

Strengthening Public Procurement in Ethiopia: Successes, Challenges, and New AI Initiatives

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Introduction

Purpose of Presentation:

- Showcase Ethiopia's e-GP Progress
- Share Lessons Learned
- Present New AI Initiatives for Future Enhancements
- Call for Strategic Support and Collaboration

Overview of e-GP Implementation in Ethiopia

Launch:

- Initiated in 2019, phased full national rollout by 2022

Objective:

- Streamlining public procurement to promote competition, efficiency, good governance, value for money, and trust

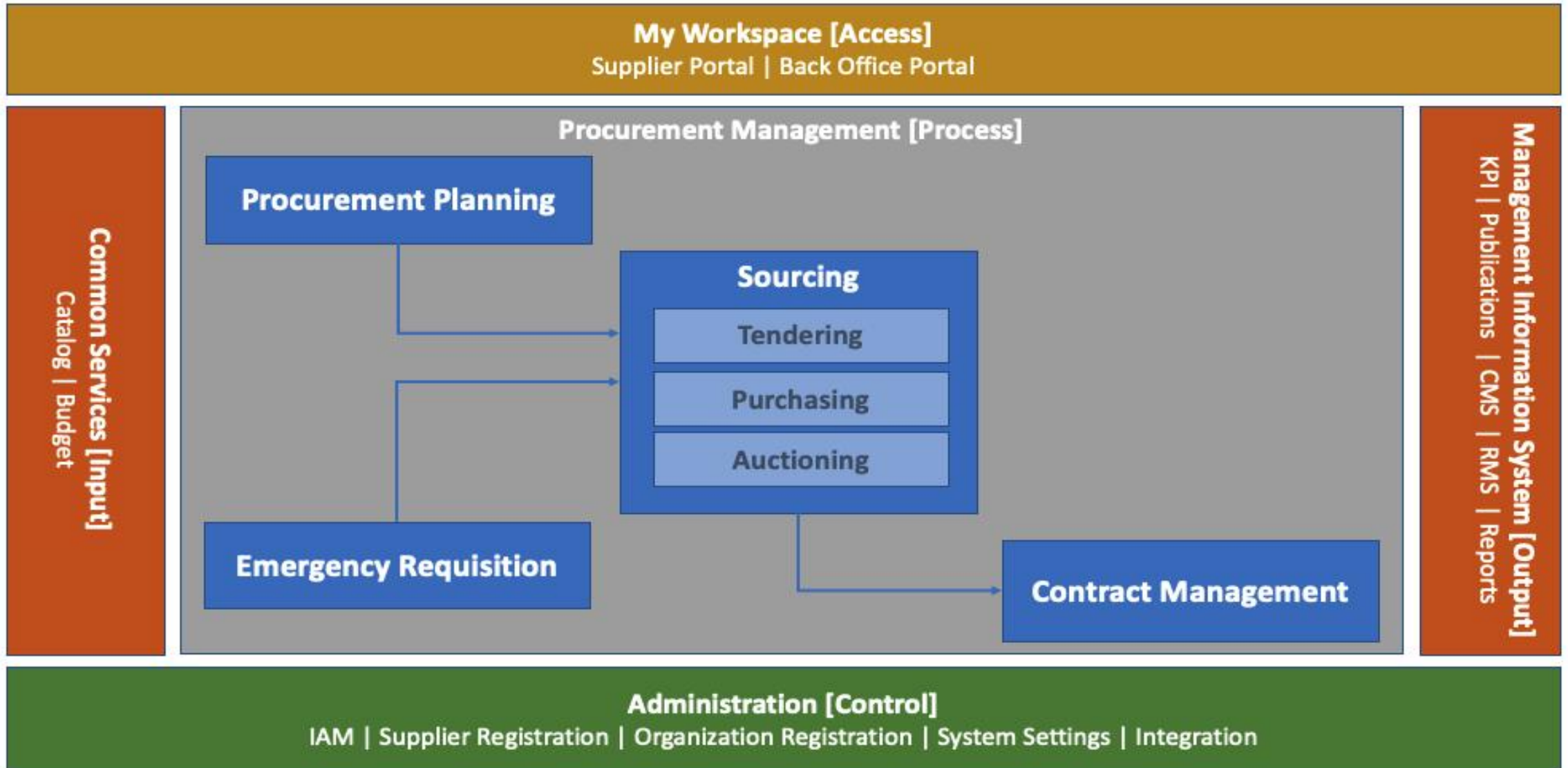
Key Partners:

