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Or. Eng.

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ANTI-CORRUPTION PROPOSALS FOR BILATERAL AID PROCUREMENT

(Note by the Secretariat)

The attached Recommendation concerning anti-corruption proposals for bilateral aid procurement was ENDORSED by the Development Assistance Committee at its High Level Meeting of 6-7 May 1996.

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ANTI-CORRUPTION PROPOSALS FOR BILATERAL AID PROCUREMENT

RECOMMENDATION ENDORSED BY THE DEVELOPMENT ASSISTANCE COMMITTEE AT ITS HIGH LEVEL MEETING, 6-7 MAY 1996

1. DAC Members share a concern with corruption:
 - It undermines good governance.
 - It wastes scarce resources for development, whether from aid or from other public or private sources, with far-reaching effects throughout the economy.
 - It undermines the credibility of, and public support for, development co-operation and devalues the reputation and efforts of all who work to support sustainable development.
 - It compromises open and transparent competition on the basis of price and quality.
2. The DAC, therefore, firmly endorses the need to combat corruption through effective prohibition, co-ordinated in a multilateral framework to ensure harmonised implementation. Other meaningful and concrete measures are also required to ensure transparency, accountability and probity in the use of public resources in DAC Members' own systems and those of partner countries, who themselves are increasingly concerned with this problem.
3. In its efforts to curb corruption, the DAC recognises that opportunities may exist for corrupt practices in aid-funded procurement. Together with other efforts to deal with corruption, the DAC hereby expresses its firm intention to work to eliminate corruption in aid procurement.
4. **The DAC therefore recommends that Members introduce or require anti-corruption provisions governing bilateral aid-funded procurement. This work should be carried out in co-ordination with other work being undertaken in the OECD and elsewhere to eliminate corruption, and in collaboration with recipient countries. The DAC also recommends that its Members work to ensure the proper implementation of their anti-corruption provisions and that they draw to the attention of the international development institutions to which they belong, the importance of proper implementation of the anti-corruption provisions envisaged in their rules of operation.**
5. **The DAC will follow up on the effect given to this Recommendation within one year.**
6. **DAC Members will work closely with development partners to combat corruption in all development co-operation efforts.**