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INDONESIA

Indonesia e-Government Procurement Reforms and Achievement

Anita Carolin

National Public Procurement Agency Republic of Indonesia

2nd International Procurement Workshop

South Korea

THE NATIONAL PUBLIC PROCUREMENT AGENCY (LKPP RI)

Organization :



Central Government Agency



Report to President



Regulatory Framework



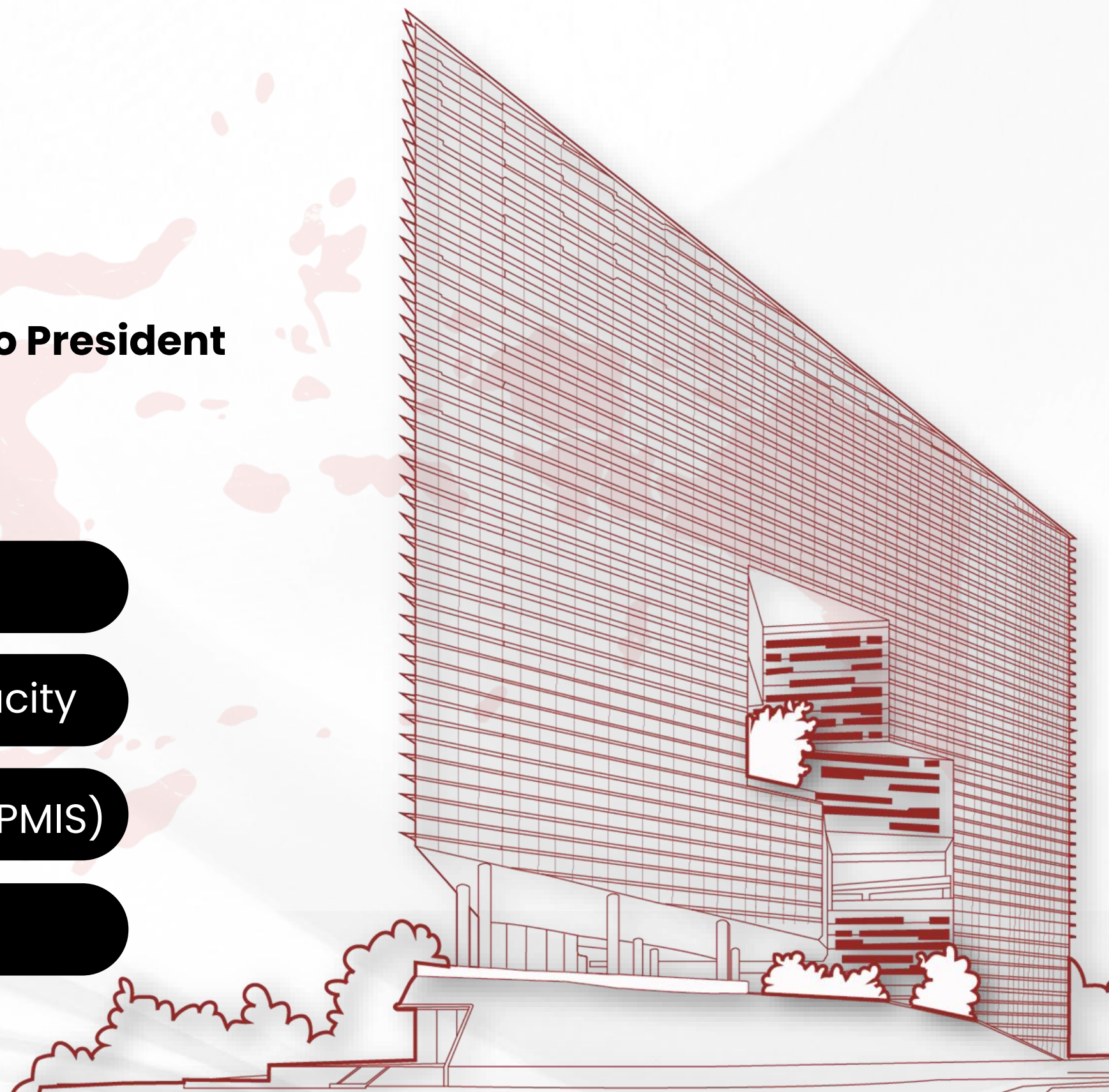
Institutional Framework & Human Resource Capacity



