PEPPOL:
One step further towards cross-border public eProcurement in Europe

European Commission
Information Society and Media

ICT for Government and Public Services

Many EU countries use electronic procurement (eProcurement) to make bidding for public sector contracts easier and more efficient. However, these solutions are often implemented as isolated islands within Member States, with limited communication towards other eProcurement communities and across Member States. The European Commission's pilot project PEPPOL (Pan-European Public Procurement Online) has successfully completed its second year of activities towards making electronic communication between companies and government bodies possible for all procurement processes in the EU. PEPPOL will enable the connection of existing eProcurement communities, which is essential to allow businesses to bid for public sector contracts and handle ordering and invoicing anywhere in the EU: an important step towards achieving the Single European Market.

At a Glance

Project
Pan European Public Procurement OnLine (PEPPOL)

Project coordinator
Agency for Public Management and eGovernment (Difi), Norway

Participants
See website

Duration
From 01/05/2008 to 30/04/2011

Total budget
€30.8 million

Programme
ICT Policy Support Programme under the Competitiveness and Innovation Framework Programme (CIP)

* Current project duration is 3,5 years (+ 6 month extension subject to European Commission's approval).

ELECTRONIC PROCUREMENT

Governments are the largest buyers of services in the European Union. Total public procurement in the EU is estimated at about 19.4% of the Union's gross domestic product (GDP) or over €2000 billion (2009 figures). eProcurement allows the electronic exchange of all documents related to the various phases of the procurement process: tendering, bidding, ordering and invoicing. This makes the process much simpler and more efficient, thus allowing to save money for the bidders and the tax payers. eProcurement systems are already functioning in several EU Member States.

However, many public administrations lag behind industry in electronic data exchange with their suppliers. The lack of common standards is a major obstacle for companies - especially small and medium size enterprises (SMEs) - participating in public procurement.

OBJECTIVES OF THE PROJECT

The broader vision of the PEPPOL project is to make possible for any company – including SMEs - in the EU to communicate electronically with any governmental institution across the EU to complete procurement procedures.

IMPLEMENTATION

During the second year, the PEPPOL transport infrastructure was released and technical specifications for solutions enabling eProcurement across Europe were prepared. In addition, an eSignature validation solution was established.

The last six months have been spent on developing and testing software and specifications, preparing PEPPOL solutions for piloting with real transactions between a limited number of participants. The project is now moving into the production pilot stage. The pilots will engage several Member States and will include the European Commission through the ePrior project. Over the next one and a half* year the project will implement and pilot the solutions. A plan for long term sustainability is in progress.

The pilot project will facilitate the electronic exchange of orders, invoices, and catalogues between buyers and suppliers in different Member States or eProcurement communities. It also includes the classification of goods and services and the submission of company attestations required for bidding. The validation of electronic signatures issued by different regional certificate authorities will also be addressed.

BUILDING THE PEPPOL COMMUNITY

From now until mid-2011, a number of pilots will establish an integrated community between PEPPOL consortium members, using PEPPOL to perform real business. This is expected to grow to include both PEPPOL and non-PEPPOL consortium members and by the end of the project the PEPPOL community should expand beyond the members recruited by PEPPOL.
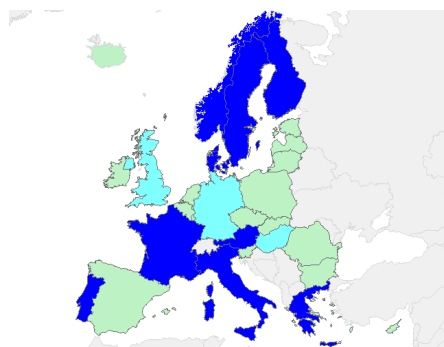
ENLARGEMENT

An enlargement of the project was carried out in order to demonstrate the scalability of the solution and a quick adoption by additional Member States. In order to enlarge the geographical coverage of PEPPOL, to strengthen specific focus areas and to ensure long-term sustainability, the project budget has been increased by €11.2 million. It makes a total budget of €30.8 million, half of which comes from the European Commission. Greece, Portugal, Sweden and the United Kingdom entered the project as of 1st November 2009. The PEPPOL consortium now consists of 18 partners from 12 European countries. The project timeframe, subject to approval of a 6 month extension by the Commission, will be completed by 30.4.2012.

IMPACT

Small and medium size enterprises will benefit from reduced costs through automated and simplified processes, and could ultimately see an increase in their sales thanks to access to new and larger markets.

The higher maturity in eProcurement, both on the buyers and the suppliers side, will also create new innovative IT projects for the software industry, by expanding optimisation of business processes to the whole supply chain.

EU governments at federal, regional and local level will see reduced costs through automated and simplified processes and more competition in bids. Electronic processes ensure transparency and better control of funds, as well as the possibility of facilitating green and sustainable procurement. PEPPOL can also contribute to the export of domestic products and support economy modernisation.

● PEPPOL consortium
● PEPPOL consortium (represented by region)
● Reference group

Further information

PEPPOL website: http://www.peppol.eu
eGovernment: http://ec.europa.eu/information_society/activities/egovernment/index_en.htm
ICT PSP: http://ec.europa.eu/information_society/activities/ict_psp/index_en.htm
Information Society thematic Portal: http://ec.europa.eu/information_society/index_en.htm

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