



INTEGRITY PACT – CIVIL CONTROL MECHANISM FOR SAFEGUARDING EU FUNDS

Narrative report from the 15 civil society monitors: July - December 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 July-December 2017.

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ActionAid Italy

Monitoring activities:

The following is the progress of the monitoring activities:

Analysis of project documentation: The Managing Authority shared the design documents in August 2016, ActionAid has produced a report and sent it to the Contracting Authority on 16 February 2017¹. This report is of retrospective nature, which is because the monitored projects were already in advanced design when the Integrity Pact was signed.

Analysis of tender documentation: In this case a violation of the monitoring occurred and that prevented the carrying out of an analysis of the documentation before the publication of notices. Close to the publication of the two calls, the Contracting Authority in fact sent to ActionAid partial documentation relating to only one of two interventions. ActionAid formally raised the violation and the Contracting Authority justified this event as a result of the need to meet deadlines for entry into force of the amending decree of the new procurement code. ActionAid obtained a guarantee on the exceptionality of this event and has proceeded on 19 June 2017²⁻³, sending a request for additional documentation and an initial list of questions on the documentation received. The Contracting Authority replied in two stages: on September 29 sending to ActionAid supplementary documents and on 13 October 2017 sending feedback to specific questions asked by ActionAid⁴⁻⁵. After an integration of the documentation provided by the Contracting Authority, in December 2017, ActionAid produced an internal vetting report that will be incorporated into the next awarding report⁶.

Analysis of the procurement documents: The provisional award of the two races took place in November 2017. In late November, ActionAid received the whole material concerning tenders submitted by the participating companies. The analysis of this material is in progress and the publication of the relative report is scheduled within the next reporting period.

The following functional actions for monitoring were also conducted:

Training to the Contracting Authority's officials: On 16 November 2017, at the offices of the Contracting Authority, there was a training addressed to all officials directly involved in the implementation of monitored⁷ procedures. The training dealt with the following topics: civic monitoring and requirements for access to information by citizens in accordance with the agreements signed, creating a digital documentation archiving system, creation of a data collection system in open format on subcontracts, introduction to the whistleblowing and the anonymous reporting tools.⁸ The training

¹ ActionAid - 16 February 2016: retrospective assessment of project documentation in accordance with art. 1 of the monitoring: <https://goo.gl/dPuXWc>

² ActionAid - 29 June 2017: additions required on the contract of museum and multimedia installations: <https://goo.gl/vWy9UW>

³ ActionAid - 29 June 2017: additions required on the contract of museum display and the indoor accommodation called White House: <https://goo.gl/yZgqez>

⁴ Contracting Authority – 13 October 2017: responses to requests relating to the contract of museum and multimedia installations: <https://goo.gl/ywPLx9>

⁵ Contracting Authority – 13 October 2017: responses to requests relating to the contract of museum display and the indoor accommodation called White House: <https://goo.gl/Foza6j>

⁶ The only proper irregularity raised is however included in the MEL irregularity log.

⁷ ActionAid - 16 November 2017: Agenda of the workshop addressed the employees of the Contracting Authority: <https://goo.gl/dhje2r>

⁸ ActionAid - 16 November 2017: presentation slides related workshops addressed to employees of the Contracting Authority: <https://goo.gl/fUZo6G>

was attended by 13 officials⁹, 10 of whom initially completed a module to verify their skills¹⁰ and a module of the ex post workshop evaluation¹¹. CA officers showed appreciation and interest about the Integrity Pacts approach and the tools showed during the workshop, especially for what concerns the possibility of having a facilitated dialogue with citizens and increasing the productivity through digital collaborative tools.

Mechanism of documentation exchange in digital format: As a result of repeated interlocutions, Google Drive has been identified as the appropriate tool to exchange documents in digital format. The Contracting Authority notes that the main problem consists in the presence of computer security restrictions that prevent access to Google Drive. CA officers agreed on the need for asking the ICT Office of the Ministry to enable the use of Google Drive for three IP addresses corresponding to three employee positions identified as referents of the IP project.

Digital Mapping of areas of intervention: Thanks to the collaboration with Wikimedia Italy¹², during the civic monitoring laboratory in November 2017 it was possible to make a cartographic detection and a consequent loading on Open Street Map of the two monitored interventions and the Archaeological Park of Sybaris. Specifically, with regard to the National Museum of Sibaritide we have been mapping the exhibition module and the deposit funded by the 2007-2013 programming, together with a parking area not previously¹³ reported. With regard to the archeological park the following elements have been mapped: boundaries of the archaeological area, roads and reception¹⁴ buildings. This was done using satellite images freely available on the internet and GPS data collected on the site.

IP presentation to bidders: On 26 October, ActionAid sent an invitation to all bidders inviting them to participate in a webinar on the Integrity Pact and on the mechanisms of anonymous reporting of irregularities. Three companies of a total of 13 responded. With two of these contacts are in progress to make an appointment while one of them held a webinar on 27 October.

Open Data Gathering System: The tors was finalized on 11 November 2017 and the call for offers was sent to a list of pre-selected suppliers starting from 10 November. The selection was closed on 22 December 2017. ActionAid has set up preliminary activities during the workshop held on 16 November 2017 and during the course of 2018 the activities will be rolled out.

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

During the second semester of 2017, ActionAid did not carry out media activity mainly in order to mitigate the risks arising from a potential intensification of misunderstandings with the Contracting Authority following the non-sharing of tender documentation. The project, however, was presented at the Festival of Participation held in L'Aquila on 7 July 2017, during the "Geographic Information System (GIS) Day Calabria 2017", which took place in Catanzaro on 15 November 2017, as well as other meetings held in the ordinary institutional activity of the partner organizations. Following the civic monitoring laboratories that took place in November 2017, a video¹⁵ was realized to show to an

⁹ ActionAid – 16 November 2017: Photos of the workshop participants <https://goo.gl/tZkaAE>

¹⁰ ActionAid - 16 November 2017: Assessment of previous skills of employees of Contracting Authority workshop participants: <https://goo.gl/ynFBqc>

¹¹ ActionAid - 16 November 2017: Self-evaluation ex post of the skills acquired by the employees of the Contracting Authority workshop participants: <https://goo.gl/GB24eR>

¹² Wikimedia Italy: <https://www.wikimedia.it/>

¹³ Open StreetMap: Mapping the buildings Nazioale Sibaritide Museum: <https://www.openstreetmap.org/way/533264708/history>

¹⁴ Open Street Map: Mapping the archaeological ruins of the White House in the Archaeological Park of Sybaris: <https://www.openstreetmap.org/way/260663627>

¹⁵ ActionAid - 2017 - Video: Civic monitoring: the voice of citizens. #IntegrityPacts in Sybaris: <https://vimeo.com/247051989>

audience already sensitized the feasibility and usefulness of civic monitoring laboratories through direct interviews with the participants. The video has been presented during the Annual project meeting held on 14 December 2017 in Bucharest and was then posted on the Facebook profile of the project, reaching 1,800 views.

Social accountability work (working with affected communities):

In the second semester of 2017, ActionAid has invested particularly on the activity of keeping and consolidation of the community of local activists created in the first year of the project. On 25 July 2017 there a webinar was organized and specifically designed to provide participants with the observations made by ActionAid on a first analysis of the tender documentation. In parallel all the needs emerging from the first school of Civic Monitoring were collected thanks to an activity of listening (7-9 April 2017), in order to properly set the November civic monitoring laboratory. In November there two civic monitoring laboratories were organized, one addressed to students of the Higher Institute in Cassano to the Ionio¹⁶ (from 17 to 22 November) and one addressed to adults (on 18 and 19 of November)¹⁷. On 18-19 December 2017 there was a further follow-up webinar to collect one of the participants evaluation helpful to set the subsequent project activities.

Advocacy:

During the monitoring activities it has become clear that the retrospective action of the Monitor may substantially limit the preventive nature of the Integrity Pact. In other words it would be preferable that the Monitor had access to all documentation, even in draft, that the Contracting Authority possesses before such documentation will result in formal acts. Therefore, on 1 June 2017 ActionAid sent a specific question to the Managing Authority, asking if the independent Supervisor, under strict observance of the confidentiality obligations under the Integrity Pact, could have instantly access to the data, the documents and the information, jointly with the contracting officers working for the conduct of the public procedure, and the performance of the outsourced contract, remaining unchanged the non-binding nature of the remarks emerged. At the moment of writing we do not have received answer.

Monitoring, Evaluation and Learning:

With reference to MEL Plan, the project staff focused on the specific objective of “Strengthening the capacity and / or willingness of intended beneficiaries / targeted public to engage in monitoring public procurement processes and reporting perceived risks”. Particular attention was paid to maintain a high level of motivation and simplify complex content. Feedback from participants have been constantly collected, as a result of monitoring school (April), the dispute with the Contracting Authority (May) and following the November civic monitoring laboratories. This last event was particularly significant because it allowed to fully appreciate the difficulties encountered by ordinary citizens in addressing such complex topics as the documentary monitoring of a tender. The project staff has conducted periodic teleconference meetings on these issues and has modulated the engagement strategies, leading to develop a model of civic engagement that enhance ownership and simplification of contents.

¹⁶ ActionAid - 17 November 2017: Photos of the high school civic monitoring workshop:

<https://goo.gl/yWVLnp>

¹⁷ ActionAid - 17 November 2017: Photos of adults civic monitoring workshop: <https://goo.gl/DA6erU>

Amapola, Italy

The time span from July to December 2017 featured a strong focus on communication and social accountability activities.

Monitoring activities:

No monitoring activities were carried out owing to the delay with which the Region of Sicily (Managing Authority) finally approved the documentation allowing the Union of Municipalities of the Madonie Area (Contracting Authority) to finalise and publish the calls for bids.

However, in September the report on the pre-bidding phase¹⁸, finalised during the first semester and complemented with an abstract in English in August¹⁹, was published on the website www.monitorappalti.it.

Moreover, Amapola's monitoring model was set up taking into account the learning goals of the project. A living document aimed at tracking the development of project activities, the Base Year Monitoring Model contains the monitoring steps and will be finalised gradually with the activities implemented. The model will be made available online at the beginning of 2018.

Furthermore, in December, the open data expert who will contribute, in the framework of the three Italian projects, to setting up the related open data platform was recruited in cooperation with Transparency International Italia and ActionAid.

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

As far as communication is concerned, a further two videos (in addition to the two already made in the first semester) of the web documentary that will come along with the implementation of the project were finalised and made available online on 8 September and 6 November, respectively. The third video presents the implementation process of an eight-step Integrity Pact, whereas the fourth video provides details on structural funds. Pending the publication of the calls for bids, these further two videos were finalised. Moreover, a new video was made with a Professor of administrative law concerning the Italian legislative framework on Integrity Pacts, and the text of the video on the eight-step Integrity Pact, which will be recorded in January, was translated into English. Besides, a leaflet providing information on Amapola's Integrity Pact²⁰ was finalised and released in January 2018. In addition, in order to understand whether and how communication activities should be furthered, two meetings with two advertising agencies were organised in Palermo. The budget implications of such cooperation patterns will be evaluated at the beginning of 2018.

