Action Plan

IMPLEMENTATION OF AN ELECTRONIC PROCUREMENT SYSTEM

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Presenters   Armenia, Mongolia, Samoa

Contents

People Peace Prosperity Planet

1. Background and Purpose

- **Background**

> The implementation of an Electronic Procurement System (e-Procurement) is not just a technological upgrade—it is a critical reform to address long-standing, systemic issues in public procurement. Traditional procurement methods often suffer from: *Lack of transparency, cumbersome, manual processes, resulting in inefficiencies, delays, and costly administrative burdens, Poor data visibility, Fragmented systems*

- **Purpose**

> The purpose of this action plan is to implement an electronic procurement system (e-procurement) to streamline procurement processes, increase transparency, reduce processing times, and achieve cost savings. This system will automate requisitions, approvals, vendor management, and reporting, ensuring compliance with organizational policies and regulatory requirement
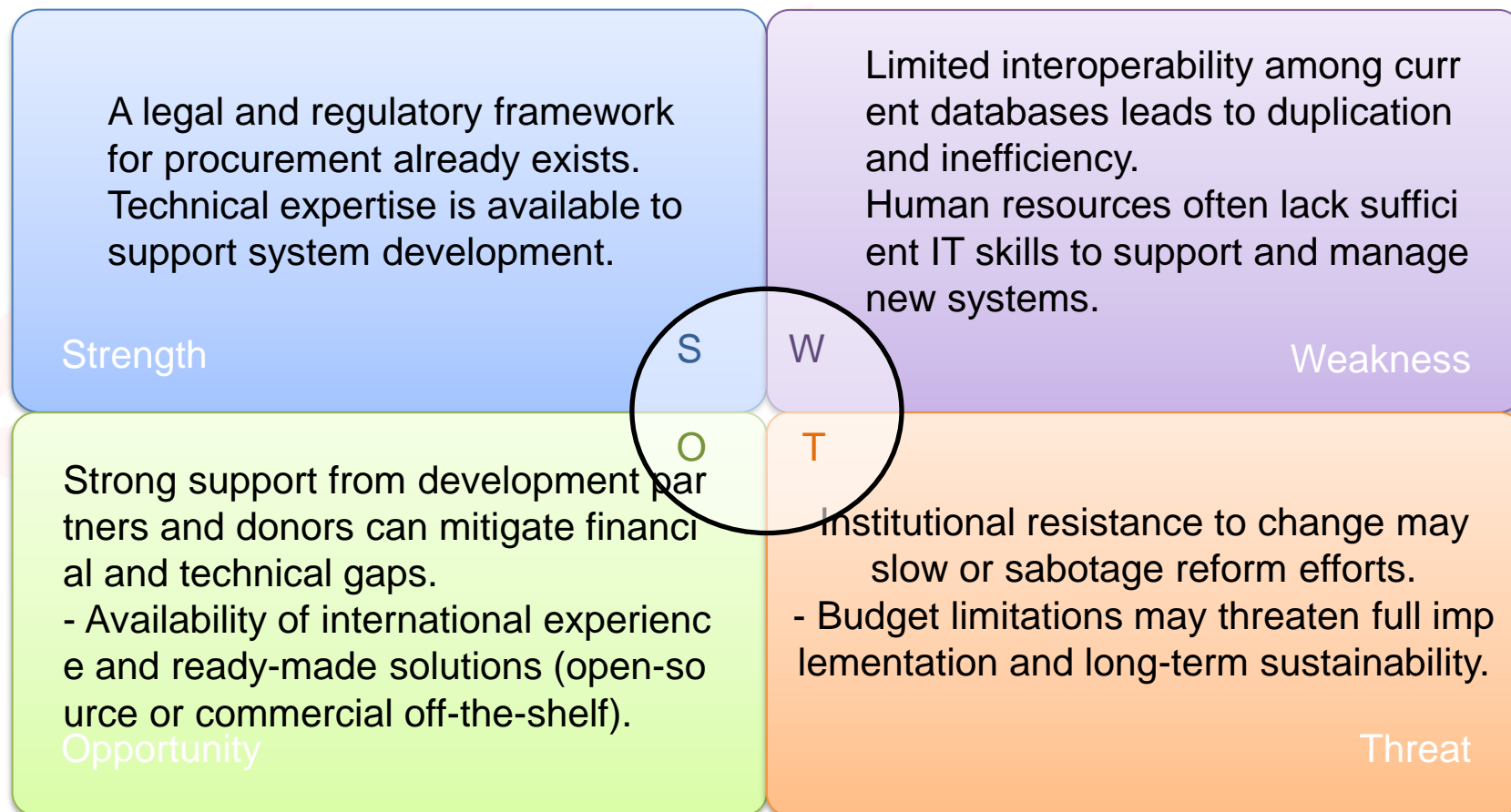
2. Current Status and Issues

The e-Procurement system will address these challenges by:

- Improving transparency, efficiency, and accountability through traceable, real-time processes.