Procurement Management Information System (PMIS)



Accountability, Integrity and Transparency



INDONESIA'S GOVERNMENT PROCUREMENT OVERVIEW



National

Procurement Planning

USD 60,77 B (IDR 986,32 T)

In-House

USD 14,48 B
IDR 235,12 T

Supplier

USD 46,3 B
IDR 751,20 T

USD 42,5 B
(IDR 689,95 T)
91,85%

Local Product

USD 26,5 B
(IDR 431,47 T)
57,43%

MSEs

Central Government Procurement Planning

USD 26,27 B (IDR 426,35 T)

Supplier : USD 22,5 B

In-House : USD 3,7 B

Local Product : USD 19,3 B

Non-Local : USD 3,25 B

MSEs : USD 7,22 B

Non-MSEs : USD 15,31 B

Local Government Procurement Planning

USD 34,51 B (IDR 560,04 T)

Supplier : USD 23,7 B

In-House : USD 10,7 B

Local Product : USD 23,2 B

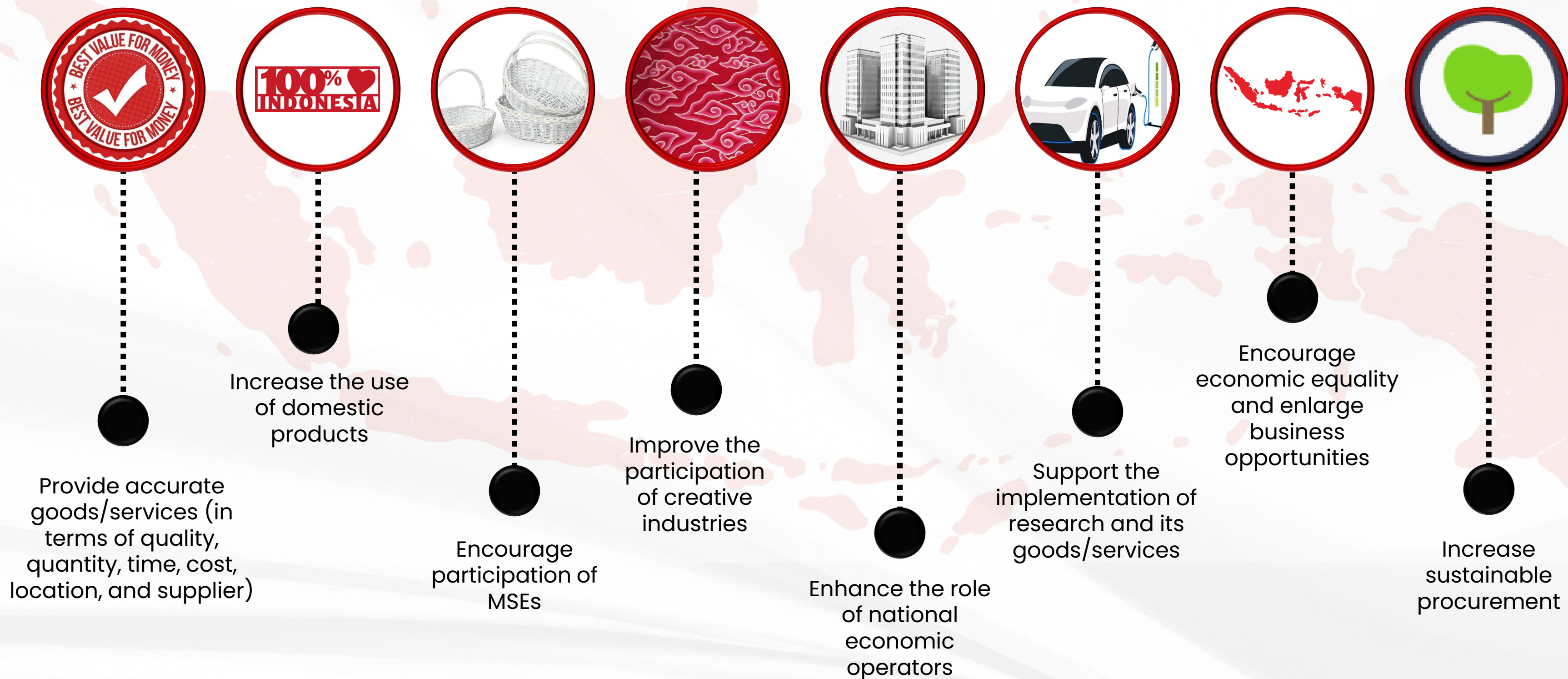
