

Public procurement plays a critical role in the public financial management cycle, notably during budget execution. Linking public procurement procedures with other public financial management systems is considered an essential part of ensuring efficient and sound public financial management, as well as helping to flag up potential cost overruns, spending and demand trends, and possible improprieties.

Countries are harnessing digital technologies to achieve better outcomes and deliver public services more effectively and efficiently. By progressively digitalising their operations, public administrations can support seamless interactions with their citizens and businesses. E-procurement systems can significantly enhance visibility about how public money is spent, help fight corruption and increase the efficiency of public procurement. They save money and time by reducing administrative burdens and potential mistakes that might arise during public procurement cycles.

Recognising these benefits, countries have digitalised their public procurement processes and expanded their IT tools to cover more of procurement cycle. In 2018, the OECD survey found that all 32 OECD countries that responded used their central e-procurement system, or that of specific procuring entities, to announce tenders, provide tender documents and notify contract awards. Transactional functionalities were less developed: 31 out of 32 (97%) of the countries used electronic bid submission, but just 20 (63%) used electronic submission of invoices (OECD, 2019a).

More advanced e-procurement functionalities are also being developed: 26 out of 33 countries (32 OECD countries plus Costa Rica, or 82%), publish procurement plans to communicate government needs, 20 (61%) have introduced *ex post* contract management; 21 (64%) use supplier registries, 23 (70%) framework agreement modules and 13 (39%) business intelligence functionalities (Table 8.5). For instance, Israel provides a contract management function that allows internal government users to create a variety of procurement reports, and in Lithuania, information on concluded contracts is transferred from the national e-procurement system to the e-invoicing systems, which helps to track the implementation of specific contracts. In some countries, like Canada and Colombia, business intelligence modules are provided in a separate IT system.

The survey data also suggest that many OECD countries have integrated their public procurement systems with their public financial management system, with 26 out of 30 (87%) OECD countries (plus Costa Rica) planning public procurement in line with budget planning (Figure 8.6). In 25 OECD countries (83%) and Costa Rica public entities are required to certify budget availability before starting public procurement (Figure 8.7).

Methodology and definitions

Data were collected through the 2018 OECD Survey on the Implementation of the 2015 OECD Recommendation on Public Procurement. The survey focused on each of the 12 principles in the recommendation. It was the first OECD public procurement survey to cover issues such as performance management, procurement workforce capacity and integrity in public procurement. Thirty-two OECD countries and one accession country (Costa Rica) responded. Respondents were country delegates responsible for procurement policies at the central government level and senior officials in central purchasing bodies.

E-procurement refers to the integration of digital technologies to replace or redesign paper-based procedures throughout the procurement cycle. The public procurement cycle refers to the sequence of procurement activities from needs assessment, competition and award, to payment and contract management, as well as any subsequent monitoring or auditing.

Further reading

- OECD (2019a), *Government at a Glance 2019*, OECD Publishing, Paris, <https://doi.org/10.1787/8ccf5c38-en>.
- OECD (2019b), *Reforming Public Procurement: Progress in Implementing the 2015 OECD Recommendation*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/1de41738-en>.
- OECD (2018), *Mexico's e-Procurement System: Redesigning CompraNet through Stakeholder Engagement*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264287426-en>.

Figure notes

- Data for the Czech Republic, Luxembourg, Switzerland, the United Kingdom and the United States are not available.
- 8.5. Several respondents highlighted the legitimate need to protect trade secrets and proprietary information, particularly regarding contract texts. Germany responded that contracts generally contain sensitive information that neither contracting authorities nor suppliers are free to publish. In the Netherlands contract texts may be available in a redacted form (for instance omitting the precise value of the contract). Hungary and Ireland updated the information on e-procurement functionalities that they adopted at a certain level of government after 2018: electronic submission of invoices and business intelligence module (both Hungary and Ireland), framework agreement modules and *ex post* contract management (Hungary only). Poland has an e-invoicing system, but it is independent of e-procurement.
- 8.6 and 8.7. Data for Colombia, Italy and Sweden are not available.

