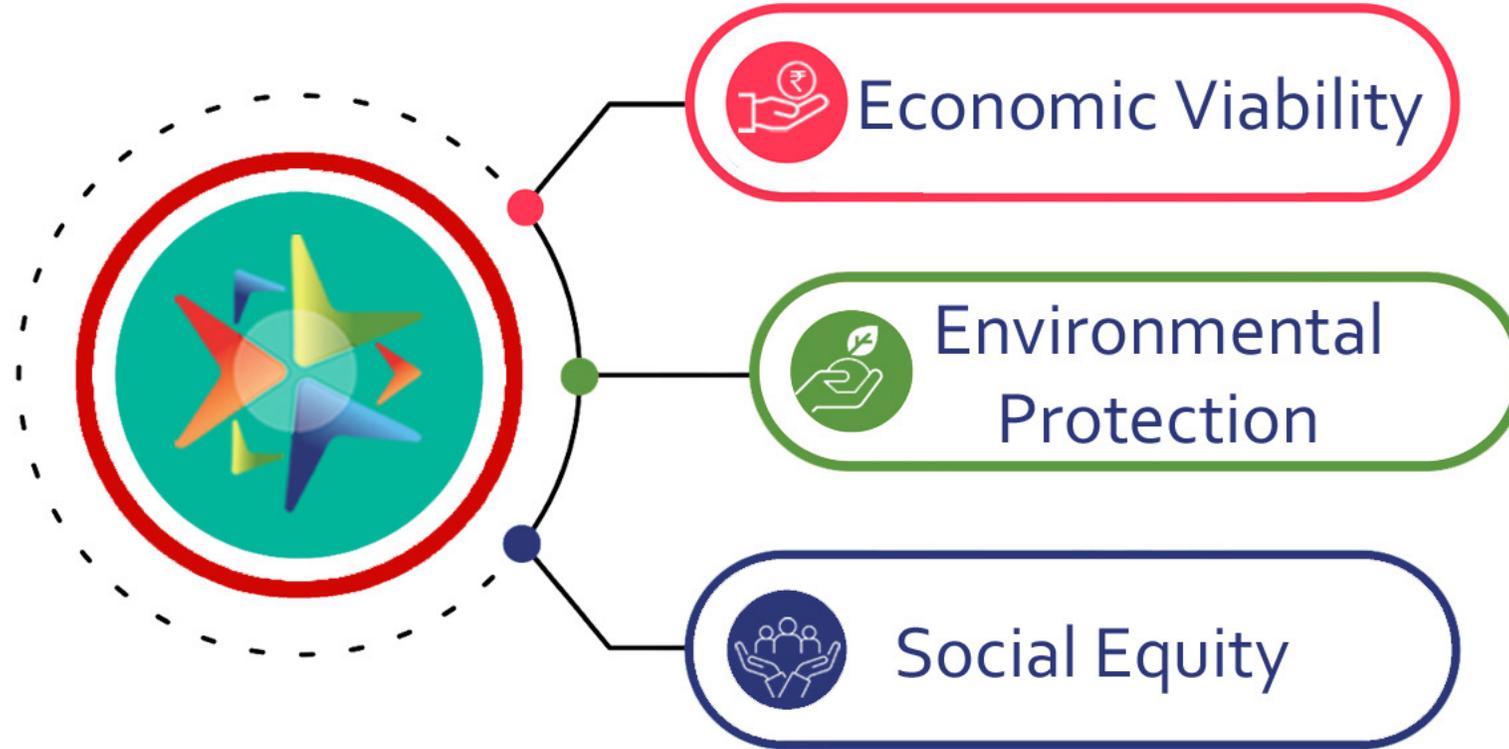


GeM System | Integrations Snapshot

Numbers	Approximate count
Integrations Count (*External)	40+
No. of Entities Integrated with GeM	100+
No. of APIs (*External)	110+

*Note: *External Integration means any external interface(s) with whom GeM is integrated for the purpose of the payments processing, sharing the procurement data, validating the user credentials etc.*

