

INTEGRITY PACT – CIVIL CONTROL MECHANISM FOR SAFEGUARDING EU FUNDS

Narrative Report from the 15 civil society monitors: January - June 2017

In 2015, Transparency International began a project called "Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds" that brings together a coalition of government, private sector, civil society and citizens to make sure that 17 major public contracts in 11 EU countries are clean contracts: designed and implemented to the highest possible standards of transparency, accountability and efficiency, according to the public interest. Together, these contracts are worth nearly €1 billion. We are doing this using a tool we call the Integrity Pact in collaboration with 15 local civil society organisations and funded by the European Commission. Here are the reports from the civil society organisations for the period from January-June 2017.

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Action Aid Italy:

Monitoring team in action – implementing the Integrity Pact

The two monitored tenders were published in May 2017 and the deadline for receipt of tenders expired on 5 July 2017. The awarding will take place in September 2017, the signing of the contract is scheduled for November 2017, and the starting of the works for December 2017. The monitoring activities carried out so far have consisted in the vetting of both the planning and administrative documentation produced before publication of both tenders. Analysis of the planning documentation: the interventions monitored fall under Action A of the specific objective 6.c.1. of the 2014-2020 Partnership Agreement and were therefore already “in an advanced stage of preparation” on the date of signing the Integrity Pact. The Monitoring Agreement therefore envisaged that the analysis of the planning documentation would be retrospective in nature, i.e. that it would be ex-post. The retrospective analysis report of the planning documentation was sent to the Contracting Authority on 16 February 2017¹. Analysis of the administrative documentation: the Contracting Authority's partial and late sharing of the administrative documentation concerning the two tenders did not allow for analysis of this documentation before the publication of the tenders (on 16 and 19 May 2017). The civil society monitor reported this irregularity to the Contracting Authority, the Managing Authority, and the participants in the civic monitoring school. The monitor could proceed with analysing the administrative documentation only after it was published, producing and sending to the Contracting Authority a report containing specific requests for clarifications with regard to the administrative documentation. The requests for clarification covered the following aspects: split of the tenders; timing of the awarding stage, awarding committee selection criteria, supervising expert selection criteria, conflict of interest of officials in charge of designing and validating the project. This report was sent on 30 June² and, therefore, still before the deadline for the submission of bids (scheduled for 5 July). The response from the CA – as well as ActionAid's analysis of this response – will be included into the final report on the awarding of the contract that ActionAid is planning to finalise by December 2017.

Keeping the public informed

Access to analysed information and documentation: in June 2017 the project website (www.monitorappalti.it) was launched thanks to a joint effort by the three Italian partners of the IP project (Amapola, Transparency International Italy and ActionAid Italy).

In the Sybaris project, ActionAid, in its quality of IP monitor, proceeded to collect and store electronically all the documentation relating to the analysed procedures. This documentation, in compliance with the privacy regulation, will be published on the project website mentioned above. In May 2017, ActionAid submitted to the Contracting Authority a request for further information on the systems used for the traceability of the business chain in order to acquire useful data for future

¹ Vetting of planning documentation: Filename "002A_[IP-AA]_vetting_planning_documentation_feb_2017" - google archived - Link: <https://goo.gl/pqgbha>

² Vetting tender documentation White House: Filename "003_[IP-AA]_Vetting_tender_documentation_White_House_June_2017.pdf" - google archived - Link: <https://goo.gl/t3Cj8w>
Vetting tender documentation Museum: Filename "003_[IP-AA]_Vetting_tender_documentation_White_House_June_2017.pdf" - google archived - Link: <https://goo.gl/VDmhHz>

collection and publication of data regarding sub-contractors in Open Data format. At the same time, ActionAid proceeded, in collaboration with Amapola and Transparency Italia, to implement a process for selection of the ICT expert who will create the infrastructure for Open Data collecting and publishing.

Communication of the project: ActionAid has carried out accreditation activities in the main national and local media and has distributed press releases on specific project milestones. On 11 February 2017³, the Integrity Pacts project was launched during the national presentation of the results of the plan for 2007-2013 and of future interventions for the plan for 2014-2020.

On 9 March 2017 the three Italian civil society monitors presented the IP project in a webinar organised by the Italian Cohesion Agency during the Open Administration Week⁴.

In June 2017 a joint press release was issued with Amapola and Transparency International Italia for the presentation of the website www.monitorappalti.it.

In June 2017, ActionAid also produced and launched a video clip⁵ about the first Integrity School and the first civic monitoring laboratories held in April in Sybaris. The clip was launched on ActionAid's website and used as the launch post of the "Integrity Sibari" project Facebook page, and received more than 10,000 views.

In total, the project activities generated 30 press releases. Of particular importance were the press releases in the online editions of "Corriere della Sera", "Sole 24 Ore" and "La Stampa", and the evening news edition of the national television channel Rai3 aired on 15 March 2017 [listed in detail in the table below].

Work with the communities involved

Following the formation of a first group of activists in 2016, three cycles of training webinars⁶ were organised by ActionAid in January 2017 (about the IP and the Monitoring Agreement, and with detailed explanation of the monitored intervention), March 2017 (about the participation-building approach of the Integrity School training programme) and May 2017 (updating on the above-mentioned issues with the Contracting Authority, relating to tender documentation). In February 2017, ActionAid held a second field visit⁷ during which they further consolidated their knowledge of local stakeholders and drafted together the learning programme of the Integrity School. From 7 to 9 April, ActionAid held the first civic monitoring school⁸ within the Archaeological Park which was attended by about 40 citizens from local associations. Over the course of the three days, the participants, who were admitted following a screening on conflicts of interest and fairness of their

³ *Project Launch event - Feb 2017* - Pictures - google archived - Link: <https://goo.gl/z5y9sU> - Programme - Link: <https://goo.gl/soQEM8>

⁴ *Webinar on IP - Italian Cohesion Agency*: <http://www.opencoesione.gov.it/scopri/> - video Link: <https://vimeo.com/207820101>

⁵ *Video Clip about Integrity School and Civic Monitoring workshop - April 2017*: "Patti di Integrità: monitoraggio civico degli appalti pubblici" - Vimeo <https://vimeo.com/224042386>

⁶ *Second training Webinar - Jan 2017: Ppt presentation* - google archived - Link: <https://goo.gl/59WSXu> - Pictures - google archived - Link: <https://goo.gl/BWGFZt>

⁷ *Second field visit - Feb 2017* - Pictures - google archived - Link: <https://goo.gl/r6rY9K>

⁸ *First Integrity School April 2017* - training programme - google archived - Link: <https://goo.gl/jfcN61> Integrity School pictures - google archived - Link: <https://goo.gl/tfzhZN>

participation (see point 1.3), covered the issues of administrative law, the right of access to information, European programming, and the tools of the Open Government and Open Data. Between 10-12 April, the less technical side of the content was presented during the first Civic Monitoring Lab⁹ held at the High School of Cassano allo Jonio, with which the Supervisor signed a collaboration protocol which will be replicated again over the following years. The 30 participating students learned the basic concepts of civic monitoring and looked at the future areas of intervention, performing a preliminary digital mapping¹⁰ of the monitored area.

What ActionAid are doing to improve public procurement nationally

Following the Contracting Authority's partial and late sharing of the administrative documentation of the tenders, ActionAid sent a request for clarification to the Managing Authority regarding the legal scope of access to acts and information related to the monitoring procedures. In this context, ActionAid formally advanced the idea that such access should be considered admissible with reference not only to acts already completed but also to the drafts of such acts. The desirable objective of this dialogue with the Managing Authority was to define in the course of the project a procedure for immediate and real-time administrative support that maximises the efforts for the prevention of corruption, producing recommendations and opinions that can be acted on by the Contracting Authority before completion of the proceedings.

Lessons learned

With reference to the monitoring activities, it is essential to put in place systems that are as easy and as automated as possible for the exchange of documentation and recommendations and suggestions that allow the civil society monitor to follow the work of the Contracting Authority and to send opinions and recommendations in advance, namely before the documents are finalised, without compromising the speed and efficiency of the work of the public administration.

Two main requirements emerged from the civic monitoring activities. The first is that training activities should be provided together with identity-building activities for a community of local activists. The second is to ensure that high-tech monitoring activities are consistently used for a basic level training course aimed at citizens, maintaining distinct roles while at the same time working to ensure that the two aspects of the work, monitoring and civic monitoring, may become complementary in the medium term.

⁹ *First Civic Monitoring Lab - April 2017* - Pictures - google archived - Link: <https://goo.gl/wTWKdf>

¹⁰ *Digital mapping of the Archeological Park* realized by participant to the first Civic Monitoring Lab - April 2017 - Link: <https://goo.gl/s6n5gR> - The map has been embedded also within the Sybari section of the project website - Link: <https://goo.gl/MpFiKM>

Amapola, Italy:

The period from January to June 2017 saw Amapola engage in defining the content of the Monitoring Agreement and the Integrity Pact, as well as laying the foundations for its communication activities.

Signature of the IP and monitoring

Amapola's staff has been complete since January 2017 with the hiring of a management engineer with experience with local authorities and the management of European funds. In addition, recourse has been made to the advice of a lawyer and university professor for verification of the content of the Integrity Pact. Finally, staff roles have been better defined given the evolution of project activities (including at overall project level). A staff member has been specifically assigned to the MEL work (increasingly) required by the project, as well as to the regular update of the risk analysis and risk mitigation plan, in addition to support tasks to the rest of the team when necessary.

The Monitoring Agreement and the Integrity Pact have been finalised and translated into English in April 2017. The Monitoring Agreement was signed on 10 May and a public event was held on 22 June 2017 for the signature of the Integrity Pact. All the documents with English translations are available on the website dedicated to the project at monitorappalti.it.

The Integrity Pact, which is mandatory for the bidders to sign, includes among its main provisions:

- Specific obligations for all parties involved: contracting authority, companies and independent supervisor (Arts. 2, 3, 4);
- Obligation to provide information and documents for the independent supervisor (Art. 5);
- Obligation to report illegal acts (Art.6);
- Advertising, information and citizen engagement activities (Art. 7);
- Sanctions in the event of breach of the Integrity Pact (Art. 10 and 11).

The Framework project “Madonie Resilienti. Laboratorio di futuro” entails 23 actions of various size and involves public procurement of goods, service and works. This means that Amapola had to design a process and selection criteria to decide which public procurements they would monitor – 23 were too many and Amapola had to set priorities, based in particular on considerations on specific corruption risks for the sectors/amounts/procedures at hand.

As the result of this process, five procedures have been shortlisted. They are the following:

- Purchase of digital equipment for school;
- Three procedures on renewable energy and energy efficiency: one is a public-private partnership on the energy efficiency of public building and street lighting, the second is about energy efficiency of a hospital, and the third one is the construction of facilities for treatment of biomasses for energy production.
- Renovation and structural adjustment of senior citizens home (aid scheme).

Amapola will start the monitoring with the first procedure on energy efficiency (the public-private partnership) and reassess as the project goes – and based on more detailed risk analyses – which other procedures out of the 5 listed above can be added to the monitoring.

To date, the monitoring activity carried out by Amapola has covered the phase before the launch of the tender for the above-mentioned procedure on renewable energy. This monitoring has covered: 1. The development of the internal areas Strategy and its compliance with local needs; 2. The process of constitution of the Union of Municipalities; 3. The choice of the tenders to be monitored among the numerous procedures envisaged by the Strategy. The first monitoring report will be available on the project website at monitorappalti.it by the end of August.

