

Future of procurement review and monitoring in the context of open data and open procurement concepts

Batumi, June, 10 2015



European Bank
for Reconstruction and Development



General context

Public procurement is a horizontal function across the public sector thus traditionally difficult to implement efficiently

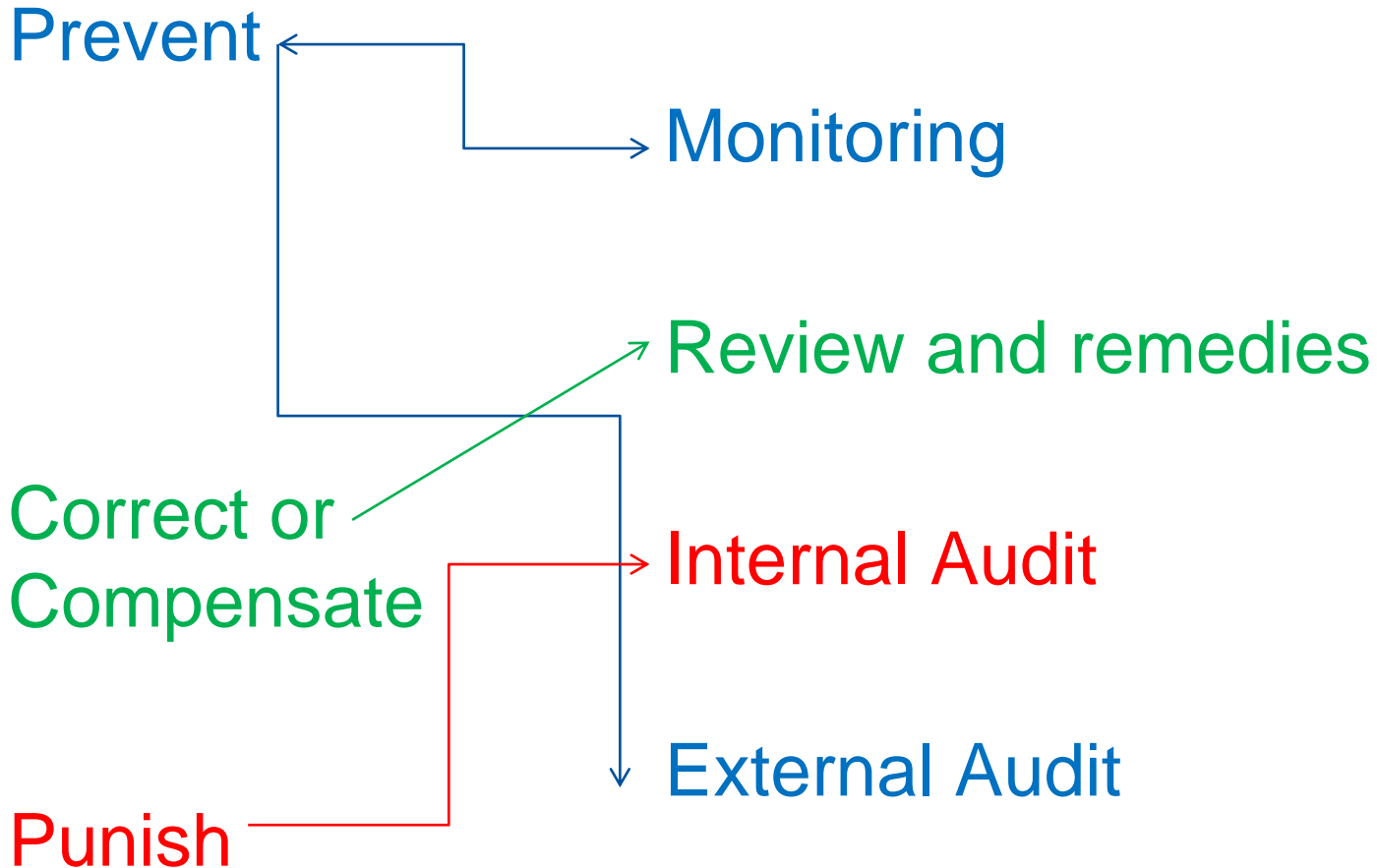
Efficient public procurement system should deliver value for money while complying with transparency safeguards

Efficient procurement is hard to achieve without effective enforcement

Concepts of public procurement enforcement evolve since Internet and electronic communication decreased cost of transparency safeguards and increased accountability of public officials by enabling public participation in procurement decisions

What is the future of public procurement review and monitoring in electronic procurement environment?

