

Lessons from the  
COVID-19 pandemic

**Findings and recommendations  
for better emergency  
procurement**

# Lessons from the COVID-19 pandemic

## **Findings and recommendations for better emergency procurement from 12 countries**

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### **Open Contracting Partnership 2020.**

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# 1 Overview

On 11 March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. It became immediately clear that effective and transparent public procurement had to be at the center of the response purchasing masks, gloves, and gowns and other life-saving protective equipment, as well as medical equipment such as ventilators. Governments quickly activated emergency procurement regulations to accelerate the response. Yet many of them have still struggled to procure effectively during the crisis. By July, we estimated that at least \$100 billion dollars had been spent on pandemic-related procurement.<sup>1</sup> Was that money well invested?

To answer that question, the Open Contracting Partnership and Hivos<sup>2</sup> launched the COVID-19 Action Research Program, supporting 12 research teams from Argentina, Colombia, Ecuador, Georgia, Guatemala, Kenya, Lithuania, Nepal, Nigeria, Paraguay, Philippines, and Uruguay to analyze and understand how these countries have implemented emergency procurement in response to the COVID-19 pandemic. The objective of the research was to generate recommendations to improve efficiency, effectiveness, fairness, integrity, and equity of public contracting.

From May to August, 2020, the researchers collected data on emergency procurement, reviewed legal provisions, interviewed stakeholders, compared historical prices for protective equipment, assessed whether procurement practices and systems aligned with best practice, and developed tools to explore public contracts or identify the most suitable suppliers.

In total, researchers analyzed more than 1,355,000 contracts. This report summarizes the scope, findings and recommendations of the different research projects. We provide overall findings and recommendations for six critical areas to improve emergency procurement, and a summary of the insights from each country-level research project.

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<sup>1</sup> Global Public Procurement Spend 2020.

[www.open-contracting.org/news/12-6-trillion-of-public-procurement-spend-each-year-is-opaque](http://www.open-contracting.org/news/12-6-trillion-of-public-procurement-spend-each-year-is-opaque)

<sup>2</sup> The Action Research Grants were provided in collaboration with Hivos' Open Up Contracting program. Additional funding is provided through OCP's projects with the BHP Foundation, the Chandler Foundation, and DFID.

## 2 Executive Summary

Our report finds that emergency procurement accelerates the procurement process, but it also substantially reduces checks and balances, increasing the risk for procurement to go wrong. These risks are further increased by a lack of consistent and timely data on emergency purchases, little information and understanding of suppliers' capacity to deliver, and ineffective or non-existing participation mechanisms. Where at least some open contracting data was available, such as in Paraguay, projects were able to propose data-driven tools to respond to these issues.

### Key insights from the 12 research projects

**Risk factors in emergency procurement** include higher and more uncertain prices for key emergency items, an increase in multipurpose suppliers, or companies with no previous experience in the public procurement market or in selling emergency supplies.

*In Georgia, 62 contracts were with 32 companies established just six months before the pandemic.*

**Not enough data on emergency purchases is available.** In seven countries data was not being disclosed in open data formats or was published only partially. Researchers had to obtain it through freedom of information requests, collect it manually, or use semi-automated methods in procurement portals. In some contexts, emergency purchases were carried out in different procurement systems, and information was scattered across different data sources.

*In the City of Buenos Aires, there was a delay between 11 to 65 days in the publication of direct emergency awards.*

**Data quality is generally poor.** Data fields related to contract items need to be improved. To identify the correct number of units of protective equipment bought, the packaging (for instance 500 individual face masks versus a box of 500 face masks) and unit prices, researchers had to do manual searches in the contract documents or the procurement portals.

*A sample from masks contracts in Guatemala showed there were more than 63 different ways entities used to describe face masks purchases.*

**Being listed in the supplier registry increased a company's chances of getting a contract.** Research in Georgia and Buenos Aires found that during the emergency, procuring entities relied on suppliers that had previously won contracts in the past, or that were registered in the system prior to the emergency.

**Cumbersome or tokenistic feedback mechanisms deterred participation.** Increasing transparency and providing participation mechanisms in of itself are not enough to guarantee a full involvement of users in the procurement process during the emergency. In Lithuania, round table discussions with different stakeholders proved to be an effective way to generate recommendations on effective preparations for

transparent and efficient public procurement in the face of a possible second wave of COVID-19.

**Open contracting data helped enable data-driven tools and methodologies.** Some of the projects created tools and methodologies such as indexing systems to help local government units identify the most suitable suppliers for particular tenders; interactive platforms to navigate emergency contracts, compare historical prices and suppliers; corruption risks indexes to identify suspicious suppliers; methodologies to measure the effect of direct civic monitoring in public procurement; and methods to compare unit prices that can help improve decision making in the purchasing process.

## Summary of recommendations

Publish **complete data about emergency contracts** in open and structured formats. This should include data fields to tag COVID-19 related contracts, and detailed information about the items and quantities purchased.

Publish **information about suppliers** related to historical contracts, economic activity in relevant sectors, and beneficial owners. Develop an updated supplier registry and simplify the registration process to increase participation in the recovery phase.

Promote **coordination and centralized purchasing** to spot and prevent price disparities in future purchases. Framework agreements and other competitive methods can be an alternative to emergency direct contracts if purchase orders are made transparent. If different systems are used, they should be interoperable.

Establish **standard tender documents** and other standard requirements for particular emergency items or procedures, and generate a list of reference prices.

Modify **procurement regulations** and other mandates that can be detrimental to transparency.

Create **strategies for capacity building** and technical support to suppliers to increase participation.

Create **spaces for meaningful participation** of non-state actors and citizens. Improve communication channels to engage with users and create clear **feedback mechanisms**.

## 3 Findings and recommendations

### Potential procurement risks during the emergency

Different research projects identified potential risks in public procurement during the emergency potentially causing inefficiency, misspending and corruption.

- **Higher prices, higher disparity, and uncertainty during the emergency:** Analysis shows that during the emergency, specific emergency related items (such as masks, gloves, ventilators, thermometers, gel alcohol, and hospital beds) were bought at higher prices than their historical average (Buenos Aires, Ecuador, Guatemala, and Paraguay), regardless of the procurement method being used. For instance, in Buenos Aires, 13 out of 16 items analyzed had a higher average price during the emergency, and the dispersion of prices was higher. In other cases different government agencies bought the same item during the same timeframe with a high disparity in their unit prices. An analysis of 27 N95 masks contracts in Guatemala found that during the emergency the prices were 8.8 times higher on average. In Ecuador, the average price of face masks during 2020 was 10 times higher than in 2016.
- **Multipurpose suppliers:** In Colombia, 30% of the suppliers that won contracts during the emergency were considered multipurpose firms, meaning they provide multiple and diverse items over a time period. These firms are considered to be more likely to provide poor quality goods and services to citizens. Although the main items intended to alleviate the COVID-19 outbreak were supplied by relatively specialized firms, results also show that nearly 20% of local governments awarded contracts to firms that, on average, can be catalogued as multipurpose.
- **Inexperienced suppliers:** Half of the total value awarded for emergency contracts in Georgia, from 22 March to 30 June, was awarded to companies that had no prior experience in the public procurement market. 5% of the total value was awarded to 32 firms established within six months before the pandemic, and 8 of those were established between 2 March and 1 May. In Guatemala, one of the main suppliers of N95 masks was a construction firm, with no prior experience selling these items, that charged a higher price than average.
- **Inefficiencies in the procurement process:** Research in the Philippines identified that the average awarding rate of tenders for the months of January until June 2020 was about 17%. Amendments made in March by shifting COVID-19 related procurements into Negotiated Procurement (Emergency

Cases) increased the awarding rate to 47%, which is still considered low. This suggests local government units in the country are struggling to utilize their funds for procurement of goods and services due to the pandemic.

## Recommendations

**Promote coordination and centralized purchases** to spot and prevent price disparities in future purchases. Moreover, framework agreements and other competitive methods are suggested as an alternative to emergency direct contracts.

**Supplier information related to historical contracts, economic activity, background and beneficial owners should be public.** Supplier information is key to detect and calculate potential corruption risks, such as the existence of multipurpose suppliers, the previous experience of firms, the types of goods and services they can deliver or if there are any conflicts of interest.

**Establish tender standard documents and other standard requirements for particular emergency items or procedures.** Researchers found cases with a lack of clear guidance about the technical criteria of the goods and services requested, so it is recommended to include standard requirements to avoid purchases of suboptimal or overpriced items. The definition of what is an emergency purchase should also be revisited, to identify if the use of the exceptional procedure is justified or not at this stage of the emergency.

**Generate a list of reference prices for future purchases.** Using recent and historical item level data, procuring entities should generate reference prices of emergency items to improve their decision making process in emergency purchases.

## Data availability on emergency procurement

Structured open procurement data of emergency purchases generates opportunities for data use, research and data driven solutions. Five of the research teams (Uruguay, Colombia, Ecuador, Buenos Aires, and Paraguay) used open procurement data published following the Open Contracting Data Standard (OCDS) for their analyses while the researcher from the Phillipines used non-OCDS open procurement data.

In addition, having structured and open historical procurement data expands the possibility for different data analyses related to the emergency, providing context about emergency purchases. For instance, teams from Buenos Aires and Paraguay used OCDS data to analyze historical prices of the most frequent items bought during the emergency, while the Colombia team created a corruption risk index of multipurpose firms during the emergency, based on historical data on suppliers, published in OCDS.

In Ecuador, while emergency purchases were being published in OCDS, historical data on prices for particular items was collected manually from one of the procurement platforms.

Moreover, complementing procurement data with other publicly available data sources proved to be useful. For example, researchers collected data related to local government revenues or the list of disqualified suppliers and providers with previous sanctions.

In other cases, emergency procurement was not being disclosed in open data formats or was published partially, and researchers had to obtain it through information requests to the public entities (Guatemala and Lithuania), collect it manually (Georgia, Nepal) or with semi-automated methods in procurement portals (Buenos Aires). In some contexts, emergency purchases were carried out in different procurement systems, and information was scattered across different data sources. These processes can cause delays for users and even limit the scope of the analysis, due to limitations in data collection, which shows the importance of having structured open data.

With the exception of Paraguay and Guatemala, none of the countries studied had a specific tag to identify accurately the contracts related to the COVID-19 emergency. In most cases, to identify emergency purchases, researchers had to filter contracts using keywords and specific date ranges.

