Open Contracting Partnership

Ukraine S&L: MEL Framework

Theory of change

The Open Contracting Partnership is supporting ProZorro stakeholders in Ukraine through capacity delivery, learning and network building on open contracting so that they can implement a **public contracting system that is efficient, effective, transparent and accountable. Increased openness of the public procurement system will contribute to market fairness, integrity and value for money. This will ultimately enhance public trust and international trade integration.**

Based on the theory of change, the showcase and learning project has the following **impact objectives:**

I. Measurable improvements in outcomes **(value for money, integrity and market fairness**) resulting from increased disclosure, data use and feedback mechanisms.
II. Increased levels of GPA/EU trade integration.

Based on the OCP learning plan, below are definitions of value for money, market fairness and integrity:

Value for money is the ability of the procurement system to get the right goods, works and services at the right price, and the efficiency of the procurement system in doing so. This includes how open contracting affects the quality of goods, works and services (generally sector-specific); costs of commons goods, works and services; and administrative or transactional efficiency of the procurement system (including labor, IT and contract management costs on government buyer and private sector supplier side).

Market fairness is businesses' ability to access opportunities on a level playing field. This includes how open contracting affects the willingness of companies to bid, time taken to prepare bids and perceptions of fairness.

Integrity is the level of fraud and corruption within public contracting. This includes the open contracting system's ability to detect "red flags" and incidence of "red flags" detected, as well as investigations and media reports (recognizing that detection rates may rise as data improves and that this could be portrayed negatively).

Summary of progress as of July 2017

Baseline data: January 2014 - December 2014
Progress data: January 2015 - July 2016 (unless otherwise specified for individual indicators)
Final indicators: August 2016 - July 2017

In the second year of its operation the Prozorro system signals maturity - the e-procurement platforms (marketplaces) are in an ever-growing use, the ecosystem of monitoring organizations is sizeable and available tools (bi.prozorro.org, dozorro.org, for example) attract substantial traffic. The general volume of procurement in Ukraine grew exponentially (from almost 84 thousand lots in 2015-2016 to over 304 thousand lots in 2016-2017) and the base of participants almost doubled.

In terms of monitoring, evaluation and learning, the second year of operation allowed to see some meaningful patterns and more trustworthy indicators, as opposed to the first year when it was more difficult to make conclusions about companies' behavior and monitoring patterns. This is the first time we are collecting data more than 2 years post-adoption of an open contracting system. While the initial spark may have been predictable, now we are getting a better idea of what long term sustainability could look like.

Below is a short update of progress across four areas we have been watching: legislation, data quality, engagement & feedback and impacts.

Legislation
There were no notable changes impacting open contracting legal/policy environment. However, in the time of writing, the High Rada is considering a new draft law that will introduce the official monitoring mandate and create legal basis for the use of procurement risk indicators. In addition, a consultation process is currently being conducted to introduce complaint redress mechanisms for below threshold procedures. So far, none of these affected our MEL indicators, but we will keep our eyes open for any policy changes to come in 2018.

Data quality
Since there were no notable changes in Prozorro data, we used the same OCDS evaluation report conducted in March 2017, that shows high levels of implementation of and compliance with the OCDS. The recently updated report, however, recommends a series of further steps to improve data disclosure, such as publishing project IDs, unit prices, etc. The report is submitted to Prozorro partners only and is not intended to be shared publicly.

Engagement & feedback

By July 2017, we have finally been able to reflect on outcomes of www.Dozorro.org - the intended one-stop-shop for procurement monitoring in Ukraine. In brief, there is solid traffic of Ukrainians (more than 133 thousand users since November 2016) using it to get the latest information on public procurement monitoring and for giving feedback (there have been almost 14 thousand feedback instances recorded). However, using quantitative indicators in this case may be misleading, since Transparency International Ukraine, an organization running www.dozorro.org, are in the midst of a strategy shift and in 2018 will focus on increasing monitoring & feedback **quality**: conducting trainings for selected CSOs and working to make sure Dozorro creates more impact with less volume of monitoring & feedback instances. However, this does not mean that the general public attention to public procurement is not important - it preserves integrity and ensures general oversight of the system. Interestingly, the general attention flow as measured by number of google queries almost doubled from the year 2016 (it grew by around 90%), signalling that the general population cares about the matter of public funds (indicator 3g).

