

INTEGRITY PACTS – CIVIL CONTROL MECHANISM FOR SAFEGUARDING EU FUNDS

Narrative report from civil society monitors: January – June 2021

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 18 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. We are doing this using a tool we call the Integrity Pact in collaboration with 15 local civil society organisations¹ and funded by the European Commission. Here are the reports from the civil society organisations for the period January-June 2021.

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EXECUTIVE SUMMARY

The project entered its closing year and is set to meet the project's objectives. The reporting period January – June 2021 was characterised by important milestones, such as the publishing of a decision-maker guide towards the inclusion of Integrity Pacts in the new EU programming period, advocacy efforts at the national level, and a stronger online visibility of the project. In parallel, the monitoring of the 18 IPs has continued at a steady pace with some setbacks that were promptly addressed.

As of end of June 2021, out of the 18 Integrity Pacts being implemented, 4 were successfully accomplished – the technical assistances in Czechia and Italy, the hospital renovation in Slovenia, and the M6 highway in Hungary. The monitoring of the tramway construction in Riga was terminated in previous reporting periods. In addition, the works on the railway modernisation in Poland are in an advanced stage, but an ongoing dispute over the hand-over certificate maintains the Integrity Pact active. Most of the remaining monitored project are in their implementation stage with several others planned to be finalised in the next reporting period (such as the monastery renovation in Portugal and the museum in Italy). Only one Integrity Pact is progressing at a slower pace – the e-catalogue project in Romania. In this case, the tender previously published in December 2020 was withdrawn and will need to be published once again.

The project confirms how the role of independent monitors is not only important to safeguard public procurement from fraud and corruption, but also to contribute to important policy and legal reforms at the national level. During this reporting period, TI Greece, TI Lithuania, TI Slovenia, TI Bulgaria, TI Romania and TI Portugal actively participated in consultations for new draft laws, procurement acts, new national anti-corruption strategies, and openly discussed policy gaps with decision-makers. Partners advocated for more transparency in the management of public resources.

As the project is nearing its end, the focus shifted towards the extraction of project learnings, their dissemination to EU and national decision-makers, and the increase of advocacy efforts. The case in point is the Integrity Pacts brief *Safeguarding EU-funded investments with Integrity Pacts: A decision-maker's guide to collaborative public contracting monitoring*, which was a joint effort by TI-S and project partners. The brief collects the first learnings from the project and aims to help EU authorities embed Integrity Pacts in their programmes in order to safeguard strategic investments under the Multiannual Financial Framework 2021-2027 and recovery funds. After its publication in March in 16 languages, TI-S coordinated an advocacy campaign with project partners at the national level. In parallel, the Strategic Brief was a useful resource for the European Commission to sharpen the negotiations with EU Member States of their partnership agreements and operational programmes. Finally, in the first months of the year, DG REGIO and TI-S held separate meetings with partners from Italy, Slovenia, and Bulgaria to analyze project learnings and viable approaches for scaling-up the pilot in these countries.

In the current reporting period significant progress was achieved on a number of key activities that will close the project. The package of learning and knowledge products is being prepared at a fast pace: key information from monitored projects is being collected and analysed, impact stories on the most emblematic learnings are taking shape, the board game *Tender Defender* is being finalised, and the works for a new innovative red flags EU platform have begun. To accompany the launch and dissemination of these important deliverables, a communication campaign foresees for the second half of the year several European, national, and closing events, the publishing of web features, blogpost, and case studies presenting key aspects of the monitors' work, coupled with a strong presence on the European and national level.

Status of monitored projects

The following graphics illustrate the changes in the status of monitored projects during the reporting period. The progress of the monitored projects is graphically represented on a scale from dark green (the most advanced stage) to orange (the tender preparation of the monitored procurement) and grey (the terminated IP).

Status of monitored projects as of 31 December 2020

TI Czech Republic	TI Italy / ESF	TI Slovenia	SBF Poland	TI Portugal	TI Italy / Cagliari rail	TI Lithuania	ActionAid	TI Greece
Completed			Implementation					
TI Bulgaria	TI Hungary / Reservoir	TI Romania & IPP / Library	TI Romania & IPP / Cadastre	RAS	Amapola	TI Hungary / M6	TI Romania & IPP / E-Catalogue	TI Latvia
Implementation						Contract signature	Tender published	Terminated



Status of monitored projects as of 30 June 2021

TI Czech Republic	TI Italy / ESF	TI Slovenia ¹	TI Hungary / M6 ²	SBF Poland ³	TI Italy / Cagliari rail	TI Lithuania ⁴	ActionAid ⁵	TI Greece ⁶
Completed			Implementation					
TI Bulgaria	TI Hungary / Reservoir	TI Romania & IPP / Library	TI Romania & IPP / Cadastre	RAS	TI Portugal ⁷	Amapola ⁸	TI Romania & IPP / E-Catalogue	TI Latvia
Implementation							Preparation of the selection process and launch of tenders	Terminated

Most of the monitored projects are in their implementation stage. Independent monitors are therefore contributing to monitor the provision of services and goods according to the contractual obligations signed between contractors and contracting authorities. As the graph below shows, the final timeline of the monitored projects is becoming clearer. By the end of the project in December 2021, it is expected that 10 projects will be

¹ Project implementation completed, TI-Slovenia currently monitoring the project's ex-post evaluation.

² On 26 January 2021 the CA informed TI-HU about the decision to finance the construction of the M6 highway from national budget instead of EU funds, so TI-HU concluded the monitoring activities.

³ The construction works are reaching their conclusion, but ongoing negotiations between the CA and the contractor over the payment of unfinished subway works might extend the coverage of the Integrity Pact.

⁴ Three out of six tenders monitored by TI-LT are concluded.

⁵ One of the four tenders monitored by ActionAid is concluded.

⁶ The CA will terminate the contract with the current contractor and will invite the remaining bidders (in bidding order) to accept and sign a new contract. If that process is not successful the project will be re-tendered.

⁷ The first tender (renovation of the monastery door and shop - MA02) is concluded. The second tender (conservation and restoration of the west and north facades - MA01) is under contract implementation, expected to be concluded by July 2021.

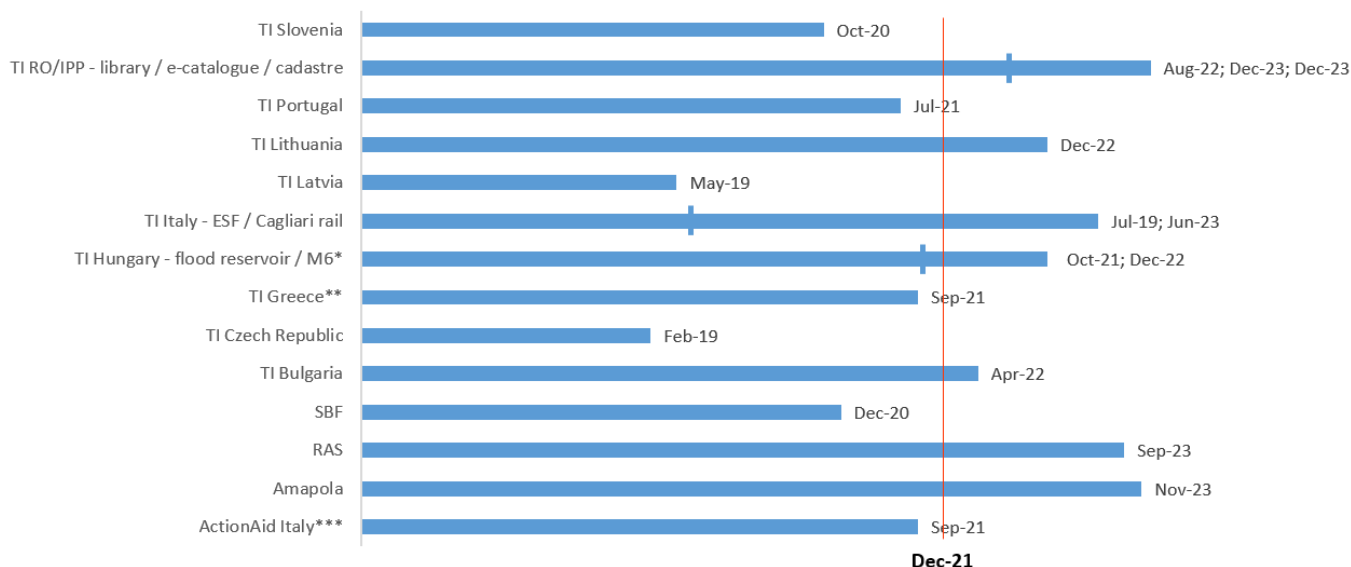
⁸ The executive project design of the biomasses intervention is in the implementation phase.

concluded, although some not throughout the whole reporting period (i.e. the monitoring of the M6 highway in Hungary has finished at the contract award phase).