The research also showed that even if there are legal mandates and regulations to publish emergency contracts, in some contexts this information is not being disclosed (Kenya), or there are delays in the publication (Buenos Aires), while in other cases some mandates and regulations can be detrimental to transparency (Colombia and Kenya). Finally, in Nigeria, research found that while there are systems and platforms to disclose emergency information, there is a need for more public awareness and more user-friendly platforms for these systems to be used by the general public.

## Recommendations

**Publish complete data about emergency contracts in open and structured formats.** Moreover, it is recommended to generate mandates for data publication and enforce existing regulations that mandate the disclosure of emergency purchases. For countries where some existing emergency data is available, efforts should be made to allow free access to and reuse of the data, to publish it in a machine-readable format and disclose details about the implementation stage of the contracts.

**Tag emergency contracts.** It is recommended to include a data field to tag the contracts that relate to the COVID-19 emergency in order to correctly and efficiently identify emergency purchases.

**Centralize purchases in a single system or make systems interoperable.** It is recommended to centralize purchases in a single electronic procurement system (Buenos Aires), or make different systems interoperable (Georgia, Kenya, and Nigeria), to have a unified procurement record database. Moreover, particular entities, such as state-owned firms, should be included in using the procurement system (Colombia) to ensure their contracts are also disclosed.

**Modify procurement regulations and other mandates that can be detrimental to transparency.** It is recommended to eliminate contradictions on the publication of procurement data, which research suggests is present in the regulations in some jurisdictions, such as Kenya, with an aim to strengthen the mandate for disclosure of public procurement. Similarly, in Colombia it is recommended to design and enforce regulations that seek to control the use of an opaque special procurement category, the Special Regime.

## The quality of items data

Even when open and structured data is available, research showed that there is a need to improve the data fields related to contract items, in order to do precise comparisons of unit prices for items purchased during the emergency (and in other contexts). To identify the correct number of units bought (for instance, 500 individual face masks versus a box of 500 face masks), researchers had to do manual searches in the contract documents or the procurement portals. In some cases, item codes are not used either, which results in items being written in multiple ways in the contract descriptions. For instance, a sample from Guatemala showed there were more than 63 different ways entities used to describe face masks purchases. Moreover, sometimes when the item codes are available they are not used consistently (Georgia).

Standardizing items data can also be valuable to procuring entities interested in calculating reference prices based on past purchases, which was a request that surfaced during the research in Uruguay.

## Recommendations

**Improve the publication of item level data.** Include disaggregated data at the item level that includes details about the units used, quantities, and the different packaging or drug forms. Item classifications schemes (such as UNSPSC, CPV) are recommended and should be used consistently.

## Supplier registries

Research in Buenos Aires and Georgia found that during the emergency procuring entities tend to rely on suppliers that had previously won contracts in the past, or that were registered in the system prior to the emergency. In the case of Buenos Aires, findings suggest that being registered in the system increases a supplier's chances of securing a contract with the city, even in emergency situations.

### Recommendations

**Have an up-to-date supplier registry and simplify the registration process.** This can help procuring entities find suitable suppliers faster, increase participation and establish clear communication channels with market participants. The registration process should be simple and digital, and alliances between government agencies are recommended to collect the information.

**Create strategies for capacity building and technical support to suppliers** in order to stimulate the participation of new suppliers in other, more competitive forms of procurement after the COVID-19 crisis is over.

## Participation mechanisms

Research showed that transparency efforts and the existence of participation mechanisms are not enough to guarantee the full involvement of users in the procurement process during the emergency. For instance, while Kenyans were invited to provide input into draft regulations, none of the recommendations were adopted. In Nigeria, qualitative research with users and public officials showed that greater awareness raising of monitoring and participation mechanisms is required for government staff and the general public, and that the apps and systems in place need to be optimized to become more user friendly. An experiment for civic monitoring in Uruguay faced a big challenge contacting procurement officials because the data fields containing contact information had quality issues, were not updated, or did not link to a particular official in charge of the process or answering queries.

Research from Lithuania revealed that participation can lead to improvements. As part of the project, round table discussions with different stakeholders proved to be an effective way to generate recommendations on effective preparations for transparent and efficient public procurement in the face of a possible second wave of COVID-19.

## Recommendations

**Create spaces for meaningful participation of non-state actors and citizens.** It is recommended to include or expand mandates for participation to include other actors besides tenderers and public officials.

**Use social media or other communication channels to engage with users.** Moreover, online platforms and tools should allow users to report issues through project monitoring. Visual materials, such as videos explaining how a procurement platform works, and more familiar data formats such as spreadsheets, are recommended to make platforms more accessible to non-technical users.

**Include clear feedback mechanisms.** It is recommended to have active and clear feedback mechanisms with users, having up-to-date contact information for officials in charge of answering any questions about the process, during the different stages. For procurement platforms and tools, it is recommended to include effective mechanisms for submitting feedback online.

## Data-driven solutions for decision making and user monitoring

Different projects presented data-driven solutions and methodologies to improve emergency purchases or foster monitoring. An indexing system in the Philippines allows local government units to identify the most suitable suppliers for particular tenders, which can be a tool to pilot in particular local governments. An interactive platform in Paraguay helps navigate emergency contracts, compare historical prices and analyze information about the awarded suppliers. The team from Uruguay implemented an experiment to measure the effect of direct civic monitoring in public procurement, that can be replicated in other contexts and using other monitoring strategies. Colombia developed a methodology to calculate a Multipurpose Supplier Index, which can be used to identify higher risk suppliers, based on their historical data and the types of goods they supply. In Argentina, Guatemala, Ecuador, and Uruguay researchers showed how comparing unit prices can help improve decision making in the purchasing process.

## 4 Country Insights

### City of Buenos Aires, Argentina

#### Public purchases during the COVID-19 emergency: an analysis of contracting data from the Buenos Aires City Government

**Researcher:** Félix Pedro Penna

Link to [full report \(Spanish\)](#)

#### Summary

On March 16, 2020, five days after the World Health Organization declared the COVID-19 outbreak a pandemic, the Government of the City of Buenos Aires (GCBA) announced a health emergency to stop the spread of the virus in Argentina's capital. The emergency set in motion different strategies to prevent transmission as well as policies to strengthen the local health system. The management of public contracting and purchases for critical health supplies was one of the government functions most affected. Procuring entities began to compete for essential goods and services with various public and private organizations, not only locally, but also at the national and international level.

During the first months of the pandemic, the GCBA published information online about contracting processes of the various government agencies, on several free access web pages. The objective of Félix Pedro Penna's research was to analyze this information and extract other data related to the emergency from unstructured sources. In particular, the research examined the quality, formats, and structure of the published information, reviewing its scope in terms of transparency and its potential for reuse by researchers and decision makers. Next, it detailed the participation of suppliers in procurement processes, grouped according to the different contracting procedures used by the government, and analyzed the diversity of participating actors and opportunities generated for new companies. Finally, it compared prices of key emergency items during the emergency with the "pre-emergency" period. Based on the findings, a list of recommendations for those GCBA agencies involved in the procurement processes was developed, with guidance on how to contribute to a more efficient, data-driven contracting system that uses public resources wisely and fosters new opportunities for local businesses.

#### Data and methodology

The following data sources were used:

- Data published using the Open Contracting Data Standard (OCDS), related to public contracts conducted through the Buenos Aires Compras (BAC) system.

- Data about emergency purchases extracted from the Official Gazette of the City of Buenos Aires.
- Data about emergency purchases made outside of the BAC system and extracted from a [different website](#).

In total, 1517 contracts were analyzed from 2018 and 2020.

The analysis was segmented in three parts:

- **Transparency in data publication**
- **Analysis of suppliers during the emergency** to determine the diversity of suppliers awarded contracts for 28 items related to the emergency, with a comparison of contracts before the emergency (January 2019 to March 10 2020) and during the emergency (11 March to 31 May 2020).
- **Price analysis of frequent items** to determine the unit prices of 12 critical items related to the emergency, with a comparison of prices before the emergency (January 2018 to March 10 2020) and after the emergency (March 11 2020 to June 30 2020). Prices were adjusted for inflation and standardized.

## Findings and recommendations

Topic	Finding	Recommendation
Data and transparency	Information on the awards of direct procedures is published on average 11 days after the award, with the longest delay being 65 days. The publication of actual spending on special emergency procedures is published on average 61 days after the contract is finalized, with the longest delay being 190 days. There is no obligation in the law to publish tender information for direct or emergency procedures, only the award, but there is no deadline.	Include an obligation to publish timely data on direct and emergency procedures. (See DNCP's "Contratación directa simplificada con difusión posterior" in Paraguay). Publish as open data the details and documents on emergency procedures (as stated by the legislation).
	Two different procurement systems are used for public emergency purchases. The data from the two different systems is structured in different ways, and has different data fields. The data published on the official website of the City of Buenos Aires related to COVID-19 emergency contracts is not complete: it includes less information than the other data sources (OCDS dataset, Official Gazette and the procurement portal).	Use the BAC electronic procurement system for all public purchases in the city, including emergency procedures.  Improve the publication of COVID-19 contracts by including information published in the Official Gazette and other PDF documents on the <a href="#">procurement portal</a> .
Supplier diversity	There is supplier diversity among the items analyzed in 27 different markets. The average number of suppliers per market was 6.8 pre-emergency, and 4.6 during the emergency period.	

	Emergency procedures have fewer requirements than those conducted through BAC, which can simplify the process to attract new suppliers.	Simplify the registration processes for new suppliers and establish clear and fluid communications with potential market participants.
	But supplier diversity does not mean new suppliers enter the market: in 19 out of 27 markets, 75% of the suppliers had previously won contracts with the administration.	Improve the supplier registry: <ul style="list-style-type: none"> <li>• Create a dataset of potential suppliers in the city, with information of their economic activity. Promote alliances between government agencies to collect this information.</li> <li>• Promote the registration of these potential suppliers in the RIUPP.</li> <li>• Digitize the registration process.</li> </ul>
	Being part of the supplier registry helps companies to secure a first contract. Nine out of the 15 new suppliers were in the registry, even if this was not a requirement for emergency purchases.	
<b>Price variations</b>	For 13 out of 16 items analyzed, the median and average price during the emergency is higher than before the emergency. There is also a higher dispersion of prices during the emergency and more outliers.	A higher level of coordination between the procuring entities could help spot and prevent price disparities.
	Both competitive and non-competitive procedures are more expensive during the emergency, meaning that competitive procedures do not necessarily translate into lower prices. The same happens with Framework Agreements and Closed Purchase Orders.	Promote centralized purchases to prevent price disparities.  Use data internally to generate reference prices, and historical information on the market.

