

Keynote Address by the OECD Deputy Secretary-General Jeffrey Schlagenhaut

**Publication Launch Event
Fighting Bid-rigging in the energy sector in Ukraine
Review of public procurement at Ukrenergo**

Tuesday, 15 June 2021, 9:30 – 12:00 (Paris time), on Zoom

Good morning ladies and gentlemen. I am delighted to join you for the launch of the OECD report on **fighting bid-rigging in the energy sector in Ukraine which reviews public procurement at Ukraine’s national power company, Ukrenergo**. It is a pleasure to see such a strong turnout from Ukraine and the international community, including OECD members. Your participation today reflects the importance we attach to this work.

The report that will be presented today is part of a wider project on “[Supporting Energy Sector Reform in Ukraine](#)”, which was launched in 2019. I would like to thank the **Norwegian government** for its political and financial support and for entrusting the OECD with this important project.

Competition policy is among the key priorities identified in the OECD-Ukraine Memorandum of Understanding, and it is central to energy-sector reform. Competition is essential to a well-functioning and dynamic market economy.

The fight against bid-rigging targets one of the most harmful anti-competitive practices – cartels. They are the number one enforcement priority in most jurisdictions. Often they are very effective as suppressing competition in public procurement.

This matters: **around 30% of government spending is devoted to public procurement**. When the competitive process is subverted by cartels, taxpayers’ money is wasted, and less can be spent on things like education, healthcare, and infrastructure. In addition, we know that **bid rigging is closely connected with another of Ukraine’s biggest problems -- corruption**.

Our **review of Ukrenergo’s procurement practices** against the [OECD’s recommendation on fighting bid-rigging in public procurement](#) offers vital insights, as well as targeted and operational recommendations to improve Ukrenergo’s procurement and make the lives of Ukraine’s cartelists a lot harder. We hope that Ukrenergo will become **a reference point and**

role model. Many of the recommendations presented today are broadly applicable to other state-owned enterprises, and **we hope they will be rolled-out as wide as possible.**

That roll-out will require broad-based co-operation and active engagement not only from state-owned enterprises but from a wide range of institutions. As the review emphasises, **the Parliament, government ministries and the Anti-Monopoly Committee also have critical roles to play** in the fight against bid-rigging.

Before I close I want to thank the numerous **Ukrainian stakeholders** – including many present here today – who supported the OECD in this exercise. Your input was critical to a successful outcome. I would particular like to **thank Ukrenergo** for its courage in submitting to such critical scrutiny and for the openness you have shown. I am confident that the recommendations, when implemented, will greatly benefit the company itself, the government and, in the end, Ukraine's households and firms.

Let me assure you that the OECD will be at your side as you continue the fight against bid-rigging, to build a future for Ukraine that is more just and prosperous for all. I wish you all a successful discussion. Thank you.