There are important developments that took place in the current reporting period that are worth mentioning. In **Poland**, there is currently a negotiation between the contractor and the contracting agency on the validity of the hand-over certificate. This negotiation is important, because the completion of the certificate will also officially conclude the Polish integrity pact. Currently the negotiation was not resolved, therefore the work of the independent monitor is still active. In **Hungary**, the government decided to finance the works for the construction of the M6 highway through national funds. As a consequence, the signed integrity pact is no longer valid and in place. The project monitored in **Greece** is in a delicate situation. The Ministry of Infrastructure and Transport accepted both claims filed by the Contractor (ministerial decisions issued for the cessation of works – 24/5/21 - and for the dissolution of the contract-8/6/21). The CA is moving forward with the termination of the contract with the current contractor and will invite the remaining bidders (in bidding order) to accept and sign a new contract. If that process is not successful, the project will be re-tendered (the termination of the contract has not been published yet). In any case, it is very unlikely that the independent monitor will be able to follow the implementation of works. Finally, in **Romania** the tender for “The Integrated System for School Management” (the e-catalogue) suffered a set-back. Despite the tender being published in December 2020, it was later withdrawn after receiving comments from the National Public Procurement Agency in the ex-ante control process. In this case, TI Romania and IPP continue cooperating with the contracting authority and following the developments of the tender publication.

Allowing maximum transparency and information sharing on the monitoring activities remains a high-level priority for the IP monitors. In the current reporting period, three monitoring reports were made publicly available: 2 reports for the local development in Sicily and one for the flooding prevention system in Greece. Detailed information on each of the monitored project can be found in Annex 2 of this report.

Estimated duration of projects monitored as of 30 June 2021



*The monitoring of the M6 project concluded in January 2021

**The project will be rescheduled

***One tender will be rescheduled

Monitoring activities

Intervention in the Archaeological Park

The call for tender related to the lot 2 for services is still waiting for the decree to enter in a contract. ActionAid do not have news about the time of issuing. As the project is going to end, they think they will not be able to monitor that procedure (see also information log n° 43).

The execution plan needs to be updated as it was decided to no longer create a room of the Museum dedicated to the White House excavations. Meanwhile, the Sybaris' Museum and Archaeological Park have become an autonomous institution, so that it needs new parameters to be compliant with: visual identity, criteria for the exhibition. Moreover, the services and the supplies provided by the II lot have to be updated based on the different technologies currently available.

Intervention in the National Museum

The second lot for services started on the 7th of January after some changes in the execution project, dealing with the new graphic identity and different exhibition criteria required by the Museum as in the 2020 it became an autonomous institution. Moreover, some adjustments in the multimedia to be realised were needed. In fact, some progresses in digital technology have been realised since the year 2016, when the execution project was approved. Particularly, the pandemic requires to avoid any touch screen, so a new kind of technology has to be applied to the multimedia, based on a remote sensor of movement to allow the visitors to interact with the multimedia without touching them. The execution phase should have finished on the 2nd of June, but the pandemic slowed it so the deadline has been put off on the 15th of September (see also information log n° 44).

After the end of the pandemic restrictions, ActionAid have scheduled a field visit together with the technical advisor to assess the progress of the lot 2. During this field visit, ActionAid also will meet some representatives of the Contracting Authority and the Museum's Director to establish how to organize the final event, which will be a guided tour in the Museum to show the new exhibition and multimedia to the public. This will take place after the end of the works (see above).

Activities to communicate and promote integrity pacts

In January, ActionAid participated in an interview by Professor Carmela Barbera of the University of Bergamo aimed to collect information on the Italian experiences of civic audit. There has been also a dissertation that re-arranged and extended the results of that survey⁹.

On the 17th of May, ActionAid did a lesson about the Integrity Pacts and transparency in public contracting at Sapienza University (Rome).

A short article about the main clauses of the Sybaris' Integrity Pact was published on TI Italy's website¹⁰.

ActionAid participated in the completion of the board game on the public procurement together with the Italian partners and TI-S: the Italian version will be published online by mid-July; the English version will follow in August.

Social accountability work (working with affected communities)

Unfortunately, the pandemic prevented ActionAid to do field visits and slowed the works for the completion of the intervention 2 (Museum). Nevertheless, ActionAid succeeded in engaging people through online interactions: they organised two online meetings to agree the bullet points to be discussed in a final event in-person together with the two Sole Responsibles for the monitored procedures. Particularly, the main topics of interest by the affected communities have been:

⁹ Title: Caratteristiche, attori, processi e impatti dell'Audit civico: analisi comparata di alcune esperienze italiane; Author: Milena Costantino.; Faculty: UNIVERSITÀ DEGLI STUDI DI BERGAMO, Dipartimento di Scienze Aziendali, Corso di Laurea Magistrale in Economia aziendale, direzione amministrativa e professione (Classe n. LM -77 – Scienze economico – aziendali).

¹⁰ <https://protect-eu.mimecast.com/s/pzA7C1j0lSkMoQkFLHGbh?domain=transparency.it>

- A final evaluation of the works realised by the monitored interventions, particularly a live discussion with the Sole Responsible about the participative assessment of the informative panels realised in the Archaeological Park thanks to the intervention 1 (see the previous narrative report). This debate may be very useful as some informative panels are being realized for the new Museum's exhibition thanks to the intervention 2;
- The development of the Archaeological Park and Museum, as they are now managed by an autonomous administration. Particularly this topic deals with the improvement of the communication strategy, the difficulties in accessing the area from the main road, the resolution of the yearly flooding of the area and the conservation of the monuments.
- Civic monitoring, particularly how to keep engaging affected communities in the management, promotion and development of the cultural heritage of this area.

Regarding the last two points, ActionAid asked the Museum Director to join the debate with the affected communities, even if he is not directly involved in the Sybaris' Integrity Pact.

Advocacy

ActionAid joined an online meeting with the DG Regio representatives to talk about how pushing up the integrity pact 2.0 in the next programming period. After that, together with Amapola and Transparency Italy, ActionAid produced a brief report with the main lessons learned piloting the IP in Italy and some proposals to spread the use of the integrity pact 2.0.

ActionAid have shared a summary of this proposal with Paolo Esposito, the new director of the Italian Agency for Cohesion Policy during a meeting that took place on the 30th of June: he may create a direct link with the Managing Authorities of the Operational Programmes of the next European budget period (they have not been appointed yet).

COVID-related activity

The legal analysis of the changes in the national procurement code due to the "Simplification Decree" (provisional law aimed at making public procurement procedures faster) was closed in March. The related survey that involve the public officers responsible for the Transparency and Anti-Corruption plane of the Italian Municipalities is going on. The survey will be closed in mid-July.

Monitoring activities

Monitoring reports were published at the beginning of January for both energy and education procedures.

With regard to energy, monitoring continued across three areas:

1) Executive design for the construction of biomass platforms (AIMA19).

The executive design of the plants is underway. This design is taking longer than expected due primarily to two issues that have emerged:

- following the first design layouts, the technical firm that won the contract⁵ and was assigned the executive design, pointed out how the available budget was insufficient to achieve what was planned (6 plants for the valorisation of biomass). This is entailing continuous exchanges with the Contracting Authority to find a design solution that meets the Framework Programme Agreement in which the intervention is included and simultaneously remains within the budget (3 million euros). Currently, the solution identified is the construction of 3 plants to be combined with 3 support platforms to optimise productivity and storage.
- the need for an expropriation procedure (useful for the location of one of the plants) not foreseen for which, therefore, a budget item was not envisaged in the intervention sheet part of the Framework Program Agreement of the Inner Area Strategy. This anomaly was generated prior to the stipulation of the Integrity Pact in the phase in which the sites for the location of the platforms were identified. Amapola presented a formal request to the CA at the beginning of June, to be able to examine in depth how this could happen. They are still waiting for a reply.

2) Energy efficiency procedure for street lighting (AIMA17B).

The CONSIP tender⁶ was finally awarded for the Sicily lot after almost a year of waiting. However, at the time when negotiations should have begun for the drawing up of an efficiency contract, the Contracting Authority came up against two issues that made this type of contract incompatible with the intervention envisaged by the Area Strategy:

1 – CONSIP is reserved for local authorities that own the systems: it has emerged that the same ESCo contractor owned hundreds of lighting points among those that would have undergone the energy efficiency intervention.

2 – the CONSIP framework agreement is protected, and the contractor company cannot do anything that is not included in the specifications of the tender itself.

In light of these factors (the second of which was already outlined in the legal opinion that Amapola had provided to the Contracting Authority in July 2020), the Contracting Authority, fell back on a procedure for energy efficiency works with internal planning, renouncing the public-private partnership with planned investments of 2 million euros and effectively halving the value of the intervention as provided for in the Framework Program Agreement (4 million euros). The Sicily Region (Managing Authority) accepted this re-planning, setting a deadline for the delivery of the project on 30 June 2021. This deadline was not met for reasons concerning the health of the designer and the overlapping with other projects such as the one for the energy efficiency of public buildings. Amapola is monitoring the evolution of the situation and the reactions of the Region as managing authority.

3) Procedure for the energy efficiency of buildings (AIMA17A): in recent months Amapola has followed the progress of the executive design (involving a total of 21 buildings in 21 different municipalities), in particular it is monitoring an issue related to an opportunity for co-financing interventions given by public incentives available to public administrations, which apply for it, for energy efficiency interventions in their buildings: these incentives have allowed the planning of the interventions for a higher economic value than that provided by the Framework Agreement of the Area Strategy. The value of the incentive changes in percentage, depending on the type of building and intervention and is applicable only to the member municipalities of the Union⁷. This has required a revision of the overall economic frameworks resulting in longer planning times.