Notably, since July 2016, there were 12 new marketplaces created (from eight to twenty in total in July 2017) (indicator 3d). We think this is a significant improvement, since it shows that growing volumes of available data do in fact translate into more businesses. Many of these marketplaces not only facilitate participation in procurement, but also sell market research and analysis services that are based on available OCDS data. This certainly encourages Ukrainian policy leaders to keep on the openness track since now many businesses depend on timely data disclosure.

Interestingly, complaints to the AntiMonopoly Committee (an institution responsible for feedback redress in public procurement) grew by 2.5 times (from 142.4 to 408.7, indicator 3h). Cancelled tenders more than doubled (from 18.1. To 43.8, indicator 3j). Amended tenders tripled (from 21.8 to 63.7, indicator 3k). Complaints that end in criminal/civil procedures grew too by almost double: from 36.3 to 56 (indicator 3l). When participants complained to procuring entities, the share of satisfied claims grew modestly from 30.7% to 35.9% (indicator 3n). Although these growth patterns are significant, they can likely be attributed to a general growth of procurement volume. However, the readiness of participants to use redress mechanisms is more than evident.

When we developed the MEL framework in 2016, we were prepared to watch the growth of newly established monitoring units within local governments - we see that after two years, no municipality created a formal oversight unit. However, 21 local administrations and 61 control institutions created their monitoring accounts at bipro.prozorro.org, indicating that they started data-based monitoring on their own. Also, seven institutions drastically changed their monitoring practices (hired new staff, use www.dozorro.org for monitoring, etc.), with four of them being large state owned enterprises (indicator 3q). In addition to that, data shows that in line with our findings in July 2016, responsiveness of institutions still play a big role in running procurements successfully - when an institution responds to queries, it increases the chances of procurement being successful by around 5% (indicator 3v). Considering the significant volume of overall procurement, this figure can have a meaningful impact onprocurement quality.

Impact: market fairness
Average number of bidders per tender lot for the period dropped from 2.77 to 2.32 (indicator 4.1c). This can be interpreted in multiple ways. First of all, there was a significant growth of overall volume of procurement and the amount of bidders did not grow proportionally as fast. Although worth mentioning that on average, each procuring entity had 2 new suppliers since July 2016 (the average grew from 9.4 to 11.4, indicator 4.1d). Secondly, we see that companies get better at picking the right tenders to participate in, since their success rate is growing. We see the majority of companies do not leave the system once they participate in a procurement. Around 60% of them bid at least one other time and many companies participate in more than eight tenders, showing that the system satisfies their expectations and with growing experience they pick their fights better.

Notably, procurement value awarded by competitive procedures grew from 28.4% to 69.1%. While such significant turbulence of this indicator can be attributed to the fact that back in 2016 the system was still very new, the fact that 7 out of 10 Ukrainian Hryvnias are awarded through competition certainly indicates that Ukraine remains on the right track to expose all possible public funds to a market competition.

Impact: value for money
Although with notable caveats, we used savings methodology (a difference between contract value estimate and contract value) to measure (1) potential virtual savings by the procurement system and (2) quality of planning.

Since July 2016, savings dropped from 14.1% to 9.22% (indicator 4.2a). We believe that quality of planning increased and that procuring entities are able to use data to develop better budget estimates. We also reconfirm our interim finding that competition pays off. Potential savings clearly go together with more bidders - in tenders with more than 5 bidders, savings grew up to 30% (indicator 4.2d).

Impact: Integrity
Unfortunately, we do not have data that would be methodically accurate and show the progress in corruption perception of businessmen in Ukraine (the USAID survey that we used for baseline and progress indicators was not conducted since July 2016). However, the recent survey conducted by Transparency International Ukraine and Prozorro is very encouraging: 72% of respondents believe that Prozorro reduces corruption in public procurement in Ukraine. 80.8% of respondents said the system has improved with Prozorro.

Methodology & summary of changes to indicators
Indicators that were based on Prozorro OCDS data were calculated from the full dataset downloaded on 21 August 2017. Note, data related to *limited reporting* procedure was not taken into account, since it is being conducted outside the Prozorro system and is only reported to Prozorro retroactively. With regards to tender / lots the data covers all procurements announced and finished during the reporting period with an exception of indicators related to claims and complaints - since we are interested in outcomes of claims / complaints even after tenders close.

Depending on relevance and having observed the changes over time, we decided to change the wording or calculation method of the following indicators:

3n. Share of satisfied claims: we changed this indicator from "Total number of satisfied claims" to calculate relative numbers of satisfied claims as opposed to absolute numbers.

