

Co-ordinated procurement for information and communication technology (ICT) projects is important for achieving coherent and sustainable digital government policies. Governments with specific procurement policies for ICT projects can achieve significant efficiencies by aggregating demand across the administration. At the same time, having specific policies allows them to enforce the required alignment of ICT investments with the national digital government policy's goals (e.g. accomplishing technical standards for improved interoperability). ICT procurement policies also allow for better oversight and monitoring of ICT investments, avoiding gaps and duplications that typically result from siloed approaches.

Moreover, the public sector increasingly involves suppliers and citizens earlier in the commissioning process and iteratively throughout service delivery. This permits better understanding of citizen needs and context, and makes it easier to constantly adjust service design and delivery models. For instance, in Australia the Digital Marketplace is transforming how the government buys digital and technology services, by simplifying procurement interactions among public sector organisations and suppliers.

Sixty percent of SEA countries have a clearly defined strategy for ICT procurement. For half of them (Brunei Darussalam, Malaysia, Myanmar, Singapore and Viet Nam), the strategy applies across central government. In three countries (Myanmar, Singapore and Viet Nam), it applies within selected line ministries. In Myanmar, Thailand and Viet Nam, it covers sub-national levels of government. Four SEA countries, however, do not have a dedicated procurement strategy for ICT projects: Cambodia, Indonesia, Lao PDR and the Philippines. Of the OECD countries in the region, only Korea lacks a dedicated ICT procurement strategy. This may reflect the fact that often governments do not have a specific approach to ICT procurement; it is sometimes part of the broad procurement strategy, but is mostly done by ministries and agencies based on specific needs and ICT projects.

Value for money, fair and balanced competition, integrity and accountability are still dominant requisites of public procurement worldwide. Nevertheless, new policy objectives are emerging as public procurement is understood as a strategic tool to achieve socio-economic policy objectives that can positively influence the markets and support the public good. Some new topics within public procurement strategies are environmental sustainability, gender balance, integration of minorities and support for local and less competitive markets, embodying a citizen-centric approach to public services.

Two factors to consider in procurement are economies of scale vs. competition, and outsourcing vs. insourcing. There is a wide range of preferences in the SEA region: Indonesia, the Philippines and Viet Nam lean more towards

promoting competition over economies of scale, reflecting a focus on overall value delivery.

The Philippines and Viet Nam are also more likely to insource (e.g. develop in-house and build internal capacities) than outsource their ICT projects than the other SEA countries. This reflects governments' efforts to strategically privilege the development of internal public sector capacities, investing in public workforce skills and securing higher future sustainability of the digital government policy. By prioritising outsourcing, the governments of the remaining SEA countries are reflecting their willingness to invest in the ICT market for service providers. Developing internal capacities is presumably not their top priority, though this can create vulnerabilities and dependence on providers. Finding the right strategy for each country depends on a variety of factors, including the domestic ICT labour force; the public sector's ability to attract and retain ICT talent, adopt and manage emerging technologies and to renew public sector systems; and ICT and project management competencies in the public sector to ensure that contracted ICT services deliver public value to citizens and businesses.

Methodology and definitions

Data were collected through the OECD Digital Government Performance Survey and refer to 2014 for OECD countries and 2018 for SEA countries. Respondents were predominantly chief information officers or their equivalent at central government. The survey was completed in ten SEA countries and 25 OECD countries.

Public procurement is defined as the purchase of goods and services by governments and state-owned enterprises. It encompasses a sequence of related activities starting with the assessment of needs through awards to contract management and final payment.

Further reading

OECD (forthcoming), *The Digital Transformation of the Public Sector: Helping Governments Respond to the Needs of Networked Societies*, OECD Publishing, Paris.

OECD (2016), *Digital Government in Chile: Strengthening the Institutional and Governance Framework*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264258013-en>.

Figure notes

6.7. and 6.8: These questions are formulated in a different way in the OECD (2014) survey, therefore data are not comparable.