In addition, given the complex elements involved in this intervention (21 interventions in 21 municipalities that also imply 21 contractors), Amapola is analysing what could be the key issues to be resolved in order for this intervention to be truly monitorable and adhere to the highest standards of transparency as required by the Integrity Pact. At the moment, the planning should be completed within the month of July and then sent to the Sicilian Region for approval and subsequent issuance of funding decrees. Amapola intends to send its recommendations in due time in order to safeguard the provisions of the Integrity Pact and to define a cluster of procedures that can be monitored and governed.

With regard, instead, to education, Amapola had to manage a breach of the monitoring agreement.

1) Procedure for the selection of experts for the implementation of the Local Education Offer Plan (AIMA01).

The Contracting Authority published the tender in mid-April without the Integrity Pact and without notifying Amapola about the start of the procedure. This failure made it impossible to rectify the tender and it was only at its conclusion that Amapola learned of the absence of the Integrity Pact. Amapola reacted by immediately convening a meeting with the contracting authority (ReSMA, the school network of the Madonie Area). On 31 May, Amapola met with the president and the representatives of the CA who took responsibility for what had happened and having ascertained the merely material nature of the error, Amapola agreed to continue with the monitoring activity for subsequent tenders, sharing a new way of proceeding based on shared step-by-step communication. The unmonitored tender resulted in the selection of only one out of the 5 experts sought, as no candidates applied for the others, thus requiring the publication of a new tender. It was agreed with the Contracting Authority that Amapola would propose to the expert who won the selection to sign the Integrity Pact upon signing the contract. Despite all this, a month later, the error concerning the non-inclusion of the Integrity Pact among the tender documents at the time of publication of the call for tender was repeated. The Contracting Authority promptly noticed this and cancelled the publication. This led to a new discussion with the Contracting Authority on the importance of monitoring all the steps linked to the publication of calls for tender. At the end of June, the Contracting Authority shared the documents with Amapola before publication, scheduled for early July. An update of the monitoring reports is scheduled to be published in July and August.

Activities to communicate and promote Integrity Pacts

In May a dissemination campaign on the project was launched through social media channels. Assisted by a communication agency, Amapola published a landing page on its institutional website with direct links to the project website for a dissemination activity that included: serial publication of posts on Facebook and Instagram based on an editorial calendar that contains the awareness of the project issues, the dissemination of the results of Amapola's work, and the promotion of the Integrity Pact. In addition to this there are 3 short videos on the YouTube platform and a series of advertising spots to guide users to visit the project pages on Facebook, YouTube and Instagram. The campaign will continue until the activities are concluded.

In June, an influential magazine in the sector (La Via Libera) published in its online version, an extensive article on the Integrity Pact and the results Amapola obtained in monitoring the procedure for the executive design and direction of works for the biomass intervention through the exclusion of the awarded contractor for breaching the Integrity Pact, also confirmed by the winning of the appeal to the TAR (Regional Administrative Court) presented by the excluded company (which was mentioned in the last report).

Social accountability work (working with affected communities)

In February and until the end of March, two parallel civic monitoring workshops were held in two classes of the middle school of Castellana Sicula. The meetings (8 in all) were held completely remotely due to the limitations in force for the containment of the pandemic, by using video conferencing as the main communication tool. Between the months of April and May, the students produced their monitoring reports and on the first of June, they presented them in the council chamber of the Municipality of Castellana Sicula to the authorities and the local press at a public event organised by Amapola and the school management.

Advocacy

Regarding the activities related to the COVID-19 pandemic, Amapola, along with the other Italian partners has worked on the planning of a deliverable on the recent changes to the procurement code, focused on streamlining procedures, of which it is necessary to understand the consequences in terms of risks to the integrity of the contracts themselves, especially in light of the new programming of European funds. In the first months of the year, an expert coordinated by Transparency Italia prepared a legal analysis of the regulatory changes. Along with this, to have an evaluation of the impact of the regulatory simplifications on the Contracting Authorities, it was decided to combine a survey to the Italian municipalities, coordinated by Amapola, to understand whether or not these "simplifications" have accelerated the procedures and how much they have been applied so far. Initiated in April, more than 80 municipalities participated thanks to the great effort made in contacting the officials of the individual local authorities. The results will be published in September.

ROMANIAN ACADEMIC SOCIETY

Monitoring Activities

In February 2021, RAS continued work on the curricula for the training on transparency and integrity in public procurement, which was finished in June 2021. The training for economic operators took place in late June at the Volo Hotel in Bucharest. In total, 8 participants were present, from Civitta Strategy (2), ACZ Consulting(5) and IRES(1). Godmother SRL was not available in that period, so a second session is being considered for autumn. Training was tailored to the findings from the needs assessment survey, and placed emphasis on real-world examples and good practices, as well as what participants could do practically when confronted with potential integrity problems. The first day of training focused on procedural matters and documentation, drawing on the experience of the trainer and noteworthy cases from their personal background. The second day included sessions on transparency, confidentiality, data protection, and contestation of bids, whereas the third day was a less technical and more philosophical discussion about public integrity, conflicts of interest, ethics and whistleblowing. A representative from the National Integrity Agency (ANI) accepted RAS' invitation and presented the PREVENT system, which the institution uses as an early warning to act before integrity breaches can occur. Feedback from participants was overwhelmingly positive.

In April 2021, MA OPAC learned that a member of the winning consortium from FWC 2, SC Fortuna Business Travel SRL, had been erased from the Trade Register Office of Romania, as a result of economic hardship caused by the Covid-19 pandemic and subsequent travel restrictions. This presented a challenge to the IP project, as it was an unforeseen situation and none of the parties involved knew how to deal with it. Following feedback from the National Agency for Public Procurement (ANAP), a decision was reached that the project, and the contract could continue with the remaining operators. An addended contract was later signed in this regard.

COVID-related activities

In the early part of 2021, RAS sent FOIA requests to 301 contracting authorities and collected answers from the 150 hospitals and institutions that received the respective FOIA requests the previous year. Four rounds of reminders were sent, in partnership with TI RO and IPP, including telephone calls to ensure that requests were received and processed. Unfortunately, some institutions could not be reached through any available channels, which is a feature of public sector entities that only seldom receive FOIA requests, and do not update or publish their contact details. Overall, 148 responses were received, containing information on 11.002 procurement contracts. To aid with the analysis, RAS converted replies received into machine readable format using in-house OCR software, drafted a template of the table to be used for centralization of data on each contract and divided replies between RAS, IPP and TI RO to ensure as balanced a workload as possible. Contracts were analyzed individually along several criteria and potential red flags, and each partner provided a list of bullet-points with their main observations. From these bullet-points RAS began drafting the narrative report.

In January and February 2021, the GTI (Hungary) team advanced with the quantitative study on procurement during the state of emergency. After extracting data from the SICAP system, they developed the indicator matrix and submitted the first draft of the study in April 2021. RAS, TI RO and IPP provided feedback, and a second draft was submitted in May 2021.

Advocacy

In late January 2021, work continued on the advocacy document begun the previous year. RAS, as well as TI RO and IPP provided feedback for a letter that was sent to the European Commission, DG Regio, the Government of Romania and the Ministry of Investment and European Programs (MIPE). The letter stated the need to continue and expand the IP initiative, and provided suggestions for how to implement, operate, and finance future mechanisms. The letter was sent in March 2021, and each partner issued a press release announcing the effort. There has, thus far, been no official reply received to the document.

As part of monitoring and advocacy efforts, RAS attended a major communication event organised by MA OPAC within FWC3 1/324/05.12.2019 in Bucharest, at Ibis Styles Bucharest City Center hotel. At the start of the event, RAS spoke about the IP project and its benefits, as well as current activities, results and how it might evolve in the future. During the first break, RAS also distributed the presentation brochure to all attendees (around 60 people), engaging in a number of discussions with representatives from different institutions interested in the mechanism. Throughout the sessions, the two RAS representatives were available for questions and additional details. A number of participants, including from the County Council of Braşov and from the Ministry of Justice

expressed an interest in the mechanism. Both MA OPAC and RAS issued press releases presenting the event and the IP pilot project.

STEFAN BATORY FOUNDATION

Monitoring activities

The upgrade of the railway line between Częstochowa and Zawiercie was not completed according to plan in 2020. Representatives of the Stefan Batory Foundation continue to monitor the project.

a) Issues with Poraj Subway

The PKP PLK S.A. negotiating team responsible for managing the dispute between the CA and the Contractor over the payment for the unfinished works at the Poraj subway held online meetings in January and February. The talks revealed flaws of in the CA's negotiation approach. The Foundation's representatives addressed them and offered possible alternatives. For example, the Observers suggested including the Contract Engineer in the talks and agreeing on the legal basis for commencing works. This did not happen. The Foundation submitted to the CA and the Contractor [\[CORRESPONDENCE\]](#) a full list of its critical observations and suggestions regarding the commission's approach. The last meeting of the commission on 18 February concluded that the negotiation team recognised the undisputed amount of PLN 10 million due to ZUE S.A. for the works it had performed. Additionally, the meeting confirmed the amount of the Contractor's claims disputed by PKP PLK S.A. to be PLN 5 million.

