

# INTEGRITY PACT – CIVIL CONTROL MECHANISM FOR SAFEGUARDING EU FUNDS

Narrative report from the 15 civil society monitors: July – December 2018

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 2018.

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## Monitoring activities

### Analysis of the tender evaluation and contract signatures for the 1<sup>st</sup> lot:

All the documents relating to the tenders and to the work of the Tender Committee were analysed both by a lawyer and archaeologist consultant as the procedures went on.

*Project that allows the opening to the public of the so-called "White House" area in the Archaeological Park (Identifier code: F11B15000790007):* The tendering procedure was split in two invitations, one regarding the execution of the works, amounting to € 252.376,16, and the other regarding services and supplies. The call for tender was provisionally awarded on 12 October 2017, the contract award's notice was published on 21 March 2018 and the procurement contract was signed on 11 May 2018.

*Project that funds museum's new exhibition and multimedia (Identifier code: F13D15001980007):* The tendering procedure was split in two invitations, one regarding the execution of the works, amounting to € 618.385,85 EUR, and the other regarding services and supplies. The call for tender was provisionally awarded on 17 November 2017, the contract award's notice was published on 10 July 2018 and then the procurement contract.

### Analysis of contract implementation:

The execution phase for the 1<sup>st</sup> lot is running for both the monitored projects. All the documents relating to this phase received from the Contracting Authority and from bidders were analysed both by a lawyer and archaeological consultant as the procedures went on.

*Project that allows the opening to the public of the so-called "White House" area in the Archaeological Park (Identifier code: F11B15000790007):* The work at the site started on 5 September 2018. The execution phase was delayed after the bad weather of late October 2018, which led to a malfunction of the water drainage system, due to the failure of draining trenches. This intervention was funded by the previous programming period to solve the problem of frequent floodings of the archaeological area.

*Project that funds museum's new exhibition and multimedia (Identifier code: F13D15001980007):* The work at the site started on 17 December 2018.

### Analysis of tender preparation and publication for 2<sup>nd</sup> lot:

At the beginning of 2019, all tenders related to the 2<sup>nd</sup> lot will start. On 31 December 2018, the Contracting Authority, Regional Secretariat of Calabria, shared with ActionAid a draft of decree to enter in a contract to be published as soon as possible, after an analysis by the independent monitor, as is mentioned also in draft itself.

ActionAid already carried out a first assessment in order to evaluate matching and consistency between key recommendations made and award criteria used in the tenders of the 2<sup>nd</sup> lot and is waiting for the CA's answer.

### Mechanism of documentation exchange in digital format:

The independent monitor should instantly have access through digital tools to data, documents and information, jointly with the responsible officers working for the execution of the public procedure and for the performance of the outsourced contract, the non-binding nature of the remarks remaining unchanged. After repeated interlocutions, the digital tool selected is "Community MiBAC", a web-based application used as repository for archiving and managing procurement procedures documents within the Management and Control System of Structural Funds. On 25 June 2018, ActionAid had sent an official request to the Managing Authority - General Secretariat for Ministry of Cultural Heritage - in order to get access to "Community MiBAC" and after several months, on 21 November 2018, a user-access was provided to project manager Paola Liliana Buttiglione.

### Open Data Gathering System:

The projectation of an open and interoperable platform needed to be outsourced to Synapta Srl, together with the other two Italian project partners, Amapola and Transparency Italy. The contract was signed by Synapta Srl on 10 April 2018.

Synapta Srl has a specific expertise in Linked Open Data related to public procurements, thanks to the definition of ontology on them together with the Piemonte Region and National Anti-Corruption Authority.<sup>1</sup> Public procurement data and local information systems are heterogeneous, because the Contracting Authorities of Italian partners are different. Linked Data in RDF format and W3c Standard allow data integration, technical and semantic interoperability. By the platform on the website [monitorappalti.gag.it](http://monitorappalti.gag.it) there will be exposed public procurement data, E-invoices and other kind of data available in tabular format, e.g. CUPs, CIG-CUP and not electronic invoices). To allow a better understanding of data by the public, this data will be used to also publish some data visualisations.

The contract with Synapta Srl provides that the platform is implemented using an open source software. The developed software will be released with an open source license to be agreed, which guarantees reusability and ensures that the platform is sustainable.

In the next donor report, we will provide more details regarding how we will resolve the payment of the cost of server after the end of the pilot programme.

The Managing Authority provided to Federico Morando, legal representative of Synapta Srl, a user-access to "Sistema Generale Progetti" (General Projects' System), a web-based application already used within the Management and Control System of Structural Funds, which collects financial and accounting data on individual projects and individual beneficiaries.

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

During the second semester of 2018, ActionAid carried out the following media activities (see the table below, 2.4.1):

- Update of the dedicated website<sup>2</sup> shared with the other two Italian partners, Amapola and Transparency Italy, in order to ensure regular publication of relevant information about the IPs' implementation in Italy. The website includes general information on the IP, dedicated sub-pages for each Italian IP (including a timeline), news on the three Italian partners' projects and two communication forms for citizens, the first for making proposals or pointing out difficulties and the other one for exposing bribes.
- Update of Facebook dedicated page<sup>3</sup> with news on the Sybaris IP project and on all partners' projects or on other projects relating to civic monitoring, transparency and anti-corruption in Italy.

The project was presented during the:

- Annual conference of the Italian Society of Political Science (6-8 September) in Turin. The three Italian pilot projects were presented in the panel "Thirty years of Cohesion Policy: the contribution of political science to the study of structural funds", title of intervention: "Innovative experiences in Cohesion Policies: civic monitoring and Integrity Pacts";
- International Conference "Citizens Involved: Participatory Governance of Built Heritage" (3-4 October) in Amersfoort (The Netherlands). During the conference ActionAid wanted to look at several questions: What is the role of volunteers and citizens in the management of cultural heritage? Are there tools that can be used across different cultures to do this? How can we best involve citizens and benefit from their range of experiences and backgrounds? Part of

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<sup>1</sup> [contrattipubblici.org](http://contrattipubblici.org)

<sup>2</sup> The website address is: <http://monitorappalti.gag.it/>

<sup>3</sup> The Facebook dedicated page address is: <https://www.facebook.com/integritypactsibari/>

the aim is to see if there are tools and approaches that could be used across the spectrum of cultural and political landscapes in Europe.

- Stakeholder event in Brussels. The Sybaris Integrity Pact was involved in three discussions:
  - Session 1: Where have we come from and where are we going? Integrity Pact stakeholders share experience to date;
  - Workshop 2: Fostering stakeholder participation throughout public procurement processes;
  - Workshop 3: Moving to greater transparency and openness in public procurement.

The National Agency of Press (ANSA) is preparing a report about the pilot projects carried out by the three Italian partners.

### **Social accountability work (working with affected communities)**

In the second semester of 2018 ActionAid kept investing in the activity of strengthening the community of local activists involved as co-monitors.

We gave support to:

- A delegation of four citizens involved in the civic monitoring activities participated in the stakeholder event in Brussels, with an intervention about their experience to date during Session 1;
- Students from two schools, one from the municipality of Corigliano Calabro-Rossano and the other from the municipality of Cassano allo Ionio, who are participating in the running edition of the OpenCoesione School with a report about the two projects monitored by ActionAid. They contacted ActionAid in order to deepen their knowledge about the possibilities of civic monitoring and to be linked with the citizens involved as civic monitors;
- Several citizens involved as civic monitors who expressed willingness to replicate the Integrity Pact for public procurement processes that have as Contracting Authority the Municipality of Corigliano Calabro-Rossano. They would like to propose a formal commitment to people running for mayor in the next local election: modifying the three-year anti-corruption plan through the inclusion of a reference to the importance of civic monitoring in order to prevent corruption.

In February the field visits on the site during the execution phase will begin.

## Amapola, Italy

### **Monitoring**

The monitoring has still been related to the activities prior to the procurement phase (pre-bidding).

In particular, an analysis aimed at updating and disseminating information on the selected procurement procedures was carried out. Therefore, a report has been drafted around the criteria to identify the procedures to be monitored, the cost of each contract, the type of tender procedure that will be carried out and the time required to complete the envisaged works, goods and services. The report was released in December 2018.

At the same time, the analysis of the pre-bidding activities concerning the procurement of the school supplies has been completed. Particularly interesting for the procurement procedure is the analysis of the training needs of the teachers, combined with the needs related to the hardware and software equipment that will be the subject of the contract. This type of work should allow in the procurement phase to make a purchase in agreement with the educational needs, thus avoiding unsuitable acquisitions. The report was published on 21 December 2018.

The implementation of the open data platform by the consultant is almost complete. The system has been presented during the stakeholder event held in Brussels on 28 November 2019.

### **Communication and promotion of the Integrity Pact**

During the summer a blog post was prepared to be published on the website [voices.transparency.org](http://voices.transparency.org) on the experience of civic monitoring carried out in the context of the school work-related activity. In September, in order to reply to a call for papers on school and innovation for a book which will be published by an Italian editor named Loescher, a chapter on the civic monitoring experience at school was submitted. The proposal has been accepted and the draft article will be sent in January 2019.

In terms of IP communication and promotion products, the video #7 on the civic monitoring experience at the school was published in October. During the autumn the English subtitles of such video were elaborated and subsequently assembled, in order to make available and understandable a version of the video outside Italy. The final video subtitled in English will be made available in January 2019.

### **Involvement of citizens and stakeholders**

On 11 July, an event on ERDF funds was held in Palermo. It was attended by a member of the team and it has represented an opportunity to disseminate the experimentation on Integrity Pacts.

On 4 September, a meeting with the national anti-corruption authority (ANAC), in collaboration with TI Italy was held, to update ANAC on the progress of the project and to propose the establishment of a working group aimed at studying the possible application of the Integrity Pact (in its "advanced" form which foresees the presence of the monitoring subject) in Italy.

