

Unclassified

GOV/PGC/ETH/A(2006)2/REV1



Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

28-Nov-2006

English - Or. English

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE**

GOV/PGC/ETH/A(2006)2/REV1
Unclassified

**OECD SYMPOSIUM
MAPPING OUT GOOD PRACTICES FOR INTEGRITY AND CORRUPTION RESISTANCE
IN PUBLIC PROCUREMENT**

PROVISIONAL AGENDA

**29 November - 30 November (morning only) 2006
Château de la Muette**

For further information, please contact Elodie Beth: e-mail: elodie.beth@oecd.org;
Tel: +33 1 45 24 96 29 or János Bertók: e-mail: janos.bertok@oecd.org; Tel: +33 1 45 24 93 57.

JT03218753

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

English - Or. English

OECD SYMPOSIUM

MAPPING OUT GOOD PRACTICES FOR INTEGRITY AND CORRUPTION RESISTANCE IN PUBLIC PROCUREMENT

Background

The 2004 Global Forum on Governance: Fighting Corruption and Promoting Integrity in Public Procurement identified the lack of **transparency and accountability** as a major threat to the integrity of the public procurement process. It marked the launching of a crucial activity of the Public Governance Committee on how **good governance** principles, in particular transparency, accountability and integrity could be applied in the specific area of public procurement.

Country representatives at an Expert Meeting on Integrity in Public Procurement in June 2005 recognised that public procurement should be considered as a **single process** that is vulnerable to mismanagement and potentially corruption at all stages of the process. The public procurement process should therefore be **fully accountable** from the planning and budgeting through the bidding to the contract management and payment.

For that purpose, OECD representatives have committed to providing information in their country on **practices for promoting integrity**¹ in public procurement through the Questionnaire on Integrity in Public Procurement. The approach taken has been to collect information on aspects of the public procurement process that are not traditionally the focus of international efforts, by including:

- **All stages** of the public procurement process -- this means not only the bidding process, which is well-regulated, but also the phases before and after the bidding process that were considered equally at risk.
- **Exceptions to competitive procedures** (e.g. special circumstances, contracts of a low monetary value, etc.), where the discretionary power of public procurement officials might not be systematically balanced with strong accountability mechanisms.

One of the cross-cutting issues that has been reviewed is the use of **new information and communication technologies** in public procurement, in particular its potential and limitations for promoting transparency, accountability and integrity in the process. Particular attention will be paid during the Symposium to exploring its impact on the level of transparency within the administration (how well informed public procurement officers are) and in the relationship of the administration with bidders (what level of information is provided).

¹ This may also include formal laws and institutions where relevant.

Objectives

The Symposium will review the information collected on country experiences in promoting integrity in public procurement through transparency and accountability mechanisms in order to:

- Map out **good practices** for promoting integrity and corruption resistance in public procurement;
- Discuss the **trade-offs** that policy makers face when balancing the need for transparency, integrity and accountability in public procurement with other concerns such as efficiency;
- Define together the **elements and conditions** for practices to be considered as successfully promoting integrity and increasing corruption resistance in public procurement.
- Explore countries' interests in issues to be addressed in **future work** on public procurement (subject to voluntary contributions).

Discussions will help refine the structure and the approach provided by the **detailed outline** of the report on mapping out good practices for promoting integrity in public procurement. Identified good practices will further enrich the draft report to provide a balanced view of experiences across OECD countries.

Results

The identified good practices and the findings of the Symposium will be included in the preparation of the report and sent to the participants for final comments in January 2007. The draft publication will be submitted for approval to the Public Governance Committee in Spring 2007.

The publication will include:

1. A **comparative overview of solutions** used by public organisations for ensuring integrity and corruption resistance in public procurement;
2. Highlights of **good practices** to illustrate the range of policy options that decision makers and public procurement specialists have in hand depending on their organisational and country contexts.

