IMPACT CASES

INTEGRITY PACTS EU | Civil Control Mechanism for Safeguarding EU Funds

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ROMANIA – CADASTRE OF RURAL AREAS (1)

REVISING A CHALLENGING CONTRACTING STRATEGY

CONTRACTING PROJECT INFORMATION

Country	Romania
Project	[Cadastre of rural areas](#) ([RO](#))
Project description	Provision of technical assistance to increase land registration in rural areas in Romania, aiming to register about 5.758.314 hectares in 660 territorial administrative units/localities.
IP signature date	20/11/2017
Contracting authority	Agenția Națională de Cadastru și Publicitate Imobiliară (National Cadastre Agency, NCA)
Managing authority	Ministerul Dezvoltării, Lucrărilor Publice și Administrației (Managing Authority for the Regional Operational Programme)
Monitoring organisations	[Transparency International Romania](#), [Institute for Public Policy](#)
Procedures monitored	1
Contracts awarded	Several (framework contract)
Project stage	Implementation
Impact case categories	**(1) Promote better value for money** (2) Enhance transparency and accountability **(3) Foster project timeliness** (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

Romania faces a challenging backlog in land registration. The country's regulation on the matter mandates a lengthy and costly procedure, which deters registration, particularly in the poorest municipalities and rural areas. With the support of the European Union (EU), Romania's National Cadastre Agency (NCA) has revamped efforts to address the barriers stopping people from registering land and launched a new contracting project to recruit specialised firms to support rural communities throughout the process. Firms are expected to provide assistance for different tasks such as measuring land, reviewing existing legal records, compiling the preliminary land register, and following the formal procedure until the final approval of the local cadastre.

While the contracting project was based on earlier experiences, the NCA had to adjust it in line with market conditions at the time and address shortcomings of the previous contracts. Faced with this challenging task, they agreed to integrate an Integrity Pact (IP) into the project.

During the first stage, Transparency International Romania and the Institute for Public Policy (IPP) – acting as the IP's independent monitors – discussed tendering documentation and existing challenges with the NCA. The monitors provided recommendations that improved the contracting strategy and tendering documentation. Among these were:

- **Improving selection criteria in line with the project's needs and constraints.** The original project only considered price as the key criterion for selecting the winning bidders. TI Romania and the IPP suggested additional quality criteria. Since increasing the pace of the registration was critical, NCA added estimated completion time as a criterion for selecting the contractor.

- **Adding deterring contract penalties**. TI Romania and the IPP reviewed the drafting of contract penalties and suggested adding a penalty for implementation delays. They believed that this would foster a timely response to the needs of the different communities and beneficiaries. After some analysis, the NCA agreed on the proposal and added penalties in case of failure to meet contractual obligations according to the established schedule.

- **Securing General Data Protection Regulation (GDPR) compliance**. Since land registration is a sensitive issue and may imply collecting personal data, TI Romania and the IPP alerted the NCA about compliance with the EU's GDPR. The NCA and the independent monitors then reached out to the responsible authority in the country for personal data protection and scheduled a set of meetings. These allowed the NCA to review the tender and draft contract's provisions on this matter and avoid breaching data privacy regulation.

Thanks to the Integrity Pact implemented on the cadastre project in Romania, the contracting authority revised the contracting strategy that was proving to be challenging, improve the selection criteria in line with the project's needs and constraints, improve timely delivery by imposing deterring contract penalties, and ensure GDPR compliance, a sensitive issue in the field of land registration. This in turn **promoted better value for money** and **fostered project timeliness.**

ROMANIA – CADASTRE OF RURAL AREAS (2)

BRINGING THE MARKET CLOSER

CONTRACTING PROJECT INFORMATION

Country	Romania
Project	[Cadastre of rural areas](#) ([RO](#))
Project description	Provision of technical assistance to increase land registration in rural areas in Romania, aiming to register about 5.758.314 hectares in 660 territorial administrative units/localities.
IP signature date	20/11/2017
Contracting authority	Agenția Națională de Cadastru și Publicitate Imobiliară (National Cadastre Agency, NCA)
Managing authority	Ministerul Dezvoltării, Lucrărilor Publice și Administrației (Managing Authority for the Regional Operational Programme)
Monitoring organisations	[Transparency International Romania](#), [Institute for Public Policy](#)
Procedures monitored	1
Contracts awarded	Several (framework contract)
Current stage	Implementation
Impact categories	**(1) Promote better value for money** (2) Enhance transparency and accountability (3) Foster project timeliness (4) Increase access and participation of citizens **(5) Encourage competition and fairness** (6) Support institutional changes