Concerning advocacy issues, the study of an event to be held at national level in collaboration with the Italian partners (TI Italy, ActionAid and TI-S) is still on going. The main aim of this event will be to better involve the institutions, in order to promote a larger adoption of the Integrity Pact at national level. Currently, the actual realisation of such an event deals with the delays of the project activities.

### **Monitoring, Evaluation and Learning**

The evaluation of the civic engagement experience carried out in the school has shown very positive results among the students and the teaching staff involved in terms of interest, participation and availability towards the active citizenship activities on the theme of public tenders. However, the limited number of students involved and the single edition of the civic monitoring laboratory did not allow a clear and consistent evaluation of the possible generated impact and changes. It might be appropriate to envisage the possibility of an in-depth study in order to understand how the school can

effectively be a privileged channel for involving in a structured way the target group of young people as active citizens.

## Romanian Academic Society

In the previous six monthly report, RAS mainly focused on their activities under the first framework contract (FWC 1), but as bidding for FWC 1 was ongoing during the last six months, their major activities and thus reporting for this period mainly focus on FWC 2 & 3.

### Monitoring activities

#### FWC 1:

On 30 July, the CA informed RAS that ANAP (Procurement Authority) rejected the tender documentation for FWC 1, delaying its publication in the Electronic Procurement System and, thus, its launch date. Following the revision of the respective procurement documentation the ANAP gave the green light so the CA published the contract notice for FWC 1 as well as the procurement data sheet on 5 September. The deadline for receiving the technical and financial offers was set for 16 October. A few days later RAS were informed by the CA that the procurement procedure for FWC 1 was selected by ANAP among the ones that are subject for an ex-ante control.

There were four bidders who sent two rounds of questions of clarification. Both answers were sent to ANAP to get their approval before being published on SEAP for all bidders. The deadline for publishing on SEAP the official answer to all requests for clarification received was 5 October.

Three bidders officially submitted technical and financial offers before 16 October, 3 pm: 1) Consortium formed by Civitta Strategy and Consulting - as Lider and Cult Market Research SRL - as partner; 2) Institutul Roman Pentru Evauare Si Strategie; 3) Acz Consulting SRL. The evaluation phase officially started the same day. Shortly afterwards RAS received the official proof that the integrity form was filled in by all bidders and that the integrity form was submitted to the National Integrity Agency. The tender closed on 16 October and RAS expect a decision on the award of the framework contracts in quarter 1 of 2019.

#### FWC 2&3:

As in the case of FWC 1, before formally being granted access to the pre-bidding documentation for FWC 2 and FWC 3, all team members had to sign in November 2018 confidentiality agreements for each the two monitored contracts. These state that RAS are not in a state of conflict of interest when it comes to the bidders/contractor, that RAS have no ongoing trials, which would affect their impartiality, that RAS will not use or distribute the documents received for personal, educational or professional purposes and that RAS will observe the strict confidentiality of documents marked as such.

Nevertheless, before this point, in early July 2018 RAS received a series of the pre-bidding documentation for both FWC 2 and 3 from some of their contact points in two different departments within the CA perhaps indicating on the one hand the fact that the respective documents have a slightly different working mode (the ones shared with RAS before signing the confidentiality agreements were to be published on SICAP while the rest were not). On the other hand it may also indicate a good working relationship and trust build up during monitoring of FWC 1:

1. Tender specifications
2. Budget
3. Market study

RAS also submitted in writing their comments to the pre-bidding documents for FWC 2 and FWC 3 received on 28 June and 3 July.

In December 2018 RAS received form MA OPAC the last pre-bidding documents for FWC 2 and 3, namely:

1. Framework contract template
2. Subsequent contract template
3. Contracting strategy

RAS made 21 recommendations especially on the tender specifications and the contracting strategies and in December RAS received MA OPAC's feedback. The CA accepted most suggestions in the proposed form. Some of them were rejected based on a clear and accepted justification while four of them were considered inadequately taken on board as the justification was not sufficiently convincing. None of these recommendations related to serious irregularities but were focused at ensuring greater value for money.

### **Advocacy and communication activities**

In July, RAS sent their comments on the Action Plan for the implementation of Romania's National Reform Programme and its 2018 Specific Country Recommendations (within the European Semester) since the IP tool is mentioned in these documents as a good practice example. RAS recommended the adoption of the IP Memorandum so that the pilot project be legally recognised at the governmental level. RAS presented the advantages of the tool and explained its present legal status. Work on this aspect will continue in the coming months.

During July - December 2018, the RAS team continued the work on communication and transparency of the IP and the project focus on dissemination of information on public procurement. RAS have published several more in-depth articles on different changes or challenges brought by the current legislative package on public procurement. Having in mind to consolidate the bridge between CAs and potential contractors, first of all is to clarify the stipulations of the law and explain the different challenges for both parts in the exercise of creating the PP documentation and responding with correct applications. In the reporting period RAS have worked on different new materials to be posted online (and thinking about better promotion of them on social media than until now) in the beginning of 2019.

Unfortunately, RAS's efforts to obtain and promote the guide of BRAT on standardisation of procedures for communication public procurement contracts have not paid off yet. BRAT could not find the necessary time to update their guide to the new legislative stipulations and seemed willing to give up the exercise due to their lack of time and resources. During the next year, RAS are planning to rethink this idea and try, as a plan B, to organise several small working groups (with MA OPAC involvement included) on procedures, transparency tools and good practices tools (and in this respect RAS could use valid fragments from BRAT's guide without costing them more resources). Number, calendar, topics and participants to the working groups RAS will internally discuss in January 2019.

Between 3-4 September 2018, RAS's monitoring expert, Andreea Carp, participated in a training that took place in Brussels and focused on green procurement, mainly methods and good practice models for delivering versatile, sustainable procurement procedures by integrating specific requirements for the circular economy. The training was called "Key changes in public procurement directives and strategic procurement (innovative, green and socially responsible procurement)".



## Stefan Batory Foundation, Poland

### Project progress and monitoring

The Foundation continued monitoring the project with the support of technical and legal consultants to evaluate the developments and anticipate their consequences. This involved examining project correspondence, attending coordination and steering committee meetings organised by the Engineer at least once a month and notifying the Ministry of Investment and Development and the EU Transport Project Centre on any issues identified in the process. Beside files received under the mailing list, the Foundation very often requested accompanying correspondence to the Client, the Project Engineer and the Contractor and such correspondence was provided. The monitoring team would hold ad hoc webinars to discuss any risks to successful project performance, including risks to fund eligibility. One additional interview with the Contractor was held before the completion of the monitoring report, however, most companies involved in the project did not wish to discuss it.

Construction works have continued since September even though the Contractor has not secured all building permits on time, which is expected by July 2019 according to the current version of the project schedule (amended eight times to date). The works have commenced under an alternative procedure, i.e. notification to Governor. Note that under law a building permit is mandatory for all construction projects subject to the environmental impact assessment process, including the project at hand. The Contractor has stated that its actions are legitimate and revealed a legal opinion to the Foundation which says that the provisions of the tender dossier are unclear and not in line with the position of the Project Engineer. Finally, the Contractor made a commitment to the Engineer and the Client to obtain the mandatory building permits ex post. However, the "Design" stage has not been completed yet as originally planned.

Under the circumstances, the Foundation called a meeting with the Ministry of Investment and Development on 24 October and shared its concerns about the delayed process at the Governor office to issue a site location for a public utility project, which is part of the building permit process. As a result, the Ministry promised to take measures to assess the extent of the problem and support Governors in the new financial perspective from 2021, if appropriate. Furthermore, the Foundation raised the issue of lengthy building permitting and staff shortages in Governor offices in a separate letter to the Minister of Investment and Development on 15 November. It stressed that the problem lead to a controversial practice of construction works performed subject to notifications and it recommended change in legislation. No reply to the letter has been received to date.

Concurrently, the Foundation sent three more letters to PKP PLK in November to red-flag key project risks: (1) processing five changes to the terms of reference and contract annex amendments, (2) impact of the changes on the project schedule and (3) commencement of works by the Contractor under the notification procedure. The Foundation received replies to all three questions on 4 December and the Integrity Pact members discussed them at the quarterly meeting on 11 December.

### Promotion and education

A townhall meeting was announced for the second time in the local museum in Częstochowa in October. The date was selected to coincide with local elections with a hope to attract the attention of the local council members and candidates who were personally invited. In addition, the townhall meeting was widely promoted online and on posters placed across Częstochowa, including the public transport. Ultimate, only a few local people showed up. The Foundation representatives presented the goals of the monitoring exercise and encouraged more public participation and scrutiny in the field; the Contractor and the Client summarised the project status and schedule and explained any possible inconvenience it may cause to the local people. European partners met with the Client, the Contractor and the Ministry of Investment and Development in Brussels to discuss inter alia the rising prices in Poland's railway market, which is the focus of the monitoring project. A poster was developed for the meeting to present the Integrity Pact pilot in Poland; the poster has been translated into Polish and posted on the project website.

Initial monitoring findings have been highlighted in an article by Grzegorz Makowski and Marcin Waszak published in the *Zamawiający* magazine.

The project website [paktuczciwosci.pl](http://paktuczciwosci.pl) is regularly updated to present the status reports, minutes of all meetings and correspondence between the Foundation and the Integrity Pact signatories.

## TI Bulgaria

The narrative report in Bulgarian language has been published [HERE](#), and in English [HERE](#).

During the reporting period Transparency International Bulgaria continued monitoring of the evaluation and selection phase and signing of contracts with the selected contractors in the procurement procedure for the Zheleznitsa tunnel. TI Bulgaria registered 'live' the key moments and events in relation to the tender in the dedicated 'monitoring' section on the project website. This allows interested persons to inform themselves real-time about the progress of the procedure.

