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 firms 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)

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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