Communication and promotion of the Integrity Pact

The main communication activity was the design and finalisation of the website and its contents (together with the other Italian partners). The website was launched on 15 June and a press release was issued for the launch. The press release was referred to by vita.it as well as social media.

Again in the communication field, the first two videos of the web documentary that will accompany the implementation of the project were developed and put on line (on 24 May and 19 June, respectively). This is an *edutainment* tool with the purpose of narrating how an Integrity Pact is implemented through theoretical and experiential content.

Finally, a launch event of the Integrity Pact was held at Geraci Siculo on 22 June, addressed to the 21 municipalities involved in the 'Madonie Resilienti Laboratorio di Futuro' project. 38 people, mainly from the public administration of the area, participated in the event. The overall IP pilot project was presented with a video recorded by TIS, which was then followed by an intervention by Amapola. The event also saw the participation of the mayor of Geraci Siculo (who was hosting the event) and of the current President of the Union of Madonie. The first part of the event was closed with an intervention by a representative of DG Regio, who explained the interest of DG Regio in the pilot IP project. The official signature of the Integrity Pact by the President of Amapola and by the representative of the Union of Madonie then took place.

Citizen and stakeholder engagement

As part of the citizen engagement activities, a proposal to involve high school students in the monitoring activities as an extra school-work activity was presented to the Schools Network (the network that brings together all the schools of the Madonie area). This is an activity to be carried out in part in the classroom and in part in the field for an estimated total of 67 hours of engagement. The students will be provided with information on: public contracts and Integrity Pact, the on-going pilot project and how this will be applied to the Madonie framework project. The purpose is to raise students' awareness on how public resources are used and on the development initiatives of the area in which they live. In addition, students involved will enhance their own skills (research, digital and storytelling) and knowledge in order to become citizens that are able to actively engage in public affairs. Approval is pending in order to start activities in the 2017/18 school year.

On the institutional front, initial contacts with the national Competition Authority and the Anti-corruption authority have been made. The latter has defined a contact person with whom the three Italian project partners can liaise.

TI Italy:

Monitoring activities

Monitoring of the tender phase has continued for both projects:

- **ARST project – Cagliari city rail**

The monitoring team continued supervision of the work of the Tender Selection Commission, which started in November 2016 and ended in July 2017, through an analysis of the minutes of the tender sessions periodically sent by the CA, and participation in three closed sessions of the Commission (17/01/17; 21/03/17; 16/06/17), in order to assess the fairness of their *modus operandi*. As will be highlighted in the monitoring report (to be published at the end of the tender phase, towards the end of September 2017), no irregularities were found and the work was carried out accurately. Only a 6-month delay was noticed in the work done by the Commission, which had been estimated to take no more than 54 days in the initial time plan. In parallel, the economics expert prepared an assessment table of the scores of the bids to try to detect possible irregularities. The method is currently being implemented based on score information of technical bids made available in July 2017.

- **Lombardy Region project - Technical Assistance to the 2014-2020 European Social Fund**

The tender was closed on 3 February 2017. It was managed via an e-procurement platform (SINTEL, provided to the Lombardy Region by ARCA s.p.a.). On 13 February the monitoring team took part in the public session during which the Selection Commission was appointed and the envelopes containing the technical bids opened, and monitored the fairness of procedures. As it could not take part in the Commission's closed sessions, the monitoring team limited itself to asking for updates on the Commission's work and to reading the minutes once they had been made public. On 10 May the monitoring team took part in the session where the assessment of the technical bids was presented and followed by the opening and the evaluation of the economic bids (which was conducted automatically by the e-procurement platform). On 13 June the monitoring team had access in loco to the sessions' minutes as well as to the technical and economic bids, and took part in the "removal of the concerns"¹¹. A report on this phase is being prepared and will be published in late August or early September: The work of the Commission appears to be precise and transparent; the monitoring team is conducting analyses of some peculiarity that have been noticed.

Communication and social accountability

In the first few months of the year, work continued on the Internet site www.monitorappalti.it, in cooperation with the other Italian partners (Action Aid and Amapola). Pages concerning the two projects monitored by TI-IT have been shared and verified with the respective CAs. The site was published online on 10 May and officially launched on 15 June with a press release prepared by the three partners and published by Action Aid.

The website provides general information about the initiative, a description of the monitored projects, their timeline, future updates on works and services, and participation tools for stakeholders

¹¹ Since the offers presented an anomaly (too low cost compared to high quality projects), the Commission was obliged to conduct an additional check, as required by the law in similar situations. On 13 June the checks were concluded positively and the concerns removed.

and citizens. The latter include an online form for submitting comments, suggestions, criticisms, and a link to TI-IT's ALAC (Advocacy and Legal Advice Centre) platform for reporting cases of bribery and corruption.

Monitoring reports on the first two phases (need assessment and pre-tender analysis), which had already been published on the site of Transparency International Italia on 2 February 2017, have also been uploaded to the site.

During the first half of this year a great deal of attention has been paid to the topic of tender calls and Integrity Pacts through posts on the site and on social networks (see table below).

Transparency International Italia has also given two interviews¹² to the Wind Transparency Forum portal, and, on 9 March 2017, took part in a webinar on Integrity Pacts organised by [Opencoesione](#) during the Open Administration Week.

On 23 June an event was held in the centre of Cagliari with roughly 50 participants for TI Italy to present the IP project and its online monitoring tools. Participants included representatives of the Lombardy Region and ARST, civil society associations, representatives of business associations and private citizens. Informal feedback received after the meeting was very positive.

Another public event has been planned for 22 September 2017 in the premises of the Lombardy Region in Milan.

On the same day as the Cagliari event, two other meetings were organised for local stakeholders:

- A whistleblowing training seminar for local public entities and semi-public companies to promote an instrument which is often insufficiently implemented;
- A planning meeting with a high school in Cagliari to present a monitoring project proposal to involve students. The project will include laboratories on integrity and civic engagements and practical activities on the ground such as photo-reporting and interviews to citizens.

Advocacy

At the national level, the activities of Transparency International Italia have been aimed primarily at the ANAC (Italian National Anti-Corruption Authority). It has mainly consisted in monitoring the public contract guidelines regularly published by ANAC and identifying a contact person at ANAC with whom a closer collaboration could be established.

Furthermore, a [soft version of the Integrity Pact for businesses](#) has been made available to small and mid-size enterprises of the supply chain of companies participating in TI-IT's Business Integrity Forum and 42 companies have published this Integrity Pact on their website. The Integrity Pact and the project were also presented at a training event at the purchasing centre of the Province of Bolzano on 10 April 2017.

¹² <http://www.windtransparencyforum.com/magazine/patti-di-integrit-quando-i-cittadini-monitorano-gli-appalti>

<http://www.windtransparencyforum.com/magazine/patti-di-integrit-lombardia-lavoro-e-formazione-sotto-la-lente>

Romanian Academic Society:

Efforts towards signing an Integrity Pact

From January to June 2017, the Romanian Academic Society (RAS) undertook activities mainly aimed at signing the Integrity Pact with the Managing Authority for the Operational Programme Administrative Capacity (AMPOCA):

On 3 February 2017, RAS received AMPOCA's comments on their proposed text of the Integrity Pact. The second work meeting with AMPOCA took place on 6 February 2017 and it focused on establishing the content of the Integrity Pact. During the meeting, the participants (RAS and AMPOCA representatives, including members of the latter's legal department) debated once again all the sections in the Integrity Pact and agreed that, at this stage, the text should be separated in two documents, as follows:

- Cooperation Memorandum (from which the section referring to the contractor's rights and obligations would be excluded and, therefore, only two signatory parties would remain – AMPOCA and RAS);
- Integrity Pact (with its full text and three signatory parties – AMPOCA, RAS and the Contractor).

This decision was taken based on two reasons:

- AMPOCA wanted a document which would set out the contractual relationship that exists only between the independent monitor (RAS) and the public entity. This agreement was named "Memorandum of Cooperation". The reason was that the public entity could not sign a legal document on behalf of a third party, i.e. the contractor, given the fact that the monitoring activity would start before the selection of the winners of the public procurement procedures foreseen to take place within this project. After the end of the contract awarding phase for the first procurement procedure subject to RAS's monitoring and the publication of the contractor's name, the tripartite version will be signed with the contractor and it will contain the latter's rights and obligations. This version will be named "Integrity Pact". The same text will be used for the other two contracts that will be monitored by RAS within the IP project.
- AMPOCA expressed its desire that the relationship between the independent monitor and the public entity be more balanced with regard to the parties' rights and obligations. For instance, following the discussions, the participants agreed that AMPOCA should also have the capacity to unilaterally terminate, but with prior justification, the Cooperation Memorandum/Integrity Pact.

RAS also discussed with AMPOCA's legal expert the possibility that the independent monitor be present during the Evaluation Committee's examination of the submitted bids. The conclusion was that the Romanian legislation in force does not allow the presence of an independent monitor during the works of the Evaluation Committee because the law expressly stipulates which categories of individuals not employed by the public entity can be co-opted and can participate/assist in the evaluation procedure – and the independent monitor does not fall under any of these categories. Moreover, co-opting an external expert within the Evaluation Committee is only possible based on a written justification issued by the Contracting Authority which proves that there is a lack of technical or legal expertise within the CA in evaluating the bids. For the service contracts in question, AMPOCA cannot justify the need to add another procurement expert to the evaluation committee. A decision made otherwise could be later penalised by the National Agency for Public Procurement (ANAP) or by the Court of Accounts.

During the same work meeting, together with AMPOCA, RAS analysed the need to insert general information on the Integrity Pact instrument, as well as the related texts (the Cooperation Memorandum and the tripartite version, i.e. the Integrity Pact) in the award documentation, and the appropriate positioning so as to ensure the information's visibility in the documentation. It is essential to include such information in the award documentation since the public procurement procedures within this project will take place in a single online round, thus blocking any possibility for RAS to interact with the potential bidders. RAS agreed that such information could be inserted in the award documentation's Data Sheet.

Following this meeting, the text of the Cooperation Memorandum between RAS and AMPOCA was amended in accordance with the conclusions of the discussion.

During the meeting with AMPOCA, it was also decided that RAS would send a formal request to ANAP for a reasoned opinion on the possibility for the Independent Monitor to observe the works of the Evaluation Committee, as well as on where to place the information about the Integrity Pact in the award documentation. RAS sent the official request on 27 February and the official reply was received on 20 March 2017. The discussions with AMPOCA were suspended pending the official reply from ANAP. The Agency's reply referred strictly to the national legal framework in the field of public procurement and stated the following:

- General information on the Integrity Pact, which is considered to be strictly a monitoring instrument that is not directly linked to the procurement procedure or to the subject matter of the contracts that are to be awarded, cannot be inserted in the award documentation because the latter only contains "information on the subject matter of the contract/framework agreement that is to be awarded and on the implementation of the award procedure";
- The monitor's presence in the evaluation committee is not possible because the need co-opt external experts cannot be justified since the monitor will not facilitate the committee's decision making process. The external monitor can only participate in the bid opening meetings, when these are organised (which is unlikely to happen considering the new procurement rules), but not in the other meetings of the evaluation committee only on the basis of the Pact. ANAP suggested that the real-time monitoring objective can be achieved by the "voluntary contribution of the economic agents qualifying as bidders in the award procedures, because the public procurement legislation does not contain any confidentiality obligations with regard to the information received by the economic agents from the contracting authorities" (for instance, regarding the extension of deadlines, the results of the verification stages or the final result of the procedure).

