

Impact Story



TRANSPARENCY AND ACCOUNTABILITY IN PUBLIC ADMINISTRATION AND SERVICES / TAPAS



Prozorro Market Delivers Equal Access to Medical Goods Across Ukraine

Today, small town pre-schools along Ukraine's war-torn eastern frontier can purchase affordable medicines and supplies just as quickly and easily as hospitals and schools in big cities.

Prozorro Market's electronic catalogs (eCatalogs) for below-threshold procurements have been operating in Ukraine since April 2019. Prozorro Market is Ukraine's first state-owned online store. It operates on the same principles as other online stores: choose, click and buy¹. eCatalogs simplify the process that public buyers had to go through when purchasing small batches of standard goods such as office paper, cartridges, laptops, gasoline, medicines and medical products. They no longer have to find and verify suppliers on their own because the suppliers and goods listed in Prozorro Market have already been qualified by centralized purchasing organizations such as Ukraine's State-owned Enterprise for Medical Procurement (for medical products) and the State Institution Professional Procurement (other categories of goods).

The implementation of Prozorro Market was made possible with the support from the USAID/UK aid project, Transparency and Accountability in Public Administration and Services (TAPAS). eCatalogs can be accessed directly through a customer's account on official online public procurement venues such

as dzo.com.ua, e-tender.ua, zakupki.prom.ua, smarttender.biz and ua.all.biz. Public buyers (hospitals, schools, museums, local administrations, police and military units) in large cities with over a million inhabitants and small, regional entities alike are enjoying the perks of eCatalogs.

Savings and customer support

Kharkiv City Children's Clinic No. 12 provides medical care to 10,500 children annually and admits nearly 300 children a day. Inna, the clinic's accountant, learned about Prozorro Market through her local city council. She was initially interested in using eCatalogs because they eliminate the need for verifying suppliers which simplifies the ordering process. Moreover, Inna and her colleagues later found out that Prozorro Market also provides efficient customer support services. Through Prozorro Market's helpline, the accounting team at Kharkiv City Children's Clinic No. 12 was able to quickly get answers to the questions they had when they first began using the system.

¹ In Ukraine, the most common scheme for online shopping is to pay after receiving your order.



According to Inna, when Prozorro Market was still early on in its pilot phase, the range of medical products available in the eCatalogs was limited. However, Prozorro and centralized purchasing organizations have been responsive to customers' needs and continue to expand the selection of goods beyond just medicines and medical products. As of June 30, 2020, more than 2,500 items - including over 600 types of medicines and medical products - are available in Prozorro Market.

As with most Ukrainian medical institutions, Kharkiv Children's Clinic No. 12 has a very limited budget and costs play a significant role when its purchasing department is planning procurements. With eCatalogs, the prices of goods are very competitive and often much lower than when ordering directly from a supplier, resulting in significant savings for public institutions. The produced savings, in turn, allow to procure more supplies.

Equal Opportunities for All

It's not only hospitals and other customers in big cities that require medicines and medical products. Pre-schools across all of Ukraine are required to have first-aid kits for their students (ages 2 - 7).

Five pre-schools in the small town of Kurakhove, located just 18 kilometers (11 miles) from the Ukrainian government's last outpost on the frontline, used to purchase medicines and medical products for 800 children from local pharmacies. However, this arrangement caused many problems for both sellers and customers. According to Enga Yarygina, the accountant at Kindergarten No. 17, local pharmacies did not want to work with her pre-school due to bureaucratic issues pertaining to documents. It was also impossible for pre-schools in Kurakhove to find other suppliers within the small town which has a population of just 20,000.

Pharmacies in Ukraine prefer to work on a pre-payment system. This means that the tender committees at the pre-schools had to formulate their orders, submit their orders and budgets to pharmacies, and make payments to pharmacies before receiving their supply of goods. Public entities including schools operate on completely different workflows and payment cycles; they first formulate a budget, choose a supplier, sign a contract, receive the goods, and only then do they make a payment to the pharmacy.

In Kurakhove, the pre-schools were approaching pharmacies with their budgets, lists of supplies that they needed

and payment. The pharmacies ordered the products from the suppliers, and, only then did the buyers (the pre-schools) learn the name of the manufacturers and the price at which the first-aid kit supplies could be purchased. The differing workflows and payment cycles of pharmacies and pre-schools made the process of procuring medicines and medical products a complicated one for pre-schools.

When Enga first learned about Prozorro Market in a local administration publication, she immediately decided to give it a try by ordering items needed for her pre-school's first-aid kits (e.g. cotton, bandages, gloves) through eCatalogs.

To her surprise, Enga found that the eCatalogs system works in the same exact manner that is prescribed for government agencies. That is, she calculates the precise amount of the required items to purchase, places an order and can pay for her order once she has received it. What's more, the eCatalogs system solves the supplier access problem because vendors who supply goods in Prozorro Market are willing to work with customers who have orders for small batches - of up to UAH 200,000 (approximately \$7,500). For these small purchases, Enga now has the ability to choose a supplier being aware of the price and supply conditions, sign one contract and know she will receive them in a few days.

The Pandemic Challenge

Since the beginning of the COVID-19 pandemic and resulting quarantine in Ukraine, the efficient procurement of medical goods (e.g. gloves, disinfectants, syringes and express tests), has become even more relevant for medical institutions and public entities wanting to make sure that their staff are protected. Even with the purchase of goods, works, and services aimed at combatting COVID-19 being exempted from the Prozorro system, Prozorro Market has not lost its relevance. In fact, the demand for quick, small purchases has grown dramatically in recent months. For instance, the total cost of purchases from the "medical materials" category of eCatalogs tripled between the comparable time periods of January 1 – March 10 (UAH 230,000, or \$8,500) and March 11 – May 26 (UAH 660,000, approximately \$24,500). The total cost of likely COVID-19-related goods purchased via Prozorro Market reached UAH 2 million (more than \$74,000) between March 11 – May 26, 2020.

Thanks to Prozorro Market, public contracting authorities across the country are able to make small purchases both quickly and transparently during this challenging time.

The USAID / UK aid Transparency and Accountability in Public Administration and Services / TAPAS Activity supports citizens and the Government of Ukraine in reducing or eliminating corruption in key public administration functions and services through eGovernance reform and introduces best international practices in the key areas of eProcurement, Open Data, and eServices