



**Organization for Security and Co-operation in Europe
Secretariat**

EEF.NGO/3/19
28 January 2019

ENGLISH only

Conference Services

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The slide features a blue background with a geometric pattern. In the top left corner, there are three logos: a stylized 'C' logo for the Center of Strategic Research, the Russian coat of arms, and a circular logo with a blue and green design. The main title is centered in large white capital letters. Below the title, there is a quote in yellow text and the name of the speaker and date. A red horizontal line is positioned below the quote.

ЦЕНТР
СТРАТЕГИЧЕСКИХ
РАЗРАБОТОК

РАХУИС

ОПОРТУНИТИЕС АНД ЧАЛЛЕНДЖЕС
FOR FIGHTING CORRUPTION IN PP
AND IMPLEMENTING PUBLIC
FINANCE CONTROL THROUGH
DIGITALIZATION

"Promoting economic progress and security in the OSCE area through energy co-operation, new technologies, good governance and connectivity in the digital era"
Olga Anchishkina, Vienna, 28.01.2019

MAIN TOPICS

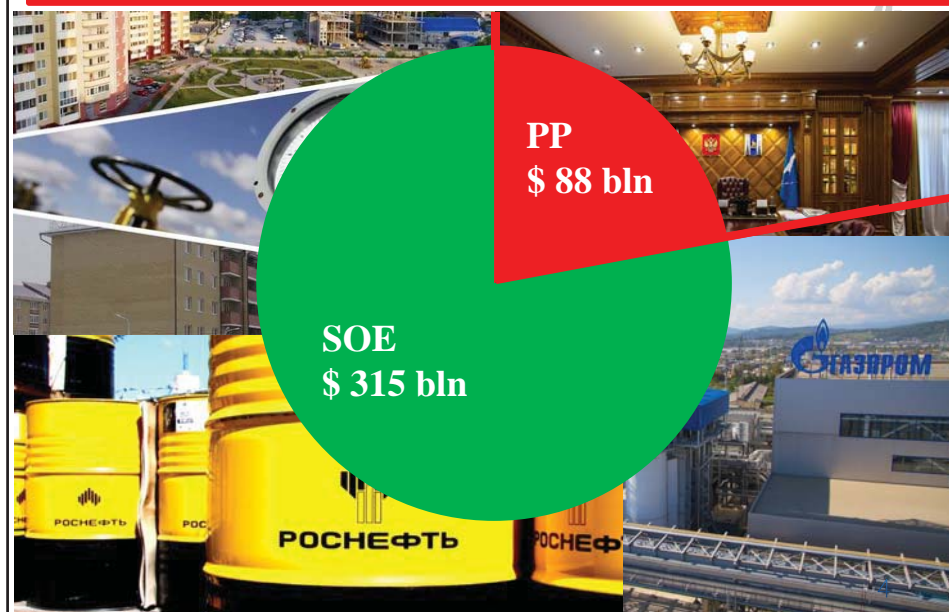
- 1. Russia's experience in digitalization, big data collection, e-procurement in public procurement (PP)**
- 2. Strong and weak points, potential and risks of digitalization**
- 3. Recommendations for effective digitalization in PP processes and data collection**

OSCE COMMITMENTS IN PUBLIC PROCUREMENT

- **Maastricht Strategy, 2003**
on improving the management of public resources (2.2.8)
- **MC Declaration on Strengthening good governance, 2012**
on effective management of public resources
- **MC Dec. on prevention of corruption, 2014**
on openness and accountability in public policy and procurement
- **MC Dec. on strengthening good governance and promoting connectivity, 2016**
calling pS to further promote integrity, accountability and cost effectiveness in public procurement processes

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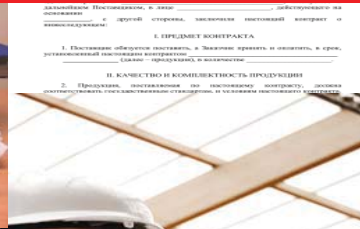
RUSSIA'S CONTRACT SYSTEM: 31–37 % GDP



INTENSIVE CONTRACT ACTIVITIES



3,5 mln contracts for PP
290K procurement bodies
800K contracting officers



1,5 mln contracts for State Owned Enterprises (SOE)
92K SOE

DIGITALIZATION AND DATA BASE STRUCTURE (1)

Planning stage

- 3-year procurement plans
- Annual purchase plans
- Price information requests
- Model procurement provisions for SOE
- SOEs' procurement rules

Solicitation stage

- Invitations to tenders and bids including:
 - contract projects,
 - specifications,
 - initial maximum contract prices
- Obligatory open public debates on planning major objects purchasing
- Lists of products for SME biddings
- Lists of SOEs' perspective needs in production of mechanical engineering

Performance stage

- Official PP contract register
- Official SOEs' contract register
- Register of contracts for the overhaul of common property in apartment buildings
- PP Reports
- SOE Reports
- Library of model (standard) contracts, model (standard) contract provisions

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DIGITALIZATION AND DATA BASE STRUCTURE (2)

Monitoring, audit and control

- Register of unfair suppliers and contractors
- Reports of control and audit bodies
- Reports on compliance with the requirements of the mandatory share of purchases from SME