Monitoring activities included the analysis of the documents uploaded on the website of the Road Infrastructure Agency (RIA, Contracting Authority), written correspondence with the Agency and two meetings with representatives of the Contracting Authority.

After the selection of contractors was finalised, the monitoring team invited all participants in the public procurement procedure to express their opinion about this stage of the tender. Representatives of the constructors did not come up with an assessment or voice any doubts as regards the objectivity of the decisions taken by the RIA. TI Bulgaria would not like to speculate on the reasons of the particular tenderers. Nevertheless, TI Bulgaria is of the opinion that yet another refusal by the private sector to voice its position raises more and more concerns not only about the actual functioning of the public procurement mechanism, but of the broader performance of the public sector and their compliance with fundamental market and democracy principles such as fair competition and freedom of expression, as it gives the impression of the existence of other, shady mechanisms for the distribution of public funds.

TI Bulgaria also followed the progress of the appeal of the ranking and selection of contractors before the Commission for Protection of Competition and the Supreme Administrative Court by one of the unsuccessful tenderers.<sup>4</sup> To be able to reach an objective opinion, we held a meeting with representatives of Aktor SA, Greece at the end of September 2018.

Within the procedures for contracts' signing, an unforeseen turn in relation to the selected contractor under lot 2 – the most complicated part of the tender, the construction of the tunnel in itself – should be noted down. The leading partner in the winner association, being involved in media speculations about malpractice with EU funds, and in response to the sharp reaction at the highest political level, declared that it would renounce the contract for the Zheleznitsa tunnel. However, these intentions were not formalised before the Contracting Authority within the reporting period, probably because of the ongoing appeal of the RIA decision as regards the selection of contractor for lot 2.

The multitude of intertwining factors in this situation were the focus of special attention by TI Bulgaria. Our team raised questions concerning different aspects of this issue before the Ministry of Regional Development and Public Works in its capacity of superior body to the RIA, before the Managing Authority of Operational Programme 'Transport and Transport Infrastructure' that provides the project funding, and the Public Procurement Agency that is responsible for overall supervision of public procurement procedures.

TI Bulgaria initiated a dialogue with the RIA and the Ministry of Regional Development and Public Works to clarify the reasons why despite the granted by the Commission for Protection of Competition and upheld by the Supreme Administrative Court preliminary execution of the decision for selection of contractors, the Contracting Authority did not take any action to sign a contract with any of the bidders for lot 2. At the end of November 2018 we held a meeting with the Minister of Regional Development and Public Works, which was attended by representatives of the Road Infrastructure Agency. It was clarified that despite the absence of a legal impediments, the RIA preferred, on grounds of expediency, to wait for the final dispute resolution by the Supreme Administrative Court. The monitoring team continued the monitoring of this case which had not been resolved by the end of the reporting period.

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<sup>4</sup> In the public register of the Commission for Protection of Competition there are two records containing a complaint against the Road Infrastructure Agency decision. According to information provided by the Contracting Authority, one of the bidders withdrew its complaint.

A detailed analysis and conclusions from the monitoring of the evaluation and selection of contractors phase will be presented in a monitoring report in 2019.

After publishing the signed contracts for lots 1 and 3, TI Bulgaria invited for yet another time the successful bidders to join the Integrity Pact. In view of the difficult communication with the private sector that our team experiences thereafter the cancellation of the first tender for Zheleznitsa, we sought for support from the biggest professional organisation in construction in the country. A representative of TI Bulgaria met the executive director of the Bulgarian Construction Chamber, who expressed principal support to the initiative. We will continue to strengthen the cooperation, which will be particularly useful in view of the indifference of the contractors.

In November 2018, TI Bulgaria took active part in the project's traditional annual stakeholder event. The event was organised jointly by Transparency International Secretariat and the European Commission and this time took place in Brussels, Belgium. Monitors, Contracting Authorities, contractors and public procurement supervision institutions from 11 Member States took part in the conference. Our representative was one of the panelists sharing lessons learnt from the pilot implementation of the Integrity Pact at European level.

## TI Czech Republic

This report covers the period from 1 July to 31 December 2018, taking into account all data, documents and other information that TI CZ has obtained regarding the public contract in question.



MINISTERSTVO  
PRO MÍSTNÍ  
ROZVOJ ČR

CONTRACTING AUTHORITY  
Ministry for Regional Development



CONTRACTOR  
• BDO IT a.s.



TRANSPARENCY  
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INDEPENDENT MONITOR  
• Transparency International - Czech Republic

### Public contract stages



So far, five monitoring reports have been published, which are available at <https://www.transparency.cz/pakty-integrity/>.

### Regular consultations

*October 2018:* Due to personnel changes on the part of the independent monitor, an informative meeting was initiated with both parties to the public contract (PC). In addition to sharing information on the current composition of the monitoring team, the meeting was also used to provide continuous information about specific areas on which the activity within the performance of the PC is currently focused and on which it will be focused in the coming months. It was general overview information related to the performance schedule. In connection with the duration of the PC validity expected by the contractor, it was stated that the continuous drawdown of the provided funds was faster compared to the original estimates. A specific estimate of the remaining number of months of performance implementation was not provided at this meeting. The information about the faster drawdown of funds was received by the independent monitor as a fact that it is not fully able to assess and verify but, based on the consent of the Contracting Authority and in the context of the ongoing six-month consultations (as set out in the IP) and outputs that were always found to be correct, this fact was accepted as justified.

*January 2019:* In connection with the six-month frequency of the monitored processes, the independent monitor initiated a consultation meeting of all parties to the Integrity Pact at the Contracting Authority's registered office. The Contracting Authority and the contractor informed the monitor about the milestones of the project activities of the past period (system architecture, release management, transition to the new presentation layer, MS2021+ preparation, and coordination of the teams, contractor and Contracting Authority), discussing the issue of handover and scope of documents related to the monitoring activities. In addition, a specific time estimate of the further duration of the project, or the validity of the contract in connection with the termination of the performance of the PC, was presented at the meeting. The estimate was approximately three months.

### **Assessment of documents**

The Contracting Authority promised to send a set of documents to the data box which document the content of the work falling within the period in question. Within two days, the set of documents was delivered to the independent monitor. In order to protect sensitive data, the Contracting Authority insisted that if the independent monitor required documents beyond the currently shared data set, it is possible to consult the requested additional documentation at the Contracting Authority's registered office to avoid the risks of misuse of the data provided. The independent monitor accepted this requirement of the Contracting Authority. In view of the possible sensitivity of data from the field of IT, within which the performance of the PC is implemented, the independent monitor considers the requirement to be justified. Since the Contracting Authority did not exclude disclosure of other materials, only limiting their accessibility to the reference form of sharing, this approach can be described as acceptable and in line with the obligations arising from the Integrity Pact. However, although the presence at the Contracting Authority's registered office and consultation of the required documents may lead to certain administrative and time demands (issuance of the necessary authorisation/power of attorney, arrangement of the visit date, time limit for consulting materials), this aspect can be overcome and, given the reasons for the limitation in the form of sensitivity of some data, it can be accepted.

### **Involvement of IT expert**

The public contract within which the Integrity Pacts pilot project is implemented, is very technically focused. Therefore, an external entity (Allstar Group) is contractually involved in the analysis of the documents provided, assessing the justification of the reported activities and operations in relation to the project objectives from a process-technical point of view. Having become acquainted with the documents, Allstar Group expressed its opinion, namely that based on the materials available BDO's activity is conducted well and is beneficial to the project. However, it provided TI CZ with a comment addressed to the contractor that they specifically the process of implementation of specific technical process (transition to a new presentation layer). The contractor's work statements did not clearly indicate the extent to which it addressed the supervision of the implementation of this process. Generally, however, this aspect was considered to be rather marginal and generally did not draw any serious partial discrepancies.

Although the involvement of an external expert entity is strongly recommended by TI CZ for the initial stage of the preparation of procurement documents, its involvement is also meaningful in the stage of the actual performance of the PC. Although the expert review is limited by the extent of the materials

provided and the position of the external entity outside the Integrity Pact model, the probability of detecting problematic aspects or capturing potential risks by an external expert entity is high, given the professionalism and expertise of the external entity in the field of IT.

#### Example of the materials to be analysed:

- Contractor's work statements
- State of the project implementation, including a specific range of work for a specific time period
- Implementation plan (transition to a new presentation layer)
- Framework analysis of requirements (the Contracting Authority in relation to the contractor)

#### **Communication between the contracting parties**

It applies for the monitored period of the Integrity Pacts pilot project that communication between the contracting parties is functional and seamless. Both the Contracting Authority and the contractor provide the required documents as quickly as possible (within days), respond to the contractor's feedback and engage in dialogue. Minutes are taken of each meeting that are reviewed by both parties, and the monitoring reports are shared on the website after they have been approved by both parties.

#### **Advocacy activities of Integrity Pacts**

An extensive article on Integrity Pacts was published in July in the journal *Veřejné zakázky v praxi* (Public Procurement in Practice), which deals with public investment from the perspective of both legislation and application practice. TI CZ's legal expert Anna Bugan provided the readers with a closer look at Integrity Pacts both in general and practical terms. The article dealt with the detailed characteristics of the contractual obligation, including the individual stages of project implementation, describing both examples from the world and the experience of the ongoing project. The conclusion of the text summarised the benefits of using the tool.

TI CZ dealt with the topic of risk and prevention of corruption in public procurement, including the presentation of the Integrity Pacts tool as part of the ongoing project supported by OLAF, at a regional seminar in the South Bohemian Region in October 2018, attended by representatives of South Bohemian branches of central authorities and local authorities in charge of public procurement issues.