4.1b Average number of unique suppliers per procuring entity: we have updated the calculation methodology and thus the progress and final indicators to make sure we reflect the fact that a company can sell goods/services/works to multiple procuring entities, so we used an additional layer of data;

Also, having discovered shortcomings of the existing MEL framework, we decided to include few new indicators:

3q Number of state institutions changing their monitoring practices: this indicator measures how many state entities change their procurement monitoring and feedback redress practices in terms of (1) new budget allocations and hiring additional staff, (2) changing their internal monitoring procedures, (3) creating monitoring account at bi.prozorro.org and (4) using dozorro.org to gather feedback to their procurements. This indicator is meant to enrich the current framework that up to now focused only on formal establishment of the monitoring unit on a local level.

4.1a Total amount of completed tender lots: this indicator is meant to give us a larger picture of the procurement volume in Ukraine. We felt a need of this when we detected growing absolute numbers of feedback and redress that could be explained by the overall procurement volume growth.

4.1b Total amount of completed tender lots above threshold: ibid.

OPEN CONTRACTING ENVIRONMENT ASSESSMENT AND MONITORING PROGRAM OUTCOME & PROZORRO IMPACTS INDICATORS

Category	Baseline (February 2015)	Progress as of July 2016	Progress as of July 2017 (to be filled in August '17)	Metricization
1. Legal Framework Indicators				

Legal environment enables open contracting ***Touchstone: "We will know legal environment enables open contracting when it recognizes the right to, and provides for, disclosure of information related to planning, procurement and implementation of public contracts and when it allows for an effective engagement in public contracting "***				
1a. The **law/regulations/policy recognize the right of the public to access information related to the**: a. planning; b. procurement and c. implementation of all types of public contracts.	**Evaluation: 3 points** The Public Procurement (PP) 2014 law provides for such right. Article 9. Civil Society Control in the Field of Public Procurement Baseline: 2014 PP Law	**Evaluation: 3 points** The PP 2015 law did not update Article 9 of the previous law. Progress: 2015 PP Law	**Evaluation: 3 points** There were no notable developments in the field. Progress: 2015 PP Law	0= No access right for any phase 2= Full access to some (but not all) phases, or only limited access 3 = Full access to all phases with minor shortcomings 4= Full access to all phases
1b. The laws and regulations governing public procurement are **available for free without log-in restriction on a government page** and p**rovide the key details for the planning, procurement, and implementation of public contracts, including requirements related to disclosure of information and participations of stakeholders.**	**Evaluation: 2 points** Before 2014 laws and sublegal acts were available online, but not easy to read and user friendly - PPL contained more than 10 public procurement procedures and language of the law was strictly legal and complicated. Baseline: 2014 PP Law	**Evaluation: 4 points** Laws posted online & comprehensive (not only the current legislation, but the draft versions of all normative acts, regulating public procurement), are available online , providing the users the possibility to comment: laws and regulations, draft legislation. Progress: 2015 PP Law	**Evaluation: 4 points** There were no notable changes in the policy area. Progress: 2015 PP Law	0=Not freely accessible 2= Freely accessible, but missing some key details about at least one phase 3= Freely accessible with minor shortcomings 4= Freely accessible and not missing any key details about any phase
1c. The law requires publication of the following: ● Procurement Plans ● Tender Notices ● Bidding Documents	**Evaluation: 2** Procurement plans, bidding documents and implementation details were not required by law pre-2015. Tender notices, award notices and contracts were required by law and published by SOE Vestnik, but	**Evaluation: 4** PPL requires publication of all required information. Articles 2, 4.1 & 10.	**Evaluation: 4** There were no notable developments in the field. Progress: 2015 PP law	0= Law requires publication of none 2= Law requires publication of some, but not all 3= Law requires

