

Webinaire « Promotion de l'éthique publique et prévention de la corruption au niveau local en Tunisie » – 16 octobre 2020

Speaking notes Amelie TARSchYS INGRe (Sweden, GILD-ILDG) – Congress Rapporteur on “making public procurement transparent at the local and regional levels”

Check against delivery - Seul le prononcé fait foi

I am very happy to be here with you today to share the experience from the Congress and hear about yours. As mentioned by Mr Marchenkov, I am Rapporteur on “making public procurement transparent at the local and regional levels”, a report that was adopted in 2017.

The proper conduct of public procurement is indeed a very important part of when speaking about public ethics. It is one of the public activities that is most vulnerable to corruption, and especially at the sub-national levels.

Let me start this intervention by stating that there is no “corruption-free zone” and that is why our exchanges are so important, to share solutions that have worked in some places, but also to raise each other’s awareness on potential risks.

Public procurement is an essential part of the provision of public services by local and regional authorities to their citizens. Actually, a very large part of public procurement falls into the competences of territorial authorities.

There are several areas of concern regarding corruption in public procurement processes.

First, the risks are numerous and high:

- Because there are **important volumes of transaction and financial interests** involved;
- Because of the **proximity of** those concerned to one another: public authorities, businesses and citizens – and this is even more so in smaller communities;
- Because of the **complexity of procedures**: many times, local and regional authorities do not have the internal capacity to handle such complex processes. In many cases there is no properly trained staff to deal with procurements, either because of a lack of financial or human resources. Besides, their counterparts – companies for instance – are often much better equipped and trained and hence have an advantage.
- Because of the **many actors involved in those processes**, especially due to the current trends of outsourcing and the development of public-private partnerships. Such partnerships also raise a risk of conflict of interest for local and regional elected representatives and their staff.

- Because of **the type of competences devolved** to the local level: planning, construction, social services.

Second, it is important to understand that **corruption may affect all stages of public procurement:**

- The needs assessment, which could be conducted in a way to draw an advantage of the situation – corrupted individuals could for instance intentionally inflate the needs or the numbers or provide wrong estimates;
- The design and publication of the tender file itself, which could be drafted in such a way that it would serve the purpose of one specific tenderer;
- The choice of the contractor: sometimes the assessment is not conducted in a neutral way but weaknesses or strengths of one of the bidders are wrongly emphasized;
- Finally, the actual implementation of the procurement.

All in all, corruption has a tremendous impact, even though it is complicated to measure it in a very precise manner because of its hidden nature:

- An estimated 5 billion € is lost in the EU annually just because of corruption in public procurement;
- Direct cost: money lost because of unacceptable misallocation of public funds, lower quality of services and goods;
- Indirect cost: distortion of competition process, limited access to procurement
- ABOVE ALL: dramatic effect on public trust in public authorities which is the bedrock of our societies.

Our report has identified solutions that have been implemented and that can work to prevent corruption in public procurements:

- **Create an ombudsman:** i.e. an independent body that can be called upon by the public in case of suspicions and or/complaints
- **Conduct a comprehensive assessment concerning risks of corruption**
- **Provide trainings:** as I mentioned, **professional capacity and integrity of both local elected representatives and civil servants play a crucial role.** Local authorities need to be well trained and empowered professionals who can carry out complex contracting in ways that look out for and protect the public interest. Local authorities should also have clear rules about what constitutes a conflict of interest for officers and elected members involved in procurement in any way.
- **Clearly define the concepts:** conflicts of interest, nepotism, values and behaviours that are expected of anybody involved in public procurement, for instance through the drafting and adoption of a Code of conduct. The fight against conflicts of interest, as in any anti-corruption policy, aims to enhance citizens' trust and guarantee the proper use of public funds. A conflict or the appearance of a conflict of interest, typically occurs in situations where an individual has a direct or indirect personal interest that may

interfere with the public interest. Nowadays, we are witnessing growing expectations for public officials to have high standards of integrity. Yet this is only possible when public officials have a good grasp of ethical behaviour. Dealing effectively with conflicts of interest is a major issue that needs to be dealt with very carefully through bottom-up processes which are not only based on pure law, compliance and penalty, but also based on preventing conflicts of interest from happening. Regarding nepotism, it is defined as favouritism shown to relatives or close friends by those in power, for instance, by offering them a job. Such favouritism has been around since ancient times, and even today, despite the high standards that we all claim to adhere to, we still see far too many examples of nepotism, both in the public and the private sectors. These corrupt practices hinder the effectiveness and efficiency of local public service delivery, diminish public trust, and damage the perception that local and regional public authorities are serving in the interest of their constituents. The existence of a merit-based recruitment and promotion system are a precondition for ensuring the impartiality and quality of public service delivery.

- **Maximise transparency of data and processes whenever possible:** this will allow for both public scrutiny and a preventive effect
- **Promote the use of e-procurement** to minimise the amount of human discretion involved in each process.

We, local elected representatives, are even more accountable to the citizens we serve than other actors of society or appointed officials. By electing us into office, people have placed their trust in us. Let us be worthy of their trust in us and lead by example, fostering governance that is both democratic and ethical.