In November, TI CZ explained the fair procurement issues to participants – Contracting Authorities – at a training seminar in the Pilsen Region, where we presented the Integrity Pacts mechanism in one of the blocks as one of the preventive tools to increase transparency, openness and integrity.

In the same month, a meeting of all the parties to the Integrity Pacts was held in Brussels. In addition to TI CZ representatives, the invitation was accepted by both parties to the monitored public contract (representative of the Managing Authority/Contracting Authority B. Fischerová from the Ministry of Regional Development and representative of the contractor M. Rút from BDO), who expressed their experience with the Czech Integrity Pacts pilot project within one panel. With regard to the number of participants and the reach of the event, it was a major international meeting with an emphasis on sharing international best practices.

A month later, TI CZ organised a round table discussion for representatives of Managing Authorities, Contracting Authorities and private sector representatives as part of the "Clean Contracting in EU Funds" project (funded by the contractor, IKEM). The tools and methods used to prevent corruption risks in public procurement in projects financed from EU funds were dealt with by L. Hoffmann-Axthelm from TI EU, who discussed the benefits of involving civil society in monitoring the public procurement process in his presentation.

TI CZ also focus on the benefits of Integrity Pacts in the forthcoming publication for Contracting Authorities, which will address the risk areas of the individual stages of the public contract life cycle and summarise the basic prerequisites for appropriate risk management from the point of view of national and EU legislation. Using examples, it will present to the readers some of the best practices that help minimise room for creating opportunities leading to manipulation or misconduct at individual stages of public procurement.

## **Negotiation about a new commitment of Integrity Pacts in the health care sector**

During 2018, TI CZ was invited to a discussion with representatives of the Institute for Clinical and Experimental Medicine (IKEM) on the possible implementation of the Integrity Pacts as part of the prepared public contract for the construction of two new hospital pavilions. IKEM is the largest specialised clinical and scientific research centre in the Czech Republic dealing with cardiovascular diseases, organ transplants, diabetes and metabolic disorders and is a contributory organisation managed by the Ministry of Health of the Czech Republic. The question of possible involvement of the Ministry of Health in the implementation of Integrity Pacts also became one of the points of a brief discussion between the Director of TI CZ, David Ondráčka, and the Minister of Health, which took place in the middle of 2018. However, no official opinion or promise of cooperation or co-financing of Integrity Pacts was achieved at the meeting.

The informative meeting with IKEM representatives, attended by the then representative of the monitor Ivana Dufková and Director D. Ondráčka, showed serious interest in the application of Integrity Pacts into the entire process of the prepared public contract, as well as in the involvement of Transparency International as an independent monitor. The interest was confirmed by the subsequent invitation of TI CZ representative by IKEM to an informative negotiation with a potential contractor – one of the largest Czech construction companies. The meeting was held as part of market research, and the presence of the TI CZ representative was later assessed by the Contracting Authority as beneficial particularly in terms of ensuring an independent monitor as a guarantor of proper and transparent negotiation at the stage of preparing and consulting the entire public contract. As of January 2019, the cooperation is at the stage of creating a document between IKEM and TI CZ in which the implementation of the Integrity Pact will be enshrined. This project will not be funded by DG Regio, but the monitor's (TI CZ) involvement will be funded by the CA (IKEM). The monitor (TI CZ) is not dependent on the CA funds in general, only the activities directly connected with the monitoring process and consultations will be paid for. The monitor (TI CZ) will follow the principles developed for the Integrity Pacts project. The cooperation of TI CZ (monitor) and IKEM (CA) will be based on the same principles as the current Integrity Pact.



## TI Greece

The tender for the anti-flood project was launched by the CA on 19 July 2018 through the online platform [eprocurement.gov.gr](http://eprocurement.gov.gr). Tender documents included the Integrity Pact signed on 20 April 2018 as well as the relevant Accession Form for bidders. Following the launch the TI Greece reached out to several associations connected to companies participating in public procurement processes (incl. [Association of Greek Contracting Companies](#) - SATE, [Panhellenic association of Engineers Contractors of Public Works](#)) in order to inform them of the Integrity Pact initiative.

The tendering process was completed on 5 September 2018 following a 4-hour extension of submissions due to technical problems on the procurement platform. Ten offers were submitted within the prescribed time limit and no objection filed against the tender.<sup>56</sup> The CA received three requests for clarifications, one of which referred to the Accession Form and its submission. TI Greece collaborated with the CA on drafting the answer with the aim to provide information that is more comprehensive to the participants. All clarifications were uploaded on the [eprocurement.gov.gr](http://eprocurement.gov.gr) platform, as foreseen by law. Along with the announcement of the list of participating bidders, TI Greece was informed that one bidder signed the Accession Form. The CA concluded the tender evaluation phase by approving the Evaluation Committee's minutes and the award of the contract to the bidder that submitted the lowest bid. The original budget was estimated by the CA at 12.2M € (taking into account unforeseen conditions and hidden costs such as relocation of existing utilities, archeology etc.) and the winning bidder offered an average discount rate of 58.98%, i.e. the contract will be awarded to the bidder with a total cost of 5.270.678,42 €, as stated in the decision issued by the CA's Financial Committee (decision 3065/23-10-2018). It is also important to note that 6 out of 10 offers submitted contained an average discount over 40% (over 4.9M €) of the budget estimated by the CA.

The CA is currently awaiting approval by the MA on pre-contractual audit in order to proceed to the signature of the contract. Subsequently the CA will review the contractor's updated supporting documents and after their validation is established, the contractor will be required to produce a performance guarantee letter, sign the contract and the IP accession form. The Regional Governor will then sign the contract. After the signature, all documents that are included in the project file will be available to TI Greece in order to conclude the monitoring process for the tendering phase.

In order to promote the IP throughout the reporting period and after the launch of the tender, the TI Greece held meetings with several stakeholders, such as SATE ([Association of Greek Contracting Companies](#)) which is one of the largest organisations representing contracting companies (meeting on 31 October 2018 that included presentation of the IP as well as possibilities for synergies), Vouliwatch (meeting on 19 October 2018 on open data sharing mechanism) and the Special Service of Institutional Support of the General Secretariat of Public Investment (meeting on 16 November 2018 that included presentation of the IP as well as possibilities for synergies). TI Greece received positive feedback from all stakeholders - they were hosted as speakers at the TI Greece Clean Contracting Conference (see below). SATE and Vouliwatch expressed interest in supporting TI Greece for the establishment of its Open Data Sharing Mechanism, as SATE has extensive experience in monitoring the progress of tenders for its members and Vouliwatch has vast experience in data visualisation.

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<sup>5</sup> With regard to number of objections compared to previous similar tenders, it is only possible to glean statistics from the 2017 Annual Report from the Public Tenders Review Authority (for the timeframe 26/06/2017 to 31/12/2017). The Authority received 421 appeals out of which 26% are against terms included in tenders and 66% against the selection process. However, these statistics are only for supplies and services contracts as until 31/12/2017 the PTRRA did not have competence to resolve disputes on pre-litigation proceedings concerning procedures for public works, studies and concessions.  
[http://www.aepp-procurement.gr/images/Archiki/AEPP\\_2017.pdf](http://www.aepp-procurement.gr/images/Archiki/AEPP_2017.pdf)

<sup>6</sup> With regard to number of bidders, it is not yet possible to compare this performance with previous tenders. That information is not available somewhere aggregated. It is necessary to search for similar tenders (budget, object etc.), look at each tender separately and find the relevant decisions of the Financial Committee where you can see how many participated, but you cannot extract credible statistics that way. This is something TI Greece want to do with their platform and it is not available in any platform that has info on projects. TI Greece discussed this with the MA on 12/02/2019.

The TI Greece also reached out to the Department of Graphic Design and Visual Communication at the University of Western Attica and explored the possibility of collaboration with the aim to render the whole initiative through a visual display by students. More specifically, the university tutor TI Greece contacted informed them that the collaboration proposal will be set in the agenda of the faculty's coming assembly and will be discussed with other tutors. Afterwards, a meeting will be held to identify the space of synergy according to TI Greece's needs and with its guidance. In any case, the expected collaboration is estimated to begin in September 2019, the start of the next teaching period.

At the same time, the project website ([www.integritypact.gr](http://www.integritypact.gr)) was following the tender's progress through the timeline page. Throughout the reporting period 928 new users visited the integritypact.gr website.

TI Greece also coordinated a Conference on 7 December 2018, on the occasion of the International Anti-Corruption Day. The idea was to dedicate the 11th Annual Anti-Corruption Conference of TI Greece to the vulnerable sector of public procurement with the aim to highlight the importance of transparency and accountability in procurement procedures - a vehicle that, if properly utilised, can make a real contribution to sustainable development in the country. The public event was organised under the auspices of the Region of Attica in the context of the joint efforts to raise awareness and promote tools that contribute to the fight against corruption.

The event consisted of three sessions: a) "Public procurement and legal framework – adequacy, applicability and challenges"; b) "Public procurement and citizens – transparency, accountability and participation: The 'Integrity Pact' and other initiatives"; and c) "Public procurement and the private sector – fair competition and corporate responsibility". The sessions brought together all interested parties, such as actors from the public procurement sector (i.e. governmental representatives, independent bodies), local authorities, businesses and CSOs to discuss about the importance of "clean" public procurement and social accountability. Recent developments in the European and Greek national legislation were presented as well as their practical application in the field of public procurement. More than 240 guests attended the event (representatives from Managing Authorities, auditors, lawyers etc.) and 148 additional viewers viewed the event through the online-streaming portal.