● Award Notices (including Winner, Price, Reasons and Non-Competitively Awarded Contracts) ● Full Contracts including Technical Specifications ● Implementation Details	in non- machine readable formats. Baseline: 2014 PP law	Progress: 2015 PP law		publication of all with minor shortcomings 4= Law requires publication of all
1d. Legal/policy provision providing for citizen consultation, observation, and monitoring, in the a) planning; b) procurement; or c) implementation of public contracts.	**Evaluation: 2** 2014 PP law did not specify behaviors & phases, but Article 9 stipulated for full access to the public procurement data to exercise civil society control in the field of public procurement. Baseline: 2014 PP law	**Evaluation: 2** 2015 PP law did not include new provisions explicitly mentioning consultation, observation and monitoring, nor did it mention stages of procurement. Progress: 2015 PP law	**Evaluation: 2** There were no notable developments in the field. Progress: 2015 PP law	0= No provision available 2= Provision available, but only for either certain behaviors, or certain phases 3= Provision available with minor shortcomings 4= Provision available for all behaviors and phases
2. Quality and Completeness of Published Information Indicators				
Opening high quality contracting data ***Touchstone: "We will know the disclosed data is of high quality and complete when it is in compliance with the OCDS and published in a timely manner"***				
2a. **Information** related to the planning, procurement, and implementation of public contracts, including - Procurement Plans - Tender Notices - Bidding Documents - Award Notices (including Winner, Price, Reasons and including Non-Competitively Awarded Contracts)	Helpdesk evaluated sample data set. Only tender stage available and data failed to comply with the OCDS. Evaluation report Baseline: November 2015 helpdesk evaluation report	Basic 94%, Intermediate 62%, Advanced 27% Evaluation report Progress: March 2017 helpdesk evaluation report	Basic 94%, Intermediate 62%, Advanced 27% Since there were no notable developments of Prozorro OCDS data, we used the March 2017 evaluation report Progress: March 2017 helpdesk evaluation report	Helpdesk evaluation report through three evaluation metrics: compliance with basic, intermediate & advanced OCDS.

- Full Contracts including Technical Specifications - Implementation Details **is being published in a timely manner and in compliance with the OCDS**				
3. Engagement & Feedback Indicators				
Sustaining use and development of the open contracting data and portal ***Touchstone: "We will know the portal (www.dozorro.org) is being developed and used at its full potential when we see high levels of monthly portal sessions, data driven monitoring and reporting that uses the portal and growing levels of trust by portal users in public procurement. We will know procurement data is used at its full potential when we see tools built on top of it, general interest from society growing and quality of feedback redress growing"***				
3a. Percent of monitoring platform users who believe that the system helps increase competition and achieves value for money	Not available	Not available	13,72%	Online questionnaire question "Do you think the system helps increase competition and achieves value for money?"
3b. Percent of monitoring platform users who believe that the system is fair and free of corruption, beneficial treatment and corrupt requirements	Not available	Not available	15,26%	Online questionnaire question "Do you believe that the tender you participated is fair and free of corruption?"
3c. Percent of monitoring platform users who report that they clearly understand requirements for to-be-purchased goods and services	Not available	Not available	37,18%	Online questionnaire question "Were requirements of the tender clear?"

3d. Number of online tools developed using OCDS Prozorro data	0	14 8 private marketplaces 4 others are monitoring tools: www.acm.ua.org, www.youcontrol.com.ua, www.007.org.ua, www.z.texty.org.ua 2 BI tools: www.bi.prozorro.org, bipro.prozorro.org)	31 **20 marketplaces (source)** www.acm.ua.org, www.youcontrol.com.ua, www.007.org.ua, www.z.texty.org.ua www.bi.prozorro.org, bipro.prozorro.org) www.dozorro.org https://clarity-project.info https://opendatabot.com http://cep.kse.org.ua/article/amendment-to-the-contract/tool3.html http://cep.kse.org.ua/article/cpv/	Count of unique tools developed
3e. Number of public (official) feedback redress mechanisms in matter of public procurement	9	11	11[1] Questions: 1. *Asking the question through e-cabinet – available for registered in ProZorro users.* 2. Send a letter or e-mail to the organizer – available for any person. Claims/complaints: 3. *Submit the claim to the organizer of the tender through the e-cabinet – available only for registered in ProZorro users.* 4. Send a letter or e-mail to the organizer – available for any person. 5. Send a letter or e-mail to the organizer's managing entity – available for any person. 6. Submit the application for inspection to the State Audit Service (government body established based on the State Financial Inspection in October 28th, 2015) – available for any person. 7. Submit the application for inspection to the Accounting Chamber of Ukraine (if the procurement entity spends money from the state budget) – available for any person. 8. Submit a claim to the court to cancel the contract – available for any person. 9. Submit a complaint to the Antimonopoly Committee of Ukraine – available for any person. In case of uncompetitive behavior of other participants:	Count of unique feedback redress mechanisms

[1] Additionally, some of the gov. entities intensified their involvement into the PP process (National Police and State Treasury Service of Ukraine) or going to be more involved (National Agency on Corruption Prevention - monitoring the conflict of interests)

