



OECD Activities for Improving Transparency in Government Procurement Procedures in Iraq

*Workshop on Investment and Anti-Corruption
Policies in the framework of the International
Compact for Iraq*

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The OECD supports transparency in public procurement in Iraq

IN WHAT FRAMEWORK?

In the project on Enhancing Transparency in Public Procurement in Iraq within the Framework of the International Compact with Iraq (ICI)

WHY?

For responding the specific request formulated by representatives of the Government of Iraq (January 2008, Amman; May 2008, Paris).

The OECD supports transparency in public procurement in Iraq (*cont.*)

HOW?

By providing

1. Independent and objective assessment of the Iraqi Procurement Regulations in light of international instruments and good practices (Benchmark Report)
2. Tailored policy recommendations for supporting the improvement of the system
3. Proposals for implementation to support recommendations in daily practice.

The OECD supports transparency in public procurement in Iraq (*cont.*)

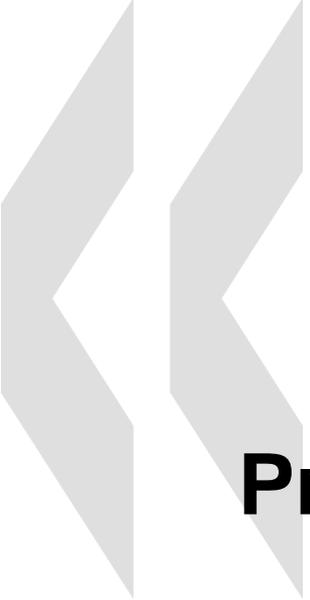
WHEN?

Timeframes of the preparation of the report:

- January 2008: specific request from the officials of the Government of Iraq
- May 2008: discussion of OECD activities on procurement in Iraq, launched second round of survey questionnaires
- July 2008: discussion on preliminary findings and proposed structure of the Benchmark Report
- November 2008: stakeholder meeting for approval of the Benchmark Report and its recommendations by the Government of Iraq
- December 2008: final Benchmark Report

Methodology and information gathering for the Benchmark Report

1. Documents received from the Government of Iraq (legal instruments, guides, background documents, etc.)
2. Survey questionnaire
3. Bilateral discussions



Preliminary findings of the report

The principles of transparency and good governance are explicit throughout the procurement process

1. Comprehensive study to prepare before launching the procurement, including securing that public funds are available for the procurement
2. Clear conditions for receiving and filing contractors' bids
3. Transparent rules on the composition and tasks of the bid opening and bid evaluation committees

The principles of transparency and good governance are explicit throughout the procurement process (*cont.*)

4. Forbidding contract amendments
5. Penalties for non-respect of deadlines
6. Precise conditions for archiving documents related to procurement (as a basis for detecting mismanagement by procurement control mechanisms)

The principles of transparency and good governance are explicit throughout the procurement process (*cont.*)

7. Requirement for officials responsible for procurement to abide by professional principles (e.g. non-disclosure of information, declaration of private interest)
8. Involvement of high-level civil servants throughout the procurement process and the need to seek authorisations throughout the process
9. The rotation of officials involved in procurement

Room for improvement in Procurement Regulations

1. Support the institutionalisation of procurement plans to give information to contractors in advance on forthcoming procurement opportunities
2. Make publications of tenders more consistent
3. Support competitive tendering methods and specify conditions under which non-competitive tenders are to be used

Room for improvement in Procurement Regulations (*cont.*)

4. Give sufficient time for submitting tenders (e.g. to take into consideration lengths of bank processes for issuing required performance bonds)
5. Provide information on the tender evaluation criteria in a timely and consistent manner
6. Provide specific mechanisms for monitoring and sanctioning failures in the execution of the contract

Room for improvement in Procurement Regulations (*cont.*)

7. Specify in the Procurement Regulations what are the other regulations, rules and instructions that are linked to procurement (e.g. the role of the Board of Supreme Audit and Inspectors General in reviewing and controlling procurement procedures; specific measures that describe required professional behavior and attitude for civil servants in general and procurement officials in particular)



Proposed structure of the Benchmark Report

Chapter 1) Reviewing the Procurement Regulations in light of ***international rules and good practices***

Chapter 2) Critical review of the Procurement Regulations, ***analyzed article by article***

Chapter 3) Policy ***recommendations***

Chapter 4) Proposed tool for supporting ***implementation***

Questions for discussion

- What do you consider as **main challenges** of implementing Procurement Regulations? What elements of Procurement Regulations are the **most difficult to comply** with?
- What are the internal and external **control** mechanisms in place and how do they function to verify compliance with Procurement Regulations? How do control institutions coordinate their work?
- Do you consider procurement particularly **vulnerable** to fraud and corruption? If yes, in what stage of the process?
- What measures would you consider putting in place to **improve** the procurement regulations and their enforcement?
- Does the proposed **structure** of the final Benchmark Report reflect your expectations?