Some of the highlighted issues raised during the event were the great importance of fully implementing e-procurement as a tool for transparency in public procurement, stressing that this transparency is greatly enhanced by the introduction of e-pricing and electronic payment, the importance of the institution of self-cleaning in public procurement law, namely the voluntary adoption of compliance measures by a body which would normally fall under an exclusionary reason and the fact that bid rigging is a serious breach of competition and is particularly burdensome for the public. Low bidding was also discussed as it has been the main characteristic in tenders in the last years due to large reduction in the number of auctioned public projects. According to SATE over the three-year period 2015-2017, project tenders worth more than 2 million declined by 60% on an annual basis compared to the previous five years and the average discount rate of bidders jumped up to 56% from 39.8% between 2009-2014. The competition in this small number of tenders is massive and results in projects being awarded in many occasions at 10%-25% below cost, which in turn leads to lengthy or non-completion, questionable quality of construction works, use of cheap imported materials and equipment, lowest possible wages and insurance deductions, ambiguous quality of hygiene and safety conditions. A study in 2015 with the characteristic title "Cheap is expensive", showed that a number of projects worth more than 10 million EUR end up overcharged through additional/amended contracts and increased financial costs.

On the occasion of the Conference many stakeholders that are involved in public works' contracts reached out to TI Greece and requested to be included as speakers – even though all could not be included this event opened the door for future collaborations.

During the reporting period, TI Greece also produced promotional material (1000 bookmarks, one banner, folders and pens) which were handed out during the event as well as at bilateral meetings.

## 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 took place from January till October 2017 (see previous reports). In September and October, TI Hungary followed through the contracting process with the winning bidder. In 2018, the phase of execution of the contract took place.

Since this is a design contract, TI Hungary can only monitor the prepared documents: the feasibility study and the licensing designs. At the moment, TI Hungary are waiting for the Contracting Authority to hand these documents over. Also, the original contract was prolonged: the contractor requested a prolongation of 48 days due to the unfavourable weather conditions during the winter and spring months, which made it impossible to make drillings. TI Hungary were able to examine this contract prolongation – which contained the justification in detail. TI Hungary's engineer expert confirmed that the explanation for prolongation was well founded.

Following the elections in April, the government announced the revision of all motorway projects. TI Hungary tried to keep an eye on this revision procedure, contacting regularly the Managing Authority on this issue. Only in December, it became confirmed that the M6 motorway project continues.

### **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. In line with the original timeline, in November 2017, TI Hungary received the draft public procurement documents for the public procurement for works and conducted its review, providing several 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 due to the legal challenge of the environmental license; and an amendment of the legal provisions related to certain public procurement procedures.

By the end of 2017, the legal procedures were closed, and the NGO's arguments – questioning the necessity of the project – were dismissed by the court. Due to the amendment of the legal act, there was a need to amend the public procurement documentation.

Finally, the public procurement for works was launched on 17 August and the original deadline to submit the offers was 14 September. This was prolonged, as a result of several questions from the interested/potential bidders and the final deadline was 12 October. First, TI Hungary examined the published documents, which was in line with those that we commented a year earlier; and our – not so substantial – comments were adequately tackled. Then, TI Hungary followed through the bidding period, the questions of the potential bidders, and the replies to these. TI Hungary examined the three bids that were finally submitted for the call and participated in two Selection Committee meetings at the CA. TI Hungary had two follow-up questions related to certain changes in the tender requirement – however, with the effect of opening up competition more. At the moment, the winner has been selected but the contract has not been concluded yet, since the CA is waiting for approval from its supervisory ministry for a possible extension of its funding. (Even the best offer was slightly above the estimated budget, which can be justified by the fact that around two years passed between preparing the budget and finally launching the public procurement procedure.)

During this period, TI Hungary were also in regular contact with the Managing Authority, which keeps a close eye on the smooth operation of the project.

### **Social accountability work**

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

In November, on a Saturday morning TI Hungary visited the small town of Bóly, where the M6 motorway ends now, and from where it will be continued. TI Hungary met the mayor and several local citizens. This first introductory meeting was very informative to both sides. Although the CA did not

join TI Hungary, they provided recent information on the timeline and state-of-play of the project, in which the local citizens were really interested. They also had many more general questions on how EU funds are distributed and spent. From another perspective, TI Hungary learnt a lot on the effect of a motorway on the life of a small town – huge economic boom – and on the perspective and thoughts of the local citizens on the continuation of the motorway. The following short video sums up TI Hungary's findings (with English subtitles): <https://www.youtube.com/watch?v=cX4vb8GiCEA>

Also, a local online – independent – media outlet reported on the event, and used TI Hungary's quotes (and names) in several other articles written about the M6 motorway (see [here](#) and [here](#)).

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

On 4 December, TI Hungary met the local consortium partner of the CA in Nyíregyháza – a town close to the flood reservoir site – and the PR expert hired by the consortium partner. This meeting was also very informative, TI Hungary learnt a lot about the expected perception of the local citizens, and got a communication plan with the events and meetings planned by the CA with local citizens. TI Hungary agreed to prepare their own communication plan, based on the CA's, and to examine how TI Hungary can build on the CA's events. TI Hungary found important to discuss their ideas and plans with the hired PR expert in order to gain advantage on the synergies, and also because the preliminary social accountability plan of the CA looked very innovative and promising (based on previous experiences), for example, an extraordinary geography class in the schools in the concerned area.

#### **Monitoring, Evaluation and Learning exercise**

As explained in the previous report, TI Hungary contracted a sociologist who assists them in monitoring and evaluating the use of Integrity Pacts. He conducted several interviews and questionnaires with stakeholders, and prepared a study on his findings that was handed over in December. The study has very interesting and useful findings.

#### **Advocacy and experience-sharing**

In August 2018, TI Hungary participated in two major summer music festival, Sziget Festival in Budapest and SZIN Festival in Szeged. In these festivals TI Hungary had a tent during the day, where they were able to present their work – including their monitoring activity – in an interactive way – using quizzes and social games etc. – and also discussing with young people. In this way, TI Hungary reached around 500 young people – Hungarian and foreigners.

In November 2018, TI Hungary participated in the stakeholder event held in Brussels. TI Hungary's executive director facilitated a panel discussion, and their project manager participated in a workshop. Their partners of both projects also took part in this event, which gave TI Hungary an opportunity to conduct a less formal conversation with them.

TI Hungary also participated in three conferences abroad, where they talked about their experiences with the IP and also more generally with the use of EU funds. In September, TI Hungary's head of the public funds programs, also the project manager of the IP project, held a workshop in Berlin at an event organised by the European Academy for Taxes, Economics and Law titled "How to Handle Fraud in EU Funded Projects". In November, a conference was organised by the Romanian Legal Research Center in Bucharest, supported by OLAF, where a representative of TI Hungary made a presentation on the topic. Finally, in December, she participated in a panel discussion in Athens, at TI Greece's annual anti-corruption conference, the main focus of which was clean contracting. At these events, TI Hungary talked about the corruption risks related to the use of EU funds in general and the specific Hungarian situation, the possible tools CSOs have to fight corruption, among others Integrity Pacts in general. TI Hungary presented the EU-wide pilot project on IPs, the results so far, as well as the Hungarian experiences.

### **Progress in the adhesion to Integrity Pacts**

#### ARST Project – Cagliari tramway:

The firm that has been selected for the verification of the executive project has signed a “soft” version of the IP. It could not sign the original project IP since the public procurement was outside the monitored project.

#### **Monitoring activities (if already launched, number of monitoring reports published)**

Monitoring activities have gone ahead both in Cagliari and in Lombardy.

#### ARST Project – Cagliari tramway:

From July to December 2018, ARST kept the monitor regularly informed of the progress of activities by sending all the internal and external communications of ARST (27 documents in total were forwarded to the monitor).

The “Services Conference” (Local Authorities Planning Conference) took place on the 27 July 2018 and concluded positively on 28 August 2018. On 23 August 2017 all official results were sent to institutions with the monitor in copy.

ARST also shared with the monitor information on the selection of the evaluator for the executive project, that will be ready in the first months of 2019.

The start of the works execution is estimated in June 2019.

All the procedures turned out to be in accordance with the applicable legislation, though there is always a delay compared to the initial schedule.

The monitoring report of the post-procurement stage (which ended with the signing of the definitive project) was finalised and published in August 2018.

#### Lombardy Region Project – Technical assistance to the European Social Fund 2014-2020:

The contractor sent to the CA the second and the third three-month Progress Reports on 7 July (Progress Report February-March-April 2018) and on 7 October (Progress Report May-June-July 2018). The monitor examined them and recommended the CA to ask the contractor major details on staff reporting. Level of details of reporting is under discussion due to cost of implementation. Two meetings took place between the CA and the monitor, on 8 July 8 and on 9 October.

The first report of the execution phase was published on [www.monitorappalti.it](http://www.monitorappalti.it) at the end of July 2018 and the elaboration of the second report of the execution phase is on-going (foreseen at end of January 2019).

#### **Communications aimed at ensuring the transparency of IPs and of the project**

In the second semester of 2018, Transparency International Italia continues the campaign on the transparency of European funds, which has many synergies with the Integrity Pacts project. This involved a conference on 22 September 2018 within the Festival Smartcityness, where Transparency International Italia was among the speakers and presented the project in front of 24 people.

Before the conference, a workshop on civic monitoring was organised for citizens and six people participated.

The website has been regularly updated with all timeline changes. Specific posts have been published on the website about the results of the “Services Conference” of the ARST project and for the presentation of the School of Civic Monitoring in Cagliari (see below).

Several posts have been published across social networks in relation to events or general information on transparency in public procurement.

### **Social accountability activities (activities with the community concerned)**

#### ARST Project – Cagliari tramway:

The involvement of students of the high school of the Bacaredda Atzeni in Cagliari continued in November and December 2018. On 6 November 2018 three seminars were organised with three classes of 46 students in total: they became aware about transparency of information, open data and freedom of information rights through practically searching for information online, including information on the new tramway. They also mapped all shop keepers that will be interested by the works, that they interviewed on an on-site visit on 19 November.

