Ukraine PROZORRO Project Implementation Support
Ukraine MDA

Eliza Niewiadomska, Legal Transition Programme, EBRD

OPEN CONTRACTING PARTNERSHIP

European Bank for Reconstruction and Development

United Nations UNCITRAL

Regulating public procurement market/s

How much 'value for money' we want? | **How much transparency we need?**

High Value Contracts – international trade thresholds (cross-border public procurement)

National public procurement law. Mandatory to apply the 2012 WTO GPA rules and 2014 EU Directives, if applicable

Low Value Contracts – above national public procurement law thresholds but below international trade instruments

National public procurement law. If applicable, mandatory to apply the 2014 EU Directives principles: transparency, competition, non-discrimination, and proportionality,

Micro Value Contracts – below public procurement law thresholds but paid from the state budget and of interest to small business

National public finance laws may require transparency and competition

Public Procurement

Public Purchase Contracts

Public procurement on the way to digital transformation

Can transition economies leapfrog?

Publication:
Uniform, transparent and accurate information on procurement opportunities

Interaction:
Active exchange of information. Online forms. Customised information on request. Some process integration

Transaction:
Competitive online exchange of goods and services. Complete transaction online. Online productivity. Integrated process

Transformation:
Digital process. Use of automation and robotics. Change in business practice. New data-driven products and services. Innovation in market structure
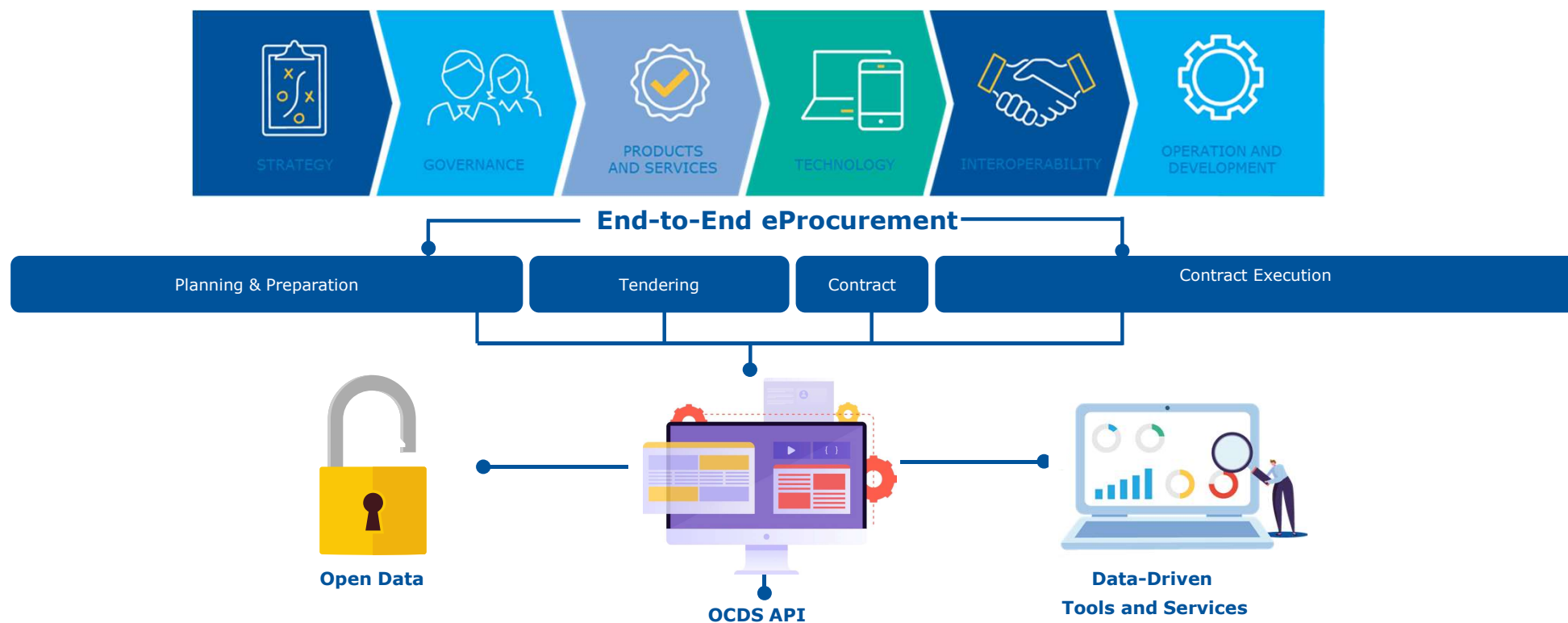
eProcurement instead of paper-based procedures

