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# ADB e-Procurement Strategy

## Asia Pacific Public Electronic Procurement Network Inaugural Conference

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# Asian Development Bank

- ADB is an international development finance institution whose mission is to help its developing member countries reduce poverty and improve the quality of life of their people.
- ADB is owned and financed by its 67 member countries, of which 48 are from the region and 19 are from other parts of the globe.
- Although most lending is in the public sector - and to governments - ADB also provides direct assistance to private enterprises of developing countries through equity investments, guarantees, and loans.
- Under Strategy 2020 , a long-term strategic framework adopted in 2008, ADB follows three complementary strategic agendas: inclusive growth, environmentally sustainable growth and regional integration





# Strategy 2020

## **ADB's core operations**

- Infrastructure
- Environment
- Regional cooperation
- Finance sector
- Education

## **Drivers of Change**

- Private sector development and private sector operations
- Good governance and capacity development
- Gender equity
- Knowledge solutions
- Partnerships

# ADB operations - snapshot

In 2014, Asian Development Bank's (ADB) operations totaled \$22.93 billion, \$13.69 billion financed by ADB and Special Funds and \$9.24 billion by cofinancing partners. The total \$13.69 billion consists of (i) \$12.92 billion in loans, (ii) \$20 million in guarantees, (iii) \$185 million in equity investments, (iv) \$405 million in grants, and (v) \$159 million in technical assistance (TA).

# Top five recipients ranking

The top five recipients including cofinancing are

- 1) India (\$3.46 billion),
- 2) Pakistan (\$3.03 billion),
- 3) People's Republic of China (\$2.76 billion),
- 4) Viet Nam (\$2.36 billion)
- 5) Indonesia (\$1.76 billion).

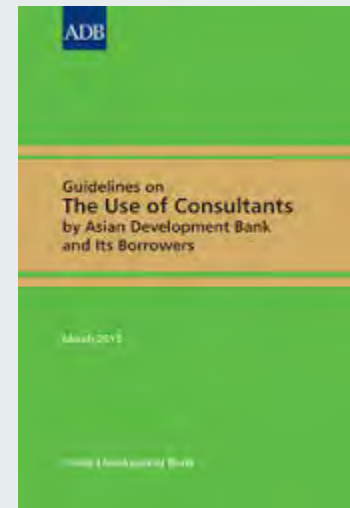
Excluding cofinancing, the top five recipients are as follows:

- 1) India (\$2.93 billion)
- 2) People's Republic of China (\$1.84 billion)
- 3) Pakistan (\$1.39 billion)
- 4) Viet Nam (\$1.15 billion),
- 5) Philippines (\$0.98 billion)

# ADB Procurement system



- Economy and efficiency
- Fairness
- Transparency
- Eligibility
- Development of domestic capacity



# ADB and e-GP

- ADB is a founding member of Multilateral Development Banks Working group on e-procurement
- ADB funded 10 Technical Assistance projects with specific outputs related to e-procurement (3 Regional and 7 country-specific TAs)
- ADB funded Asia Pacific e-Procurement conference in Indonesia (2011)
- ADB funded 4 country-specific case studies (2011) and 2 eGP surveys ( 2011 and 2014)
- ADB funded update and publication of e-Government Procurement Handbook (2013)

# TA projects with e-GP component

TA	Project Name
TA 7653-INO	Strengthening National Public Procurement System
TA 7752-NEP	Strengthening Public Procurement Management and Portfolio Management
TA 8033-REG	Supporting Public Management through e-Government Capacity Development
TA 7244-PHI	Strengthening the PhilGEPS
TA 7437-REG	Asia Pacific Procurement Partnership Initiative



# TA projects with e-GP component

TA	Project Name
TA 8173-NEP	Strengthening Public Management Program
TA 8297-KYR	Implementing the e-Procurement System
TA 8260-UZB	E-Government for Effective Public Management
TA 8398-MYA	Design of e-Governance Master Plan
TA 8520-REG	Asia Pacific Public Electronic Procurement Network

# e-Government Procurement Handbook

http://www.adb.org/documents/e-government-procurement-handbook


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## e-Government Procurement Handbook

Institutional Document | December 2013

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**E-government enhances transparency and efficiency, establishing an open marketplace for procurement needs and supporting procurement reforms.**

Government agencies around the world have been using information technology (IT) and the internet to deliver government services and to access information electronically for several years, practices which are commonly referred to as e-government initiatives. For many governments, one of the more successful and applicable initiatives is the delivery of electronic procurement to enhance transparency, establish an open marketplace for procurement needs, and support the introduction of procurement reforms to better manage and monitor public procurement activities.