In November and December another civic engagement initiative took place: a school of civic monitoring for citizens was organised in Cagliari with 22 participants throughout 4 meetings and an on-site visit. The schools included a presentation of the project and of civic monitoring tools, updates on the tramway public procurement by a representative of ARST, sharing of monitoring reports, workshops on mapping, legal monitoring, blogging and planning of the next monitoring phases.

Participants and teachers found the initiatives useful and wanted to continue them

### **Advocacy**

Transparency International Italia met representatives of ANAC (the National Anti-corruption Authority) on 4 September 2018 to update them on the project and explore the possibility of implementing other Integrity Pacts in Italy. The idea of a joint working group on the IP emerged, with the aim of collecting updates information of the development and impact of the “soft” version of IP in Italy.

Transparency International Italia carried out 13 training sessions for employees of Milan municipality involved in urban construction and the project of the IP was extensively illustrated. The Milan Municipality express their interest in implementing the IP and they would like to invite a representative of ARST to speak about their pilot in a public event in March 2019.

Transparency International also presented the IP project in a Summer School in Matera on 2 September 2018.

Within the Transparency International Business Integrity Forum (BIF) the IP project was mentioned and a light version of the IP for Small and Medium Enterprises was presented. The events were:

- Palermo, 19 September, BIF Road Show Stage 3, Anti-corruption Tools
- Milano, 12 November, Lombardy’s Transparency Day, Anti-corruption Tools, Study and Experience
- Roma, 14 November, UN Global Compact Network Italia, Anti-corruption workshop
- Milano, 20 November, BIF National Event, Annual activities
- Sao Paolo (Brazil), 29 November, Italian Business Integrity Day in Embassy with Minister of Foreign Affairs, Companies Integrity Initiatives
- Pisa, 7 December, Sant’Anna University Workshop, Anti-corruption Experience and Tool

## TI Latvia

### Monitoring activities

TI Latvia have experienced that the CA's willingness to extend their competences beyond the legal framework are low. TI Latvia have asked several times to use the CA's advertising platforms (buses, trams, bus stops etc.) in order to introduce the CA's plans and Riga Tram infrastructure project in general. The CA has not reacted towards this and verbally has explained that they are not obliged to according to the law. TI Latvia think that the CA has serious issues towards engaging and informing society.

TI Latvia have actively informed the society in social platforms about the project implementation stages. Due to the main project activities being linked with developing procurement documentation which cannot be disclosed to third parties, TI Latvia generated two reports<sup>78</sup> about information that was unclassified and linked with the project.

At the same time TI Latvia participated in all procurement commissions meetings, provided recommendations and independent expertise. In general, the recommendation exchange with TI Latvia and the CA were in MS Word "track change" format and the overall number of recommendations (including spelling, stylistic mistakes and suggestions by nature) exceeds one hundred within both - tram and construction procurements.

TI Latvia discovered unwillingness from the CA to accept several crucial recommendations (e.g. tram bogie type, previous experience, cash flow of the bidders etc.) which would increase the competition. TI Latvia also sent the information to the Procurement Monitoring Bureau and CFLA.

### Communication activities

During the press conference on 3 July, TI Latvia urged society to report on every possible wrongdoing if such information arises. Furthermore, TI Latvia once again presented the whistleblowing mechanisms and necessity to report. TI Latvia for the future also urged the CA to publish all available and disclosable information and to not hide crucial information under commercial secret's shield. TI Latvia had extensive social media activity around this press conference (see more on specific publications below).

On 12 December, the Corruption Prevention and Combating Bureau of Latvia detained the Chairman of the Riga Traffic Board and the Chairman of the Procurement Commission on the activities that took place from 2013 till 2016.

Currently TI Latvia explains to the public that the procurements investigated by KNAB have not been monitored by TI Latvia under the framework of the Integrity Pact.

### Social accountability work

The Riga City Construction Board issued on 7 December 2018 the construction permits for the project "Development of Riga tram infrastructure" implemented by Riga Traffic for all stages of the project without public discussion. Section 4 of the Construction Law indicates the necessity to observe the principle of public participation and Article 14, Paragraph 3, Clause 1 indicates that the Construction Board has the right to decide on public discussion of the construction idea before issuing a construction permit.

On 14 December 2018, TI Latvia sent a letter to the Riga City Construction Board asking to explain why no public consultation was held prior to the issue of building permits for the project "Development of Riga tram infrastructure".

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<sup>7</sup> <https://delna.lv/lv/2018/07/03/sarunu-proceduras-par-buvprojekta-izstradi-jaunas-tramvaju-infrastrukturas-posma-izbuvei-un-esosas-tramvaju-linijas-parbuvei-gaita/>

<sup>8</sup> <https://delna.lv/lv/2018/12/18/atbildigi-ir-rikot-publisko-apsriesanu/>

TI Latvia believes that making public discussion prior issuing building permits would be the responsible step towards the public from the Riga City Construction Board.

On 20 December 2018, the civic group “Graveyard friends” together with other activists organised a meeting about the tram line and its development in the graveyard. Delna took part in this meeting as the monitor about procurement that has been made and about permissions to start construction. TI Latvia contacted the CA and the winning bidder and asked whether they would participate in the meeting. TI Latvia did not receive feedback from the CA about their presence, but in the beginning the winning bidder agreed to be present. However, later on the winning bidder contacted the CA and did not arrive at the meeting since the CA was not coming and the company is “subordinated” to the CA by contract. The CA did not give any reasonable explanation for not attending the meeting. The CA needs to be more proactive in terms of communicating with affected communities and responsive to society’s interests in the further development of the project. TI Latvia at all times urges them to take steps in this regard.

## **Advocacy**

TI Latvia specifically invited not only the CA and Riga municipality, but all municipality companies in Latvia to introduce anonymous reporting mechanisms for companies participating in the procurement, so that they can announce their competition concerns. For example, where the procurement specification is too general or unreasonably detailed. Internal anonymous alerting systems should also be put in place and internal procedures developed to encourage officials to report suspicious activities either within the organisation or to the competent authorities. The introduction of such systems would help to obtain important information, detect and prevent violations of law. It would be equally important for procurement professionals and responsible officials to regularly participate in training on how to detect cartels.

Furthermore, TI Latvia has invited municipal and state companies to replicate the IP or at least include a competent external monitor to the procurement commission.

During this time-frame TI Latvia also continued to closely follow the Ministry of Development’s work around the Building Information System: a critical open data system that will enable better monitoring of construction projects during their implementation. Riga municipality did not wish to join this open data platform as they already have their own. However, there has been a recent change in the law that obliges every municipality to join this platform by end 2019. We continue to engage in this and support the Ministry in pushing it forward.

TI Latvia also actively participated in the Parliamentary meeting on EU funds where all MPs are present. It is important to be there and to present the IPs as awareness of the meeting in particular in the media is very high and it achieves widespread coverage. In addition, it ensures a broad spectrum of MPs are aware of TI Latvia’s work. The outcomes however can be said to be limited as the event is more high-level and less hands on.

TI Latvia participated in several conferences connected to pacts. In Portugal, Lisbon conference: Digital Transformation of Public Procurement. In the conference several topics addressed were relevant to the tool of the Integrity Pact and the challenges that we face. Main conclusions were that procurement digitalisation could bring more bidders to procurements and higher quality for lower price. All stakeholders (including NGOs) should be involved in digitalisation procedure.

In Basel, TI Latvia took part in the collective action conference 2018, where Integrity Pacts were presented and other relevant topics were discussed. Main conclusions were that Integrity Pacts should be used in procurements where there is the possibility of low participation (specialised business with low competition etc.) or in projects with big influence in society. Whistleblower tools if used properly can provide the company board with important information on wrongdoings in their company.

In July 2018, TI Latvia had a press conference where TI Latvia published and explained a report about construction plan procurement. Key findings and main conclusions were presented. TI Latvia, within this procurement, reported falsification of documents to the police. Main project stakeholders participated at the conference.





## TI Lithuania

To begin with, for the last six months together with their engineering (SWECO) and legal (JUREX) consultants TI Lithuania have been extensively involved in the monitoring activities of the project. TI Lithuania have reviewed technical projects and tender documents and provided comments and recommendations to the Contracting Authority. This monitoring experience once again proved that (1) it is important to involve the management of the CA in order to attract more attention to the importance of the quality of technical projects and tender documents; (2) providing the recommendations according to their significance was a successful exercise as it helped TI Lithuania to keep the focus on the most important recommendations; (3) due to the constant change of the documents and different stages of the procurement process, it is more difficult to measure the success of TI Lithuania's involvement than anticipated. However, together with the consultants TI Lithuania have managed to test a new approach and measure the amount of changes made because of their involvement (a comparison of published documents with the initial ones). This helped TI Lithuania to measure the success of their involvement – on average, the CA has successfully taken on board approx. 50 per cent (72 out of 145) of TI Lithuania's key recommendations provided for the tender documents. In addition, TI Lithuania have also started preparations of their monitoring reports: (1) reviewed the most important data from their interactions with the CA and hired consultants; (2) carried out a desk research of formats and tools used for presentation of monitoring reports.

TI Lithuania laid the founding stones for their social accountability activities: (1) reviewed and identified a list of groups of citizens – target groups for their interventions; (2) prepared a baseline questionnaire for affected communities; (3) prepared a model for the first workshop / public consultation with the affected communities; (4) discussed TI Lithuania's citizen engagement strategy with the team. In addition, TI Lithuania showcased the Lithuanian IP project to the followers of the RoadTrip project (more than 300,000 online users).