The parties decided to continue their negotiations in the form of mediation before the Court of Arbitration at the General Treasury Solicitor's Office of the Republic of Poland, a solution supported by the Observers. The Foundation expressed further desire to participate in the process but both parties to the dispute did not agree. Ultimately, the mediation has continued since April 2021, and representatives of the CA informed the quarterly meeting on 12 April that all works on the Poraj subway would remain suspended until the mediation was completed [\[NOTE\]](#). Meanwhile, there is a temporary underpass at the Poraj station, which according to the Foundation can cause problems for passengers and provoke dangerous situations caused by the desire to shorten the way to the platform through unauthorised places, as observed during the Observers' visit to the project site on 18 February [\[CORRESPONDENCE\]](#). The Foundation raised the problem publicly by giving statements on the subject to *Puls Biznesu* [\[ARTICLE\]](#).

b) Disputed Certificate of Acceptance and Termination of the Engineer's Contract

The Contract Engineer issued a Certificate of Acceptance for the Works at the Contractor's request on 8 February. In his opinion, the basic scope of works to ensure operability of the railway line was completed. The final acceptance protocol for the works was unilaterally signed by the Contractor. The CA raised objections claiming important components of the contract were awaiting completion, including the renovation of Towarowa Street in Myszków, the acoustic screens and the necessary certification for works in particular branches. PKP PLK S.A. did not accept the decision of the Contract Engineer, accusing him of acting to the detriment of the company. The case was reported to law enforcement agencies as a probable criminal offence. The dispute ended with the CA's termination of the agreement for engineering supervision on 5 May, the justification for which was not accepted by the Engineer. However, for his part, he also decided to terminate the agreement with PKP PLK S.A on 15 June. The engineering supervision duties were taken over by a temporary team of appointed by the CA [\[CORRESPONDENCE\]](#).

The decision to issue the Certificate of Acceptance had a direct impact on the monitoring under the Integrity Pact, as it was scheduled to end precisely upon the Engineer issuing this document. The Foundation had already signalled the need to sign an annex to the Integrity Pact that would give the monitoring team the freedom to operate until the end of September 2021 in accordance with the agreement with the European Commission, regardless of when the Certificate of Acceptance was to be issued. This annex was drafted by the Foundation but was not signed by the CA. The CA took the view that the issued Certificate of Acceptance was invalid and that the monitors could continue their activities without the need to annex the agreement [\[CORRESPONDENCE\]](#).

In addition, the CA asked the Foundation to present its own assessment of the issuance of the Certificate by the Engineer and the unilaterally signed final acceptance protocol. A legal opinion on the matter was prepared by the Foundation's legal consultant. It shows that the Certificate was issued unjustifiably, was invalid and could not render the project works completed [\[OPINION\]](#). This opinion was rejected by the Contractor, who accused the Foundation and its consultant of a conflict of interest. In his opinion, the content of the opinion was affected by the financial interest of the Observer, who acted to extend the monitoring and to increase the possibility of benefiting from the grant. The Contractor complained about the Observer's actions to the European Commission and Transparency International. The Foundation strongly refuted these allegations, stressing that the legal

opinion was made based on files provided by all parties to the dispute, and its sole purpose was to provide a fair assessment of the uncertain situation surrounding the acceptance of the works and its potential negative impact on the public interest [[CORRESPONDENCE](#)].

c) Other Actions

During their visit to Myszków on 18 February, the representatives of the Foundation met with the husband of the Myszków plot owner who accused the Contractor of unauthorised entering her private property and destroying the greenery there. The Observers listened to the owner's account of the damage caused by emergency works in violation of property rights and received additional documentation on the environmental damage. Ultimately, the plot owner did not file a lawsuit against the Contractor, and the authorities previously investigating the case (including the police, the prosecutor's office and the Regional Directorate for Environmental Protection) did not identify any abuse. The Foundation responded to the enquiry of *Gazeta Myszkowska* and exchanged letters with PKP PLK S.A on the matter. The SBF noted that the Contractor launched building works without proper entry permit for the private plot, but in emergency circumstances, which partly justifies its action. However, communication about this incident was unacceptable and also the CA admitted that, together with the Contract Engineer, they should have immediate information on what happened. The Observer also verified that the owner's accusations that emergency works harmed protected nature are without strong evidence. In its reply to the owner's direct complaint on the SBF's inaction from June, the Observer pointed out that, thanks to the SBF, the Ministry is informed about the problem and public opinion in general through the project website. The case is going to be analysed also for purpose of monitoring report [[CORRESPONDENCE](#)].

An annex to the Subsidy Agreement was signed on 28 May extending the deadline for the project until the end of 2021 to finished the outstanding project components. The Foundation was informed in an official letter that PKP PLK S.A. had submitted to CUPT payment requests for the total amount of PLN 224,149,893.29, which constitutes 96.10% of eligible expenditure on 10 June. The reimbursement on that day amounted to PLN 207,839,838.96, which is 89.11% of eligible expenditure [[CORRESPONDENCE](#)].

The Foundation did not stop asking PKP PLK S.A. about other aspects of the projects it had observed regularly. Between January and June, the Foundation sent letters to PKP PLK S.A. concerning: contract changes [[CORRESPONDENCE](#)], reconstruction of Częstochowa Towarowa station [[CORRESPONDENCE](#)], operational acceptance [[CORRESPONDENCE](#)], claims [[CORRESPONDENCE](#)], crossing at Partyzantów Street in Myszków [[CORRESPONDENCE](#)] and penalties against the Contractor [[CORRESPONDENCE](#)].

The Foundation started work on the final draft of the integrity pact report. A board member of PKP PLK S.A. declared in a meeting on 10 June he would actively participate in the consultation process of the report and speak at the final project conference. The Foundation hired an evaluation expert to assess the Observer's performance and the perception of the integrity pact among its participants.

Activities to communicate and promote Integrity Pacts

On 27 April, the Foundation organised an online seminar via Facebook and YouTube, during which the audience had the opportunity to ask questions to the panellists. The event discussed the final acceptance of works and methods of public scrutiny of the process in the context of integrity pact experience [[STREAM](#)].

Two further episodes of the *pACT Right. A Podcast about Fairness* have been released. The second episode of the series addressed access to information in procurement and the third one addressed techniques of public scrutiny over public procurement [[PODCASTS](#)].

New publications have also been published on www.paktuczciwosci.pl, including the Polish translation of *Transparency International's* handbook "*Protecting EU-funded Projects under Integrity Pacts*" [[PUBLICATION](#)] and the text by Grzegorz Makowski "*Extreme Participation: Citizens' Involvement in Public Procurement Decisions. Case Study of Integrity Pacts Pilots in the European Union*". [[PUBLICATION](#)]. Additionally, the first hard copy of the monitoring report was sent to Polish project stakeholders.

Advocacy

The Foundation was in regular contact with the Infrastructure Programmes Department of the Ministry of Funds and Regional Policy regarding the efforts to include integrity pacts into the Infrastructure and Environment Operational Programme in the new financial perspective. The Ministry asked the Foundation to review the draft regulation on the competition for monitoring organisations and the regulation on appointing the selection committee. Representatives of the Foundation were initially invited to join the selection committee.

TI BULGARIA

Monitoring activities

During the first half of 2021, Transparency International – Bulgaria continued the activities to monitor the construction of Zheleznitsa Tunnel. The independent monitor took part in 15 monthly progress meetings. Three of the meetings – those in April 2021 – were held online due to the restrictions related to the epidemic situation in the country. In February, March, May and June, TI-BG's team carried out direct observations of the progress on site.

The focus of monitoring during the reporting period has been the problematic aspects of execution: the progress to overcome the landslide processes in the first kilometres of Lot 1; the claims of the Contractor for Lot 2 in relation to the unforeseen works carried out and the additional materials used during the boring of the tunnel and the initiation lining; the delay in execution due to a change in the technical solution for the reconstruction of an overhead power line and the landslide processes in a short section immediately next to the left lane in Lot 3.

To ensure the comprehensiveness of monitoring, the Independent Monitor submitted to the Contracting Authority questions in writing and requests for documents which were provided partially and with a significant delay. Note should be made of the assistance of the Contractors for Lots 1 and 3 which responded willingly to the request of the monitoring team for a written self-assessment with regard to the execution.

During the reporting period, TI-BG's team worked on the next monitoring report. Report 5 covers the conclusions and findings from the monitoring activities in July 2020 – March 2021. The delay in obtaining written information and documents and the difficulties to review the documentation in the premises of the Contracting Authority due to the epidemic situation had a negative impact on the team's work pace. TI-BG plan to submit the draft report to the Contracting Authority by the end of July 2021.

Following the change in government after the parliamentary elections held in the beginning of April 2021, the entire Management Board of Road Infrastructure Agency was replaced. A number of changes were also made at the middle management level in the Agency. In this regard, Transparency International Bulgaria sent all monitoring reports for Zheleznitsa Tunnel to the Management Board and to the Head of the Public Procurement and Legal Services Directorate.

Activities to communicate and promote Integrity Pacts and social accountability work (working with affected communities)

As regards another important area of work – increasing the awareness and civil control in the use of public funds – in the spring of 2021, TI-BG's team held a dedicated campaign employing outdoor advertising and the social medium [Facebook](#). Through a series of questions, TI-BG tried to get the wider public interested in processes which were not so popular in the construction of Zheleznitsa Tunnel such as funding, deadline adherence, safety measures and others. The social media campaign reached almost 90,000 users and prompted more than 170 comments.