Citizen and stakeholder engagement:

In the framework of the activities aimed at involving citizens, an agreement was signed with a secondary school concerning the monitoring activity – by communities and individuals – within the work-related school learning programme. The training pathway was presented to students in December and will start on 5 February 2018.

¹⁸ available at:

http://www.monitorappalti.it/sites/default/files/01_Report%20di%20monitoraggio_fase%20pre-gara.pdf

¹⁹ available at: http://www.monitorappalti.it/sites/default/files/Executive%20Summary_pre-bidding%20report_ita-eng.pdf

²⁰ available at: http://monitorappalti.it/sites/default/files/AmapolaPieghevole_Stampa.pdf



In view of the importance of disseminating knowledge on Integrity Pacts within the public administration, as well as of strengthening administrative capacity, a questionnaire on training needs was prepared with the aim of assessing the level of knowledge and, at the same time, spreading information on the project.

As to advocacy activities, the project was presented – in cooperation with Transparency International Italia – to the National Anti-Corruption Authority on 18 October in Rome. A communication channel was thus established with a view to enabling Italian projects to activate a preferential communication channel, if necessary.

Monitoring, Evaluation and Learning:

Besides, during the semester, the team member tasked with carrying out MEL activities focused on the preparation of the monitoring document and of the related indicators, in compliance with the new approach adopted within the project. The document and the indicators were set up in consultation with both the project coordinator and the team member in charge of communication and outreach activities. The document and the indicators were finalised at the meeting held in Bucharest, and will be reviewed in January 2018.

Romanian Academic Society

Progress towards signing the IP:

From July-December 2017, we undertook several unforeseen activities aimed at signing the Integrity Pact with the Managing Authority for the Operational Programme Administrative Capacity (MAOPAC).

Following our meeting with ANAP on 28 June 2017, we proceeded to prepare a draft Government Memorandum which was sent on 10 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. The Memorandum would set the tone for us to be able to implement the Pact, in a pilot stage, only within the 3 public institutions that proposed the contracts which were selected by DG REGIO and TI-Secretariat in 2015 (1 for RAS and 2 for TI Romania, at the time). Therefore, this document would offer an interpretation of the manner in which the Pact could operate within the limits of national law only for the 3 respective projects.

ANAP's detailed feedback came on 8 August and contained the following arguments:

- The NGOs cannot monitor, evaluate and, therefore, make any recommendations on the “conformity with the public procurement law” of the procurement procedure and the contracts’ implementation itself, but only on integrity related aspects because the “independent monitor” is not present as a legal term in the constellation of entities which are allowed to do so (the public procurement agency, control entities, Count of Accounts, MAs, CAs and courts);
- The NGOs cannot monitor the discussions within the Evaluation Committee since the law explicitly states who can and cannot be present. Also, the CA cannot argue that there is a need for an outside expert. In addition, we cannot have access to the committee’s decision and the resulting documents before they are published. Therefore, there will be no real time monitoring before the decision is published;
- The NGOs cannot have privileged access to the info which we listed in Annex 1 of the Integrity Pact, but only to that which is subject to FOI legislation. Also, although we can have access to the procurement file after the winner is selected, we cannot have privileged access to information pertaining to procurement procedures which are regulated by internal, simplified CA rules (the so-called contracts which fall under Annex 2 of the national public procurement law). These procedures do not necessarily have to pass through a transparent procurement procedure but the new pp law does oblige CAs that use this option to publish all info online after the winner is selected, on the official procurement website. However, MAOPAC is willing to give us access to all the necessary information, except that which pertains to the bidders’ offers and to the Evaluation Committee’s decision before it is published;
- ANAP conducted its own research on how the IP is organized in Italy (Commune of Torino and ISFOL) and concluded that they found no conclusive evidence on what the monitor does and as to the monitor’s need to have access to the CAs documentation and to the bidders’ offers. By extrapolating to the situation in Romania, ANAP stated that IPs should be regulated only in national laws on corruption, conflict of interest in public procurement and loyal competition. Therefore, not in the procurement law itself and that they should only refer to conflicts of interest, corruption and loyal competition.

Given the fact that the discussions with ANAP were prolonged, RAS decided to resume its communication with MAOPAC with the aim of establishing the final version of the agreements (Cooperation Memorandum and Integrity Pact) and to start the monitoring activity. Thus, on 6 July 2017, we sent to MAOPAC – according to the discussions we had – the 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. On 19 September, we received

feedback from MDRAPFE's (Ministry of Regional Development, Public Administration and European Funds) Legal Department asking us to deliver a consolidated version of the IP arguing that having two separate documents is confusing. We conformed to this request and delivered on 29 September a single document – the Cooperation Memorandum contains the text of the Integrity Pact as an annex – even though the same Legal Department asked for them to be separate at the beginning of our negotiations. On 6 November and 21 November we received feedback from MAOPAC to which we responded in a timely manner. Also, on 15 November, we delivered to MAOPAC the descriptive text on the IP instrument which is to be inserted in the Terms of Reference. At the end of this reporting period our IP documentation received a green light from the MDRAPFE Legal Department and it misses just two signatures: the Secretary General's and the Minister's.

SAR's strategy is to comply with the several strict limitations foreseen by the public procurement legislation in force. Should the Government Memorandum enter into force after the Cooperation Memorandum and the Integrity Pact are signed with AMPOCA, SAR will modify the clauses in accordance with the provisions of the Government Memorandum (see Advocacy section).

Monitoring activities:

No monitoring activities took place during this reporting period.

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

During this reporting period, July – December 2017, the communication activities focused on the promotion of the meaning and use of the IP in Europe and Romania. While awaiting the final official signatures of the IP and the start of our monitoring activities, the task of convincing other relevant entities that the IP is desired and useful in Romania was a delicate matter. Nevertheless, our efforts were directed in several directions: (1) on carefully formulating RAS's answers to the CA's requests and comments on the Cooperation Memorandum and Integrity Pacts texts; (2) posting articles on the IP project website (meaning of the tool, its usage, financing etc.), relevant news from ANAP, articles on the most important legislative changes in the Romanian public procurement sector, articles on corruption cases that had a public procurement component or the misuse of EU funds; (3) RAS participated in several meetings to promote the IP and engage with the targeted relevant communities.

On 3 August 2017, RAS participated in the debate organised by TI RO and IPP for business associations and labour unions. Following the presentation on the IP tool, the monitored contracts in Romania, there was a hand on discussion on the opportunities and institutional path that the civil society can take in order to contribute to a more transparent and efficient public procurement system and a more efficient spending process of public resources. In spring 2018, the project partners will most probably follow up by organizing another meeting with the business sector.

On 3 October 2017, the project partners (RAS, TI Ro and IPP) organised a joint debate on the IP with relevant NGOs that are stakeholders in our particular contracts. The participants were very interested in the IP and very much willing to follow up and participate in the contracts' monitoring and the overall IP project. For our communication-related projects, we invited 9 important advertising, media and events associations, out of which 3 confirmed and 1 actually came. The entity which did participate is called BRAT and it is the largest media audit association in Romania.

Following this debate, on 11 November 2017, RAS organised a bilateral meeting with BRAT with two main objectives in mind. The first was to prepare an interview on procurement practices in public media campaigns – this was conducted in writing between November – December 2017 and it will be finalised and published in spring 2018. The second was to discuss the set of standardised rules for public procurement in media and advertising that BRAT, together with other NGOs and ANAP, drew

up several years ago. BRAT created a similar manual based on the previous procurement law that was the only reference document on procurement in communication and media. This useful resource has not been used once since its creation and our intention is to jointly update and advocate that it be recognized and promoted officially by ANAP since it would bring about a positive change in this particular field. We are planning to negotiate its use by MA OPAC in all three monitored projects, review the results and compare them with the results of previous similar contracts so as to evaluate if cost-effectiveness improved as a consequence of this new methodology.

In December 2017, after discussing with the other project partners on how to increase knowledge on IP tool, we agreed to prepare a video with interviews with various independent monitors, bidders and EU officials. We all agreed that the best time for the interviews to be conducted was the Stakeholders Meeting that took place in Bucharest. Consequently, on 14 December we filmed the following interviews:

- **Pascal Boijmans**, Head of Unit, DG Regional and Urban Policy, European Commission (in English)
- **Claire Martin**, Project Leader - Public Accountability, Transparency International Secretariat – Project Coordinator (in English)
- **David Ondráčka**, Executive Director, Transparency International Czech Republic and TI Board Member (in English)
- **Renata Krok**, Contract Manager, PKP Polskie Linie Kolejowe S.A. (in Polish)
- **Joanna Nowak**, In-house legal counsel, ZUE S.A. - Contractor (in English & Polish)
- **Marcin Waszak**, Project Coordinator, Stefan Batory Foundation, Independent Monitor (in English & Polish)
- **Gabriella Nagy**, Head of Public Funds Programme, TI Hungary (in English and Polish)
- **Christian Quintili**, Project Manager, ActionAid, Italy (in English)
- **Irina Lonean**, Project Coordinator, TI Romania (in Romanian)
- **Adrian Moraru**, Director, Institute for Public Policies (in Romanian)
- **Valentina Dimulescu**, Project Coordinator, Romanian Academic Society (in Romanian)

The video montage will be finalised at the end of February 2018. Its promotion will be done via RAS's YouTube channel, its lean Romania website and via different online materials and during future events and debates.

The video snippets of the Polish interviewees were sent to our colleagues from Stefan Batory Foundation so that they arrange their own translation into English.

Social accountability work (working with affected communities):

No social accountability activities took place during this reporting period.

Advocacy:

RAS, Transparency Romania and IPP arranged a meeting with the ANAP decision makers to discuss the issues raised in the institution's last reply on 20 March 2017. The meeting took place on 28 June 2017. The conclusion was that we can prepare a Government Memorandum that would set the tone for us to be able to implement the Pact, in a pilot stage, only within the 3 institutions that proposed the contracts which were selected by DG REGIO and TI-Secretariat in 2015.

Considering that ANAP launched a public debate on a Draft Ordinance meant to make changes to the primary public procurement law, the 3 organizations sent out a press release on 21 July calling upon ANAP to take into consideration our amendment proposal on permitting civil society to monitor the



integrity of public procurement procedures. Specifically, we suggested a clause that would expressly mention that Contracting Authorities have the possibility to use Integrity Pacts and that a detailed description of the mechanism will be set out in the secondary legislation. We received ANAP's answer on 28 August which rejected our proposal by referring to the draft Memorandum mentioned above and argued that, pending the Memorandum's acceptance is not timely to introduce such a clause in the primary public procurement law. On 5 September, the 3 organizations sent a joint answer to ANAP arguing in favour of the proposed clause.