			10. Submit a claim to the AMCU. 11. If the person that submitted the claim is not satisfied with the AMCU's decision, he or she can submit a claim to the court.	
3f. Number of other feedback redress mechanisms (channels) created by NGOs/private sector (channels that help facilitate feedback from stakeholders to institutions)	0	1	1 (the Committee closed, but Dozorro came)	Count of unique mechanisms
3g. Number of monthly Google queries about "Prozorro" and its equivalents (total of 43 related keywords)	680 (January 2015)	108650 July 2016	191340 February 2017	Count of Google queries about "Prozorro" and its equivalents[2]
3h: Monthly average number of complaints to the Antimonopoly Committee[3]	77.5	142.4	408.7	Count of monthly average complaints
3i. Index of satisfactorily resolved complaints	1.56	1.8	1.75	Count of satisfied complaints / count of not satisfied complaints

[2] List of Google keywords used for calculation: прозорро, prozorro, прозора, сайт прозоро, система прозоро, прозоро гов юа, державні закупівлі прозоро, прозорро сайт, прозоро, прозоро тендер, прозоро сайт, прозоро електронні закупівлі, держзакупівлі прозоро, електронні закупівлі прозоро, прозоро майданчики, прозоро закупівлі, публічні закупівлі, prozorro сайт, прозоро закупки, закупівлі прозоро, прозоро державні закупівлі, тендер прозоро, сайт прозорро, prozorro реєстрація, система електронних державних закупівель prozorro, публічні закупівлі прозоро, прозоро реєстрація, програма прозоро, прозора тендера, prozorro отзывы, прозора торги, система закупівель прозоро, prozorro закупки, система електронних торгів прозоро, прозоро пром, pro zorro, prozorro 2.0, прозора юа, bi prozorro, прозорро орг, система прозоро 2016, prozorro ukraine, prozorro что это;

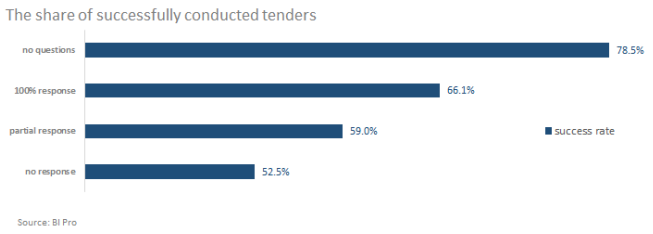
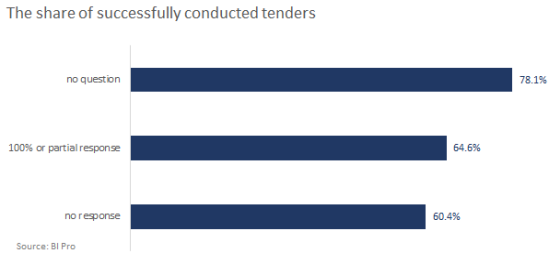
[3] We changed the wording of the initial indicator to measure monthly average number of complaints as opposed to total number of complaints to ensure valid comparison between full baseline period (year of 2014) and the progress period (January 2015 - July 2016).

3j: Monthly average number of cancelled tenders as a result of complaints submitted to the Antimonopoly Committee[4]	11.4	18.1	43.8	Monthly average (total tenders cancelled/ total number of months) of cancelled tenders
3k: Monthly average number of amended tenders associated with complaints submitted to Antimonopoly Committee[5]	16.7	21.8	63.7	Monthly average (total amended tenders / total number of months) complaints
3l: Monthly average number of complaints that end in civil/criminal punishment[6]	35	36.3	56	Monthly average (total complaints / total number of months) of court orders related to Art 164 of the PP law
3m. Total number of claims by procurement participants to procuring agencies (tracked in the system)	Not available	2.2 K	29.5K	Count of unique claims from procurement participants to agencies tracked by the system
3n. Share of satisfied claims against all claims	Not available	30.7%	35.9%	Percentage of satisfied claims against all claims
3o. Total number of legal/policy implemented	0	2	3 1. Establishing the State Audit Service (SAS) in October 2015.	Count of policy changes that can be (in)directly attributed to monitoring

[4] We changed the wording of the initial indicator to measure monthly average of cancelled tenders by the Antimonopoly Committee as opposed to total number of cancelled tenders to ensure valid comparison between full baseline period (year of 2014) and the progress period (January 2015 - July 2016).
[5] We changed the wording of the initial indicator to measure monthly average numbers of amended tenders as opposed to total number of amended tenders to ensure valid comparison between baseline period (year of 2014) and the progress period (January 2015 - July 2016).
[6] We changed the wording of the initial indicator to measure monthly average complaints that end in civil/criminal punishment as opposed to total number of such complaints to ensure valid comparison between baseline period (year of 2014) and the progress period (January 2015 - July 2016).

