



**MENA-OECD
INVESTMENT
PROGRAMME**

**A workshop on
STRENGTHENING INTEGRITY IN THE PRIVATE SECTOR IN IRAQ:
PUBLIC PROCUREMENT**

Manama, the Kingdom of Bahrain

18 March 2010

1. BACKGROUND

This workshop is driven by the increasing attention paid by governments, the business community, as well as international organisations to integrity in the private sector. It builds on the regional private sector integrity workshop held over the preceding two days with the goal of promoting international principles and best practices in this area, including the requirements of the United Nations Convention against Corruption (UNCAC) which calls, *inter alia*, for preventive (article 12) and punitive (articles 22, 23) anti-corruption measures in the private sector, as well for strengthening cooperation between national authorities and the private sector (article 39).

As explicitly recognized by the Arab Anti-Corruption & Integrity Network (ACINET) in its first General Meeting in Rabat on 2 April 2009, part of a successful strategy to fight corruption involves private investors and requires specific commitments on the part of the private sector on a preventive as well as an enforcement level. The increasing involvement of the private sector in the Middle East and North African (MENA) economies and injurious trends such as individuals working in government and subsequently owning private businesses, while maintaining ties with the government, are among the other factors which call for enhanced awareness on corruption preventive measures in the private sector, including large corporations and small, medium and even micro enterprises.

2. THEMATIC FOCUS

Globalisation and competitive challenges have resulted in new rules and regulations applying to international and local business transactions. A number of legally binding as well as non-binding anti-corruption and integrity instruments¹ have been adopted at regional and global levels to prevent and punish corrupt business practices with a view to improving the trade and investment climate.

Furthermore, organisations such as the OECD, the United Nations (UN), the World Bank, the International Chamber of Commerce (ICC), Transparency International (TI) and others, have developed recommendations, broad-based principles or best practices to help promote good governance and integrity in the private sector.

Implementation and, where applicable, enforcement of these instruments call for action by various stakeholders and impact the interaction between governments and the private sector, as well as interaction between private entities. Governments are required to adapt their regulatory environment and ensure that their institutional framework is adequate and lives up to their commitments under these instruments. Government action alone, however, is not

¹ This includes notably the United Nations Convention against Corruption (2003); OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997); African Union Convention on Preventing and Combating Corruption (2003); OECD Declaration on Multinational Investment and Guidelines on Multinational Enterprises (2000); and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997).

enough. Complementary and mutually supportive actions by the private sector, civil society and media actors are recognised to be increasingly important.

The cooperation of the various stakeholders is an essential building block for clean, fair and transparent business, which is in turn critical for development and the achievement of the Millennium Development Goals (MDGs). Not only do high standards of integrity minimize the risks of corruption, they also directly benefit the corporation, which may be in a better position to attract investment through improved public trust.

3. OBJECTIVES

The purpose of the workshop is to support Iraq in its efforts to further improve integrity in the private sector based on related international standards, and advance its national development agenda, with a focus on public procurement. Participants will have the opportunity to discuss current policies and practices in the light of regional and global instruments that impact integrity standards in the private sector.

The workshop will aim at:

- Facilitating discussions on the need, usefulness and potential of public-private consultations;
- Raising awareness of the different international and national initiatives to increase private sector integrity; and
- Provide concrete examples and suggestions on how to apply the international integrity principles in the Iraq public procurement context.

4. TARGET AUDIENCE

Experience shows that governments will achieve better and more concrete results in improving integrity and preventing or detecting corruption if they engage in a productive and efficient exchange with the business community. Indeed, business - victim of bribery but also instigator - plays a fundamental role in the development of preventive, self-regulatory measures to eliminate of malpractice and fraud. The workshop will bring public and private sector decision-makers from Iraq together with experts from OECD countries experienced in corruption prevention, ethics and integrity management.

5. METHODOLOGY

The one-day workshop will open with expert presentations and continue under a round table discussion format.

6. DOCUMENTATION

The following background documents will have been provided during the regional workshop:

- Improving Transparency in Government Procurement Procedures in Iraq (OECD), Tools for Promoting Integrity and Preventing Corruption in the Public Service (OECD), Fighting Corruption in Iraq: sources and challenges (extracts from *Supporting Investment and Governance Reforms in Iraq 2007-2008*, forthcoming).
- Any other relevant documentation submitted by participants.

The following documentation should serve as background and guide the work in the future:

- The UN Convention against Corruption and the UNCAC Legislative and Technical Guides.
- The OECD Convention against Bribery of Foreign Public Officials in International Business Transactions and Revised Recommendation of the Council on Combating Bribery in International Business Transactions.
- The OECD Principles for Integrity in Public Procurement.
- Enhancing Integrity at Each Stage of the Procurement Cycle: A Checklist (OECD).
- Inventory of Mechanisms to Disguise Corruption in the Bidding Process and Some Tools for Prevention and Detection (OECD).
- OECD (2007): Bribery in Public Procurement: Methods, Actors and Counter-Measures

7. AGENDA

THURSDAY, 18 MARCH 2010

09.00 – 10.00 Opening Session

This session will provide the organizers and ACINET with an opportunity to highlight private sector integrity issues in Iraqi public procurement.

09.00 – 09.45 Official Statements

Mr. Alexander BÖHMER, Head of MENA-OECD Investment Programme, the Organisation for Economic Cooperation and Development.

Judge Ezzat Tawfiq JAAFAR, Commission of Integrity, Iraq.

Mr. Shakir Salman FAYYADH, Director General, Economic Advisor, Office of the Deputy Prime Minister for Infrastructure, Iraq.

H.E. Mr. Abed SHAKHANBEH, Chair of the Arab Anti-Corruption & Integrity Network, and President of the Jordanian Anti-Corruption Commission.

09.45 – 10.15 Break

10.15 – 10.30

Keynote Statement: The due diligence process for business partners involved in public procurement at Siemens, and the Siemens Collective Action approach

Mr. Nadeem ANWER, Regional Compliance Officer, Siemens LLC, Dubai

10.30 – 12.30

Session 1: Integrity in Public Procurement in Iraq – a Responsibility of the Public and Private Sectors

This session will focus on enhancing the public procurement system by implementing effective rules and mechanisms to promote competitive bidding, increase the transparency of the process at all levels of government, provide adequate training to public procurement officers, and encourage integrity commitments by enterprises participating in the bidding process.

In each section, one lead speaker will make a presentation after which participants will provide feedback. The floor will then be open for discussions.

Chair: *Mr. Nadeem ANWER, Regional Compliance Officer, Siemens LLC, Dubai*

10.30 – 11.30 **Presentation:** The Role of Government in Regulating Public Procurement

Ms. Nicola EHLERMANN-CACHE, Senior Policy Analyst, MENA-OECD Investment Programme, OECD

Inputs from participants followed by open discussion.

11.30 – 12.30 **Presentation:** The Integrity Pact – a Powerful Tool for Clean Bidding, the Responsibilities of the Private Sector, and the Role of Civil Society in Monitoring Compliance

Mr. Jermyn BROOKS, Transparency International

Inputs from participants followed by open discussion.

12.30 – 13.30 **Break**

13.30 – 14.30 **Session 2: The Way Forward – Reforms to Strengthen Integrity in Public Procurement in Iraq**

13.30 – 14.30 **A round table discussion on an action plan to strengthen integrity in public procurement in Iraq**

Moderator: Mr. Alexander BÖHMER, Head of MENA-OECD Investment Programme, the Organisation for Economic Cooperation and Development.

Inputs from participants followed by open discussion.

14.30 **Lunch**