



Building Procurement Capacity for Procuring Entities and Suppliers: Indonesian Experience

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GOVERNMENT PROCUREMENT OVERVIEW YEAR 2021

USD 158,3 B

Government Spending

49,6%

USD 78,5 B

Procurement Spending

93,2%

USD 73,2 B

Procurement Planning

USD 24,9 B

E-Procurement

Ministries: 34
Agencies: 52
Provinces: 34
Cities: 93
Districts: 415

Suppliers: 724.672



e-Tendering
(Tender announcement value)
USD 19 B



e-Purchasing
(Purchase Order)
USD 2,9 B



Non e-Tendering & non e-purchasing
USD 3 B



THE PURPOSE OF GOVERNMENT PROCUREMENT



Provide accurate goods/services (in terms of quality, quantity, time, cost, location, and supplier)



Increase the use of domestic products



Encourage participation of MSMEs



Improve the participation of creative industries



Enhance the role of national economic operators



Support the implementation of research and its goods/services



Encourage economic equality and enlarge business opportunities



Increase sustainable procurement



POLICY DIRECTION DURING THE COVID-19 PANDEMIC



COVID-19, a Momentum to Strengthen Health Infrastructure, Public Awareness, and Institutional Response

Kategori Berita Pemerintahan | doni003



KOMPAS TV > NASIONAL > BERITA KOMPAS TV

“State Budget Prioritize Buying Local Products, Especially MSEs”

Rabu, 18 November 2020 | 18:50 WIB

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Bangga Buatan Indonesia, Supports for MSEs Affected by the Pandemic

15 May 2020 Pratiwi Agustini Ekonomi Digital



Presiden Joko Widodo saat Memberikan Sambutan pada Peresmian Gerakan Nasional Bangga Buatan Indonesia melalui Telekonferensi dari Istana Merdeka, Jakarta (14/05/20).

> BERITA > BISNIS

Jokowi Encourages Digitalization of MSEs for Market Expansion During the Pandemic

Senin, 16 Agustus 2021 - 10:26 WIB

Oleh: Dusep Malik, Mohammad Yudha Prasetya



GOVERNMENT PROCUREMENT: RESPONSE TO COVID-19

Policies (NPPA Circular Letter)

Emergency procurement

- Procurement procedures in handling COVID-19
- New verification of qualification and negotiation mechanism
- Emergency procurement to be recorded in the e-procurement system
- Budget and contract adjustment

Economic Recovery

- Electronic direct procurement for MSEs
- Electronic direct purchasing for MSEs through “Bela Pengadaan”
- The use of domestic products in government procurement to be maximized

Advocacy

- Establishment of task force for procurement advice during COVID-19
- Providing technical guidance for procurement professionals in conducting procurement related to COVID-19

LKPP

Electronic Procurement

Dedicated platform “**Bela Pengadaan**” established to facilitate direct purchasing from MSEs

The system records the contracts of emergency procurement

Procurement Stakeholders Capacity

Capacity building for procurement professionals and businesses on procurement procedures and system



PROCUREMENT POLICY AND ITS RELATIONS TO CAPACITY BUILDING



- Strengthening procurement institutions and human resources



- Encouraging the participation of national businesses in government procurement, including MSEs



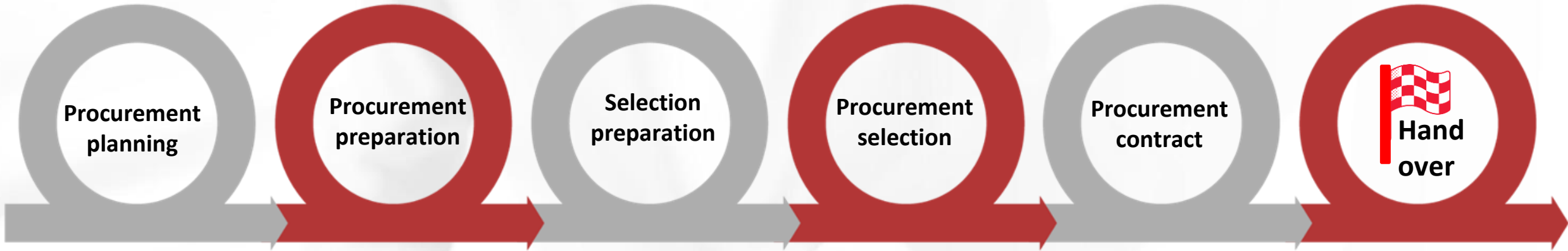
- Developing integrated electronic procurement system (transactional and non transactional) and providing technical supports



- Delivering procurement advice



PROCUREMENT OPERATIONS: ACTORS AND COMPETENCE



ACTORS

Budget User
and
Contracting
Officer

Contracting
Officer

Contracting
Officer and
Selection
committee

Selection
Committee and
Businesses

Contracting
Officer and
Businesses

Contracting
Officer and
Businesses

Competence

3 levels:
the more complicated
the works, the higher
level of competence
required

Selection Committee:

- Level 2
- Level 3
- Level 4

Businesses:
knowledge and skills on
procurement procedures and
systems are required