These arguments were discussed during the project partner meeting in May 2017, which took place in Vilnius, together with TIS, DG Regio, TI Romania and the Institute for Public Policies (IPP). It was agreed that the three organisations would discuss the feasibility of a joint approach towards ANAP.

RAS informed AMPOCA of ANAP's reply and the CA informed RAS that they remained open and showed their availability to sign both the Cooperation Memorandum and the Integrity Pact, but within the limits specified by ANAP. From April to June 2017, the debates with AMPOCA were reduced while RAS focused on its advocacy activity, together with TI Romania and IPP, oriented towards ANAP. The aim was to address the identified inconsistencies and set out the legal basis in the national legislation so as to have a smooth implementation process for the Integrity Pacts in Romania (see Advocacy section below).

Given the fact that the discussions with ANAP were prolonged, RAS decided to resume its communication with AMPOCA with the aim of establishing the final version of the agreements (Cooperation Memorandum and Integrity Pact) and to start the monitoring activity as soon as possible. An updated version of the Cooperation Memorandum which contains amendments to the clause referring to the obligatory presence of the independent monitor in the Evaluation Committee is expected to be sent to AMPOCA in early July 2017. A new meeting is also expected to take place, if necessary.

RAS's strategy for the moment is to continue negotiations with AMPOCA on the agreements that form the Integrity Pact by complying with the limitations foreseen by the public procurement legislation in force. Once the final versions are agreed upon, RAS will propose that the Cooperation Memorandum with AMPOCA be signed so as to start the monitoring activity. Should ANAP agree to a change in the legislative framework after the Cooperation Memorandum and the Integrity Pact are signed with AMPOCA, RAS will modify the clauses in accordance with the new provisions agreed on by ANAP (see Advocacy section).

Communication activities aimed at ensuring transparency of the IPs and of the project

From January to May 2017, RAS continued consolidating the technical infrastructure of the project website, in Romanian and English. On 11 May 2017, the website was unveiled on the Clean Romania platform. The web address is: <http://www.romaniacurata.ro/contracte-curate/>.

From May to June 2017, articles were posted on various corruption cases in public procurement as well as articles about the Integrity Pact – which include frequently asked questions, details on the project developed by RAS in Romania and on the umbrella project at the European level. In June 2017, RAS started disseminating the project website on [Clean Romania's Facebook](#) page and its Romanian newsletter.

Advocacy

The three Romanian project partners in the IP project sent a draft "Order on implementing the transparency principle and art 49 of Law 98/2016 on public procurement" to ANAP, on 19 May 2017. This draft is the result of repeated discussions that TI Romania and IPP had with both ANAP and the representatives of other stakeholders in the field of public procurement. Once accepted, this draft Order would have had effects on tertiary level legislation in the field of public procurement by introducing the concept of Integrity Pacts – which is already present in the National Anti-corruption Strategy 2016-2020 – and the fact that this instrument could be adopted by interested CAs. However, ANAP's official reply (received on 21 June 2017) pointed out several legal limits stemming from national legislation with regard to the Integrity Pact's implementation in Romania:

- the legal bounds of the draft order: this would add (obligations and sanctions for the CAs, based on their adherence to the Pact) to the regulations at primary and secondary level in the field of public procurement;
- the considerable effort needed to issue such a legal document – taking into account the large number of sectors for which public procurement contracts are awarded and the particularities of CAs – which aims at creating a legal framework only for monitoring activities;
- the provision according to which a bid would be dismissed for noncompliance with the Pact goes against the provisions of public procurement legislation at both national and European level since failure to comply with the obligations foreseen in the Pact cannot be considered as a qualification criterion;

- the concept of “external monitor” cannot be found in the primary and secondary legislation and the rights and obligations of such an entity add to or run counter to public procurement law, such as his/her presence in the evaluation committee.

Following this, the three Romanian project partners arranged a meeting with ANAP’s decision-makers to discuss the issues raised in the above-mentioned reply. The meeting took place on 28 June 2017. The conclusion was that the Integrity Pact instrument is indeed useful and that it has the potential to help ANAP with regard to real-time monitoring during the award procedures and the contracts’ implementation phase. It was decided that the three Romanian partners could prepare a Government Memorandum that would set the tone for them to be able to implement Integrity Pacts, in a pilot stage, only within the 3 projects that were selected by DG REGIO and TIS in 2015. Therefore, the draft Memorandum would offer an interpretation of the manner in which the Integrity Pact can be applied within the limits of national law only for these 3 projects. The draft Memorandum is expected to be sent for consultation in early July 2017 to ANAP, the Ministry of Public Finance, the Ministry of Regional Development, Public Administration and European Funds, the Ministry of Justice and to the Minister-delegate for European Funds.

TI Romania and the Institute for Public Policy, Romania:

During the reporting period in the last six months (January-June 2017), several staff members of the project team have been replaced. The staff turnover included the project coordinator, the project accountant and the advocacy coordinator. As a result, several days have been spent to ensure staff transition and new project coordinator's familiarity with project design, deliverables and overall progress of the project. Also, in this context, several team meetings between the two partners: Transparency International Romania (TI-Ro) and the Institute for Public Policy (IPP) have been organised, in order to coordinate in future activity and to update the work plan.

During the implementation of the aforementioned project in Romania, namely during our meetings (as independent CSOs that will monitor the public procurement processes within the designated projects) with the contracting authorities, we concluded that signing Integrity Pacts in Romania needs to be preceded by a normative decision so as to allow the legal existence and implementation (in the form of a pilot) of this mechanism. Without this normative decision, contracting authorities fear that they would risk having to deal with contestations from bidders and, consequently, delays or bottlenecks in the public procurement procedure and, implicitly, in the projects' implementation.

Although the Integrity Pacts are already present in the National Anticorruption Strategy 2016-2020 (Government Decision no. 583/2016), there is no mention there about how the Integrity Pacts work and how they should be implemented at the contracting authorities' level. In this context, in order to be able to pilot the Integrity Pacts, general "rules of the game" must be set and these should be clear and identically understood by the contracting authorities and management authorities, the independent monitor, the bidders and contractors, but also by the regulating and control bodies responsible for public procurement and the supervision of public funds spending, such as the National Agency for Public Procurement, the Court of Accounts or the Audit Authority.

In order to go forward with our Integrity Pacts and encourage contracting authorities to provide the independent monitor with more than public information which would theoretically be available to anyone following a Freedom of Information Act request on tenders and contracts and – even more importantly – to do our monitoring in real time, we approached the National Agency for Public Procurement with several solutions for regulating Integrity Pacts in Romania.

After multiple meetings and discussions with representatives of the National Agency for Public Procurement (ANAP), we agreed that the best solution to include Integrity Pacts in national legislation on public procurement was a proposal for an Order of the President of the ANAP (tertiary legislation). The order was drafted during the previous reporting period and sent to ANAP for an informal feedback in January 2017. During January - May 2017, TI-Ro and IPP met several times with ANAP's representatives so as to discuss the Order. ANAP sent feedback three times and the Order was subsequently modified three times. On May 16th ANAP representatives informed the project partners (TI-Ro and the Institute for Public Policy – IPP) they don't have further comments. After a new meeting on May 17th with representatives of ANAP, minor changes to the form of the draft were made. The Order has been formally proposed to ANAP on May 19th.

Towards a uniform approach, TI-Ro and IPP met, on March 31st, with the Romanian Academic Society, so as to inform the team implementing Integrity Pacts on the advocacy efforts for the National

Agency's President Order and invited to sign, on May 19th, the common letter officially proposing the text of the Order to ANAP.

Subsequent to the draft Order's modifications as a result of feedback from ANAP, other project documents have been revised, namely: (a) the draft Monitoring Agreements (memorandum of understanding on monitoring) to be signed by the monitor organisations (the consortium of TI-Ro and IPP) and the Contracting Authorities¹³; (b) the Manual about Integrity Pacts implementation to support Contracting and Managing Authorities in Romania

In parallel to the above mentioned activities, an Emergency Ordinance to modify the public procurement legislation was published by ANAP in May 2017, and the project partners: TI-Ro and IPP sent an amendment to ANAP on the new law package - formulated a proposal for mentioning external independent monitoring, through Integrity Pacts, in primary legislation.

During our numerous meetings with the National Agency for Public Procurement, its high level representatives openly showed their interest and gave their support for the implementation of Integrity Pacts in Romania. However, we noticed during our advocacy endeavours that there is a need to emphasize the fact that the Integrity Pacts are in accordance with European and, consequently, national law and that they are not only a monitoring tool or only an agreement, but both, having as main elements: the monitoring agreement between the contracting authority and the monitor, the contractual clause between the contracting authority and the bidders/contractors, and the tripartite design.

In the light of the initial refusal of ANAP to approve the order (in spite of including all comments into the draft), communicated to TI-Ro, IPP and SAR on June 21st, we met on June 27th to discuss about new ways of including Integrity Pacts in the national legislation as a *sine qua non* condition for the Contracting Authorities. On June 28th, the three NGO-s met the President of ANAP to talk over the refusal of the Order and to explore another mean for including Integrity Pacts in national legislation on public procurement. The discussion resulted in an agreement to draft a memorandum proposal to include Integrity Pacts in national legislation, memorandum to be approved not only by the President of ANAP, but also by the Government.

As a backup plan, we also discussed in June (starting with the meeting on June 28th with ANAPs representatives) a Government Memorandum on allowing us to test the Integrity Pacts only for the pilot projects that were selected by DG REGIO based on national authorities' proposals. In this sense, the Government Memorandum aims to regulate the implementation of Integrity Pacts specifically for these pilot projects by observing all applicable national and European laws. The Government Memorandum was drafted by June 30th, immediately after the meeting with ANAP.

Meanwhile, activities have been implemented in order to progress and prepare the signature of the Monitoring Agreements and Integrity Pacts after the regulation to be adopted by ANAP.

The first project to be monitored is project for systematic cadastre registration under Regional Operational Programme (POR) of the National Agency for Cadastre and Land Registration (ANCPI). On April 25th, ANCPI sent to the monitoring organisations (TI-Ro and IPP) – even before signing an

¹³ The Monitoring Agreement is adding to the initial memorandum of understanding specifying initial rules for communication and mutual information on projects' and public procurement's progress.

Integrity Pact or Monitoring Agreement, on the basis of the Memorandum of Understanding signed last year – the first draft version of the project proposal about to be submitted for funding and the first draft of the Feasibility Study drafted in partnership with Jaspers. For this stage of the project, comments have been formulated by the project coordinator Irina Lonean and discussed during a meeting on May 24th. Revised versions of the documents are expected to be sent to the monitoring organisations in the next period, as in the meantime the legal provisions concerning procurements in systematic cadastre registration activities have been amended and the procurement strategy of the project is to be revised.

