UNCAC COSP
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UNCITRAL: Promoting Good Governance and Combatting Corruption

- **Fraud and corruption in Public Procurement**

- 3 common perceptions (fallacies) about corruption and procurement:
  - It is a developing country problem
  - There are no real losers
  - There is nothing that can be done about it

- WBI estimates that systemic corruption = 20-30% of procurement wasted, perhaps US$ 1tn

- Italian study – 80% of procurement waste is inefficiency, not corruption
What can be done about it?

• Prevention and sanctions: legal framework and supporting controls
• Prevention through the promotion of integrity
• May involve “cultural” change

.TRANSPARENCY is a key tool
Best achieved using “e-procurement”
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**Preventive measures under UNCAC**

- UNCAC article 9 requires:
  - “appropriate systems of procurement, based on **transparency, competition and objective criteria** in decision-making, that are effective, inter alia, in preventing corruption”
  - Sanctions regime

- All “international texts” on Public Procurement focus on **transparency, competition and objective criteria in decision-making**
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- **Preventive measures: Rules and procedures**

- UNCITRAL Model Law on Public Procurement designed to work with UNCAC

- Essential features of a PP law
  - Robust transparency throughout
  - Rules to determine who can participate, what is to be procured & how it is described
  - Standard procedures
  - Default rule for full, open competition
  - Effective review mechanism
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Why use UNCITRAL ML?

- Negotiated through intergovernmental meetings over 7 years
  - UNCITRAL membership: 60 rotating UN Member States
  - All regions/countries/IGOs/international NGOs shared experience
- Distills best procurement practice for national PP policy and rules
- Not designed by or for any one region
  - Suitable for all countries and systems
- Adaptable
  - Expressly subject to international agreements
  - Designed to be tailored to local circumstances
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- **Limited role of a good PP law**

- Backbone of system
  - Clear declaration of policy objectives
    - PP is not just about fighting F&C
    - Main goal – value for money; others
  - Main principles and procedures
  - Over-regulation?

- Recognition that details of law less important than effective implementation
  - Avoid the procurement pendulum
  - System designed bottom-up
  - Pay procurement officials properly!
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Conclusions

- Long-term, progressive change vs “big bang”
- Cooperation between reform agencies
- Partnership approach with countries
- Integrating sometimes conflicting policy goals

Collaborative approach to PP reform
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For more information

• http://www.uncitral.org/uncitral/uncitral_texts/procurement_infrastructure.html

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THANK YOU