

# **PUBLIC PROCUREMENT TOPIC GUIDE**

**COMPILED BY THE ANTI-CORRUPTION HELPDESK**

Transparency International is a global movement with one vision: a world in which government, business, civil society and the daily lives of people are free of corruption. Through more than 100 chapters worldwide and an international secretariat in Berlin, we are leading the fight against corruption to turn this vision into reality.

Topic guides are a series of publications developed by the Anti-Corruption Helpdesk on key corruption and anti-corruption issues. They provide an overview of the current anti-corruption debate and a list of the most up to date and relevant studies and resources on a given topic.

**[www.transparency.org](http://www.transparency.org)**

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This topic guide provides an overview of major corruption risks and anti-corruption approaches in public procurement, and a compilation of the most up to date and relevant studies and resources on the topic.

# PUBLIC PROCUREMENT

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A large percentage of public money is spent on procurement to buy goods and services for public projects amounting to an estimated average of US\$9.5 trillion every year<sup>1</sup>. In OECD countries, public procurement makes up for between 19 and 45 per cent (OECD average 29 per cent) of total government expenditures<sup>2</sup>. With such vast amounts of money at stake, public procurement arguably poses the greatest risk for corruption in PFM. The size, the number and complexity of the transactions involved, combined with the high level of discretion of procurement officials, provide many incentives and opportunities for corruption. It is estimated that on average 10 to 25 per cent of a public contract's value may be lost to corruption<sup>3</sup>.

## CORRUPTION RISKS IN PUBLIC PROCUREMENT

Corruption in public procurement can affect all stages of the procurement process and take many forms. Yet, corruption is hard to detect due to the complexity of the procedures involved which often require a high level of technical expertise at all stages of the process.

### Project selection phase

At the project selection phase, needs assessments can be manipulated, inflated or artificially induced to select projects with higher contract value. Projects can also be identified to serve the interests of particular bidders or the private interests of procurement officials. In such cases, collusion and/or political corruption may influence the public procurement.

### Bidding process

During the tendering phase, opportunities for corruption are abound. While it is generally assumed that corruption risks are especially high during the evaluation of bids, the specification phase can be designed to limit competition and favour particular bidders. Some bidders may be given an unfair advantage (for example, exclusive access to information) as a result of officials having a private interest in these companies, or in exchange for a bribe. A government official may demand a bribe or a kickback in exchange for a contract award, and the bribe payer may inflate the price of the contract to cover the bribe and preserve his profits. Bidders may also conspire to fix the outcome of a bid and inflate contract prices which are then shared between companies, sometimes with the complicity of the procurement official who may be offered a kickback for turning a blind eye to such practices. Procurement officials or his/her friends and relatives may also have an economic interest in one of the bidding companies. Other corrupt practices may involve abusing confidentiality, limiting advertisement and publicity, and manipulating the submission and evaluation of bids.

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<sup>1</sup> Open contracting: factivists fighting procureaucrats. Spruill, C., 9 December 2013. [www.open-contracting.org/open\\_contracting\\_factivists\\_fighting\\_procureaucrats](http://www.open-contracting.org/open_contracting_factivists_fighting_procureaucrats)

<sup>2</sup> Government at a glance. OECD, 2013. [http://www.oecd-ilibrary.org/governance/government-at-a-glance-2013/general-government-procurement-as-share-of-total-general-government-expenditures-2011\\_gov\\_glance-2013-graph99-en](http://www.oecd-ilibrary.org/governance/government-at-a-glance-2013/general-government-procurement-as-share-of-total-general-government-expenditures-2011_gov_glance-2013-graph99-en)

<sup>3</sup> Guidebook on anti-corruption in public procurement and the management of public finances. UNODC.

## Contract implementation

While less attention is often paid to contract implementation, there are many opportunities for abuse at this stage of the process, including false invoicing, overbilling, underperforming and failure to meet specification standards, among others. It is typically at this stage of the process that corrupt payments made in the earlier stages of the process can be recovered by means of performing less than the contractually agreed services, or by altering the contract through successive re-negotiations.