The second project to be monitored a project under the Competitiveness Operational Programme (the Management Authority for the Competitiveness Operational Programme – AM POC – being the institutional partner of the project). The initial project proposed for monitoring by AM POC was the Electronic catalogue of the Ministry of Education. Unfortunately, the project is still in the design phase and call for project proposals will not be launched this year. As a consequence, the project partners – TI-Ro and IPP – initiated, in February 2017, discussions with representatives of AM POC so as to identify a replacement project to be monitored, if needed. Meetings with AM POC have been organised on May 3rd and June 29th in order to find a solution for the project progress. Taking into account that a project on digitization of the national collections, managed by the Ministry of Culture is the most advanced project within the e-government component of the Competitiveness Operational Programme, we proposed to the Ministry of Culture to be the replacement for the Ministry of Education in testing Integrity Pacts for IT projects and sent a formal proposal on June 30th.

Meantime the Electronic Catalogue project started to progress solely and, at the date of the report, proposals for Monitoring Agreements have been sent both to the Ministry of Culture and the Ministry of Education in order to secure the conclusion of at least one of the Integrity Pacts. If the Integrity Pact will be signed with the Ministry of Education the monitoring will be initiated in the very early stages of the projects drawing numerous lessons from the planning stage of the projects. If the Integrity Pact will be signed with the Ministry of Culture (and the official replacement of the project to be monitored will be accepted by DG REGIO), the procurement monitoring will start in the next months and delays accumulated in the past months will be recovered.

While the public procurements to be monitored have not been launched in the first semester of 2017, the project activities focused on informing not only the general public on the concept of Integrity Pacts and on the most important rules in public procurements (the one that will be checked with priority by the external monitors), but also the public institutions/authorities highly involved in public procurements with EU funds (Ministries, City Halls, Prefectures, County Councils etc.). The maintenance of the project website has been ensured through constant articles, while the visibility of the project has been ensured by social media posting and 6 newsletters sent to over 5000 recipients (January 16th, February 8th, March 6th, May 22nd, May 31st, July 3rd – for June). The newsletters proved out to be of great use for the officials working in City Halls - the Municipality of Giurgiu organised a workshop on public procurements and asked for the permission to use the newsletters in discussing integrity and transparency in public procurement processes and the state owned railway company asked TI-Ro for trainings in public procurement after receiving one of the newsletters.

As a result of discussions with partners from TI-S and the other 10 countries piloting Integrity Pacts the project team members started adding a component on innovative tools for community



involvement in the monitoring process for the project implementation (public procurement contract execution) by ANCPI in the outreach and communication strategy.

Stefan Batory Foundation:

Monitoring of the bidding process

Following the signature of the Integrity Pact by the Batory Foundation and the Contracting Authority PKP PLK S.A. on 8 November 2016, the former commenced monitoring the selected pilot public procurement project to “Develop a Tender Dossier and Complete Design & Build Construction Works on Railway No. 1 between Częstochowa and Zawiercie”. The Request for Quotation (RfQ) was published on the PKP PLK online platform on 17 November 2016.

Meanwhile, the Batory Foundation published a tender on its website for public procurement law experts and engineers. The open-ended competitive process resulted in the selection of the legal consultants (TOGATUS Sławomir Trojanowski Law Firm from Olsztyn, Poland) and technical consultants (JPL Project Sp. z o.o. from Warsaw, Poland). Since then, both consultants have been actively monitoring the project and regularly reporting to the Foundation in line with a pre-defined format. Pursuant to their contracts, the consultants are expected to avoid any conflict of interest that would undermine their independence vis-a-vis the Contracting Authority or the Contractor.

The project monitoring started with a review of the existing tender dossier to identify any provisions that might limit competition or increase the risk of higher project costs. The Foundation team met on 4 January and 23 February 2017 to exchange views on the integrity of the tender dossier. The team reviewed all the 10+ modifications of the Terms of Reference made by the Contracting Authority throughout the bidding process. Furthermore, the Foundation's consultants reviewed more than 300 queries sent by bidders and the Contracting Authority's replies. The Company postponed the original deadline for tenders (27 December 2016) seven times because of queries from bidders and an enquiry opened by the Public Procurement Office. This enquiry followed several objections submitted by one of the bidders regarding the tender documents. After the suspicions were found unfounded by the consulted technical expert, the Public Procurement Office expressed its satisfaction with the answer provided by the CA and closed its enquiry. Finally, bids were opened on 10 March 2017 in the presence of the Foundation members. There were four bids.

The Foundation sent two letters to the Contracting Authority regarding the monitored project during the bidding process. The first one was sent on 20 January and contained a number of detailed comments and questions regarding the tender's terms of reference and recommendations to be incorporated into the terms of reference before the bidding was over. For example, it was brought to the Contracting Authority's attention that the project description in the tender dossier was not clear and too general and that there were not environmental permits in place. The monitoring team also commented on the process, recommending the regular online publication of potential bidders' queries and Contracting Authority's replies. The other letter was sent on 6 February to remind the Contracting Authority of its commitment to co-operate with the civil society monitor and to respond to its questions and requests in a timely fashion. PKP PLK responded to the terms of reference modifications recommended by the Foundation in a letter of 28 February by which the suggestions made by Foundation's consultants were rejected. SBF intend to report this to the public as soon as their website for the project will be launched.

The meeting on 17 March also addressed the terms and conditions of the Foundation's representatives taking part in the tender selection committee proceedings, the inclusion of the

Ministry of Development in the communications between the parties to the Integrity Pact and the critical deadlines in the tender process, including the deadline for a delayed environmental permit. The participants agreed to hold another meeting on 11 April to discuss communications with the Ministry of Development regarding the progress of the Integrity Pact pilot project. The meeting on 11 April was attended by representatives of PKP PLK, the Ministry, the Foundation and its consultants. At this meeting, the parties agreed on a set of documents and the types of information which should as a matter of principle be shared with the Ministry.

Monitoring the tender selection committee

Three Batory Foundation representatives were invited to join the Tender Selection Committee as observers with no voting rights. All of them were asked to sign Non-Disclosure Agreements that also addressed the mitigation of the risk of conflict of interest. The Foundation's observers on the Tender Selection Committee made several interventions regarding concerns over the bids, including concerns about a possible conflict of interest. All the concerns were constructively handled by the Tender Selection Committee. The Tender Selection Committee worked in confidence and no details of the proceedings could be shared externally without the Contracting Authority's permission. The Tender Selection Committee worked between 10 March and 5 May 2017 and finally awarded the contract to ZUE S.A., Cracow. A complaint was filed by one of the bidders after the selection had been made by the Tender Selection Committee. The complaint was rejected by the National Chamber of Appeal in June 2017. The Foundation's legal consultants were asked by the Contracting Authority to review the issue of limitations on bid transparency which was the subject of the complaint. The Foundation's experts supported PKP PLK's opinion on this.

Potential conflict of interest (on SBF's side) identified during the monitoring of the selection of a contract engineer

A tender for the recruitment of a Contract Engineer was launched by the Contracting Authority on 13 February 2017. The Contract Engineer (CE) is responsible for the engineering oversight of the project which is monitored under the Integrity Pact. Relevant provisions regarding the CE's responsibilities towards the civil society monitor were included in the CE's contract. The bidding process ended on 10 April.

During this process, the consultancy providing technical expertise to the Foundation proactively informed the IP team at SBF that one of its experts (working with SBF) had also been dispatched – by mistake – to work with one of the bidders participating in the tender. This was specifically the type of possible conflict of interest that was covered by the Integrity Pact and the Foundation immediately notified PKP PLK of the problem. Following discussions with the Contracting Authority, the Foundation suspended the involvement of the technical consultant in the monitoring process at least until the Contract Engineer contract would be awarded, which was in line with the Contracting Authority's recommendations expressed in a letter sent on 9 May 2017. The selection of the Contract Engineer is expected to take place by end of summer 2017.

Preparation for the future monitoring steps

A workshop for technical and legal consultants was organised in Olsztyn, the corporate seat of the civil society monitor's lawyers, on 6-7 June. The workshop was to prepare the consultants for the

monitoring of the project implementation phase and develop a coherent methodology based on the consultants' experience with similar infrastructure projects. A draft methodology was developed during the meeting. Furthermore, resources required for project monitoring and effective expert team management were discussed between the Foundation and infrastructure project monitors. Following this conversation, the Foundation also consulted TIS, Transparency International Italy, Transparency International Hungary and Transparency International Bulgaria in order to get a second opinion on how to best use the monitors' time to ensure most efficient monitoring. One of the key outcome of these consultations is that the Foundation will follow other partners' approach and prioritise a more limited number of high-risk processes and procedures for monitoring.

Communications

The project was officially launched at a conference "Towards Transparent and Competitive Public Procurement" in the Batory Foundation office on 1 March 2017. The event was attended by nearly 70 people, including representatives of ministries, of the Public Procurement Office, of public agencies, private companies, legal firms, railway companies, NGOs, media and independent experts. The panellists included representatives of PKP PLK, the General Director for National Roads and Motorways, the Vice-President of the Public Procurement Office and the President of the National Audit Office. The discussions focused on the Foundation's Integrity Pact and barometer of corruption risks as mechanisms for social monitoring of public procurements, and in particular how these initiatives may help make public procurement more transparent and competitive. The panellists also shared ideas on future reform of public procurement in Poland. Attendees received a one-page backgrounder on the Integrity Pact initiative. The news about the event and the launch of the Integrity Pact pilot were published by a number of online portals (see links listed below).

A contract for the project website development was signed with FIX MY PAGE and the developer started working in May 2017. In the meantime, Karolina Szymańska joined the Foundation's IP team and is responsible for PR and communications.

In the same time, an article on ["Integrity Pact as a tool for preventing corruption in public procurements. Idea, goals and application"](#), written by Marcin Waszak, was released as part of a publication issued by the Military Police. The project coordinator also took part in a panel discussion at the Congress of Regions on 20 June 2017, where he shared information about the Integrity Pact concept and how it can foster public scrutiny over public procurement and municipal contracts at the local level.

TI Bulgaria:

Introduction

During the 3rd reporting period, the political situation in Bulgaria underwent tempestuous developments, which impacted also TI Bulgaria (TI-BG)'s activities relating to the implementation of the civil control initiative. These developments included the resignation of the government in late 2016, the term of office of the caretaker government, which started in late January, the elections to the National Assembly held in March, and the investiture of the Borisov III cabinet in early May 2017. With a view to securing support for the project at the highest political level, the TI-BG team held meetings with the Ministers of Regional Development and Public Works both in the caretaker government and in the new regular elected government in their capacity as the principal of the Contracting Authority, the Road Infrastructure Agency.

The Road Infrastructure Agency (RIA) was designated to take over the completion of the tender procedures pertaining to the *Struma* motorway from the now closed National Company Strategic Infrastructure Projects (NCSIP), which was dissolved in 2016. The RIA itself has not been spared by a number of problems and public scandals, resulting in a few changes to the composition of the Agency's Management Board. The volatility of the situation at the senior management level has undoubtedly affected the performance of the lower administrative levels, which, consequently, has had an impact on the procedure under consideration, thus resulting in extending the time limit for tender evaluation and contractor selection, the selection of a new external expert to work with the evaluation committee, and the unsatisfactory level of information provision to the independent monitor.

The public procurement procedure that is subject to TI-BG's civil monitoring, i.e., [the tender procedure to select a contractor for the twin-tube tunnel at the village of Zheleznitsa](#), which was launched as early as in late 2015, was terminated in early April 2017. As of 30 June 2017, the new procedure was at the preparation stage.