The Challenges of Building Capacity for Procurement Stakeholders

- Indonesia is an archipelago country
- Distributed procurement execution
- Costly
- Rapid development and changes of procurement knowledge and practices

STRATEGIES OF CAPACITY BUILDING: INDONESIAN EXPERIENCE



Collaborative

**PROCURING ENTITIES AND
NATIONAL BUSINESSES**



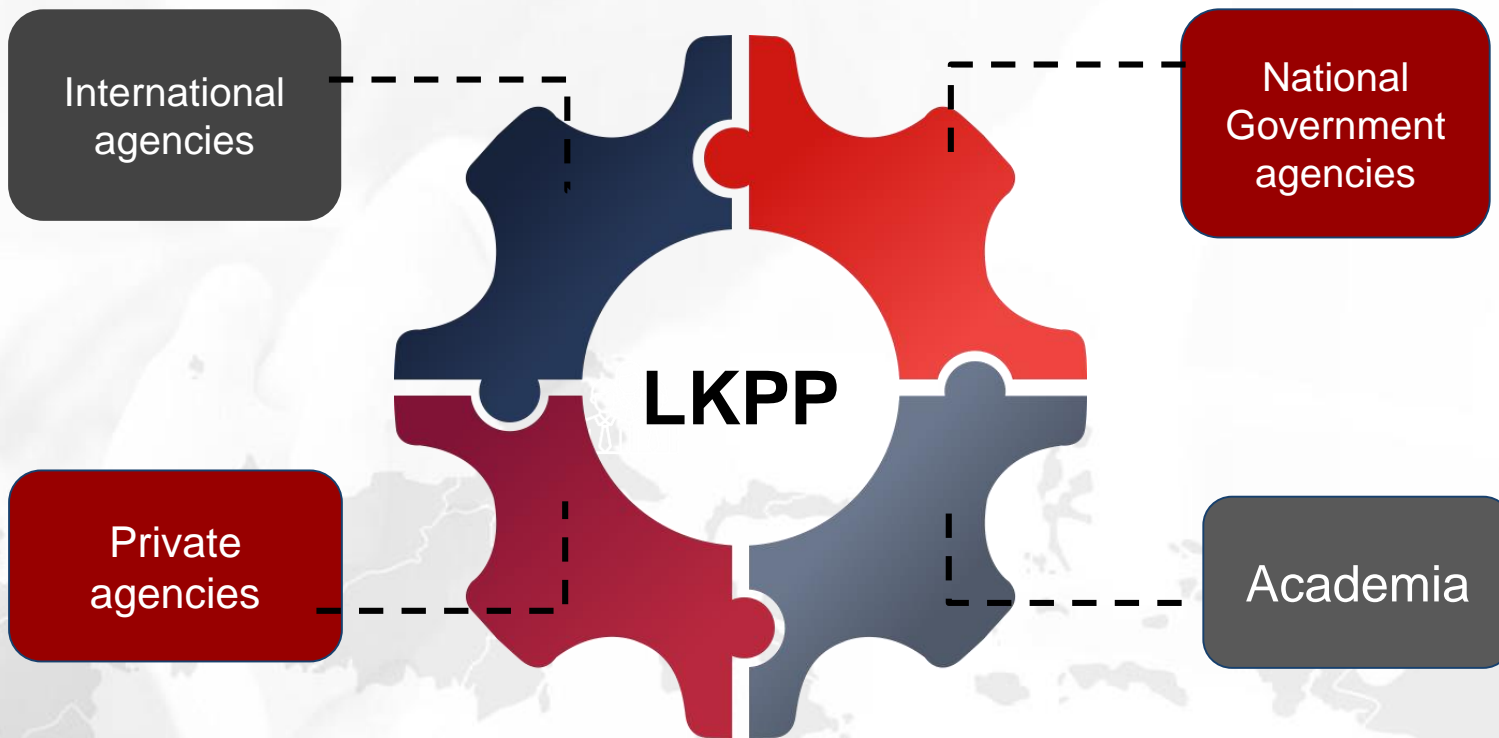
Adaptive



Innovative

Collaborative

**STRATEGIES OF CAPACITY
BUILDING**



STRATEGIES OF CAPACITY BUILDING: COLLABORATIVE

International Agencies

- **United States Trade and Development Agency:**
“Global Procurement Initiative”
(Training Series on Achieving Best Value and Life-Cycle Cost Analysis for Procurement Professionals)
- **Millennium Challenge Corporation:**
“Procurement modernization” (institutional and human resources capacity)
- **Asian Development Bank, World Bank, Islamic Development Bank, United Nations Development Programme:**
Business Opportunity Seminars for Indonesian Businesses
- **GIZ:**
Sustainable procurement training module and workshop
- **World Bank:** Certificate Programme in Public Procurement
- **UNDP:** MSEs and non MSEs procurement training modules