## ANTI-CORRUPTION TOOLS AND APPROACHES

Public procurement is an entry point of anti-corruption initiatives, and there are a number of practical tools, international standards and best practices available to curb corruption in procurement. Major approaches to curb corruption in public procurement include<sup>4</sup>:

- **Strong legislative framework.** The legal framework in which procurement takes place is defined by the national and international legislation binding the country. In recent years, a variety of regional and international anti-corruption treaties, such as the UNCAC, have set internationally agreed standards that can be used as a benchmark.
- **Transparency.** All parties need to be ensured easy access to information throughout the procurement process, especially with regard to tender opportunities, selection criteria, evaluation processes, awarding processes and justification of the decision, terms of the contract and subsequent amendments, implementation of the contract, and the role of intermediaries, among others.
- **The use of technology** is instrumental to increase transparency and limit the level of an individual officer's discretion in the process. In particular, e-procurement can contribute to improve market access and competition and mitigate corruption risks by facilitating easier access to information through online publication, standardising and streamlining processes, and facilitating control and oversight over the procurement cycle.
- **Good management of procurement staff and processes.** Procurement officials need to meet high professional standards of knowledge, skills and integrity. Adequate remunerations, merit-based recruitment processes and regular training of procurement officials can contribute to promote high standards of professionalism. Procurement processes should also be managed professionally, in a way to ensure that public funds are used in procurement according to the intended purposes. This can be achieved through long-term project and resource planning, public consultations on major procurement projects, separation of key functions, transparent and comprehensive book-keeping and sound reporting systems at all stages of the recruitment process, among others.
- **Prevention of misconduct.** The integrity of procurement officials can be promoted by raising ethical standards through the adoption and enforcement of codes of conduct and conflict of interest regulations.
- **Integrity pacts.** Bidding companies and procurement officials can commit to abstain from bribery and to prevent corruption by signing an integrity pact as a tool to establish a level playing field in a procurement process.

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<sup>4</sup> The basics of integrity in procurement. Heggstad, K.K., Frøystad, M., Chr. Michelsen Institute, 2011. U4 Issue 2011:10. P.45. <http://www.u4.no/publications/the-basics-of-integrity-in-procurement/>

- **Monitoring of the contracting process.** International standards emphasise the importance of monitoring all stages of the procurement cycle, from the preparation of the tender by public officials to the implementation of the contract. In addition to internal monitoring by independent government agencies and external audits, external monitoring by citizens and civil society groups has proved a powerful tool to help detect and deter corruption. A number of organisations have developed red flags, checklists and indicators to assess adherence to the agency's procurement rules and regulations.
- **Accountability and controls.** Independent internal control systems and external audits and oversight are instrumental to ensure that government officials are held accountable for their decisions throughout the procurement cycle. This includes establishing effective mechanisms to uncover and investigate corruption, systematic and credible enforcement of the rules and the use of proportionate and dissuasive sanctions, proportional to the price of the contract. Sanctions can include exclusion from the procurement process, confiscation of illegal gains, liability for damage, cancellation of contracts and debarment. Strongest standards require the systematic blacklisting of companies involved in wrongdoings.

# RESOURCES ON PUBLIC PROCUREMENT

## Background studies

### **A new role for citizens in public procurement. 2012.**

Eduardo Bohorquez and Deniz Devrim (eds.), Citizens & Markets (c/o Transparencia Mexicana)  
<http://www.tm.org.mx/a-new-role-for-citizens-in-public-procurement-2/>  
<http://corruptionresearchnetwork.org/marketplace/resources/C-M%20SERIES%20-%20A%20new%20Role%20for%20Citizens%20in%20Public%20Procurement.pdf/>

This book explores the transformations that can take place when citizens enter the public procurement processes. In three chapters, the book focuses on trends of citizens' participation in public procurement around the globe. This is supported by case studies from different sectors and countries, including Brazil, Mexico, Kenya, the Slovak Republic, Timor-Leste and Cameroon.

## Standards, principles and guidelines

### **Principles for enhancing integrity in public procurement of 2008. OECD**

[http://www.keepeek.com/Digital-Asset-Management/oecd/governance/oecd-principles-for-integrity-in-public-procurement\\_9789264056527-en#page1](http://www.keepeek.com/Digital-Asset-Management/oecd/governance/oecd-principles-for-integrity-in-public-procurement_9789264056527-en#page1)

These principles were approved as a recommendation by the highest body of the OECD, the Council, in October 2008. OECD recommendations reflect a consensus by member countries on good practice guidance. The principles are based around the following topics; transparency, good management, prevention of misconduct, compliance and monitoring, accountability and control. The principles support the implementation of legal instruments developed within the framework of the OECD, as well as other organisations, such as the United Nations, the World Trade Organisation and the European Union. The 2008 recommendation is currently being revised and a [new OECD Recommendation on Public Procurement has been proposed for 2014](#). The new recommendation will aim to provide decision makers with a holistic approach on how to ensure the strategic function of public procurement systems, improve the procurement process and provide sources of growth. In this, the OECD takes a holistic view of the public procurement cycle: from needs assessment, bid evaluation and contract award, as well as contract management and payment.