Monitoring team

During the first half of 2017, TI Bulgaria conducted an [open procedure to select external experts](#) to become members of the monitoring team. The specificity of the procedure being monitored – design and construction of a complex tunnel structure, highlighted the need for expertise in the field of road/tunnel design and construction, and in geoengineering. As a general rule, when monitoring public procurement procedures, TI-BG also hires legal experts with experience in the area of public procurement who are tasked with assessing and analysing the lawfulness of the public tender being monitored. In result of the selection, the monitoring team was further strengthened by the addition of two [legal experts](#) and two [technical experts](#) – a road and highway civil engineer and an engineering geologist.

Monitoring the public procurement procedure for the design and construction of the *Zheleznitsa* tunnel

The activities of the independent civil monitor relating to the actual monitoring of the procedure during the first half of 2017 were driven by the developments in the course of the tendering procedure, which could be broken down into the following stages:

- Examination, evaluation, and ranking of the tenders submitted in response to the invitation to tender and selection of a contractor. This stage started with the opening of the tenders in August 2016.
- Termination of the tendering procedure by Decision No. 27 of 11 April 2017.
- Preparation of a new tendering procedure.

In the framework of monitoring the public procurement procedure, TI-BG communicated intensively with the Contracting Authority. Several written requests were made asking for information and documents relating to the evaluation committee's composition and work. A series of meetings on this issue were also held with the RIA management. As can be seen from the meeting minutes [published](#) on the buyer profile, the evaluation committee examined only the contents of Envelope 1 – documents establishing the tenderers' eligibility – before the tender was terminated.

The Contracting Authority's decision to terminate the tendering procedure sparked widespread media reaction mostly because of the serious risk of losing the agreed-upon European funding for the *Struma* motorway. The said decision stated five whys and wherefores pointing to violations detected, which, according to the Contracting Authority, could not be rectified. In TI-BG's opinion, the decision was inadequately justified and reasoned (see the [Legal Analysis of points 1, 2, 4, and 5 of the Statement of Reasons to the Decision to Terminate the Tendering Procedure](#)). Furthermore, no information was provided on the circumstances surrounding the main reason for terminating the tendering procedure, as stated by the Road Infrastructure Agency and the Ministry of Regional Development and Public Works, i.e. the disappearance of a portion of the documentation submitted by one of the bidders.

Despite the declarations of willingness to cooperate made by officials at the senior management level, at the operational level the fulfilment of the Contracting Authority's commitments taken under the Integrity Pact could be rated as unsatisfactory. During the period under consideration, the independent civil monitor did not receive any response to written requests for information and documents relating to the tendering procedure.

The full monitoring report on the second stage of the terminated tendering procedure will be drawn up on the basis of analysis of publicly accessible documents, media publications, and information provided by the Contracting Authority during the meetings held to discuss the issue.

As early as before the expiry of the time-limit for appealing against the decision to terminate the public procurement tender, media reports mentioned that intensive preparations were underway for a new call for tender. The tender documents for the new procedure should be fully compliant with the new [Public Procurement Act](#) (which entered into force on 15 April 2016). TI-BG, in turn, started preparations to monitor this stage of the procedure by requesting the Contracting Authority to provide draft documents vis-à-vis the new procedure. As at the end of the reporting period covered by this Activity Report, no such documents had been provided to TI-BG.

Signature of a new Integrity Pact to the public procurement procedure for the *Zheleznitsa* tunnel

In the framework of monitoring the new public procurement procedure for the *Zheleznitsa* tunnel, the team of TI-BG held a number of meetings and discussions with the Contracting Authority for the purpose of signing a new Integrity Pact. The purpose of this document is to reflect correctly the provisions of the new *Public Procurement Act*, which is referred to in the Integrity Pact.

Transparency of the procedure

As noted above, during the first half of this year, the independent civil monitor maintained practically one-way communication with the Contracting Authority vis-à-vis the course of the public procurement procedure. Viewed objectively, the selective provision of necessary information, combined with considerable time delays, has not been conducive to the transparency of the procedure.

According to observations made by the TI-BG's expert team, the information relating to the public tender publicly available on the sites of the RIA and the MRDPW is piecemeal and poorly structured. This affects negatively the quality of media reports on the topic. In order to address this shortcoming, TI-BG developed a new section of the project's subsite titled [Monitoring](#). The purpose of the new section is to offer to the public at large a systematic presentation of the facts and circumstances surrounding the terminated tendering procedure. The independent civil monitor will continue to keep this 'timeline' of all events and actions associated with the new procedure.

In response to the unexpected termination of the public tender, TI-BG expressed its concern about the substantial delay in the implementation of the *Zheleznitsa* tunnel project in an opinion published by two analytical national media (See the story "*Who Will Pay for the Struma Motorway?*" published in [Club Z](#) and in [Mediapool](#)). TI-BG's efforts aimed at enhancing transparency and shedding light on the hidden processes within the RIA, were supported also by the BNR (see the interview with Mr Kalin Slavov "[The RIA's Decision to Halt the Construction of the Zheleznitsa Tunnel Will Be the Object of Particular Attention](#)") and by the *Trud* Daily (see the editorial "[A Farce Worth over a Billion Levs](#)" and the interview "[How the Integrity Pacts Could Help](#)").

Meetings with the stakeholders

In the framework of the campaign to attract the widest possible support for the application of the Integrity Pact (IP) tool in the area of public procurement, TI-BG held a number of meetings in the first half of 2017 with representatives of the state institutions and with business representatives. TI-BG discussed the positive traits of independent monitoring and the opportunities for cooperation between civil society and business with the leadership of the Bulgarian Construction Chamber as well as with representatives of a company that participated in the public tendering procedure as a bidder. As a result, the company acceded the IP (although separately from the consortium they were bidding with) and engaged to support TI-BG to involve other participants of the consortium. However, the tender was terminated in the middle of the exercise and cooperation on this therefore interrupted. As for the representatives of the Construction Chamber, they expressed interest and appreciation for the IP initiative and stated that they would remain open for cooperation during the monitoring of the upcoming tender

In addition to the aforementioned meetings in April 2017 with senior officials at the MRDPW and the RIA, the TI-BG team also held a meeting with the Managing Authority of the Operational Programme 'Transport and Transport Infrastructure' 2014-2020 in order to gain their support to the continuation of the IP and monitoring process in the context of the new tender. As a result, TI-BG received their acknowledgment of the initiative.

TI Czech Republic:

During the third reporting period of the Integrity Pacts pilot project, project implementation focused primarily on activities related to the monitoring of the “Technical Supervision Services for the Operation of the MS2014+ Information System” public contract of the Ministry of Regional Development (MRD – Contracting Authority).

Monitoring of the public procurement procedure

After the completion of the preparatory stage of the public procurement procedure, in which Transparency International – Czech Republic (TI-CZ), in cooperation with an independent IT expert (Allstar Group s.r.o.), monitored the parameters of the tender documentation and, following the integration of the comments made by TI-CZ (see previous report), the public procurement procedure was launched on 3 January 2017, and the MRD sent a notice announcing the commencement of the procurement procedure to the Public Procurement Register.

A one-month time limit for submission of bids was set, i.e. until 31 January 2017. TI-CZ was constantly in contact with the MRD representatives in order to participate in clarifying the tender documentation if necessary. The Contracting Authority (CA) did not receive any request for clarification of the tender documentation within the specified time limit, nor did it face any other circumstance which would require additional clarification of the tender documentation.

On 31 January 2017, the CA appointed an evaluation committee, which then conducted the opening of the bids. A TI-CZ project team representative also participated in the meeting as an observer. Only one company submitted a bid to the tender; the company that had implemented a similar contract in the past did not bid. TI-CZ together with its experts immediately looked into why this might be the case and it became clear that the low value of the contract had probably not been very attractive for bidders, while at the same time other potential bidders were very busy with a new tax system contract that had been recently launched by the government. As such, and given the low number of IT experts with adequate experience in Czech Republic, the fact that only one bid had been submitted was therefore not considered unusual. During this meeting, TI-CZ and the CA also discussed and agreed on future ways of collaboration and communication, as well as a date for their next meeting.

The second meeting of the evaluation committee was held on 14 February 2017. The members of the committee agreed that the qualifications of the bidder had to be verified, and it was also emphasised that, given the single bid received, the quality of the performance offered had to be duly and sufficiently verified.

At the third meeting of the evaluation committee, held on 15 March 2017, a request was made for the bidder to complete the information provided in the bid regarding its qualifications. The evaluation committee had noticed that there were some minor mistakes in the lists of the team members presented in the different parts of the bid as well as in the provided certificates (swap of first names, certificates not showing the names, etc.). Following this, on 2 May 2017, the contracting authority requested the bidder to submit additional documentation demonstrating its qualifications.

Following the delivery of appropriate documentation by the bidder, the evaluation committee recommended that the contract be signed with this bidder. On 12 May, the contracting authority signed the Contractor Selection Decision and issued a notice on the selection of the most suitable bid.

In accordance with the agreed terms of cooperation, the TI-CZ monitoring team representatives participated in the formal meeting with the contracting authority held on 6 June 2017. The bid documentation, draft contract, CA's request for written clarification or completion of the bid and bidder's response were made available to them. TI-CZ, in its role as independent monitor, stated that the contractual obligation to accede to the Integrity Pacts would constitute Annex No. 5 to the Binding Draft Contract, the original inconsistency of the submitted list of technicians with the diplomas and certificates was corrected, and the required references were added where the consistency with the tender documentation was not obvious. TI-CZ, however, also drew attention to some persistent small formal deficiencies in the composition of the implementation team. Based on a 2nd call for submission of documents and information by the CA and subsequent answer from the bidder, all mistakes were corrected and the monitor found that the tender documentation and the Binding Draft Contract were consistent and that the submitted Binding Draft Contract complied with the requirements of Act No. 134/2016 Coll. on public procurement, as amended.

Communication activities and training around the IP

Basic information on Integrity Pacts, their principles and possibilities of use was also presented in the framework of eight anti-corruption training sessions and seminars for the employees of the managing authorities and Labour Offices of the Czech Republic (approximately 270 participants)¹⁴; possibilities of using the Integrity Pacts tool within future cooperation were discussed at working meetings with representatives of the public and private sectors, as well as the broader Clean Contracting approach and information about the overall IP project and its recent developments. The full list of meetings and external audiences reached are detailed under section 9.5.2 below.

Conclusion

The Integrity Pacts project for the "Technical Supervision Services for the Operation of the MS2014+ Information System" contract is being implemented in accordance with the project schedule and with the objectives set for the period in question, and the project team is working in the same composition. The information about the project and its outcomes is regularly updated on the project [website](#) and has been [published](#) on the MRD website.

¹⁴ For these training sessions, only staff costs were incurred.

TI Greece:

Progress towards signing the Integrity Pact

During the current reporting period TI Greece focused its efforts on moving forward with finalising and agreeing with the Contracting Authority (CA) on the content of the Integrity Pact and the relevant bidders' accession form (February-March 2017) in order to be ready for the signature of the IP when deemed appropriate.

All clauses inserted by TI Greece in the IP were accepted by the CA (including, indicatively, full access to all the procurement documentation as described in article 45 of Greek Law 4412/2016 and article 84 par.2 of Directive 2014/24/EU and a detailed description of the monitor's rights, of the procedure and the deadlines for the submission by the parties of their answers to the monitor's requests and of the procedure to be followed for the exclusion of a tenderer or the CA in case of serious breach of the IP).