IMPACT CASE

Romania faces a challenging backlog in land registration. The country's regulation on the matter mandates a lengthy and costly procedure, which deters registration, particularly in the poorest municipalities and rural areas. With the support of the European Union (EU), Romania's National Cadastre Agency (NCA) has revamped efforts to address the barriers stopping people from registering land and launched a new contracting project to recruit specialised firms to support rural communities throughout the process. Firms are expected to provide assistance for different tasks such as measuring land, reviewing existing legal records, compiling the preliminary land register, and following the formal procedure until the final approval of the local cadastre.

The project preparation began in 2014, and in 2016, Transparency International Romania and the Institute for Public Policy (IPP) started collaborating with the NCA, eventually becoming independent monitors.

By then, the contracting strategy had already been discussed and revised several times because interest for some of the project's lots and municipalities was low. For instance, of the 36 lots in the first tender, only 11 received an offer, and in the end, it was only possible to award a contract in seven.

TI Romania and the IPP noted that it was critical to engage with the market to identify solutions. They proposed **a market consultation** to reach out to the different firms in this field and discuss the incentives and barriers for their participation. Based on the information obtained, the contracting strategy could then be adapted to achieve better results.

Additionally, the monitors suggested **measures to grant transparency and fairness** during this process. Engaging with the market can be a sensitive issue in government contracting since public officials fear that their interactions are perceived as unfair or problematic. Having an independent observer supporting this activity can make the process more open and add incentives for private firms to participate and share relevant information.

After months of discussions and planning, the NCA conducted a market consultation at the end of 2019 and the beginning of 2020. It met with different firms and business associations and confirmed key issues. Crucial among them was the value of the price estimations for some of the lots, which were not high enough to grant enough profit to attract bidders. Also, it emerged that the payments calendar in each contract did not provide enough cash flow to contractors and generated delays. Based on this information, the NCA adjusted their estimations and increased the contract value for some lots by using savings from others and changed the deliveries and payment calendar in the procurement terms of reference. The effects were soon noticed. In the 2018-2019 tenders, 15 to 30% of the lots received an offer. In 2020, it increased to 40–50% of the lots.

Thanks to the Integrity Pact implemented on the cadastre project in Romania, the monitoring mechanism allowed the contracting authority to consult the market in a transparent way, markedly improving the companies' response to the tender. Monitors' involvement has **encouraged competition and fairness** on the project and promoted **better value for money**.

INTEGRITY PACTS EU'S IMPACT CASE 03

ROMANIA – CADASTRE OF RURAL AREAS (3)

PREVENTING CORRUPTION RISKS WHILE BUILDING INSTITUTIONAL CAPACITY

CONTRACTING PROJECT INFORMATION

Country	Romania
Project	[Cadastre of rural areas](#) ([RO](#))
Project description	Provision of technical assistance to increase land registration in rural areas in Romania, aiming to register about 5.758.314 hectares in 660 territorial administrative units/localities.
IP signature date	20/11/2017
Contracting authority	Agenția Națională de Cadastru și Publicitate Imobiliară (National Cadastre Agency, NCA)
Managing authority	Ministerul Dezvoltării, Lucrărilor Publice și Administrației (Managing Authority for the Regional Operational Programme)
Monitoring organisations	[Transparency International Romania](#), [Institute for Public Policy](#)
Procedures monitored	1
Contracts awarded	Several (framework contract)
Current stage	Implementation
Impact categories	(1) Promote better value for money **(2) Enhance transparency and accountability** (3) Foster project timeliness (4) Increase access and participation of citizens (5) Encourage competition and fairness **(6) Support institutional changes**

IMPACT CASE

Romania faces a challenging backlog in land registration. The country's regulation on the matter mandates a lengthy and costly procedure, which deters registration, particularly in the poorest municipalities and rural areas. With the support of the European Union (EU), Romania's National Cadastre Agency (NCA) has revamped efforts to address the barriers stopping people from registering land and launched a new contracting project to recruit specialised firms to support rural communities throughout the process. Firms are expected to provide assistance for different tasks such as measuring land, reviewing existing legal records, compiling the preliminary land register, and following the formal procedure until the final approval of the local cadastre.