Legal information Training material

- Legal framework
- List of financial institutions
- Register of Bank guarantees
- list of international agreements on special trade regimes
- Training

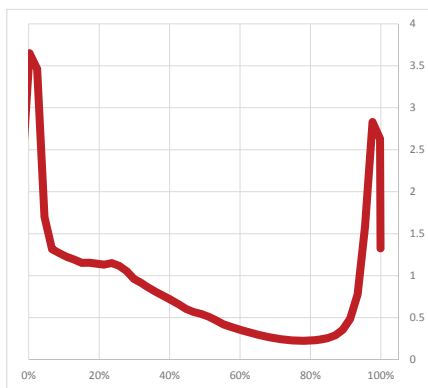
Additional information

- Catalogue of goods (34K positions)
- Register of purchasing organizations
- Register of organizations (import substitution) for using the one source procurement procedures
- Register of qualified contractors (special work, licensed activity) 13K organizations
- Reports of producers on import substitution results
- Register of SOEs' revenue information

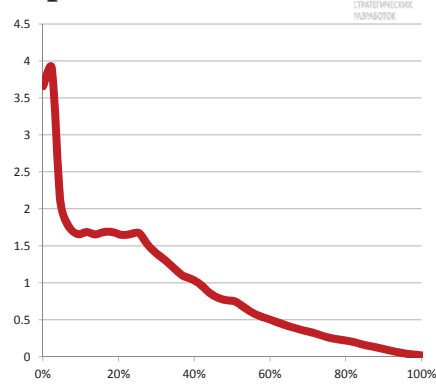
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CHALLENGES

Distribution of tender price reduction



“Dirty” initial data

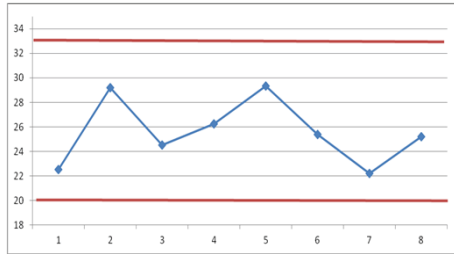


“Clean” normalized data

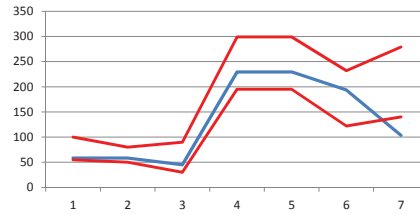
kernel density estimation

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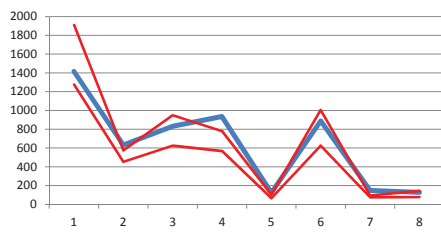
HIGH POTENTIAL FOR PRICE CONTROL



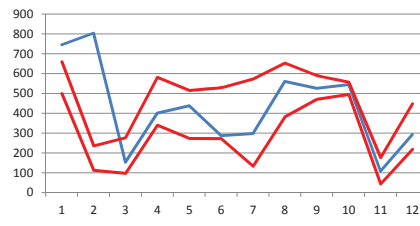
Bread



Pluck and liver



Baby food

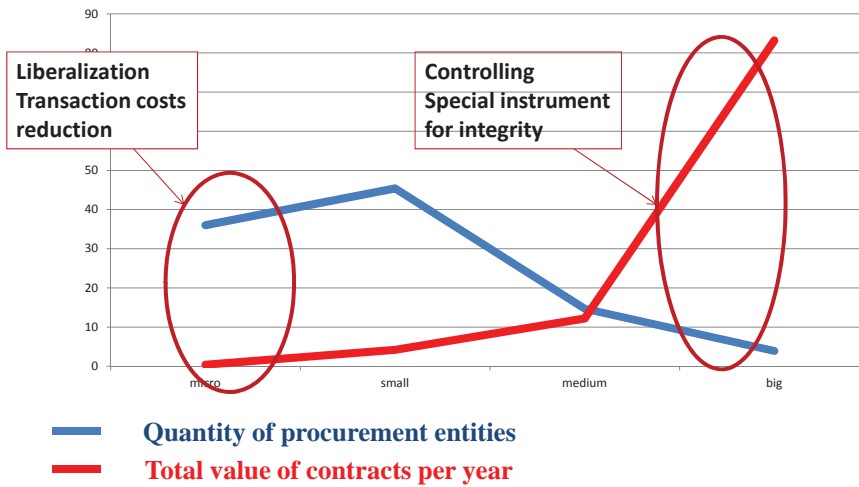


Pharmacy

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COMPLEXITY OF PP STRUCTURE

Procuring entities' structure by contract value per year



DIGITALIZATION: STRATEGIC SHIFT

From separate, singular acts of digitalization in public procurement (e-processing, open and free information, open contracting and data collection, etc.)

to perfection of the public turnover of the whole digital cycle as a conjugation of three blocs:

- procurement processes,
 - information processes, and
 - special analytic instruments and public activities,
- to make digitalization a high potential institute of public expenditures control, open and transparent public procurement, technical modernization