

# Stronger Oversight and Monitoring for Better Public Procurement Outcomes



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# Importance Of Oversight And Monitoring (O&m)

- Integrity and transparency one of four pillars of public procurement – includes oversight and monitoring
- Over us\$9 trillion spent annually on public procurement of goods, works and services
- 20-30% of each contract goes to corruption
- Oversight and monitoring key to prevent corruption in public procurement

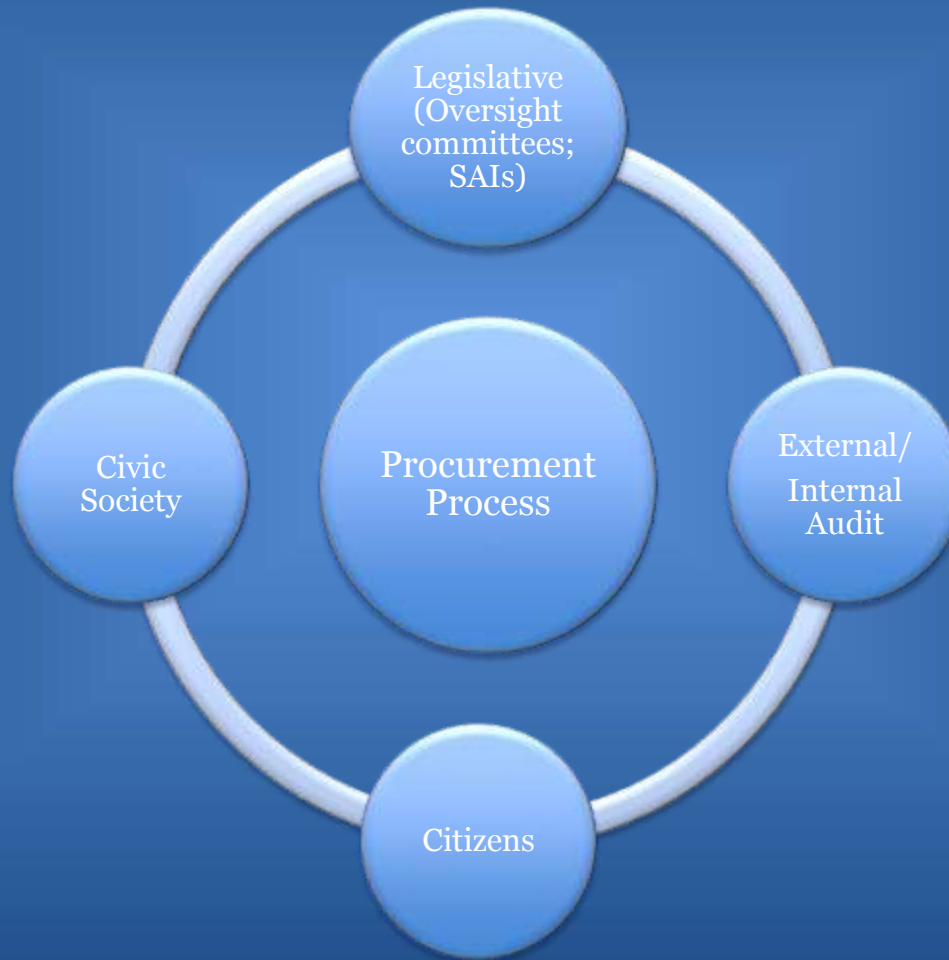
# What, Why, Who And When



# Oversight And Monitoring

- Oversight focuses at macro level on implementation of policy, programs and operations in compliance with laws and regulations
- Monitoring tracks progress in implementation of functions, programs and operations at micro level
- Objective of both oversight and monitoring is economic and efficient use of public funds, value for money, and delivery of quality public services

