




GOOD GOVERNANCE AND INTEGRITY IN PUBLIC PROCUREMENT


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The OECD in the World

- 34 member countries + 6 partner countries
- Regional initiative for Central Asia ACN





OECD mission and working methods

Mission: *Partnering with countries for a cleaner, fairer and stronger world economy*

Provides comparative and **evidence-based analysis**

➤ *Comparative data: Government at a Glance*

Formulates **standards** at the international level

➤ *OECD Recommendations*

Offers country-specific **reviews** (peer reviews)/ “know-how” and policy advice

➤ *Public procurement and integrity reviews*



OECD multi-disciplinary approach against corruption Cleangovbiz

Public sector

- Principles, Checklist & Toolbox for Enhancing Integrity in Procurement
- Principles on Improving Ethical Conduct in the Public Sector
- Guidelines & Tools for Managing Conflict of Interest in the Public Service
- Principles for Transparency and Integrity in Lobbying
- Best Practice Guidelines for Budget Transparency and International Budget Database

Private sector

- OECD Anti-Bribery Convention
- OECD Guidelines for Multinational Enterprises
- Recommendation on Tax Deductibility of Bribes
- FATF; Recommendation on bribery in export credits, etc.

Development aid: OECD’s Principles for Donor Action in Anti-Corruption



Why enhancing integrity in public procurement?

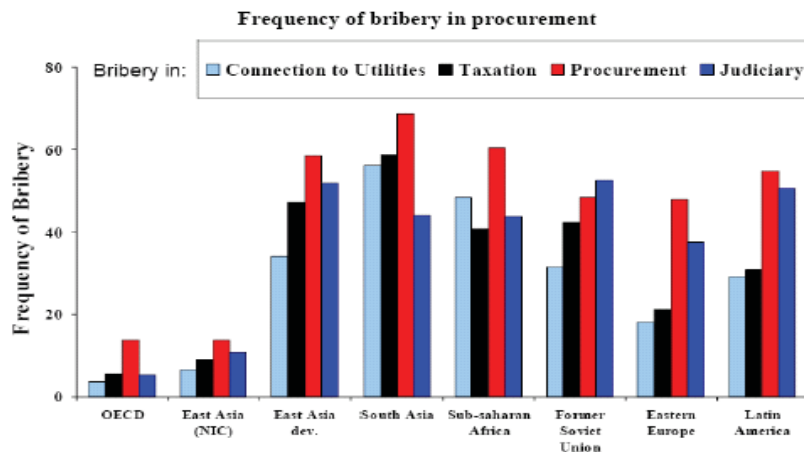
A crucial **economic activity** of governments:
13% of GDP

A major **risk area** for mismanagement, fraud and corruption

Potential source for **savings** at times of austerity



Bribery is more frequent in procurement than in other government activities



Source: Kaufmann, World Bank (2006), based on Executive Opinion Survey 2005 of the World Economic Forum covering 117 countries. Question posed to the firm was: In your industry, how commonly firms make undocumented extra payments or bribes connected with permits / utilities / taxation / awarding of public contracts / judiciary?



What could countries do better to prevent corruption in procurement?

OECD Recommendation on Enhancing Integrity in Public Procurement

Set of integrity measures

transparency,
good management,
prevention of misconduct,
accountability and control

Looking at the whole public **procurement cycle**



What could countries do better?

Review of progress in 2012 since adoption of OECD Recommendation

- Public procurement is still organised as an administrative rather than a **strategic function**
- Procurement is still **not recognised as a specific profession** in a third of Member countries
- Reforms have addressed the **whole public procurement cycle in only half of the countries**
- Performance based monitoring of procurement systems is the **exception to the rule**



OECD PEER REVIEWS IN THE PUBLIC SECTOR

- Focusing on organisational **practice**
 - Systematic assessment by practitioners from **leading OECD countries**
 - Proposals for **action** building on international good practice
 - Direct support to government's **reform agenda**
- **MEXICO : HEALTH AND ENERGY SECTOR**
➤ **UNITED STATES FEDERAL PROCUREMENT**
➤ **COLOMBIA**

The Mexican Institute for Social Security has saved 3,3% in procurement spending in selected medicines (426), which represents about € 20 million in a year, following the OECD review. (Mexican Institute for Competitiveness)

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Review of Federal Public Procurement

United States

- U.S. Government's Federal Acquisition system : **US\$ 540 billion per year**
- Office of Management and Budget: **Request** to assess successes and challenges in ensuring integrity in procurement
- OECD peer review of **practice** in selected federal agencies
 - Transparency
 - Acquisition workforce
 - Best value for taxpayers
 - Competition
 - Review and remedy mechanisms



Thank you for your attention

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