In May, TI-BG organised an on-site visit for a group of students who were with them under the internship programme of the organisation. TI-BG's young colleagues were very impressed with what they saw on the construction site. This is the time to extend TI-BG's gratitude to the teams of the Road Infrastructure Agency, the Contractors, and the Supervision representatives at the three lots for the warm welcome and the interesting discussions.

Throughout the reporting period, the team continued to publish [up-to-date information](#) about the Zheleznitsa Tunnel along with photos of the on-site visits on the initiative's website and to popularise the question and report form [Tunnel.Report](#).

The questions submitted by citizens during the reporting period highlight the interest in safety due to the emerging landslides, the concern for measures to preserve the fauna, and the project solution for access from the motorway to the village of Zheleznitsa. TI-BG would like to note the assistance of the Contracting Authority that TI-BG's team receives in this regard.

Advocacy

In the context of the activities of advocacy and popularisation of the Integrity Pacts as a tool to increase transparency and accountability in public procurement, Transparency International Bulgaria took the opportunity

provided in the course of the [public consultation](#) of the draft National Strategy for Preventing and Countering Corruption (2021 - 2027). TI-BG submitted proposals in two areas: 1) Initiate changes in the regulatory framework to include elements of civil monitoring in the process of implementation of public procurement of substantial material interest and/or public significance; and 2) Provide an opportunity for non-governmental organisations specialising in the areas of anti-corruption, public procurement, and good governance to take part in the monitoring committees of operational programmes. Although the formal response of the respective institutions was “accepted in principle”, in practice the recommendations of Transparency International Bulgaria were not taken into account in the [final version](#) of the strategic document.

As part of the partnership to the European Commission funded project, TI-BG's team contributed to the development of the Guide to Safeguarding EU-Funded Investments with Integrity Pacts. TI-BG sent copies of the publication to all heads of Managing Authorities of the current operational programmes in the country and the caretaker government ministers. The publication is available in [Bulgarian](#) and [English](#) on the project website.

Monitoring activities

TI GR continued the monitoring activities and published the [4th monitoring report](#) (on 12/3/2021) covering a period from September 2020 to Jan2021. The MR is also posted on the [CA's](#) and [MA's](#) websites. Findings included that according to the approved time schedule by the beginning of January 2021 50% of all important flood protection network works should have been completed, for both Collectors 1 & 2 in the municipalities of Nikaia-Agios Ioannis Rentis and Moschato-Tavros, respectively. However, 21 months after the signature of the Contract and 9 months before its foreseen completion, only a small percentage of preparatory works (utilities networks' transfers and exploratory sections) have been completed. No flood protection pipelines have been constructed or laid in place. The IM again highlighted the persistent problems impeding the execution of the contract.

On January 5th, 2021 the Contractor filled a request for the termination of the contract - as a consequence of the cessation of works they invoked. On January 7th, 2021 the Contractor filled a second request for termination of the contract (resigning at the same time from the first one). On March 2, 2021 the CA rejected the request submitted on January 5th 2021 (the 1st one). Following this, the Contractor on March 16, 2021 proceeded to file a request for the temporary and final acceptance of the project so far, claiming that the project contract was automatically terminated since the CA did not respond to the second (and in force) request for termination of contract within 2 months, as foreseen by law. The CA rejected the request on the same day and the Contractor submitted an objection on the rejection of its request before the Ministry of Infrastructure and Transport. The Contractor also filled an administrative appeal before the Administrative Court of Appeals for the 1st objection (cessation of works) after its implicit rejection (non-issuance of the ministerial decision within 3 months implies tacit rejection).

The Ministry of Infrastructure and Transport accepted both claims filled by the Contractor (ministerial decisions issued for the cessation of works – 24/5/21 - and for the dissolution of the contract-8/6/21). The Contractor included sections of the Independent Monitor's monitoring reports to support both claims. The grounds for the Ministerial Decisions speak for a) insurmountable problems concerning the execution of the contract – more specifically, the contractor does not have the necessary fronts of work in order to proceed smoothly to the completion of the project, due to various and multiple problems, concerning the delay in the completion of the expropriations, the long delay in the removal of utilities networks, the shortcomings in the project technical studies as well as the need to modify the road plan (issues raised by the IM in all MRs) and b) automatic termination of the contract since the CA did not respond to the in force termination request filled on 7/1/2021 by the Contractor within 2 months, as foreseen by law.

Following the Ministerial Decisions, the CA will move forward with the termination of the contract with the current Contractor and will invite the remaining bidders (in bidding order) to accept and sign a new contract. If that process is not successful the project will be re-tendered.

The CA has been reassured by the MA that the project can be financed by the next operational program. In the meantime, the CA continues with the implementation of the other sub-projects (supporting) included in the same financing decision - transfer of utility networks, archaeology. From its side, the MA will also be adding another subproject on the completion of expropriation activities within areas of the Municipality of Nikaia -Aghios Ioannis Rentis (one of the main issues for the non-completion of the current contract highlighted by the IM since the first MR).

The IM will follow the process for the termination of the contract and issue a 5th and final MR in September 2021.

RESPONSE TO THE INDEPENDENT MONITOR'S REQUESTS

The communication between the Independent Monitor (IM) and the Contracting Authority (Attica Region) for the needs of the MRs ran smoothly. Bi-monthly notes and supporting documentation were shared by the CA. The Contractor responded to the IM's requests for information accordingly.

Activities to communicate and promote Integrity Pacts

- The 4th MR was shared on social media with a pretty good response while the project's 5th e-newsletter was shared with a wide pool of targeted contacts (authorities, organizations etc) highlighting the progress of the IP in Greece, while hosting other public procurement related articles, activities and developments at national and European level.

- An article by the technical advisor of the project on timeless pathologies of public construction projects and suggestions for addressing them was hosted at the online news website for constructions and public works www.ypodomes.gr (Available in GR [here](#)) {28/3/2021}.
- Promotion of the participation at Parliamentary Committee for the new law on PP through social media and relevant newsletter. TI-GR's participation to the parliamentary committee was mentioned in several media outlets and has been advertised through TI-GR social media channels.
- Promotional material for IP included at the KPMG Compliance Conference booth {20/5/2021}.
- Participation at ACFE Greece annual conference "How to Cure Procurement Fraud" to present the IP tool recording available [here](#) from 1:26:10 to 1:41:00 {10/6/2021}
- Publication of an article by the Innovation and Learning Coordinator on the importance of open data on pp and the launch of the new API platform hosted on www.huffingtonpost.gr (Available in GR [here](#)) {30/6/2021}.

Social accountability work (working with affected communities)

- Due to the COVID-19 pandemic, presentations/meetings with affected communities, youth audiences (university + high school students) and other stakeholders have been revoked. TI GR is working on a promo (animation) video for youth. The video, which depicts the importance of transparency and accountability in public procurement and presents IP as a best practice is planned to be disseminated to high schools in September 2021. (it is examined to be sent out along with the game being prepared by TI-I & TI-S).
- Official launch of a new API platform on construction projects financed by the Operational Programme Attica 2014-2020 {30/6/2021}. The [platform](#) includes information from the ANAPTYXI.gov.gr website of the Ministry of Economy (approved budget, spending, description etc.) supplemented with further information (tender budgets, award criteria, bidders' discounts). Press release available [here](#) in GR, and opinion article by the Learning and Innovation coordinator of the project available [here](#) in GR.

Advocacy

- TI Greece's remarks and comments on the Draft Law on the reform and modernization of the institutional framework of public procurement, which were submitted during the public consultation (DEC 2020), received mentions in various articles and were also invoked by [members of the Parliament](#), during the Parliamentary debate on the quality of Democracy and Public Dialogue, conducted on the initiative of the Prime Minister {25/2/2021}.
- TI-GR was the one of only 2 civil society organizations that were invited to participate in the meeting of the Standing Committees of Production and Trade and National Defence and Foreign Affairs of the Greek Parliament {on 1/3/2021} where the Draft Law for the Modernization, Simplification and the Reform of the regulatory framework of public contracting was discussed. Other invitees originated from relevant institutions, construction companies' representative bodies, contracting authorities' unions, heads of local governments etc. The invitation came as a result of TI-GR's participation in the public consultation for the crucial bill as an advocacy activity for the IP project. The meeting was also broadcasted by the Parliamentary TV channel (available [here](#) at 2:47-2:52). TI-GR's positions focused on: i) problematic provisions of the bill, in terms of transparency and accountability, i.e. the increase of the direct assignment limit from the current 20,000 euros to 30,000 euros for supplies and services and to 60,000 euros for projects, ii) the increase of the limit of contracts for which data is collected and published in the Central Electronic Register of Public Procurement (KIMDIS), from the current 1,000 euros to 2,500 euros, which expands the grey zone of contracts for which no information is provided iii) the foreseen possibility for supervision of projects by private entities, which in addition to the transfer of such serious responsibility from the authorities, is considered particularly crucial as the law foresees that the supervisory entity will be selected by the Contractor himself while he will also be liable for the payment of its remuneration; this last provision carries serious risks of distortions, conflicts of interest and collusion that may end up to the detriment of both the work performed and the public funds available for it.
- At the initiative of TI-GR, nine (9) civil society organizations addressed a letter to the Minister of State and Digital Governance {14/4/2021} expressing concern about the fact that Greece has failed to meet the standards of public participation in the design of the 4th National Action Plan for Open Government and the fact that Greece was placed under review by the OGP Criteria & Standards Subcommittee (C&S).
- Event on "The new EPPO institution: a ground-breaking reform to protect the European Union's budget more effectively", hosted by TI GR and ACFE Greece Chapter {10/5/2021}.
- [Publication](#) of the GR version of the "Safeguarding EU-funded investments with Integrity Pacts" on the integritypact.gr website {31/5/2021}.
- Collaboration with the Hellenic Single Public Procurement Authority for the addition of a Clause and Declaration of Integrity to the updated tender documents for the award of public contracts on the supply of goods and services (in force by June 1st 2021). The Integrity Commitment is available [here](#). The relevant