TI Greece and the CA agreed that the IP and the accession form would be listed among the documents that the interested bidders will mandatorily receive along with the other relevant tender documents, which will ensure bidders access to the IP clauses prior to the submission of their offer.

Monitoring activities

The signature of the IP and the commencement of the monitoring process were set to follow the selection of the project for EU funding. Due to issues raised after the Managing Authority (MA) reviewed the CA's petition for funding (March 2017), the signature of the IP has been delayed. In particular, according to the MA, prior to granting EU funding, issues concerning the feasibility of the technical designs and the timetable of the project have to be addressed and required actions to be completed.

These issues do not endanger the implementation of the project (according to the MA) but definitely mean delays. They do not seem to be the result of any kind of malice (either from the MA or anyone concerned) but rather as a problem that regularly plagues Greek public works design. However, the fact that the MA identified the problems as soon as it had access to project data, which then led to the aforementioned requests for action as a prerequisite for the selection of the project for EU funding, could be considered as a positive sign. Addressing important issues at an early stage, and not during the implementation phase – as sometimes happened in the past – can indeed be seen as an improvement, even if it can also cause some delay.

Even though the IP has not been signed yet, TI Greece has requested and managed to be present in a number of meetings with representatives from the CA, the MA and other actors (such as the Athens Water Supply and Sewerage Company (EYDAP S.A.) in order to be kept informed about the timeline of the project implementation. The following was discussed during each of these meeting: 24/1/2017 meeting on IP content and timeline for signature, 21/4/2017 meeting regarding the IP launch, 10/5/2017 meeting about the required preliminary works, 19/5/2017 meeting with EYDAP S.A. on the replacement and transfer of sewer pipeline, and 9/6/2017 meeting on the status of the preliminary works. TI Greece is now expected to commence the monitoring process as soon as the IP is signed.

More specifically, during the meeting with EYDAP S.A. on 19 May, the process of replacement and transfer of an existing sewer pipeline was thoroughly discussed. Since EYDAP S.A. is the provider of water supply and sewerage services in Athens, any activity on these networks requires its written agreement/opinion. As a result of this meeting, EYDAP S.A. acknowledged the need to replace and transfer the existing sewer pipeline, in order to place the anti-flood pipeline in the same location and in such avoid passing it under courtyards (which would cause disruption to local residents and could also lead to legal actions that would delay the project) – thus removing an important obstacle to the implementation of the project.

Furthermore, in this, TI Greece also received the MA's direct support: The MA informed the director of EYDAP S.A. about the IP, which will be applied in the project, and highlighted the importance of avoiding delays on the procedure of awarding the study of replacement and transfer of the sewer pipeline in order to speed up the signature of the IP.

Communications

TI Greece completed the design of a dedicated website (www.integritypact.gr) that will ensure regular publication of updated information on IP implementation, monitoring reports and all other relevant project information, including information from other project partners. The website will be publicly available and easy to access. It will also include general information on IPs, a dedicated sub-page for the IP in Greece (including a timeline), information on all project partners' projects, media outlets, a map of all EU countries where an IP is implemented, news, a white list (that will include the bidders that have acceded the IP, the date of accession and date and reason for withdrawal/exemption from it, should they occur) and a communication form (for citizens/groups/CSOs or any interested actors) to ask questions about the programme implementation and the project. In case anyone wants to file a complaint, TI Greece will provide information regarding the entity responsible for accepting or investigating this complaint. The CA's website will host a website banner that will lead to the Integrity Pact Greece website. The launch of the website is scheduled along with the signature of the IP. The website is therefore currently not accessible.

TI Greece is also preparing communication material (flyers, presentations) for the official launch of the project that will follow the signature of the IP, and is drafting a list of journalists/media covering public works-related topics. In addition, project related news (i.e. Vilnius meeting, Commissioner for Regional Policy visit to Athens) have been posted on the TI Greece [Facebook page](#) as teasers of the official launch.

Social accountability

During the reporting period TI Greece held a meeting with the Mayor of Nikaia-Rentis, which is one of the two municipalities that will benefit from the monitored anti-flood project. During the meeting, TI Greece staff and the two experts working in the monitoring team presented the IP project's goals and received a very positive response from the Mayor. TI Greece also reached out to the Mayor of Moschato – Tavros and a local citizens group (Mesopotamia) in order to inform them about the project and will continue to inform them about the implementation of the project as soon as the IP is signed in order to foster citizen participation and social accountability as one major component of the IP project.

TI Hungary:

Project 1 – Construction of the final section of M6 Motorway

At the beginning of 2017, Transparency International Hungary (TI-HU) managed to finalise and sign the contracts with the external experts who were selected in a tendering procedure back in 2016. They contracted an external engineer expert as well as two public procurement experts.

The Contracting Authority of the M6 Motorway project (NIF National Infrastructure Developing Plc.) launched the public procurement procedure for the design of the final section of M6 Motorway on 28 December 2016. Due to various reasons (see previous report), TI-HU had the possibility to examine the procurement documents – the contract notice, the technical specification, the descriptive document, and the proposed conditions of contract – only in January 2017. However, the Contracting Authority took on TI-HU's comments in a corrigendum to the original tender documentation. Later on, three other corrigenda were issued: the second corrigendum became necessary due to an amendment to the legal act on the use of EU funds; the third and fourth corrigenda amended the deadline for submitting the bids due to additional information requested by one of the potential bidders. The Contracting Authority received several questions from the potential/interested bidders, issued replies, and requested supplementary information where it was necessary. TI-HU examined all the documents mentioned above, in addition to the submitted bids, over the course of January-June 2017. Furthermore, TI-HU conducted a detailed background check on the bidders. TI-HU's detailed findings will be published after the public procurement procedure has been closed.

Apart from the paper-based examination tasks, a representative of TI-HU has been participating in the Selection Committee meetings as an observer. The bids were opened on 2 May 2017; the opening of the bids was also monitored by TI-HU. The first Selection Committee meeting took place on 19 May 2017 and was then followed by several other meetings in July.

The parties – that is, the Contracting Authority, the Managing Authority, and TI-HU – met several times (20/01, 22/02, 18/05) during the past reporting period within the framework of the Transparency Advisory Board (TAB) set up by the Integrity Pact (see previous report). The first draft of the rules of procedure of the TAB was prepared by TI-HU, and finalised and adopted by the TAB in February 2017, following several rounds of negotiations.

In April, TI-HU held an anti-corruption training for all employees of the Managing Authority (ca. 80 persons) in two parts: A theoretical part on corruption and existing tools against corruption was followed by an interactive simulation game. The employees of the Managing Authority actively participated in the anti-corruption training, and TI-HU received positive feedback.

Project 2 – Construction of Tisza-Túr Flood Reservoir project

In the first half of 2017, TI-HU managed to finalise the text of the Integrity Pact to monitor the construction of the Tisza-Túr Flood Reservoir. The General Director of the General Directorate of Water Management – as the Contracting Authority – and the Executive Director of TI-HU – as the Monitor – signed the Integrity Pact on 15 May 2017. It was then countersigned by the Deputy State Secretary for Environmental and Energy-Efficiency Operational Programmes – as the Managing Authority. A press release was issued following the signature:

<https://transparency.hu/hirek/ujabb-hazai-kozbeszerzest-monitoroz-a-ti/>

TI-HU also extensively negotiated a joint communication plan with the CA.

Following the signature of the IP, TI-HU launched an open tender for a hydro-engineer to be contracted as an external expert to join the monitoring team for the 2nd project. The actual monitoring work will only start in the second half of 2017 since the public procurement procedure is foreseen to be launched at the end of 2017.

Other developments

IP visualisation tool

The development of the IP visualisation tool is unfortunately off schedule because the developer had to take a three-week leave of absence due to an illness. Currently, TI-HU are in the last phase of the development process, i.e. the testing phase. All features of the tool have been developed, only some slight visual and graphical issues need to be ironed out. In order to ensure a more timely delivery of the final product, the project assistant of the IP project is assisting with the testing. After the testing phase is finished, the developer will need some additional time to fix the issues that were found, after which only the embedding of the tool will be left. Since the delays have been caused by the developer, neither the testing nor the additional development will incur any additional costs.

Experience-sharing

TI-HU's representative was invited by Transparency International Spain for a study trip to Madrid, where the first Integrity Pact has just been launched. Within the framework of this study trip TI-HU's representative presented TI-HU's experiences with Integrity Pacts in a conference, held a workshop to the Monitoring Team of TI-Spain, as well as, a seminar to the civil servants of Madrid Local Government participating in the Spanish Integrity Pact.

Advocacy

Also, during the past reporting period, TI-HU received several requests for further information on Integrity Pacts, in general, from several Hungarian local governments, expressing their interest to engage in a pilot Integrity Pact. These local governments were interested in getting more information on the practical implementation of an Integrity Pact, the related costs, and its possible advantages. In one case, an Integrity Pact is being developed as a result of these efforts.

TI Latvia:

In the 3rd reporting period, TI Latvia has continued working to achieve their first goals in the monitoring of the selected public procurement processes. In spite of initial difficulties to find a consultant with expertise on construction processes and public procurement specifications in this specific sector, TI Latvia managed to find a suitable expert for that particular field towards the end of June 2017. With this new addition to the team, TI Latvia is now better equipped to conduct the monitoring of the public procurement processes selected for the project.

Monitoring

TI Latvia has been playing an active role as the monitor since the IP was signed, working with all involved stakeholders. This includes the State's Public Procurement Office, the Central Finance and Contracting Agency, local NGOs active in the project area, and the Contracting Authority (Riga Traffic).

Apart from the collaboration with the Public Procurement Office which led to the interruption and request to relaunch the tender described below, TI Latvia has also worked and met with the Central Finance and Contracting Agency to provide its opinion on the procedure chosen by Riga Traffic to run its public procurements. In particular, Riga traffic chose to select their construction plan developers with a negotiation procedure and the Central Finance and Contracting Agency wanted to make sure that TI Latvia would monitor the process and inform them in case of suspected irregularities. TI Latvia ensured them that it would be the case: TI Latvia will be part of the procurement commission and attend all hearings for the above-mentioned procedure.

As for the collaboration with Riga Traffic, it has become more constructive in the 3rd reporting period and, in consultation with TI Latvia, the CA has opened the procurement commission to two experts from construction and engineering associations. As a member of this commission, the TI Latvia IP team (including their legal consultant) has signed a non-disclosure agreement and will have access to all documents that are connected to project.

As a result of TI Latvia's engagement in this project (see report for the 2nd reporting period), on 12 January 2017, a public announcement was released by the Public Procurement Office to cancel the first tender launched by the Contracting Authority (Riga Traffic) at the very end of 2016 (tender for the selection of a construction plan designer). As there were suspicions that the tender had been tailored to favour one particular company, The Public Procurement Office recommended¹⁵ that the procurement documents be revised and Riga Traffic committed to doing so. Since then, TI Latvia has been monitoring the preparation of the revised tender documentation. Riga Traffic sent the draft documents to TI Latvia in advance for comments/questions and TI Latvia's comments were then discussed during the procurement commission meetings. The procurement commission then made its own decision (TI Latvia had no decision-making power) on whether to accept or reject these comments. So far, all comments have been taken into consideration.

The first [tender](#) was then relaunched on 12 July. As of date of writing, the deadline for submission of the bids was 28 August 2017.