GeM Promoting 3 Pillars of *'Sustainable Development'*

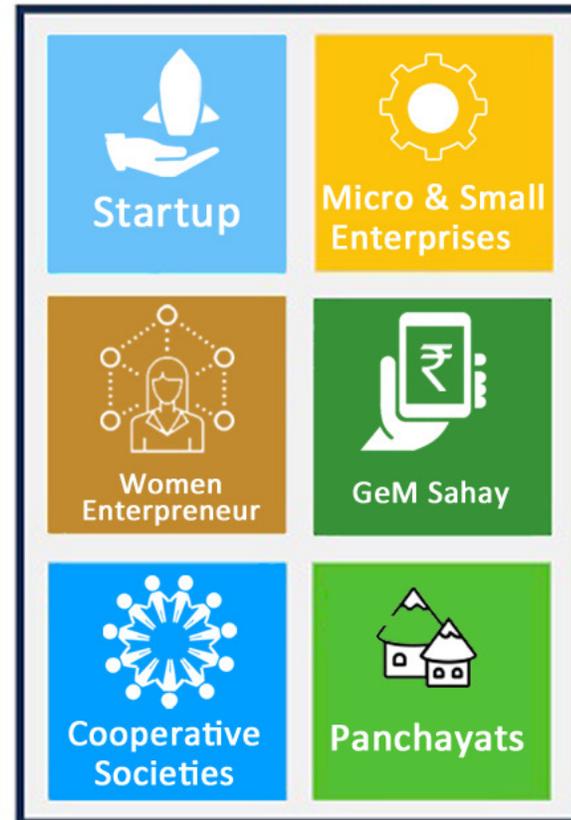


Promoting 3 Pillars of *'Sustainable Development'*

Economic Viability



Social Equity



Environmental Protection





Public Procurement: Sustainable Development

- SDG 12:"Ensure sustainable consumption and production patterns".
- Target 12.7: "Promote public procurement practices that are sustainable, in accordance with national policies and priorities."
- Indicator 12.7.1: "Degree of sustainable public procurement policies and action plan implementation". Incorporating **Sustainable Public Procurement (SPP)**, and the capacity to measure the proportions of these efforts.
- Limitations of this indicator: Different ways the countries measure SPP, Green Public Procurement (GPP) and Socially Responsible Public Procurement (SRPP).
- **Sustainable procurement**: Purchasing of goods and services to achieve optimal Value for Money (VfM) in delivering positive development outcomes.
- Governments worldwide spend up to **20% of their GDP on public procurement**.

GeM: Sustainable Economic Drive

- With an estimated **GDP of \$3.53 trillion**, India's **procurement spending** is roughly **\$700 billion**.
- GeM : A member of '**Task Force on Sustainable Procurement**' set up Ministry of Finance (MoF), Government of India with **UNEP** as an invited expert member.
- Micro Enterprises: Investment < \$ 125,000 & Turnover < \$ 625,000
- Small Enterprises: Investment < \$ 1.25 Million & Turnover < \$ 6.25 Million
- Boosting MSE participation in government tenders
 - by raising awareness about business opportunities: Encouraging Outsourcing
 - realization of payments: Reserving Funds
 - Single-window registration: API integration with MSE databases for seller auto-registration.



GeM: Sustainable Economic Drive (Contd...)

- Unique features that GeM offers:
 - filtering out non-MSE suppliers while placing orders;
 - seamless **integration with treasury** and **public finance management systems** of buyers, which ensures placement of orders only after blocking the proposed contract amount; prompt release of payment on delivery.
 - Implementation of MSME Order, 2012 of Government of India.
 - More than half of the total orders are placed with MSE suppliers.

Social Inclusion: A Core Value at GeM

- “Access to markets” and “Access to Finance” - primary challenges faced by under-served seller groups such as MSEs, women, Divyangjan [persons with disabilities], tribal entrepreneurs, startups, self-help groups, artisan and weavers, and Hunar Haat (Ancestral legacy of arts and crafts)
- Over 130,000 women-led businesses are registered on the GeM; more than 570,000 fulfilled orders totaling \$ 1.34 billion.
- **Access to markets**
 - i. Creation of 8 “GeM Outlet Stores”.
 - ii. Last-mile **Outreach** and **Capacity-building**: MoU with Common Service Centre for delivery of GeM buyer and seller services through 0.52 million+ village-level entrepreneurs [VLE], packaging and logistics services through 0.15 million+ India Post Offices.
 - iii. Onboarding Cooperative Societies and Panchayats (Village Level Governance)
 1. Development of Processes for direct onboarding of Panchayats and Cooperative Societies with \$ 1.25 Billion turnover and A+ audit rating

Social Inclusion: A Core Value at GeM (Contd...)