Methodology

Based on the results of the Questionnaire on Integrity in Public Procurement [GOV/PGC/ETH(2006)9], experts will be invited to present and review possible good practices for promoting integrity and increasing resistance in public procurement. Sessions will start with short country presentations highlighting approaches used in a variety of organisational and country contexts across OECD countries. The ensuing discussion will review the costs and benefits of these practices in a given country context and identify the conditions under which these practices have proved effective.

Background papers and materials

Registered participants will be provided in advance of the event with a **detailed outline** of the report mapping out promising practices for promoting integrity in public procurement. It will provide the main background for discussion during the Symposium.

In order to prepare for the *Tour de table* in Session 3, OECD countries are highly encouraged to share a **short case study** (1 page maximum) in advance of the meeting on a specific good practice in their country for promoting integrity in public procurement. These short case studies will be discussed in Session 3 in order to map out further practices for the publication.

Participants

The primary audience consists of policy makers and public procurement specialists nominated by their countries, including those using e-procurement solutions. The Symposium will also bring the views of auditors and members of competition authorities, as well as representatives of leading academic institutions, business, NGO communities and international organisations to enrich dialogue and co-operation across sectors.

Simultaneous interpretation in English and French will be provided.

Sharing lessons with non members

Participants will also have the opportunity to be involved in the dialogue and sharing of good practices with non members. The **OECD Global Forum on Governance: Sharing Lessons on Promoting Good Governance and Integrity in Public Procurement** will be organised back-to-back with the Symposium on the afternoon of Thursday 30 November and on 1 December 2006.

The Global Forum will share lessons between OECD and non members on a range of possible good practices and instruments promoting good governance and integrity in public procurement and explore what would be an appropriate framework for sharing good practices across countries.

It will also provide information on complementary efforts in the OECD to develop:

- A benchmarking and assessment tool for public procurement in developing countries by the Aid Effectiveness and Donor Practices Working Party; and
- A typology of bribery in public procurement by the Working Group on Bribery in International Business Transactions.

Venue

The Symposium will take place at the headquarters of the OECD in Paris at the following address: 2 rue André Pascal, Paris 75016 (closest metro stop: La Muette).

Wednesday, 29 November 2006

9.00 – 9.30 *Registration at the Welcome Lodge -- breakfast will be offered in front of the meeting room, background documents will be provided in the meeting room.*

9.30 – 9.45	Opening of the Symposium	
	<p>Welcome and opening remarks by the OECD Secretariat and Chair.</p> <p><i>Mr. Rolf Alter</i>, Chief of Staff of the Secretary-General’s Office of the OECD</p> <p><i>Mr. Rob Burton</i>, Associate Administrator, Office of Federal Procurement Policy, Office of Management and Budget, United States</p>	<p>The OECD takes a multi-disciplinary approach to fighting corruption. Public procurement has been identified as a major risk area for corruption. The opening of the Symposium will highlight the crucial importance of transparency and accountability measures at all stages of the public procurement process to ensure integrity in public procurement.</p>
9.45 – 12.45	Session 1. Ensuring a level playing field for bidders: Defining an adequate level of transparency	
	<p>The first session will explore a variety of solutions for providing an adequate level of transparency to bidders:</p> <ul style="list-style-type: none"> • At all stages of the procurement process, from budgeting and planning through bidding to contract management and payment; • In “grey zones” when derogation from competitive tender is allowed (e.g. special circumstances, contracts of low monetary value, etc.). 	
9.45 – 11.00	Before, during and after the bidding: What level of transparency?	
	<p><i>Keynote Speaker</i></p> <p><i>Professor Steven Schooner</i> Co-Director of the Government Procurement Law Program, George Washington University Law School</p>	<p>The Keynote Speaker will set the scene by highlighting the challenges and policy concerns in providing an adequate level of transparency at different stages of the public procurement process. If perfect information is a condition leading to efficiency in competitive markets, there is a cost associated to it and even possible risks of collusion when the number of bidders is limited.</p>

