Anti-Corruption in procurement: UNDP’s sectoral approach for development

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COSP to the UNCAC, 27 November 2013, Panama City
Why anti-corruption in procurement

1. It is about service delivery to the public and MDGs acceleration

2. Corruption in sectors such as health, education and water directly affects the poor

3. The aggregate amount is huge – procurement (across sectors) accounts for 15-20% of GDP on average

1. Governments’ willingness (low hanging fruits)

2. Fighting corruption in sectors gives a human face (if there is corruption in educational grants underprivileged children are prevented from going to school)
Why focusing on sectors?

By focusing on anti-corruption in sectors, are we running away from addressing the grand (systematic corruption)?
34 MDG Country Reports in 2010 showed that many countries did not link governance and anti-corruption agenda to poor achievement of the MDGs.

Thus, to accelerate progress on the MDGs, there is a need to mainstream governance and AC is sectors.
Major Challenges

Sectoral practitioners, procurement and AC practitioners working in parallel (not quite sure of how their work impact each other: "Missing middle" (expertise, methodologies, etc.)

1. Need for capacity development of procurement at the local level
2. Need for the tools and methodologies to guide how AC and sectors interrelate and work together
1. Corruption in procurement is often not seen as a governance/anti-corruption problem, particularly at the sectoral level (ACAs have limited understanding)

2. Tools usually do not monitor the whole procurement process – from the planning throughout the bid until contract management

3. Sector grants are captured through evaluation and reporting tools; Usually do not capture monitoring of budget processes or payroll leakages

(Hence UNDP’s initiatives on sectors and good practices)
Typical Corruption Risks in Education

Procurement, school grants and allocations are a major risk

Procurement/grants/Public financial management
Procurement (textbooks, infrastructure, etc.)
Allocation of specific allowances
School grants
Allocation of Education aid

Regulation and human resource management
Institution accreditation
School management
Recruitment and deployment of personnel
Examinations, diplomas and access to university

Pedagogical related issues
Absenteeism
Development of curricula
Teacher certification,
School personnel behavior (sexual harassment)
What does PACDE offer?

- PACDE (seed money)
- Capacity development
- Advisory support, partnership
UNDP’s initiatives in sectoral integrity
Selected examples

**Corruption risk assessments**
- Pilot in the Education Sector in Serbia (with UNESCO and OECD)
- Methodology for the Local level tested in Montenegro
- Risk Assessment of the Education Sector in China
- Virtual Course on Corruption Risk prevention and Management for Public Servants (Latin America)

**Local accountability**
- Monitoring Governance the Water Sector in Philippines
- Practical Guide on Social Audit as a Participatory Tool (Latin America)
Anti-corruption in procurement: UNDP tools

1. Institutional capacity assessments:
   - for anti-corruption authorities
   - for procurement authorities

   Result: capacity development plan

2. Sectoral risk assessments

   Water, health, education

   Result: risk mitigation plan

Gap: Capacity-building at the local level
UNDP Materials

- Public Procurement Capacity Development Guide
- Anti-Corruption in Sectors: Methods, Tools and Good Practices (in Water, Health and Education)
Thank You!