### **Open Contracting global principles.**

[http://www.open-contracting.org/global\\_principles](http://www.open-contracting.org/global_principles)

The Open Contracting Partnership has facilitated a global consultation process to create a set of global principles that can serve as a guide for all of those seeking to advance open contracting around the world. The principles reflect norms and best practices from around the world related to disclosure and participation in public contracting. They have been created with the inputs and feedback of nearly 200 members the open contracting community from government, private sector, civil society, donor organisations and international financial institutions. These collaborators contributed inputs from various sector-specific perspectives (such as service delivery, infrastructure, extractive industries and land).

**Directives on public procurement. EU, 2014.**

[http://ec.europa.eu/internal\\_market/publicprocurement/rules/current/index\\_en.htm](http://ec.europa.eu/internal_market/publicprocurement/rules/current/index_en.htm)

Following a two-year consultation process, the 2014 EU procurement directives were adopted by EU institutions in late 2013 and were published in the Official Journal of the EU on 28 March 2014. They came into force on 17 April 2014. EU member states now have two years to implement them in national legislation. Until that date, the current version of the EU procurement directives apply. Compared to the current version, the new directives introduce, inter alia, a definition of conflict of interest in public procurement, improves the requirements for publishing post-contract information and provides for the use of modern technology for e-procurement. It also introduces amended thresholds for applicability and encourages the use of quality-based evaluation methods. Despite the comments submitted by civil society organisations, including Transparency International, the directive will not provide for whistleblower protection.

**Agreement on government procurement. World Trade Organisation (WTO). 2014.**

[http://www.wto.org/english/tratop\\_e/gproc\\_e/gp\\_gpa\\_e.htm](http://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm)

Another international agreement related to public procurement is the government procurement agreement (GPA) of the WTO. The GPA is a plurilateral agreement within the framework of the WTO, which means that not all WTO members are parties to the agreement. Following a review of the 1994 version, the revised WTO GPA entered into force on 6 April 2014. The text of the agreement establishes rules requiring that open, fair and transparent conditions of competition be ensured in government procurement. The agreement establishes general principles and detailed procedural requirements that the GPA parties are obliged to apply in the covered procurement activities. Which procurement activities are subject to the agreement depends on various criteria, including the procuring entities, the goods, services and construction services procured, and the threshold values above which procurement activities are covered by the agreement. For procurements meeting these criteria, the GPA is a legally binding requirement.

**Model law on public procurement. United Nations Commission on International Trade Law (UNCITRAL). 2011.**

[http://www.uncitral.org/uncitral/en/uncitral\\_texts/procurement\\_infrastructure/2011Model.html](http://www.uncitral.org/uncitral/en/uncitral_texts/procurement_infrastructure/2011Model.html)

The Model Law on Public Procurement contains procedures and principles aimed at achieving value for money and avoiding abuses in the procurement process. The text promotes objectivity, fairness, participation, competition and integrity towards these goals. Transparency is also a key principle, allowing visible compliance with the procedures and principles to be confirmed. The Model Law is aimed at assisting states in formulating a modern procurement law. It is designed to be appropriate for all states.



## Practical insights: handbooks and toolkits

**Curbing corruption in public procurement: a practical guide. Kühn, S., Sherman, L.B., Transparency International, 2014.**

[http://www.transparency.org/whatwedo/pub/curbing\\_corruption\\_in\\_public\\_procurement\\_a\\_practical\\_guide](http://www.transparency.org/whatwedo/pub/curbing_corruption_in_public_procurement_a_practical_guide)

This guide provides a basic introduction to corruption risks in public procurement. Civil society can use the enumerated principles and minimum standards to be adopted by governments to ensure full integrity of the public contracting process to advocate for steps to reduce corruption and waste in public contracting. The guide also emphasises the important role that civil society organisations can play in the procurement process as monitors and watchdogs acting against corruption. Further, the guide identifies some critical issues in procurement processes that are often overlooked, and details steps that public officials, the private sector and civil society can take, acting separately and together, to significantly curb corruption in public procurement. This is followed by a detailed presentation of available tools to reduce corruption in public procurement. Additionally, it provides an outline of the current status of the international regulatory framework, guidelines and standards that are applicable to public procurement.