changes that improve open procurement environment			Among other things, the SAS is responsible for monitoring and inspection of public procurements, control over compliance with the legislation on public procurement etc. 2. Establishing the Analytics module – the tool which society can use to monitor the public procurement system and influence its development. (available to any person (bi.prozorro.org)) & Establishing the Professional Analytics module. (available to the owner of login and password. (bipro.prozorro.org)) 3. Implementation of CPV (common procurement vocabulary) aimed to harmonize classification system for public procurement with intentional standards (MEDT's decree:: http://zakon3.rada.gov.ua/laws/show/z0448-16)	work
3p. Total number of newly established monitoring units within local governments	0	0	0[7]	Count of unique newly established monitoring units
3q: Number of state institutions changing their monitoring practices	0	1	7 1. Kyiv municipality 2. Mariupol municipality 3. Vinnytsia municipality 4. Ukrposhta 5. Ukrgazvydobuvannia 6. Ukrtransgaz 7. Energoatom	Count of unique institutions that: (1) hire new staff for monitoring, (2) change their internal procedures (3) create monitoring account at bi.prozorro.org and (4) use dozorro.org to gather feedback to procurement.
3r. Number of NGOs that monitor public procurements		**30**	**50**	Number of NGO that monitor public procurements (based off interviews with local experts)
3s: Number of monitoring accounts within local	0	57	179	Count of local bi-prozorro.org PRO

[7] For more details look at the narrative part.

governments / other groups at biPRO.prozorro.org[8]				accounts Results table: count of specific organization / total of organizations
3t.Number of professional monitoring tool (bipro.prozorro.org) users, their distribution among the groups of users and activity.	0	107 users	229 users	Number of active users during last 3 months of the period
3u.Number of public monitoring tool (bi.prozorro.org) sessions	0	11160 sessions	12983 sessions	Number of sessions at bi.prozorro.org
3v. Correlation between responsiveness and success of tenders (i.e. tenders conducted without cancellations, amendments or delays)				Correlation between responsiveness and success for tenders. “No responsiveness” is used as a baseline and “100% responsiveness” used as progress indicator.
4.IMPACT INDICATORS				
4.1 Market fairness				

[8] We included this indicator when discovered that as opposed to establishing formal monitoring units, a number of local actors (including city/regional councils and administrations) registered for a monitoring account at bi.prozorro.org PRO tool that allows them to monitor local public procurement.

Encouraging market fairness in public procurement system ***Touchstone: "We will know market fairness in public procurement is improving when we see increasing competition levels in procedures that are increasingly being carried out through competitive methods, and when procurement participants effectively utilize redress mechanisms to perform controlling and monitoring functions."***				
4.1a Total amount of completed tender lots		*83.8 K*	*304.2 K*	Count of total completed tenders lots for the period
4.1b Total amount of completed tender lots above threshold		*3.1 K*	*113.5 K*	Count of total completed tender lots above threshold
4.1c Average number of bidders per tender lot ToC: When the average number of bidders per tender is more than 2, it may indicate that there is no sole-sourcing and that tenders ensure fair competition. This indicator tends to grow with growing confidence levels.	2.01	2.77	2.32	Avg count of bidders/tender lo) Avg count of bidders per lot
4.1d Average number of unique suppliers per procuring entity ToC: Rotating suppliers and larger number of suppliers per entity are measure of system openness and competition	1.71	9.4	11.4	Avg unique count of suppliers/ PE
4.1e Percent of all tenders (quantity of lots) above threshold	100%	4%	37.3%	Count of procedures above/All tenders