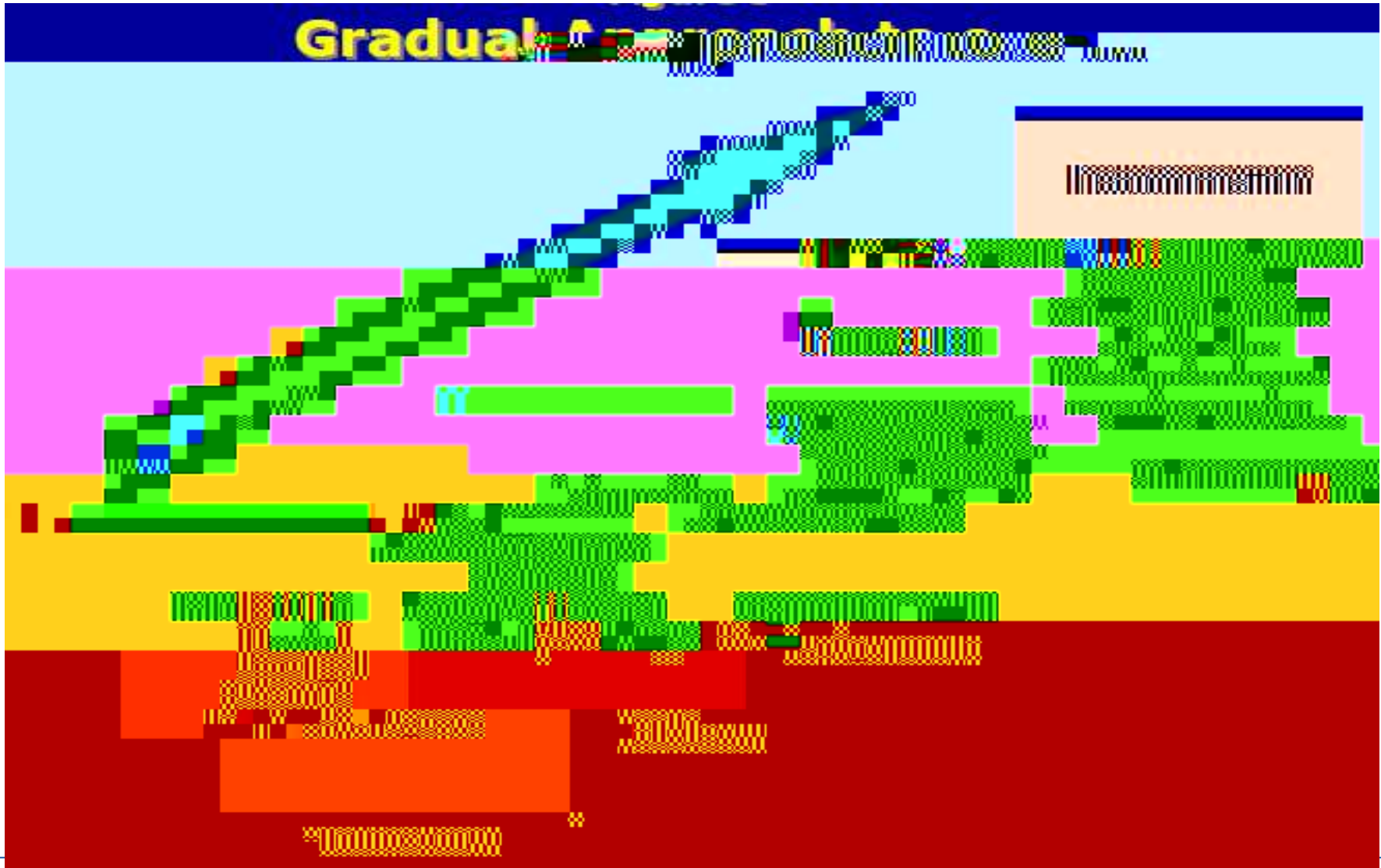
Effective Enforcement Concept

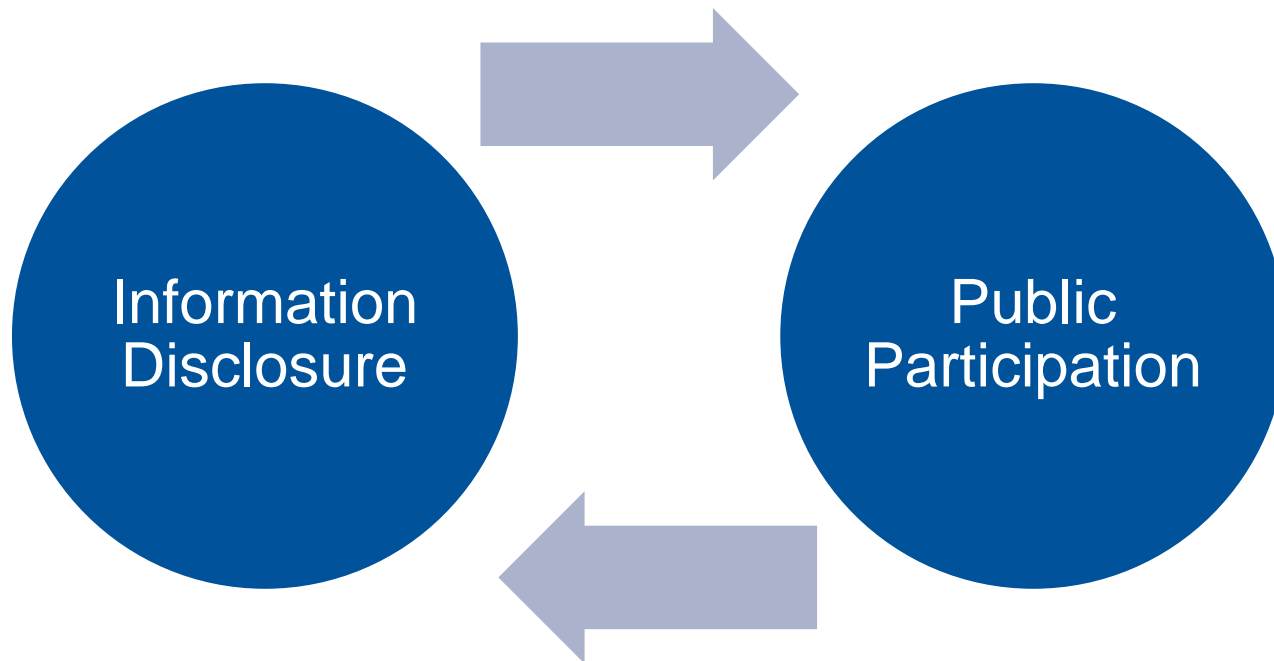




Monitoring public procurement

What eProcurement is changing?





Why Open Data in Public Procurement?



The **challenge** for e-Procurement tools: How to contribute to opening the markets?



The **barriers** to achieve it: **fragmentation** of the information, and lack of **free automated access** to it.



IT solutions based on **Interoperability** is a method to solve it



Open data offers new Interoperability approach

- **government open data for automatised processing by third parties**
-



Open Government Data Principles

Government data shall be considered open if it is made public in a way that complies with the principles below:

1. [Complete](#):

All public data is made available. Public data is data that is not subject to valid privacy, security or privilege limitations.

2. [Primary](#)

Data is as collected at the source, with the highest possible level of granularity, not in aggregate or modified forms.

3. [Timely](#)

Data is made available as quickly as necessary to preserve the value of the data.

4. [Accessible](#)

Data is available to the widest range of users for the widest range of purposes.

5. [Machine processable](#)

Data is reasonably structured to allow automated processing.

6. [Non-discriminatory](#)

Benefits of open procurement / open data



The open data on public procurement with analytical tools accessible online 24/7 at the single point provides:

The big picture on how and when government entities spend taxpayers money

The unique chance to fully engage in public procurement monitoring process through innovative and transparent data processing mechanisms

Capacity of government authorities responsible for oversight is not and never will be to monitor all public contracts



The case of Georgia

Joint effort of Georgian SPA and Transparency International Georgia, resulted in special dedicated web-based tool tendermonitor.ge. The data is absolutely open and free. Provides downloadable and searchable data (excel) about all public procurements in Georgia since 2010

Aggregate Analysis: Pre-set reports are generated for each year allowing general public accessing



Example: procurement risk indicator is calculated as follows

Low Competition: Tender with only one bidder when more bids would be expected

Low Price Reduction: Tender with more one bidder which has a contract price less than %2 lower than the initial price

Risky Contract Type: Tender from a procurement sector that has been deemed high risk