## Colombia

### Design and measurement of a corruption risk index from a supplier perspective in the context of the COVID-19 emergency

**Research:** Adriana María Romero Baneto, Camilo Alberto, Enciso Vanegas - Instituto Anticorrupción

[Link to full report](#)

#### Summary

Exceptional public procurement rules were enforced in Colombia amid the COVID-19 crisis to allow the government to respond rapidly to the immediate social and public health challenges. But these rules may have also created more discretion to allocate contracts to non-specialized suppliers, who may have been unsuitable to deliver high quality goods and services.

Developed by researchers at the Instituto Anticorrupción, the Multipurpose Supplier Index (MSI) sought to assess the competencies of firms that supplied items to the Colombian government after the emergency decree was enacted (Decree 440/2020), and whether they provide multiple and diverse items over a time period. Under the premise that firms with a wide variety of competencies are more prone to corruption than specialized firms, the objective of the research was to identify such 'multipurpose firms', providing a descriptive analysis of public procurement procedures awarded since March 20, 2020.

The results suggest that 30% of current government suppliers with previous public contracting experience can be described as multipurpose firms. This share increases to 38% when considering only contracts awarded using the direct contracting procurement method. Although the main items intended to curb the COVID-19 outbreak have been provided by relatively specialized firms, the research also shows that nearly 20% of Colombian local governments have awarded contracts to firms that, on average, can be catalogued as 'multipurpose', increasing the risk of rent extraction and corruption in Colombia's public procurement.

#### Data and methodology

The data used for the analysis was published by the public procurement agency Colombia Compra Eficiente (CCE) following the Open Contracting Data Standard. It represents all public contracts awarded by the Colombian government, at a national and local level, between 2012 and May 31, 2020.

The contracts were divided into two groups: those awarded before 20 March 2020 – the date the emergency decree (Decree 440/2020) was enforced – and those awarded after.

The Multipurpose Supplier Index (MSI) aims to measure the extent to which a registered government supplier company or organization can be considered a multipurpose firm, according to the number of different items supplied to any government institution and the gap between the types of goods and services awarded to any government institution in two different time intervals. The MSI would take a value between 0 and 1; 0 being the value that the index would take for a specialized firm or organization that has always been awarded public contracts to provide the exact same type of goods and services, and hence representing lower risks of corruption. Conversely, the MSI would take a value of 1 in the case that a firm is highly multipurpose, meaning that it has always supplied a variety of goods and services to the government, raising the risk of corruption.

## Findings and recommendations

Topic	Finding	Recommendation
<b>Procurement method</b>	The use of Special Regimes to award public contracts in Colombian institutions increased after the enactment of Emergency Decree 440/2020. 51% of the contracts analyzed during the COVID-19 health crisis were awarded under these schemes, while 23% of the contracts were awarded by the Direct Contracting procurement method under the traditional public procurement regime (Law 80/1993). In terms of transparency, this is very concerning because each Special Regime has a different set of rules, meaning that half of Colombia's public procurement during the emergency cannot be accurately analyzed at an aggregated level.	The excessive use of Special Regimes for public procurement in Colombia poses serious concerns about the effectiveness of transparency initiatives and disclosure of public procurement information. Some information on contracts awarded through these regimes remains a 'black box' that must be analyzed at an individual rather than a collective level. This complicates oversight mechanisms and increases opacity and corruption risks. It is recommended that Colombia Compra Eficiente design and enforce regulations to control the use of Special Regimes for public procurement, including disclosure of the permitted justifications for a public institution to use a Special Contracting Regime.
	'Manifest Urgency' public procurement represented 36% of contracts awarded by the Direct Contracting procurement method and only 7% of the total value for that method. This is lower than first expected. But contracts considered 'Manifest Urgency' may be under-reported, with some classified as Special Regimes instead.	
<b>Transparency of state-owned enterprises</b>	State-owned enterprises do not register their contractual processes in SECOP.	The External Memo 20 from August 27, 2015 (issued by Colombia Compra Eficiente) states that state-owned enterprises are not required to register their contractual processes in SECOP. This suggests state-run firms are not included in any of the samples

		<p>analyzed for this report. It also raises a larger concern about the lack of transparency in the public procurement of these firms, and enforcing oversight of the public funds that finance them. It is recommended that Colombia Compra Eficiente consider a mechanism to centralize all public procurement information from state-owned firms, either on SECOP or other means that allow this information to be compiled as open data and following the OCDS format.</p>
<p><b>Items procured</b></p>	<p>The most common contracts awarded after the emergency degree was enacted were for COVID-19 related items. As shown in the descriptive analysis, items related to healthcare, medical supplies, food and medicines are the most frequent, though they are not the contracts with the highest value. Furthermore, these types of items will be provided, in general, by firms with a track record of supplying the same types of goods and services to the Colombian State.</p>	
<p><b>High risk suppliers</b></p>	<p>'High risk' firms account for nearly 30% of all firms given a MSI score. This means they are more likely to provide poor quality goods and services to citizens if awarded a contract, according to supplier risk indicators developed by the researchers. A disaggregated analysis of local governments suggests that remote municipalities are more likely to award contracts to high risk multipurpose firms, whose MSI is above 0.75.</p> <p>The researchers faced serious barriers to access information about the main economic activities of suppliers recorded in Colombia's official companies registry, RUES, which is not publicly accessible.</p>	<p>There is an urgent need for a public registry with information about government suppliers. This registry must include suppliers of contracts awarded via the Direct Contracting procurement method and Special Regimes. It should include information about the mission, main economic activities, board of directors and background of the firms. This information could be recorded by Colombia Compra Eficiente in the publicly available suppliers registry enabled in SECOP II, as a prerequisite to be a supplier with the government.</p>

## Ecuador

### Data from COVID-19 emergency public contracts: Lessons from Ecuador

**Researchers:** Julio López Peña, Martín Loza, Margarita Yépez - Datalat  
[Link to full report \(Spanish\)](#)

#### Summary

This research focused on public contracting conducted by the Government of Ecuador during the COVID-19 health crisis. Its objective was to generate recommendations on the application of the Open Contracting Data Standard (OCDS) and the publication of open data during the emergency. The researchers from Datalat found that the information published by Ecuador's procurement authority, SERCOP, is directly aligned with the OCDS, however some variables have information that is incomplete or difficult to interpret. Likewise, the data presented enables some analysis, but to analyze historical prices of specific products, one would require certain details which are only available in the *Sistema Oficial de Contratación Pública* (SOCE), not in open formats. Thus, there is an opportunity to develop more user friendly searchable tools. The research presents more specific recommendations on the process and for future analysis.

#### Data and methodology

Two datasets published by SERCOP were used: one in an open data format, that [details the contracts and items bought](#) and a [dataset of emergency contracts following the Open Contracting Data Standard](#). These datasets relate to information about the procedure number, the contract, the supplier, the items and the total value. In total, 18,955 contracts were analyzed.

In addition, four categories of emergency related items were selected to analyze prices: personal protective equipment, cleaning and disinfection suppliers and medicines. Four items with the highest number of contracts and units acquired were selected for analysis. To extract historical prices for these items from 2016, a manual search was conducted in the *Sistema Oficial de Contratación Pública* (SOCE) portal, looking for keywords in the contract descriptions.

#### Findings and recommendations

Topic	Findings	Recommendations
<b>Emergency contracts data coverage/</b>	The emergency contracts dataset published following the OCDS has information about three stages of the procurement process: tender, award and	More data fields should be published about the implementation stage; currently only the status of the contract (e.g.

<p><b>completeness</b></p>	<p>contract. But information on the selection process and the implementation stage is missing.</p> <p>Some procedures have missing data in some data fields (especially the reason for using the emergency resolution), which can make analysis difficult. Likewise, the emergency type variable can lend itself to interpretations that may not be correct. Seven types of emergencies were identified (accidents, imminent external aggression, floods, and earthquakes (0.77%), natural disasters (5%), force majeure or fortuitous event (69%), and serious internal shock (25%). But the appropriate category for the COVID-19 emergency is not clearly identified.</p>	<p>100% finished) is published. More details are available when consulting the SOCE, but this is not in an open format.</p> <p>It is recommended to incorporate identifiers or an additional field to tag COVID-19 procedures. This could be done including the field <i>tender.procurementMethodRationale</i> in OCDS.</p>
<p><b>Emergency contracts data availability/ accessibility</b></p>	<p>Regarding the publication of open data about the emergency, the information is easy to consult on the platform, and it is available in a JSON format.</p>	<p>It is suggested to include other download formats. JSON files and the variables in OCDS can be difficult to interpret for someone who does not know the standard, and if no metadata is included it can be hard to navigate. Visual material is recommended to explain what the open data platform contains. A short explanatory video can foster greater interest, knowledge and use of that information. According to a Datalat survey, only 41% of 183 SERCOP portal users were aware of the emergency open data section.</p>
<p><b>Availability of pre-COVID-19 data</b></p>	<p>The information currently available on the open data portal only includes contracts that have been awarded during the COVID-19 emergency. SERCOP does not have publicly available historical data of contract prices prior to the emergency, which is why comparative analyses are complicated and lengthy to perform. Moreover, is necessary to carry out a manual search of the contracts within the SOCE.</p>	
<p><b>Data quality</b></p>	<p>The information uploaded on the SOCE is key to strengthening transparency and social control processes, but there are difficulties in using the portal. In many cases the data registered in the system was filled out incorrectly, which delays analysis and requires users to extract the correct information from other</p>	<p>A detailed review by SERCOP of the published databases is necessary, since the datasets have some null or empty records, a mix of information in the established fields, lack of standardization, among others, which make processing and analysis difficult.</p>

	<p>documents. Similarly, searching for contracts must be done manually and the filters, implemented for security reasons, can limit the search parameters.</p> <p>Although SERCOP has published information on its emergency open data portal and is complying with the OCDS standard, the research showed that, in order to conduct an automated analysis, the database must first be cleaned. The appropriate method for this is open to interpretation.</p>	
<p><b>Price fluctuations</b></p>	<p>An analysis of unit prices for four emergency items (face masks, gloves, alcohol gel and paracetamol) between 2016 and 2020 showed that the average price of face masks during 2020 was 10 times higher than in 2016, but prices started increasing in 2019. The price of latex gloves during the emergency was 2.4 times higher than in 2019 (from \$0.05 per unit to \$0.12). The price of alcohol gel peaked in 2019 and dropped 68% during the emergency, while the price of paracetamol was 1.8 times lower than in 2016.</p>	<p>It is strongly recommended to classify the items contracted during the emergency, even as a pilot exercise to improve in the future. In their methodology, the researchers suggest four categories for the items contracted in the emergency, however, a categorization more aligned to the CPC-SERCOP can be implemented.</p>

## Georgia

### Direct emergency contract awards in Georgia during the COVID-19 pandemic

**Researcher:** Natalia Baratashvili

[Link to full report](#)

#### Summary

The objective of this research was to analyze public procurement decisions made by the Government of Georgia in response to COVID-19 and evaluate how agencies have applied the direct procurement method throughout the crisis. The analysis covers simplified (direct) procurement decisions made on emergency grounds from 22 March 2020 to 22 May 2020 as well as their contracts, and an analysis of contracts awarded from May 22 to June 30, 2020. The dataset used was manually built based on information collected from the Georgian electronic government procurement system (Ge-GP).