Monitoring, Evaluation and Learning:

The draft MEL plan and the MEL planning document were drawn up during this period.

Stefan Batory Foundation, Poland

The contractor and the contract engineer join the pact:

PKP PLK a ZUE S.A. (the CA) signed a Design and Build contract for Railway Line No. 1 between Częstochowa and Zawiercie in the presence of media and a Batory Foundation representative in Katowice on 20 July. The Contractor made a representation stating there was no conflict of interest between the Contractor's representatives and members of the Tender Selection Committee at the time of contract award.

The contract includes module II of the Integrity Pact that mandates the Batory Foundation (the Social Partner) to receive copies of contracts with subcontractors, correspondence regarding any claims and amendments in the contract with the Contractor. Furthermore, the Contractor undertook to implement an ethical management and whistleblower protection policy in line with the guidelines developed by the Batory Foundation and attached to the tender dossier.

The Company concluded another contract for the engineering oversight of the project monitored by the Social Partner in Wrocław on 4 August. The MP Mosty and Drogowa Trasa Średnicowa S.A. were selected as the Contract Engineer. The contract includes provisions on the Contract Engineer responsibilities towards the Social Partner that included providing access to any documents related to claims and/or amendments of the contract with the Contractor.

The Contracting Authority, the Contractor, the Contract Engineer and the Social Partner held their first joint meeting in the PKP PLK Wrocław office on 29 August to discuss the terms and conditions of their co-operation and their mutual expectations with regard to sharing information and access to documents. The parties agreed to hold Integrity Pact review meetings at least once a quarter starting in the following year.

The interaction with the contractor:

Following the execution of the contract, the Contractor submitted a statement to the Social Partner confirming it had placed its bid independently and without any communication, arrangement or understanding with other contractors; it also submitted a draft Policy to be implemented under the Integrity Pact. The draft Policy was found to be in line with the Batory Foundation guidelines and it was adopted by virtue of a ZUE S.A. President's Order of 6 October 2017. This entails that employees, subcontractors and service providers may report abuse in confidence to a dedicated advisor. The Contractor must include obligations to adhere to ZUE S.A. Policy and to adopt in-house whistleblower protection measures in all contracts with subcontractors. In case the subcontractor finds any actions found to be not in compliance with the IP, they are bound to report such irregularity to the Contractor and the Social Partner.

In addition, a meeting was held with the Social Partner to discuss the adoption of and challenges with the whistleblower protection policy in the Company in the Contractor's Kraków office on 24 October. It was agreed that the Contractor could expect some Social Partner's support in developing the Policy. Acting on the request from the Contractor, the Social Partner collected and shared recommendations regarding the mitigation of risks associated with storing sensitive information provided by whistleblowers.

Challenges are effectively addressed with the technical consultant:

Monitoring activities were temporarily scaled down as a result of the conflict of interest of the Technical Consultant (JPL Project). The Technical Consultant had shared its expertise with MP Mosty that later submitted a bid for the engineering oversight of the project monitored by the Social Partner.

As a result, the relationship with the technical consultant was suspended in the monitoring team until the Contract Engineer had been selected. When MP Mosty was actually awarded the contract, the Foundation agreed with the Contracting Authority to terminate JPL Project.

Recruitment for a new Technical Consultant with railway expertise continued throughout September and October and proved extremely challenging. The engineering market was tight as Poland was to spend PLN 66 billion on railway infrastructure under the EU 2014-2020 financial perspective. Only a few quotations had been received and all of them exceeded the available project budget. The Contracting Authority was notified about the issue and it suggested that JPL Project could be reinstated in the monitoring team if it is no longer in any relationship with the Contract Engineer such that it could lead to a potential conflict of interest. Ultimately, JPL Project was found to be no longer the MP Mosty's subcontractor for the upgrade of Railway Line No. 1 between Częstochowa and Zawiercie as it had withdrawn its expert, so it was reinstated as the Technical Consultant for the Social Partner.

Project monitoring – initial steps:

The monitoring team continued its efforts to develop a methodology for monitoring infrastructure projects by building on the experience of its international partners. The Foundation kept track of the files and records of the ZUE S.A. project and monitored modifications of the budget and the schedule, Contract Engineer's monthly reports, correspondence with the Contractor and its eight claims it had filed to date. Regarding claims that pointed to likely negligence in project preparation and management that could result in damage to public interest, the Social Partner sought the consultant's opinion. Furthermore, representatives of the Social Partner took part as observers and discussion participants in two monthly briefings held by the Contract Engineer in Częstochowa on 15 November and 14 December. Whenever such monthly briefings were not attended by the Social Partner it relied on the minutes provided by the Contract Engineer.

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

A dedicated website www.paktuczciwosci.pl was launched in September; it features information on fighting corruption in government contracts, the background to the European Commission project and the implementation of pilot Integrity Pact projects in other countries. First and foremost, it offers information on the monitoring activities conducted by the Stefan Batory Foundation, progress in the monitored project, current developments and publications. The website supports electronic filing of whistleblower reports with regard to the monitored railway project.

PKP PLK awarded a contract for communications and promotion of the project to upgrade of Railway Line No. 1 between Częstochowa and Zawiercie to a Łódź-based company APLAN in August. Representatives of the Foundation took part in the kick-off meeting between the Company and the PR agency where it was agreed that the Integrity Pact/monitoring would be communicated as part of the project promotion. The parties agreed to share their mutual resources and keep each other informed about any planned communication activities. In addition, the company agreed to include in all their promotional materials information that the investment is monitored by the Integrity Pact and a link to the dedicated website. Main communication activities are planned to start just before building works begin in June 2018.

All major participants of the pilot project in Poland (PKP PLK, ZUE S.A. and the EU Transport Project Centre under the recommendation from the Ministry of Development) sent their representatives to the Integrity Pact conference to review experience after two years of the programme organised by Transparency International in Bucharest on 15 December. In addition, the Contracting Authority and



the Contractor took part in a panel discussion where they shared their experience with the Social Partner and their general opinion on the relevance of the Pact for their organisations.

TI Bulgaria

The activities carried out by Transparency International Bulgaria during the reporting period in the framework of the 'Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds' project followed the development of a public procurement procedure for 'Zheleznitsa tunnel'. In this context, the following key stages and events may be outlined:

- April - August 2017 – preparation of the second procurement procedure for 'Zheleznitsa' tunnel
- 1 September 2017 – launch of the second procurement procedure
- 29 September 2017 – termination of the second procurement procedure
- 17 October 2017 – launch of the third procurement procedure
- 28 November 2017 – opening the submitted bids for the design and construction of 'Zheleznitsa' tunnel

Signature of Integrity Pact(s):

Following the termination of the first public procurement procedure for the design and construction of the tunnel in April 2017, the new tender was expected to be prepared and conducted under new circumstances and conditions, most importantly the new Public Procurement Act (promulgated SG no. 13 of 16 February 2016) applicable to all public procedures after 15 April 2016, as well as the different approach endorsed by the Road Infrastructure Agency (RIA) in the elaboration of the tender documentation.²¹ In order to take account of the new legislation in force and the RIA rules governing the management of the procurement cycle, the Independent Observer and the Contracting Authority agreed to sign a new Integrity Pact (instead of an annex to the former IP) in relation to the procedure under preparation. This approach also aimed to facilitate the interested private companies and the general public in following upon their specific roles and commitments under the Pact.

The negotiations between Transparency International Bulgaria and the Road Infrastructure Agency on specific provisions of the document continued till the end of August 2017. Reaching a compromise on the scope of information and the manner for its provision by the Contracting Authority for the purpose of the independent monitoring turned out to be a challenge. RIA's cautious position may to some extent be explained with the tension to which RIA administration was put following the scandal with the missing part of an offer. The disappearance of documents was the reason to terminate the first procurement procedure. However, this should not be used as an excuse to restrict the transparency of the internal processes and procedures. On the contrary, more transparency would have a positive effect on the public confidence in the institutions and their image.

Reaching a consensus on the purpose, spirit and implementation of the Integrity Pact, on 1 September 2017 the heads of Transparency International Bulgaria and the Road Infrastructure Agency signed a new Integrity Pact to the public procurement procedure for the design and construction of 'Zheleznitsa' tunnel lot 3.1 'Struma' motorway, which this time was split into three lots. This procedure was terminated upon a recommendation of the Public Procurement Agency following amendments in the tender documentation made by the Contracting Authority during the time period for the submission of offers.

When the third procedure for this project was launched on 16 October 2017, the Independent Observer and the Contracting Authority signed a third Integrity Pact. The reasons for signing a

²¹ RIA succeeded the closed down state enterprise National Company "Strategic Infrastructure Projects" as a Contracting Authority in the first tender for 'Zheleznitsa' tunnel. The National Company "Strategic Infrastructure Projects" had prepared the tender documentation and announced the public procurement. The succession took place at the stage of submission of offers.

separate document are similar to the ones stated above in this report, and the document of the Pact itself did not undergo any substantial modifications compared to the version from September 2017.

Respecting the commitments made as regards publicity, the Contracting Authority published the Integrity Pact under both the [second](#) and the [third](#) procedure on its website.

Monitoring the procurement procedure for the design and construction of ‘Zheleznitsa’ tunnel:

Second procedure announced with decision no. 92 of 1 September 2017:

Parallel to negotiating the text of the Integrity Pact, the team of Transparency International Bulgaria monitored the preparation of the new public procurement. The monitoring followed publicly available information as well as information provided by the Contracting Authority during specifically arranged meetings and conversations. In addition, the Independent Observer collected the viewpoints of the business as regards the expected changes in the public procurement. At the stage of preparation of the procurement procedure, the Road Infrastructure Agency and the Ministry of Regional Development and Public Works announced that the procurement would be split into three lots and the implementation period would be reduced in view of the time periods under the Operational Programme “Transport and Transport Infrastructure” 2014-2020 co-financing the project.

Following the launch of the procedure and the publication of the tender documentation, the monitoring team started intensive work on analysing the documentation. The changes made by the Contracting Authority at the stage of the submission of offers resulted in a statement of the Public Procurement Agency (PPA), which recommended that the procedure be terminated. The reasons of the PPA were premised on the conclusion that the changes made in fact changed the scope of potential tenderers, which is inadmissible according to the law.

Transparency International Bulgaria elaborated a special monitoring report on this procedure. The report focuses on the key aspects of the second tender such as the major differences between the first and second tender and the termination of the procedure. The monitoring report will be published on the project website after the verification procedure with the Contracting Authority has been completed.