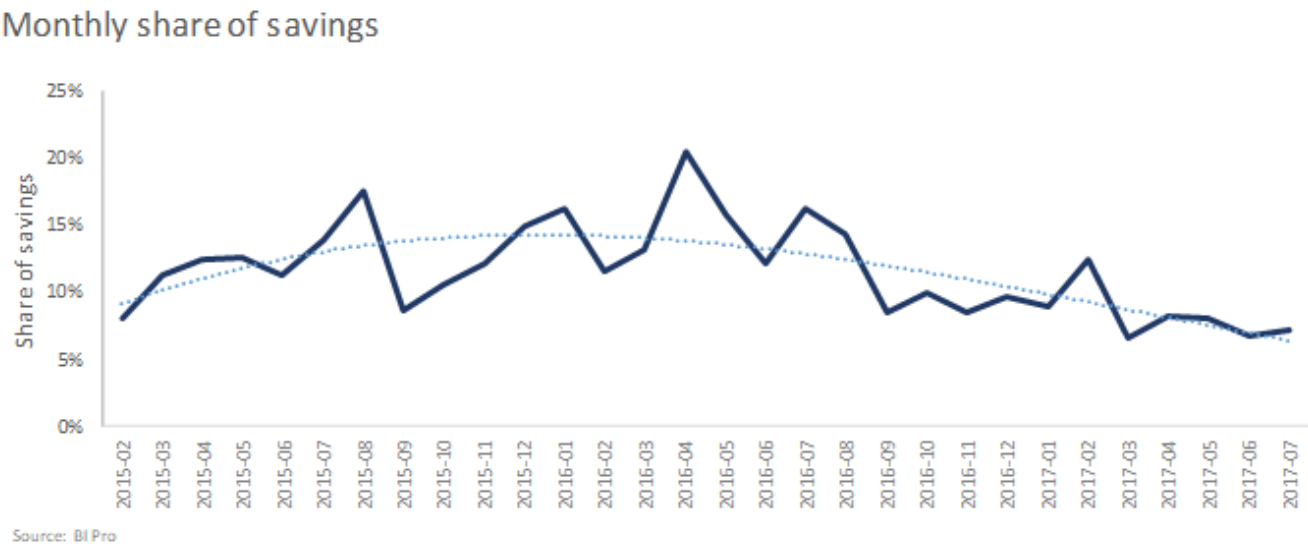
ToC: The more tenders there are above threshold, the more transparency and clarity there may be.				
4.1dfPercent (number and value) of procurement contracts awarded by means of competitive procedures ToC: Use of competitive procedures may allow easier access for market participants to public procurement and, therefore, may result in increased competition.	2%	84.7%	59.2%	Count of competitive/ All tenders *Above threshold
4.1g Percent of procurement value awarded by competitive procedures[9] ToC: May indicate easier access to procurement tenders for market participants and can result in increased competition.	24.5%	28.4%	70.3%	Procurement value awarded by competitive procedures/ all procurement value *Above threshold
4.1h Numbers of new bidders in a system ToC: New bidders may indicate increased trust in	0	19.9 K	31K Total: 50,8	Count of new bidders in Prozorro system

[9] This indicator was introduced during the first progress report in March 2017. While 4.1d above (percent of competitive procedures) is a valid indicator, measuring value of tenders awarded by competitive procedures can indicate how much of total procurement value is displayed for competition.

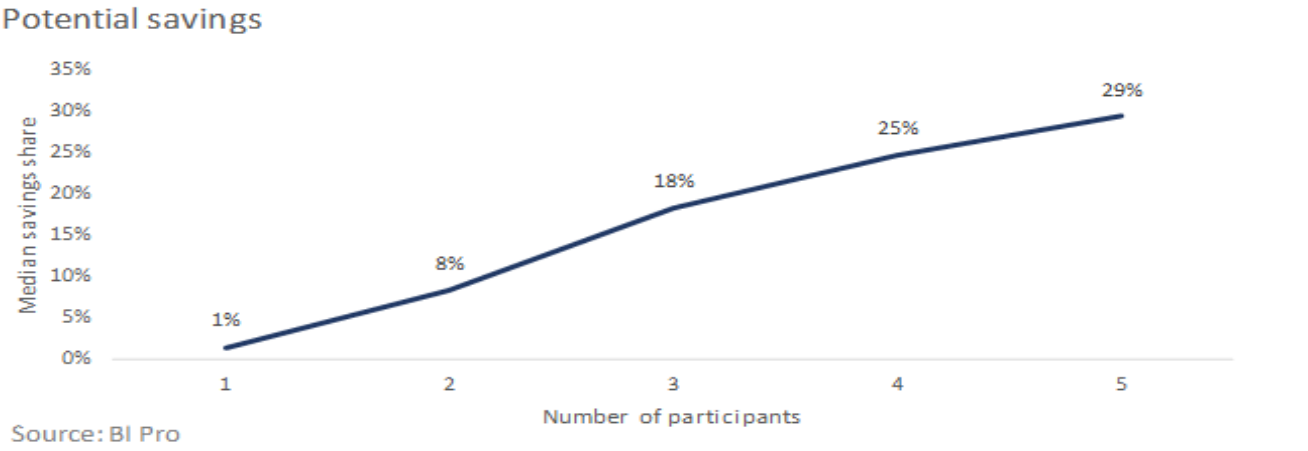
the system by private sector.				
4.1i Number of new suppliers in a system (percentage of growth) ToC: New suppliers may indicate system openness and competition.	0	12.6 K	26.1K Total: 38,7	Count of new suppliers in Prozorro system
4.1j Share of lots with claims ToC: Use of claim mechanism redress may indicate trust in these mechanisms and ensures that market participants perform monitoring and controlling functions that are important in helping authorities follow public procurement procedures diligently. We do not aim to encourage significant growth of this indicator, but stable and present numbers are essential.	N/A	1.2%	4.3%	Avg (count of lots with claims/ all lots) Share of lots with claims in the total number of lots
4.1k Numbers of EU / GPA bidders ToC: Increasing amounts of international procurement participants may indicate that	0.15%	0.2%	0.2%	Count of EU and GPA bidders/ all bidders

