

## Open Contracting Partnership

### Showcase & Learning Project: Ukraine

### Monitoring, Evaluation & Learning Framework

This document is the Monitoring, Evaluation & Learning (MEL) framework of the Open Contracting Showcase & Learning (S&L) project in Ukraine. A brief description of project can be found [here](#), including the detailed [S&L project document](#) with background, key activities and timeline.

#### **In a nutshell**

In 2016, OCP together with Prozorro stakeholders co-designed a Monitoring, Evaluation & Learning framework (see below) that is to capture Prozorro reform impacts on procurement environment in Ukraine. It focuses on legislative progress, data publication improvements, contracting data use and resulting impacts on value for money, market fairness and integrity of procurement system.

In 2016, OCP collected baseline data on procurement legislation and data quality and submitted it together with the progress report to LJAF. In April 2017, the project team will publish the first impact report, including baseline data from before Prozorro reform together with the first progress data as of July 2016. The report will capture outcomes and impacts, including change in CSOs/public attention to procurement issues and institutional response, change in competition, procurement savings and levels of trust by the private sector and many others (see below). The second progress report capturing data as of July 2017, will be published in August 2017.

#### **Theory of change (ToC)**

The OCP 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 ToC, 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 trade integration with member countries of the WTO General Procurement Agreement /European Union.

Based on the [OCP learning plan](#), below are definitions of value for money, market fairness and integrity:

**Value for money** is 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 OC 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 OC affects the willingness of companies to bid, time taken to prepare bids, and perceptions of fairness.

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

## OPEN CONTRACTING ENVIRONMENT ASSESSMENT, MONITORING PROGRAM OUTCOME & PROZORRO IMPACT INDICATORS

Category	Monitoring method	Baseline (February 2015)	Progress as of July 2016	Progress as of July 2017	Responsible
<b>1. Legal Framework Indicators</b>					
<b>Legal environment enables open contracting</b> <i>Touchstone: "We will know the 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 "</i>					
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.	Desk research, interviews	<a href="#">See OCT '16 report</a>			OCP with assistance from PZ

1b. The laws and regulations governing public procurement are <b>available for free without log-in restriction on a government page and provide the key details for the planning, procurement, and implementation of public contracts, including requirements related to disclosure of information and participations of stakeholders.</b>	Desk research, interviews	<a href="#">See OCT '16 report</a>			
1c. The law requires publication of the following: <ul style="list-style-type: none"><li>● Procurement Plans</li><li>● Tender Notices</li><li>● Bidding Documents</li><li>● Award Notices (including Winner, Price, Reasons and including Non-Competitively Awarded Contracts)</li><li>● Full Contracts including Technical Specifications</li><li>● Implementation Details</li></ul>	Desk research, interviews	<a href="#">See OCT '16 report</a>			
1d. Legal/policy provision providing for citizen consultation, observation, and monitoring, in the a) planning; b) procurement; or c) implementation of public contracts.	Desk research, interviews	<a href="#">See OCT '16 report</a>			
<b>2. Quality and Completeness of Published Information Indicators</b>					
<b>Opening high quality contracting data</b> <i><b>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”</b></i>					
2a. <b>Information</b> related to the planning, procurement, and implementation of public contracts, including <ul style="list-style-type: none"><li>- Procurement Plans</li><li>- Tender Notices</li><li>- Bidding Documents</li><li>- Award Notices (including Winner, Price, Reasons and including Non-Competitively Awarded Contracts)</li><li>- Full Contracts including Technical Specifications</li><li>- Implementation Details</li></ul> <b>is being published in a timely manner and in compliance with the OCDS</b>	Helpdesk Evaluation report	<a href="#">See OCT '16 report</a>			OCP helpdesk with data provided by PZ

### 3. Engagement & Feedback in Practice Indicators

#### Sustaining use and development of the open contracting data and portal

***Touchstone: “We will know the portal ([www.dozorro.org](http://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.”***

3a. Percent of monitoring platform users believing that the system helps increase competition and achieve value for money	Monitoring platform feedback analysis				TI-Ukraine
3b. Percent of monitoring platform users believing that system is fair and free of corruption, beneficial treatment and corrupt requirements	Monitoring platform feedback analysis				
3c. Percent of monitoring platform users reporting that expectations towards to-be-purchased goods/services are clear	Monitoring platform feedback analysis				
3d. Monitoring tools created within the monitoring program	Desk research + interviews				
3e. Tools/analysis created outside the monitoring program, using Prozorro data	Desk research + interviews				
3f. Public (official) feedback redress mechanisms in matter of public procurement	Desk research				KSE
3g. Other feedback redress mechanisms (channels) created by NGOs/private sector (channels that help facilitate feedback from stakeholders to institutions)	Desk research				
3h. Number of monitoring reports in public by <u>companies, civil society, citizens and others</u>	Desk research + media monitoring				