National Government Agencies

- **Indonesian Embassies abroad:**
Dialogue on business opportunities with Indonesian companies in respective countries
- **Training divisions & Procurement Unit in central and local governments:**
Government procurement training for procurement professionals
- **Trainers in government agencies:**
Training materials about Online Single Submission (OSS) on business license/permit
- **Ministry of Cooperatives and SMEs:**
Training for micro businesses to participate in government procurement
- **Ministry of Investment:**
Dissemination on OSS for Indonesian businesses

STRATEGIES OF CAPACITY BUILDING: COLLABORATIVE

Private agencies

- **Private training institutions:**
Government procurement trainings
- **E-marketplace companies:**
Sales strategies training for MSEs on how to provide goods/services to government entities

Academia

- **The University of Rome:**
Master degree program in public procurement (PP)
- **The University of Indonesia:**
Master degree in PP (on process)
- **Indonesian State College of Accountancy:**
 - Development of curriculum on government procurement (GP)
 - Research and publication
 - Certification
 - Knowledge management on PP and state finance

Innovative

STRATEGIES OF CAPACITY BUILDING

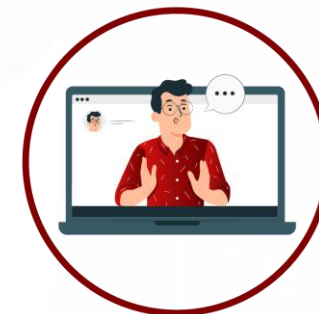
TRAINING



**Classroom
(Year 2000)**



**Blended Learning
(Year 2018)**



**Massive Open Online
Course
(Year 2021)**

CERTIFICATION



**Paper Based
(Year 2000)**



**Computer Based
(Year 2009)**



**Online Based
(Year 2021)**

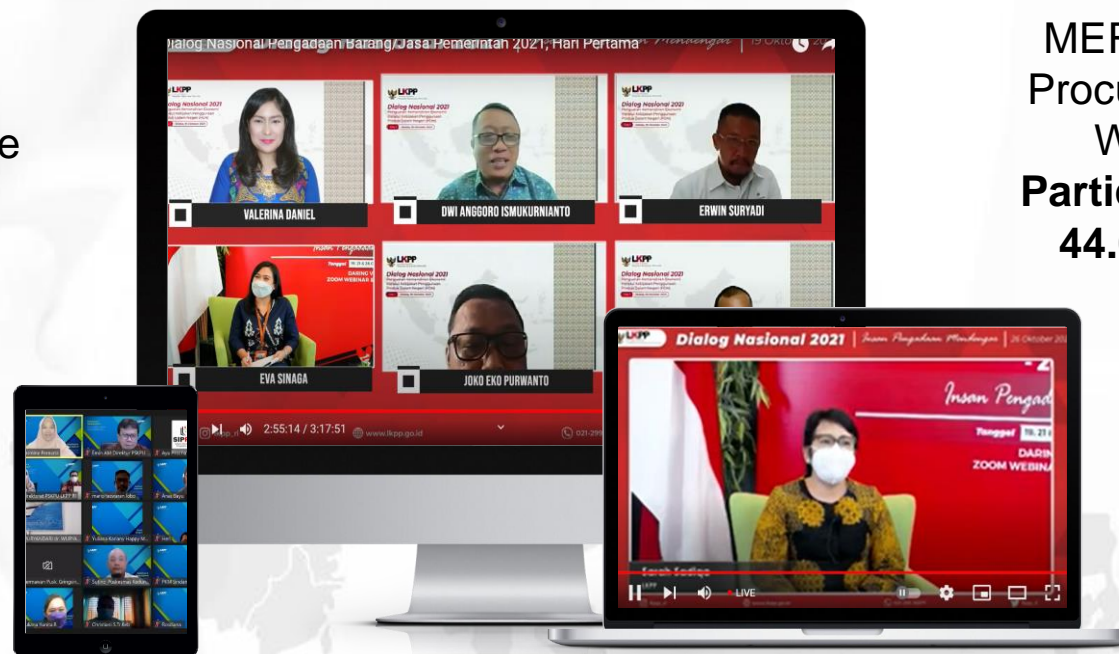
Innovative

STRATEGIES OF CAPACITY BUILDING

Digital Procurement
Festival
Participants:
19.000++

National Dialogue
on Government
Procurement
Participants:
16.000++

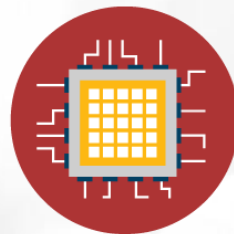
MERDEKA
Procurement
Week
Participants:
44.000++



Virtual Seminar/Workshop Series

Adaptive

STRATEGIES OF CAPACITY BUILDING



Technology

- Procure to Pay
- Information Security
- Integrated Electronic Procurement System



Business Process

- New Methods of Procurement (E-Catalogue and Online Shop)
- Consolidated Procurement
- Life-Cycle-Cost Analysis
- Sustainable Procurement



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Lembaga Kebijakan
Pengadaan Barang/Jasa Pemerintah

End of Presentation

THANK YOU

www.LKPP.go.id
November 2021

“Pengadaan yang Kredibel Sejahterakan Bangsa”



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