Public e-Procurement in Europe

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Outline

- Setting the Scene
- The Danish Approach
- The Business Interoperability Interface Workshop
- Public e-Procurement OnLine
Setting the Scene

- Government purchases in the European Union account for around 16% of GDP
  - Approximately 1,500 Billion Euro.
- But lagging behind major industries in capability to handle tenders, orders, invoices or payments.
- Barriers
  - The lack of common standards for electronic data exchange
  - The lack of critical mass with any one of the many initiatives
• The Manchester ministerial declaration of 24 November 2005 defines the target:

“By 2010 all public administrations across Europe will have the capability of carrying out 100% of their procurement electronically and at least 50% of public procurement above the EU public procurement threshold will be carried out electronically.”
The Danish Approach

- Electronic invoicing in the public sector a key driver for the initiative
  - Suppliers required by law to send all invoices to the public sector electronically (approx. 1.3 mill. invoices per month)
  - Infrastructure also open to private companies
- Total economic potential of 630M€ (KPMG)
- By 2012, 95% of electronic documents exchanged between public and private sector must be based on an open international standard
After One Year

- All public institutions able to receive eInvoices
- All vendors send invoices
- 400,000 organizations
- Winner of eEuropeAward
- SME Barriers:
  - Infrastructure costs
  - Integration cost
After Three Years (Phase Two)

- OIO becomes NemHandel
  - literally, ‘EasyTrade’
- NemHandel is a method of business document exchange based on open standards.
  - no IT vendor lock-in
- Secure
  - electronically signed and encrypted documents
- Flexible
  - can be integrated in other IT systems
National Service Oriented Infrastructure

- An addressing mechanism for service lookup
- A profile of standards
- An Open Source software toolkit
- A reference implementation of a message handler
- A legal framework
- Live since Jan 2008
  - 20,000 invoices per month not using VANs
Invoice with Stylesheet
Northern European Subset

- To facilitate interoperability and practical use of e-procurement both in domestic and cross border trade.
  - Denmark
  - Sweden
  - Norway
  - Finland
  - UK
  - Iceland
More Than Just Exchange of Documents

- A description of one or more related business processes supported by the exchange of a defined set of electronic business documents in order to fulfil a defined business purpose under a defined set of business rules.
- “Profiles”
NES Adds Value to UBL

- A community
  - Strong public sector commitment in Nordic countries
  - Based around OASIS UBL
- A harmonized specification covering the full procurement process
  - Prepared for cross border trade
  - Reduced need for bilateral agreements
- Real-time validation tools
The BII is a CEN/ISSS (European standards body) project involving:

* France
* Germany
* Italy
* Spain
* UK
* Denmark
* Netherlands
* Austria
* Hungary
* Iceland
* Sweden
* Plus....
Government e-Procurement in Europe

CEN WS BII

NES

CODICE
Scope of BII

Germany
France
Italy
Spain
UK
Denmark
Sweden
Iceland
...

eNotification
eTendering
eAwarding
eCatalogue
eOrdering
eFulfillment
eInvoicing
ePayment
eTransport

CODICE
NES
CEN WS BII
OIO
Competitiveness and Innovation Programme

- Budget is ~3.6B€
- Duration is 2007-2013
- Three pillars
  - Entrepreneurship & Innovation Programme
  - Intelligent Energy Europe Programme
  - Innovative Communication Technology Policy Support Programme
- Pilot A – eProcurement
  - 20 million € (50/50 sharing of costs)
Participants
- Austria
- Denmark
- Finland
- France
- Germany
  - Bremen
  - U. of Koblenz-Landau
- Hungary
- Iceland
- Italy
- Norway
- Scotland

Reference group
- Belgium
- Bulgaria
- Croatia
- Netherlands
- Luxembourg
- Romania
- Spain
PEPPOL Vision

• Pan European exchange of business documents between any private company and any EU governmental institution should be as easy as sending emails.

• Means:
  - Standardized business documents
  - Standardized business processes (profiles)
  - Standardized E-business Transport Infrastructure

• Large scale pilot (evolving into production)
National solutions will not be replaced, instead they will be aligned with common European standards and then linked.
PEPPOL Overview

• Business documents based on Universal Business Language (UBL)
  - E-catalogues (as basis for tenders and ordering), Orders, Invoices
• Virtual company dossier
• Business processes
• Service Oriented Infrastructure
  - Bridge existing message infrastructures
The Role of OASIS UBL

Standardization

OASIS UBL TC

Customization

National customization  North European Subset  CEN/ISSS WS/BII

Implementation

National Implementations  EC Pilot  PEPPOL
UN/CEFACT ePP

- UN/CEFACT TBG19/1/6 Electronic Public Procurement
  - Global Government e-Procurement
  - Takes into account the deliverables of the eBII working group, while ensuring consistency with UN/CEFACT standards and incorporating the views of actors from outside the European Union.
Dear Head of Delegation,

As Head of Delegation to UN/CEFACT, could you please distribute the attached call for participation to your national experts interested in procurement, and particularly those interested in public-sector procurement.

They are invited to participate in the UN/CEFACT Forum joint electronic procurement project (ePP) and register as a member of the project team.

We believe that this is a project with a great deal of potential to assist governments in improving their procurement processes and related information exchange and hope that your country/delegation will be able to contribute to this valuable work.
Role for OASIS e-Gov?

- Need global version of NES
  - OASIS e-Gov and UN/CEFACT TBG19?
- Governance Models for implementation:
  - Development and maintainence of profiles
  - Who owns and provides services
  - Building and management of communities
  - Interfaces to external services/industries/domains
- Reduce need for bilateral agreements
- Promote **consistent adoption** of standards
Thank You

OIOUBL (NemHandel)

NES
http://www.nesubl.eu

CEN/ISSS BII
http://www.en.ds.dk/bii

The Competitiveness and Innovation Framework Programme:
http://ec.europa.eu/cip/index_en.htm

PEPPOL website to appear at:
http://peppol.eu