Third procedure announced with decision no. 115 of 17 October 2017:

The third procedure for ‘Zheleznitsa’ tunnel was announced by the Contracting Authority mid-October. The preliminary review of the documentation demonstrates that it has not been significantly changed as compared to the documents and requirements concerning the second procedure. Transparency International Bulgaria continues its monitoring of the ongoing procedure.

A representative of Transparency International Bulgaria attended the first open meeting of the evaluation committee. The meeting took place on the initially announced date of 28 November 2017. The submitted bids were opened during the meeting. A total of 28 companies and associations took part in the procedure, of which eight submitted offers for lot 1, 13 - for lot 2, and 7 - for lot 3. The committee shall evaluate and rank the bids within 12 months from the date they have been opened. The monitoring team continues to follow closely the procedure.

Transparency:

During the reporting period Transparency International Bulgaria continued updating its dedicated project website <http://integrity.transparency.bg/>. The [final monitoring report](#) on the public procurement terminated in April 2017 was elaborated. The [‘Monitoring’](#) section which provides real-time information on the course of procedures of ‘Zheleznitsa’ project was regularly updated as well.



Public events and training:

Members of the “Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds” project team took part in the annual Integrity Pact Stakeholder Event. The meeting took place on 14 December 2017 in Bucharest, Romania and gathered together representatives of the European Commission, Contracting Authorities, business and non-governmental organisations. Participants in the event had the opportunity to present the progress in project implementation in their respective countries and to discuss possible solutions for the problems they encountered. Four interactive seminars were conducted in the framework of the annual meeting. During the seminars participants representing one party to the Integrity Pact had the chance to assume a different role, which contributed to understanding the viewpoint of the other parties to the Pact. Michaela Rajkova from our team moderated the seminar on “Sharing lessons from IP experience: what works well and what should we try to improve”.

In December 2017 the team of Transparency International Bulgaria took part in a two-day training on the Monitoring, Evaluation and Learning component – part of the project aimed at establishing how, why and in what circumstances the Integrity Pacts contribute to improving the public procurement process.

Transparency International Bulgaria regularly takes part in online seminars and consultations organised by the project coordinator, Transparency International Secretariat. Our team’s experience in the monitoring of public procurement and the application of the Integrity Pact is often sought by the other partners involved in the initiative

TI Czech Republic

In the fourth period under assessment, the implementation of the Integrity Pact (IP) project, in connection with the proper completion of the tender procedure (May 2017) and the signing of the Contractor Selection Decision, the chosen contractor being BDO IT a.s., has moved on to the phase of fulfilling the Ministry of Regional Development's public contract "Technical surveillance services for the operation of the MS2014+ information system".

On 9 August 2017 a coordination meeting was held at the Ministry of Regional Development, which was attended by representatives of the management of the Monitoring System Management Department and other employees of the Ministry of Regional Development (the contracting authority), representatives of BDO IT a.s. (the contractor) and companies involved in ensuring the operation of the MS 2014+ monitoring system (Tesco SW, DATASYS, T-Mobile). Martina Kotouček Mikolášková and Ivana Dufková represented the monitor Transparency International - Česká republika, o.p.s. (TI CZ).

The agenda was to meet BDO IT a.s. and its implementation team to present the individual aspects of the implementation of the public contract, with the emphasis on the project objectives and how they will be implemented in accordance with the subject of the contract (parameters of the functional project management, control mechanisms, project solution methodology, etc.). Another item on the agenda was to specify the timetable for the fulfilment of the subject of the contract and to determine how often follow-up meetings would be held. The requirements for cooperation between all parties in terms of project coordination and management were presented, the main objective of which is to ensure the functionality, availability and stability of the monitoring system and its continuous development along with the improvement of user qualities.

The follow-up discussion focused on specifying the contractor's technical monitoring procedures in accordance with the subject-matter of the public contract. Within project management this is mainly about controlling the quality of project management, suggesting possible changes to the rules of project management, reviewing the timetable that has been set in advance, keeping records of observance of control points in accordance with the plan of activities, coordination with auditors, etc. Partial targets are also set in the area of technologies and solutions, with the emphasis on the assessment of solution proposals by the providers (MS2014+, the environment, security surveillance), the assessment of the quality of the outputs transmitted, with regard to the monitored parameters, the preparation of opinions and statements of a technical nature and others.

TI CZ as a monitor presented the concept of the Integrity Pact and its specific aspects with regard to the MS2014+ monitoring system (low public/media interest vs. high level of supervision from Czech auditing bodies, low level of possibility of direct involvement of other stakeholders etc.). The monitor presented main clauses of the IP contract and answered questions from the audience. The main ones focused on the issue of the Audit Office view on the monitor's recommendations and obligatory character of the recommendations. The discussion of the partners involved the possibility of data sharing during the monitoring process. With regard to the IP, the outcomes of the kick-off meeting were as follows: regular monthly informal meeting of CA, contractor, and monitor (was not held in December), regular exchange of documents (contractor's monthly notices/accounts, draft/final reports) and specification of communication channels to all stakeholders (via the CA).

Another formal discussion in the period under review took place on 27 September 2017 between Transparency International Česká republika (contract monitor) and BDO IT a.s. (contractor). The main objective was to set up suitable forms of communication and to appoint authorised persons for negotiations.

Both partners agreed that all documents and materials would be sent between both parties via the contracting authority (the Ministry of Regional Development). This procedure ensures that the Ministry

of Regional Development will always be informed about the content of communication between the monitor and the contractor.

Information about Integrity Pacts as a tool for improving the transparency and effectiveness of public procurement has also been presented during other events organised by Transparency International – Česká republika, o.p.s., in particular at seminars organised for the contracting authorities for public contracts in projects co-financed by the EU, meetings with partners in the private and non-governmental sectors and during other projects.

Other communication activities during the period of the report included a number of meetings, consultations with different stakeholders (mainly business and public sector representatives - E&Y, TCC, municipalities of the city of Prague and Brno, anti-corruption officers of the CAs). They covered presentation of the IP tool and information about the project implementation. More details and relevant IP documents are available at the project web site which is regularly updated. Due to the nature of the project a monitor and contracted experts predominantly monitor the adherence of both the contracting authority and the contractor to the Integrity Pact, however a monitor uses all opportunities to present the IP as a Clean Contracting tool and to inform about the project implementation. The main focus is on the EU funds beneficiaries as the MS2014+ monitoring system users (Local Action Groups). As a part of its activities a monitor studied new legal documents (both on national and the EU level) in the field of the public procurement, reports of the Competition Office and the Supreme Audit office as well as experience in the public procurement field in other countries. All information gained is included in presentations during meetings, trainings and consultations.

In December 2017 representatives of the TI CZ project team took part in the annual conference of the Integrity Pacts pilot project which was held in Bucharest. All 15 IP partners, including representatives of managing bodies, contracting authorities and contractors, representatives of DG Regio, Transparency International EU and the TI Secretariat, attended the conference. The Czech Republic was represented on behalf of the contracting authority by the head of the Monitoring System Management Department at the Ministry of Regional Development, RNDr. Banka Fischerová, and an employee in the same department, Mgr. Eva Hipmannová.

Conclusion: The Integrity Pact project for the contract “Technical surveillance services for the operation of the MS2014+ information system” is being implemented in accordance with the schedule of activities and the stipulated objectives for the particular period. The project team has continued to work in the same composition. Information about the project, its activities and ongoing output are regularly updated on the project website (<https://www.transparency.cz/pakty-integrity/>).

TI Greece

Progress towards signing the Integrity Pact:

During the current reporting period, TI Greece continued to follow the arrangement of matters - concerning the maturity of the flood prevention project - that have to be resolved before the signature of the IP can move forward.

More specifically, TI Greece systematically requested information from the Contracting Authority (CA) regarding the Athens Water Supply and Sewerage Company's (EYDAP S.A.) assent for the transfer of a sewage pipeline in a specific area, in order to accommodate the storm water network. The approval process started in September 2017 and was completed in the end of December 2017, as technical designs for the transfer needed to be resubmitted by EYDAP's request. During the same period, TI Greece also focused its efforts in keeping up to date with the continuous issuing of ministerial decisions, guidelines, circulars and templates by the Hellenic Single Public Procurement Authority (HSPPA) that are necessary for the clarification and application of the new requirements as set by Law 4412/2016, which applies in the specific public procurement process - subject of the IP (indicatively notification forms on the disclosure of conflicts of interest and prior engagement were issued by HSPPA on 27.12.2017).

The obligatory use of the online tendering platform for public works, as prescribed by law 4412/2016, is a new process in force since 20 October 2017, and foresees a) publication of all tender documents on the ESIDIS system (National E – Procurement Platform), b) submission of offers and communication/exchange of information between the contracting authority and the bidders through the ESIDIS system c) creation and keeping up of a public contract file in computerized form by the Contracting Authority (the competent technical service) and d) entry of all data in the 'Public Contract File' in electronic databases at the General Secretariat for Infrastructure of the Ministry of Infrastructure, Transport and Networks, with care and responsibility of the relevant competent contracting authority.

Due to the fact that the new process is significantly different than the one followed until recently (ex. submission of offers in hard copies etc.) the General Secretariat of Trade and Consumer Protection has been holding training sessions for all the contracting authorities and interested bidders with a view to assist in a normal transition.

In order to better comprehend the online tendering process that will be followed, TI Greece staff members and experts held meetings with representatives from the General Secretariat of Trade and Consumer Protection and the National E-procuring platform (promitheus.gov.gr) and participated in two training courses (on the use of platform by bidders and by contracting authorities). Familiarization with the new system is vital as TI Greece will seek to secure exceptional access to the system (access is granted only to contracting authorities, bidders and recognized audit authorities) with the aim to follow the tendering process real time and have direct access to all procedures followed in order to assess legality.

Although both the content of the IP and the Bidders' Accession Form have been completed and agreed upon with the CA since the 1st half of 2017, TI Greece has highlighted the fact that adaptations may need to be made until its signature, mainly to respond to the ongoing requirements set by the new law (and its actual practice) and the conduction of electronic tenders. At this point the IP is with the lawyer of the CA to review adjustments.

The first months of 2018, the CA is expected to take the following steps: completion of bill of quantities and relevant project budget, approval from the Finance Committee and submission of a petition to the Managing Authority (MA) for funding in late February 2018. In agreement with the CA the IP and, if no more unexpected delays occur, signature of the IP is expected to take place over the



first 5 months of 2018, right after the MA issues approval for the project to be financed through EU Funds under the Call ATT009.

Monitoring activities:

The signature of the IP and the commencement of the monitoring process are set to follow the selection of the project for EU funding.

Even though the IP has not been signed yet, TI Greece systematically requested information from the Contracting Authority regarding the advancement of the required actions. Indicatively, the approval process for the transfer of the sewage pipeline was completed in the end of December 2017. Following steps for the Contracting Authority that will take place in the first months of 2018 are the completion of bill of quantities and relevant project budget, the approval of the abovementioned from the CA's Finance Committee and the submission of a petition to the MA for funding in late February 2018.