The analysis showed that the Georgian government's overall response and related public procurements were highly centralized. In general, the research provides a roadmap for understanding how a reformed legal framework, a comprehensive online platform and an established practice for approving emergency awards helped to maintain the efficiency and transparency of Georgia's public procurement amid the crisis. However, there are still some challenges worth mentioning. The paper argues that while the online platform provides access to comprehensive and reliable procurement information, its biggest challenge is a lack of accessible data in an open data format. Moreover, a lack of COVID-19 information, and some additional inconsistencies in the way data is presented in the system, significantly hinders the ability to gain a complete picture of public procurement. The analysis also shows that against the backdrop of the emergency, the principles of equal treatment, non-discrimination and integrity could be further reinforced among procuring agencies. In particular, awarding contracts to newly registered suppliers or suppliers without any experience in public procurement, coupled with a low level of competition, may pose a significant threat to the integrity of public procurement in Georgia and overall trust in government agencies. Finally, the paper suggests revising the test for "emergency awards" to minimize broader interpretations or any inconsistencies in direct procurements.

#### Data and methodology

The research methodology involved both primary and secondary research. For the quantitative primary research, emergency procurement data was collected from the [Ge-GP system](#) to gain first-hand information on simplified procurement procedures conducted from 22 March to 30 June 2020.

Given the lack of downloadable data, a manual dataset was built based on data collected from two main modules of the Ge-GP platform. First, data was collected from a module on “Requests for Simplified Procurement” (SMP) that includes information about emergency requests submitted by procurement authorities to the State Procurement Agency for approval. The second module, “Contract Management Reports” (CMR), includes directly awarded contracts and other implementation details. The data collection was carried out between 1-31 July, and the final dataset includes 1137 observations/cases.

This was complemented by a qualitative review of simplified procurement requests and decisions made by the State Procurement Agency.

Secondary research was also conducted, including a review relevant research papers, articles, and comparative studies. Moreover, this stage also involved an analysis of Georgian laws, bylaws and related guiding materials issued by the State Procurement Agency.

## Findings and recommendations

Topic	Findings	Recommendations
<b>Availability of open data</b>	While the Ge-GP platform allows any interested party to access comprehensive, specific, timely and reliable information about (almost all) procurement decisions, no data is published in open formats. The <a href="#">State Procurement Agency's open data portal</a> has not published any information in 2020.	Ensure that public procurement data is updated on the <a href="#">Open Data Portal of Georgia</a> regularly. Publish data through a common data model set by the internationally acknowledged Open Contracting Data Standard.
<b>Data integration</b>	Simplified procurement requests and awarded contracts are not linked. There are two separate modules: one for the request-and-approval process (SMP) and another (CMR) for monitoring procurement contracts. The SMP module has detailed information on each request. It isn't easy to find the relevant contract details in the CMR (the exception is contracts awarded before approval is received, in which case a procuring agency can upload the contract to the SMP).	Ensure the Ge-GP system allows for all direct awards to be linked to the corresponding approved simplified procurement requests.
<b>COVID-19 identifiers</b>	The Ge-GP does not include an option to tag contracts related specifically to COVID-19. A simplified procurement	Create a tag system on the Ge-GP platform to organize and structure procurement cases per

	request does allow an agency to indicate the reason for a direct award, however, no contract has a clear direct link to COVID-19.	pre-defined tags, including tags for COVID-19 procurement decisions. Tagging relevant COVID-19 contracts and processes can help the government to have a complete and detailed picture of procuring decisions made.
<b>CPV codes</b>	CPV codes are used inconsistently. For instance, public agencies have used at least three different CPV codes for indicating a non-contact infrared thermometer in their contracts, at least four were used for masks. Others referred to just one CPV code for a long list of items from different categories. This inconsistency significantly limits the opportunity to collect and target specific COVID-19 data.	Ensure greater consistency and homogeneity of CPV codes related to COVID-19 contracting information. Having a complete picture on each category item, work or service allows a procuring agency and more broadly, the government to plan, observe and respond effectively. It enables monitoring of prices, suppliers and other conditions on the market per category.
<b>Disclosure of security contracts</b>	Some emergency contracts are not fully accessible on the platform. Contracts worth at least 1,004,353 GEL (\$313,000) are not disclosed publicly. They were awarded mostly by security agencies, such as the Ministry of Internal Affairs, the Ministry of Defense and some of their subordinate agencies, as well as the Administration of the Government.	Publish all COVID-19 related public procurement decisions including emergency contracts awarded by the Ministry of Internal Affairs, the Ministry of Defense, their subordinate agencies, the Administration of the Government and other agencies whose contracts are not accessible.
<b>Supplier experience</b>	<p>During the emergency, government agencies have relied heavily on established suppliers. Some 93% of the total value of emergency contracts was awarded to companies registered at least six months before the start of the pandemic. However, half of the total emergency contract value (\$8.3 million) was awarded to companies with no prior experience in the public procurement market (i.e. regardless of when they were registered, they had not won a public contract before).</p> <p>In an emergency, an over-reliance on new suppliers can increase integrity risks and decrease trust in the public procurement system, particularly if they are awarded direct contracts.</p>	<p>Stimulate the participation of new suppliers in other, more competitive forms of procurement in the post-COVID times by increasing their capacities and access to relevant procurement data (conducting workshops, providing technical advice and procurement-related information, creating spaces for continuous interaction).</p> <p>Enhance the Ge-GP platform to enable a comprehensive database of suppliers with detailed information on their scope of activities, types of goods and services they can render, previous experience, contracts, etc.</p>

	<p>Throughout the target period, government agencies concluded 62 contracts worth of 2.7 million GEL (\$842,000) with 32 companies established within six months of the start of the pandemic. This amount represents 5% of the total emergency contract value awarded from March 22 to May 22. Out of 32 new companies, at least eight suppliers were registered between March 2 and May 1. These suppliers received 976 353 GEL (\$303,000) from 15 public agencies.</p>	<p>Explore the possibility of applying framework agreements or dynamic purchasing agreements for COVID-19 related procurements.</p>
<p><b>Rationale for selecting a supplier</b></p>	<p>On the SMP module, the government agency submits an emergency request together with the completed questionnaire. The questions are related to reasons for emergency, required quantity/amount, price, etc. But there are no questions on why a supplier was selected or the company's previous experience. Moreover, very few agencies provided additional information on how the proposed price compares to the market price. While comprehensive market research is time-consuming, at minimum, a price analysis among a limited number of potential suppliers is a task worth conducting even in the short timeframe.</p>	<p>Add additional questions related to the rationale for selecting suppliers and require a basic price analysis among potential suppliers for all emergency requests and procurements.</p>
<p><b>Approval of emergency requests</b></p>	<p>Some emergency requests sent for approval to the State Procurement Agency were not clearly justified, especially requests in May and June. Several times direct awards and required items seemed to surpass the indicated problem and immediate emergency.</p>	<p>Develop detailed guidelines on the use of simplified emergency procedures. Provide more detailed information, with examples for each of the requirements prescribed by the law and relevant by-law. Narrow the definition of "urgency" when reviewing emergency requests. Encourage procuring entities to make more detailed requests, particularly the urgent circumstances that justify the use of an emergency procedure.</p>

## Guatemala

### An analysis of COVID-19 emergency purchases in Guatemala

**Researcher:** Daniel de León

[Link to full report \(Spanish\)](#)

#### Summary

On 5 March, the Government of Guatemala declared a state of emergency due to the COVID-19 pandemic, allowing public agencies to use emergency purchase procedures, as established in the country's procurement law. Daniel de León's research analyzed 7,623 contracting procedures and 6,798 contracts related to the emergency between March and July 2020, to identify the main suppliers, procuring entities and items purchased. The analysis documented the main challenges in data accessibility and data quality, and identified possible irregularities in the purchase of masks, as well as a lack of standardization among the terms of reference of emergency procedures.

#### Data and methodology

The data for this project was downloaded from [Guatemala's procurement portal "Guatecompras"](#) and included all contracting procedures tagged as being related to the emergency. To verify the total spending for each contract, the dataset was complemented with information requested from the Ministry of Finance.