Price in contract amendment is above the price offered by next bidder: The final contract price is higher than a bid made by a supplier who didn't win



eProcurement Pilot in Ukraine

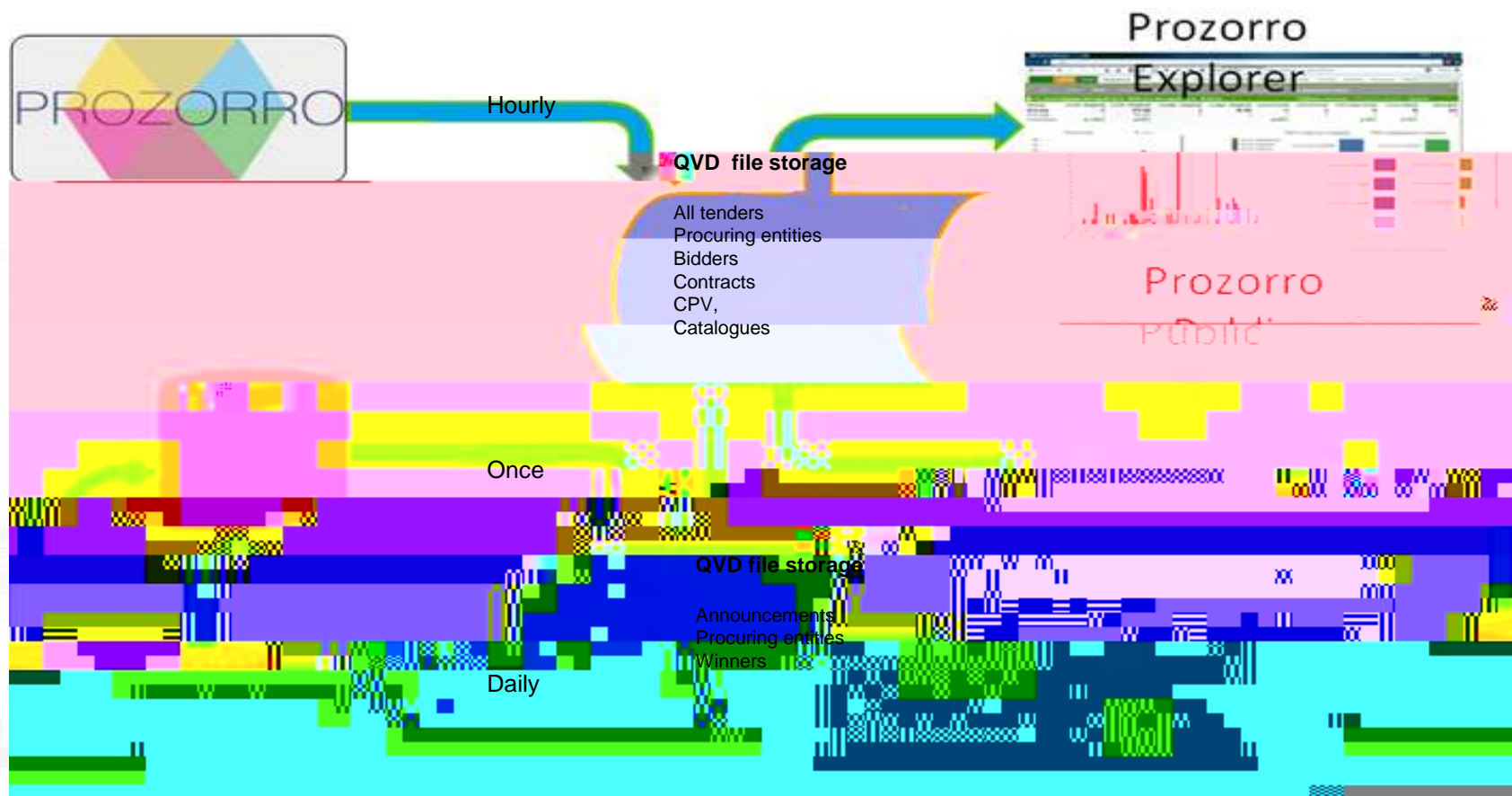
Transparency International Ukraine organised anticorruption activists around idea of building electronic procurement tools

The initiative resulted in Prozorro Project dedicated web-based tool for electronic procurement, presently in pilot

Procurement data is absolutely open and free and downloadable and searchable (excel)

Objective: 24/7

Open data enables exchange of information in multi-platform environment





The future is open

If the procurement data is open and online monitoring tools are available the best monitoring is provided by suppliers due to their legitimate commercial interest which prevails any other motivation for monitoring



NGOs for monitoring?

Transparency International demonstrated in Georgia and Ukraine that with open access to procurement data allowed by the government a NGO can collect, review and deliver systemic analysis of public procurement on the individual and national level

Regular involvement in procurement monitoring in Ukraine will provide oversight authorities with reliable information for their official purposes

Respectable NGO ensures credibility of public debate on government spending in Ukraine and impetus for reforms



Thank you for your attention.

Eliza Niewiadomska

Legal Transition Programme

European Bank for Reconstruction and Development

niewiade@ebrd.com
