PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE
PUBLIC GOVERNANCE COMMITTEE

PROVISIONAL ANNOTATED AGENDA

Expert Group Meeting on Integrity in Public Procurement

20-21 June 2005
Château de la Muette, Paris

For further information, please contact János Bertók, Tel: +33 1 45 24 93 57;
Email: janos.bertok@oecd.org
Expert Group Meeting on Integrity in Public Procurement

Public Procurement: A decisive economic activity
Public procurement is a central instrument for efficient public spending. Public procurement of goods and services typically accounts for 10-15% of GDP for developed countries. Given the substantial volume of transactions across the world economy, the public procurement process is considered as a major potential risk area for corruption.

Lack of transparency and accountability in public procurement has been identified as a major impediment to sustained economic growth through investment and trade. Transparency is considered as one of the most effective deterrents to corruption and a pre-condition for ensuring public officials’ accountability. Transparency allows the public the widest possible access to documents that enable citizens and businesses to scrutinise how the powers vested in public procurement officials are exercised. But what standards of transparency are needed to build and maintain confidence in public procurement procedures?

Objectives
Following-up the Global Forum on Governance: Fighting Corruption and Promoting Integrity in Public Procurement held in Bercy on 29-30 November 2004, the launching meeting of the Expert Group will review:

- The challenges policy makers, procurement officials and businesses face to achieve value for money through procurement processes that ensure economy as well as transparency, accountability and integrity.
- Good practices and tools successfully used to prevent and counter corruption, promote integrity, transparency and accountability.
- Potential and limits of using new information and communication technologies for ensuring transparency and accountability in public procurement.
- Priority areas for follow-up, and advise the Secretariat on how to collect good practice.

Methodology
Sessions will start with expert presentations to highlight the experience of key actors in order to set the scene for an open exchange of views on key challenges and good practices. Specific emphasis will be given to reviewing cases of concrete examples in order to enable participants to review and analyse specific approaches, strategies and administrative practices and to equip participants with insights for understanding how these measures work, and why they were considered successful, or why they failed.

Meeting documents
Papers – already available on OLIS – provide background information for discussion at sessions. Participants may provide further information on noteworthy recent developments by short factsheets that will fundamentally support both discussions and the development of inventory of good practices and tools.

Participants
The event is the launching meeting of the Expert Group on Integrity in Public Procurement that consists of policy makers and public procurement specialists nominated by their countries. Representatives of leading academic institutions, business and NGO communities as well as international organisations are also invited to strengthen a multidisciplinary approach, enrich dialogue and co-operation across sectors.

Simultaneous interpretation in English and French will be provided.

Venue
The Expert Group meeting will take place at the headquarters of the OECD in Paris at the following address: 19 rue de Franqueville, Paris 75016 (nearest metro: La Muette).
Monday, 20 June 2005

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

9.30 – 9.40  Opening

Welcome and opening remarks by the OECD Secretariat.

Ms. Odile Sallard, Director, Public Governance and Territorial Development, OECD

9.40 – 12.30  Session 1. Public procurement in the 21st century: Challenges and driving forces

The first session will review the challenges policy makers, procurement officials and businesses face to achieve value for money through procurement processes that ensure economy as well as transparency, accountability and integrity.

9.40 – 10.20  Keynote presentation

Keynote Speaker

Mr. Adri Duivesteijn
Member of Parliament
The Netherlands

Questions and answers

The problem of underestimated costs and overoptimistic needs is getting bigger as projects get bigger. Based on the findings and policy recommendations of a recent Dutch Parliamentary inquiry, the keynote presentation will review the role of Parliament to ensure transparency, accountability and integrity in the design and implementation of big infrastructure projects.

The Keynote Speaker -- former Chairman of the Temporary Parliamentary Committee on Infrastructure Projects -- will highlight the causes identified for misinformation and suggested management and accountability measures to counter the informational asymmetry in the design and management of future projects.