**Fraud and corruption awareness handbook: a handbook for civil servants involved in public procurement. World Bank, 2014.**

<http://documents.worldbank.org/curated/en/2014/02/19437783/fraud-corruption-awareness-handbook-handbook-civil-servants-involved-public-procurement>

This handbook is intended for government employees involved in public procurement. It provides some insights into how fraud and corruption schemes work in public investments. The handbook identifies a range of fraud and corruption indicators, or red flags, and relevant schemes that may become apparent during the life of an investment, from design to implementation. It is based on the experience of Poland's Central Anti-Corruption Bureau and the World Bank's Integrity Vice Presidency, and it presents examples referring both to public investments implemented under Polish public procurement law and international competitive bidding. This handbook aims to provide support to the managers of procuring entities in conducting public procurement by identifying frequently occurring irregularities and suggesting methods of preventing them.

**Integrity pacts in public procurement: an implementation guide. Transparency International, 2013.**

[http://www.transparency.org/whatwedo/publication/integrity\\_pacts\\_in\\_public\\_procurement\\_an\\_implementation\\_guide](http://www.transparency.org/whatwedo/publication/integrity_pacts_in_public_procurement_an_implementation_guide)

This manual is a hands-on practical guide to familiarise government officials in charge of procurement processes with the integrity pact (IP) and to provide them with tools and ideas for its application. The IP is a tool developed by Transparency International to help governments, businesses and civil society to fight corruption in public contracting. It consists of an agreement between a government or government agency (the authority) and all bidders for a public sector contract, setting out rights and obligations to the effect that neither side will pay, offer, demand or accept bribes; nor will bidders collude with competitors to obtain the contract, or bribe representatives of the authority while carrying it out. An independent monitor who oversees implementation and ensures all parties uphold their commitments under the pact brings

transparency and invaluable oversight to all stakeholders in a contracting process, from the authority to the public.

**Guidebook on anti-corruption in public procurement and the management of public finances. Good practices in ensuring compliance with Article 9 of the United Nations Convention against Corruption. United Nations Office on Drugs and Crime (UNODC), 2013.**

[http://www.unodc.org/documents/corruption/Publications/2013/Guidebook\\_on\\_anti-corruption\\_in\\_public\\_procurement\\_and\\_the\\_management\\_of\\_public\\_finances.pdf](http://www.unodc.org/documents/corruption/Publications/2013/Guidebook_on_anti-corruption_in_public_procurement_and_the_management_of_public_finances.pdf)

This guidebook looks at corruption in public procurement from the perspective of Article 9 of the UNCAC. The book helps policy makers to work towards corruption-free public procurement as part of a country's obligations under UNCAC. In the second part, the UNODC guidebook provides a clear and comprehensive summary of corruption risks and related integrity measures in the various phases of public procurement and recommends specific preventive measures for each phase. The guide contains as an annex a Checklist for Meeting Minimum Requirements set out by Article 9 of UNCAC. This checklist of minimum requirements, clearly relevant for policy makers, can also double as a due diligence checklist for bidders (and their lawyers) seeking to assess corruption risks related to public procurement rules. Further, the book provides a model questionnaire which is aimed at verifying the level to which national legislation incorporates the principles described in the report.

**The basics of integrity in procurement. Heggstad, K.K., Frøystad, M. Chr. Michelsen Institute, 2011.**

<http://www.u4.no/publications/the-basics-of-integrity-in-procurement/>

This guide provides tools and guidance to help assess risk levels and support appropriate safeguards against corruption in procurement using country systems in the context of donor-financed projects. As procurement is part of almost all projects, programmes and sector work, this paper is intended not only for procurement officers but for all development practitioners and government officials affected by procurement processes.