Online systems supporting real-time interactive workflows digital machine readable data instead of outdated 'upload download scan of signed paper doc' repositories from Nineties

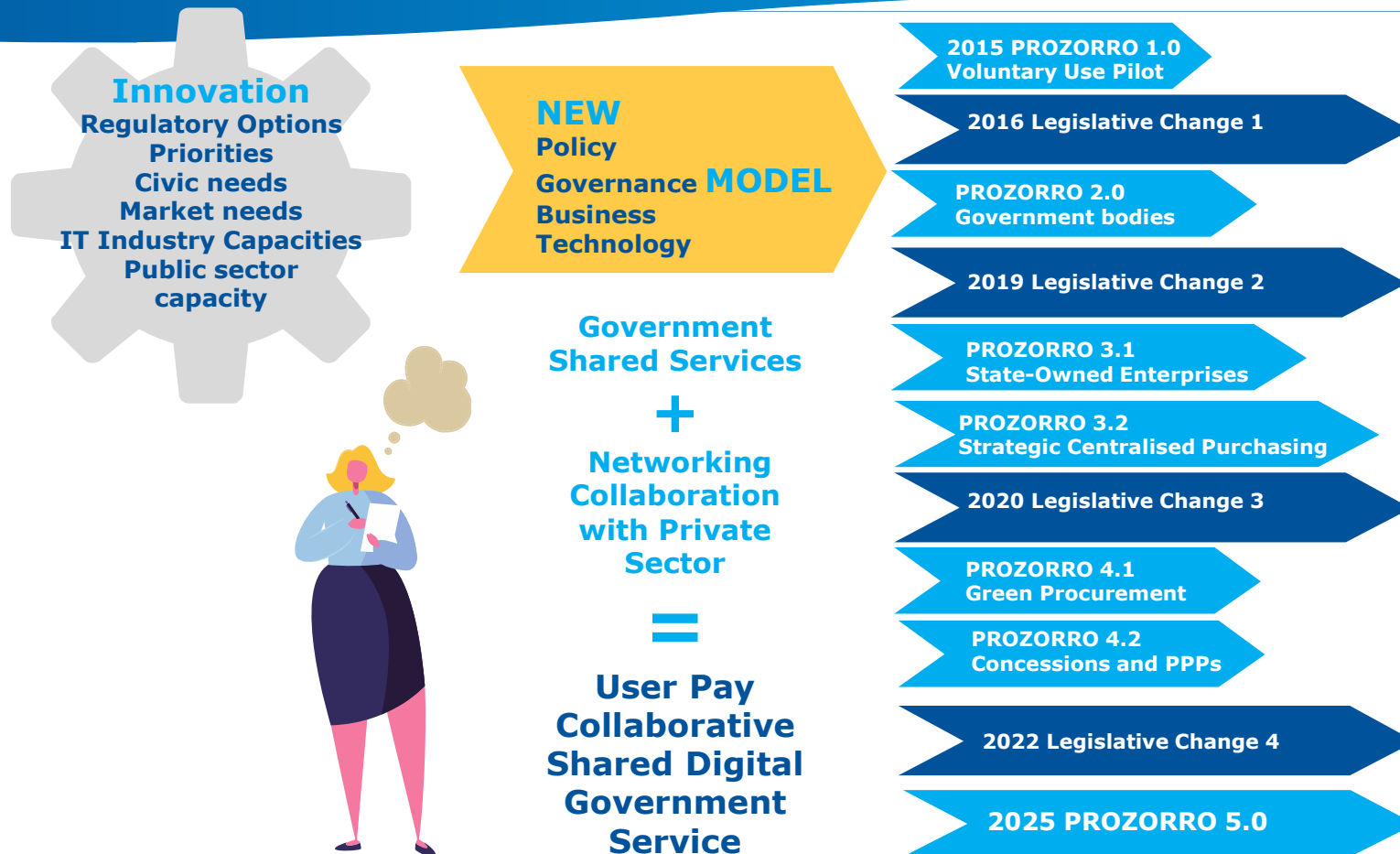Distributed architecture systems with process engine, micro services and open data instead of mono architecture and closed databases