addition concerns contracts that are concluded with open procedure, through the National System of Electronic Public Procurement (ESIDIS), above and below the thresholds. Indicatively, among the terms proposed by TI-GR and accepted for the most part by HSPPA, are those mentioned in an explicit statement by the contractor that he had no internal information other than that resulting from the procedures provided and the contract documents, his commitment to avoid payments and facilities related to the contract and the award procedure, its express statement to avoid any acts or omissions that could lead to misleading the contracting authority and / or affect its decisions, as well as the explicit undertaking obligation to declare at any time throughout the duration of the contract, any conflict of interest (even possible) arises between an extended circle of persons of the parties involved. Moreover, the express provision of the Contracting Authority's ability to unilaterally terminate the contract in case of proven violation of the integrity commitment-even if at this stage the adoption of the good practice by the CAs remains optional- actively strengthens efforts to combat corruption phenomena and mismanagement in the area of public procurement (June 1,2021).

- Participation at initial bilateral meetings with the National Transparency Authority for the National Strategic Anti-Corruption Plan 2022-2025 (15/6/2021-ongoing).

Monitoring activities

M6 Motorway project

On 26 January 2021 the Contracting Authority of the M6 Motorway project informed TI-HU that finally the decision had been made and the project will be financed from national budget instead of EU funds. To TI-HU's knowledge the official justification was that due to the initial delays of the project the allocated EU funds – within the framework of the 2014 – 2020 programming period – were exhausted. Therefore, though TI-HU concluded the monitoring of the public procurement procedure for works earlier, they could not continue to monitor the implementation phase under the pilot project 'Integrity Pacts – Civil Control Mechanism for Safeguarding EU Funds'. Nevertheless, as agreed with DG REGIO and TI-S, a monitoring report will be made on their findings regarding the public procurement phase. Also, it was jointly decided that for the remaining of the project, TI-HU will concentrate their activities on the other IP and other project deliverables.

Flood reservoir project

The flood reservoir project is in the phase of the implementation of the contract – that is, the construction works of the flood reservoir – however, during the winter months, construction is suspended in Hungary, in general. An on-the-spot visit would have been difficult to be organised due to the pandemic up until June. As the restrictions are lifted, and all participants (TI staff, hydro engineer, MA, CA representatives) to the project are vaccinated, TI-HU started organising an on-the-spot visit foreseen for August or September, meaning that they requested and granted the approval of the Contracting Authority, and consulted the engineer external expert, and other concerned parties in order to fix the dates and other technical details.

Additional activities

In order to explore the context of the Hungarian public procurement system, the detrimental effect caused by pandemic to the public procurement system, and the use of EU funds, TI-HU undertook several additional activities within the framework of the IP pilot project.

1. Freedom of information cases

In 2021's first semester, TI-Hungary commenced numerous freedom of information cases related to the use of EU funds and/or to the coronavirus pandemic in Hungary.

1. TI-HU asked for information relating to EU-funded projects to be implemented in a rural area settlement called 'Pusztatötlaka', whose local strongman is government MP Mr György Simonka, indicted for supposed subsidy fraud, embezzlement and graft (case heard by criminal court of first instance). EU-funded projects implemented in this village clearly failed to achieve project goals, and TI-HU's suspicion is that the managing authority (Hungary's Finance Ministry) may have intentionally failed to control and sanction irregularities, which enabled prodigal spending at the expense of EU's funds. To substantiate their suspicion, TI-HU asked for the documents relating to the control and audit of these projects, but the government refused to reveal these documents, therefore TI-HU turned to the court and won this case in both the court's first and second instance.
2. Based on regulatory changes resulting from perceived lobbying and impacting the functions of Hungarian authorities supervising CAP funds, TI HU asked the Treasury (now merged with Hungary's former CAP supervisory authority) to open up information related to the revocation of repayment orders. The treasury refused the FOI-request, therefore TI-HU turned to the lawcourt, and won in both the first and the second instance of the court.
3. Hungary's government procured large quantities of COVID-vaccines from Russian and Chinese makers, but the documents to testify these vaccines efficiency remained inaccessible, a reason for TI-Hungary to launch a FOI-case. TI-HU asked the domestic medical agency to open up the documents, but the agency wrongfully prolonged the response deadline to 90 days. TI-Hungary started a court litigation, and the medical agency offered in court the settle the dispute, which means that the government will hand out the documents.
4. On the pretext of helping the tourism sector because of the coronavirus pandemic, Hungary's government employs undisputedly distortive granting practices in the country's tourism industry, giving prominence to cronies with an easy access to public subsidies. TI-HU suspects that gov't grants are discretionarily designed and disbursed. To find out if they are right or wrong, TI-HU employed FOI-tools, but the tourism agency denied their questions. TI-HU turned to the court and are now waiting for the first hearing. However, it is clear from the tourism agency's response that there was no open and

competitive application, instead, the tourism agency gave grants to those market players who asked for the grants, giving rise to the suspicion that the playing field was unlevel.

5. Finally, TI-HU spotted a disquieting public call to concede the maintenance and development of the country's highway and freeway grid to a concessionaire for a period of 35 years, and this call seems to go against EU and national legal requirements. According to the law, specific calculations need to substantiate why the concession period should be longer than 5 years. To decide if the gov't acts wrongfully, TI-HU asked the government's concessions bureau to open up these specific calculations, but this bureau refused to do so, therefore TI-HU litigates the bureau in court. Additionally, they also turned to the Hungarian Public Procurement Authority to initiate an official remedy procedure for establishing the infringement of the national provisions, and to the European Commission, because TI-HU believe that the planned concession infringes specific provisions of Directive 2014/23/EU on concessions. Also, this case relates to the monitored M6 Motorway project, since M6 Motorway – along with M5 Motorway – are the only two motorways that are operated by a Concessionaire at present, which the government deems as a bad practice, and they want to reorganise this concession construction, but now for the whole network.

2. Update of the RedFlags tool

As for the update of the RedFlags tool, TI-HU did all the preparatory work for the actual IT development. They examined and analysed the amendments of the Hungarian Act on Public Procurement TI-HU, so they managed to determine how these amendments affected the existing red flags indicators. Consequently, TI-HU managed to filter out the indicators that need to be changed or even deleted. TI-HU contacted the IT company, currently they are clarifying together with the IT company how they should proceed. TI-HU are also evaluating whether they can incorporate the national PP database into the RedFlags tool.

3. Building a database on corruption cases related to the use of EU funds and/or to the coronavirus pandemic
TI-HU have built a robust database of the articles related to the use of EU funds and/or the coronavirus, and raising the suspicion of corruption. The database's starting point is 1 March 2020 and currently it contains around 200 entries. It's not only a collection of articles, but much information is extracted from the articles – there are columns from A to N – which allows all kind of groupings of the articles. The plan is to continue the maintenance of the database, on the one hand, while on the other hand, TI-HU will start analysing the database, looking for possible patterns, groupings, and how to visualise it on their website.

4. Preparation of a series of videos on explaining public procurement-related issues and for the presentation of the integrity pact tool

In the first semester of 2021, TI-HU managed to find and contract a videographer, they decided on the format – it will be short infographics videos – and finalised the script of all four videos, agreed on the visual look etc. The videos are currently being produced.

Advocacy

In January TI-HU prepared a paper on the “lessons learnt” based on their experiences during the pilot project for the Commission services.

TI-HU also prepared an assessment and recommendations for the Hungarian Government on the Draft Partnership Agreement for the programming period 2021-2027, and recommended the use of integrity pacts. The paper was written in Hungarian and later was translated into English.

TI-HU posted the Strategic brief on IPs – prepared by TI-S – in Hungarian on their website: <https://transparency.hu/hirek/megjelent-az-integritasi-megallapodasokrol-szolo-utmutatonk-donteshozok-szamara/>

Monitoring activities

In January a second session of the short services conference was carried out on the subject of the construction of a rainwater containment tank to be built to make the railway route safe (one of the most expensive changes to the original plan) and a specific opening of a driveway in the new territory affected by the railway route. The necessary changes were approved by March and April.

Activities continue to prepare the construction site areas for project execution and activities of permits and release of obstructive (abusive) areas to be released on the route envisaged by the Municipality of Cagliari. These second activities generated a delay on the works of two months.

So the opening of the construction site moved to the end of April 2021 (instead end of February 2021) and the event with the citizens to the end of June 2021.