**Checklist for enhancing integrity in public procurement. OECD, 2008.**

[www.oecd.org/gov/41760991.pdf](http://www.oecd.org/gov/41760991.pdf)

The checklist is designed to guide policy makers at central government level to instil a culture of integrity in the entire procurement cycle, from needs assessment to contract management and payment. The first part of the checklist provides guidance for policy makers – in the form of ten key recommendations – on developing an adequate policy framework for enhancing integrity in public procurement; the second part provides guidance on how to implement this framework at each stage, from needs assessment to contract management. This part could be complemented in the next months by examples of practical tools used in various countries to support the implementation of the policy framework. The checklist draws upon policies and practices that have proved effective for enhancing integrity in public procurement. These reflect various legal and administrative systems. Elements of good practice were identified not only in OECD countries, but also in Brazil, Chile, Dubai, India, Pakistan, Romania, Slovenia and South Africa.

**OECD Procurement Toolbox. OECD, 2008.**

<http://www.oecd.org/governance/procurement/toolbox/>

The toolbox is an online resource that captures emerging good practices to enhance corruption prevention and good management in public procurement in OECD and non-OECD countries. The tools contained in this website have been compiled from practices which have been successfully tested in a number of countries. Tools apply to the phases: pre-tendering phase; tendering phase; post-award phase; and some tools which apply to the entire procurement cycle. These tools help to ensure transparency, good management, prevention of misconduct, accountability and control.

## Assessment tools and datasets

**Key performance indicators for public procurement. OECD, forthcoming.**

<http://www.oecd.org/corruption/ethics/procurement-key-performance-indicators.htm>

The OECD's experience in working with public procurement shows that a sound procurement system includes: a) procurement rules and procedures that are simple, clear and ensure access to procurement opportunities; b) effective institutions to conduct procurement procedures and conclude, manage and monitor public contracts; c) appropriate electronic tools; d) suitable, in numbers and skills, human resources to plan and carry out procurement processes; and e) competent contract management. In 2013, the OECD commenced a process to develop a set of indicators to measure the performance of public procurement systems and their evolution over time. Four areas for the development of indicators were identified: 1) efficiency of the public procurement cycle; 2) openness and transparency of the public procurement cycle; 3) professionalism of the public procurement workforce; and 4) contract performance management.

**New ways to measure institutionalised grand corruption in public procurement. Fazekas, M., Tóth, I.J., U4, 2014.**

<http://www.u4.no/publications/new-ways-to-measure-institutionalised-grand-corruption-in-public-procurement/downloadasset/3631>

While there have been many qualitative accounts of high-level corruption in public contracting, it is only recently that quantitative indicators have become available. By making use of big data generated by governments on contracts, companies and individuals, this publication outlines a new approach to develop quantitative indicators which can be used to guide policy intervention and support control of corruption.

**Methodology for assessing procurement systems (MAPS). OECD DAC, 2010.**

<http://www.oecd.org/development/effectiveness/45181522.pdf>

MAPS is a tool which developing countries and donors can use to assess the quality and effectiveness of procurement systems. Two types of indicators are used for the assessment: baseline indicators, looking at the legal framework; and compliance/performance indicators, assessing procurement in practice. As of 2011, MAPS has been applied to more than 60 developing countries and has proven to be a useful tool to identify weaknesses and to agree on a strategy for reforming the public procurement systems of a country.

**Civil society procurement monitoring (CSPM) tool. Transparency International-USA (TI-USA).**  
<http://monitoring.transparency-usa.org>

CSPM is a web-based tool that is meant to support CSOs or individuals who want to monitor public procurement for red flags for corruption in their respective countries. The tool was designed by TI-USA in cooperation with CSOs in Indonesia and the Philippines, support from procurement and IT consultants and funding from the Governance Partnership Facility, administered by the World Bank. The CSPM tool, and particularly the monitoring assistant, its main component, adopt a forensic approach to procurement monitoring, by focusing specifically on the red flags of corruption that can be detected by CSOs, considering the information to which they normally have access.

## Resources from Transparency International's Anti-Corruption Helpdesk

**Public procurement law and corruption. Martini, M. Transparency International, 2015.**  
[http://www.transparency.org/files/content/corruptionqas/Public\\_procurement\\_law\\_and\\_corruption\\_2015.pdf](http://www.transparency.org/files/content/corruptionqas/Public_procurement_law_and_corruption_2015.pdf)

This Helpdesk answer goes into detail about best practice for public procurement laws, and how this can help to limit corruption in public procurement. Whilst acknowledging that procurement laws should be designed in accordance with each specific country's context and legal tradition, the paper highlights some general issues that should be covered by all procurement regulations. These include clear and objective rules regarding the procurement methods available and the grounds under which each method should be used, transparent rules on the bidding process, including time limits, tender documents and contractor qualifications, and the evaluation criteria of bids and bidders. Moreover, it finds that procurement laws should include provisions for complaint mechanisms and the protection of whistleblowers, sanctions for non-compliance, measures to ensure the integrity of procurement officials, and provide for effective monitoring of awarded contracts.