¹⁵ The Public Procurement Office can make recommendations but not impose decisions. However, recommendations are generally followed.

Challenges

Since the start of the project, TI Latvia has been struggling with attacks from several politicians and political parties. The project has been accused of trying to influence Latvian society with “extreme liberal” thoughts. TI Latvia has filed a complaint for defamation and is waiting for an answer from the Court.

Another criticism made to TI Latvia has been about the lack of detailed information about the project readily available in Latvian for the public. In order to improve transparency of the project, TI Latvia has been working on increasing the scope of the information published in Latvian on their website (see next section).

Increasing transparency of the project

In order to allow transparency and public oversight of the project throughout its implementation, TI Latvia has been developing an interactive timeline for all aspects of the project. All interested persons will be able to follow the project’s progress and find all related documents in one place. Once the timeline is launched, it will be available here: http://delna.lv/lv/intergritates_pakts_2016.

To make the IP project more transparent, TI Latvia has also published an FAQ about the IP project (http://delna.lv/lv/intergritates_pakts_2016/biezak-uzdotie-jautajumi/) which is regularly updated when new information appears.

Moreover, all external consultants working with TI Latvia (e.g. law consultant, engineering consultant) were hired through open procurement procedures and all tenders published on TI Latvia’s website (<http://delna.lv/lv/informacija-par-delnu/iepirkumi/>).

Work with local communities

TI Latvia has met with local NGOs that are active in the area where the project will be implemented and affected by the IP (e.g. <http://www.skanste.lv/>) in order to inform them about the IP project and its possibilities. TI Latvia plans to work more actively with local communities before the construction on site begins and to explain how citizens can contribute to monitoring construction and where to report potential irregularities or problems observed. For easier reporting, TI Latvia will promote their online reporting tool (<http://delna.lv/lv/informacija-par-delnu/trauksmes-celsana/>). TI Latvia intends to analyse all reports received through this tool and forward them to the state office(s) responsible for solving the particular questions raised.

Experience-sharing

In the immediate future, TI Latvia plans to have an exchange trip to Italy where colleagues are working on a similar project (tram in Cagliari). TI Latvia plans to travel there together with representatives from Riga Traffic (CA) and to meet with local state officials to exchange experiences. TI Latvia sees this as a good opportunity to educate their Contracting Authority on the benefits of the IP and possibly open the door to future cooperation on other highly important projects for Latvian society.

TI Lithuania:

Signature of an Integrity Pact with a new Contracting Authority

In November 2016, the Vilnius Gediminas Technical University officially withdrew from the Integrity Pact. After informing the European Commission and the Ministry of Finance (Managing Authority) of the withdrawal, negotiations with other potential Contracting Authority candidates – Lithuanian Art Museum and Vilnius City Municipality – started. On 5 January 2017, a letter of intent regarding the Integrity Pact was signed by the Vilnius City Municipality which suggested the following two projects on the reconstruction of Neris river bank: “Modernisation of Neris river embankments and creation of innovative spaces for creativity, active recreation and wellness events in the Northern territory” and “Setting up Neris valley recreational paths and their interconnections, safety and other infrastructure for public spaces”. The Ministry of Finance approved this project change. On 14 February 2017, the European Commission officially approved and allowed TI Lithuania (TI-LT) to change the Integrity Pacts project. Already at the end of February, after a couple of meetings with Vilnius City Municipality and its representatives, a Memorandum of Mutual Understanding was signed regarding Integrity Pacts and their application to the above-mentioned projects.

On 27 February 2017, a meeting was organised at the Vilnius City Municipality, where representatives from different Municipality departments – Vilniaus Planas (Enterprise preparing the municipality’s technical projects), Vilnius Development Company (project developer) and the Central Project Management Agency (monitoring institution) – were introduced to the Integrity Pacts model by the TI Lithuania team and further discussed cooperation possibilities with TI Lithuania. After the meeting, an Integrity Pact contract was sent to the Vilnius City Municipality administration, which was followed by a process of negotiation regarding its content. Both parties agreed on the essence of the IP contract, however, there have been discussions regarding the specific scope of obligations that the Municipality may be submitted to. Due to the fact that it is in part managed by a political body (the City Council), some of the obligations were changed into recommendations. Once the negotiation process was concluded in June, the Vilnius City Municipality administration began an official agreement approval process. The Integrity Pact between TI Lithuania and the Vilnius City Municipality administration was signed on 30 June 2017.

After a comprehensive introduction to the monitored projects’ process and course, it also appeared that a municipality-controlled enterprise, the Vilnius Development Company, would be a part of the project for the entire period of time. As a result, TI Lithuania decided to prepare a bilateral Integrity Pact agreement with them as well. The Integrity Pact between the Vilnius Development Company and TI Lithuania was signed on 29 June 2017.

The smooth replacement of the monitored project was the result of a number of preparatory steps taken by TI Lithuania from February to June 2017. Responsible team members carried out risk analyses for both the potential implementation issues and legal questions. In addition, the project realisation schedule and general project aims were tailored and specified. TI Lithuania analysed Vilnius City Municipality’s organisational structure in order to better understand the specifics of the municipality’s activity and all related legal acts. In February 2017, the team members attended a public consultation conducted by the administration of Vilnius City Municipality, with the aim to understand how such consultations are being held. Such consultations are a mandatory part of the

project development process in Vilnius and it is always rather challenging for the Municipality to attract the right audience or draw valuable insights from such events. While the Contracting Authority has been experimenting with different formats for these consultations, there is still space for improvements and the Contracting Authority itself has expressed interest in exploring new methods. TI Lithuania expects that the sociology expert now working with the team will help identify ways of making citizen engagement in this process more meaningful.

Collaboration with and involvement of key stakeholders

On 1 March, TI Lithuania met with Public Procurement Office representatives to discuss cooperation possibilities and agree upon the provision of information about the Vilnius City Municipality public procurements by the Public Procurement Office to the chapter. TI Lithuania requested statistical data on the procurements of Vilnius City Municipality, breaches of procurement procedures and data on procurement run by a purchasing organisation similar to the Vilnius City Municipality. TI Lithuania has already received extensive amount of data for the years 2015-2016. From the data provided, TI-Lithuania calculated the number of unique bidders that have participated in Municipality's tenders, the average number of participants in a tender, percentage of one-bid tenders and other characteristics that give valuable insights about the Contracting Authority's public procurements. In addition, information about bidders' complaints regarding wrongdoings on the side of the Municipality were received which also helped identify potential red flags to pay special attention to when monitoring the selected project.

In May, TI Lithuania conducted a survey of the Municipality's employees in order to evaluate and better understand their level of anticorruption knowledge and attitudes. Some 36 targeted employees were surveyed. TI Lithuania specifically targeted 4 sections of Municipality's administration: section of Public Procurement, section of Treasury, section of Budget and Strategic Planning, Budget and section of Investment Project Management. These sections were chosen in order to split the sample into two similar-sized groups: controlled and experimental one. It is most likely that during the IP project TI-LT will focus their activities on the employees working with public procurement and project management. Therefore, they will treat them as their experimental group. The most significant findings include that employees feel a lack of anti-corruption education/trainings provided in their workplace, that they would struggle to act on corruption, and that a majority are not aware of the whistleblowing channel which exists in the Municipality. This research will not only help to evaluate the progress of IPs activities, but also to plan the activities themselves in a more informed manner.

In order to better understand the specifics of the monitored projects, on 31 March, TI Lithuania also met with the representatives of the Ministry of Interior, as the Neris reconstruction projects also fall into the area of its responsibilities (the Ministry is managing the structural funds programme under which the projects are implemented).

Between April and June, TI Lithuania also started communication with the Corruption Prevention Department of Vilnius City Municipality – two meetings were held, during which TI Lithuania provided comments on the Action Plan of the current Corruption Prevention Programme of the Municipality.

Promotion of the IP project

On 9 May, a staff member, Ingrida Palamaite, presented the Integrity Pacts model at the international conference organised by the Public Procurement Office, called “*Transparent public procurements – a realistic goal or a mission impossible?*” This event served as a good platform to present the IP initiative to some 100 public sector representatives (<https://vpt.lrv.lt/lt/naujienos/tarptautine-konferencija>). This was the only presentation during the conference that focused on the innovative ways to monitor public procurement. Participants were interested in the message presented and more so in regards to the application of additional voluntary obligations that the organisations may implement (this is also part of the disclosure standard developed by TI Lithuania).

Sharing experience

In March, TI Lithuania’s representative Gabija Luksaite visited Romania, where she shared the chapter’s experience with two project partners based there. As it was the early stages of TI Lithuania’s relationship with the Municipality regarding the IP, Gabija gathered the information on the issues that may arise before the implementation of the monitoring, collected ideas on what clauses should be included in the Integrity Pact, became more familiar with different approaches on communication with CA in IPs context.

In April 2017, a part of the team attended an international event, the “Personal Democracy Forum”, in Poland, during which they learned about other citizen engagement innovations in the region that could also be used within the Integrity Pacts framework.

Strengthening the team

As one team member left TI Lithuania in March, the chapter hired a new staff member – Lina Maciule (budget line LT 1.3.1). Lina is a sociologist who has experience with anti-corruption interventions. Once she joined the team, Lina began to analyse the documents of the project, possible risks and, most importantly, draft the methodology on measuring the project’s impact. Lina took over the communication with Public Procurement Office and analysed the data they provided. During the reporting period, the majority of her time was dedicated to TI Lithuania’s extended baseline research (see above – survey of the Municipality’s employees), complementary to the baseline conducted by all project partners in the context of the project’s MEL work.

In May, a call for proposals was published for legal experts, programmers and after one month, for engineers as well. In June, a series of meetings for the selection of legal experts was organised. As a result, TI Lithuania is about to sign the contract and is currently continuing the selection processes for other experts.

TI Portugal:

Team consolidation

In the long term, TI Portugal (TI-PT)'s Board of Directors' main concern was to build a solid project team capable of developing and implementing the work plan established in strict compliance with the highest standards of quality and efficiency, articulating the project objectives at national level with the international perspective inherent to it at all times.

Thus, in addition to the Project Manager, Karina Carvalho, a sociologist, who is also the current Executive Director of TI-PT, the team was completed by Marco Dinis Santos, graduate in Social Communication and Journalism, as Communication and Advocacy Manager, and Giuseppe Napoli, as Project Assistant.

In order to lead the Experts Committee (monitoring team) of the IP project, Prof. Doctor Miguel Lucas Pires, a Legal Expert, was also recruited in early 2017. Miguel Lucas Pires is a jurist, PhD in Law by the University of Coimbra, an assistant professor and director of the Degree in Public Administration at the University of Aveiro, teaching, among others, the subjects of Law and Public Management and Public Procurement and Contracting.