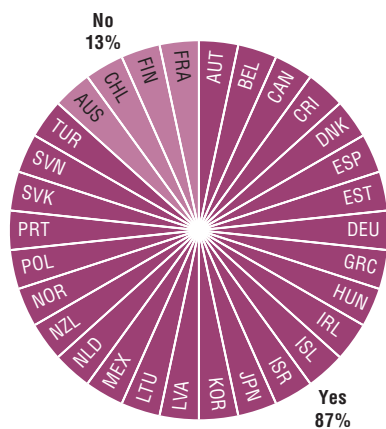
8.5. Provision of e-procurement functionalities, 2018

	Publishing procurement plans (about forecasted government needs)	Electronic submission of bids (excluding by email)	Electronic submission of invoices (excluding by email)	Ex post contract management	Supplier registry	Framework agreements module	Business intelligence module
Australia	●	●	○	○	●	●	○
Austria	◆	◆	●	○	◆	◆	◆
Belgium	●	●	●	○	●	●	◆
Canada	○	◆	◆	○	◆	○	○
Chile	●	●	○	○	○	○	●
Colombia	●	●	●	●	●	●	○
Denmark	◆	◆	◆	◆	◆	○	○
Estonia	◆	◆	◆	◆	◆	◆	●
Finland	◆	●	●	◆	○	●	○
France	●	●	○	○	○	○	●
Germany	◆	◆	○	○	◆	◆	◆
Greece	○	●	○	○	○	●	●
Hungary	●	●	○	○	○	○	○
Iceland	●	◆	●	◆	○	◆	○
Ireland	○	○	○	○	○	○	○
Israel	○	○	●	○	○	○	●
Italy	◆	◆	◆	◆	◆	◆	◆
Japan	◆	◆	◆	◆	◆	○	○
Korea	●	●	●	●	●	●	●
Latvia	●	●	●	◆	○	●	○
Lithuania	●	●	◆	◆	○	◆	○
Mexico	●	●	○	○	●	●	●
Netherlands	●	●	○	○	○	●	○
New Zealand	●	●	◆	○	○	○	○
Norway	●	◆	◆	◆	○	◆	○
Poland	◆	◆	○	○	○	○	○
Portugal	●	●	○	○	○	◆	○
Slovak Republic	○	●	○	●	●	●	○
Slovenia	○	●	●	○	○	○	○
Spain	●	●	●	●	●	●	○
Sweden	○	◆	◆	◆	◆	◆	◆
Turkey	●	●	○	●	●	●	●
OECD Total							
● Provided in a central e-procurement system	18	21	10	9	13	13	8
◆ Provided by both a central e-procurement system and that of specific procuring entities	4	6	3	3	3	3	2
◆ Provided in specific procuring entities' e-procurement systems	4	4	7	7	4	6	3
○ Not provided	6	1	12	13	12	10	19
Costa Rica	●	●	●	●	●	●	○

Source: OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

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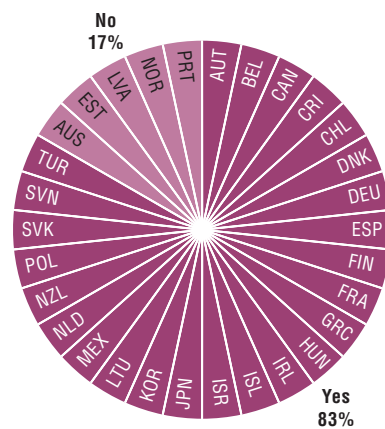
8.6. Integration of procurement planning with budget planning, 2018



Source: OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

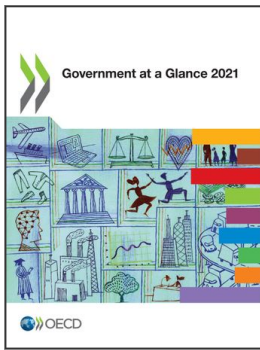
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8.7. Mechanism to ensure budget availability before starting procurement procedures, 2018



Source: OECD (2018), Survey on the Implementation of the 2015 OECD Recommendations on Public Procurement.

StatLink <https://doi.org/10.1787/888934258477>



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