This would capture public monitoring reports by civil groups, individual and private sector.					
Total number of complaints to the <b><u>complaints body (Antimonopoly committee)</u></b> (accumulated amount of complaints)	PZ data + FOI request				
3i. Amount of cancelled tenders <b><u>as a result of</u></b> complaint submitted to Antimonopoly committee	FOI request + interviews				
3j. Amount of amended tender ( <b>associated with</b> ) <b>complaints submitted to Antimonopoly committee</b>	FOI request + interviews				
3k. Amount of complaints that <b>end in civil/criminal punishment</b>	FOI request + interviews				
3l. Amount of claims by procurement participants to procuring agencies (tracked in the system)	FOI request + PZ data				
3m. Amount of cancellations thereof	FOI request + PZ data				
3n. Legal/policy implemented changes that can be contributed to monitoring & research done by civil society and/or private sector groups	Desk research + interviews + FOI request				
3o. Amount of newly established monitoring units within local governments	FOI request + desk research				
<b>4.IMPACT INDICATORS</b>					
<b>4.1 Market fairness</b>					
<b>Encouraging market fairness in public procurement system</b> <i>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 perform controlling and monitoring function by using redress mechanisms.”</i>					

<p><b>4.1a Average number of bidders per tender</b></p> <p>ToC: Average number of bidders per tender (more than 2) indicates that there is no sole-sourcing and that tenders ensure fair competition. This indicator tends to grow with growing confidence levels.</p>					TI Ukraine
	PZ data / twice a year				
<p><b>4.1b Average number of unique suppliers per procuring entity</b></p> <p>ToC: Rotating suppliers and larger number of suppliers per entity are measure of system openness and can eliminate grounds for distrust</p>	PZ data / twice a year				
<p><b>4.1c Percent of all tenders (quantity of lots) above and below threshold</b></p> <p>ToC: The more tenders there are above threshold, the more transparency and clarity around them there is. Prozorro aims to encourage procuring entities to operate in the light of law.</p>	PZ data				
<p><b>4.1d Percentage (number and value) of procurement contracts awarded by means of competitive procedures</b></p> <p>ToC: Use of competitive procedures allow for an easier access for market participants to public procurement and thus results in increased competition.</p>	PZ data				
<p><b>4.1e Amount of new bidders in a system (percentage of growth)</b></p> <p>ToC: New bidders (a) and repeat bidders (b) are measure of increased trust in the system by private sector</p>	PZ data				
<p><b>4.1f Amount of new suppliers in a system (percentage of growth)</b></p>	PZ data				

ToC: New suppliers are measure of system openness and eliminates grounds for distrust in a system					
<b>4.1g Amount of claims per lot</b>  ToC: Use of claim mechanism redress indicate trust in these mechanisms and ensures that market participants perform monitoring and controlling function that is 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.	PZ data				
<b>4.1h Amount of EU / GPA bidders/winners</b>  ToC: Increasing amounts of international procurement participants indicate system openness and can result in increased competition.	PZ data				
<b>4.1i Amount of Ukrainian firms bidding or winning in GPA &amp; EU procedures</b>  ToC: Increasing amount of Ukrainian firms competing and winning in GPA & EU procedures indicate Ukrainian business competitiveness and may be a result of increased exchange of information between systems.	TED, GPA				
<b>4.2. VALUE FOR MONEY</b>					
<b>Encouraging value for money in public procurement system</b> <i><b>Touchstone: “We will know value for money in public procurement is improving when we see decreasing goods / services prices (with no quality loss) and when we track evident savings in procuring good and services.”</b></i>					
<b>4.2a Average percent savings (difference between value estimate and de facto pay outs)</b>  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.	PZ data				

<p><b>4.2b Total percent savings (difference between value estimate and de facto pay outs)</b></p> <p>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.</p>	PZ data				
<b>4.3 INTEGRITY</b>					
<p><b>Encouraging integrity in public procurement system</b></p> <p><i><b>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”</b></i></p>					
<p><b>4.3a Public procurement participants trust procurement system and believes it is fair and free of corruption</b></p> <p>ToC: Increasing trust in a system by those already participating is crucial in sustaining stable bidder/supplier base. In addition, because public procurement participants is not an isolated market segment and normally is integrated into overall market, high confidence levels by participants can impact higher confidence levels by potential participants, which is important in further competition growth.</p>	Representative survey conducted by Prozorro + Survey results from the monitoring portal/ once a year				TI Ukraine
<p><b>4.3b Average win/all bid ratio across all bidders. Disaggregated by company size, if possible</b></p> <p>ToC: High proportion between participation and winning can attract more procurement participants thus growing confidence and competition levels.</p>	PZ data				
<p><b>4.3c Positive v negative media reports</b></p> <p>ToC: Positive perception of Prozorro by media can result in higher trust in it by the general public and private sector, thus creating prerequisites for further competition growth.</p>	Media monitoring / once a year				



<p><b>4.3d</b> Contracts are stable and don't change significantly after the winner is selected</p> <p>ToC: This is linked to a challenge of fixing prices after the contract is signed which is reported to be a common practice in Ukraine</p>	PZ data + FOI				