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# Evaluation of the public procurement system in Belarus according to the SIGMA methodology

Brief version

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## METHODOLOGY

The purpose of this paper is to study the field of public procurement (based on the analysis of available data) to determine the degree of compliance of the public procurement system in Belarus with the requirements and recommendations of the SIGMA initiative for the European Neighborhood Policy countries. For this purpose, the compliance of the public procurement system in Belarus with several principles (8, 9, 10) from the “Public Financial Management” section of the SIGMA methodology is assessed. The recommendations of this document are intended primarily for the reform of the public administration system in order to bring its functioning closer to the norms and approaches of “good governance” with all its key attributes.

The SIGMA methodology<sup>1</sup> is a set of public administration domains, principles, indicators and sub-indicators for assessing the quality of public administration. Each area consists of principles that define the basic preconditions for good governance. The indicators, in turn, are designed to provide an accurate and balanced assessment of the compliance of the current situation in the country with each of the principles. The indicators are broken down into sub-indicators that provide a scoring assessment of the current state of affairs in the country.

Principle 8 of the “Public Financial Management” section of the SIGMA methodology is formulated as follows:

***Public procurement regulations (including public-private partnerships and concessions) are aligned with internationally recognized principles of economy, efficiency, transparency, openness and accountability, and are duly enforced; there is central institutional and administrative capacity to develop, implement and monitor procurement policy effectively and efficiently.***

This principle is evaluated using two indicators:

- 6.8.1 Quality of legislative framework for public procurement and PPPs/concessions;
- 6.8.2 Central institutional and administrative capacity to develop, implement and monitor public procurement policy effectively and efficiently.

Principle 9 of the “Public Financial Management” section of the SIGMA methodology is as follows:

**The remedies system is aligned with applicable agreements and international regulations and with internationally recognized good practice of independence, probity and transparency and provides for rapid and competent handling of complaints and sanctions.**

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<sup>1</sup> Methodological framework for analysis: <http://www.sigmaweb.org/publications/Methodological-Framework-for-the-Principles-of-Public-Administration-ENP-Countries-May-2018.pdf>

This principle is evaluated using a single indicator:

- 6.9.1 Independence, timeliness and competence of the complaints handling system.

Principle 10 of the methodology is worded as follows:

**Public procurement operations comply with basic principles of equal treatment, non-discrimination, proportionality and transparency, and ensure the most efficient use of public funds; procuring entities have appropriate capacities and use modern procurement techniques.**

This principle is evaluated by means of two indicators:

- 6.10.1 Efficiency, non-discrimination, transparency and equal treatment practiced in public procurement operations;
- 6.10.2 Availability and quality of support to procuring entities and economic operators to strengthen professionalization of procurement operations.

## GENERAL CONCLUSIONS ON THE COMPLIANCE OF THE SITUATION IN BELARUS WITH THE PRINCIPLES OF SIGMA METHODOLOGY

Based on the evaluation of indicator 6.8.1, we can conclude that Belarus has achieved significant progress in the development of the legal and regulatory framework for public procurement, scoring 38 points out of 55, which corresponds to a score of 3 or even 4 on a 5-point scale. However, in order to achieve better performance on this sub-indicator, Belarus needs to bring its national legislation on public procurement in line with the WTO Agreement on Government Procurement and provide for additional types of public procurement procedures. It is worth noting that Belarus also shows good results with regard to the implementation of best practices in such areas as publication of information on public procurement procedures and transparency, coverage of this area by public procurement legislation, procedures for selection of winners and practical application of the legal framework.

For indicator 6.8.2, Belarus demonstrates satisfactory development of institutional and administrative capacity in public procurement, scoring 47 points out of 80, which corresponds to a final score of 3 on a 5-point scale. This suggests that Belarus needs to develop an overall strategy and operational plan for the development of the public procurement system and demonstrate their implementation. Belarus also needs to improve the independence of the authorized state body in the field of public procurement, as well as the transparency and accountability of both the body handling complaints and individual officials of this body.

The assessment of indicator 6.9.1 shows that Belarus performs well in the functioning of the complaints handling system, scoring 33 out of 47, which corresponds to a score of 3 or even 4 on a 5-point scale. The area of handling complaints shows the best results in terms of the right to challenge public procurement decisions, the time and cost of handling complaints, and the mechanisms for enforcing the decisions of the review body. It is important to note, however, that the complaints handling system has the worst record on the inability to remedy misconduct by procuring entities, as well as on the indicators of ethics, independence, transparency, and accountability.

For indicator 6.10.1, which assesses efficiency, non-discrimination, transparency and equal treatment practiced in public procurement operations, Belarus scored only 1 point on a 5-point scale, indicating significant shortcomings in this area. Belarus needs to substantially increase the share of open and competitive tender procedures in public procurement, publish more diverse analytics and more detailed data on public procurement procedures, as well as create and implement a mechanism to ensure ethics and integrity, a code of conduct for participants and organizers of public procurement procedures.

Based on the evaluation of indicator 6.10.2, which examines the availability and quality of support to procuring entities and economic operators to strengthen professionalization of procurement operations, Belarus scored 16 points out of 25, which corresponds to 3 points on a 5-point scale. Belarus has developed methodological guidelines, instructions, standard and sample templates of



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basic tender documentation, as well as trainings and courses on public procurement for procuring entities' staff and bidders. However, due to the ongoing repression in Belarus, it is impossible to assess the quality of these materials through a traditional survey of experts and bidders.

Thus, the analysis of the public procurement sphere in Belarus according to the SIGMA methodology shows that this sphere is moderately developed (3 points out of 5 possible). The situation is best with the legal and regulatory framework and the system of complaints handling. The areas most in need of reform are the implementation of the openness and fairness principles of the public procurement system, increasing the attractiveness of the public procurement market for business, and developing competition in this market by increasing the share of open competitive procurement procedures.