<p>Presentations</p> <p>Mr. Geo Sung Kim, Commissioner, Korea Independent Commission Against Corruption, and Standing Executive Officer, K-PACT Council</p> <p>Mr. Peter Boswell, General Manager, International Federation of Consulting Engineers (FIDIC)</p> <p>Discussion</p>	<p>The session will continue with the presentation of a country experience in promoting transparency and integrity in public procurement, including in the defence sector that is traditionally less subject to transparency requirements.</p> <p>The third presentation will highlight the private sector perspective on the level of information expected by bidders and other stakeholders in the public procurement process.</p> <p>In the ensuing discussion, participants will be invited to exchange their experience on practices that have proved successful at providing an adequate level of transparency at all stages of the public procurement process.</p>
<p>Questions for discussion:</p> <ul style="list-style-type: none"> • <i>How do you ensure an adequate level of transparency in public procurement from budgeting and planning through bidding to contract management and payment?</i> • <i>What is the role of information and communication technologies, not only in the provision of information, but also in the consultation and interaction with bidders?</i> 	
<p>11.00 – 11.30 <i>Coffee break</i></p>	
<p>11.30 – 12.45 Exceptions to competitive procedures: How to ensure integrity?</p>	
<p>Presentations</p> <p>Mr. Hans Sundstrom, Head of Legal Service, Administrative Development Agency, Sweden</p> <p>Ms. Patricia Josefchak, Associate Director, Corporate Management, Bell Security Solutions</p> <p>Discussion</p>	<p>The second part of the session will be an opportunity to discuss the range of measures used to ensure the integrity of the public procurement process in exceptions to competitive procedures (e.g. specific circumstances such as emergency, contract below a certain monetary value, etc.).</p> <p>Participants will be invited to discuss the emerging issues and key areas of concern linked to the use of these exceptions and the preventative solutions that have been developed accordingly (e.g. specific monitoring mechanism, recording protocol, guidance, etc.).</p>
<p>Questions for discussion</p> <ul style="list-style-type: none"> • <i>What are the emerging issues and key areas of concern linked to the use of exceptions to competitive procedures?</i> • <i>What is the range of measures that have been developed in your country (e.g. minimum of transparency, guidance, monitoring) to ensure integrity?</i> 	
<p>12.45 – 14.30 <i>Lunch break (no host lunch)</i></p>	

14.30 – 17.30 Session 2. Balancing the discretionary power of public procurement officials with accountability	
<p>Public procurement systems have moved increasingly from a situation where public procurement officers are expected to comply with rules to a context where they are given more flexibility to achieve the wider goal of value for money. The session will review the efforts in this context to provide adequate guidance for public procurement officials, as well as keep them accountable.</p> <ul style="list-style-type: none"> • Workshop 1 will review the practices and instruments that help prevent risks of mismanagement and potentially corruption (e.g. public procurement planning and budgeting, information systems on bidders' performance, specific conflict-of-interest and anti-corruption measures, etc.); • Workshop 2 will review practices and instruments that reinforce accountability and control (e.g. tools to detect corruption, administrative complaints and recourse mechanisms to challenge public procurement decisions). 	
Parallel Break-out Sessions: Workshops 1 and 2	
14.30 – 17.30 Workshop 1. Preventing risks of mismanagement and minimising the potential of corruption: What practices and instruments work?	
<p>Chair: Mr. Rob Burton, Associate Administrator, Office of Federal Procurement Policy, Office of Management and Budget, United States</p>	
1.a) Using public funds in public procurement according to the purposes intended	
14.30 – 15.45	<p>Presentations</p> <p>Ms. Jane Cochran, Director General Procurement, Chief Financial Officer Branch, Service Canada</p> <p>Mr. Rob Burton, Associate Administrator, Office of Federal Procurement Policy, Office of Management and Budget, United States</p> <p>Discussion</p>
	<p>The first speaker will highlight the importance of adequate planning and budgeting related to public procurement in order to prevent risks of mismanagement and potentially corruption.</p> <p>The second speaker will focus on how the use of government-wide information systems helps public procurement officials make informed decisions when selecting bidders and monitoring their performance.</p> <p>After the presentations, participants will exchange their experience on existing tools and emerging practices that successfully help reduce risks of mismanagement and potentially corruption.</p>
	<p>Questions for discussion</p> <ul style="list-style-type: none"> • <i>What existing tools and emerging practices in your country successfully help reduce risks of mismanagement and potentially corruption and under what conditions?</i> • <i>How do you ensure co-ordination between public procurement, budgeting officers and auditors?</i> • <i>What is the role played by information and communication technologies in helping public procurement officers make informed decisions?</i>

