

How to address corruption risks linked to major sport events: procurement

Professor Sue Arrowsmith

Achilles Professor of Public Procurement Law and
Policy, University of Nottingham, UK

OUR GAMES WERE
CLEAN AND ON BUDGET

OUR GAMES WERE
DELIVERED IN TIME AND
ON BUDGET



Work at University of Nottingham

- Mapping of infrastructure procurement to support International Partnership against Corruption in Sport (IPACS) in work on integrity
 - In conjunction with OECD, which led Task Force 1 on infrastructure procurement

Events mapped for IPACS

EVENTS (10)

Winter Olympics, Vancouver, Canada, 2010

Winter Olympics, Sochi, Russia, 2014

Summer Olympics, London, England, 2012

Summer Olympics Rio de Janeiro, Brazil, 2016

Youth Olympics, Buenos Aires, Argentina, 2018

World Cup, South Africa, 2010 (soccer)

The World Games, Wrocław, Poland, 2017

16th Asian Games, Guangzhou, China, 2010

XIX Commonwealth Games, New Delhi, India, 2010

Central American and Caribbean Games, Veracruz, Mexico, 2014

Additional events

EVENTS (4)

Commonwealth Games, Gold Coast, Australia, 2018 - not finished

FINA World Championships, Budapest, Hungary, 2017 (aquatics)

African Games, Brazzaville, Republic of the Congo, 2015 - no mapping

Africa Cup of Nations , Gabon, 2017 (soccer) – no mapping



Areas covered by the map

- Who did the procurement?
 - Public sector (infrastructure)
- Availability of information
- Nature and design of the procurement
- Planning phase
- Risk management activities
- Procurement procedure – legal framework and practice
- Contract execution e.g.
 - amendments and extra payment
 - delivery on time?

Findings

- IPACS Task Force 1 Report, *Mapping of procurement standards and risk management activities in the construction of infrastructure for sporting events* (2019)
- Sue Arrowsmith et al, “Procuring infrastructure for international sport events: mapping the field for IPACS and beyond” (forthcoming, *Public Procurement Law Review*)

IPACS: key messages



Planning

Award

Execution

IPACS: key messages

- Greater attention to planning, including:
 - Early market engagement
 - Considering whether existing general provisions are adequate for specific events
- Greater attention to contract execution, including:
 - Governance mechanisms for amendments
 - Structured approach to renegotiations

IPACS: key messages

- For the tendering stage, better practice within the (public sector) legal framework, including:
 - Less use of lowest price
 - Better planning for use of competitive procedures
- Clear internal and external reporting lines, including clear and communicated procedures for reporting integrity suspicions
- Training on identifying bid rigging

IPACS: key messages

- *Mitigating integrity risks requires more strategic information collection*

Note: equally relevant for non-infrastructure procurement (often not public sector)

IPACS: recommendations and action

- Checklists for:
 - Governments and sport federation
 - Implementing agencies



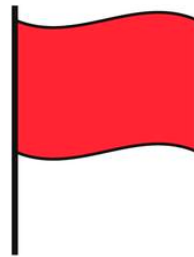
- IPACS to produce risk assessment tools based on these to be piloted in an actual event

Open Contracting

= an approach to procurement that can take care of many of the key messages/issues raised in the IPACS checklists – including in the neglected planning and execution phases

Open Contracting

- Systematic gathering and publication of all information/documents in *usable* form
 - Limits (e.g. commercial confidentiality)
- Allows analysis monitoring by organisers *and* other stakeholders
 - E.g. indicators of collusion
- Covers *all phases*



Open Contracting

STEP 3: Systematic publication of all information throughout the process

STEP 2: Proactive publication of some information

STEP 1: Access to information on request



Open Contracting

- Open Contracting Partnership
 - “Aims at a shift in the global default of public contracting and procurement from closed to open”
 - Provides assistance

<https://www.open-contracting.org/>

Open Contracting

- Open Contracting Data Standard

“...enables users and partners around the world to publish shareable, reusable, machine readable data, to join that data with their own information, and *to build tools to analyze or share that data*” (emphasis added)

Open Contracting Paris 2024?



Open Contracting

Gavin Hayman, “Better procurement for major sporting events: will we see open contracting for Paris 2024?”, forthcoming in *Public Procurement Law Review*

Open Contracting

- Supplement to public procurement rules/controls
- Mechanism for “private” procurement?
 - E.g. of international sport federations; Local Organising Committee at major events (non-infrastructure procurement)

Caution: systemic issues