NCA opted for a contracting strategy in the form of a framework agreement. They split the different areas into lots, and firms were expected to bid for them and be awarded an initial contract. After completing it, additional contracts could be awarded again to the same firm without needing a new tender to continue the work in the same lot, progressively expanding land registration services in the area.

In addition to its advantages for managing multiple contracts and easing the administrative burden, another reason for choosing such a strategy was the limited number of firms in this market. Framework agreements provide certain controls to negotiate in advance certain characteristics and maximise value for money. However, working in a niche market with few firms also means working in an environment with additional risks for undue influence and corruption.

In such cases, firm owners and staff are often closely connected to local cadastres offices and authorities since their services are hired mainly by government authorities. There is also the "revolving doors" effect, where former cadastres' employees leave to create their own firm or work for one. Such connections could be used to obtain preferential treatment or sensitive information. Transparency International Romania and the Institute for Public Policy (IPP) – as the project's independent monitors – detected this risk and **commissioned a specialised journalist to investigate potential conflicts of interest** surrounding the different contracts and the firms in the market.

While the investigation did not uncover any legal conflict of interest, it provided additional information about where the risks could be higher. Aside from the revolving door issue, it also showed that some officials and professionals in this market have multiple relationships. Some have known each other since they received their training and specialisation, and others have worked together on past projects. Some of them are even related.

Based on the findings, TI Romania and IPP proposed a series of **measures to prevent any undue influence** and paid particular attention to monitoring of implementation and completion of contracts. For example, NCA agreed on a two-step verification process to review that works were completed in accordance with the contract, first by the local cadastre and later by the NCA. The monitors also provided **training to different cadastre offices** to improve their understanding of the risks involved. This contributed to raising awareness and increasing local authorities' ability to handle these situations and comply with national legislation. Up to date, there have been no reports of irregularities of such nature.

Thanks to the Integrity Pact implemented on the cadastre project in Romania, the monitors were able to seek expert support in identifying corruption risks, and ensure the knowledge is preserved by training

contracting authority staff. Monitors' involvement has **enhanced transparency and accountability** of the project and **supported institutional changes.**

ROMANIA – CADASTRE OF RURAL AREAS (4)

OVERCOMING IMPLEMENTATION CHALLENGES

CONTRACTING PROJECT INFORMATION

Country	Romania
Project	Cadastre of rural areas (RO)
Project description	Provision of technical assistance to increase land registration in rural areas in Romania, aiming to register about 5.758.314 hectares in 660 territorial administrative units/localities.
IP signature date	20/11/2017
Contracting authority	Agenția Națională de Cadastru și Publicitate Imobiliară (National Cadastre Agency, NCA)
Managing authority	Ministerul Dezvoltării, Lucrărilor Publice și Administrației (Managing Authority for the Regional Operational Programme)
Monitoring organisations	Transparency International Romania, Institute for Public Policy
Procedures monitored	1
Contracts awarded	Several (framework contract)
Current stage	Implementation
Impact categories	(1) Promote better value for money **(2) Enhance transparency and accountability** **(3) Foster project timeliness** (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

Romania faces a challenging backlog in land registration. The country's regulation on the matter mandates a lengthy and costly procedure, which deters registration, particularly in the poorest municipalities and rural areas. With the support of the European Union (EU), Romania's National Cadastre Agency (NCA) has revamped efforts to address the barriers stopping people from registering land and launched a new contracting project to recruit specialised firms to support rural communities throughout the process. Firms are expected to provide assistance for different tasks such as measuring land, reviewing existing legal records, compiling the preliminary land register, and following the formal procedure until the final approval of the local cadastre.

