

Good Governance Fund World Bank

Lessons Learning Event: Procurement

10 December 2020



ECORYS



Presentation Objectives and Outline

Objectives

- a) To present key **findings and recommendations** from two GGF project outcome assessments (POAs) related to procurement
- b) To generate discussion and to identify potential **broader implications for stronger design and delivery** of future procurement projects

Outline

- 1. POA Overview
- 2. Findings and Lessons from **Georgia**
- 3. Findings and Lessons from **Ukraine**
- 4. Discussion Questions

1a. POA Overview - Method

POA objectives cover assessment of:

- **Achievement** of project outputs and outcomes
- **Factors contributing** or hindering achievement of outcomes
- **Sustainability** of outcomes
- Integration and achievement of **gender equality** objectives (light-touch)
- **Lessons** for ways of working and future programming

The **methodology** combined outcomes map, document review, interviews, contribution matrix

A POA is not a full evaluation, but designed as a **short evaluative exercise** focused on a limited number of questions **related to project outcomes**

1b. POA Overview - Procurement Projects

As part of the pilot phase:

- **Improving Efficiency and Transparency in Public Procurement in Georgia (2016 to 2019)**

As part of the roll-out phase:

- **Transparency and Accountability in Public Administration and Services (TAPAS) in Ukraine (2016 to March 2020)**

2a. Public Procurement in Georgia

- **US\$ 380k** allocated by GGF via the World Bank Good Governance and Investment Climate Trust Fund (2016 to 2019)
- Provided support to the **State Procurement Agency** (SPA) to help increase the quality and use of data analytics, based on Georgia's e-procurement system
- Aim of the project was to improve **transparency, accountability and management** of public procurement
- Three project components:
 - Study on **identifying constraints** on public procurement performance
 - **International bench-marking** of public procurement policies and practices
 - **Action plan for improving** and monitoring public procurement performance

2b. Georgia SPA - Successes

- Data analytics report lead to **good analysis** of public procurement
- **Modified procurement system** allowed use for the first time for a World Bank international tender (roads project US\$ 130m)
- Open data improvements **allowed data to be downloaded** by external stakeholders with a dedicated website and visualisation portal
- Working with the SPA to draft an **Open Government Partnership** commitment on procurement

2c. Georgia SPA - Challenges

- **Low levels of awareness** of the Data Analytics Report by key audiences
- Risk that **data** on the portal is **incomplete** (e.g. data on direct procurements not uploaded)
- Doubts over real **levels of political commitment** in the SPA
- SPA relations with **civil society and journalists** have deteriorated reducing the level of trust in the data provided

2d. Georgia SPA - Lessons

- Improved procurement products, tools and data by themselves are not enough – the **data needs to be acted upon**
- **Communication to users** is key - insufficient attention was given to the communication and dissemination of outputs
- Need to maintain the trust with data users - need for **continual updating** of open data platforms
- Importance of **monitoring use of data platforms** over time – including surveys of users
- Greater focus on **political access and influence** – understanding political will at design stage and being adaptable to changing political contexts

3a. TAPAS in Ukraine

- **US\$ 8m** provided by GGF plus **US\$ 13m** by USAID (2016 to 2021)
- Worked in **close cooperation** with various government stakeholders, local partners and technical advisors via a **TAPAS consortium** made up of six local NGOs and led by the Eurasia Foundation and the UK Open Data Institute
- Aims of the project related improving **transparency, accountability and management** of public procurement, and reducing the scope for **corruption**
- Three project components:
 - **E-Procurement** aimed at realising savings for government budgets through more effective planning and management of public procurement
 - **Open Data** actively publishing government data on a regular basis
 - **E-Services** improving processes, automation and transparency of selected key public services

3b. Ukraine e-Procurement Outputs and Outcomes

Within direct control of the project  Outside direct control of the project

Outputs

Development of e-procurement regulations, policies and practices

Enhancement of ProZorro eProcurement system's infrastructure and architecture

Centre of Excellence in Procurement established, procurement professionals trained, e-tools developed

DOZORRO online monitoring portal, DOZORRO civil society monitoring network and awareness raising / training

Intermediate Outcomes

Adoption of proposed amendments and implementation of proposed policies and practices

Increased competence and capacity of procurement professionals

Increased business engagement and knowledge of e-procurement rules, procedures and tools

Improved civil society engagement and capacity for procurement monitoring

Final Outcomes

E-procurement is the standard approach to procurement in Ukraine

More transparent and efficient public procurement

Savings to public budgets from more effective planning and management of public procurement

Increased public trust in new procurement system

Reduced rates of corruption

3c. Ukraine E-Procurement - Successes (1)

- 21 **regulations** prepared, 10 of which adopted so far for implementing the e-procurement roadmap
- **Strong capacity building** of central and local government **in use and roll-out** of the system
- Strengthening of civil society **in monitoring use** of the system (over 350 sessions)
- Paid-tuition training of 365 professionals and **Training of Trainers** is leading to more sustainability (over 7,000 trained in total)
- 78% of eligible public procurement procedures have been conducted through the ProZorro platform, helping the Government to **save approx. US\$ 3 billion**

3d. Ukraine E-Procurement – Successes (2)

- **Increase of 269% of business participating** in e-procurement tenders (2016 to 2019)
- The DOZORRO on-line portal allows citizens, journalists, business and civil society to monitor the system and hold the Government accountable – more than **25,000 tenders scrutinised and 21,000 complaints issued**
- TAPAS has established a **functional and responsive working mechanism** for cooperation and interaction with the government at all levels

3e. Ukraine E-Procurement – Challenges (1)

- **Low initial knowledge** of e-procurement among government officials
- Unclear from the evaluation whether **public trust in e-procurement** has improved, mainly due to lack of quantifiable evidence (but increasing levels of business participation)
- Lack of influence of civil society to the **resolution of complaints** dealt with by authorities
- Lack of transparency of the State Audit Services on **how violations are followed up**

3f. Ukraine E-Procurement – Challenges (2)

- **Monitoring** of procurement has been **unbalanced** with some Oblasts (regions) having fewer NGOs capable of performing this role
- Uncertainty of **continued civil society engagement** in procurement monitoring activities when TAPAS funding stops
- E-procurement has performed strongly at the national level but to a **lesser degree at regional and local levels**
- Low / uneven **understanding at Oblast Administration level** regarding the utility of civil society engagement in procurement monitoring

3g. Ukraine E-Procurement – Lessons (1)

- **Strong technical systems** have built a reputation for competence
- Working with a **range of organisations and staff** has reduced the dependency on a few individuals who could potentially be replaced
- A **supply** (Government) and **demand** (Civil Society) focus ensured that needs of beneficiaries were addressed and prioritised in the development of the system
- The importance of the **golden triangle of partnership** between government, business and NGOs with regular engagement and cooperation
- **Cooperation between GGF and USAID** and the integration of the project within wider USAID work ensured good coherence with other donor activities

3h. Ukraine E-Procurement – Lessons (2)

- Effective use of **political openings** to ensure buy-in to the project with strong involvement of the UK Embassy
- The project has been quite **resilient to the change of Government** in 2019
- Effective procurement reform **takes time to embed and roll-out** the technical solutions and to build trust
- Funding mechanisms like GGF allow much appreciated **rapid response**
- Need to develop and implement an **exit strategy** to leave sustainable reforms

4. Discussion

Some possible discussion areas:

- Targeting and maintaining **political buy-in** for procurement reform
- **Trust and use** of procurement systems **by business**
- Improving and retaining **civil society involvement** in monitoring procurement
- **Longer-term sustainability** of procurement systems