10.20 – 12.30  Challenges and driving forces

Speakers

Ms. Erika Bozzay  Ms. Gabriella Fribiczer
Chief Councillor  Deputy Head
Ministry of Justice  International Dept.
Hungary  Council for Public Procurement

Mr. Philippe Montigny
Executive Director, International Development and Strategies Chairman of Working Party on Preventing Corruption, French Council of Investors in Africa

Following the keynote speech, the session continues the review of challenges in providing best value to citizens through public procurement processes that are transparent and result oriented.

The second part of the first session will start with a shared presentation on the views and experience of the state organisations, represented by the government ministry and independent body responsible for the implementation of procurement policy.

In addition, representatives of the private sector and civil society will bring the stakeholders’ views into the discussion to widen cross-sectorial interaction.

1  This session will break for coffee at around 11.00.
Ms. Adriana Krnacova  
Executive Director  
Transparency International  
Czech Republic  

**Tour de table and discussion**

After the presentations, the session will continue in a *tour de table* in which participants will be invited to share their experiences on challenges they face at the different stages of the public procurement process, and outline emerging concerns related to integrity, transparency and accountability.

**Questions for tour de table and discussion**

- What are the key challenges in promoting integrity and preventing corruption in public procurement?
- How effectively do existing public procurement laws and practices ensure transparency and accountability particularly in risk areas?
- How to define the level of transparency required at the different stages of public procurement procedures?
- What are the emerging issues and key areas of concern?

Background document:
Transparency and Accountability as Tools for Promoting Integrity and Preventing Corruption in Procurement: Possibilities and Limitations [GOV/PGC/ETH(2005)1].

**12.30 – 14.30  Lunch break (no host lunch)**

**14.30–17.30  Session 2. Transparency and Accountability: Mapping out good practices and tools**

The afternoon session will review good practices and tools successfully used to prevent and counter corruption, promote integrity, transparency and accountability. Particular attention will be paid to examine:

- What are the potential and limitations of tools that have been applied in risk or “grey” areas vulnerable to corruption in public procurement operations?
- How involving independent experts and civil society representatives, particularly in the early stage of definition of needs and in contract management, could promote accountability and public scrutiny?

**14.30 – 17.30² Lessons learned in reviewing risk areas**

<table>
<thead>
<tr>
<th><strong>Speakers</strong></th>
<th><strong>The first presentation will highlight experiences of jointly reviewing procurement processes in cooperation with a central government corruption prevention agency and its role to define and disseminate good practices through a “module”.</strong></th>
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</thead>
</table>
| **Mr. Pierre-Christian Soccoja** | Advisor  
Central Corruption Prevention Agency, Ministry of Justice, France |

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² Session 2 will break for coffee at around 16.00
The session will also review experience of new forms of co-operation between the private and public sectors, and new approaches to promoting integrity, transparency and reliability of public decision making.

The second speaker will highlight the findings and recommendations of the 2005 Global Corruption Report that focused on corruption in public procurement in construction. The third presentation will focus on innovative technology and training approaches for promoting reliable and ethically competent decision making in law-based procedures.

After the presentations, the session will continue in a tour de table in which participants will be invited to exchange their experience on existing tools and emerging practices that successfully promote transparency and integrity in public procurement.

**Questions for tour de table and discussion**

- Which policy measures, tools and programmes have been successful in promoting transparency and accountability in public procurement? What were the conditions identified for their success?

- What are the experiences of countries in involving stakeholders in the public procurement processes? At what stage and how are they involved?

- What incentives work to ensure transparency and accountability in the procurement procedures, in particular in the definition of needs and in the post-awarding process?

- What practices work to identify and manage conflict-of-interest situations in procurement? What remedies are available if actual decisions are influenced by private interests of public officials?

**Background documents:**

Good Governance for Public Procurement: Linking Islands of Integrity [GOV/PGC/ETH(2005)2].