system openness can result in increased competition.[10]				
4.2. VALUE FOR MONEY				
Encouraging value for money in public procurement system ***Touchstone: "We will know value for money in public procurement is improving when we see decreasing goods / services prices (without quality suffering) and when we track evident savings in procuring good and services."***				
4.2a Total percent savings (difference between value estimate and contract value) ToC: Value for money is strengthened when procuring entity can buy a required quality good/service for a lower price and thus generate savings. Generally, the higher competition, the lower price and the higher value for money is ensured.	0	14.1%	9.13%	(Contract value avg - estimate value avg)/estimate value avg *(finished competitive procedures)* 100*(total sum of estimate value - total sum of contract value)/total sum of estimate value
4.2b Total savings (difference between value estimate and contract value) ToC: Value for money is strengthened when procuring entity can buy a required quality good/service for a lower	0	3.2 bn UAH	UAH 21.3 bn	estimate value total-Contract value total *(finished competitive procedures)*

[10] The initial indicator also included a measure of Ukrainians firms bidding and winning in GPA & EU procedures abroad. Due to a lack of access to the relevant data, we were unable to measure this indicator. We are working with both the GPA and EU to be able to get easier access to the relevant data and measure progress in August 2017.

price and thus generate savings. Generally, the higher competition, the lower price and the higher value for money is ensured.				
4.2c Percentage of potential savings per month ToC: May indicate better planning, (e.g.,more accurate prize estimations). [11]				Total monthly value estimate - total monthly contract value)/Total monthly value estimate
4.2d Correlation between number of bidders and potential savings ToC: May indicate that competition encourages savings as procuring entities can buy required good/service for lower price.				Correlation between amount of bidders and tender savings

[11] This indicator was included during the first progress report in March 2017, when data revealed an interesting trend - savings decreased over time, confirming our assumption, that savings may decrease once planning improves.



4.3 INTEGRITY

Encouraging integrity in public procurement system

Touchstone: "We will know integrity in public procurement is improving when we see increasing levels of trust in procurement system and when there is an equal chance to win a bid for all qualified procurement participants"

4.3a Percent of public procurement participants who trust procurement system and believe it is fair and free of corruption ToC: Increasing trust in a system by those already participating is crucial in sustaining stable bidder/supplier base. Additionally, because public procurement participants are typically integrated into the overall market, their high	54%	29%	Not available	USAID representative sociological survey question "is corruption an obstacle in the public procurement in Ukraine?"

confidence levels could contribute to higher confidence levels by potential participants.				
4.3b Proportions of large/medium/small/micro business within bidder/winner base in public procurement[12] ToC: This indicator may signal system openness towards bidders of all sizes.	Not available	<table><tr><th></th><th>Bidders</th></tr><tr><td>large</td><td>1.7%</td></tr><tr><td>medium</td><td>5.6%</td></tr><tr><td>small</td><td>16.2%</td></tr><tr><td>micro</td><td>62.0%</td></tr><tr><td>not defined</td><td>14.6%</td></tr></table>	Not available	Percent of respective company sizes by number of employees
4.3c share of contracts with amendments	N/A	For all lots: 1.7% Above threshold: 27.4%	For all lots: 12.5% Above threshold: 28,2%	Contracts with amendments / all contracts Note: Entities are NOT obliged to report amendments

[12] This indicator was not in the initial framework - we included it once we discovered the distribution levels between large / medium, etc. business among bidders & winners of procurement. We can see that only 7-8% of them are large & medium enterprises, which is a positive message for small and micro entities entering the procurement market.