



TPPR

TRANSPARENT PUBLIC PROCUREMENT RATING

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news

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Transparent Public Procurement Rating – A CSO Initiative that Uses OGP to Strengthen Public Procurement Reforms

TPP-RATING.ORG

Transparent Public Procurement Rating is a bilingual (English-Russian), easy to use, online platform dedicated to public procurement.

What can the website be used for?

- Compare countries according to their public procurement legislations and find areas that need improvement.
- View assessments of how the legislation is being put to practice.
- Get the latest news about public procurement related matters.

Kyrgyzstan to Deepen Its Public Procurement Reform through Open Government Partnership

Improving legislative base & electronic system of public procurement are among those ambitious commitments undertaken by the Kyrgyzstan Government as part of its Open Government Nation Action Plan – following the assessment results and recommendations by IDFI and its local partner organizations.

The public procurement reform in Kyrgyzstan has been ongoing for several years, legislative changes were made and a new electronic public procurement portal was created - <http://zakupki.gov.kg/popp/>. However, despite progress, the reform has been hindered by deficiencies of the legislative framework as well as insufficient financial resources to fine-tune all of the procurement procedure modules available on the electronic portal.



Public Procurement Legislation

IDFI and its partner organization in Kyrgyzstan [assessed](#) the national public procurement legislation and found that low transparency and lack of enforcement remain as the biggest challenges of the legislation.

“According to Transparent Public Procurement Rating, Kyrgyzstan [received](#) 65.9 points out of 100. The main loss of points was due to the lack of legal provisions related to the post-tender phase.”

The study was shared with the representatives of the Ministry of Finance of Kyrgyzstan (Public Procurement Department), which has used the assessment to find solutions to existing problems.

E-procurement

Kyrgyz public procurement system is significantly impaired by the lack of uninterrupted functioning of the public procurement portal; there is no feedback mechanism and certain procedural modules are absent, such as: *consulting services, two-stage bidding, framework agreement and filing of complaints.*

In addition to this, the absence of these modules in a digital format does not allow procuring entities to fully implement the Law on Public

Procurement, which creates a problem of enforcement. There is also an urgent need to integrate the electronic public procurement system with other information systems of government agencies.

Taking into account that Kyrgyzstan is actively introducing IT technologies into all business processes in the state administration, electronic public procurement is one of the essential directions in the field of digital transformation.

Commitments Undertaken by Kyrgyz Government in the OGP National Action Plan

The Kyrgyz government has taken several important commitments related to public procurement in the light of the Open Government Global Summit in Tbilisi (July 19, 2018):

Task 1: Improving the legislative base in the field of public procurement

1.1. Introduction of changes and additions to the current legislation in the field of public procurement with a view to its harmonization with the requirements of the Eurasian Economic Union (EAEU) Treaty, the WTO Agreement on Public Procurement and other international standards.

Task 2: Improving the electronic system of public procurement

2.1. Integration of the public procurement portal with databases of the State Tax Service, the Federation Council, and the Ministry of Justice.

2.2. Finalization of the module on public procurement planning.

2.3. Development of the registration and execution of procurement contracts module.

2.4. Development of a request card for the formation of non-standard reports.

2.5. Development of modules: two-stage tenders, procurement of projects of international organizations, framework agreement, procurement of consulting services.

2.6. Development of the Feedback Module and creation of the Call-Center.

2.7. Introduction of functionality for online filing of complaints from interested parties that are not participants in the tenders.

2.8. Improvement of general classifiers of procurement of goods, works and services.

2.9. Development and implementation of software tools for data processing in accordance with international standards for open data.

2.10. Improvement of the functioning of the web portal in Kyrgyz and English languages.

2.11. Development and implementation of a function for evaluating bids in real time (online assessment).

2.12. Development of the electronic catalog.

2.13. Development of modules for carrying out sectoral purchases.

2.14. Development of the subsystem of public procurement audit.

2.15. Introduction of electronic signatures.

2.16. Introduction of API (application programming interface) in the web portal of government procurement.

The main results of this reform will be the simplification of public procurement procedures, centralization of procurement processes, increasing levels of transparency of public procurement activities so they comply with the [Open Contracting Partnership](#) standards, additional savings on procurement procedures and increased efficiency of the public procurement system.