Regarding the Machado de Castro National Museum – Rehabilitation and Adaptation of the Church of S. João de Almedina to an Auditorium, the IP project Experts Committee also includes specialists from the areas of Architecture, Tax Audit and Civil Engineering, all recruited through open selection processes:

- Daniel Taborda, Tax Audit Specialist, Economist and Certified Public Accountant, PhD in Business Management, specialisation in Finance by the Faculty of Economics, University of Coimbra, Invited Assistant Professor of the Faculty of Law, University of Coimbra, responsible for the disciplines of Business Finance, Audit I and Audit II in the Degree in Public-Private Administration and of Financial Management and Business Accounting in the Master in Public Administration;
- Helder Lóio, Civil Engineering specialist, Civil Engineer, graduated from the Faculty of Engineering, University of Coimbra, holds an MBA in Management for Executives from the Faculty of Economics, University of Coimbra, and CEO and Co-Founder of TUU, Building Design Management, Ltd., a start-up company dedicated to Integrated Management of Building Projects, namely Architecture, Project Coordination, Supervision and Security Coordination;
- Paulo Silva, Architecture Specialist, Architect, PhD in Applied Environmental Sciences by the University of Aveiro and Master's Degree in Human Geography and Regional and Local Planning by the University of Lisbon, Assistant Professor at the Department of Social, Political and Territorial Sciences at the University of Aveiro, teaching, among others, the subjects of Architecture and Urban Design in the Degree in Public Administration, and researcher at the Research Unit in Governance, Competitiveness and Public Policy (GOVCOPP-UA) and at ID+, Institute of Research in Design, Media and Culture (UA / DeCA and FBAUP).

A specialist in History of Art will be recruited in the second half of 2017.

Partnership consolidation with the Contracting Authority

There have been attempts to produce a systematic categorisation of corruption risks associated with Public Procurement in Portugal, such as the *Good Practice Guide - Combating Collusion in Public Procurement*, promoted by the Portuguese Competition Authority, but TI-PT's work plan for the IP project calls for a more comprehensive rationalisation effort, since it includes a monitoring process subdivided in several stages and over a relatively long time period. More than an audit work, the monitoring to be undertaken by TI-PT will seek to establish a model for monitoring and assessing public spending that will incorporate an innovative level of commitment and participation from the Contracting Authority, bidders, and affected communities.

For this reason, TI-PT continued to focus on strengthening the relationship with the institutional partner of the project (Contracting Authority), the Director General of Cultural Heritage (DGPC), reinforcing collaboration through the signing of a new Memorandum of Understanding, formalised in March 2017. The MoU signed reiterates the CA's willingness to implement the IP in one of their projects funded by the EC, and explains the need for an IP and all its components, as well for the citizen participation component of the project.

From the outset, the DGPC, and more specifically its Internal Audit Unit as TI-PT's main project interlocutor in this institution, has been fully willing to participate in all activities and, more than that, has been supporting TI-PT in overcoming obstacles that meanwhile have been encountered. Among these, the most important to date still lies in the lack of certainty regarding the funding availability for the work being monitored – Machado de Castro National Museum – Rehabilitation and Adaptation of the Church of S. João de Almedina to an Auditorium.

Work Plan Consolidation

Initially expected for June 2016, the call for proposals for granting financial support for the investments promoting the enhancement of cultural heritage, namely regarding the UNESCO World Heritage in Região Centro, was only published in May 2017, which created a delay in the start of the monitoring activities included in the project's Description of the Action.

TI-PT as well as the DGPC are confident that the work at the Machado de Castro National Museum will be selected. However, if this is not the case, in the past 6 months, TI-PT has worked on designing preparatory elements of a monitoring process that could fit (with some few necessary adaptations) with any other DGPC project submitted to the call (see more detail under 15.2 below).

Communication and promotion of the Integrity Pact

Despite the delay in opening the procurement process, the project's Communication and Advocacy Plan was implemented as planned for the first half of 2017. This plan was designed to work irrespective of the project that will finally be selected for EC funding. Indeed, any other selected project will also be a National Monument, in the same region as the Machado de Castro National Museum, and will therefore involve quite similar target audiences and/or messaging as for the Machado de Castro National Museum.

It is a common understanding between TI-PT and the DGPC team working on the project that the IP is crucial to foster clean contracting in Portugal, and therefore both teams are working together in order to guarantee the best implementation environment, which also means developing internal stakeholder's ownership. In most cases, public institutions are extraordinarily bureaucratic, so it is

critical to ensure that all their members (or at least main decision-makers) are fully engaged in the project implementation. With this in mind, besides the regular contacts and meetings with the CA, TI-PT signed a renewed MoU in March 2017 (see above) and organised a workshop on 5 May, aimed specifically at DGPC workers who will be involved in the project (Internal Audit, Construction, Planning, and Financial). The workshop focused on *“Integrity in Public Procurement: risks, prevention and good practices”* and *“The Integrity Pact as a tool for integrity and transparency in Public Procurement”* and was a success with 53 attendees in the room and more than 64 people watching the event live via Periscope and Twitter.

Portugal is highly dependable on EU Funding for its social and economic development but there is a general sense of waste of these funds, evidenced for example in the results of TI’s Corruption Perception Index and Global Corruption Barometer over the years, which identify public procurement as one of the areas most affected by corruption. Because of this, TI-PT feels the need to explain how to improve public procurement – both in policy and in practice – namely by discussing best practices in preventing corruption risks and presenting the IP as an effective tool for clean contracting.

TI-PT have therefore started the elaboration of the terms of reference for their project webpage, which, in a first version, will act to a large extent as content scorer to promote integrity and transparency in public procurement, but also incorporating some of the most important achievements of the IP project in Portugal (and overall) so far.

TI Portugal have also organised their first IP conference on 25 May 2017 to officially launch the IP project in Portugal. The conference took place at “Museu Nacional de Etnologia”, Lisbon. TI-PT had a total of 9 speakers, in two main sessions: “What is changing in public contracting? International views” and “Good governance in public contracting: the ties between the public and private sectors”:

DGPC provided a contact list of 115 stakeholders to reach out to and invite to the conference. 90 journalists and press outlets were also invited/informed. A “save the date” invitation was sent on 8 May to 1272 people amongst the partners (DGPC+TIAC) stakeholders. The invitation was sent on 18 May, and a follow up on 23 May to 1422 recipients using Vertical Response email marketing tool.

94 people confirmed attendance and 84 were physically present at the conference. Additional 174 people watched the event live via Periscope and Twitter.

Advocacy

TI-PT also had the chance to participate in the process of public discussion on the revision of the Portuguese Public Procurement Code and were invited to present their thoughts to the European Semester Officer – ESO. In 2017, TI-PT would like to go a little bit further advocating for clean contracting. In the next 6 months, TI-PT intends to participate in a public administration workshop together with DGPC (probably in September 2017) and will also try to set up a collaboration with the Competition Authority to actively participate in their “Anti-collusion in public procurement” campaign and present the IP as a valuable tool to fight it

These initiatives, as well as other presentations of the project that TI-PT have been conducting, namely in the context of TI-PT’s meetings with institutional and governmental stakeholders (ESO, Competition Authority, Local Municipalities, Public Administration officers with whom TI-PT interacted during the conference), have pointed out the enormous potential of the IP project in



Portugal. All approached stakeholders expressed appreciation for the IP as a good initiative to foster transparency and integrity in public procurement, in particular thanks to its monitoring component and outreach/advocacy aspect.

TI Slovenia:

Training of the monitoring team

On 20 February, TI Slovenia (TI-SI) held an introductory full-day workshop for all contracted experts where the IP was again presented as a civil society anti-corruption tool and other basic conceptual premises discussed. The expectations of the team were laid out and the provisions of the Slovene IP presented in detail. A series of red flags were also discussed (along with extensive expert input) as well as ground rules for communication and other important collaboration arrangements in order to ensure that TI Slovenia will be able to rely on a good expert team to ensure a proper monitoring process.

Promoting the IP to businesses

As the Slovenian IP is voluntary to sign for the bidders, first steps were taken to engage businesses. In addition to using TI Slovenia's Business Integrity Forum to raise general awareness about the project to all members and interested parties (companies, chambers of commerce), TI Slovenia prepared a draft of the Business case for Integrity Pacts brochure where IPs are specifically addressing the private sector. The brochure is now in print (test print version available upon request). It will be distributed during bilateral meetings with businesses and other events involving private sector actors.

Monitoring activities

Despite the delay of the public procurement process that TI Slovenia intends to monitor, the first larger package of documents of the pre-tender phase was received from the Ministry of Health. These were reviewed by TI Slovenia's experts while additional documents were requested from the hospital in which the project will be implemented to get a further view into the preparatory documents. Despite some difficulties getting the documents from the hospital, TI-SI were able to obtain them and review them. The first monitoring report for the public is being written and will include information on any irregularities/issues that the monitors might find.

In order to be prepared for any eventuality, the team's lawyer also drafted a protocol on how to handle irregularities and ensure a fair and transparent procedure for all involved parties as well as the public. The document is currently being finalised.

Communication and social accountability

The website was finished and launched on 9 May 2017. Its content is gradually being presented and promoted on TI Slovenia's social media.

The website adds substantially to the social accountability aspect of the project as it gives affected communities a source of information on the specific public procurement process monitored (update on progress, etc.), public procurement processes in general (explanation of the 5 different stages of the public procurement process), and gives an option to report irregularities.

Additionally, the protocols of TI-SI's so-called Advocacy and Legal Advice Centre (ALAC) were adapted for the project: Additional internal materials for whistleblowers were prepared (based on studying foreign best practice and evaluation of previous ALAC work at TI Slovenia), a new team of legal volunteers were recruited and trained so that they can support ALAC activities on the project. The

ALAC webpage content was adjusted, rules of conduct for document-handling were also produced so that delicate information will be handled with proper care, as also stipulated by the IP.

Further, a preliminary mapping of the local community around the selected hospital was conducted in order to build partnerships that are needed in order to work in a local area where TI Slovenia does not have a constant presence. In the next reporting period, local partners will be contacted in order for them to promote the project locally with their own outreach activities, their capacities will be built in order for them to detect potential irregularities and, if possible, local partners will be an additional help when resolving reports on irregularities.

Advocacy

As the Slovene government issued a final evaluation of the anti-corruption action plan 2014-16 implementation, TI Slovenia responded and called for a new action plan. TI Slovenia was then invited by the Ministry of Public Administration to prepare a proposal for the next two-year action plan and present it to the minister, which TI Slovenia did – the proposal includes a section on public procurement and calls for the inclusion of the legal possibility for a CA or MA to make the IP obligatory in their public procurement processes.

In the final document the Ministry mentioned curbing corruption in public procurement as one of its priorities but did not mention IPs specifically. It is worth noting (although not directly connected to the project) that the programme mentions the increase of training of public employees on corruption risks in public procurement through the Administrative Academy (a Ministry educational unit) and in the meantime TI Slovenia managed to win a tender as a subcontractor for conducting anticorruption workshops for this very Academy. In May and June 2017, two workshops on public procurement were conducted (activity not funded by the project).

TI Slovenia also conducted one meeting regarding the IP mechanism with the Ministry of Infrastructure on 22 May 2017. The aim of the discussions was two-fold. First it aimed to present, showcase and discuss the IP as a tool to enhance transparency and prevent corruption in big infrastructure projects with the high-level officials at the Ministry – which goes hand in hand with TI Slovenia's wider advocacy effort in the project. Second, it was an opportunity to discuss the possibility of including an IP as a tool to achieve aforementioned results in the Second Rail Infrastructure Project in Slovenia. After discussion with the Ministry, TI Slovenia proposed an alternative – the creation of an oversight body, composed of different stakeholders, including civil society – but opted out from implementing an IP mechanism in this specific case.

Additionally, in order to raise awareness about IPs, TI Slovenia was able to present its IP work on the annual meeting of economists and CEOs in the health sector and contributed an article for a publication distributed at the event.