TI Greece is expected to commence the monitoring process as soon as the IP is signed.

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

TI Greece has completed the development of a dedicated website (www.integritypact.gr) that will be continuously updated in order to ensure regular publication of information on IP implementation, monitoring reports and all other relevant project information, including information by other project partners. The website will be publically available and user friendly. 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/CSO's or any interested actors to pose questions regarding the implementation of the programme (public work) and the project. In case somebody wants to file a complaint, TI Greece – due to the closure of its ALAC - will only provide information regarding the entity responsible to accept/investigate 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.

During the reporting period, TI Greece also created in-house communication material (flyer for bidders, preparation of project's main flyer) and worked with both TI EU Office and TI Secretariat in order to advance project communication. In particular, in July 13-14, 2017 representatives from TI EU Office (Policy Officer and Communication Officer) joined TI Greece staff member and experts in an on-site walkthrough and filming in areas where the flood prevention works will take place, followed by interviews of representatives from the CA and the MA (video is currently being processed by TI EU Office). TI Greece also supported TI-S in shaping the relevant project page for the TI global website.

In addition, project related news (i.e. 24/7 interview with reps from the CA and MA, 25/7 TI EU office feature, 27/9 TI-S project page, 8/12 TI Greece Annual Conference IP mention by TI GR Chair, 14/12 Participation in Stakeholders' event in Bucharest) have been posted on the TI Greece Facebook page and twitter account, as teasers for the official launch.

https://www.facebook.com/permalink.php?story_fbid=2027193687306296&id=684593984899613

https://www.facebook.com/permalink.php?story_fbid=2033357536689911&id=684593984899613

https://www.facebook.com/permalink.php?story_fbid=2117890414903289&id=684593984899613

<https://www.facebook.com/684593984899613/photos/pcb.2220376831321313/2220375881321408/?type=3&theater>

<https://www.facebook.com/684593984899613/photos/a.720506991308312.1073741828.684593984899613/2229122623780067/?type=3&theater>

Social accountability work:

During the reporting period TI Greece continued efforts to create a pool of Civil Society Organizations that could be approached and engaged in the implementation of the IP. Actors were identified based on criteria linked to their field of action and the project's interest, for instance: a. citizens inspectorate for sustainable development. [CISD](#) is an initiative that follows and monitors Management's actions, decisions and practices at all levels, as well as the synthesis of prospective proposals, in the spirit of sustainable development, with the support of specialized independent scientists and the open participation of sensitized active citizens that has shown interest in recent flooding incidents in Mandra etc., [contractwatch.eu](#) is a portal that provides information on public procurement law, host remarks and evaluations of projects and services by citizens), b. their engagement with transparency and accountability or open data activities (ex. [Vouliwatch](#) is a non-profit parliamentary monitoring organisation that engages Greek citizens-with a focus on young people- with legislative politics and grants them with the opportunity to communicate, evaluate and hold elected representatives in the Greek and the European Parliament (MPs & MEPs) accountable and c. proximity to the location of the project (ex. [Mesopotamia](#) is a local citizens' group that focuses on the political, ecological and social issues in the region of Moschato where the IP will be implemented).

These CSOs will be communicated in the first months of 2018 in order to be informed about the project and contribute to setting the baseline for the Monitoring, Evaluation and Learning component of the project. TI Greece will continue to inform interested CSOs about the implementation of the project as soon as the IP is signed in order to foster citizens' participation.

TI Greece also held a preliminary meeting with the [Vouliwatch](#) (<https://vouliwatch.gr/about/en>) independent initiative, with the vision to work together in shaping an online open data sharing mechanism for the specific project.

MEL activities:

TI Greece has been working with TI-S in adapting the MEL tool in the national context in which it operates, by participating in relevant webinars and meetings (December 2017 in Bucharest). TI Greece has identified relevant stakeholders that will participate in the MEL questionnaire (ex. CSOs) and contribute to setting the relevant baseline.

TI Hungary

Project 1. – Construction of the final section of M6 Motorway:

The public procurement procedure for the design of the final section of M6 Motorway was launched at the end of 2016 by the Contracting Authority (NIF National Infrastructure Developing Plc.), and the actual monitoring work started in January 2017 (see previous report). In July and August the monitoring activity continued with the evaluation of the complementary documents submitted by the bidders upon request of the Contracting Authority; and with the examination of the certifications and declarations submitted by the bidders, including the procedure the Contracting Authority followed by requesting additional/supplementary information from the bidders related to the certifications. The monitoring also covered the records prepared by the Contracting Authority on the Selection Committee meetings and the preparation of those summary documents submitted to the management of the Contracting Authority for decision-making. In August, the winning bidder was selected. In September and October, TI Hungary followed through the contracting process: examined the contract signed by the winner, the notice on contract award, and checked generally whether the Contracting Authority met all the disclosure requirements set out in the Act on Public Procurements. During this period, there were three Selection Committee meetings took place, all of which were attended by TI Hungary. In addition, one informal bilateral meeting with the Contracting Authority took place.

In the meantime, at the end of August, TI Hungary prepared the first draft of the Monitoring report that is to be published in order to inform the public on its findings, and conducted internal consultations on the draft report, in cooperation with the external experts that are part of the monitoring team. During the months of September-December, we negotiated the text, the language of the report – but not the facts – with the Contracting Authority, while trying to reach a compromise on a significant issue. TI Hungary finds it important to reach a compromise on the language of the report, so that it can mirror the cooperation of all participating parties. During this period, several meetings and exchange of correspondence took place. Formal Transparency Advisory Board meetings were held twice. A compromise on the language to be used in the report is really close, and hopefully, TI Hungary will be soon in a position to issue its first report.

In October, as a closure of the first public procurement procedure, TI Hungary organised a meeting with the external experts participating in the monitoring of the M6 construction project in order to discuss the experiences and the lessons learnt so far. At the end of December, the winning bidder was working on the design of the project.

Project 2. – Construction of Tisza-Túr Flood Reservoir:

The Integrity Pact to monitor the construction of the Tisza-Túr Flood Reservoir was signed on 15 May 2017, and the actual monitoring work was to be expected to start in the second half of 2017, since the public procurement procedure was foreseen to be launched at the end of 2017.

During the months of July-September, TI Hungary made several efforts to contract a hydro-engineer as an external expert, who should be an essential member of the monitoring team. However, despite all the efforts and advertising activity, there wasn't any hydro-engineer who would have submitted his application to TI Hungary. This was probably due to the narrow Hungarian market, which inevitably leads to possible conflict of interest with the Contracting Authority. Nevertheless, with the assistance of Hungary's leading career website, in October TI Hungary managed to contract a hydro-engineer for the project.

In September, TI Hungary, the Contracting Authority, and the Managing Authority of the project started discussions on the organisational questions of an anti-corruption training, as part of the project, and also started planning the first Transparency Advisory Board meeting: TI Hungary drafted

the first version of the Rules of Procedure, and launched it for consultation. Nevertheless, the Managing Authority detected a possible conflict of interest problem on its participation in the project which was resolved after discussions. Therefore, due to the lengthy consultations and internal discussions, the first Transparency Advisory Board meeting only took place in December.

In the meantime, a first meeting with the project manager of the Contracting Authority took place in September, where TI Hungary got detailed technical information on the project, and generally on its timeline.

In line with the original timeline, in November, TI Hungary received the draft public procurement documents for the public procurement for works, and conducted its review, providing several mostly minor advices to the Contracting Authority, though it should be noted that the documents were very well prepared. However, in December, the launch of the public procurement procedure had to be postponed by close to six months due to the legal challenge of the environmental license. The monitor is seeking more detailed information on the issue.

Other developments:

IP visualisation tool:

The last phase of the development of the IP visualization timeline has been completed by the end of 2017. It is now operational for the M6 motorway construction project, which can be accessed on this [link](#). The visualization is a great way to demonstrate the events that took place since the start of the project. It also shows a description of the project partners, the contractors for the project, and a detailed list of all events. All relevant documentation and even photos related to the project can also be updated, and it is possible to add any number of events in the future as well.

Social accountability plans:

The actual planning of events in order to ensure social accountability is underway. In case of the M6 motorway project we foresee the first series of events for the summer of 2018, before the public procurement procedures for works starts. During this first event, we plan to ‘introduce’ the organisation and the project – both the IP project itself, and the M6 motorway project – we would like to present our existing tools, like the redflags.hu and the mobile application for EU projects, to the local citizens that they can also use in their possible monitoring activities. Moreover, we plan to record several videos, focusing on local businesses and the benefits this project can bring to them. We plan a second series of local events right before the actual construction works start, and a third and final round of events after the construction has been finished. In case of the flood reservoir project, we agreed with the contracting authority that we coordinate our activities with their hired PR contractor. We know about several local activities they have already planned – like special geography class in the local schools – and we would like to base our activities on their existing plans.

Monitoring, Evaluation and Learning:

Having regard to the fact that a strong element of this pilot project launched by the European Commission is to monitor and evaluate the use of Integrity Pacts, and to learn from the experiences and lessons of this project, TI Hungary contracted a sociologist in October – following an open tender – who assists TI Hungary in this activity. During the months of November and December, TI Hungary together with the contracted sociologist developed a baseline questionnaire for the stakeholders.



Advocacy and Experience-sharing:

In November, TI Hungary was contacted by a group of students from Central European University (CEU) who got as a project task to prepare a class-room presentation on Integrity Pacts. A personal meeting took place with the students, and later on, TI Hungary supervised the presentation as well. In December, an international conference was organised by CEU on Big Data, where a representative of TI Hungary spoke on the use of big data (red flags tool) in conducting Integrity Pacts.

On 8 December, TI Hungary held a high-profile conference on the use of EU Funds on the occasion of the International Anti-corruption Day with well-known and respected national and international speakers, including Hungary's former commissioner, and former governor of the Central Bank. A central element of the conference was to talk about means other than financial penalties, and the suspension of EU funds in order to protect the EU's financial interests and its core principles. In this regard, both the director of TI Hungary, and the director of the TI's EU Office spoke about resorting to civil control mechanisms such as the so-called Integrity Pact, as it is highlighted in the follow-up press release.²²

Also, in December the annual stakeholder meeting took place in Bucharest, Romania, where representative of TI Hungary organized a workshop together with a colleague from TI Bulgaria in order to share their experiences on conducting Integrity Pacts with other partners.

²²<https://transparency.hu/en/news/konferencia-az-eu-s-penzekrol-a-korrupcioellenes-vilagnap-alkalmaval/>

TI Italy

Monitoring activities:

Monitoring activities have progressed both in Cagliari and in Lombardia.