6.6. Existence and scope of a procurement strategy covering ICT, 2018

	Within selected line ministries	Across the central government	Across different levels of government	No specific ICT procurement strategy exists
Brunei Darussalam	○	●	○	○
Cambodia	○	○	○	●
Indonesia	○	○	○	●
Lao PDR	○	○	○	●
Malaysia	○	●	○	○
Myanmar	●	●	●	○
Philippines	○	○	○	●
Singapore	●	●	○	○
Thailand	○	○	●	○
Viet Nam	●	●	●	○
SEA Total	3	5	3	4
Australia	○	●	○	○
Japan	○	●	○	○
Korea	○	○	○	○
New Zealand	●	○	○	○
OECD Total	5	13	3	8

Key:

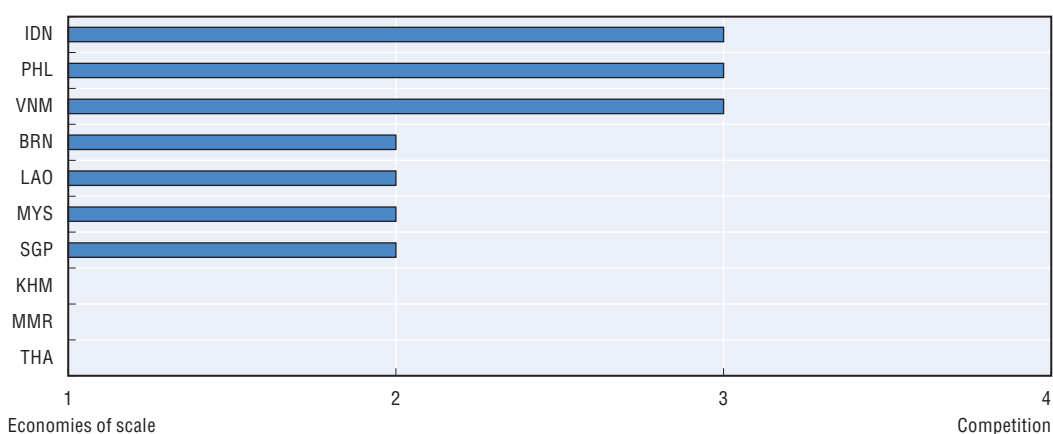
Yes = ●

No = ○

Sources: For SEA countries, OECD (2018) Digital Government Performance Survey. For OECD countries, OECD (2014) Digital Government Performance Survey.

StatLink  <https://doi.org/10.1787/888933841311>

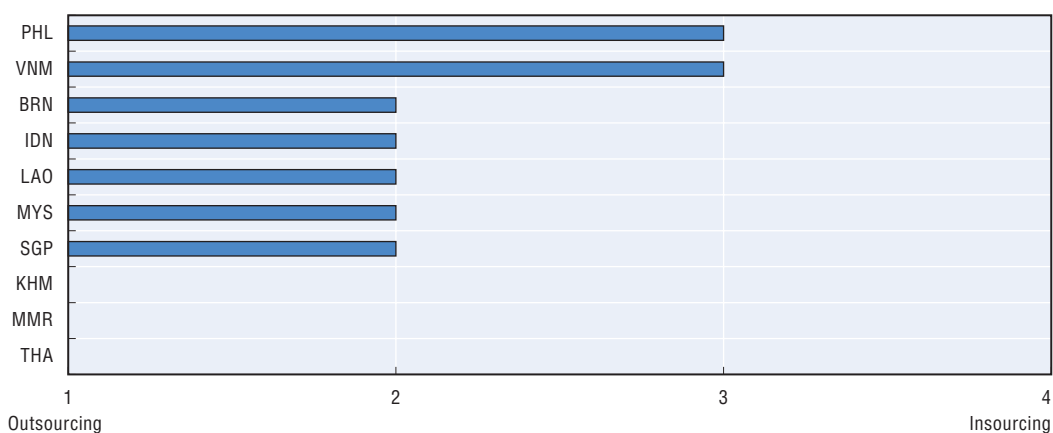
6.7. Economies of scale vs Market competition: ICT procurement priorities, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink  <https://doi.org/10.1787/888933841330>

6.8. Reported priority of the ICT procurement approach between outsourcing and insourcing models, 2018



Source: OECD (2018) Digital Government Performance Survey.

StatLink  <https://doi.org/10.1787/888933841349>



From:

Government at a Glance Southeast Asia 2019

Access the complete publication at:

<https://doi.org/10.1787/9789264305915-en>

Please cite this chapter as:

OECD/Asian Development Bank (2019), "Procurement for ICT Projects", in *Government at a Glance Southeast Asia 2019*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/2ca6a8ca-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.