In the form of a framework agreement, the project's contracting strategy split the contract into multiple lots to increase the number of firms working at the same time in different areas and municipalities of the country. In practice, this meant that the NCA had to track performance and contract enforcement with multiple entities – contractors and local authorities – at different times. Adequate supervision is essential in assessing which firms should be awarded subsequent contracts.

The project's monitors – Transparency International Romania and the Institute for Public Policy (IPP) - noticed the challenge and approached the NCA to discuss how to **improve their communication with the contractors and keep better track of the different contracts**. Initially, the NCA held monthly meetings with all contractors simultaneously, which later changed to smaller meetings with groups of contractors. The start of the COVID-19 pandemic also added a new layer of complexity, and meetings were postponed.

Turning the obstacle into an opportunity, TI Romania and IPP encouraged the NCA to reorganise and improve the meetings. After consideration, the contracting authority decided not only to limit the number of participants but also to group firms with similar projects, either in size or development stage. The adjustments have shown positive results. Communication with the different firms became regular, and the NCA had better control of the project's contracts implementation.

Later, monitors saw that local political factors started to affect the compilation and approval of local cadastres. In some municipalities, local politicians – such as mayors – were using issues emerging from measuring land and proving ownership as personal leverage, particularly in times close to elections, and slowing down the process to approve the local cadastres and conclude the corresponding contract.

To address the risk, the monitors proposed joining the NCA as observers and in some municipalities. According to the rules, the mayors of these jurisdictions are responsible for holding a public discussion and can object to the local cadastre's approval. External observers act as a third party and can objectively assess the situation when necessary. The monitor's presence proved helpful to keep political factors at bay.

Thanks to the Integrity Pact implemented on the Cadastre project in Romania, the contracting authority improved their communication with contractors and managed to keep better track of contracts. The improvements **enhanced transparency and accountability** in the project, as well as **supported project timeliness**.

ITALY - LOCAL DEVELOPMENT IN SICILY

UPHOLDING THE LAW, SECURING INTEGRITY

CONTRACTING PROJECT INFORMATION

Country	Italy
Project	[Local development in Sicily](#) ([IT](#))
Project description	EU-funded regional development initiative that brings together twenty-one municipalities in the region of Sicily to address different issues in the areas of energy efficiency, education, and welfare for seniors in rural areas. The initiative, called "Resilient Madonie: Laboratory of the Future, " comprises numerous investments. Amapola monitors only a selection of them.
IP signature date	8/4/2019
Contracting authority	Unione Comuni Madonie (Union of Madonie Municipalities, UMM)
Managing authority	Regione Siciliana (Sicilian region)
Monitoring organisation	[Amapola Progetti](#)
Procedures monitored	4
Contracts awarded	1
Current stage	One procedure is being implemented (first stage) Three procedures are in the planning or pre-tendering stage
Impact case categories	(1) Promote better value for money **(2) Enhance transparency and accountability** (3) Foster project timeliness (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

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

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

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

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

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

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

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

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

ITALY - RESTORATION OF THE ARCHAEOLOGICAL SITE OF SYBARIS

ADJUSTING THE CONTRACTING STRATEGY

CONTRACTING PROJECT INFORMATION

Country	Italy
Project	[Restoration of the archaeological site of Sybaris](#) ([IT](#))
Project description	Development of an archaeological park in the site of Sybaris, which will allow visitors access to a recently discovered Roman-era religious temple, along with the renovation of its existing museum. The site is located on the Gulf of Taranto, in Southern Italy.
IP signature date	29/12/2016
Contracting authority	Segretariato Regionale del MiBACT Calabria (Regional Secretariat of the Ministry for Cultural Heritage, Activities and Tourism in Calabria)
Managing authority	Ministero dei beni e delle attività culturali e del turismo (Ministry for Cultural Heritage, Activities and Tourism, MiBACT), now Ministero della Cultura (Ministry of culture)
Monitoring organisation	[Action Aid Italia](#)
Procedures monitored	3
Contracts awarded	3
Current stage	Implementation
Impact categories	(1) **Promote better value for money** (2) Enhance transparency and accountability (3) **Foster project timeliness** (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

Italy's Ministry for Cultural Heritage, Activities and Tourism (MiBACT) manages archaeological ruins, museums, and other historic buildings. In addition to their cultural value, these sites are also relevant for the development of neighbouring communities. If well preserved and maintained, they attract visitors, drive up the demand for services in the area, and foster growth and employment.