In date 26.02.2021 the CA sent documentation about new budget approved to the ANAC National Anticorruption Authority, this is a normal practice announced by Legislative Decree 50/2016 whose contract is submitted, in the case of increasing of the amount over 10%. The total amount of changes is 5.047.784,58 EUR and the total budget now is 23.900.355,15 EUR. This is the result of many changes promoted by the institutions after the services conference and transferred to the new executive project with great delays in the delivery of the same.

In March, works continued to prepare construction site areas, with the assignment of different areas identified in the city of Cagliari in 3 construction site areas with a total area of 8,350 square meters and other rooms of use made available to the contracting ATI.

Interlocutions already appear with bodies and technical partners that refer to infrastructures such as hydroelectric and sewer connections and high voltage underground cables and other technical elements such as tram tracks.

On 26 March at 10:00 at the ARST headquarters, partial delivery of the works was carried out to the ATI executor on the basis of the time schedule of the approved Executive Project for which the Additional Deed of subscription of a new loan resulting from an agreement has been completed with the Municipality of Cagliari.

At the end of April, the communication of the positive outcome (unanimous positive determination) of a last smaller Meeting of Regional Public Services held on 22.04.2021 made it necessary on the topic "work to open a new driveway" in the city in the area affected by the upcoming works.

So the project execution phase officially started, even if the excavations and actions on the ground -TI-IT can guess from the latest bureaucratic and administrative issues as certificates on risks and sureties - will still take some time.

The works in the project execution phase are continuing. In 30 documents received, progress is noted on various activities with the Integra consortium (the contractor) in the form of service orders, work progress certifications, documents for subcontracts and with suppliers for various reasons such as supply of bicycles, disposal of excavated materials.

The works continue with focus on more complex discussions with other entities due to gas service interference problems.

Documents and inspections with other bodies such as the Harbour Master's Office (flooding solution area), the Municipality of Cagliari, regional infrastructure services, and the trolleybus line power supply took place.

Activities to communicate and promote Integrity Pacts

TI Italy have organised the Cagliari event on June 22 in the evening, which focused on the IPs experience, reasons for delays, presentation of project execution works, part of civic monitoring with citizens. Among the speakers, TI It staff monitoring, ARST (CA) and the Contractor.

Aware of the great importance of the Integrity Pacts instrument in the national scenario of the next years 2021-2027 in the scenario of the EU Recovery Plan and of the need to combine fast execution of works with integrity

safeguards, TI Italy have advertised their ongoing activities in Cagliari to possible MA and CA but also publications and testimonies of the history of the impetus of the EU Integrity Pact DG Regio 2.0 with monitoring made in several meetings (Sant'Anna University of Pisa).

By sharing the activities in progress and the opportunities to tell the experience acquired, TI Italy are preparing the ground to propose directly to some contact authorities, the experience of Integrity Pacts with monitoring, on new projects of great visibility. The Municipality of Milan and the Lombardy Region on work contracts in the municipal area or related to the event of the Milan Cortina 2026 Winter Olympics are possible objectives.

Social accountability work (working with affected communities)

The photo book activity is in progress with portraits and interviews with citizens on the subway under construction. TI Italy are finalizing the portrait photos of the citizens for the photographic / sociological book on the metro route and its affected population. The book will be a collection of images of the citizens with their stories and images of the stations where today there are not yet. It will be ready in September.

Advocacy

Thanks to the good relations of the President of TI Italia Iole Anna Savini with the President of ANAC (Anti-corruption National Authority) Giuseppe Busia, TI-IT have again stimulated a request for participation in the working table for new guidelines on Integrity Pacts in Italy with the aim of bringing the experience Integrity Pacts 2.0 born from the participation of IPs EU DG Regio and related know-how acquisition. A reminder to ANAC President was sent at the end of April. TI-IT learned that ANAC wants to work on the subject, but first internally, and their times are not as tight as TI-IT would like. TI-IT pay attention to the opportunity to be able to enter and define collaboration.

In May TI Italy published the booklet on the IP EU DG Regio experience made in Cagliari, written by the experts with TI-IT supervision, with the aim of understanding the origin and the accumulated delays and if it is possible to understand the dynamics that are replicated and affect the national level of contracts. With 8-question interviews with 8 primary stakeholders from the regional and national scene, the booklet has become a real book of 108 pages.

On 22 April TI-IT participated in a webinar series on "Advanced Training Course Sant'Anna University of Pisa" on the topic of prevention and contrast of corporate crimes, telling the IPs EU DG Regio experience (Integrity Pacts 2.0) on Cagliari contract for the extension of the light metro in the city, bringing the changes compared to the traditional Integrity Pact 1.0 (without monitoring) widespread in Italy.

The digital edition of the book "Integrity Pacts in public procurement: tools for legality and active citizenship", created with the team of experts on the experience of Cagliari, was released on May 18.

Born as a simple research, from the idea of investigating the reasons for the delays in the contract and with the aim of fully understanding more that is reflected on the national level, it has grown over time in contributions and comments from regional and national stakeholders, bringing reflection on wide-ranging topics and institutes such as "Integrated Contract" and "Services Conference".

The narration of the experience made it possible to explain the contents of the new paradigm for the EU DG Regio Integrity Pacts with the monitoring, so that the arrival point can be a starting point, in the historical moment of opportunity and need to undertake public works of large-scale (Next Generation EU funds), the new Integrity Pacts can take on the value of a valuable contribution to transparency, monitoring, compliance with deadlines, without increasing the commitment on the part of the subjects carrying out the works.

Here is the link to the article presentation:

<https://monitorappalti.it/notizia/patto-dintegrita-e-metro-di-cagliari-una-sperificazione-che-diventa-un-libro/>

The book was sent to possible partners of the Lombardy Region and the Municipality of Milan.

TI LITHUANIA

Monitoring activities

During the months of January – June 2021 TI Lithuania continued its routine monitoring activities of the projects, while also discussing the MEL plan with team, reviewing lessons learned during the project and drafting strategy for the activities and possible levels of engagement of TI Lithuania's team members and experts after project ends. In addition, TI Lithuania continued its activities related to the publication of and advocacy based on the findings in the monitoring report, which will be presented in an online tool format.

Advocacy

Moreover, TI Lithuania continued working with the representatives from the Corruption and Misdemeanour Prevention Division at the Vilnius City Municipality. TI Lithuania prepared and conducted a seminar on corruption risk management for the leading staff at the Vilnius City Municipality. In total, some 20 participants took part in the seminar, which was opened by the Director of Vilnius municipality administration. The Net Promoter Score of the seminar was 67 (score range: from -100 to 100), meaning that participants are likely to recommend it to others. During the first part of the seminar the main tendencies related to transparency and anti-corruption were presented and discussed. The second part of the seminar was interactive and designed to cover practical aspects such as gifts policy, whistleblowers' protection, management of potential conflicts of interests. Participants' evaluation results showed that they found the seminar informative and useful for their daily operation. The topics for the discussion were chosen based on the employee survey conducted at the Vilnius City Municipality and also discussions with the representatives from the Corruption and Misdemeanour Prevention Division.

During the first half of the year, TI Lithuania continued to advocate for more open and transparent public procurement, more effective monitoring of it, centralized public procurement processes, transparent and accountable distribution of economic recovery funds. TI Lithuania's team members publicly commented on these matters in the media, met with public sector representatives. In addition, recommendations on the above-mentioned matters were also included in TI Lithuania's proposals for the Government (<https://bit.ly/38ikU7G>).

Last but not least, TI Lithuania's team members conducted advocacy activities during various events on the above-mentioned topics. For example, TI Lithuania's team members opened the Transparency Academy [event](#) on risk management in public procurement; met with representatives from the [PPO and Ministry of the Economy](#) and Innovation to discuss the functionalities of the new PP system SAULE IS; took part in the EU level discussions on the need for more transparent EU [stimulus public spending](#); participated in a 4-hours long public consultation organized by the Office of the Government in Lithuania on the steps towards more open government in Lithuania and used this opportunity to advocate for more open data regarding public finances.

Finally, TI Lithuania has been cooperating with the TI Secretariat on the work of the learning product on the strategic use of data on Integrity Pacts. During the reporting period TI Lithuania together with the colleagues from TI-S finalized the final version of the questionnaires and prepared for the data collection from the partners phase. Objectives of this study are three-fold: (1) From the IP monitor's perspective, to compare public contracting data availability, accessibility and quality across the 11 countries, in relation to the monitored projects; (2) To assess information access to the Integrity Pact's monitor in terms of ease of access and quality of data available throughout each stage of the procurement process; (3) To provide concrete and comparable data about 11 countries participating in IPs and, based on it, develop EU level recommendations about availability of contracting data for monitoring purposes. TI Lithuania will collect the data, analyse the results and use the main findings for the "Next Generation IP Report".

TI PORTUGAL

Monitoring activities

All monitoring activities planned for the first tender (MA02 - Renovation of the monastery door and shop) were concluded, as well as the ones foreseen for the second tender (MA01 - Conservation of the west and north façades) according to the construction plan provided by the CA.

The deadline for the works related to the conservation of the west and north façades were extended due to the pandemic restrictions in the country, and for that reason it is only possible to monitor the two final stages of this procurement process – *Contract Implementation* and *Final Accounting, Payment and Penalties* – in August/early September, but TI-PT are quite confident that all the monitoring activities will be closed long before September, the 30th.