➤ Access to markets

v. Artisans & Weavers - Since July 2020,

a) 11,856 artisans/ sellers fulfilled 9,714 orders worth \$ 5 million from 171 Handicraft product categories

b) 8,918 weavers/ sellers have fulfilled 11,856 orders worth \$ 30 million from 27 Handloom product categories.

vi. As on 30th Oct 2022, 15,000+ **Startups** are registered on GeM and have fulfilled 145,000 orders worth \$ 1.04 billion in GMV.

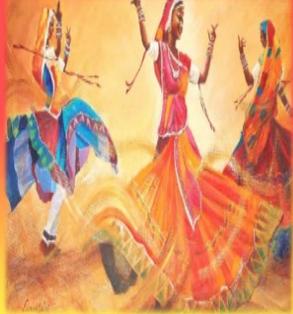
➤ Access to Finance

i. GeM Sahay: Instant GeM order-based loans to sellers .

ii. Exemption from payment of Caution Money for certain under-served Sellers

Driving Social Inclusion

WOMANIYA ON GEM 😊



Artist Anukta M Ghosh's "Magan" illustration of Women empowerment and grace

In pursuit of life, liberty and happiness

Handicraft, Accessories, Home Décor & Furnishings, Food and Beverages, Jute Products, Organic Food & Spices, Wood Crafts and more from Women Entrepreneurs on GeM, click here...



The Saras Collection

Pristine hand crafted products from finest self-help groups in India



A curated basket of pristine handcrafted handicrafts, handloom textiles, office décor and furnishings, conference accessories and event souvenirs, personal hygiene and care products from top of the line self help groups in India.

Authentic Tribal Handloom & Handicrafts

Explore Now

Discover innovative products and solutions from the finest Startups in India.

STARTUP RUNWAY



GeM Government e Marketplace

Discover Pristine Khadi and Handloom Textiles on GeM

152 YEARS OF CELEBRATING THE MAHATMA

Discover Pristine Khadi and Khadi Products on GeM

The Green Gold Collection

NATIONAL BAMBOO MISSION
Dept of Agriculture, Co-operation & Farmers Welfare, Ministry of Agriculture, Cooperation & Farmers Welfare

GeM: Minimizing Environmental Impact

- **Green Procurement** : Process to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared otherwise.
- Promoting **Green Procurement** by targeting and prioritizing the listing and availability of environmentally sustainable products and services.
- Recycling/Reusing Instances through GeM:
 - Making the procurement process **digital** and **paperless**: Substantial savings in costs for printing, tender advertising, and travel. Saved up to 550 million paper sheets.
 - GeM is developing "**green**" products and services categories in partnership with UNEP, TERI & other Indian and global agencies. e.g.,
 - (i) GeM launched **Green Air Conditioners**, **Eco-mark paper** (from agro-based and recycled fiber-based raw materials), **bamboo-based products**, **Eco-Friendly Disinfectant (Hydrogen Peroxide + Silver Nitrate)**

GeM: Minimizing Environmental Impact (Contd...)

(ii) Created Filters to help buyers identify **solar-powered renewable products** and **battery-powered e-vehicles**.

(iii) GeM also offers water, energy conservation, audit services, waste management, Hiring of E-vehicles services.

- Recently launched “Green Transition Service” to assist buyers to achieve carbon neutrality and net zero carbon emissions in their operations.
 - “**Forward Auction**”: to auction away fully depreciated and/or obsolete assets.
 - “**Buyback Option**”: Presently available in 37+ product categories.

The image features a hand holding a smartphone in the foreground, with a shopping cart visible in the background. The scene is overlaid with large, semi-transparent, colorful shapes in shades of orange, red, green, and blue. The text "Thank You" is centered in white with a slight shadow.

Thank You