To support regional development, MiBACT's Regional Secretariat in Calabria decided to develop further an archaeological site in the South of the country called Sybaris. Recent excavations uncovered the ruins of a Roman-era temple, and adjustments and improvements were deemed necessary to attract visitors.

The project – supported by EU funds – implied interventions in two areas: the archaeological site, called *La Casa Bianca,* and the adjacent museum and exhibition space. Making them suitable for visitors required contracting specific construction and renovation works and a series of services to provide guidance and information to visitors, such as signs and multimedia installations.

To enhance transparency in the awarding and execution of these contracts, MiBACT decided to integrate an Integrity Pact (IP). Action Aid Italy joined the project as the monitoring organisation.

In the early stages of the project, MiBACT Calabria decided to carry it out in two steps and to award first the contracts for the works. Later, the rest of the services would be procured using the *Acquisti in Rete* platform. In this online marketplace, authorities buy or loan goods and services directly from pre-qualified suppliers. Considering the kind of services to be contracted and the functioning of such a procurement platform, it would be unlikely to find a single contractor that could provide all services alone.

While reviewing the planning documents, Action Aid Italy **pointed out the considerable challenges in following such a contracting strategy**. MiBACT Calabria would have to coordinate up to seven different contracts with multiple firms to secure that these were following the same visual identity and using the same or compatible materials or formats. Such an amount of work would increase the chances of delays and prolong the implementation of the project. Moreover, it increased the risk of affecting the experience of visitors negatively.

To simplify the process, the monitor **suggested merging the different service contracts into one tender**. Although it would be difficult to find a single contractor that could provide all services alone, the burden of coordination and delivery would be placed on the contractor side. It is common in public contracting that a firm acts as an integrator of different services or that a group of firms join as a consortium to provide their services jointly and win larger contracts.

MiBACT Calabria continued discussing the strategy with other authorities and ended up following Action Aid Italy's recommendation, merging all services into one tender. Additionally, the tendering phase was opened to any supplier (open procedure) and managed by Italy's National Agency for Inward Investment and Economic Development (Invitalia), a public entity that links the needs of innovative services and investments with entrepreneurs and start-up companies. Invitalia advertised, promoted, and carried out the tender for the museum and exhibition space services and awarded the contract last March 2020. A second tender for the archaeological space was also prepared.

Thanks to the Integrity Pact implemented on the restoration of the archaeological site in Italy, the contracting authority revised the contracting strategy by merging various service contracts into one, thus making the strategy more appropriate for the required services. This is turn **promoted better value for money** and **fostered project timeliness.**

SLOVENIA – ENERGY RENOVATION OF HOSPITALS

PAYMENTS & CONTRACT ENFORCEMENT

CONTRACTING PROJECT INFORMATION

Country	Slovenia
Project	[Energy renovation of hospitals](#) ([SI](#))
Project description	Renovation of the energy systems of the Trbovlje and Novo Mesto General Hospitals to reduce energy consumption and improve energy efficiency.
IP signature date	24/11/2016
Contracting authority	Ministrstvo za zdravje (Ministry of Health)
Managing authority	Služba Vlade RS za razvoj in evropsko kohezijsko politiko (Office for Development and European Cohesion Policy)
Monitoring organisation	[Društvo Integriteta](#) (Transparency International Slovenia)
Procedures monitored	2
Contracts awarded	2
Current stage	Completed
Impact categories	(1) Promote better value for money **(2) Enhance transparency and accountability** **(3) Foster project timeliness** (4) Increase access and participation of citizens (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

Slovenia's Ministry of Health has set in motion a project to renovate the energy systems of the hospitals it manages across the country. The renovations are part of the green transition and aim to reduce energy consumption, costs, and CO2 emissions. Such measures are an integral part of the EU's plans to lower energy consumption and are on the rise in renovations of government-managed facilities – such as schools and hospitals.