In addition, TI Lithuania have been continuously involved in drafting of the implementation acts on the Law on Whistleblower Protection (coming into force on 1 January 2019). It is already clear that the legislation will require the institutions to prepare and establish a safe reporting environment for their employees, thus this would allow TI Lithuania to strengthen their advocacy efforts for the better protection of whistleblowers and improvement of current reporting and feedback mechanisms at the Contracting Authority. As a result, TI Lithuania have prepared guidelines for the CA on the whistleblowing mechanisms which they plan to present to the CA in the beginning of 2019.

Last but not least, for the last 6 months TI Lithuania have continued their engagement activities with the external stakeholders (Public Procurement Office in Lithuania, TransparenCEE Network, OCP and CoST, among others) with the goal to better understand the latest trends in public procurement and citizen engagement in the region. Moreover, TI Lithuania attended a number of working group meetings on open data in Lithuania. These activities helped us better understand the different approaches and online tools used for public procurement monitoring in the region and think about the design and logic of the IP tool.

Last but not least, for the last 6 months we have continued our engagement activities with the external stakeholders (Public Procurement Office in Lithuania, community of social urbanists, Behavioural Insights Team, Open Contracting Partnership and CoST, among others) with the goal to better understand the best ways to effectively engage communities in monitoring activities, new trends and possible risks related to public procurement monitoring in the region.

## TI Portugal

On 24 August, TI Portugal were informed by the DGPC (Directorate-General for Cultural Heritage) that, in fact, the work at the Machado de Castro National Museum planned to pilot the Integrity Pact was considered ineligible within the scope of the application presented to the CENTRO 2020 Program (Notice nº CENTRO-14-2017, Domain - Sustainability and Efficiency in the Use of Resources), due to the fact that the Church of São João de Almedina does not fit into UNESCO Cultural Heritage in the Centro Region.

A few days later, on 11 September, TI Portugal received a note that, nonetheless, the remaining interventions that applied for funding - Alcobaça Monastery, Batalha Monastery and the Convent of Christ in Tomar - had been benefited and that therefore the implementation of the IP could be transferred to one of these projects, under the terms of the Collaboration Protocol signed between DGPC and TI Portugal in March 2017, and the Monastery of Alcobaça was selected.

According to the DGPC, the reasons for this choice are mainly due to the enthusiasm demonstrated by the Director of the Alcobaça Monastery, Dr. Ana Pagará, in the possibility of hosting the initiative, making it a privileged emissary of good practices among local stakeholders and other colleagues from European Cistercian abbeys.

The work in the Alcobaça Monastery contemplates two interventions, both object of monitoring in the frame of the IP project:

### **Construction Work Number 1 (MA01)**

#### Conservation of the west and north facades:

Conservation and restoration of the west and north facades, including maintenance of the coatings, preventive actions for the continuation of works in contiguous areas and to solve some diagnosed degradation phenomena.

The focus will be on the conservation and restoration of masonry, plastering, stained glass, window frames and locksmiths of the spans, as well as the reinforcement of the pigeon deterrent system and the improvement of access conditions and safety of the Monastery.

Expected duration: 365 days; Estimated cost: € 718.200,28.

### **Construction Work Number 2 (MA02)**

#### Renovation of the conventual port and shop:

The project includes the adaptation of the existing entrance room to the administrative services at the entrance and ticket office, the adaptation of the contiguous rooms in spaces for lockers, vending machines and audio-guide distribution and the adaptation of the Conclusions Room into a store with direct exit to the exterior as well as the requalification of the cloisters of the prison and D. Afonso VI.

Expected duration: 180 days; Estimated cost: € 367.518,91.

Because of this change, the DGPC had to submit a request for the replacement of the project to be monitored by DG REGIO, approved on 28 October 2018.

This approval was a necessary requirement for the formal signing of the Integrity Pact between TI Portugal and the DGPC, which occurred on 11 December 2018.

Before that, however, the implementation of the Integrity Pact in the Alcobaça Monastery had been referred to as a nuclear project for valorisation of the monument by the Deputy Director General for Cultural Heritage, Filipe Silva, at the III International Meeting of Cistercian Abbeys (23-24 November), to which the President of TI Portugal, João Paulo Batalha, was also invited to speak.

The signature of the Integrity Pact, as well as its dissemination carried out by the DGPC, are signs of the institution's commitment to the initiative, but above all the relevance of the implementation of this tool to increase transparency and the levels of trust of citizens in the management processes of public expenditure.

In addition, and taking into account the need to meet the established deadlines for the work in the Alcobaça Monastery and the implementation of the IP in Portugal, a technical meeting was held on 12 December in Alcobaça, bringing together, from DGPC, Filipe Silva (Deputy Director General), Ana Pagará (Director of the Alcobaça Monastery), Cecília Gil (Higher Technician of the Alcobaça Monastery), Ângelo Silveira and Elizabeth Carvalheira (Technical Department of Studies, Projects, Works and Inspection), Cesaltina Silva (Higher Technician), Sílvia Estêvão (Coordinator of the Internal Audit Unit), and from TI-PT, João Paulo Batalha (President, Coordinator of the Public Procurement Program), Karina Carvalho (Executive Director, IP Project Manager), Tiago Guerrero (Communication and Outreach Manager), Miguel Lucas Pires (Legal Expert) and Paulo Silva (Architecture Expert).

During the meeting was discussed, among others things, the IP Implementation strategy and its schedule, given that the DGPC technicians were preparing to start as soon as possible the preparation of the contracting procedure for MA02 - Renovation of the Conventual Port and Shop.

The intervention MA01 - Conservation of the west and north facades - will require, by legal determination, a review of the project and the approval of the Court of Auditors until it can be the object of a contracting procedure.

As was the case during the monitoring of Stage 1 of the procurement process - Needs Assessment -, also for Step 2 - Selection and Preparation of the Procedure -, DGPC volunteer to share all the documentation produced through the shared folder on the platform Tresorit, as well as clarify and elucidate the Committee of Experts about all that is deemed necessary.

At the same time as the preparation of the IP signature and monitoring activities, the TI Portugal team dedicated the last six months of 2018 to prepare the operation of the internal campaign, directed exclusively to the DGPC workers, with the aim of reinforcing the transparency and accountability, while increasing confidence in the DGPC and in its procurement processes.

This is relevant because:

- 1) Following the Recommendations of 1 July 2009 and 7 April 2010 of the Council for the Prevention of Corruption, the DGPC has in place a Risk Management Plan for Corruption and Related Offenses, updated in 2014, which is currently under review, which is expected to be completed in the first quarter of 2019;
- 2) In January 2015, the Code of Conduct for DGPC Workers was approved, complementing the Risk Management Plan for Corruption and Related Offenses;
- 3) In accordance with the Recommendation of the Council for the Prevention of Corruption of 1 July 2015, it is essential to improve the system for the prevention of corruption and related offenses, in particular through dissemination, awareness-raising and training activities to workers, which contribute to their effective involvement in a risk prevention culture.

Thus, has been defined as key initiatives of this campaign

- 1) To measure the perceptions and knowledge of DGPC workers regarding the phenomenon of corruption and related offenses through the application of a questionnaire,
- 2) To conduct a workshop with Service Directors (20) and Division Heads (11) to analyse and discuss the results of the questionnaire to employees, in order to map and evaluate the risks of Corruption and Related Offenses, with a special focus on public contracting,
- 3) To produce materials to raise awareness about Corruption Risks in Public Procurement and a good practice guide for internal use; and

- 4) To conduct a Roadshow of Good Practices in Public Procurement directed at the institutions supervised by DGPC.

The focus on training and raising the awareness of DGPC employees, also as an engagement strategy, seems fundamental, not only because they are doubly stakeholders of the IP project and community affected by public procurement, but particularly when the [DGPC Training Plan 2017-2020](#), while contemplating an investment of EUR 6.400 in dedicated training in the area of Public Procurement, does not include in the content package the prevention of corruption risks in this field, and allocates to only trainee potential specific training in Prevention of Corruption Risks, with a total investment estimated at EUR 210, i.e. less than 1% of the total allocation for the Governance and Public Management theme.

As a result of the implementation of the new General Data Protection Regulation, we were asked to prepare a proposal for a Personal Data Processing Contract defining the conditions under which TI Portugal would have the right to process personal data, within an online questionnaire implemented to measure the attitudes and perceptions of corruption, misconduct and mismanagement in the daily life of the organisation, especially in the field of public procurement – something that we have done. However, due to a higher determination, attributed to the DGPC, there was no agreement for the questionnaire to be applied to the global universe of employees - Service Directors (20), Heads of Division (11), Senior Technicians (306), Technicians (8), Technical Assistants (432) and Operational Assistants (68) -, limiting it to Service Directors and Heads of Division.

Since the assumptions underlying the application of the questionnaire, as well as the confidentiality of the responses and the expected results, were - according to us - subverted, TI Portugal decided to suspend its application. This means that it will no longer be possible to fully measure the perceptions and attitudes of DGPC workers, in particular the diversity of their ways of acting, thinking and feeling when confronted with corrupt behaviour.

In any case, we hope that the workshops with the first lines - no longer to discuss the results of the survey, but to map risks usually considered - somehow can support the identification of the level of knowledge and commitment of the universe of DGPC workers with the prevention and fight against corruption, to explore future intervention strategies, particularly in the area of training/awareness-raising.

In this same period, the communication and outreach strategy defined for the project was also pursued, supported in the communication tools commonly used by TI Portugal (social media, newsletters, TI PT website), in the tools created specifically for the IP project (printed materials, press releases, Facebook posts, blog posts, tweets) and in the preparatory work for the launch of a new IP website. This website is specifically built (already with a layout and content design) to consider the IP implementation in the Alcobaça Monastery. TI Portugal believe they can put it online in March 2019.