The development of electronic procurement systems has created a number of new options and methods for supporting the procurement processes of governments and for embracing the efficiencies and savings that can be realized. These electronic systems are commonly referred to as electronic government procurement (e-GP). This handbook does not advocate the adoption of one particular path for

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[Consolidated View & Analysis of Responses from 27 Asia Pacific Countries to Public Procurement Survey \(with e-GP Overview\)](#)

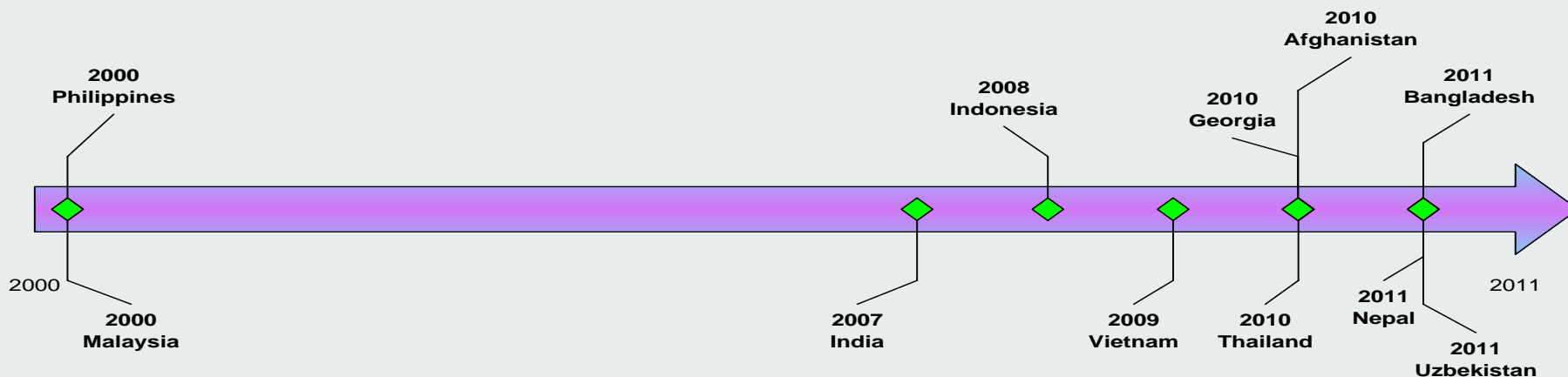
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# Why ADB needs eGP strategy?

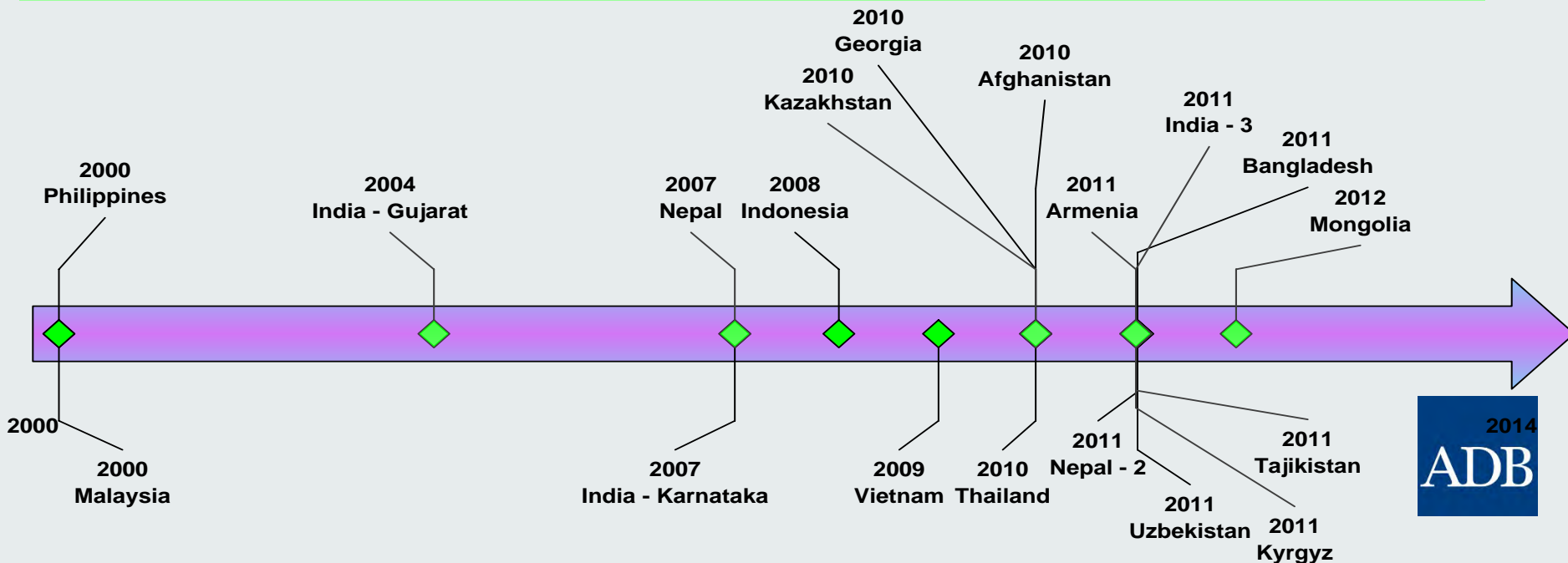
- Most of the eGP initiatives prior to processing in 2013 RETA 8520 Asia Pacific Public Electronic Procurement Network were done on ad-hoc basis.
- Mid-term review of ADB Strategy 2020

