E-government procurement (eGP) refers to the use of information technology (e.g. the Internet) by governments in conducting procurement relations with suppliers and contractors. eGP can be an effective channel to enhance transparency, accountability, and efficiency of the government purchasing function. Furthermore, eGP can induce economic development by stimulating markets, modernising the public sector and improving government performance. Finally, the simplification and/or elimination of repetitive tasks in the procurement process by automation can result in considerable time and cost savings.

Over the last 10 years, the majority of countries in LAC have made progress in introducing information and communications technology into their procurement systems. 19 out of 22 surveyed countries have a procurement portal and all of them announce procurement opportunities through their e-procurement systems.

Regarding the functionalities provided in the e-procurement system, 65% of those that have an e-procurement portal have a functionality that supports the electronic submission of bids. Such is the case in Ecuador, Jamaica and Uruguay. Some 53% of them carry out e-auctions while 74% have the capacity for notification of awarding. In contrast, functionalities related to the end of the procurement cycle are provided by a smaller number of LAC countries. Only 30%, including Brazil and Jamaica, indicated they are able to carry out electronic submission of invoices compared to 56% of OECD countries. There are only two countries, Peru, and the Dominican Republic, where ex post contract management is not only provided but is mandatory to be in their e-procurement portal.

A common challenge faced by both procuring entities (47%) and potential users of e-procurement systems (57%) are low knowledge and skills of ICT as mentioned by Argentina, Colombia and Honduras, among other LAC countries that responded to the survey. Lack of innovative culture (47%) and limited knowledge of the economic opportunities raised by e-procurement systems (38%) were identified as additional challenges for procuring entities as evidenced in countries including Costa Rica and Mexico. Regarding potential bidders and suppliers, 50% of LAC countries, including Brazil, Honduras and Guatemala, identified difficulties in understanding or applying the procedures and difficulties in using the functionalities.

## Methodology and definitions

Data were collected through 2015 OECD-IDB Survey on Public Procurement that focused on strategic public procurement, e-procurement, procurement regulatory bodies, and public procurement at regional levels. 22 LAC countries responded to the survey. Respondents to the survey were country heads of procurement, delegates to Inter-American Network on Government Procurement (INGP) responsible for procurement policies at the central government level, and senior officials in public procurement regulatory and monitoring agencies.

E-tendering is designed to electronically enhance the processes of public tendering for the procurement of specialised works, goods, and consulting services that are of high value and low volume.

E-contract management is the electronic enhancement of the management of receivables, payments, contract settlements, contract variations, bid securities, and auditing and control activities.

A transactional portal is a system that provides information on everything related to the procurement cycle. It allows the complete trade of goods and services through it by the full interaction of suppliers and procuring entities.

### Further reading

Asian Development Bank (2013), e-Government Procurement Handbook, Asian Development Bank, Manila, Philippines.

Concha, G., et al. (2010), "E-Government procurement observatory, maturity model and early measurements", Government Information Quarterly. Vol. 29, supplement 1, pp. S43 –S50.

World Bank (2009), "Electronic government procurement roadmap", Washington, DC.

OECD (2015), "Recommendation of the Council on Public Procurement", OECD, Paris.

### Figure notes

9.7 and 9.8: Bahamas, Belize and Dominica do not have an e-procurement system.

## 9.7. Functionalities provided in e-procurement systems, 2015

|  | Mandatory and provided | Not mandatory but provided | Not provided |
|---|---|---|---|
| Announcing tenders | ATG, ARG, BRA, CHL, COL, CRI, DOM, ECU, GTM, HTI, HND, JAM, MEX, NIC, PAN, PRY, PER, SLV, URY |  |  |
| Electronic submission of bids (excluding by emails) | BRA, CHL, CRI, ECU, GTM, JAM, MEX, PAN, PER, SLV, PRY | DOM,URY | ATG, ARG, COL, HTI, HND, NIC, PRY |
| e-auctions (in e-tendering) | BRA, CHL, CRI, DOM, ECU, MEX, PAN, PER, PRY | URY | ATG, ARG, COL, GTM, HTI, HND, JAM, NIC, SLV |
| Notification of award | ATG, ARG, BRA, CHL, CRI,DOM, ECU, GTM, JAM, MEX, NIC, PAN, PER, SLV |  | COL, HTI, HND, PRY, URY |
| Electronic submission of invoices (excluding by emails) | ATG, BRA, JAM | ARG,DOM, PAN | CHL, COL, CRI, ECU, GTM, HTI, HND, MEX, NIC, PAN, PRY, PER, SLV, URY |
| Ex-post contract management | DOM,PER | ATG, HND | ARG, BRA, CHL, COL, CRI, ECU, GTM, HTI, JAM, MEX, NIC, PRY, SLV, URY |