With the successful implementation of the reform and the proposed OGP national Action Plan, Kyrgyzstan will also become more compliant with the TPPR standards of transparency and efficiency in public procurement.

Albania's Open Data Portals: What Are the Possibilities?

Public procurement is one of the most important government functions. Every year governments procure goods, services and works that allow the normal functioning of the state. It is also an area highly susceptible to corruption, where transparency and access to information are one of the most important needs.

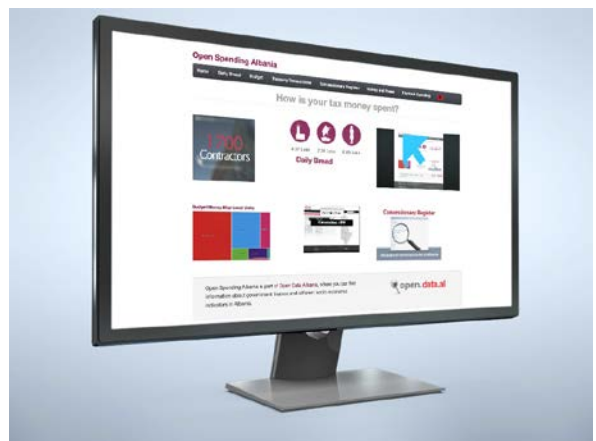
Numerous countries are moving towards more transparency in public procurement, ensuring not only access to procurement related data, but also guaranteeing machine-readability of the data. What this means is that procurement data is easily gathered, downloaded and used for any personal initiative on an automatic basis, with minimum effort. If one may have needed countless hours to analyze procurement information by going through paper documents or scanned PDF files, with machine-readable data it is a matter of seconds.

Albania is one of the countries such initiatives gather momentum. A local CSO – Albanian Institute of Science (AIS) is working on these issues and has created several platforms, which contribute to the fight against corruption in public procurement. The organization has created 3 tools, all of which are based on the principle of ensuring open and machine-readable access to official government information on state payments (transactions), concessionary companies and healthcare services.

Treasury Transactions

1,600 state budget institutions in the country conduct transactions every day in Albania. Through [spending.data](#) portal any citizen can find information about payments by their date, amount, paying institution, beneficiaries, type of expenditure, number of invoice, etc. The data is officially provided by the State Treasury, and the portal transforms this data into open and well-structured format, which is integrated into an application developed by AIS for this purpose.

Open Spending Albania Portal



This database can be used by any interested stakeholder to know when and for what services, goods or works the state budgetary resources went. The portal is a practical and easy-to-use tool for citizens and business operators to access and use the information made available by the State Treasury.

Database of Concessionary Companies

A concession or concession agreement is a grant of rights, land or property by a government, local authority, corporation, individual or other legal entity. In the case of a public service concession, a private company enters into an agreement with the government to have the exclusive right to operate, maintain and carry out investment in a public utility, for instance in water supply, for a given number of years.

In Albania, there are 222 business companies involved in concessionary agreements or PPPs with the Albanian Government, which anyone may monitor on AIS's database

OpenCorporates.al, under the '[Concessionary Companies](#)' category .

The portal contains information for each company regarding their structure, ownership, history of ownership transfer, annual performance in terms of turnover and profit, concessionary fees, address and licenses for the activities they carry out.

Concessionary Companies' Registry Portal



This range of data for each company is published in JSON and CSV. Information boxes are linked to documents like contracts, amendments to contracts, special laws, procurement acts, and other documents relevant to concessions.