#### Findings and recommendations

Topic	Findings	Recommendations
<b>Data on award values</b>	<p>The datasets downloaded from Guatecompra's data portal do not have precise data about the total amount awarded to each supplier. Two datasets were used: one that had the list of tenders and another that detailed the items bought and the awarded supplier. These datasets can be linked by a unique identifier. But the analysis found discrepancies in the total amount awarded to each supplier in 68% of the cases.</p> <p>To get the correct amount awarded to each supplier, users have to request the information from the Ministry of Finance,</p>	<p>Publish a dataset on Guatecompra's portal that includes the correct amount awarded to each supplier.</p> <p>Since discrepancies in amounts can be due to errors when inputting the information manually into the system, it is recommended to train public officials in charge of inputting the information to minimize the errors.</p>

	<p>since it is not available in open formats. For this project the Ministry of Finance took 62 days to deliver the information with the correct fields.</p>	
<b>Item descriptions</b>	<p>The items data is not standardized and does not include item codes and classifications. This makes analyzing unit prices difficult. For example, an analysis of 848 contracts for masks found that the item descriptions were written in 63 different ways.</p>	<p>Use an item classification scheme, such as UNSPSC codes, to standardize purchases and facilitate the analysis of researchers, journalists and other users interested in examining procurement data.</p>
<b>Mask prices</b>	<p>An analysis of 27 contracts for N95 masks in the last two years showed the average price was 8.8 times higher in 2020 than in 2019.</p> <p>One of the top suppliers of masks during the emergency period was a firm that specializes in construction materials. This supplier sold masks at the highest price. The analysis also showed that some of this supplier's contracts were awarded by the same hospital, and multiple contracts were awarded in a single day, suggesting that the purchase was divided into smaller purchases of a lower amount in order to avoid more competitive procedures.</p> <p>A frequent justification to award at a high price to particular suppliers is that only a particular supplier meets the tender specifications.</p>	<p>Review the tender specifications and be more precise about the standard requirements for particular items. There are currently no clear guidelines about the technical criteria of the products requested. This means purchasing units request and award contracts according to the criteria that they deem relevant.</p> <p>Oversight bodies (e.g. Comptroller General) should define a list of essential supplies related to the emergency to monitor the quality of spending and spot irregularities.</p>
<b>Disclosure of unit prices</b>	<p>An analysis of contracts to purchase water found that the unit prices were not specified in the contracts, contrary to the requirement of article 6 in the Ley de Contrataciones (Procurement Law).</p>	

## Kenya

### Resilience of procurement systems in Kenya

**Researcher:** Timothy Kiprono

[Link to full report](#)

#### Summary

This research evaluated the robustness of Kenya's procurement system in terms of its legal, policy, and regulatory framework. It examined the existing protocols and controls for transparency and competition, as well as how such measures are adhered to in practice, especially during the COVID-19 response when a less competitive procurement method, emergency procedures, have been used. The research also assessed Kenya's implementation of its commitments as part of the third Open Government Partnership National Action Plan (2018-2020).

#### Data and methodology

The assessment framework that guided the research was based on global standards and grounded on values and principles stipulated in the constitution. It uses an indicator system and a set of dimensions/criteria borrowed from two existing frameworks, the Public Expenditure and Finance Accountability (PEFA) methodology and the Methodology for Assessing Procurement Systems (MAPS). The assessment framework has three pillars, which are divided into six indicators and 19 dimensions/criteria.

The data used to assess the indicators included:

- A review of literature and publicly available documents and information, such as national legislation, policies, and regulations governing the procurement system, previous research, and assessment reports and data extracted from the official Public Procurement Information Portal (PPIP).
- Where additional information was required, the relevant institutions were asked to provide the information as well as clarifications. Surveys were also administered to targeted practitioners, within and outside government, whose work and organizational programming interact with procurement systems, public finance, or the general field of governance in Kenya. Responses were received from 23 practitioners: 52% were representatives of national civil society, 35% were county-based civil society, and 3% were citizens. This targeted approach also applied to the selection of Key Informant Interviews (KIIs), for which seven key informants were chosen.

## Findings and recommendations

Topic	Findings	Recommendations
<b>Procurement system framework</b>	Kenya's legal, policy, and regulatory framework has the potential to establish an open, transparent, and competitive procurement system that adheres to global standards. However, the findings also identified inconsistencies, contradictions, and incompleteness in the protocols and controls. These were seen to weaken the procurement system. The procurement system is unable to facilitate the assessment of the procurement outcomes, enforcement, and compliance of the established protocols and controls.	Strengthen the protocols and controls to achieve transparency and competitiveness in the procurement system and improve enforcement. Amend the 2015 Act and its regulations to address the identified inconsistencies and contradictions in the legal, policy, and regulatory framework. Overall, the 2015 Act and its Regulations 2020 should clarify the conditions for the application of less competitive procurement procedures.
<b>Execution of protocols and controls</b>	The procurement protocols and controls are inadequately executed, signifying weak enforcement and oversight. Of Kenya's approximately 40,000 procuring entities, only 433 (1%) had been registered in the country's Public Portal as of June 15, 2020. Moreover, only 125 procuring entities of those registered in the PPIP published procurement records during the period. Similarly, the overview of PPIP's landing page does not reflect the contract records that are actually provided in the portal when compared to our analysis of those records. The contract data in the PPIP contains inconsistencies and errors e.g. different stand and dates from the actual dates of contract award.	Strengthen the mandate for disclosure of public procurement by eliminating contradictions in the publication of procurement data. It is recommended to delete and replace the entire section 67 of the 2015 Act, which prohibits all disclosure of all procurement records. This section should be replaced with a provision that is sensitive to OCDS and supports proactive disclosure of the entire procurement record including (sec.138 (1) and where exemption is provided, justification should be justified in the same manner and structure of 90 (1), (sec.138 (5), sec.167 (3), sec 44 (3)).
<b>Data publication</b>	The outcomes of complementary (less competitive) procurement procedures are not exempted from public disclosure, however, only a single contract out of an estimated KES 189 billion collected was directly linked to COVID-19 emergency spending (as of June 15, 2020). Only contracts awarded to national security organs are exempted from publication. While the public expenditure of COVID-19 Emergency Response Fund (ERF) is exempted from the competitive procedure, the disclosure of the procurement records	Strengthen the interoperability of the various public portals and create a central and unified procurement record or database by amending section 91 (3). It is recommended to redesign the PPIP, IFMIS, MyGov as well as Makueni County, and mandate PPIP as the preferred centralized and unified procurement database. While redesigning PPIP,

	<p>and related expenditure covered by Regulations 13 of the Public Finance Management (PFM) Regulations mandates management of the COVID-19 ERF in line with Kenya's financial and procurement laws and regulations. While non-financial information was promptly published through a daily update, financial data remained limited.</p>	<p>the researcher recommends the adoption of OCDS, activation of operability of the system including activation of filter and search features.</p>
<b>Participation</b>	<p>The management of COVID-19 ERF was not participatory. While formulating the PFM Regulations for the COVID-19 Emergency Response Fund, Kenyans were invited to provide input into the draft regulations. An analysis of the PFM Regulations against recommendations of civil society contained in two submissions – one, a joint submission by Transparency International and other civil society organizations, and the other, a submission of Open Governance Institute (OGI) – show that none of the recommendations were adopted.</p>	<p>Participation of citizens, civil society, and other stakeholders in the procurement process, even those who may not have a direct interest in a particular procurement, is necessary for enhancing the accountability of the procurement system. This can be achieved by expanding the mandate for participation beyond the provision for the participation of tenderers and their representatives (sec.78 (4)), to create spaces for meaningful participation of non-state actors and citizens.</p>
<b>Open contracting execution</b>	<p>The research found Kenya's procurement system is not aligned with global standards, values, and principles of open contracting. Technology is deployed to strengthen the procurement system, and Kenya's 3rd OGP National Action Plan 2018-2020 has specific commitments to implement OCDS, but the structure of the procurement records available from Kenya's Public Portal is not presented in OCDS. Only Makeni County has published OCDS data.</p> <p>[Note: On September 1, 2020, the president <a href="#">directed</a> the Ministry of Health to create a digital procurement system within the next 30 days amid increasing graft cases linked to COVID-19.]</p>	<p>To realize the full benefits of technology and for the procurement system to adhere to OCDS and support complete disclosure of procurement records, the researcher recommends the redesign and restructure of the PPIP, and the interoperability of the various public portals and e-procurement systems, both vertically (between national and county) and horizontally (across procuring entities) to create a central and unified procurement record or database. To do this, section 91 (3) of the 2015 Act should be amended to mandate the Public Portal (PPIP) as the primary platform for publishing procurement records or databases.</p>

<p><b>OGP action plan execution</b></p>	<p>Kenya's 3rd OGP National Action Plan has two relevant commitments that are anchored in Kenya's laws and regulations governing the procurement system. The commitments are well designed to support the progressive implementation of the procurement process; however, the implementation of the commitments is not timely. Neither of the two commitments assessed are complete, six months to the implementation extended deadline of December 2020. They are also not sufficiently embedded in the broader governance systems.</p>	<p>It is recommended to mainstream and embed the OGP process in broader governance systems and processes.</p> <p>Increase the feasibility of reform by financing OGP commitments as a core obligation of government. For example, the national government should develop a policy that specifies the mandate of the government organs that host the OGP initiatives at the national and county level.</p>
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# Lithuania

## Transparent procurement in the wake of COVID-19

**Researchers:** Transparency International Lithuanian Chapter (TILC)

[Link to full report](#)

### Summary

The ongoing, unprecedented global health crisis has made healthcare and citizen safety a top priority for the majority of countries, including Lithuania. Governments have been taking extraordinary measures to prevent the spread of the virus, including quick decisions on resource allocations – often bypassing the usual checks-and-balances on public spending. While keeping people healthy is key, the pandemic and subsequently sped-up and simplified procurement procedures should not revoke the need for transparency. Particular attention must be paid to the procurement of COVID-19 related medicines and medical supplies. According to the European Commission, in the EU, 28% of health corruption cases are connected to procurement of medical equipment. Thus, open and transparent contracting processes are of utmost importance during times of this scale.

This research project by the Transparency International Lithuanian Chapter (TILC) focused on two areas: advocacy for increased monitoring of procurement spending during the pandemic and data collection and analysis of contracts not being disclosed in the public procurement portal, to gain more insight on the status of COVID-19 related procurements by the largest procuring entities and support received by the main COVID-19 patient hospitals.

### Data and methodology

TILC sent Freedom of Information Requests (FOIA) to the 10 largest contracting authorities (in terms of the number of contracts concluded and their monetary value according to the Public Procurement Office [PPO] report) and to five major COVID-19 patient treatment hospitals – a total of 12 procurers, as some organizations fall under both categories.

1. TILC asked the contracting authorities:
  - a. To submit all additional COVID-19 procurement contracts between January-May 2020 (procurement of personal protective equipment, medical equipment dedicated to the fight against COVID-19, testing kits etc.), if they are not in the data published by the PPO.
2. TILC asked for the following supplementary information on the provided contracts:
  - a. Have all the procurement contracts related to COVID-19 from January to May 2020 been completed? If not, why and what is the expected date of completion of each active contract?

- b. To which institutions (if any) and in what quantities was the purchased personal protective equipment and other COVID-19 equipment distributed between January-May 2020?
- c. What kind of support from any kind of donors has been given to your institution to combat COVID-19 between January-May 2020? Please indicate from which institution/organization, what kind of support (e.g. protective masks, hand sanitizer), how many units, monetary value of support and when was the support received.