ARST project – Cagliari city rail:

From July to October 2017 the CA conducted checks on bidders to verify that all documentation was compliant with the law and on 17 October final scores and rank were communicated to the bidders. In the stand-still period (the period of 25 days after the communication of the rank and when bidders can appeal), companies asked accesses to information and one prepared an appeal, but finally it was not registered in court. In December the elaboration of the contract started. The monitoring team monitored all the phases both remotely (through asking the CA for updates and documents) and with face-to-face meetings with the CA (on 6 October). The monitoring reports of the tender phase is currently being prepared.

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

On 15 September, after the stand-still period, the winning bidder was officially nominated, and the communication was published on Region Lombardia website and on the official national PA journal (called 'Gazzetta Ufficiale'). On 12 October, the contract was signed. The execution phase has started from that date: the first step was the appointment of the Director of the Execution Contract on 24 October. The monitoring team supervised all steps both remotely (through asking the CA for updates and documents) and with face-to-face meetings with the CA and the contractor on 30 November. Transparency International Italy is currently elaborating a plan to effectively monitor the execution phase, which implies the selection of a specific expert.

As highlighted in the past report, TI Italy parallelly conducted some researches on a peculiarity that has been noticed in the economic offers. Since it was not possible to assess any conclusions through the data available, a request of opinion was sent to the Regional Anticorruption Authority first and, on its suggestion, to the National Anticorruption Authority. No feedback has arrived yet.

The monitoring report of the third phase (tender and selection) was elaborated, finalised, approved by the CA and published on 31 October on the project website (www.monitorappalti.it). It contains also information on the peculiarity and the request of opinion sent to the Anticorruption Authority. The report on the post-tender phase is currently being elaborated.

A specific work was conducted on the contractor (Ernst & Young) in order to assess their compliance with a predetermined checklist of best-practices. These pertain the publication of certain documents on the company's website: the Ethical Code, the 231 Anticorruption model, Anticorruption Guidelines, and a whistleblowing system (basic and advanced). This part is published on the report of the third phase and the results were also communicated to the company. E&Y replied that they will take into consideration the monitor's evaluation.

Both projects:

In the execution phase a specific monitoring activity will consist in the automatic collection and publication of all payments to and from the contractor and along the supply chain. At this purpose, an open data expert was selected in December through a call for proposals issued together by Transparency International Italia, ActionAid and Amapola.

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

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

A public event for stakeholders was organised in Milan at Region Lombardia on 22 September to present the initiative and the website. Around 60 people attended the event and relevant speakers of the CA (Region Lombardia) participated: the Regional Assessor of Education, Training and Job, the Anticorruption Authority of the Lombardia Region, the Director of the Purchases Planning and Tenders Management Office and a representative of DG REGIO (Nicola Aimi).

Both projects:

The website was regularly updated with changes in the timeline (especially for the ARST project that experienced some delays). Two specific posts were created on the website: one on the event in Lombardia Region and [one](#) on access to information on tenders (with some conclusions on the performance of regions on request to access to information, as emerged from the research carried out for Region Lombardia, see above).²³

Several posts were published on social networks on events or on general information on transparency of public procurement (see table below).

Social accountability work (working with affected communities):

ARST project – Cagliari city rail:

Transparency International Italy participated to the SINNOVA festival (a festival on innovation for youth) on 7 October in Cagliari through a stand and a laboratory for students. Information on the tender and the IP was disseminated among students, professors and citizens of Cagliari attending the event and the laboratory.

As mentioned in the past report, Transparency International Italy elaborated a specific project for involving students in monitoring. All local schools were informed by email about the initiative and invited to send declarations of interests. A similar project was also presented together with a local association (Urban Center) in a regional call for proposals for school laboratories. However, the work done so far has not produced the expected results. A school that initially expressed its interest in joining the monitoring project, renounced, while the project was eligible for the school laboratories but was not chosen by schools (there was a high number of laboratories proposed against a small number of schools interested). Involvement of students remains a priority and other approaches will be tested. For instance, in 2018 synergies will be built with another parallel project of Transparency International Italia in partner with Urban Center Cagliari (Active local citizens for an accountable Europe), that aims at citizens' engagement in monitoring EU funds. The project involves some local engaging activities (such as an artistic contest and a city tour of EU funded projects) that will be capitalized to promote citizens' and students' involvement in the IP project. Moreover, closer relations are currently being built with A Scuola di Opencoesione, an institutional initiative to involve high school students in monitoring local EU funded projects.

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

Thanks to the event in Region Lombardia (22 September) contacts were acquired with some stakeholders that could potentially support Transparency International Italia in monitoring the 'bottom

²³ <http://www.monitorappalti.it/notizia/accesso-alle-informazioni-come-rispondono-le-regioni>



chain of the service'. For instance, specific training services that are offered by Region Lombardia through the technical assistance. This will be further developed in 2018.

Advocacy:

On 18 October a meeting was organised with the Italian Anticorruption Authority (ANAC) in order to give them a comprehensive presentation of the project and discuss potential synergies. They expressed their interest in the initiative, even if they could not commit in any practical action for the moment because they are working on compelling issues concerning the reform of the public tender code.

In the meanwhile, Transparency International Italy continues to disseminate the IP in other sectors where it is working.

On 26 October, Transparency International Italy proposed a light model of Integrity Pact (with around 10 indicators to be identified, rather than 50 of the current project) to the local Healthcare Company of Melegnano, a city in the Milan hinterland. The discussion is yet to be further advanced.

A similar IP was presented in Cagliari on 23 November, at Brotzu Hospital, as part of a presentation on anticorruption systems, for a potential adoption in 2018.

On 13 November, during the national event of the Business Integrity Forum (BIF), the SMEs Integrity Kit was launched. It is composed by a Chart of Ethical Principles, a Whistleblowing system and a B2B (Business to Business) Integrity Pact, a very simple version of the IP. BIF Business Integrity Forum is a collective action with large Italian companies coordinated by Transparency International Italy.

TI Latvia

Monitoring activities:

Currently there is an evaluation process of the first project planning procurement (negotiation procedure with bidders). Furthermore, the CA is about to launch the second procurement (12 low-floor tram purchase) in February or early March 2018.

TI Latvia is actively participating in all CAs' procurement commissions meetings together with the contracted legal and construction consultants. TI Latvia keeps the CA in 'in close communication proximity', by constantly asking questions, requesting information and participating in all possible events related to the project. The procurement commissions meetings were held on: 24 August, 18 September, 25 September, 6 November, 8 December. During these meetings, the tenderers' compliance with the regulations was examined, also questions were asked and clarifications were requested. Most of the questions were about the experience of the applicants, the cooperation partners, about the work done.

Since the procurement was stopped in January as a result of active monitoring actions (document verification and reporting to Procurement Monitoring Bureau of Latvia), the CA is not hesitating to provide all necessary information and is answering all questions posed by the monitor. The CAs' willingness to cooperate has only increased since January 2017.

During the monitoring process TI Latvia has detected a possible breach of criminal law, therefore TI Latvia has already sent all necessary information to the investigation authority. Currently due to ongoing investigation, more information cannot be disclosed.

TI Latvia is still monitoring all bidders and public authorities. TI Latvia has bought an access to the official company register database in Latvia (www.lursoft.lv) and is going through all possible information about each person and company that is somehow involved in the project on a daily basis. The aim is to make sure that there is no conflict of interest or corruption case. In order to get more information, the social media channels like www.facebook.com, www.draugiem.lv, www.vkontakte.ru, www.twitter.com, www.instagram.com and others are used and screened. TI Latvia is also using the Tax Revenues' webpage, where the officials' declarations are published (<https://www6.vid.gov.lv/VAD>).

Advocacy:

Court case: TI Latvia has been fighting attacks from several politicians and political parties who level accusations that the Integrity Pacts' project money is paid for influencing society with 'extreme liberal' thoughts and that this is a George Soros sponsored project to brainwash Latvian society. TI Latvia sent a complaint to a Latvian court and lost in first instance, therefore TI Latvia submitted an appeal. TI Latvia appealed to the Ventspils Court of the Republic of Latvia with a lawsuit against Aivars Lembergs. Application is for the removal and apology of false and abusive messages, and an apology for an unreasonable and repugnant offensive.²⁴ Furthermore, in order to make the IP project more transparent, TI Latvia has published FAQs about the IP (can be found here: http://delna.lv/lv/intergritates_pakts_2016/biezak-uzdotie-jautajumi/). TI Latvia continuously updates new information when it appears.

TI Latvia is also lobbying the BIS (Building Information System), which has been developed by the Construction State Control Office. Currently there are many municipalities which still use their own IT programs which are over dated and are not working in one net. The problem is that it is very hard to follow the construction works and construction managers (professionals who are responsible for

²⁴ <https://delna.lv/lv/2017/11/07/delna-iesudz-tiesa-aivaru-lembergu/>

safety measures, correct implementation etc.). There have been occasions when building documents are filled formally.²⁵ Theoretically one person works in different cities at the same time, but in real life somebody else is falsifying the documents thereby exposing the building site to a risk. The new BIS system is an open data platform, which allows to see all the companies and workers in each building site. Furthermore, the construction managers who are in charge of the site will be easily tracked. Therefore, TI Latvia as an NGO is actively following the BIS implementation process by participating in construction forums/conferences, meeting representatives from Ministry of Economy etc.

Social accountability work:

TI Latvia actively works with local NGOs which are affected (e.g. <http://www.skanste.lv/>) and educates the society in Riga about the IP project and targeted outcomes of it. TI Latvia plans to work more actively with local communities before construction on the site will start, including explaining them how they can monitor construction and where to report. For easier reporting, TI Latvia is promoting the whistle blowing web tool (<http://delna.lv/lv/informacija-par-delnu/trauksmes-celsana/>) and after getting WB report TI Latvia can analyse it and send it to the state office responsible for solving the particular question.

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

TI Latvia is still planning to have an exchange trip to Italy where colleagues have a similar project. The exchange was planned through the EU PEER2PEER programme. Our CA delayed with submitting all necessary information, furthermore due to the procurement commissions' meeting dates were unknown, the project managers from the CA did not get permission to go. The plan is to go there together with representatives from the contracting agency and meet with local state officials to exchange experiences. TI Latvia sees it as good opportunity to educate its contracting agency (Riga traffic) with the IPs' positive impacts on the project.

²⁵ <http://www.vp.gov.lv/print.php?id=69&reid=14315>; <http://www.valmieraszinas.lv/lv-aidomas-par-iespejamu-parakstu-viltojumu-divos-sporta-celtnu-buvprojektos-valmiera/>



TI Lithuania

During the period of July-December 2017, TI Lithuania intensified its advocacy activities in cooperation with Vilnius City Municipality and started the monitoring of tender documentation. For more detailed information, see the section below.