- Automating data processing, analysis, and monitoring, enabling evidence-based decision-making.

- Fostering a competitive environment and increasing stakeholder participation through a user-friendly, accessible platform.

- Ensuring compliance with procurement legislation and enabling audit trails.

- Reducing opportunities for fraud and collusion, as noted in many countries that have adopted e-Procurement platforms.

A modern e-Procurement system plays a crucial role in the fight against corruption. By ensuring that all procurement processes are digitized, traceable, and subject to real-time analysis, the system will enable early detection of irregularities, favoritism, and collusive behavior. Leveraging Artificial Intelligence (AI) and machine learning, the platform will deploy automated 'red flag' systems to identify suspicious patterns—such as repetitive awards to the same vendors, bid rigging indicators, or pricing anomalies—triggering alerts for audit and review.

2. Current Status and Issues – SWOT Analysis

A legal and regulatory framework for procurement already exists. Technical expertise is available to support system development.

Strength   S

W   Limited interoperability among current databases leads to duplication and inefficiency.
Human resources often lack sufficient IT skills to support and manage new systems.

Weakness

O   T

Strong support from development partners and donors can mitigate financial and technical gaps.
- Availability of international experience and ready-made solutions (open-source or commercial off-the-shelf).

Opportunity

Institutional resistance to change may slow or sabotage reform efforts.
- Budget limitations may threaten full implementation and long-term sustainability.

Threat

2. Current Status and Issues – Gap Analysis

Proposed Overall Goals (Objectives)

To Be

- Automated Workflows
- Full Transparency
- Integrated Systems
- Standardized Practices

As Is

- Manual Processes
- Lack of Transparency
- Fragmented System
- Non-Standard Practices

Proposed Purpose

To bridge these gaps by implementing a secure, automated

AI-driven e-procurement system that enhances transparency, reduces corruption risks, and improves public trust in procurement processes.

3. Improvement Strategy

To overcome these issues, a strategic, phased approach will be adopted:

- ✓ Develop a comprehensive roadmap, informed by international best practices.
- ✓ Establish a Technical Working Group (TWG) for continuous oversight and coordination.
- ✓ Ensure adequate budgeting to cover development, training, and sustainability
- ✓ Plan system integration with existing FMIS and external platforms (e.g., tax systems, registries).
- ✓ Introduce capacity-building measures to equip staff with necessary digital skills.

4. Specific Action Plan

Obtain management approval of the implementation model (custom or COTS)	1 month
Develop detailed roadmap and action plan	1–2 months
Establish Technical Working Group	Parallel
Define detailed functional and technical requirements	2–3 months
System development or customization	8 months
Conduct data migration and system testing	2 months
Run pilot operations with feedback loop	3 months
Launch full system with long-term maintenance and updates	10 years

5. Outline of the Action Plan

• **Implementing Organization**
- **Name of the organization:** Ministry of Finance or other Government agencies
- **Nature or type of the organization**: state body
- **Major functions of the organization**: public financial management: authorized body for regulation and coordination of public procurement policies and systems

• **Duration of the Project:**
- Est. duration: 15 months

※ **Action Plan – Time Table (Examples)**

• **Duration: (0) Year(s), First Year Work Plan: 2013**

No	Item	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Fund US$
1	Action Plan presentation	■	■											
2	Report and dissemination			■										
3	Feedback from stakeholders				■	■								
4	Institutional reform, administrative approval						■	■						
5	Workshop to framework of activities								■					
6	Training for all concerns									■	■			
7														
8														
9														
10														

※ Outline of the Action Plan–Budget (if needed)

Approximately 10 million USD

6. Expected Results – Outputs/Outcomes

- **Economic Effects**

Cost Savings, Increased Competition, Reduced Fraud and Corruption, More Efficient Budget Use, Improved Tax Compliance

- **Technical Effects**

Centralized data management, Interoperability, AI and Analytics, Real time Monitoring, Cybersecurity Improvements

- **Social and Environmental Effects**

Greater transparency and trust, Improved Access for SME's, Inclusivity and Equal Opportunity, Paperless Processes, Public Engagement

6. Expected Results – Challenges/Solutions

• **Challenges and Risks**

•Strong challenge management program
•Political Endorsement
•Interagency Coordination Mechanism
•Phased Implementation and Pilots
•Capacity building
•Cybercity security strategy
•Legal gap analysis
•Policy updates

Action Plan