In the past years, some of these projects have been financed with EU funds, as is the case for the renovation of two general hospitals in Slovenia, Trbovlje and Novo Mesto. With the European Commission further supporting a [renovation wave with the recovery funds and through the European Green Deal](#), examples of civic monitoring in this field are essential to protecting these funds from mismanagement, fraud, and corruption.

In Slovenia, Transparency International Slovenia signed an Integrity Pact with the Ministry of Health. Acting as an independent monitor, it provided recommendations and support throughout the process to award and implement the contracts to renovate the two hospitals, starting with a review of tender plans. The independent monitor of an Integrity Pact normally reviews the tender documentation and suggests adjustments to improve its quality and grant transparency in the process.

In some cases, however, issues with the contract only emerge once the implementation starts. This was the case of the Trbovlje hospital renovation. The contract had specific conditions to disburse payments progressively, as the works were being carried out. These had been reviewed by the monitor, who found them to be in line with the established regulation and the nature of the project.

However, during the implementation, some doubts emerged.

The contractor calculated and requested a payment for materials and equipment already acquired for the renovation but not yet installed. According to the contract, the calculation could not cover those costs yet.

The Ministry of Health spotted the mistake and, aiming to prevent any escalation of the issue with the company providing the service, requested an opinion of TI Slovenia to confirm an adequate interpretation of the payment rules.

The monitor revised the case, and after considering the provisions in the contract and the conditions established for the payments, it agreed with the Ministry of Health's position and shared its opinion. The **payment was then officially postponed until the materials and equipment were installed**, and the contractor did not challenge the decision. Payment followed once the materials were used in the renovation works and the equipment installed according to the project plans.

To prevent any similar situation in the future, the Ministry of Health continued to pay attention to this matter and put a system in place in which the oversight engineer confirmed the materials were in line with the contract specifications and adequately installed before any payment.

Thanks to the Integrity Pact implemented on the energy renovation project in Slovenia, the contracting authority was able to receive second opinion on their interpretation of the law and strengthen its position in relation to the contractor. This is turn **enhanced transparency and accountability** and **fostered project timeliness.**

PORTUGAL - RENOVATION OF THE ALCOBAÇA MONASTERY

ONE REVIEW ROUND. TWO TENDERS IMPROVED.

CONTRACTING PROJECT INFORMATION

Country	Portugal
Project	Renovation of the Alcobaça monastery (PT)
Project description	Conservation and renovation work at the Alcobaça Monastery, a UNESCO World Heritage site, in Portugal. It contemplates work aiming to preserve the west and north facades of the building, as well as renovating the entrance portico and its visitor's shop.
IP signature date	11/12/2018
Contracting authority	Direção Geral do Património Cultural (Directorate General of Cultural Heritage, DGCH)
Managing authority	Comissão de Coordenação e Desenvolvimento Regional do Centro (Centro Regional Coordination and Development Commission)
Monitoring organisation	Transparência e Integridade, Associação Cívica (Transparency International Portugal)
Procedures monitored	2
Contracts awarded	2
Current stage	Implementation
Impact case categories	(7) **Promote better value for money** (8) Enhance transparency and accountability (9) **Foster project timeliness** (10) Increase access and participationof citizens (11) Encouragecompetition and fairness (12) Support institutional changes

IMPACT CASE

Portugal's Directorate General of Cultural Heritage (DGCH) is the government entity responsible for managing the country's architectural heritage. It guards buildings with historical, artistic, or scientific value, some of which also host cultural venues such as museums. Therefore, DGCH invests on a regular basis in maintenance, renovation and preservation works. Most of the time, these imply contracting external and specialised services.

DGCH sought to integrate an Integrity Pact (IP) in their procurement processes and review how it could enhance transparency and accountability. They were also interested in exploring whether it would achieve better value for money, as the budget allocated for its work tends to be limited and highly dependent on EU funds.