- Ministry of Finance, Public Procurement & Property Authority, World Bank

Platform:

- E-GP system fully operational in all Federal Agencies, and now expanding to Regional States

Fully Automated End-to-End Procurement Operations



Success Achieved

- Over **169 Federal Government Agencies** are onboarded
- **Three Regional States** are now implementing e-GP
- More than **55,000 tenders** processed for the procurements of goods, services, and works
- More than **25,000 suppliers** vetted and registered in the platform
- Over **X** individuals have been successfully trained on the e-GP system
- All Procurement methods and procedures are digitalized and implemented
- The e-GP system is fully integrated with key national systems:
 - National ID for KYC (identity verification for local suppliers and government employees)
 - Integrated Financial Management System (IFMIS)
 - National Trade Registration Database
 - Tax System
 - Payment Gateways
 - Financial Institutions
- Proclamations and directives have been updated to fully support e-GP



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CONGRATULATIONS

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Challenges Encountered

- **Capacity Constraints:** Some public bodies are under-resourced and limited skilled procurement professionals
- **Supplier Readiness:** Lack of awareness and digital skills during the early stages
- **Change Resistance:** Initial reluctance among procurement officers
- **Infrastructure and Connectivity Challenges:** Internet and electricity challenges for local suppliers
- **Fragmented Internal Processes:** Compliance to regulatory requirements
- **System Stabilization:** Orderly transition as new features and capabilities introduced

Mitigation Measures Taken

- Launch a national procurement training and e-learning program targeting procurement officers at federal, regional, and local levels
- Implement widespread supplier onboarding workshops, trainings, mainstream and social media campaigns
- Implement a change management program with clear communication and champions within each procurement entity.
- Continually strengthening the data center infrastructure for higher availability and security
- Automate standardized procurement processes to enforce regulatory compliance
- Roll out new system features incrementally through phased pilots before full national

New AI Initiative: Why Now?

- E-GP data volume growing exponentially
- Need for predictive insights and risk detection
- International best practices show AI boosts public procurement integrity
- Opportunity to leapfrog using cutting-edge technology

Short Description of the AI Initiative

- **Goal:** Enhance public procurement using artificial intelligence
- **Focus Areas:**
 - Fair bid evaluations
 - Accurate price analysis
 - Detection of collusion and Frauds
 - Strengthened compliance monitoring
- **Approach:**
 - Support human oversight with data-driven AI insights

AI Initiative's Key Objectives and Expected Outcomes

- **Enhanced Transparency and Fairness:** AI-assisted, unbiased evaluation aligned with pre-set criteria
- **Strengthen Value for Money:** Accurate price assessments using historical and market data
- **Detect Collusive Practices:** Analyze bidding patterns and vendor networks for anomalies
- **Improve Regulatory Compliance:** Automated checks for procedural and legal alignment
- **Getting Insights:** Complement human expertise with predictive AI insights
- **Good Governance:** Strengthen public trust and institution accountability

Areas for Development Partner Support

- **Technical Assistance:** Scaling AI tools responsibly
- **Funding:** Infrastructure, capacity building, and pilot expansion
- **Knowledge Sharing:** Best practices on AI governance
- **Policy Advisory:** Ethical AI use and data protection

Conclusion

- Ethiopia's E-GP reform has delivered strong gains in transparency, efficiency, and cost savings.
- New AI initiatives promise to secure and deepen these gains.
- We seek continued collaboration to drive sustainable, future-ready procurement reforms.