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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS
COMPETITION COMMITTEE**

Competition and Corruption in Public Procurement – Note by Lithuania

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1. Introduction

1. The Organisation for Economic Co-operation and Development highlights that public procurement is among the government activities most vulnerable to corruption and that corruption and collusion can reinforce one another. Bid-rigging is also regarded as one of the most serious infringements of competition law, causing significant harm to consumers and public finances.
2. Recognising the importance of transparent and pro-competitive public procurement mechanisms, the Competition Council of the Republic of Lithuania (CC) has consistently paid particular attention to this area. For several years, bid-rigging investigations featured prominently among the CC's enforcement priorities and accounted for around half of all investigations into anticompetitive agreements. Even after the list of sectoral priorities was revised and new areas of focus were introduced, the CC has continued to allocate significant resources to the prevention and detection of bid-rigging. These efforts include educational activities¹ targeted at contracting authorities, as well as close cooperation with other public bodies responsible for preventing and uncovering wrongdoing in public procurement, such as the Special Investigation Service (SIS) and the Public Procurement Office (PPO).
3. Ensuring competitive and transparent public procurement requires a coherent set of interrelated factors. These include an appropriate legal and regulatory framework, transparent and accessible information, effective inter-institutional cooperation, and strong enforcement mechanisms to combat collusion, corruption, and other unlawful practices in public procurement.

2. Cooperation is key to effective public procurement supervision

4. In 2017, the CC, the PPO and the SIS entered into a cooperation agreement enabling the exchange of expertise and information necessary for investigating corruption, public procurement infringements, and collusive bid-rigging, as well as for strengthening the qualifications of the respective authorities' staff. This inter-institutional cooperation aims to enhance the effectiveness of efforts to combat cartels and corruption in public procurement.
5. Following the conclusion of the cooperation agreement, all three institutions engaged in various forms of collaboration. In particular, the CC organised training sessions for the SIS on the detection of bid-rigging, with a view to enabling SIS staff to effectively identify and share with the CC information on potential competition law infringements. On the basis of information received from the SIS, the CC opened and successfully concluded several investigations into bid-rigging. For example, in 2022, the Lithuanian Supreme Administrative Court upheld the settlements concluded between the CC and several undertakings involved in a bid-rigging agreement in the reclamation services market, in which the undertakings acknowledged the infringement.

¹ E.g., in 2026, the CC launched e-learning platform with various online training courses, including the course on bid-rigging. The e-learning platform is available online: <https://emokymai.kt.gov.lt/#/>.

6. In one instance, national courts restricted the scope of cooperation between the CC and the SIS. In 2021, the CC terminated an investigation into suspected bid-rigging in public procurements for the reconstruction and construction of embankments and other facilities. The investigation was discontinued following a decision of the Vilnius Regional Administrative Court, which found that the Regional Prosecutor's Office had unlawfully authorised the SIS to transfer part of the pre-trial investigation data – collected through criminal intelligence – to the CC. The remaining evidence available to the CC was insufficient to proceed with the investigation. To date, national legal acts have not been amended to allow the CC access to data collected through criminal intelligence.

7. The CC also shares with the SIS information collected in the course of its activities that may indicate potential cases of corruption.

8. The CC seeks to further strengthen its cooperation with the PPO in the area of information exchange. The PPO is currently developing a public procurement database. In this context, the CC is providing input during the development process and has requested access to the database once it becomes operational, with a view to analysing the data and identifying potential bid-rigging cases.

3. Prevention of bid-rigging and corruption in public procurement

9. Prevention is another key area of action in tackling unlawful behaviour in public procurement. Given that bid-rigging may occur concurrently with other infringements – such as corruption or conflicts of interest – effective prevention requires a holistic and comprehensive approach. For this reason, the CC often cooperates with other authorities in its prevention efforts.

10. For example, in 2025 and 2026, the CC designated the defence sector as one of its priority sectors, in response to its increased importance due to the geopolitical situation and the resulting rise in public spending. To help ensure the proper use of public funds in defence procurement, the CC, together with the SIS and the PPO, organised a series of meetings and training sessions for the Ministry of Defence and its subordinate agencies. These training sessions addressed various aspects of transparent and competitive public procurement, including the prevention of bid-rigging, corruption, and conflicts of interest.

11. Practical experience of Lithuania further highlights the importance of ensuring that all safeguards operate effectively to prevent potential infringements. For instance, in 2025, after evaluating the Ministry's of Defence initiatives concerning defence procurement, the CC recommended introducing a competitive procurement mechanism. Specifically, in situations where the Ministry of Defence considers it necessary to manufacture and procure certain war materials domestically in order to protect essential security interests, suppliers active in the national market should be selected through a competitive procedure rather than by direct award.

4. Conclusions

12. As highlighted in this Note, public procurement represents a particularly important area requiring robust safeguards against abuse, including corruption and bid-rigging. Ensuring that procurement processes remain transparent and competitive, and that public funds are used effectively, necessitates continued attention from a broad range of stakeholders.

13. In order to support the effective functioning of the public procurement system, the CC not only exercises its competences in enforcement and advocacy, but also works closely with other public authorities. Such cooperation is aimed at preventing bid-rigging, corruption, conflicts of interest, and other infringements in public procurement.