In total, 73 additional COVID-19 related public procurement contracts were submitted (until September 7) to TILC in response to requests for information. The total value of these contracts was EUR 5.53 million.

### **Advocacy efforts**

As part of the project, the TILC team participated in different advocacy activities in order to promote the importance of open data about emergency contracts and to engage with key stakeholders in roundtable discussions to generate recommendations about how to improve emergency procurement.

1. Engaged in public advocacy in the media and public sphere. TILC communicated at least three times ([1](#), [2](#), [3](#)) with the media about the importance of open data and at least four times ([1](#), [2](#), [3](#), [4](#)) about effective management of COVID-19 related procurement.
2. Actively communicated with key stakeholders such as the biggest contracting authorities, the biggest hospitals, the Lithuanian Public Procurement Office, the Special Investigation Service, and the National Audit Office. This included a roundtable discussion ([organized by the PPO and TILC](#)) on effective preparations for transparent and efficient public procurement in the face of a possible second wave of COVID-19 as well as attending two other public events ([1](#), [2](#)) on COVID-19 related procurement and the importance of open contracting.
3. Sent 12 FOIA requests to the largest COVID-19 procuring entities and patient hospitals, and engaged into conversation about the importance of open public procurement data. This encouraged two contracting authorities (Defence Materiel Agency and Santaros Clinics) to [publish some data](#) on their public procurement contracts and [receive support](#), respectively.

## Findings and recommendations

Topic	Findings	Recommendations
<b>Reactive disclosure</b>	<p>9 out of 12 organizations answered TILC FOIA requests providing at least partial information about COVID-19 procurement and support received if applicable (as of September 7, 2020). The information collected included contracts procuring medical and personal protective equipment, disinfectant fluids, pharmaceuticals, cleaning services, among others. In some cases they included details of the status of the contracts, the distribution of the goods and services and donations received.</p>	<p>Declare all COVID-19 related public procurement contracts, and support received, in a publicly available open data format.</p> <p>Provide better quality data and ensure completeness of information. For example, use the suppliers identifiers from the official registers; ensure the categories of purchased goods are correct, since the same protective equipment is sometimes categorized differently.</p>
<b>Value of disclosed contracts</b>	<p>73 additional public procurement contracts accounting for approximately EUR 5.5 million, which had not been disclosed by the PPO, were received as a result of TILC FOIA requests. In total, the PPO had disclosed EUR 84.4 million worth in COVID-19 related contracts.</p> <p>One contract was identified as <u>not</u> COVID-19 related (earlier published by the PPO as COVID-19 related) showing that the current e-procurement system does not allow contracts related to COVID-19 to be easily identified, and does not even contain all of them. 60% of additional contracts provided were small value contracts (out of which 12 contracts were under EUR 10,000, and thus, not required to use the e-procurement system). The additionally submitted contracts were rarely related to personal protective equipment or disinfectants; they ranged from medicines to renting mobile program "quarantine" or hotel services for isolation of individuals.</p>	<p>Establish a shorter period for disclosure of emergency procurements.</p> <p>Declare the status and completion of the contracts.</p> <p>Disclose information on where the purchased goods were allocated (delivery location).</p> <p>Publish the planned list of the goods, services or works to be procured, even in case of emergency procurement especially when there is a lack of information on the market about eligible suppliers.</p> <p>Ensure experts from a variety of fields (medicine, chemistry, biology, etc.) are included in the decision making process (by the stakeholders from a round-table discussion).</p>
<b>Disclosure of contract implementation data</b>	<p>5 out of 9 procurers that responded to TILC requests, revealed from which entities they had purchased COVID-19 goods and services. Such information helps to link budgets to contracts and procured goods, and monitor contract implementation and delivery.</p>	<p>Centralize public procurement processes, consolidating needs and according to the competencies of procurers.</p>

<p><b>Disclosure of COVID-19 contracts</b></p>	<p>5 out of 9 procurers that responded to TILC requests disclosed the status of COVID-19 public procurement contracts. This information was not previously publicly available. Some 53% of those contracts are still active, 42% were completed, and almost 5% were cancelled.</p>	
<p><b>Data on suppliers</b></p>	<p>TILC received 73 additional COVID-19 contracts, which were awarded to 46 different suppliers. Two of those suppliers appear in the top 10 list of suppliers with a higher value awarded (considering the contracts disclosed by the PPO). Additional information requests allowed for an extra EUR 1 million in contracts for these suppliers to be accounted for.</p>	<p>Create a publicly available database of reliable suppliers for COVID-19 related contracts (along with an open beneficial ownership registry).</p> <p>Ensure effective control of conflicts of interest in public procurement.</p>
<p><b>Data on donations</b></p>	<p>3 out of 6 procurers that were asked to provide information about donations disclosed such data. The total value of the donations received amounted to almost EUR 1.5 million.</p> <p>Some donors identified in the data submitted by three hospitals also participated in public procurements as suppliers at the same hospitals.</p>	

## Nepal

**Researchers:** Young Innovations

Status: Due to the pandemic, this research has been delayed.

### Summary

This action research is expected to identify potential gaps and give a concrete set of recommendations to help the local government devise necessary regulations, mechanisms and practices to enhance transparency, engagement and overall effectiveness of COVID related procurement at the local level in Nepal.

The overall objective of this research is to explore how local governments like DSMC can have better ways to make their COVID-19 related public procurement more effective.

Specific objectives in this regard are as follows:

- To explore and identify use cases focused on corruption, fairness and efficiency on COVID-19 procurement within DSMC.
- To develop and test practical approaches to organize, manage and collect data related to planning and implementation of COVID-19 related public procurement more effectively and efficient.
- To identify practical mechanisms and regulatory frameworks within the LOCAL Government to make COVID -19 procurement more transparent and effective.
- To identify mechanisms to engage citizens and citizen intermediaries for monitoring and improvement of COVID-19 procurements.

## Nigeria

### Monitoring emergency procurement during COVID-19 pandemic through user engagement with disclosed data in Kaduna

**Researchers:** Follow Taxes and WeCare Foundation

[Link to full report](#)

#### Summary

Since 2015, Kaduna State has made deliberate efforts to ensure the government is more open and accessible to the public. This earned the state a first place ranking among the 36 states in Nigeria in the Open State Ranking 1 of the Public and Private Development Centre (PPDC) Procurement Monitor. Kaduna State joined the Open Government Partnership (OGP) in 2018, making five strategic commitments in the following areas of open government: participatory budgeting, open contracting data, ease of doing business with the government, citizen feedback, and the right to information. Systems and tools were developed to focus on governance and public finance expenditure. The state also opened its procurement process and provided an open contracting portal to give citizens access to procurement data, and enabled citizen participation in the budget.

However, the COVID-19 pandemic created unexpected challenges for the public sector, causing governments to deviate from the norm of doing business and introducing emergency procurement procedures. Because they emerge from sudden and unforeseen circumstances, such procedures involve quick decision making and are usually not budgeted for. As a result, they are implemented in different ways and experience different issues around access to relevant information. As such emergency procurements are usually awarded in vast monetary amounts, the funds have a high risk of being siphoned off.

The researchers conducted in-depth interviews and online surveys across government, media, CSOs, and the private sector to assess the levels of the efficiency of the open procurement systems the state has put in place, and how these systems have impacted procurement processes over time. The research surfaced insights into the users' context, along with opportunities and corresponding recommendations for better emergency procurement in the state.

#### Data and methodology

The research employed both quantitative and qualitative research. The population of this study consists of the stakeholders and respondents who engage with the procurement process in Kaduna state in varying capacities. The respondents were divided into two groups: state actors (composed of government officials) and non-state actors (the beneficiaries or users of the public procurement platforms and information).

For the state actors, the researchers interviewed one person each from four ministries (Finance, Budget and Planning, Health, and Public Works), and the Kaduna Public Procurement Agency (KadPPA). For the non-state actors, they surveyed 138 contractors, civil society groups and journalists.

The research focused on three objectives:

- To identify the systems and tools that are used in the emergency procurements during the COVID-19 pandemic in Kaduna State.
- To identify how the procurement system could best enable the public to track emergency procurements during the COVID-19 pandemic.
- To assess enshrined change management in the Kaduna procurement law and the state's procurement system while enhancing open procurement and contracting processes.

## Findings and recommendations

Topic	Findings	Recommendations
<b>Procurement systems and tools</b>	<p>The various systems and tools used in Kaduna state for procurement purposes include:</p> <p><b>The Eyes and Ears app:</b> a home-grown solution for performance assessment that operates independently under the Monitoring &amp; Evaluation Department of the Budget and Planning Commission.</p> <p><b>Open Contracting Portal &amp; The Kaduna Public Procurement e-Portal:</b> The portal provides the enabling system of disclosure of contracting data, documents and information under the state public procurement authority.</p> <p><b>Microsoft Navision:</b> an accounting application provided by Microsoft used under the Ministry of Finance.</p> <p><b>Electronic Media:</b> WhatsApp, email, etc. used by all ministries, departments and agencies in the state.</p> <p><b>Manual submission</b> from the ministries, departments and agencies procurement units.</p>	<p>It is recommended that the state upgrades the internal and external systems for optimal information management to ensure the efficiency of one unified system.</p> <p>The state should consider designing a contract documentation process within ministries, departments and agencies to make its procurement process even easier.</p>
<b>Engagement</b>	<p>There is active engagement in procurement processes in Kaduna state and this may be the reason for the different procurement systems and tools developed in the state.</p>	