Policy-To-Pilot Technical Cooperation to Transform Public Procurement in Ukraine

STRATEGY

GOVERNANCE

PRODUCTS AND SERVICES

TECHNOLOGY

INTEROPERABILITY

OPERATION AND DEVELOPMENT

End-to-End eProcurement

Planning & Preparation

Tendering

Contract

Contract Execution

Open Data

OCDS API

Data-Driven Tools and Services

Public Procurement Projects Overview

Innovation
Regulatory Options
Priorities
Civic needs
Market needs
IT Industry Capacities
Public sector capacity

NEW
Policy
Governance **MODEL**
Business
Technology

Government Shared Services

+

Networking Collaboration with Private Sector

=

User Pay Collaborative Shared Digital Government Service

2015 PROZORRO 1.0
Voluntary Use Pilot

2016 Legislative Change 1

PROZORRO 2.0
Government bodies

2019 Legislative Change 2

PROZORRO 3.1
State-Owned Enterprises

PROZORRO 3.2
Strategic Centralised Purchasing

2020 Legislative Change 3

PROZORRO 4.1
Green Procurement

PROZORRO 4.2
Concessions and PPPs

2022 Legislative Change 4

2025 PROZORRO 5.0

Key Prozorro Innovations

Whistle blowing on corruption

OCDS Explorer – open analytical tool

DOZORRO Red Flags for compliance monitoring

Online ex-ante monitoring for government monitoring units

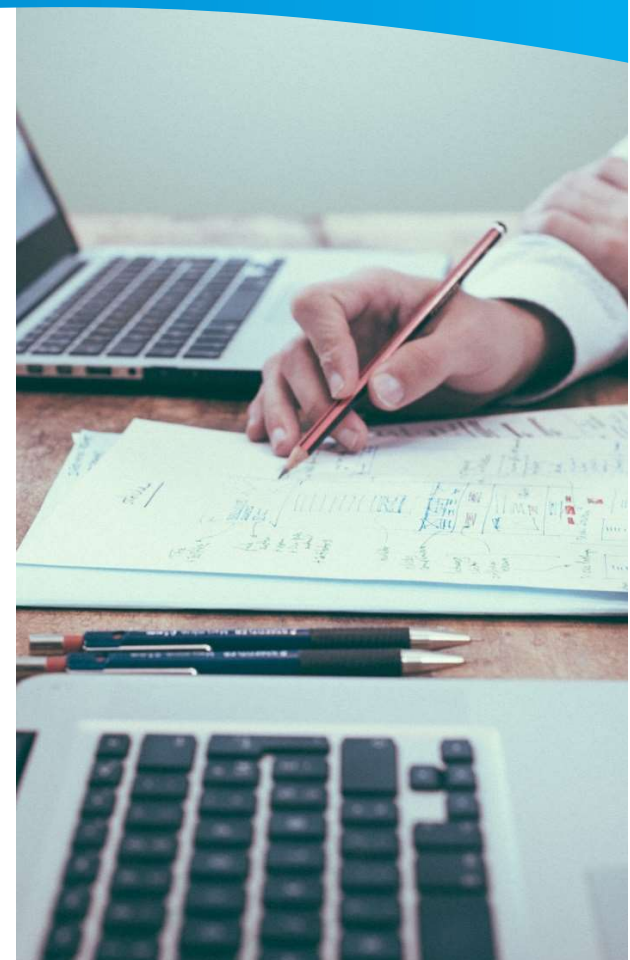**Business intelligence market analysis for suppliers**

Best Practices Index for public sector buyers

Strategic Centralised Procurement

Digital Green Procurement Toolkit

Ukraine – Digital Toolkit for Green Public Procurement (EBRD Green Cities)