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

TI Lithuania has started the preparatory work for the creation of IP's website: in August, TI Lithuania's team interviewed the potential companies that provided their proposals for the programming activities and signed the contract with the selected company – UAB ORCA Team (30 August 2017). However, due to the fact the tender has not been opened yet and all the related information is confidential, TI Lithuania has postponed the creation of the website to spring / early summer of 2018. We are currently developing a list of data sources that could be made available through the new site. Until this time, TI Lithuania will continue to publish all the IP-related information on its website at www.transparency.lt/sazingumo-susitarimai.

During this period, TI Lithuania continually kept in touch with other project partners (i.e. organized individual calls for the experience on monitoring activities exchange with partners in Latvia, Bulgaria and Hungary in September; held a training with ActionAid Italia on social accountability during the partner meeting in Bucharest in December) and TI Secretariat (various calls regarding MEL approach, social accountability and advocacy plan). Conversations with project partners in Latvia, Bulgaria and Hungary helped TI Lithuania better understand different monitoring experiences in these countries and a variety of possible monitoring scenarios.

Last but not least, TI Lithuania's team members presented the Integrity Pact approach at different events: Ingrida Palaimaite presented the project during the Annual Membership Meeting of Transparency International in Berlin on 14 October and Sergejus Muravjovas presented it at the UNECE conference in Geneva on 21 November (via skype).

Monitoring and social accountability activities:

TI Lithuania has continued to further develop its social accountability part of the project. On 30 August, the team met with the expert on participatory design to better understand the ways for people engagement and on 12 July, TI Lithuania's staff members participated in the public consultation organized by the CA to better understand how such consultations are currently organized and what are the most effective ways to involve people in decision-making.

As the new law on public procurement came in to force starting 1 July 2017 (as a part of the implementation of the EU Directive 2014/55/EU), TI Lithuania's staff members participated in organized trainings on its application in practice (9 and 16 August). The new law brought in quite a lot of changes, to mention just a few: adoption of clearer and more detailed regulation on confidential information, preliminary market consultations were made possible in preparation for procurement procedure and a list of cases excluding economic operators from participating in procurement was broadened, among others.

During the months of September and October, TI Lithuania met with the representatives of engineering companies that submitted their proposals for the engineering consulting services. On 8 November, TI Lithuania signed the service contract with UAB SWECO Lithuania and provided them with the first technical project (of the right side of Neris river bank) received from the CA.

SWECO analysed the documents and provided their remarks on 22 December. After TI Lithuania shared these remarks with the head of administration of Vilnius city municipality, he organized a meeting and gathered all the parties involved in the project (from Vilnius municipality, Vilnius Plan and Vilnius Development Company) in the beginning of January 2018. SWECO remarks were mainly aimed to increase the level of competition and savings of resources.

As the technical projects received from the CA were highly technical and difficult to understand, having consultants proved to be a good decision. Since these technical projects are not public yet, TI Lithuania is not publishing SWECO remarks at the moment. However, once the tender opens, TI Lithuania plans to publish all the related information.

MEL and advocacy work during July-December 2017:

As indicated in TI Lithuania's MEL, we carried out a few surveys to better understand the main corruption related risks in public procurement and how are they managed. Thus, in the period of July to September, TI Lithuania carried out a bidders' survey to determine problematic areas in the municipal public procurement. 170 bidders participated in this survey; the main findings will be presented to the CA and shared publicly (to the media) in the beginning of 2018.

On 30 August and 10 October, TI Lithuania surveyed employees of Kaunas city municipality to compare the results of Vilnius city municipality that were collected during the period of April-May 2017). After analysing the results, TI Lithuania organized an advocacy meeting with the Mayor's team on 30 November. During this meeting, TI Lithuania presented the main findings of the employee survey and offered concrete action points: (1) to pay more attention to the increase of employee knowledge on the public procurement processes and management of corruption-related risks; identification of a bribe; increase of knowledge about the municipality's hotline and confidentiality of the reports, (2) to review the anticorruption action plan of the municipality in a way that it reflects the main priorities and actions that will be taken. The head of administration of Vilnius city municipality took these points into account; CA is currently reviewing the anti-corruption action plan.

An external factor that we believe had influence on our advocacy efforts during the project was the adoption of the Law on whistleblowing by the Lithuanian Parliament on 28 November (TI Lithuania also participated in a working group that was in charge of drafting the law). While the law will come into force only on 1 January 2019, it is already clear that institutions will have to do the preparatory work of establishing safe and confidential reporting channels. Thus, the CA has one more reason to pay more effort to the improvement of the current reporting mechanisms.

TI Portugal

Between July and December 2017 the project was implemented with the primary focus of planning tasks and creating synergies with the Directorate General for Cultural Heritage (Direcção-Geral do Património Cultural – DGPC), in order to guarantee, on the one hand, 1) the full incorporation of the MEL (Monitoring Evaluation and Learning) methodology developed by the project's coordination in Berlin, and, on the other hand, 2) the timely concretization of the monitoring activities already scheduled.

As stated in the last report, the rehabilitation work of the Machado de Castro National Museum (Museu Nacional Machado de Castro): rehabilitation and adaptation of São João de Almedina Church into an Auditorium, for which the application of the Integrity Pact was defined, still awaits funding as part of the structural funds of the regional Operational Programme Center 2020 and, as such, the signing of the pact is suspended until the application results are known, predicted for April 2018.

Notwithstanding, the relationship between the TI-PT and DGPC teams that are involved in the project is one of continuous collaboration, wherefore it will be possible to develop and present the 1st monitoring report even before the signature of the Integrity Pact. In fact, the Experts Committee of TI-PT started working in the monitoring of the 1st stage of the public procurement proceeding – Necessities Evaluation – immediately after the application's submission to the Center 2020 in November 2017, and the results are expected to be known by February 2018.

It should be underlined that this initial report will focus not only in the National Museum Machado de Castro project, but also in the global application presented by the DGPC to Center 2020 (in a total of 4 projects), and also in the evaluation of the necessity and of the procedures underlying the recruitment of an external entity responsible for the preparation and submission of that application, which is representative of the high level of trust in the DGPC and its unequivocal compromise with the project.

From the project management's point of view, an information share system based on [Tresorit](#) platform was developed for the report's operationalization, which guarantees not only the security of the file transfers (through encryption), but also the fundamental agility and speed for the proper job of the Experts Committee who, until now, had easy access to all the requested information.

In what concerns the communication and outreach activities, the last months registered the need to change our strategy, due not only to the delay in the start of the monitoring activities - dependent on the project funding's approval -, but also because, with the new MEL plan, we had to redefine the Communication Plan that was initially established. Consequently, the team devoted a lot of time to the absorption of the methodological and theoretical conditions inherent to MEL, to the design of their own plan, to the adequation to the communication and advocacy initiatives and to its discussion with the Coordination of the project in TI-PT.

Our major concern was to understand how to strengthen the level of trust and the level and quality of engagement and oversight of public procurement processes by the public and the media even before the start of the monitoring activities.

One thing that seemed clear is that there is a need to change the comms rationale in order to accommodate a set of complementary information about not only the IP as a tool for transparency and accountability, but about public procurement itself.

The perceived levels of corruption in the public sector is relatively high in Portugal (62 points according to TI Corruption Perceptions Index 2016), and the latest "Public procurement - a study on administrative capacity in the EU" published in InfoRegio reveals that the perceived corruption in PP at the national and local/regional levels is about 80%.

We believe that lack of information about public procurement law and practice, as well the projects being funded contributes to increasing perceptions of corruption and a climate of mistrust regarding public procurement. In this sense, we can assume that people perceive public procurement as a corrupt area because there is no total information disclosure about the procurement procedures nor about the projects being funded.

In this sense, a new dedicated webpage with all relevant information about the IP project, and the IP as a tool for transparency and accountability, establishing relevant connections between the IP project deliverables and transparency in PP (how can the IP help to solve some of the most problematic corruption trends in Portugal), is being prepared to be launched with the publishing of the 1st monitoring report.

In fact, the process of re-thinking the IP Comms plan helped us to put in perspective TI-PT's global outreach & comms strategy, which is critical for the organization mission.

We also start preparing infographics and FAQs related to the project, to be distributed just after the launch of the 1st monitoring report in February 2018.

At the same time, we consider to be also very important to showcase the IP to other public institutions. For example, following the CA presentation of the IP as a good practice during a peer-to-peer workshop in September, we have been approached by the Informatics Institute of the Ministry of Labour and Social Security to pilot an IP in one of their procurement procedures. We still need to evaluate this possibility, but it is a very good sign to have at least one more public body willing to build trust through the IP implementation.

Concerning the media engagement, we ran a new IP media survey (online questionnaire) between November-December 2017, but unfortunately the number of answers continues to be below expectations.

Although the widespread perceptions of corruption in public procurement, in Portugal there is no tradition of media monitoring and overseeing of public contracts. Usually, the news about public procurement only happen when there are scandals to report, and without any further discussion on transparency and accountability.

In December we held a workshop for journalists (Lusa, National News Agency) and it was possible to identify that many of them need to have more information about the risks of corruption associated with numerous areas and that their interest in working these matters is directly associated with the level of knowledge that they have. We passed a questionnaire evaluating the training and requested them to identify other areas in which they would like to have training. 50% of respondents indicated integrity in public procurement as a priority area, so we feel there is a good chance to engage them in future to come, namely by establishing MoU with Lusa and the Union of Journalists (already in progress).

The application of the Theory of Change to the implementation of the IP project, has a lot of advantages to the project management because it eliminates some of the overburden of the monitoring tasks that depend more on external than internal factors, but it also poses serious challenges to the TI-PT team and organization in general. It forces us to abandon the logic of a micro project, restricted in time, to embrace an intervention paradigm that is more broad and that contemplates a macrostructural change, something which we see as desirable not only for the reframing of the IP project in particular, but also as a guide to TI-PT work in the area of public procurement.

For that reason, we expect that, in the next year, all the planning tasks that were developed during the second half of 2017 can reflect this new interventional logic in a sustainable way, engaging a growing number of people and institutions in a movement of change on behalf of a more upstanding and transparent public procurement, which we all aim for.

TI Romania and Institute for Public Policy

This report presents the following activities performed by Transparency International România (TI-Ro) and the Institute for Public Policies (IPP) between July 2017 and December 2017:

- Signing of the Integrity Pacts
- Community engagement activities
- Advocacy
- Activities performed for the monitoring of projects and purchases financed via the European Structural and Investment Funds
- Activities to communicate and promote Integrity Pacts
- Activities to assess and monitor the progress of the project

Signing of the Integrity Pacts:

During the reporting period, Monitoring Agreements were signed with three contracting authorities, including all the necessary provisions for the implementation of Integrity Pacts in Romania, as follows:

- With regard to the procurement within the “Integrated School Management System” project which is to be developed and implemented by the Ministry of National Education (MEN), based on the Collaboration Agreement for the implementation of Integrity Pacts signed by MEN, TI-Ro and IPP on 05.09.2017;
- With regard to the procurement within the “Enhancing the Coverage and Inclusiveness of the Property Registration System in Rural Romania”, which was developed and is to be implemented by the National Agency for Cadastre and Land Registration (ANCPI), based on the Cooperation Memorandum on Integrity Pacts, signed by ANCPI, TI-Ro and IPP on 20.11.2017;
- With regard to the procurement within the „E-culture: the Digital Library of Romania” project, which was developed and is to be implemented by the Ministry of Culture and National Identity (MCIN), based on the Cooperation Memorandum on Integrity Pacts, signed by MCIN, TI-Ro and IPP on 11.12.2017.

