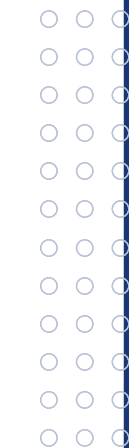


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Improving Effectiveness through Framework Agreements on E-Procurement

1. History of public procurement in Mongolia
2. Online procurement system /Framework agreement, e-Shop/
3. Further steps on public procurement



PATHWAY OF E-PROCUREMENT IN MONGOLIA



The first public procurement law was introduced in 2000. Last year the Parliament on Mongolia revised the law.

First website for publish bidding notices, results, and other news about public procurement was introduced

2006

2011

Public procurement planning system was introduced and procuring entities were enabled to publish annual procurement plan

Republic of Korea granted to establish online procurement system in Mongolia

2012

First e-bidding was announced through new system


2012.05.12


New online procurement system was launched, and all public procurement data started to store in the one database

2017






 **25,182**
99.4% e-bidding

 **4,055**
clients
23,591
bidders

 **2023 – 19M**
2024 – 20M

 **10M**
Paper saves

E-Procurement system

-  Increases transparency
 - Everyone can see process
- Reduces costs
 - Prints and archives fewer paper
- Makes bidding process simple
 - Exchange data automatically
- Statistics to analyze
 - Collecting procurement data in one pot

Procurement methods

- open bidding
- quotation
- direct contracting
- single source selection
- **FRAMEWORK AGREEMENT**

- E-Shop is designed for this method
- Daily commodity goods and services
- Qualified suppliers offer goods and services
- Up to 3 years open contract
- Purchase within 3 working days
- All procuring entities are using
- Unit price is fixed
- Multiple suppliers under the same contract and condition



- ADB co-organized use of Framework Agreement in Mongolia first time in 2017.
- It started in medical sector, common medicine items were stored in e-Shop initially.
- It was successfully introduced and replicated to other sectors.
- Improved efficiency by simplifying the procurement and contract management process for small purchases throughout the country .



CONTRACTED
COMPANIES

533



TOTAL ORDER
FROM CLIENTS

1,729



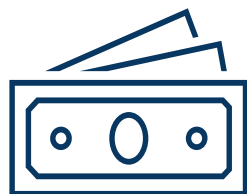
TOTAL
RESULTS OF
ORDER

28,667



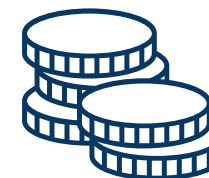
TOTAL NUMBER
OF CONTRACTED
GOODS ON E-
SHOP

1,096



TOTAL TRANSACTION OF E-SHOP
/2018-2023/

USD \$ 521,916,799.1

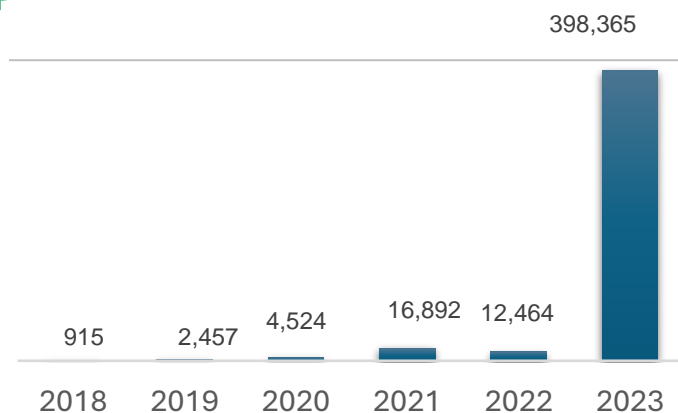


TOTAL EFFICIENCY OF E-SHOP
/2018-2023/

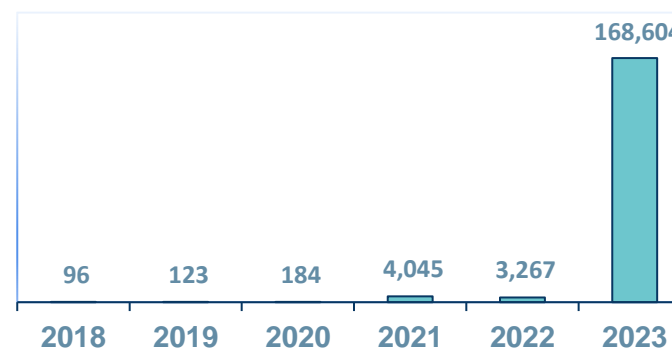
USD \$178,366,707.8



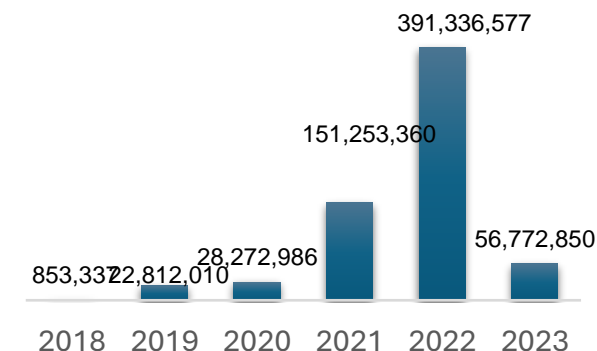
TOTAL ORDER BY YEAR
/Thousand USD/



EFFICIENCY
/Thousand USD/



NUMBER OF GOODS AND
SERVICES ORDER



BENEFITS

- Save times on ordering and offering
- Simple and easy process for purchase
- Standardized goods and services on e-shop
- Efficiency on both sides public and private sector
- Complete online process for ordering and bidding

DRAWBACKS

- Logistics increases unit prices
- Logistic is more expensive than goods' prices
- Limited goods choices
- Supply delay and too many orders
- Confusion on the same item with different price
- Hard to end the framework agreement

UPGRADES

- E-Marketplace is planning to launch
- AI tool is being developed and pre-study is doing
- Blockchain tools
- Complete online transactions
- Cloud technology

