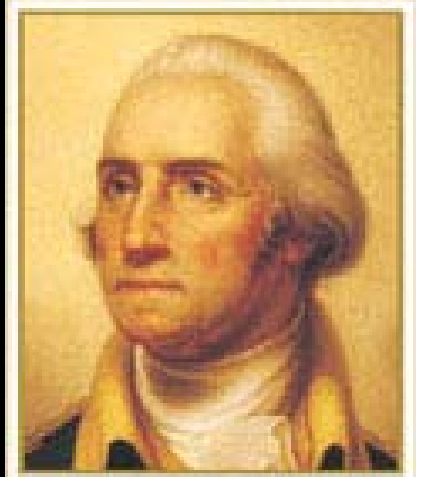


**Systemic  
Transparency's  
Essential Role in  
Promoting Integrity  
and Reducing  
Corruption**

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# Controlling Corruption in Procurement

- **Never-ending process** ←
  - **Stakes tempt all participants**
- **Diverts public funds**
  - **Directly**
  - **Indirectly**
    - **Increases prices**
    - **Reduces access to best firms**
    - **Limits options**
- **Dilutes public confidence, trust**

# Harsh Reality

- Drafting laws, rules, and policies is easy
- **Fostering a *culture* of integrity, openness, and fairness is difficult**
- Sustaining, maintaining integrity and ethics is a constant struggle

# Public Procurement Reform

- **Cycles, Waves, or the Pendulum**
- **On-going evolution, ever-changing**
  - **Priorities**
  - **Needs**
  - **Capacity**
  - **Markets**
- **No optimal solution**
- **Unlimited models**

# Transparency

- **is a public good**
- **is a means to other important goals of the procurement system, especially, competition & integrity**
- **is key to market access**
- **helps fight corruption (which thrives in the dark)**
- **helps increase public trust in the procurement system – and therefore in government overall**

# Transparent Procurement Regimes

- Public access to:
  - Legislation, rules, and procedures
  - Information on procurement opportunities, tendering and qualification procedures
  - Procurement methods, evaluation criteria
  - Time Periods
  - Decisions on Contractor Qualifications
  - Decisions on Contract Awards
  - Contract Outcomes (Metrics)
- Challenge Mechanisms
- Internal and External Oversight
- Open media

# Too much of a good thing?

**Public goods are not free....**

**Cost of public goods:**

- **Decrease efficiency**
- **Entail trade-offs**
  - **Time**
  - **Money (resources)**
  - **Personnel**
- **Frustrate missions (goal achievement, metrics)**

**Beware unintended consequences....**

# Goals, Principles, Constraints?

- *Transparency*
- *Integrity (Corruption Control)*
- *Competition*
- *Uniformity*
- **Risk Avoidance**
- **Wealth Distribution**
- **Best value**
- **Efficiency (administrative)**
- **Customer Satisfaction**

*Competing  
Policies and  
Aspirations*

## Whose Priorities? [Stakeholders]

- **Citizens/public**
  - Taxpayers
  - Recipients of government services
- Government officials:
  - End users of goods & services
  - Legislature
  - Government ministers/bureaucracy
  - Accountability organizations (courts/auditors)
- **Press/Media**
- Private Sector (Companies/Contractors)
  - Domestic
  - Foreign
  - Companies dependent on sales to Government (as opposed to commercial firms)
- **Interest groups (for example, small businesses)**

# Three Examples:

- Open Media
  - Classic third-party oversight regime
- Human capital
  - Proper staffing is critical to procurement
  - Qualification, Recruiting, Training, Retention, Incentives
- *The Never-ending Conversation about Malversation*
  - How much corruption is tolerable?
  - **Culture: instilling ethics in public service**

# Open Media

- Investigative reporting serves an *independent* “third-party” oversight role
- Risk (and expectation) that:
  - mostly (only) bad news will be reported
  - Errors will occur (facts reported incorrectly)
  - Benefits outweigh risk in terms of public trust
- Exceptions
  - Contractor confidential (business sensitive) information
  - Proprietary information, trade secrets

# Acquisition Workforce: Underinvestment in Post-Award Contract Management

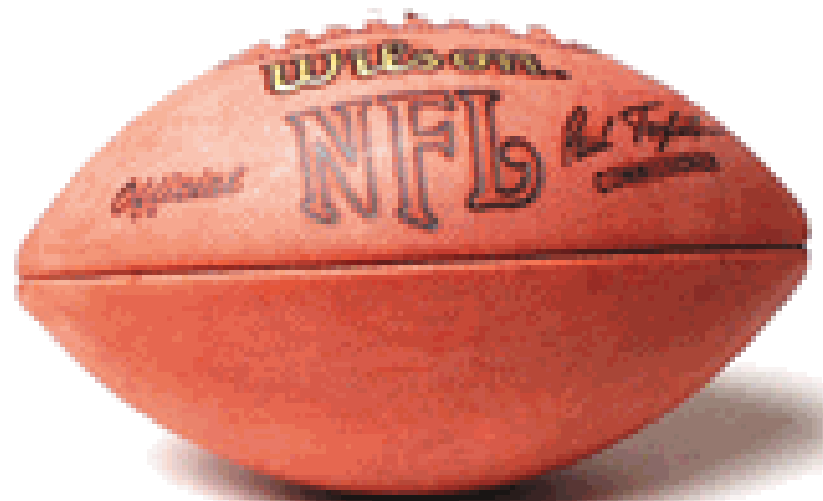
- Understanding the procurement and contracting lifecycle – “cradle to grave”
- Pressure to “buy” causes resource shift away from post-award *contract management*
- Outsourcing/Privatization
  - Proliferation of service contracts
  - ***Failure to manage service contracts is undisciplined and irresponsible delegation of governance to the private sector***

# Public Service Ethics

*an accounting analogy*



v.



# Public Service Ethics Models

- **Rules based**
- **Principles based**
- **Consequentialist**

# Striking the Balance

- Corruption Control

- Systemic integrity
- Systemic transparency
- Scandal avoidance
- Maintain public trust

- “Efficient” Procurement

- Timely
- Cost-effective
- Outcome (best-value) orientation
- Customer (end user) service mandate

# Conclusion

