

INTEGRITY PACTS EU'S IMPACT CASE 05

ITALY - LOCAL DEVELOPMENT IN SICILY

UPHOLDING THE LAW, SECURING INTEGRITY

CONTRACTING PROJECT INFORMATION

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| Country | Italy |
| Project | Local development in Sicily (IT) |
| Project description | EU-funded regional development initiative that brings together twenty-one municipalities in the region of Sicily to address different issues in the areas of energy efficiency, education, and welfare for seniors in rural areas. The initiative, called "Resilient Madonie: Laboratory of the Future," comprises numerous investments. Amapola monitors only a selection of them. |
| IP signature date | 8/4/2019 |
| Contracting authority | Unione Comuni Madonie (Union of Madonie Municipalities, UMM) |
| Managing authority | Regione Siciliana (Sicilian region) |
| Monitoring organisation | Amapola Progetti |
| Procedures monitored | 4 |
| Contracts awarded | 1 |
| Current stage | One procedure is being implemented (first stage) Three procedures are in the planning or pre-tendering stage |
| Impact case categories | <ol style="list-style-type: none"> (1) Promote better value for money (2) Enhance transparency and accountability (3) Foster project timeliness (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes |

IMPACT CASE

The Union of Madonie Municipalities (UMM) in Sicily aimed to transform agricultural and forestry waste into biofuels by developing a network of lignocellulosic and agricultural biomass platforms of short supply chain. The contracting project was divided into two stages. With the first tender, a company was to be selected to develop the executive project to guide the construction of the network of platforms. Afterwards, a second tender for the actual construction works should follow. The contractor who designs the executive project (first tender) is expected also to supervise its construction (second tender).

Amapola, an organisation focused on local-level policies for urban security and legality, acted as an independent monitor in the Integrity Pact, followed the development of this project and provided advice and support to the UMM in addressing identified concerns.

After awarding the project's first tender contract, the UMM became aware that winning company's technical director was convicted for environmental crimes. They shared this information with Amapola, which further investigated the case and found that in addition to those allegations, the director was also involved in a corruption investigation in a separate public contracting procedure in Palermo. None of this information had been disclosed by the bidder.

In view of the risks implied, and the need for a solid legal justification to back any decision related to signing or withdrawing from the contract, the UMM turned to Amapola for guidance. The independent monitor's legal team **reviewed the case in-depth and provided a legal opinion**, backing the decision to withdraw the winning bidder's award.

Amapola's legal team based its opinion on (a) the public contracting law (article 80), which allows contracting authorities to exclude bidders when they provide false declarations that can influence the awarding and (b) on the *Patto d'Integrità*, a mandatory anti-corruption pledge that bidders must sign when submitting a proposal and that is also part of the country's public contracting regulation. Similarly to Transparency International's Integrity Pact methodology, the *Patto d'Integrità* pledge commits the signing bidder to refrain from any activity violating the law. If a bidder breaches this agreement, the contracting authority can decide not to award them a contract.

When the UMM asked the winning bidder to explain the conviction, the company replied with a notification about the change of its technical director. However, the company did not provide information on the case or explained the change of the technical director. The UMM decided then to go ahead with the decision not to sign the contract and notified the company.

After the announcement, the company took the case to court. Amapola further supported the UMM during the legal procedure, in which the court ended up confirming the validity of the contracting authority's decision. The UMM awarded the contract to the second winning bidder, and the executive project is currently under development.

Thanks to the Integrity Pact implemented on the local development project in Sicily, the monitoring mechanism provided legal support and legitimacy to the contracting authority. The authority was capable of acting upon a corruption red flag and protected an important public investment. Overall, the project benefited from **enhanced transparency and accountability**.

This impact case was developed in the framework of the project [Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds](#), Phase 2 funded by the European Commission. It brought together government agencies, civil society and the private sector in 11 EU countries, to ensure that 18 public contracts were designed, awarded and implemented to the highest possible standards of transparency and accountability. **Last case update:** 16 July 2021.