15.45 – 16.15 <i>Coffee break</i>	
1.b) Preventing conflict-of-interest and corruption	
<p>16.15 – 17.30 <i>Presentations</i></p> <p><i>Mr. Yves Zamboni Filho</i>, International Advisor to the Minister, Office of the Controller- General, Presidency of Brazil</p> <p><i>Mr. Urbain Bruggeman</i>, Head, Consultancy and Policy Office on Federal Public Procurement, Federal Public Service Personnel and Organisation, Belgium</p> <p><i>Discussion</i></p>	<p>The session will continue with the presentation of approaches to map out risks to integrity and apply precautionary measures for avoiding conflict-of-interest situations and preventing corruption in public procurement, in particular by:</p> <ul style="list-style-type: none"> - Providing clear ethical guidance (e.g. codes of conduct, integrity training, etc.) as well as; - Defining restrictions (e.g. “four eyes principle”, disclosure of private interests) and prohibitions for public procurement officials (e.g. in post-public employment). <p>The ensuing discussion will focus on specific measures that have been developed to ensure the integrity and corruption resistance of public procurement officials.</p>
Questions for discussion	
<ul style="list-style-type: none"> • <i>What specific standards, restrictions and prohibitions have been developed to ensure the integrity and resistance corruption of public procurement officers?</i> • <i>What practices work to identify and manage conflict-of-interest situations in public procurement? What remedies are available if actual decisions are influenced by private interests of public officials?</i> 	
<p>14.30 – 17.30 Workshop 2. Ensuring accountability and control in public procurement: What practices and instruments work?</p> <p>Chair: Mr. Jean-Pierre Bueb, Conseiller, Service Central de la Prévention pour la Corruption (SCPC), France</p>	
2.a) Audit and risk mapping	
<p>14.30 – 15.45 <i>Presentations</i></p> <p><i>Mr. Claudio Weber Abramo</i>, Executive Director, Transparência Brasil</p> <p><i>Mr. Peter Reimer</i>, Ministry of the Interior and Kingdom Relations, Division for Constitutional Affairs and Legislation, Netherlands</p>	<p>The session will explore methodologies and tools that have been developed to help prevent and detect corruption in public procurement processes.</p> <p>The first speaker will present a methodology used for mapping out and detecting risks of corruption in public procurement.</p> <p>The second speaker will describe vulnerabilities that have been identified and some of the responses developed to ensure integrity and</p>

	Discussion	corruption resistance in public procurement. After the presentations, participants will have an opportunity to present other experiences and discuss the conditions for successfully detecting and preventing corruption.
<p>Questions for discussion</p> <ul style="list-style-type: none"> • <i>What existing tools and emerging practices in your country successfully help prevent and detect mismanagement in public procurement as well as corruption?</i> • <i>What are the possible methodologies for mapping out risks in the public procurement process? Under what conditions have they proved effective?</i> 		
15.45 – 16.15 <i>Coffee break</i>		
2.b) Administrative complaint and recourse mechanisms		
16.15 – 17.30	<p>Presentations</p> <p>Mr. Pål Hellesylt, Deputy Director General, Ministry of Government Administration and Reform, Department of Competition Policy, Norway</p> <p>Mr. Peder Blomberg, Principal Administrator, OECD, SIGMA</p> <p>Discussion</p>	<p>The session will review how bidders, public procurement officials and other stakeholders raise administrative complaints about the fairness of the public procurement process, in particular the procedures used for:</p> <ul style="list-style-type: none"> - Reporting mismanagement and corruption; and - Challenging government actions prior and after the award. <p>The ensuing discussion will explore the necessary conditions for ensuring the possibility of challenging the fairness of the public procurement process.</p>
<p>Questions for discussion</p> <ul style="list-style-type: none"> • <i>Under which conditions can whistleblowing be an effective system for detecting corruption in public procurement?</i> • <i>What are the mechanisms available in your country for challenging government actions prior to the award?</i> 		