# Findings from the ADB Surveys (Illustration)

## e-GP implementation status in the Asia & Pacific Region as per 2011 survey



## e-GP implementation status in Asia and Pacific Region appended as per 2014 survey



# E-Procurement in ADB Client countries - Challenges

- In 2013, 78 % of ADB financed contracts was awarded by Executing and implementing agencies in 16 ADB client countries that have an e-procurement system
- ADB loans and grants approved in 2010-2014 – 444 projects (\$43B)
- 40 projects (\$5.7B) piloted use of client countries e-procurement systems



# E-Procurement in ADB Client countries - Opportunities

- eGP used on pilot basis in 40 projects across five client countries (Bangladesh, India, Indonesia, Nepal and Philippines).
- If all ADB projects in these five client countries will use eGP, it would cover 39% of ADB contracts (by value).
- What would happen if all client countries will use eGP?



# Midterm Review of Strategy 2020

## Priority areas

- (i) **Strengthening knowledge-related issues;**
- (ii) Improving project implementation, including **procurement;**
- (iii) **Increasing efficiency through a more effective use of information and communication technology (ICT);**
- (iv) Strengthening resident missions; and
- (v) **Promoting innovations in ADB processes and operations.**



# E-procurement strategy

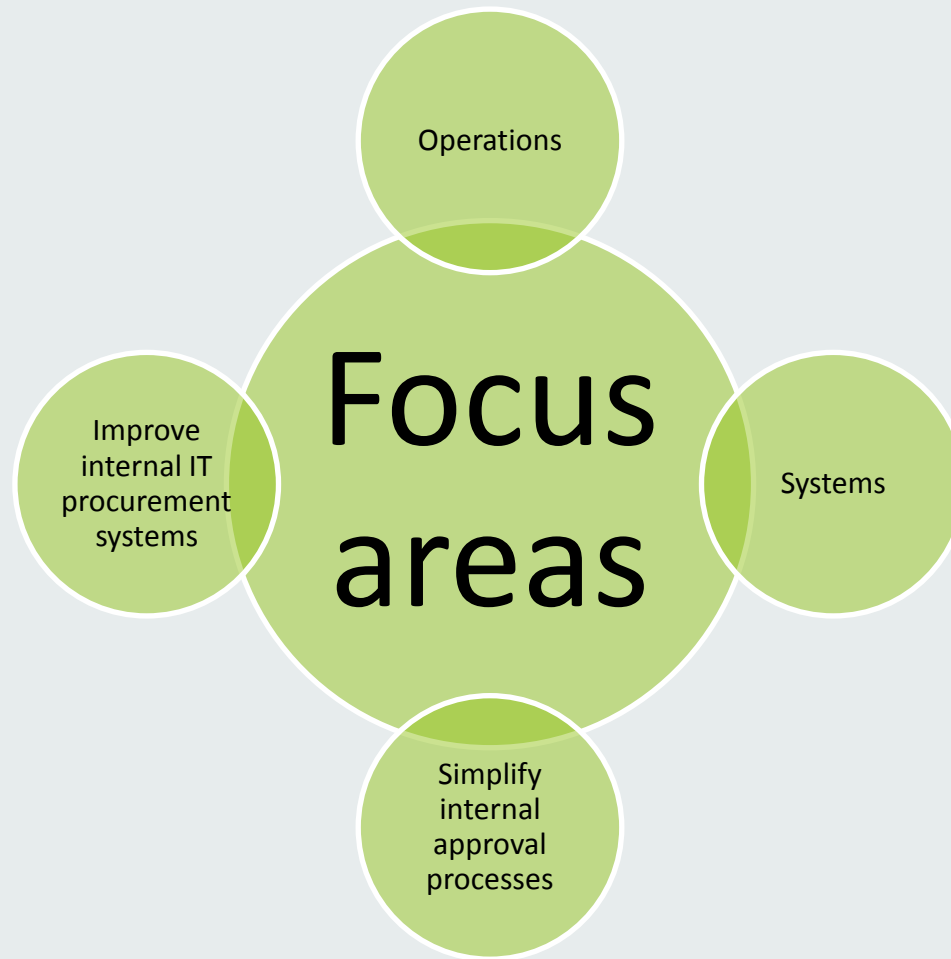




# 4 interventions

1. At the apex is *ADB's operations*, and how they can benefit from the e-Procurement initiatives led by DMCs to improve ADB project outcomes.
2. The second intervention focuses on procurement related *IT systems* within ADB, and compares it with similar initiatives undertaken by other MDBs.
3. The third intervention is the *knowledge* perspective that needs to be developed to support and enhance DMC experience in these areas.
4. The fourth intervention, and at the core is *leadership*, which looks at ADB's role in the regional e-Procurement dialogue.

# eGP strategy – focus



# References

- <http://www.adb.org/sites/default/files/institutional-document/41972/files/strategy-2020-midterm-review-action-plan.pdf>
- <http://www.adb.org/projects/43149-012/main>