	<p>61% of the survey respondents are very knowledgeable or knowledgeable of the emergency single source procurement systems.</p> <p>Survey respondents make use of the available procurement tools/systems. The majority make use of the Kad-OCDS portal, KDSG Website and citizens feedback applications.</p>	
<b>Adoption</b>	<p>While the systems have proven to be effective in ensuring and fast tracking the process of procurement in the Kaduna State Public Procurement Process, the government still has a lot more to do in ensuring that the systems are as effective as intended. The current systems serve the function of ensuring ease in the process, but there are technical barriers faced by state government and general public users.</p>	
<b>User feedback</b>	<p>Government actors also revealed that Kaduna state has <a href="#">a guideline</a> that defines its procurement thresholds and is <a href="#">open</a> to everyone. As a result of the openness, technical evaluations and procurement processes did not suffer many hitches during the COVID-19 pandemic as the state was already going digital prior to the pandemic outbreak.</p> <p>This study finds that the Ministries, Departments and Agencies (MDAs) are now monitoring procurements using the different systems and feedback tools in their M&amp;E units, which means the state's procurement uses the same process across all MDAs. The government actors believe it allows the procurement process for each MDA to be segmented enough to enable remote working but still centralized to ensure accountability and monitoring by the central government.</p> <p>There was already a precedence of digitization that exists in the procurement process, so this shift had minimal effect on the emergency procurement process of the</p>	<p>There is a need for more capacity building of technical staff and to ensure 100% online access across all MDA's and procurement entities, to help reduce the complexity of the procurement process i.e. registration, bulkiness of the document. This will help the government to capture all relevant procurements on the systems and tools.</p> <p>Kaduna state should also define what constitutes an emergency procurement process.</p>

	<p>state. However, the forced change affected the efficiency of some staff. Government officials said a major challenge during the emergency was the lack of capacity of technical staff handling the procurement systems and tools.</p>	
<p><b>Public awareness</b></p>	<p>The majority (63%) of survey respondents believed information on emergency procurements was not made public and so it limited their monitoring activities even as they are knowledgeable in terms of procurement process and are conversant with the available procurement tools /systems for accessing procurement data in the state.</p> <p>This shows there is a need for more public awareness to be done by the government for its staff and the general public. The apps and systems in place need to be optimized to become more user-friendly. This would present an opportunity to ensure easy access from any device or any form by which CSOs, media and the general public can get these information themselves.</p>	<p>Based on the survey responses, the following measures would be most beneficial for the public to track emergency procurements during the COVID-19 pandemic:</p> <ul style="list-style-type: none"> <li>● A website for everyone to engage procurement information in the state.</li> <li>● Actively using media to make procurement processes public</li> <li>● All stakeholders (Ministries, Departments and Agencies, NGOs and state actors) should be enabled and engaged to participate in the preparation of emergency procurement data in Kaduna state.</li> <li>● Proactive training of government officials to better understand the process and how to effectively provide citizens with procurement information.</li> <li>● Timely release and publishing of procurement information on available procurement systems and tools.</li> <li>● More openness from the government to release procurement data to the public through every available means especially online or social media handles.</li> </ul> <p>It is also recommended that the state ensure optimal use of social media platforms like Twitter and Facebook by all MDAs. This will allow them to respond most quickly, creating an effective top down relationship between all related parties. The online platforms need to meet the need</p>

		for tech savvy users to report issues through project monitoring and provide prompt and effective feedback online.
<p><b>Change management in procurement framework</b></p>	<p>Data from the government revealed that there are very few protocols for adjusting procurement processes in Kaduna state during the COVID-19 pandemic. These include:</p> <ul style="list-style-type: none"> <li>• The Account General’s office introduced a risk based audit which will be enshrined in the law to amend what was experienced during COVID-19 pandemic. This will make pre-emptive funds available in the case of emergencies such as the COVID 19</li> <li>• Procurement processes in the state have also collapsed into 3 against what is in the federation. To further ensure better processes in the procurement systems, also, the Ministry of Finance revealed that they have introduced some new strategies on ways to better the procurement process.</li> <li>• The Kaduna state government recently developed an outlined plan which seeks to harmonize the different procurement systems in the state into one platform. There is a call for unified e-procurement for the whole country and Kaduna has started with the support of the World Bank.</li> </ul>	<p>Kaduna Public Procurement Agency should ensure that the unified portal they hope to design excels beyond the shortcomings of the Eyes and Ears app to include information about procurement plans, bills of quantities, summaries of standards, monthly project evaluation reports, project review reports, and payments.</p> <p>There should be a Circulation of Information from the governor (via Head of Service) that introduces OCDS and the available systems and tools in the state and clarifies their purpose.</p> <p>MDAs should ensure that key internal /technical staff are given updated training on OCDS and the available systems and tools in the state.</p>

## Paraguay

### Can urgency be exploited by corruption?

**Researchers:** Centro de Desarrollo Sostenible

[Link to full report \(Spanish\)](#)

[Link to website](#)

#### Summary

During the COVID-19 pandemic, governments around the world, including the Paraguayan government implemented emergency procedures in order to buy faster. However, this creates the perfect conditions for inefficiencies and potential corruption in procurement procedures, inflated prices, a decrease in quality and a lack of oversight. In this context, the Centro de Desarrollo Sostenible (CDS) and the Instituto de Derecho y Economía Ambiental (IDEA) have advocated for citizen oversight and transparency in public contracting to fight against corruption.

The objective of this project was to identify if potential corruption risks can be detected using open contracting data and what other data is needed to improve citizen oversight. The main output of the project is a [public website](#) that allows users to explore procurement data to check items bought during the emergency, compare historical prices, and identify the main suppliers and their relationships.

#### Data and methodology

The researchers collected open contracting data published by the Dirección Nacional de Contrataciones Públicas (DNCP) following the Open Contracting Data Standard (OCDS), using three open contracting tools: kingfisher collect, kingfisher process and kingfisher view. In total, they gathered 179,607 contracting procedures from 2010 to July 2020<sup>3</sup>, of which 225 were tagged as COVID-19 related contracts.

The OCDS data was complemented with the following publicly available datasets:

- List of suppliers with previous sanctions by the DNCP
- List of all disqualified suppliers by the DNCP
- Inflation index published by the Paraguayan Central Bank
- Referential price of currencies with respect to the Guaraní published by the Paraguayan Central Bank

#### Findings and recommendations

The main output of the project is an [interactive platform](#) that allows users to interact with the public procurement data directly and explore:

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<sup>3</sup> The analysis was done with data up to July 2020, however the platform was updated with data up to October 2020.

- The [details of the items](#) that have been bought during the emergency, that includes a column with the price change during the pandemic in comparison to the historical average price.
- A [ranking of the items](#) bought, grouped by their amount and quantity
- A [list of all the procuring entities](#) that have bought items during the emergency, with the total amount purchased and the number of procedures.
- A detailed [list of all the emergency contracting procedures](#).
- A [list of the suppliers](#) that have been awarded emergency contracts, and if they have been sanctioned by the DNCP.
- An interactive view of the [relationships between the suppliers](#), that highlights if suppliers have the same address or the same contact information.

The objective is to socialize the tool with journalists and civil society groups in order to facilitate civic oversight of emergency procedures. The main findings and recommendations that emerged are described in the table below.

Topic	Finding	Recommendation
<b>Inflated prices for some items</b>	<p>The two items views on the website (<a href="#">items</a> and <a href="#">ranking</a>), allow users to analyze the price of items purchased during the emergency and compare the values over time.</p> <p>There were items bought at a higher price in comparison to previous purchases. For instance, a respirator was bought at a price 176% higher than in the past.</p> <p>There were several cases in which the overpricing was due to differences in the units and the forms, that were not specified in the dataset. This was detailed in the PDF documents of the contracts.</p>	<p>Improve the data publication to include correct information about the item details, prices and units, since discrepancies were found between the PDF documents and the published data.</p>
<b>Supplier relationships</b>	<p>The platform allows users to quickly identify relationships between suppliers and potential irregularities. One example is the relationship between suppliers Eurotec S.A. and Insumos Médicos S.A, that have both the same owner and <a href="#">were sanctioned by the DNCP</a>. The platform facilitates an in-depth analysis of the relationships between these suppliers, checking their address and contact information.</p> <p>Using the suppliers view, it is easy to see that a single supplier has concentrated 70% of the total amount awarded during the emergency.</p>	<p>Promote the use of the platform by civil society organizations, such as IDEA, in order to generate investigations related to suppliers, items and procuring entities.</p>

## Philippines

### Contextualizing procurement capacity of Philippine local government units in response to the COVID-19 pandemic: A multi-criterion decision analysis perspective

**Researcher:** John Raymond Barajas

[Link to full report](#)

#### Summary

In response to the COVID-19 pandemic, local government units (LGU) in the Philippines have been authorized to shift their procurement of COVID-19 related goods and services to a contracting mode known as Negotiated Procurement (Emergency Cases). Although this change led to an increase in the awarding rate of tenders, LGUs still encounter difficulties in dispersing emergency funds, with an award rate of only 47% for COVID-19 related tenders from January to June 2020. Furthermore, the global shortage of COVID-19 related resources (such as personal protective equipment, testing kits, medicines, laboratory equipment), restrictions on movement and transportation across regions, and government office closures have added to the burden of procuring LGUs adapting to the amendments made on the conduct of Negotiated Procurement.

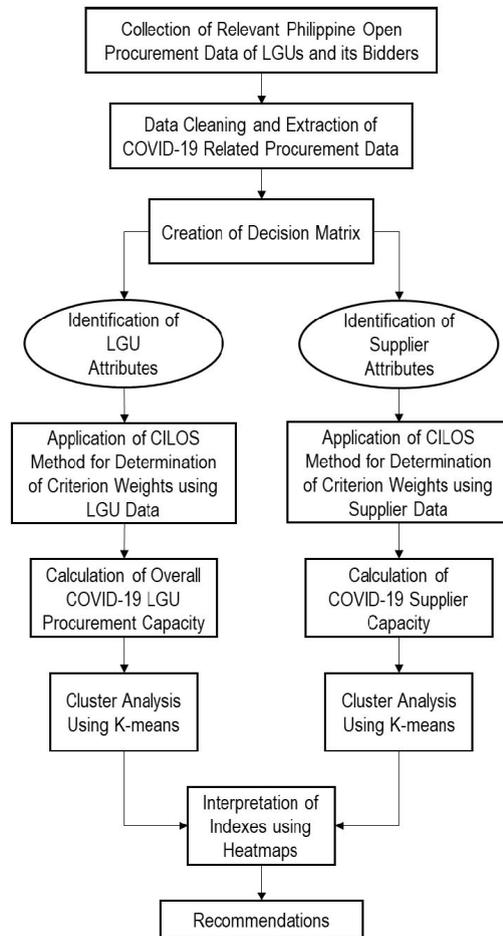
The research aimed to provide a solution to this issue by developing two indexing systems that classify LGUs according to their capacity to efficiently procure COVID-19 related resources, while ensuring that a potential bidder is matched with the procurement attributes of a procuring LGU. Using a multi-criterion decision analysis approach, procuring entities were categorized into “low”, “medium”, and “high” capacities to procure COVID-19 related resources. COVID-19 suppliers on the other hand were categorized based on the number of contracts awarded to them and the number of distinct LGUs they have supplied to. Further analysis of the collated procurement data showed that LGUs with low COVID-19 procuring capacity are best paired with COVID-19 suppliers that are capable of supplying outside their home regions.