**Public procurement planning and corruption. Wheatland, B. Transparency International, 2015.**  
[http://www.transparency.org/files/content/corruptionqas/Public\\_procurement\\_planning\\_and\\_corruption\\_2015.pdf](http://www.transparency.org/files/content/corruptionqas/Public_procurement_planning_and_corruption_2015.pdf)

This answer provides an overview of the corruption risks that are present in the planning stage of public procurement, and outlines the ways by which corruption risks can be reduced. The answer focuses on needs assessments, bidding plans, defining technical specifications of items being procured, and bidding documentation as these areas are most at risk of corruption. Common methods to reduce corruption risk include an adequate legal framework, transparency and public oversight, and adequately trained staff. A directive from the European Union has also recently come into effect, and EU member states must ensure that their national legislation is in line with these regulations which include specific regulations to reduce corruption risk.

**The role of technology in reducing corruption in public procurement. Luijken, T., Martini, M., Transparency International, 2014.**  
[http://www.transparency.org/files/content/corruptionqas/The\\_role\\_of\\_technology\\_in\\_reducing\\_corruption\\_in\\_public\\_procurement\\_2014.pdf](http://www.transparency.org/files/content/corruptionqas/The_role_of_technology_in_reducing_corruption_in_public_procurement_2014.pdf)

This Helpdesk answer provides examples of good practice/case studies from various regions and countries on the role technology and e-procurement can play in reducing corruption in public

procurement. The paper provides country examples of successful introduction of e-procurement in Albania, Georgia and South Korea. It concludes that e-procurement has the potential to prevent and reduce the opportunities for corruption at the different stages of public procurement. Nevertheless, the establishment of e-procurement as a standalone reform is unlikely to bring about positive transformational results. Countries have to invest in coherent legal frameworks, training and oversight capacity to ensure that the potential benefits of e-procurement, in terms of reducing corruption, are exploited to their maximum. (This Helpdesk answer is also available in [French](#) and [Spanish](#).)

**Blacklisting in public procurement. Martini, M., Transparency International, 2013.**

[http://www.transparency.org/files/content/corruptionqas/Blacklisting\\_in\\_public\\_procurement.pdf](http://www.transparency.org/files/content/corruptionqas/Blacklisting_in_public_procurement.pdf)

Blacklisting, or debarment, typically refers to the procedure that excludes companies and individuals involved in wrongdoings from participating in tendering projects. A blacklisting register is often consolidated in one place, and can either be made available to the wider public or only to contracting authorities. In order to have an efficient and fair system in place, blacklisting should be based on clear rules and on the principles of fairness and accountability, transparency, good judicial practice and uniformity. Many countries and international organisations have introduced blacklisting systems due to corruption, but only a few, such as Bangladesh, Brazil, Pakistan and Uganda, have established a public and central register or database of all companies and individuals that have been debarred. Despite the use of blacklists, there is very limited evidence of the impact of such lists in reducing corruption.

**Conflict of interest in public procurement. Martini, M., Transparency International, 2013.**

[http://www.transparency.org/files/content/corruptionqas/Conflict\\_of\\_interest\\_in\\_public\\_procurement.pdf](http://www.transparency.org/files/content/corruptionqas/Conflict_of_interest_in_public_procurement.pdf)

This answer provides an overview of how to prevent and avoid conflict of interest in public procurement. In particular, countries should enact guidelines with a clear definition of conflict of interest, as well as put forth requirements for officials involved in the procurement process to disclose information on their private interests and assets, in addition to excusing themselves from certain decision-making processes and prohibiting them from performing certain functions if the opportunities for conflict of interest exist. In addition, access to information, stakeholder participation in key stages of the procurement cycle and clear review mechanisms are essential to transparency and accountability in public procurement and, therefore, are essential in preventing conflict of interest and other forms of corruption. Moreover, effective implementation and enforcement of the law are key to create a deterrent effect and ensure integrity during the process.

