

# EFFECT OF E-GOVERNMENT PROCUREMENT (E-GP): EVIDENCE FROM BANGLADESH



Researcher: Wahid Abdallah

Partner organisation: the Government of Bangladesh



## IN BRIEF

- » Public service provision accounts for a substantial share of a country's economic activity
- » Switching to e-Government Procurement System has reduced costs by 12.5%-13.5%
- » A transparent e-procurement system could play an important role in curbing political interference and increasing competition

Public services such as health, transport, and education account for a substantial share of a country's economic activity. Effective public service delivery is therefore very important for economic growth. A transparent e-procurement system could play an important role in curbing political interference and increasing competition.

Using the Local Government Engineering Department's (LGED) e-Government Procurement (e-GP) and traditional procurement data, this project investigates the impact of e-GP from 2010-2014. Specifically, the project uses the contract price and estimated cost information to understand the changes in the price-cost ratio for each procured item.

The project is still ongoing but preliminary findings show that the e-procurement system can reduce the cost of providing public goods by between 12.5% and 13.5%. The mechanistic nature of e-GP minimises the possibility of physical hindrance for the non-political bidders to participate in the bidding process and thereby ensures greater participation. Furthermore, e-GP provides opportunities to bidders from all over the country to participate in any tender raising competition.