#### Data and methodology

The following open data sources were used:

- Philippine Government Electronic Procurement System bid and award notices data (392,369 government tenders).
- Government Procurement Policy Board Online Portal COVID-19 bid data (11,655 awarded contracts)
- Local Government Unit Internal Revenue Allotment data

The methodology is summarized in the following image:



To calculate the overall and COVID-19 procurement capacity these attributes were used:

- Total approved budget of the contract (ABC)
- Total number of posted tenders
- Internal revenue allotment (IRA)
- Total number of suppliers tapped
- Utilization rate of government funds
- Total approved budget of the contract (ABC) for COVID-19 contracts
- Total number of COVID-19 related tenders
- Calamity fund
- Number of suppliers tapped for awarded COVID-19 related tenders
- Estimated utilization rate of calamity fund

To calculate the supplier capacity these attributes were used:

- Total contract amount of awarded COVID-19 related tenders
- Approximate net financial contracting capacity (NFCC)
- Total number of COVID-19 awarded contracts
- Total number of LGUs supplied

## Findings and recommendations

Topic	Findings	Recommendations
<p><b>Award rate before emergency rules</b></p>	<p>The average awarding rate of tenders in the Philippine Government Electronic Procurement System for the months of January until June 2020 was roughly about 17.3%. This is quite low and indicative of the effects of the COVID-19 crisis on the processing of posted government tenders.</p> <p>Similarly, the average utilization rate of government funds in terms of the awarded contracts for the covered period was also at a record low of 18.85%. This is probably due to the huge spike in closed tenders (i.e. bid proposals not being accepted) in February and March 2020, the period when municipalities and cities transitioned to the implementation of lockdowns in various regions in the Philippines. A huge decrease in the number of contracts was observed in March and April 2020; this was primarily due to the national directive implementing a quarantine on the entire island of Luzon. This suggests that due to the COVID-19 crisis, LGUs struggled to disburse their funds for procurement of goods and services.</p>	<p>Despite the amendments made by shifting COVID-19 related procurements to the Negotiated Procurement (Emergency Cases) mode, the continual rise of confirmed COVID-19 cases strongly suggests that the award rate is still not yet sufficient. Thus, interventions to augment the public procurement process are still needed.</p>
<p><b>Award rate with emergency rules</b></p>	<p>In response to the COVID-19 crisis, the Philippines passed the Bayanihan to Heal as One Act in late March to allow the adoption of a more flexible government procurement system (for emergency cases). An analysis of these procedures, not conducted using the PhilGEPS, suggested this measure allowed a significant increase in the awarding rate of COVID-19 related tenders to 47.11% and utilization of COVID-19 funds given to LGUs to 55%.</p>	
<p><b>Supplier capacity</b></p>	<p>At least 1644 contractors (47%) have been awarded at least three contracts. While this observation validates the information that there is indeed a</p>	<p>Adopting the developed classification systems for LGUs and COVID-19 suppliers is suggested in order to evaluate appropriate bidders more</p>

	<p>shortage of able suppliers for COVID-19 related goods and services, the analysis shows that these bidders are still able to handle multiple contracts (based on a proxy for their net financial capacity).</p>	<p>quickly. The collation of the identified LGU attributes and COVID-19 supplier attributes into single numerical quantities could be an alternative approach to automate pre-screening of eligible bidders.</p> <p>In parallel, LGUs are highly encouraged to maintain a database of suppliers or bidders awarded with their posted contracts, as key information such as the declared Net Financial Contracting Capacity (NFCC) and bidder’s address are not made available in the standard open PhilGEPS dataset.</p>
<p><b>Procurement capacity</b></p>	<p>The indexing system categorized LGUs into “low”, “medium”, and “high” capacities to procure COVID-19 related resources, while suppliers were clustered into four different groups, based on their uptake, the types of contracts they can procure and their ability to supply in different regions. With the LGU and COVID-19 supplier classification done, it is possible to pair LGUs with bidders best suited to their needs.</p> <p>The number of disclosed tenders for LGUs classified with a “low” COVID-19 procurement capacity indicate that procurement for COVID-19 related goods are being done, but the very low awarding rate suggests that these LGUs are particularly struggling during the pandemic.</p>	<p>The two indexing systems developed in this work still need to be tested and deployed in the field. The following avenue for future work are then recommended:</p> <ul style="list-style-type: none"> <li>○ Solicit critiques from staff working directly in pre-qualification and post-qualification of eligible bidders. Opinions solicited from these experts would further improve the developed indexing system (e.g. inclusion of real scenario variables).</li> <li>○ Create machine learning models that would simulate real scenarios to troubleshoot unforeseen situations prior to the deployment of such indexes.</li> <li>○ Deploy and pilot-test first in an LGU that is open to data-driven approaches and has implemented such, e.g. Legazpi City in Albay. This is to avoid possible conflicts arising from unwarranted political pressure.</li> <li>○ If the initial pilot is successful, it is strongly recommended, as a priority, to deploy the indexing systems with LGUs classified as having the lowest COVID-19 procurement capacity.</li> </ul>

## Uruguay

### More information, better purchases? An analysis of public purchases in Uruguay during the COVID-19 pandemic

#### Researchers:

Eliana Álvarez, Rodrigo Ceni, Rodrigo Gorga, Victor Koleszar and Román Sugo

[Link to full report \(Spanish\)](#)

[Link to findings \(Spanish\)](#)

#### Summary

Unexpected crises such as the COVID-19 pandemic can affect the speed and quality of government decision making. For those in procurement, an emergency can mean established procedures are ignored, offers are not evaluated comprehensively, or only familiar suppliers are used. This can be counterproductive to an efficient public spending policy, and compromise the procurement of critical and urgently needed resources. The current crisis offers a unique opportunity to understand how monitoring, and specifically citizen monitoring, of spending can improve transparency and the purchasing behavior of government agencies. This research sought to determine if informing decision makers about prices paid by their offices relative to others has an effect on their spending decisions, through a field experiment conducted with a treatment and control group. While results show that private citizen monitoring has no effects on either of them, this research offers an initial approach to analyze which monitoring strategies are more successful. The implementation of the OCDS in a variety of countries creates an opportunity to replicate the approach in order to observe how different contexts can influence results.

#### Data and methodology

The project analyzed procurement data published by the Agencia de Regulación de Compras Estatales (ARCE) following the Open Contracting Data Standard (OCDS). In total, 518 procedures procuring gloves, alcohol and masks were analyzed from March 13 to August 14, 2020.

The researchers conducted a field experiment, sending emails to 101 public entities, which were randomly divided into a treatment group (n=51) and a control group (n=50). These entities were selected because they purchased COVID-19 related supplies (alcohol, masks and gloves) between March 13 (when the first cases were detected in Uruguay) and May 15, 2020. Both groups received an email. The one sent to the control group showed general information about public procurement during 2019. Meanwhile, the one sent to the treatment group included a paragraph with details about the worst purchases of that office during the COVID-19 pandemic, compared to the prices paid by

other agencies. A difference-in-differences estimation was used to measure the impact of information on three outcome variables: amounts, quantities and awards.

## Findings and recommendations

Topic	Finding	Recommendations
<b>Experiment</b>	<p>Results of the difference-in-differences estimators are not statistically significant nor robust. This prevented a conclusion from being drawn on whether direct civic monitoring has an effect on public purchases, total spending and quantities bought. Possible explanations for this result are:</p> <ul style="list-style-type: none"> <li>• There were few observations after the treatment. Only 39 entities bought Covid related supplies after the treatment.</li> <li>• Email opening rates were low (49.5%), possibly because some email addresses were institutional and not assigned to a particular public official.</li> <li>• The experiment period was too short</li> <li>• The monitoring method chosen, direct contact via email with the purchasing entities, might not be the best one.</li> <li>• Uruguay had very few cases in comparison to other countries, which might have had an impact on purchases related to the emergency.</li> </ul>	<p>Replicate the experiment in other countries, prioritizing those currently publishing data following the OCDS, extending the post treatment period.</p> <p>The email addresses were extracted from the contact point email in OCDS, so it is recommended that ARCE review the information that is being published and train public officials on how to better input information to improve its quality.</p> <p>Promote higher quality contact information not only in the tendering period but in the contract and implementation stages.</p> <p>It may be more effective to replicate the experiment with other monitoring mechanisms, for instance those that involve a higher exposure to the public and not direct private monitoring.</p>
<b>Reference prices</b>	<p>14 of the treated entities responded to the email explaining their purchases or adding more information. Some requested more information about reference prices of particular items. The lack of information on reference prices can cause inefficiencies in purchasing decisions.</p>	<p>Generate a list of reference prices and suppliers, by item, available in OCDS, that can be accessed easily by public officials in procuring entities to inform their purchasing decisions.</p>
<b>Data quality</b>	<p>During the data cleaning, errors related to numerical inconsistencies, unusual values and non-standardized data fields were found.</p>	<p>Reduce the number of data fields that have to be imputed manually; introduce validation rules when inputting the data field in the system; and train public officials on data imputation in the system to minimise errors.</p>
<b>Data quality (unit prices)</b>	<p>Data quality issues related to units in the OCDS data created difficulties when analyzing unit prices of items. For example, gloves can be sold by unit, a box of 50, a box of 100, etc. To identify the unit correctly each purchase was verified manually on the ARCE website.</p>	<p>Improve the OCDS publication to include more detailed information on unit prices, description of the items and the units. This information is already collected in the ARCE portal, but not published in the open dataset.</p>

## **About the Open Contracting Partnership**

The Open Contracting Partnership is a silo- busting collaboration across governments, businesses, civil society, and technologists to open up and transform government contracting worldwide. We bring open data and open government together to ensure public money is spent openly, fairly and effectively. We focus on public contracts as they are the single biggest item of spending by most governments. They are a government's number one corruption risk and they are vital to ensuring citizens get the services that they deserve. Spun out of the World Bank in 2015, the Open Contracting Partnership is now an independent not-for-profit working in over 50 countries. We drive massively improved value for money, public integrity and service delivery by shifting public contracting from closed processes and masses of paperwork to digital services that are fair, efficient and 'open-by- design'.

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