**Overview of principles for monitoring and challenging public procurement contracts. Agator, M., Transparency International, 2013.**

[http://www.transparency.org/files/content/corruptionqas/Overview\\_of\\_principles\\_for\\_monitoring\\_and\\_challenging\\_public\\_procurement\\_contracts.pdf](http://www.transparency.org/files/content/corruptionqas/Overview_of_principles_for_monitoring_and_challenging_public_procurement_contracts.pdf)

The paper provides an overview of the most widely used instruments and principles related to monitoring public procurement and awarded contracts, including information on sanctions (for example, administrative sanctions and cancellation of contracts) and means to challenge procurement processes and concessions. Common elements include the need for internal controls and external audits, as well as autonomy of oversight units. The strongest instruments also require the involvement of civil society and the systematic blacklisting of companies involved in wrongdoings. In addition, international standards require states to implement effective redress

mechanisms to any person having or having had an interest in obtaining a particular public procurement contract.

**The benefits of open contracting. Chêne, M., U4/Transparency International, 2012.**

<http://www.u4.no/publications/the-benefits-of-open-contracting/downloadasset/2898>

This Helpdesk answer provides an overview of the benefits of open contracting and highlights the evidence base and research gaps in this area. It also provides an overview of open contracting approaches and lessons learned, with a special focus on extractive industries, infrastructure and forestry. The paper found that good practice in this area involves mandated or non-mandated proactive disclosure of contract information in user-friendly formats, from the awarding process to the monitoring and evaluation of contract implementation, with open access to the public, ideally through online platforms. However, more consultation with key stakeholders is needed to ensure maximum levels of transparency

**Examples of procurement compliance checklists. Chêne, M., U4/Transparency International, 2010.**

[http://www.transparency.org/files/content/corruptionqas/236\\_Examples\\_of\\_procurement\\_compliance\\_checklists.pdf](http://www.transparency.org/files/content/corruptionqas/236_Examples_of_procurement_compliance_checklists.pdf)

Procurement compliance checklists constitute an important element of corruption risk management strategies in procurement processes, both in terms of prevention and detection of fraud and corruption. They can guide procurement staff through the process of transparent and effective procurement and help detect and report irregularities. Compliance checklists reflect good practice in procurement processes by providing a set of indicators to assess adherence to the agency's procurement rules and regulations. They are often structured around the major phases of the procurement cycle and typically cover the various risks associated with each phase of the contracting process, using red flags and "blinking" indicators. The paper also outlines details for successful implementation of such compliance checklists.

## Actors and stakeholders

### **Open Contracting Partnership**

<http://www.open-contracting.org>

The Open Contracting Partnership brings together a broad range of stakeholders which also includes civil society. The Open Contracting platform operates a so-called community of practice which offers a social media-based space where interested stakeholders from civil society, government, private sector, media, academia and others to share, learn, connect and collaborate around experiences in open contracting. Apart from the community of practice, the Open Contracting portal offers access to the global principles (listed in the standards, principles and guidelines section above), and an Open Contracting data standard. The latter will ensure that partners across the world can gain access to joined-up data, supported by an ecosystem of tools and services, rather than facing many silos of disjointed contracting data. Tools for implementing open contracting standards, as well as research and measurement tools are not yet readily available for online access and download. It is understood that this is planned to be made available in the nearer future.

## Useful websites

**OECD: Fighting corruption in the public sector**

<http://www.oecd.org/corruption/ethics/integrityinpublicprocurement.htm>

This portal offers access to OECD work on integrity in public procurement. In addition to the principles and the checklist (listed in the respective sections) this portal offers access to the Network of Leading Practitioners on Public Procurement which provides a global view of leading procurement practice through knowledge sharing on effective approaches to strengthening public procurement systems and transforming procurement into a strategic function. This is complemented by specific information for public procurement in the sectors energy, healthcare, and for green procurement.

**Transparency International: Curbing corruption in public procurement topic page**

[http://www.transparency.org/whatwedo/activity/curbing\\_corruption\\_in\\_public\\_procurement](http://www.transparency.org/whatwedo/activity/curbing_corruption_in_public_procurement)

This portal is the entry point for tools and other publications by Transparency International related to public procurement. It offers, for instance access to the CSPM, developed by TI-USA. This is a “red-flag tool” which can be used by independent, civil society monitors (for external monitoring) as well as by respective compliance officers within the procuring agency (internal monitoring). Also, the portal provides access to the integrity pacts overview, and, soon, to the Integrity Pacts in Public Procurement Implementation Guide.