Transparency International Portugal joined DGCH in the IP as the independent monitor, and in a short time set up a collaborative and trusting relationship. TI Portugal had the opportunity to observe and support DGPC starting with the process of securing EU funds and took part in the discussions about which project would benefit from the monitoring. In the end, the contracting authority and the monitor agreed on conservation and renovation works at the Alcobaça Monastery, a UNESCO World Heritage site, in the region of Centro. The project was split into two interventions, one focusing on conservation works of the site's west and north façades (MA01) and the other on the renovation of the monastery's entrance and the museum's shop (MA02).

DGCH's team of experts had already devised the renovation plans for the Monastery, so the works to translate them into a contracting project started soon. The MA02 intervention was the first one to be developed. TI Portugal reviewed the tendering documentation and provided a set of recommendations that was later turned into different adjustments, including:

- **Reviewing the criteria to define the price and cost of the intervention** based on the analysis of similar contracts performed in the last three years.

- **Clarifying the deadline for the execution of the works**, in line with the country's public procurement code.

- **Limiting the possibility of replacing technical staff** nominated as part of the original proposal to prevent bidders from proposing experts without having a formal collaboration agreement or contract.

- Including **criteria for awarding the contract in case of a tie-break**. The criterion set was a lottery method.

When reviewing the second intervention's tender documentation (MA01), TI Portugal observed that the changes previously discussed were implemented in this tender as well. The benefits of proposed adjustments, therefore, were carried over to the second procedure, keeping the quality and consistency of the supporting documentation and speeding up the tendering process. Moreover, these recommendations had also an effect on the development and supervision of the construction works, in line with DGCH's expectations and the overall impact foreseen for the monastery.

Thanks to the Integrity Pact implemented on the renovation of the Alcobaça Monastery in Portugal, the monitoring mechanism allowed to improve tendering documentation, **promoting better value for money and fostering project timeliness**.

INTEGRITY PACTS EU'S IMPACT CASE 09

BULGARIA - CONSTRUCTION OF THE ZHELEZNITSA TUNNEL

BOOSTING CITIZEN ENGAGEMENT

CONTRACTING PROJECT INFORMATION

Country	Bulgaria
Project	[Construction of the Zheleznitsa tunnel](#) ([BG](#))
Project description	Design and construction of a 2 km tunnel along Struma motorway (part of lot 3.1), near the village of Zheleznitsa in Bulgaria.
IP signature date	16/10/2017
Contracting authority	Road Infrastructure Agency (RIA)
Managing authority	Ministry of Transport, Information Technology and Communications
Monitoring organisation	[Transparency International Bulgaria](#)
Procedures monitored	3
Contracts awarded	3
Current stage	Implementation
Impact categories	(1) Promote better value for money **(2) Enhance transparency and accountability** (3) Foster project timeliness **(4) Increase access and participation of citizens** (5) Encourage competition and fairness (6) Support institutional changes

IMPACT CASE

The ongoing construction and modernisation of the Struma Motorway in Bulgaria is an important piece of the connectivity puzzle – for the country as well as the EU. The road carries the heaviest volume of traffic of any route crossing Bulgaria in the north-south direction and provides citizens with easy access to the large cities in the country's western part. The project has considerable strategic importance for the region, with the motorway providing an access to the Aegean Sea through Bulgaria.

The Road Infrastructure Agency (RIA) is managing this complex project and has divided the construction into different lots. One of them (lot 3.1) foresees a construction of a two-kilometre tunnel, passing between the municipalities of Blagoevgrad and Simitli, named after the closest village – Zheleznitsa.

Transparency International Bulgaria monitored the corresponding public contracting procedure, divided into three different contracts. Despite the multiple delays during its planning, tendering, and awarding stages, it is currently under construction and is expected to be completed in 2022.

To boost citizens' engagement, TI Bulgaria **designed and launched an online reporting tool** called _Tunnel.report_. They aimed to **collect all feedback relevant to the implementation of the project from citizens**, especially the affected communities living nearby. Using the tool, people can share various observations, including reports about potential breaches to the contract, and submit questions. They can also upload images and geo-references, as well as report anonymously. TI Bulgaria has promoted it through different channels, including social media and a billboard.

While the reports received so far have not indicated any breaches of the contract or other wrongdoing, the tool has successfully channelled citizens' doubts and concerns regarding the project to the RIA. For instance, one citizen asked about how the village of Zheleznitsa would be connected to the new highway. Another one was interested in safe passages for the local fauna and the measures to protect the different species in the area. A couple of reports expressed concerns about safety measures because of rains and landslides observed in the construction sites.