# Procurement Oversight and Monitoring Process



# O&M and Procurement Cycle



# Basis of Oversight and Monitoring

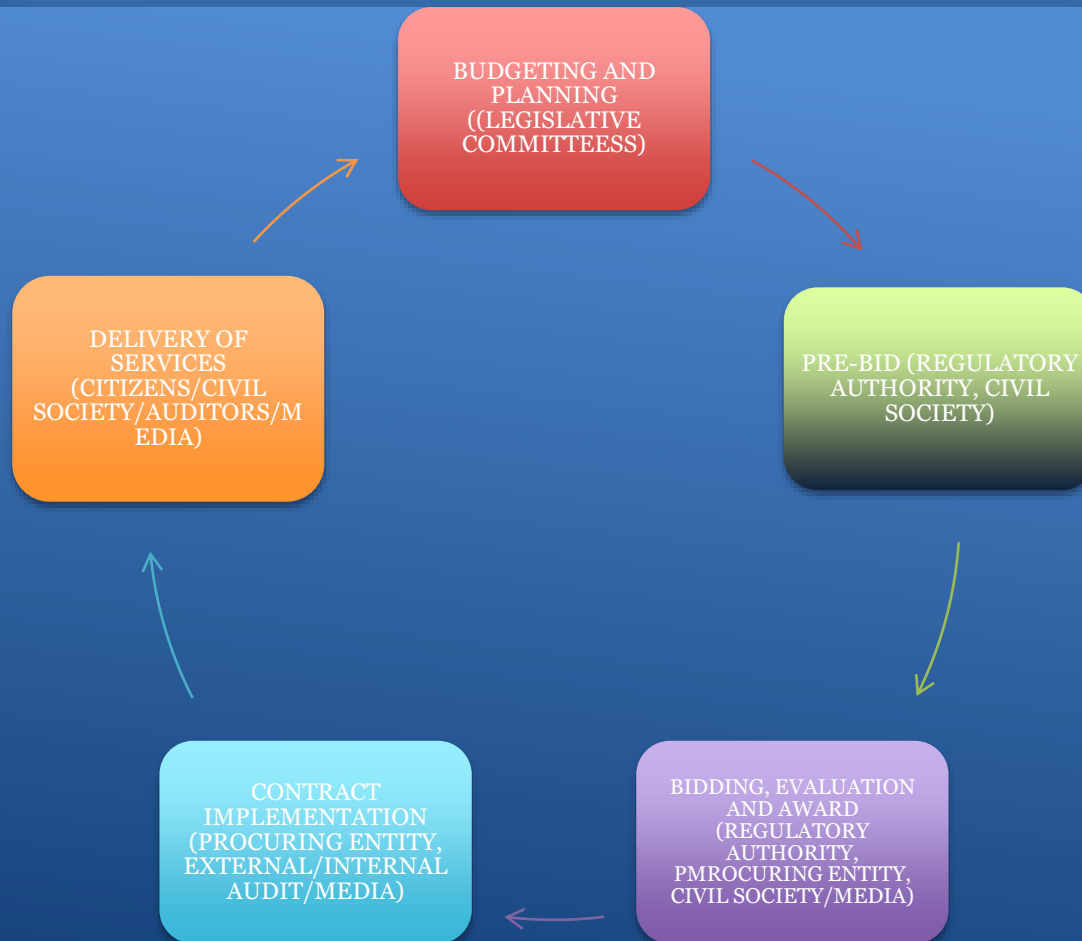
- Legislation and regulations (oversight, budget, financial control, procurement, etc.)
- UN convention against corruption
- OECD principles of integrity in public procurement
- WTO GPA
- EU Directives

# Stakeholders – Interest and Role

STAKEHOLDERS	INTEREST	ROLE
Public stakeholders (legislative, executive, judiciary, including parliament/congress, government agencies, etc.	Well-functioning systems in compliance with laws/regulations	Overseeing and monitoring, promoting civic engagement
Private stakeholders (Civil society organizations, business community, associations, media, citizens	Transparency; timely and quality delivery of public services	Monitoring, observing, raising awareness, highlighting issues, demanding action



# Stakeholders O&M Role During Procurement Cycle



# Oversight and Monitoring Tools

- Budget and planning
- Ex-ante and ex-post reviews
- Performance measurement
- External/internal audit
- Integrity pacts
- Third party audits
- Databases
- Advocacy
- Bid complaint resolution
- Electronic procurement
- Open contracting

## Examples Of Good Practices from Europe and Central Asia

- Kyrgyz Republic – Active participation of civil society in public procurement through public supervision committees
- Georgia – Tender monitor and transparent e-procurement
- Lithuania – Access to public procurement information and data online
- FYR Macedonia – Well functioning e-procurement system increasing transparency
- Poland – Nik's (state audit office) annual audit plans based on identification of risks

# Examples of Good O&M Practices from Other Regions

- Australia - Austender – Procurement data online
- Brazil – Transparency portal of federal public administration
- Canada – Fairness auditor
- Mexico – Social witnesses program
- UK - Whistle blower and proactive business community participation
- EU - anti-corruption (2014) report recommendations

# MDBs Oversight and Monitoring Arrangements

- Risk identification and mitigation
- Continuous monitoring of procurement at all stages of procurement cycle
- Prior and ex-post review of contracts
- Internal and external audit
- Evaluation

# Challenges and Opportunities

Opportunities	Challenges
Transparency and value for money	Ineffective O&M leading to poor functioning system – slow introduction of e-GP
Corruption free procurement	Inadequate O&M of procurement cycle and poor capacity of government O&M institutions
Assurance of quality and timely delivery of services through continuous O&M by private sector stakeholders, including civil society	Insufficient involvement of civil society in procurement O&M because of lack of political will, access to information, lack of funding, and inadequate capacity to deal with complex matters in procurement
Systematic collection, analysis, and dissemination of data for use by stakeholders – use of it	Weak arrangements by government stakeholders – electronic procurement yet to be introduced

# TI Index 2014 and O&M – Is there a Relation?

EASTERN EUROPE AND CENTRAL ASIA				CENTRAL EUROPE (EU)	
COUNTRY	RANKING/ 175	COUNTRY	RANKING/ 175	COUNTRY	RANKING/ 175
Georgia	50	Belarus	191	Poland	35
The FYR of Macedonia	64	Azerbaijan	126	Lithuania	39
Turkey	64	Kazakhstan	126	Slovenia	39
Montenegro	76	Kyrgyzstan	136	Latvia	43
Serbia	76	Russia	136	Hungary	47
Bosnia and Herzegovina	80	Ukraine	142	Czech Republic	53
Armenia	84	Tajikistan	152	Slovakia	54
Moldova	103	Uzbekistan	152	Croatia	61
Albania	110	Turkmenistan	169	Bulgaria	69
Kosovo	110			Romania	69

# Way Forward – Issues to Consider

- Political will to enhance stakeholders' role in public procurement
- Strategy for civic engagement
- Legal basis
- Government interest and role
- Right to information
- Funding of stakeholders
- Stakeholders capacity
- Adequacy of partnership between public and private stakeholders



THANK YOU