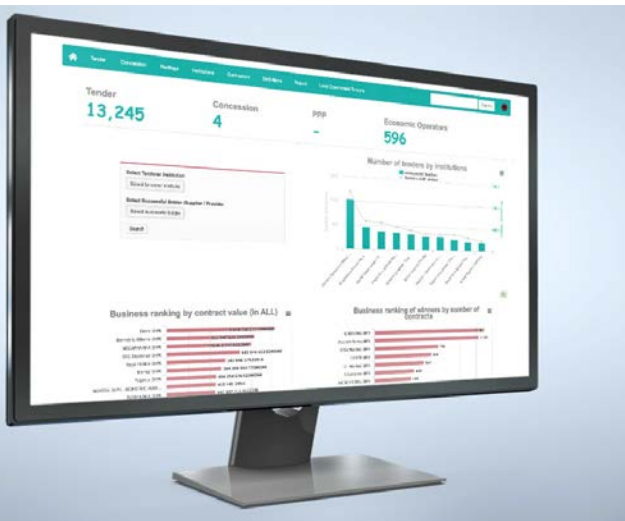
Monitor Healthcare Sector Albania

Healthcare is one of the crucial government services in many countries. Inefficiency or corruption in this sector may lead to supply shortages of medicine, low quality of healthcare services and bad infrastructure, which can affect the overall health of the society. Therefore, transparency in this sector is vital.

[Open Albania – Public Health Sector Portal](#) is a platform where citizens can get information on government contracts, concessions and activities in the healthcare sector. Between 2016 and 2018, around 13 thousand contracts were awarded by Albanian public institutions of public health to [586 contractors](#). The users of the portal can view how many of these contracts were made via competitive procedures and non-competitive procedures. The portal allows users to search and filter according to companies, state institutions and contracts.

- Lack of competition
- Direct negotiations – no tendering process
- Insufficient time for preparing offers
- Allocation of additional funds before the completion of the first stage of the contract
- Disqualification of all competitive operators except the winner
- Cancellation of the tender procedure two or more times

Open Albania – Public Health Sector Portal



The portal also has a red flag system, which identifies problematic tenders and contracts based on the following indicators:

Transforming Public Procurement as an Effective Instrument for Making Governments Accountable & Transparent

Fishbowl Discussion at the Open Government Partnership Global Summit

On July 2019, [Institute for Development of Freedom of Information \(IDFI\)](#) organized a [fishbowl discussion](#) related to public procurement at the 5th Open Government Partnership (OGP) Global Summit in Tbilisi, Georgia – July 17-18.

The main objective of the panel was to lay down a logical chain of public procurement system transformation. The panel gathered reformers and CSOs to share experiences on how public procurement can be transformed into an effective instrument for making governments more accountable, transparent, fair and efficient, which tools can be used in this process and how CSOs and governments can collaborate on enhancing public procurement practices.



Together with partners from the [Open Contracting Partnership \(OCP\)](#), [Transparency International – UK](#), [ToDoClub](#) and [Open Public Finance of Ukraine](#), IDFI discussed the importance of data in public procurement, how to make procurement systems more transparent and how to use this information. Interested stakeholders had a chance to learn about the steps taken by the countries that underwent reforms (Georgia, Ukraine and Moldova), how public benefits from open, transparent public procurement systems and learn how to use such tools vis-à-vis other public services, such as healthcare.

David Marghania, Managing Partner of the ToDoClub spoke about the triggers that pushed Georgian and Ukrainian governments to transform the public procurement systems:

“Inefficient public procurement spending, paper-based procurement, corruption and mass arrests of public procurement specialists were a few reasons, which triggered the reform to complete electronic procurement. The willingness of the government to change the situation formed into what is known as the top-down approach to reforming public procurement systems, when the process is led by the government. The electronic procurement system did not solve all the problems, nevertheless, it made procedures simple, information accessible and over the course of 8 years of functioning, Georgia economized around 800 mln USD (approximately 12% of total planned public procurement expenditures over 8 years). In Ukraine, the reform had more of a bottom-up approach, where a new portal was created with the collaboration of CSOs, International Financial Institutions, International experts and other stakeholders. After the system was tested, it was handed over to the government and this case serves as a good model for the bottom-up approach. In Moldova, the experiences of Ukraine and Georgia were used to create yet another contemporary, API based public procurement system with a powerful BI system.”

The benefits of E-contracting and the plans of the Ukrainian government were discussed extensively by **Yevgen Kotukh**, the Information Security Systems Manager at the Open Public Finance of Ukraine:

“The need for automatization of creating contracts from standard documentation, applying e-signature and have a real-life transmission of contracts to the procurement database is the next step that the Ukrainian government will be working on. Such automatization will reduce many risks connected with public procurement and is the next logical development of the public procurement sphere in Ukraine.”