Through TI Bulgaria's tool, citizens found a channel to reach out to RIA, share their doubts and concerns, and receive answers to their questions. In all cases, the monitor collected input from RIA – either written or verbal – and published online a response to each question received.

Thanks to the Integrity Pact implemented on the Zheleznitsa tunnel project in Bulgaria, the contracting authority boosted citizen engagement and answered local population's burning questions. In doing so, they **enhanced transparency and accountability of the project**, as well as **increased access and participation of citizens.**

HUNGARY – M6 HIGHWAY

MAXIMISING COMPETITION AND SAVINGS

CONTRACTING PROJECT INFORMATION

Country	Hungary
Project	M6 highway (HU)
Project description	Construction of a 25 km stretch in the M6 motorway in Hungary between the towns of Boly and Ivandarda (a border crossing town), connecting to the A5 motorway in Croatia
IP signature date	26/10/2016
Contracting authority	Nemzeti Infrastruktúra Fejlesztő Zrt (National Infrastructure Development Corporation, NIDC)
Managing authority	Innovációs és Technológiai Minisztérium (Ministry of innovation and technology)
Monitoring organisation	Transparency International Hungary
Procedures monitored	2[1]
Contracts awarded	2
Current stage	Implementation
Impact categories	**(1) Promote better value for money** (2) Enhance transparency and accountability (3) Foster project timeliness (4) Increase access and participation of citizens **(5) Encourage competition and fairness** (6) Support institutional changes

[1] The monitoring for the second procedure ended in January 2021, since the contracting authority decided to not finance the construction works with EU funds.

IMPACT CASE

Hungary's National Infrastructure Development Corporation (NIDC) is a state-owned company which builds and renovates the country's motorways and highways. Its work is critical to Hungary's integration to other economies in the EU and to fostering an increased exchange of goods and services. In line with this mandate, the corporation is extending the M6 highway 25 km to the south. When completed, the highway will connect to the A5 segment in Croatia and provide a new international link to the wider Balkans.

Public contracting projects in the infrastructure sector face increased fraud and corruption risks. There is significant evidence that construction projects, in particular, are associated with additional incentives and opportunities for the misappropriation of funds or the award of contracts to politically connected entities in exchange for bribes or campaign contributions.

Embedding an Integrity Pact can contribute to the adequate planning, awarding and implementation of a construction contract. This is why the Ministry of Innovation and Technology (prev. Ministry of National Development), NIDC and Transparency International Hungary agreed to partner under the Integrity Pacts EU initiative.

The contracting project was structured in two stages, consequently leading to the award of two different contracts. The first consists of the design of the highway and the second of its construction. During the planning of the first contract, TI Hungary **analysed the financial estimations and concluded that the value of the contract was not accurate**.

The expert engineer supporting TI Hungary's monitoring work identified that the original value of 1.5 billion HUF (€4.9 million) was inconsistent with similar projects. TI Hungary gathered the information and evidence provided by the technical expert and proposed NIDC to lower down the contract's value to 1 billion HUF (€3.2 million). After presenting the case, NIDC provided further references mentioning that there was an additional level of complexity in this case and that more studies to analyse the soil would be required. Both parties revised the estimations again and agreed to lower the contract value to 1.3 billion HUF (€4.2 million).

Additionally, TI Hungary also provided **recommendations regarding the selection criteria**. Initially, these were narrower, potentially reducing the chances of participation and competition. For instance, NIDC was considering requesting a firm fully specialised in highway design (100%). TI Hungary proposed that other types of roads could be included, lowering the minimum experience in highway design.

In the end, NIDC received three bids from five bidders (one proposal from a consortium) and awarded the contract for an amount which was closer to the adjusted estimate. The contract was completed, and the highway is now being built according to the delivered design.

Thanks to the Integrity Pact implemented on the M6 highway project in Hungary, the estimated value of the project was revised and corrected, and selection criteria were amended. This is turn **promoted better value for money** and **encouraged competition and fairness**.