As a member of the OGP National Network, TI Portugal managed to include a commitment for strengthening transparency in Public Procurement in the first [OGP Portugal Action Plan \(2018-2020\)](#), following TI's and OCP's recommendations, including the identification by the competing entities of their business structure, with the disclosure of the effective beneficiaries under the terms of Law no. 83/2017 of 18 August, which established the Central Registry of Beneficial Owners, and the implementation of civic monitoring tools, specifically the IP.

In September, TI Portugal participated in a Workshop on preventing fraud and corruption in the European Structural and Investment Funds (ESI Funds) in Brussels, and it was a valuable exchange of information and experiences between anti-fraud practitioners from the European Commission, Managing Authorities from various Member States, and EU civil society. Although the agenda focused mainly on the experiences and expectations of Managing Authorities and auditors from different points of the EU, it provided useful information on resources and good practices that can be shared with TI Portugal's partner Contracting Authority – particularly relevant since they have a very small Internal Audit unit, that can benefit from these experiences by becoming more effective and capable. This also contributed to a healthy discussion on the role of civil society as a monitor of fraud and corruption risks, and how we can implement effective Integrity Pacts that complement – instead of duplicating – the controls and monitoring procedures already being implemented, both by contracting and Managing Authorities, on the national level, and the Commission, on the EU level.

The Conference on Digital Transformation of Public Procurement, in which TI Portugal participated in October, in Lisbon, was very important to acknowledge the efforts being implemented by EU and Member States' institutions in order to improve public procurement – namely in terms of digitalisation – as well as the challenges that remain or that appeared along the path. Speakers included representatives from public, private, and civil society organisations, and they informed (or reminded) all the participants that: 1) there are risks that need to be accounted for when developing and including artificial intelligence in public procurement procedures, regarding security and safety, human rights and legal aspects, jobs and education, among others; 2) the existing legal framework and EU directives are enough, all we need is that they are well implemented and applied across the Union; 3) guaranteeing good quality data, its availability in open format, and the compatibility of platforms are crucial aspects, and so is assuring further professionalisation and training of public actors; 4) three of the main issues with the digital transformation of procurement, for both public and private entities, are how to ensure the best way to exchange information with bidders, how to verify it, and how to work with existing data sets that are incomplete; 5) eventhough many startups are an exception, the digital transformation in the private sector is also a challenge – especially for organisations which do not participate in networks, and that don't share experiences – with procurement policies and procedures needing improvement, and skills and competences needing development; 6) the role of Non-Governmental and Civil Society Organisations – as well as of general citizens – is being considered by International Organisations (e.g. OECD), and studies have been made that include these stakeholders both along the public procurement processes and after services have been delivered.

## TI Romania and Institute for Public Policy

This report presents the following activities performed by Transparency International Romania (TI Romania) and the Institute for Public Policies (IPP) between July-December 2018:

- 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
- Advocacy

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

Considering the starting date of the projects “Increasing Geographical Coverage and Registration of Rural Property in the Integrated Cadastre and Land Registry System” of the National Agency for Cadastre and Real Estate Advertising and “E-Culture. Digital Library of Romania” of the Ministry of Culture and National Identity, during the reporting period most of the TI Romania and IPP activities focused on monitoring tender documents drafting and preparation. Both Contracting Authorities sent tender documents (contracting strategies, necessity notes, terms of references, contracts and framework contracts proposals and forms for bidders).

During the reporting period, several experts have been contracted or continued their work, as follows:

- Expert in the field of culture who made a report on the relevance to the needs of the cultural community and the public of the project “E-Culture. Digital Library of Romania”
- Public Procurement Expert (previously recruited) to support the project core team in monitoring procurement procedures
- 3 IT experts with experience in hardware and software procurement that carried out monitoring and drafted recommendations on the documentation developed by the team at the Ministry of Culture
- 2 cadastral experts who carried out the monitoring and drafted comments and recommendations on the technical specifications formulated by ANCPPI for the systematic cadastral registration procurement.

Several bilateral meetings were held to discuss how to work and the recommendations submitted for each of these documents to the Contracting Authorities.

### **Activities to communicate and promote Integrity Pacts**

In December 2018, the first Monitoring Report was launched, concerning the preparation of the project and the preparation of the tender documentation by ANCPPI.

Communication and advocacy activities for Integrity Pacts in Romania have been carried out at international level, once TI Romania representatives participated to Transparency International Members’ Annual Meeting (AMM TI) and at the International Anti-Corruption Conference (IACC 2018) held in Copenhagen, Denmark, in October 2018. Bilateral meetings with project partners have been held during the AMM. The IACC was an opportunity to speak about Integrity Pacts in Romania both in the informal time and during the workshops (e.g.: TI Romania presented how procurement big data available in Romania can be used in the context of IPs in Romania to determine outliers in procurement, where more monitoring attention should go.)

Moreover, several bilateral meetings to promote Integrity Pacts were organised with Members of Parliament, central and local public authorities (such as the Public Policy Unit within the Ministry of Regional Development and Public Administration, the Ilfov County Council, Botoşani City Hall, City Hall Constanţa, Iaşi City Hall, City Hall and Sibiu Local Council, Aiud City Hall, etc.). The first goal of these meetings is to inform these local decision makers about IPs and to convince them to consider IPs in their strategies to raise integrity in their institutions. The second goal is to mobilise them for advocacy on better regulation of public procurement, using both the IP experience and their experience.

## **Activities to assess and monitor the progress of the project**

During the reporting period, July-December 2018, the implementation of the project's Monitoring, Evaluation and Learning Plan continued. The monitoring carried out showed that the information level and openness was maintained at the level of the responsible authorities in Romania, especially at the level of the Contracting Authorities. These are interesting to increase the integrity of the public procurement, including through the use of an instrument to facilitate the participation of the civil society, as is the Integrity Pact.

An indicator of interest for the Integrity Pact and other procurement integrity tools was that representatives of the two Contracting Authorities working with TI Romania and IPP in Romania, respectively ANCPI and MCNI, participated in the event that brought together IP stakeholders in Brussels in November 2018.

TI Romania representatives and ANCPI representatives also participated in interviews and focus groups for the project Mid-Term Learning Review carried out by an independent evaluator and contracted by TI-S.

## **Advocacy**

In order to eliminate the risks in implementing the Integrity Pacts, during the reporting period the advocacy activities continued through dialogue with the National Agency for Public Procurement (ANAP) to promote at government level a Memorandum standardising, at least for pilot projects, how to implement Integrity Pacts.

However, although the government memorandum represents a commitment made to the European Commission by the Ministerial of the European Funds and the ANAP, no notable progress was made in approving the Memorandum. It was internally approved by ANAP, but was not submitted to the government for approval until December 2018. We continue to advocate for its adoption by the government.

In June 2018, Romanian procurement legislation was amended by an emergency ordinance. TI Romania has submitted a series of suggestions to amend this ordinance to lawmakers who received the regulatory act in September in an attempt to address some of the issues identified.

On the other hand, several meetings with local public authorities and parliament members were held, aimed at promoting Integrity Pacts and planning TI Romania partnership projects with local authorities, where local Integrity Pacts are promoted and piloted locally.



## TI Slovenia

### **Progress towards signing the IP**

Novo mesto general hospital signed the IP in September to finalise the talks regarding the IP implementation of its energy renovation.

### **Monitoring activities**

TI Slovenia conducted regular monitoring activities of works in Trbovlje. Namely this means that TI Slovenia and its experts are present at weekly coordination meetings with the ministry representative, selected bidder, oversight company, hospital's representatives and other stakeholders. From these meetings TI Slovenia receives regular information regarding project implementation and can make recommendations on the site, which can then be implemented immediately. This was found to be an effective way to be on board with all involved personnel, up to date with all developments and detect potential issues early on. On demand, special meetings or clarifications are made by involved parties in order to facilitate this monitoring process, which TI Slovenia considers good practice.

TI Slovenia also monitored the launch of the Novo mesto general hospital tender looking over the documentation and supporting documents.

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

TI Slovenia published the first monitoring report at the start of this reporting period and has communicated it to national and local media, while also sending it to key stakeholders for public procurement (oversight bodies, ministries).

TI Slovenia finished, edited and designed the second monitoring report that was published in late December 2018. Apart from that the website provided all updates for the project.

TI Slovenia also promoted the project by presenting it to law students at the faculty of law Ljubljana during their regular presentations at criminal law module. The project coordinator also participated in a roundtable involving clean contracting issues during the fifth annual Integrity Days TI Slovenia organises around the world anti-corruption day.

TI Slovenia also incorporated IPs into its Business Integrity Forum 2018 that focused on prevention mechanisms. The team lawyer presented the project and the energy renovation of Trbovlje hospital in the main part of the event, while PP expert held a workshop on procurement corruption risks in the second part. Participants were mainly business representatives, but also included journalists and oversight bodies' representatives.

### **Social accountability work**

TI Slovenia tried to further the work done in the previous reporting period by conducting workshops for hospital staff, but had to, due to small turnout, scale down the plan to only one workshop. TI Slovenia has tried several approaches for engaging the public more, but it appears that the lack of involvement of a significant number of people is recurring in Trbovlje. This will be a basis for reevaluating the approach for the Novo mesto hospital.

### **Advocacy**

A case study was launched before local elections in November that analysed procurement spending of municipalities and its impact on construction projects such as the one monitored. The study did not find a sufficient correlation between increased prices and spending of municipalities, but it did, however, confirm politically motivated investment cycles. The case study included recommendations for decision-makers, mainly to further the study of the area to determine what is the value-for-money of politically motivated investments, what is the correlation between politically motivated investments and municipal debt and what are corruption risks in this particular investments.