Thursday, 30 November 2006

9.30 – 12.30 Session 3. Mapping out good practices	
<p>Session 3 will help review and develop the detailed outline of the report mapping out good practices. In particular, it will:</p> <ul style="list-style-type: none"> • Provide an opportunity for countries to present an identified good practice in their country (challenges faced, responses developed, lessons learned). • Identify the elements and conditions for practices to be considered as successfully promoting integrity and corruption resistance in public procurement; • Discuss the policy issues that should be reflected in the publication and whether good practices from non member countries should be included. 	
9.30 – 11.15 Good practices: Meeting challenges and drawing lessons	
<p><i>Rapporteurs (Workshop Chairs)</i></p> <p><i>Ms. Elodie Beth</i>, Administrator, OECD Public Governance and Territorial Development Directorate</p> <p><u><i>Tour de table</i></u></p> <p><i>Discussion</i></p>	<p>The third session will start with reporting back from the break-out sessions in order to map out practices and instruments for promoting integrity in public procurement.</p> <p>The OECD Secretariat will then present the detailed outline of the report mapping out good practices for promoting integrity in public procurement.</p> <p>In a <i>tour de table</i> all participants will be invited to comment on the detailed outline of the report and briefly present a promising experience in their country. They will be invited to describe:</p> <ul style="list-style-type: none"> - The policy issue faced; what response has been developed and lessons learned. - The conditions under which this specific practice has been considered successful in their country.
<p>Questions for discussion:</p> <ul style="list-style-type: none"> • <i>Does the detailed outline of the report reflect the main policy issues in your country for promoting integrity in public procurement?</i> • <i>To what extent could the preliminary set of identified good practices be further developed?</i> • <i>What practices in your country have been successful in promoting integrity in public procurement? Under what conditions have they proved successful?</i> <p>Background document: Short case studies provided by OECD countries</p>	
11.15 – 11.45 Coffee break	

11.45 – 12.45 Session 4. The way forward: Future steps	
<p>Presentations</p> <p>Mr. János Bertók, Principal Administrator, OECD Public Governance and Territorial Development Directorate</p> <p>Mr. Jonathan Denison Cross, Procurement Policy, Office of Government Commerce, United Kingdom</p> <p>Discussion</p>	<p>The last session will discuss the next steps for completing the OECD report for publication, in particular:</p> <ul style="list-style-type: none"> a) Moving from the draft outline to the publication; b) Discussing the possibility of including selected good practices from non-member countries; c) Bridging the Symposium and the back-to-back <i>Global Forum on Good Governance</i>. <p>The session will also explore avenues for shaping the programme of work for 2007-2008 (subject to voluntary contributions). Participants are invited to indicate countries' interests in:</p> <ul style="list-style-type: none"> a) Further work on promoting <i>integrity, transparency, accountability in public procurement</i>, based on identified good practices; b) The issue of <i>measurement</i> of the effectiveness and impact of tools for promoting transparency and accountability as well as value for money in public procurement.
<p>Questions for discussion:</p> <ul style="list-style-type: none"> • <i>What should be the audience of the publication, in particular should it also include good practices from non-member countries?</i> • <i>What guidance is available in your country for public procurement officers to help ensure transparency, accountability and integrity of public procurement? What would be the most relevant for your work?</i> • <i>Is there evidence-based information in your country on the implementation and impact of tools for ensuring transparency and accountability in public procurement?</i> 	
12.30 – 12.45 Closing of the Symposium	
<p>Mr. Rob Burton, Associate Administrator, Office of Federal Procurement Policy, Office of Management and Budget, United States</p> <p>Mr. Christian Vergez, Head, Innovation and Integrity, Public Governance and Territorial Development Directorate</p>	