Sebastiana Etzo, Senior Project Manager at the Transparency International (TI) United Kingdom and **Kathrin Frauscher**, Deputy Executive Director at the Open Contracting Partnership stressed upon the practical aspects of open data and procurement, where it can be applied and how regular citizens can feel the difference. The main focus was on the healthcare sector, where credible data and information can lead to less inefficiency, better management of resources, improved quality of healthcare and less problems such as shortages of medicine and low quality of service due to inefficient procurement of tools, devices and pharmaceuticals.

“According to the World Health Organization Global Health Expenditure Database, global spending on health in 2012 was \$7.2 trillion. A survey conducted several years before, as part of TI’s Global Corruption Report states that an estimated 10% – 25% of global spending on health public procurement was lost to corruption. Therefore, gathering and analyzing data on a wider scale, across countries can aid in identifying cases of mismanagement, corruption and plain inefficiency, which can be used for better healthcare service provision.”

The audience was also involved during and after the interventions and the value and future of Dynamic Purchasing Systems, e-catalogs and means of engaging more countries in adopting new legislative frameworks for open public procurement systems, such as the [Transparent Public Procurement Rating \(TPPR\)](#) were also discussed.

The OGP is a global initiative that was launched in September 2011 and lists more than 70 participant countries. OGP member states commit to ensuring citizen awareness and engagement in decision-making processes as well as implementing high professional and ethical standards in state services, conducting governance reforms and improving public services by means of innovative technologies.

Georgia was one of the first countries to join the OGP in September 2011. In September 2017, Georgia was elected as Chair of the OGP initiative for a one-year term. As an OGP Chair country, Georgia hosted the 5th OGP Global Summit.

Transparent Public Procurement Rating – A CSO Initiative that Uses OGP to Strengthen Public Procurement Reforms

As the Open Government Partnership is gaining momentum around the globe, more and more areas of policy are being incorporated through action plan commitments. Public procurement is one such area. While there are no star commitments related to public procurement to date, this could very well change.

The rise of e-governance and the obvious and tangible benefits gained from opening government data have given rise to a whole movement spearheaded by the likes of Open Contracting Partnership, which supports governments and other state actors in opening their contracting data in a well-structured, usable manner.

But there are also initiatives such as the [Transparent Public Procurement Rating](#) (TPPR) that do the important work of laying the foundation for reform through targeted advocacy actions, including by incentivizing governments to take their ongoing or planned reforms to the next level by solidifying their plans through OGP commitments.



TPPR is run by a Georgia-based CSO – [Institute for Development of Freedom of Information](#) (IDFI) with the financial support of the Open Society Foundation. TPPR has created a universal [standard](#) for assessing public procurement legislation and its implementation in practice, with the goal of providing CSOs with a useful tool to advocate for change in the sphere of public procurement. The TPPR methodology has already gained a degree of international recognition. Council of Europe dedicated a chapter to TPPR and its merits in one of their technical papers – “Corruption Risk Assessment in Public Procurement”.



Recognizing that acting upon one’s findings is of equal importance, the project has also created a growing global [network](#) of organizations and individuals working on public procurement to

share best practices and empower each other to carry out joint and targeted advocacy actions to achieve tangible change.

Launched in 2016 with 6 pilot countries (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine), TPPR currently encompasses 14 countries in the Eurasia region, with an additional 7 (and growing) countries around the globe as part its public procurement stakeholder network.

Supporting public procurement related OGP commitments is one of the major advocacy tools used by TPPR, others being: promoting competition in the race for reform by ranking countries, and identifying key problems and formulating specific solutions that can then be used by local stakeholders to push for reform.

In terms of OGP, TPPR has successfully advocated that Kyrgyzstan include a number of recommendations in its OGP National Action Plan. Kyrgyzstan [cited TPPR assessment results](#) as one of the grounds for reforming its public procurement system.

The experience of TPPR suggests that the widening of OGP’s scope of coverage will have a tangible positive effect on important areas of governance such as public procurement. TPPR certainly intends to play its part in motivating countries around the world not to miss this opportunity.



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TPPRnews is distributed to the professionals, researchers and students interested in public contracting legislation and practices and are part of the TPPR NewsLetter mailing list. If you would like to unsubscribe from TPPRnews mailing list, please write to us at: info@idfi.ge



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