Non-Local : USD 517,6 M

MSEs : USD 19,3 B

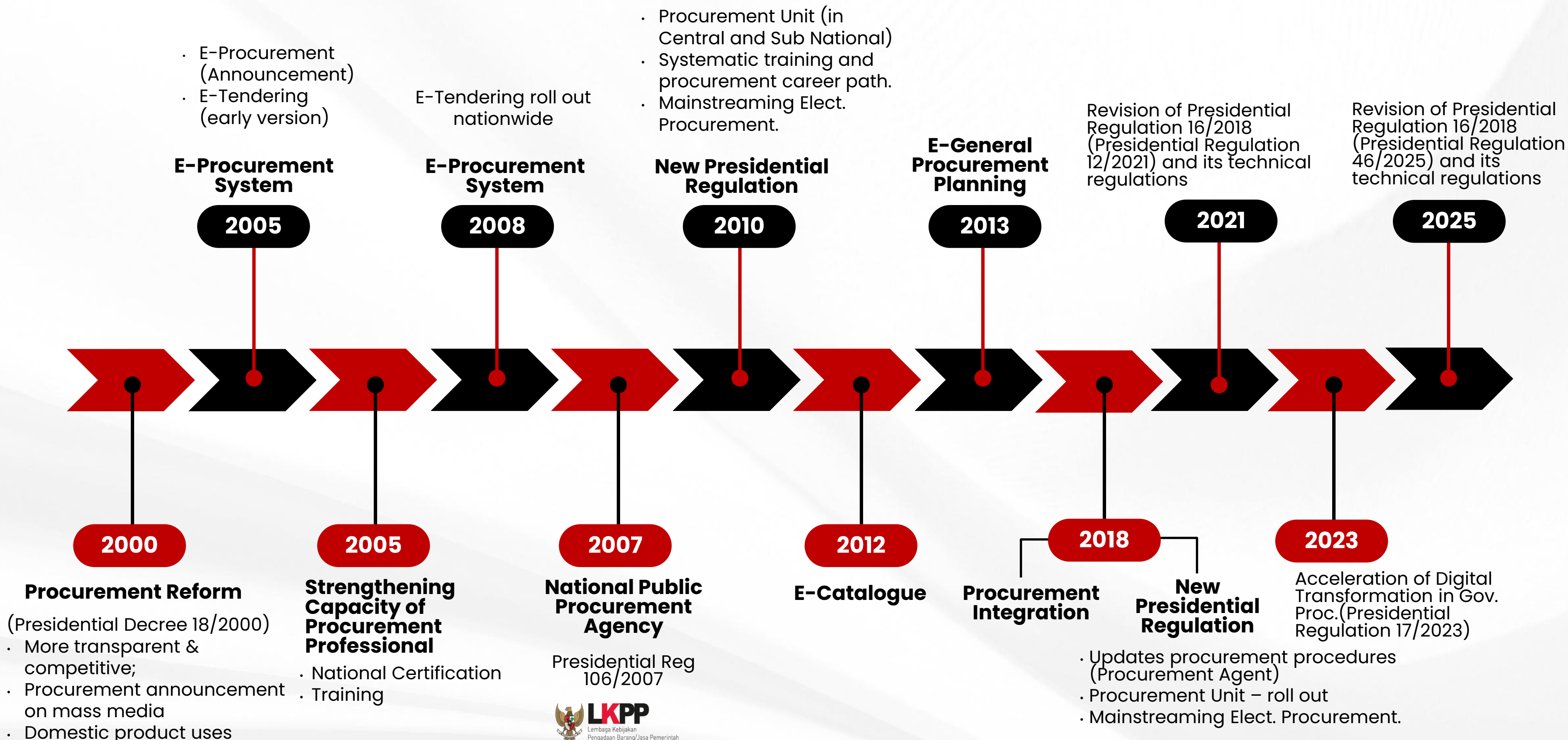
Non-MSEs : USD 4,3 B

THE PURPOSE OF GOVERNMENT PROCUREMENT

(Article 4, Presidential Regulation 16/2018)



PROCUREMENT REFORM JOURNEY



PROCUREMENT DIGITAL TRANSFORMATION TIMELINE

2022 – 2023

2023 – 2025

2025 – 2027

Legal Basis

Follow-up Actions

Current Progress

Plans for 2025–2027



Presidential Instruction No. 2 of 2022: Acceleration of the Increased Use of Domestic Products and MSE's Products in Government Procurement



Presidential Regulation No. 17 of 2023: Acceleration of Digital Transformation in Government Procurement



LKPP:
Establishment of the Digital Transformation Acceleration Plan Document for Public Procurement.