Background: Since 2015 Ukraine intensively develops modern policies on energy efficiency and public procurement. New laws have been adopted in 2015 and 2016 respectively. A new modern e-procurement system (ProZorro) is used extensively (more than 180,000 public buyers is purchasing online) but number of public contracts awarded for environmentally friendly goods and services keeps low. The reason is that eco-friendly 'green' procurement is perceived by public buyers as very complex. Therefore, a pilot project designed digital tools that offer 'green by default' – built-in latest environmental standards into online purchasing instruments - technical specification builder, automated evaluation mechanisms with eco award criteria and e-catalogues with green products. Integration of this digital toolset in ProZorro eProcurement and a pilot with interested municipalities and Central Purchasing Body offered a new and very 'green' purchasing experience to both ministries and local government buyers.

Aim:
- Increase the visibility of new legislation on energy efficiency and green procurement among public bodies and encourage sustainability of commonly purchased goods such as lighting by public sector buyers in Ukraine;
- Improve the understanding of the complex energy efficiency evaluation by government, business, citizens and civil society organizations by showcasing easy to follow examples and practices;
- Implement online tools that simplify the 'green' procurement and allow for popular use of environmental-friendly technical standards and award criteria in the procurements conducted on ProZorro;
- Establish an analytical tool to track the performance of 'green' procurement, in terms of 'real' savings for the budget spent and for the environment

Technology:
- annual and lifetime electricity, financial savings and paybacks calculators integrated with ProZorro;
- a catalogue of energy efficient products available on the local market in order to enable easy online purchasing from e-catalogues integrated with ProZorro;
- online technical specification building tool integrated with ProZorro;
- business intelligence tool, with Open Contracting Data Standard (OCDS) data, extended to provide for 'green' criteria.

Expected results:
- Online technical specification builder with a catalogue of energy-efficiency products, integrated financial payback calculator and automated evaluation mechanisms is developed and adopted by the State-owned enterprise "ProZorro" and State Institution Centralized Procurement Body (SI CPB) "Professional Procurement" - https://bulb.eprocurement.systems
- Dedicated business intelligence tool to track energy-efficient products procurement performance and make evidence-based decisions for future procurement planning and policy-making is developed;
- At least 50 contracting entities procured energy-sensitive products using the developed tools and methodologies;
- New approach to procurement of energy-sensitive products is widely promoted by municipalities participating in the pilot, ProZorro SOE, and SI CPB "Professional Procurement"

Location
Ukraine
Ministry for Development of Economy, Trade and Agriculture of Ukraine
State Agency on Energy Efficiency and Energy Saving of Ukraine
ProZorro SOE

Pilot
'Green goods' policy built-in in the digital tools and integrated with national eProcurement system and included in the ProZorro Marketplace and Online Best Practice Library

Use case
- Procurement of energy efficient goods promoted by central purchasing and Green Cities municipalities
- Evidence-based reporting on budget and sustainability savings from green products

Key questions
- What is the total value of energy sensitive products procured via ProZorro in Ukraine?
- How to automate green procurement to remove its complexity and make it easy to popular use?
- What are the 'real' savings when energy-efficient evaluation method is used?
- How to track benefits of green procurement in public contracts for lighting equipment?

