

## Georgia's E-procurement platform is one of the most transparent in the world but because of loopholes, too many contracts bypass the system

Tbilisi – June 14, 2013. The official electronic procurement system through which the government does its contracting is state of the art and among the most transparent and efficient systems in the world, a new report by Transparency International Georgia finds.

### The main findings of the report are:

- The official electronic procurement website is very innovative and transparent;
- Any person can file electronic complaints that are reviewed by a Dispute Resolution Board. This process has worked well and has helped to increase fairness and competition of the procurement process;
- Contracts are awarded to the lowest bidder; the procurement system should better reflect the quality of a product or the expertise and experience of a supplier, to ensure that tax-payer money is spent to maximize the value for the public;
- Too many exemptions in the law on state procurement allow certain state-owned entities (Georgian Railways, Georgian Lotteries, Partnership Fund etc.), the Government's and President's Reserve Funds and the Ministry of Defence sign contracts without using the electronic procurement platform. The government should close these legal loopholes;
- Contracts worth GEL 800 million were procured under opaque procedures and without competition as a result of a special approval by the president and the government in 2012; 45% of all contracting, GEL1.2 billion of purchases, were done through non-competitive simplified procurement, 55% (GEL 1.5 billion) were procured electronically;
- TI Georgia's new website, [tendermonitor.ge](http://tendermonitor.ge), allows the public to search, monitor and analyze government contracts.

Today TI Georgia also launched [tendermonitor.ge](http://tendermonitor.ge), a new website which allows the public to search, explore and monitor public procurement, which is based on electronic data from the electronic procurement platform of the Georgian Competition and State Procurement Agency (CSPA).

*"With this tool, we hope that we will turn a transparent procurement process into one where the public can really monitor how government entities are spending taxpayers' money", says Eka Gigauri, Executive Director of TI Georgia.*

In Georgia, regularly procured government tenders are announced on one central website, where companies can then bid online for contracts, which are awarded to the lowest bidder that fulfills all required criteria. All tender documentation, signed contracts and any amendments are published in this innovative system that has been developed and steadily improved by the Competition and State Procurement Agency since 2010.

*"We generally have been impressed with the system the CSPA has developed", says Gabriel Šípoš, a procurement expert and director of TI Slovakia. "The system is largely in line with European Union regulation but one area we think should be improved is that there are many exemptions that allow for contracts to be tendered outside the electronic platform."*

*"The government should now move to close loopholes in order to ensure that public funds are spent in a transparent and competitive way through the electronic system, so that the risks of corruption and nepotism are reduced", says Eka Gigauri.*

Anybody who detects a potential violation of the law in an electronic tender process can file a direct complaint on the official procurement website, which is then reviewed by a Dispute Resolution Board, in which TI Georgia is represented, within ten working days. This online reporting mechanism is a very innovative approach that allows the public to scrutinize public contracts and to take action and stop a process, if they find violations of the law.

TI Georgia's work on public procurement and <http://tendermonitor.ge> are made possible by support from the Official Development Aid of the Slovak Republic (SlovakAid) and the Swedish International Development Agency (Sida).