Determination of non-tax state revenue schemes for public institutions managing electronic procurement services.



Cooperation agreement between LKPP and PT Telkom (SOE) regarding the implementation of the Electronic Procurement System and its supporting infrastructure.



Development of the New Procurement Platform (Phase I): Electronic Catalog Version 6.0



Centralized Account Management



Optimization of Existing Systems:

- SiRUP (Planning)
- SPSE (e-Proc)
- SIKaP (VMS)
- E-Catalog and Online Store
- LKPP BigBox
- Supporting Systems



Centralization of SPSE Applications:

- Database centralization in GCP and PDNS (Done):
- Account integration (on progress)



Integration of INAPROC accounts and the Payment System with all procurement ecosystem components.



Application adjustment following the enactment of Presidential Regulation No. 46/2025 and its implementing regulations.



ACHIEVEMENTS AND IMPACT

The utilization of Artificial Intelligence in curating products displayed in the e-catalogue

Developing an Integrated Delivery and Payment Feature

Developing supplier profiles and performance evaluation through the Vendor Management System (VMS)

LKPP collaborates with State-Owned Enterprises (SOEs) to accelerate digital transformation in government procurement, through an assignment mechanism in accordance with Presidential Regulation Number 17 of 2023.

- Digitalizing procurement through SiRUP (Planning), e-Tendering, and e-Catalogue and data integration with the wider *Procurement Ecosystem* not only **enhances operational efficiency** but **also fosters innovation and market competition**.
- Statistics: Transaction volume in e-Tendering & e-Catalogue, product listings have an impact to **facilitate greater participation from small and micro-sized enterprises (MSEs), promoting inclusive economic growth, reducing administrative overhead, increasing transparency, strengthening the overall integrity and accountability**

LESSONS LEARNED

1

Information Technology (IT) was the initial backbone when the NPPA first began developing e-procurement

2

- ❑ The procurement process is an enabling factor; therefore, internal government consensus on business processes (especially those integrated with planning, finance, etc.) must be established and agreed upon.
- ❑ This is intended to prevent partial system development. Ideally, the IT architecture should serve as a shared direction.

3

Collaboration with State-Owned Enterprises (SOEs) is crucial to accelerate development and incorporate the latest technology.

4

Budget utilization should ideally use multiple schemes, considering the highly limited state budget. For instance, a Public Procurement Partnership (PPP) scheme could be utilized.

5

Awareness-raising and technical assistance for business actors must be promoted and conducted intensively

6

Strategic Government policies: platforms for Small and Micro Enterprises (MSEs), domestic products, green procurement, disabled persons, and others—must be firm and clearly implemented



RELEVANCE FOR DMC'S FUTURE OUTLOOK



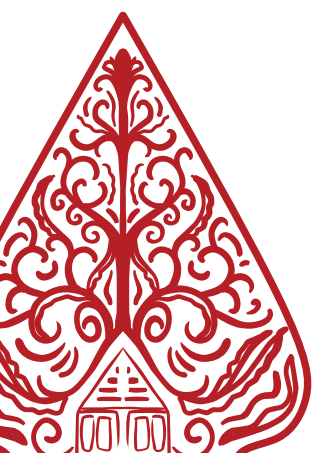
The formulation of regulations and policies, including ethical standards, concerning the utilization of Artificial Intelligence (AI) in the digitalization of procurement, particularly regarding data governance, algorithm oversight, and accountability mechanisms



The organizational and cultural readiness of procurement institutions and personnel for the procurement digitalization process



Digital transformation, especially technology investments, should have the opportunity to develop innovative and transparent financing schemes with structured risk-sharing mechanisms, for example, via Public-Private Partnership (PPP)



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THANK YOU

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