The three agreements were signed after several months of negotiations with the three contracting authorities that benefit from funding via the European Regional Development Fund, based on detailed correspondence and numerous meeting wherein the following points were approached:

- The benefits of Integrity Pacts,
- The conditions and necessary terms for these benefits to be obtained,
- The limitations of Romanian legislation regarding the implementation of Integrity Pacts in Romania
- The risks that these limitations entailed.

Two main limitations and corresponding risks were identified within the current legal framework of Romania, as follows:

- The Law of Public Procurement and the corresponding implementation procedures do not allow the independent monitor on the part of civil society – who is a key actor within Integrity Pacts, and who should be able to oversee the entire process of public procurement – access to information, documents or to the Tender Assessment Committee meetings during the tender assessment stage (meaning the stage between the deadline for the submission of tenders by economic operators and the date of completion of the tender assessment procedure via a report and a decision on the part of the Tender Assessment Committee). Under such circumstances, the monitoring of the tender assessment stage may only be

performed ex-post and only based on the written reports drafted by the Tender Assessment Committee

- The Law of Public Procurement and the corresponding implementation procedures do not allow, from the point of view of the Contracting Authorities, for the possibility to render the signing/joining of Integrity Pacts mandatory for the tenderers, and subsequently, for those who are awarded the contracts (the contractors). The Contracting Authorities have proven reserved with the introduction of sanctions for the refusal of economic operators and of contractors to take part in the Integrity Pacts, lest appeal procedures should appear, thus generating delays or even annulment of the procurement procedure. Furthermore, contractors have no obligation to impose the terms of Integrity Pacts on their subcontractors. Under such circumstances, the Contracting Authorities have taken upon themselves to support the independent monitor in obtaining the information and all the documents that are needed for the monitoring from the contractors and subcontractors, by acting as intermediaries in this communication, even when the contractors are not signatories of the Integrity Pacts. At the same time, persuasion and communication strategies are developed, including limitation to a minimum of the administrative burden Integrity Pacts impose upon contractors.

In the context of the signing of Integrity Pacts, it should be mentioned that the inclusion of the activities testing this tool for public procurement within the “E-culture: the Digital Library of Romania” project was performed upon the request of the Management Authority of the Competitiveness Operational Programme (AM POC) and that of the independent monitor (namely TI-Ro and IPP), given that the project proposed by the Ministry of National Education had not reached a sufficient level of maturity in 2017 so as to allow the funding to commence. In this context, in order to avoid the impossibility of implementing the Integrity Pact until 2019 as a consequence of the delays already accumulated, DG REGIO approved the addition to the activities testing Integrity Pacts of the activities concerning the procurement for the project developed in 2016-2017, which is to be implemented by the Ministry of Culture and National Identity.

Community engagement activities:

The content of Integrity Pacts and the planning of future activities were presented the most relevant business organisations on 3 August 2017 and to the most relevant civil society organisations involved in the monitoring of public policies on 3 October 2017, given the need to involve civil society in the process of monitoring procurement and performance of public procurement contracts. The meeting included the presentation of a case studies inspired by the control of the Managing Authorities in the previous programming period and underlined how Integrity Pacts could be used to prevent irregularities encountered and discovered in the past. Business organisations and civic organisations showed their interest in continuing to follow the progress of our monitoring and supporting us with the process. Organisations active in the field of education have been very interested in being involved together with the independent monitors in the development of the project of the Ministry of Education (the electronic catalogue).

Advocacy:

In order to eliminate the aforementioned risks, during the reporting period the advocacy activities continued through dialogue with the National Agency for Public Procurement (ANAP) and with the Ministry of Regional Development, Public Administration and European Funds (MDRAPFE). At the end of August, a Cooperation Agreement was signed by ANAP, TI-Ro and IPP, and on 12 December 2017 a bilateral meeting was held with representatives (at the level of deputy ministers) of MDRAPFE and of the three Contracting Authorities involved in the project, in order to discuss the Memorandum of the Government on testing the institution of Integrity Pacts within public procurement in Romania, as the National Anticorruption Strategy for 2016-2020 stipulates.

Activities performed for the monitoring of projects and purchases financed via the European Structural and Investment Funds:

Even before the Integrity Pact was signed, in April 2017 and September 2017, ANCPPI provided the independent monitor (namely TI-Ro and IPP) - one copy each - with the feasibility study, the project for the funding application and their appendixes for the project: "Increasing the Degree of Geographical Coverage and Registration of Property in Rural Areas in the Integrated System for Cadastre and Land Registry", including the project procurement strategy and the analysis regarding the corruption risk associated with the project. In this context, the monitoring activity per se was initiated; a series of recommendations were drafted in reference both to the project procurement strategy – more specifically, to the tender assessment criteria – and to the management of the project corruption risk. At the time this report was drafted discussions with ANCPPI regarding the manner of implementing the formulated recommendations in the cadastre project were still ongoing.

Activities to communicate and promote Integrity Pacts:

During the reporting period monthly newsletters were drafted and sent to over 6300 people. Among the topics of the newsletters, there is also an interview with the President of the National Agency for Public Procurement (ANAP), Mr. Bogdan Pușcaș, who has communicated ANAP's entire support for the implementation and testing of the Integrity Pacts in a manner that ensures as concretely as possible the good conduct of economic agents and that supports the Contracting Authorities in correctly implementing the complex rules of public procurement.

In addition, bilateral meetings with Management Authorities (AM)²⁶ of some operational programmes that are not directly involved in the project testing Integrity Pacts were held in order to raise awareness and promote Integrity Pacts at the level of Romanian institutions. Moreover, Integrity Pacts were also promoted at the level of economic agents and other contracting authorities via bilateral and multilateral meetings.

Activities to assess and monitor the progress of the project:

The Monitoring, Assessment and Learning Plan corresponding to the project was elaborated during the reporting period, July-December 2017. The monitoring performed has shown that the activities aimed at negotiating Integrity Pacts as well as the advocacy activities have raised awareness to a higher level and have rendered the competent authorities in Romania - both regulating authorities (MDRAPFE and ANAP), and contracting authorities - more open to increasing integrity in public procurement, including via the use of a tool that can facilitate the participation of civil society, such as Integrity Pacts.

²⁶ The Management Authority of the Large Infrastructure Operational Programme and the Management Authority of the Technical Assistance Operational Programme

TI Slovenia

Progress towards signing the IP:

One of the key activities of this reporting period was getting the selected hospital on board of the project. A meeting with hospital representatives was called at the Ministry of Health where IPs were thoroughly presented. Several questions on the IP and the role of the monitors (e.g. the benefit for them of having a monitor, what exactly was a monitor, what was an IP) were raised by the hospital and answered by TI Slovenia. After the meeting, the hospital seemed satisfied with the answers and convinced by the support of the Ministry of Health and on 16 October 2017, a week after the meeting, the hospital signed the IP and sent it to TI Slovenia.

Promoting the IP to businesses:

No direct contact has been made with bidders during the reporting period since bidders only became known at the point the tender closed in January 2018. However, IPs were promoted during meetings with Business Integrity Forum (BIF) members, chambers of commerce and the BIF main annual event, along with the distribution of the IP private sector specific brochure in order to build additional trust in the private sector stakeholders that would lead to bidders signing the IP in the later stages of the project.

Monitoring activities:

In the first months of this reporting period only one document was sent to the monitor and had no significant meaning for the project, therefore the monitoring activities were limited. Some technical questions on needs assessment were raised regarding the documents sent in the previous reporting period, which were answered by the Ministry in a satisfactory way in a reasonable amount of time.

In November the PP process officially started. The Ministry's document officially announcing the launch of the process that was sent to the monitor was evaluated by the monitoring team which raised questions on the formulation of one of the goals and how it could be evaluated (improving living quality in hospitals). Tendering documentation followed in December. It was thoroughly reviewed by the monitoring team and 21 recommendations were made. Although many of our recommendations, if taken on board, would improve the tender, in general we did not note any major concerning issues. Most issues raised seemed to fall into the category of mistake or oversight on the part of the CA. The Ministry responded in a reasonable amount of time amending the tendering documents on a couple of points, while additional comments were prepared by the monitoring team to clarify certain positions made previously. One challenge which arose was that the tendering documents were shared with the monitor only two days before their official release. It was not enough time for a thorough review and resulted in the need for the Ministry to re-publish the documents once review and amendments were made.

Communication and social accountability:

Most time was dedicated to preparatory activities for reaching out to the local community as initial contacts did not appear to be as particularly correct (out of date publicly available data). First face-to-face meetings were conducted with three local stakeholders selected on the basis of their knowledge, contacts and engagement in the area (the director of a regional development agency (a former deputy mayor), the head of the municipal administration and a journalist (local correspondent for the national public TV) in December and have been an excellent starting point to reach out to other key actors, schools and youth centres that will be involved in social accountability activities. Each of the three targeted interviewees will remain important interlocutors on throughout the rest of the project. There

have been meetings with local media as well in order to get additional following through the media that reaches to affected citizens.

Additionally, several activities were conducted in regards to the feedback mechanism (ALAC) so it is prepared for potential reports of irregularities by citizens. The ALAC website (an outside link to the IP website, important for the online reporting form) was offline due to technical difficulties but was re-established soon and now operates normally.

Further, one of TI representatives spoke about the importance of transparency of public procurement for the integrity and trust in PP processes on the international right to know day on the event organized by the Slovene Information's Commissioner, IPs were presented also in a PP workshop in Berlin to representatives of several international organizations and businesses.

Advocacy:

Although no direct advocacy activities were conducted TI Slovenia sent a proposal connected to Clean Contracting in the health sector to the ministry of health and ministry of public administration and tried to get one of them as partners for the project, but was not successful in due time to apply for funds in September.

As TI Slovenia advocated for a systemic approach towards training of public employees regarding PP corruption risks (including when talking to the ministry of public administration), this was accepted into the official training programme and first trainings on corruption risks in public procurement, international legal framework of anti-corruption and integrity of public employees were conducted by a representative of TI Slovenia.

Monitoring, Evaluation and Learning:

A great deal of resources went into redeveloping the MEL concept, namely writing and finishing the MEL matrix (indicators, methodology) with an external consultant.