Good Governance for Public Procurement: Linking Islands of Integrity Supplement United States’ and Other Examples of Law and Regulation [GOV/PGC/ETH/RD(2005)1].
### Session 3. E-procurement: How to get the full benefit?

The third session will focus on the potential and limits of using new information and communication technologies for procurement. E-procurement has become a major tool to standardise processes, increase their transparency, improve access to markets, promote integrity and prevent corruption in public bidding.

Efficiency needs are a driving force for e-procurement, but so are increased transparency and competition among suppliers. The session will also exchange views and experience on how to provide an effective legal framework, and how to measure the benefits of e-procurement?

<table>
<thead>
<tr>
<th>Lead Speaker</th>
<th>The Lead Speaker will set the scene for the session by providing a comparative overview on approaches and conditions for an effective legal framework for e-auctions.</th>
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<tbody>
<tr>
<td>Professor Sue Arrowsmith</td>
<td>The two country presentations will share the experience of designing and implementing e-procurement strategies at the central and sub-national levels.</td>
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<tr>
<td>University of Nottingham School of Law United Kingdom</td>
<td>The ensuing discussion will focus on country experiences of how e-procurement has standardised processes and increased the accessibility of information to facilitate internal control and accountability.</td>
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<td>Country presentations</td>
<td>The session will also review lessons learned in facilitating the use of e-procurement at the sub-national level, in particular the experience of central government in supporting policy design and implementation with dissemination of good practices at the sub-national level.</td>
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<td>Mr. Sung-Hee Lee</td>
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<td>Director of Finance &amp; Planning Office Public Procurement Service of Korea</td>
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<td>Mme Esther Lasnspa</td>
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<td>Chef de Projet Service du Premier Ministre Agence pour le Développement de l'administration électronique France</td>
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<tr>
<td>Discussion</td>
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#### Questions for discussion:

- How successful have e-procurement strategies and practices been in improving accessibility of information and processing biddings?
- What are the limits and/or failures of e-procurement strategies to promote transparency and accountability?
- How could the legal framework provide conditions for effective e-procurement?
- What is the experience of central government in facilitating e-procurement initiatives at the sub-national level?

Background document: Transparency in Public E-Procurement: The Italian Perspective [GOV/PGC/ETH(2005)3].
<table>
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<tr>
<th>Time</th>
<th>Session</th>
<th>Description</th>
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<tr>
<td>10.45 – 11.00</td>
<td>Coffee break</td>
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<tr>
<td>11.00– 12.15</td>
<td>E-procurement: A business case</td>
<td>The second part of the morning session will focus on providing a framework for evaluating e-procurement projects, particularly defining its costs and benefits. The first presentation will outline the potential financial, economic and public benefits from transforming government procedures through information and communications technologies. The common analytical framework developed for the OECD e-government reviews, will also be introduced. Discussion will share experience in planning and conducting evaluations. In addition, participants will be invited to exchange views on criteria and what framework could support the analysis of transparency and anti-corruption aspects of e-procurement.</td>
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|          | Panel of Discussants | Mr. Edwin Lau  
Administrator  
Leader of the OECD  
E-Government Project  
Professor Gustavo PIGA  
Faculty of Economics  
University of Rome Tor Vergata  
Italy  
Discussion | |
|          | Questions for discussion: | • Have you evaluated benefits of e-procurement projects? If so, at what stage, for what reasons and how did you proceed?  
• How did you identify the criteria and gather credible data?  
• What are the advantages of, and conditions for, internal (self-assessment) and external (independent) assessment? |
|          | Background documents: Policy Briefs on e-government. | |
| 12.15–13.30 | Session 4. The way forward: Future steps | The last session will focus on the follow-up steps, in particular:  
• The areas of interest and priorities;  
• Method to collect information on good practices. Country representatives will be invited to advise the Secretariat on how to ensure that countries make the most of the benefit of the expert group activities. |
|          | Discussion | |
|          | Conclusions | |
|          | Questions for discussion: | • What issues should be addressed in the follow-up?  
• How to collect information on good practices? |