*Source:* OECD-IDB (2015), Survey on Public Procurement.

## 9.8. Main challenges to the use of e-procurement systems, 2015

|  | Low knowledge/ ICT skills | Low knowledge of the economic opportunities raised by this tool | Low innovative organisational culture | Difficulties to understand or apply the procedure | Difficulties in the use of functionalities | It is not mandatory | Do not know |
|---|---|---|---|---|---|---|---|
| Antigua and Barbuda | ✦ | ●✦ | ✦ | ●✦ | ● | x | x |
| Argentina | ● | ● | ●✦ | ●✦ | ○ | x | x |
| Brazil | ● | ● | ✦ | ● | ● | x | x |
| Chile | ○ | ● | ○ | ● | ● | x | ✦ |
| Colombia | ●✦ | ●✦ | ●✦ | ○ | ○ | x | x |
| Costa Rica | ●✦ | ✦ | ●✦ | ● | ○ | x | x |
| Dominican Republic | ● | ○ | ○ | ✦ | ○ | x | x |
| Ecuador | ○ | ○ | ● | ✦ | ○ | x | x |
| Guatemala | ✦ | ●✦ | ✦ | ●✦ | ● | x | x |
| Haiti | ●✦ | ●✦ | ●✦ | ●✦ | ●✦ | x | x |
| Honduras | ●✦ | ●✦ | ○ | ●✦ | ● | x | x |
| Jamaica | ○ | ○ | ●✦ | ●✦ | ○ | x | x |
| Mexico | ✦ | ✦ | ✦ | ○ | ○ | x | ● |
| Nicaragua | ● | ● | ○ | ● | ○ | ✦ | ○ |
| Panama | ● | ● | ✦ | ○ | ○ | x | ○ |
| Paraguay | ●✦ | ●✦ | ● | ●✦ | ● | ● | x |
| Peru | ✦ | ○ | ○ | ○ | ● | x | ○ |
| Salvador | ● | ○ | ✦ | ○ | ○ | x | ○ |
| Uruguay | ○ | ●✦ | ○ | ✦ | ○ | ● | x |
| **LAC total** |  |  |  |  |  |  |  |
| ✦ Procuring entities | 9 | 9 | 10 | 11 | 1 | 1 | 1 |
| ● Potential bidders/suppliers | 11 | 12 | 7 | 10 | 8 | 2 | 1 |
| ○ Not a major challenge | 4 | 5 | 7 | 4 | 11 | 0 | 0 |
| x Not applicable | 0 | 0 | 0 | 0 | 0 | 16 | 13 |
| **OECD total** |  |  |  |  |  |  |  |
| ✦ Procuring entities | 14 | 11 | 13 | x | x | x | 10 |
| ● Potential bidders/suppliers | 14 | 12 | 10 | 13 | 13 | x | 8 |
| ○ Not a major challenge | 8 | 11 | 10 | 12 | 12 | x | x |
| x Not applicable | 7 | 7 | 7 | 7 | 7 | 32 | 21 |

*Source:* OECD-IDB (2015), Survey on Public Procurement.

*StatLink* ⟐ *http://dx.doi.org/10.1787/888933431918*
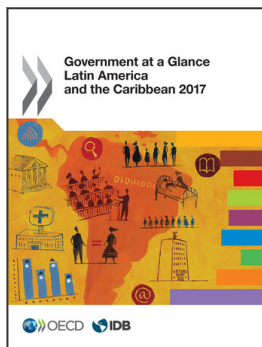
From:

# Government at a Glance: Latin America and the Caribbean 2017

**Access the complete publication at:**
https://doi.org/10.1787/9789264265554-en