PUBLIC PROCUREMENT TOOLBOX

ProZorro eProcurement System in Ukraine

Public Procurement Principle: **E-procurement, Transparency**

Procurement Stage: **Tendering, Post-award**

Audience: **Procuring entity, Policy maker, Private sector, Civil society**

Description

Prior to instituting procurement reform, Ukraine used a non-transparent paper procedure. This system enabled abuses by government officials, was difficult and inconvenient for suppliers, and failed to provide opportunities for public and professional oversight. Due to corruption and limited competition, the country lost (equivalent) USD 2 billion of a public procurement budget of USD 11 billion per year.

The country determined that a comprehensive electronic procurement system for all tenders could significantly improve both access to and the integrity of public contracting, as well as increase the transparency of procurements. The ProZorro team created a digital system for interactions between state-owned central databases and commercial areas. The code system is completely open and freely available for download and re-use.

The main principle of the eProcurement system is "everyone can see everything". After an auction ends, all information about submitted proposals is available to all participants, including the decisions of the tender commission and all qualification documents. In addition, monitoring tools and intelligence modules (bi.prozorro.org and bipro.prozorro.org) provide a wide range of functions and enable deep analysis and monitoring of public procurement.

The ProZorro network is founded on collaboration between businesses, the state and civil society, with each actor performing a unique set of functions. The arrangement ensures independence and creates a system of mutual checks and balances. This partnership aims to promote positive change while maintaining a high level of trust among the principal stakeholders on a sustainable, long-term basis.

In two years of operation, ProZorro has saved USD 1.9 billion in budget funds. The network is able to control procurement and track whether public agencies are using taxpayer money efficiently and transparently.

Source: OECD (2020), [System Change in Slovenia: Making Public Procurement More Effective](), OECD Publishing, Paris