For more information:
https://bulb.eprocurement.systems

2015-2020 Prozorro Impact

USD 1430 M
State Budget Savings

260,000
Suppliers and
Contractors

40,000
Public Sector Buyers

78,3 %
Growing Participation by
Small Business

4,500,000 each year
Online Tenders

2,38 bids per tender
More Transparency,
More Competition

7,800,000 each year
Public Contracts

**Emerging
Technologies**

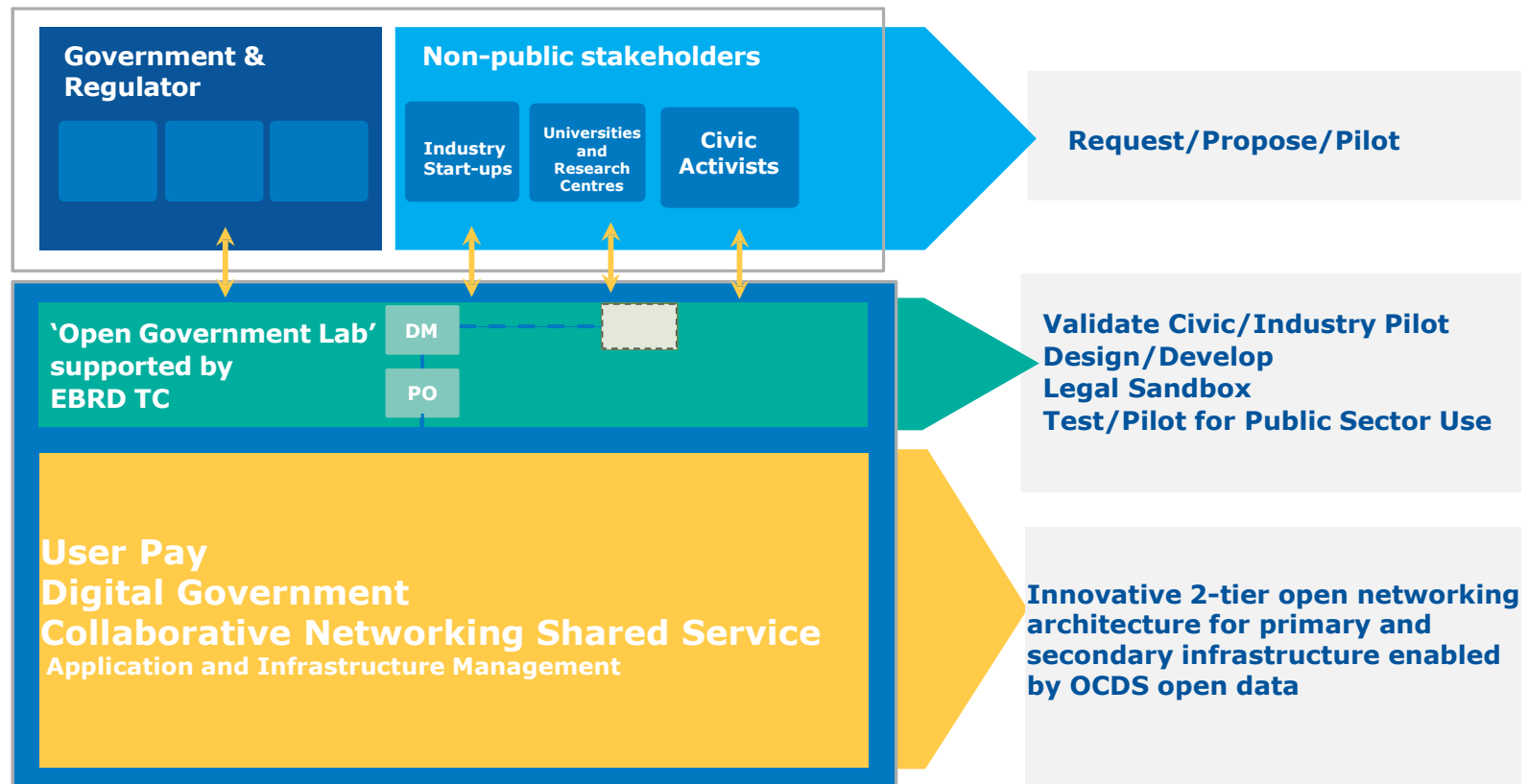**Networking Online
Market**

**Citizens and
Business Feedback of
of Less Corruption**

**5 International
awards for innovation**

What we learned from Prozorro to better assist other EBRD region governments?

Government & Regulator

Non-public stakeholders

Industry Start-ups

Universities and Research Centres

Civic Activists

Request/Propose/Pilot

'Open Government Lab' supported by EBRD TC

DM

PO

Validate Civic/Industry Pilot Design/Develop
Legal Sandbox
Test/Pilot for Public Sector Use

User Pay
Digital Government
Collaborative Networking Shared Service
Application and Infrastructure Management

Innovative 2-tier open networking architecture for primary and secondary infrastructure enabled by OCDS open data

Contacts

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More about the **EBRD UNCITRAL Public Procurement Initiative** can be found at
http://www.ppi-ebrd-uncitral.com/