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

What - watch over public procurement processes – procurement cycle

Why - to ensure transparency, accountability and quality and timely delivery of services

Who - internal and external stakeholders (government institutions and private sector, including civil society)

When - ongoing, at intervals (annual, etc.) – To detect, highlight and denounce corruption
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

- Legislative (Oversight committees; SAIs)
- Civic Society
- Procurement Process
- External/ Internal Audit
- Citizens
O&M and Procurement Cycle

- Budgeting and Planning
- Pre-Bid
- Bidding, Evaluation and Award
- Contract Implementation
- Delivery of Services
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

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

- **Budgeting and Planning**
  - (Legislative Committees)

- **Pre-bid**
  - (Regulatory Authority, Civil Society)

- **Contract Implementation**
  - (Procuring Entity, External/Internal Audit/Media)

- **Bidding, Evaluation and Award**
  - (Regulatory Authority, Procuring Entity, Civil Society/Media)

- **Delivery of Services**
  - (Citizens/Civil Society/Auditors/Media)
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 ad 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

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<td>Transparency and value for money</td>
<td>Ineffective O&amp;M leading to poor functioning system – slow introduction of e-GP</td>
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<td>Corruption free procurement</td>
<td>Inadequate O&amp;m of procurement cycle and poor capacity of government O&amp;m institutions</td>
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<td>Assurance of quality and timely delivery of services through continuous O&amp;M by private sector stakeholders, including civil society</td>
<td>Insufficient involvement of civil society in procurement O&amp;M because of lack of political will, access to information, lack of funding, and inadequate capacity to deal with complex matters in procurement</td>
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<td>Systematic collection, analysis, and dissemination of data for use by stakeholders – use of it</td>
<td>Weak arrangements by government stakeholders – electronic procurement yet to be introduced</td>
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TI Index 2014 and O&M – Is there a Relation?

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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