As said, TI-PT thought better for outreach purposes to disseminate all the monitoring activities through a solo document, published online in Portuguese and English, which is already being prepared.

Social accountability work (working with affected communities)

Project implementation during the first half of 2021 continued to be affected by the COVID-19 crisis. Preventive measures to contain the virus were still in force, blocking the possibility of organizing public events and any gatherings with more than 10 people.

For this reason, TI-PT decided to develop an online guided tour by producing a video documentary of the key features of the IP piloted in Portugal and testimonials from participants, distributed by 5 episodes. The dissemination is set for starting in the last week of July, lasting until September, in preparation of the final event.

Advocacy and Activities to communicate and promote Integrity Pacts

Between January-June 2021 TI-PT continued to develop the communication and engagement plan through the website, the clean contracting campaign webpage and social media.

TI-PT were also very active in disseminating information and recommendations based on the IP best practices. During these months TI-PT:

- presented the IP experience at the webinar "*Fundamental rights, the rule of law and the post-COVID-19 recovery*" organised by the EESC FRRL Group, and organised a follow-up meeting with SG RECOVER to discuss opportunities to monitor the Recovery and Resilience Plans;
- drafted a new commitment on Public Contracting to be inscribed in the next OGP National Action Plan;
- presented recommendations to the National Anticorruption Strategy approved by the government;
- presented recommendations to the Portuguese Recovery and Resilience Plan;
- launched a new EU Open Procurement Coalition together with Open Contracting Partnership and other CSOs in Europe;
- assisted environmental groups and CSOs in assessing corruption risks and lack of transparency linked with the management of the Environment Fund.
- participated in several media inquiries;
- organized a co-creation workshop for the next OGP action Plan
- organized a workshop for the CA leadership on the value of citizen engagement and civic monitoring in public procurement procedures to increase trust and accountability, as well as for the need to monitor the CAs performance by using procurement data.

Monitoring activities

The National Cadastre and Real Estate Publicity Agency (ANCPI) developed tender documents in 2018 and launched the procurement by publishing these documents, at the end of 2018 and 2019. In 2020 Technical Specifications and prices estimations have been revised, after a market consultation process. New tenders have been launched and re-launched in 2020 for the selection of contractors for as many municipalities as possible. Monitoring the activities is ongoing with no special concerns or risks related to project implementation from the perspective of integrity. The independent monitor recommended ANCPI to strengthen its integrity system and especially the reporting/whistleblowing channel and the internal regulation on preventing and dealing with conflicts of interest during the reception of completed services.

Cadastre service implementation is delayed by two factors:

- Contracting of cadastre services for 660 municipalities is delayed and contracts have been signed or are prepared to be signed for less than half of the municipalities because of market conditions: there are not enough economic operators with capacity to provide the needed services to cover the demand from the National Cadastre Agency.
- During implementation, finalising services can be delayed by the lack of needed collaboration for systematic cadastre from local authorities and large public landowners (Water administration, Forest administration etc.)

Recommendations of advocacy organised by the National Cadastre Agency to mobilise the support of local authorities and other involved institutions have been made by the independent monitor. Due to management changes at the level of ANCPI and COVID-19 the implementation of this recommendation was delayed, but its implementation is planned.

The Ministry of Culture developed tender documents in 2018 and launched the procurement by publishing these documents, at the end of 2018 and 2019. A new tender was re-launched in 2020. Tenders documents have been revised by the independent monitor. The reporting period January-June 2021 included monitoring the communication and cooperation of the Contracting Authorities and the contractors, including participation to meetings between the Contracting Authorities and the contractors and the revision of the deliverables submitted by the contractors.

The complexity of the web development services for the platform Culturalia.ro proved to be greater than expected. Although the dialogue at the beginning of service provision was very good, cooperation started to be problematic at the beginning of 2021, with large expectations from the contracting authority and underperformance from the contractor. The independent monitor recommended to the contractor to implement the contract as provided by the terms of references, providing all necessary services (with reference to uploading cultural resources on the programmed platform Culturalia.ro). This recommendation, together with the communication from contracting authority, contributed to employ a consultant for crisis management and to assume the activity of uploading cultural resources on the programmed platform (the programming was part of the same contract): Culturalia.ro. The contractor stopped delaying service implementation (situation that was noticed for a few months, especially January-March 2021). This also generated increased mobilisation of the contractor staff for the project. The large number of comments from the contracting authority, approached with no particular order before, have been prioritized in March 2021 and after analysis the two parties concluded that a no cost extension addendum to the procurement contract needed to be concluded. This ensured that enough time is allocated for the finalisation of services and reception of all services already provided, considering existing delays generated by the complexity of the services (Culturalia.ro platform).

The independent monitor presence to most of the meetings between the contracting authority and the contractor ensured that discussions, even when referring to delicate contractual aspects and generating disputes, are approached with moderation and always prioritising public interest. This was confirmed by the feedback received by the monitor from both the contracting authority and the contractor.

The Ministry of Education re-started the preparation of the project "The Integrated System for School Management" (that will include the e-catalogue) in April 2020 after a suspension that started in November 2019, when the project lost the project manager. The independent monitor revised the changes to the tender documents and recommended organising a public consultation on the e-catalogue functions and a market consultation for the requested solution in May 2020 and reiterated the recommendation in June and July 2020. The public consultation and market consultation took place eventually in September 2020. They show the project is extremely relevant and very needed by the school communities and the required services are feasible

from the point of view of potential bidders. However, risks related with the complexity of the procurement need to be taken into account in project management. The tender for the electronic system (platform) for the “The Integrated System for School Management” (the e-catalogue) have been published after revisions in December 2020, but withdraw after receiving comments from the National Public Procurement Agency in the ex-ante control process. A revision of the tender specification to update them (as they have been drafted in 2019 and are outdated in 2021) was decided, but the tender was not finished in the first six months of 2021. Although this is a good reason in principle, the project delays are substantial and endanger the achievement of results until the end of EU support (2023).

Since March 2020 Romania is affected by the COVID-19 pandemic and related crisis. New policies and legislation regarding public procurement have been published during this period and the project team analysed it for the manner in which they interacted with pre-existing legislation, how they were applied, the problems that arose and any irregularities that might have arisen. Moreover, the research on private sector, civil society and mass media perception on public procurement (taken into account the effects of COVID-19 pandemic and related crisis) has been conducted to understand the impact of these elements on the procurement. Results of research (published in May and also to be published in the next reporting period) show the need for IP procurement monitoring in the context of important risks for procurement integrity still very much present in Romania.

Activities to communicate and promote integrity pacts

Communication about integrity pacts and their promotion have been carried out by TI-Romania and IPP using different channels:

- Social media (Facebook) with at least 1 post every two weeks;
- Organising events and using events organised within other projects to promote IPs. IPs are an important recommendation of the Business Integrity Country Agenda (BICA) assessment report, therefore communication about IPs is integrated in advocacy within the BICA project. Meetings with private sector representatives (including business organisations) and civil society organisations have been organised to promote IPs in 2021.

In June 2021 TI-RO & IPP launched an online campaign promoting Integrity Pacts. The spots are available on YouTube (https://www.youtube.com/channel/UCOJe_E_KK1p84jrK1xchNQ) and promoted online on several news website. The campaign reached over 500.000 persons in June 2021.

Advocacy

Communication with the National Agency for Public Procurement has intensified during the reporting period in order to promote the Integrity Pact as a good practice in the practice library on the Agency’s website. This was achieved in June 2021 and it is an encouragement for contracting authorities to use Integrity Pacts and a source of information about Integrity Pacts for procurement experts on the platform/information source they use for official clarifications and good practices recommended by the regulating authority in the field of public procurement.

Moreover, in the process of adopting a new anticorruption strategy for Romania, Integrity Pacts are mentioned as a good practice in the report on the implementation of the National Anticorruption Strategy, published in May 2021 and continuing the support and promotion for civil society monitoring of public procurements continue to be a strategic priority according to the draft presented by the Ministry of Justice.

Monitoring activities

Monitoring activities were concluded in Novo mesto with an extensive set of documents received at the end of implementation. As some questions remained unanswered the monitor requested additional documents and explanations from the CA, which was provided by the CA, although much beyond the agreed and promised deadline. The documentation was inspected by the monitor and external expert.

Ex-post monitoring continued for the first hospital as well as the monitor received the last batch of surveys from patients and employees of the hospital regarding the quality of internal environment in order to test the qualitative changes of the renovation. Analysis shows that there is a significant improvement of temperature perception noted in the cooling period, while there is a slight positive trend in heating periods. Air quality perception also improved after the renovation.

Additionally, data regarding energy consumption for 2020 (first full calendar year after implementation) in order to evaluate the success of the renovation. The monitor found discrepancies in the data sent and the data the hospital reported to the appropriate ministry and is addressing the issue currently.

Activities to communicate and promote Integrity Pacts

The promotional activities were directed mainly on the e-learning platform content (described in the last report) to maximise the reach. TI Slovenia opened the videos so they could be promoted as a single output online to reach a wider audience.

The project was presented to an international audience at the Day of Democracy online event.¹¹ The event was mainly targeting CSOs and was primarily showcasing projects that tackle distrust. Additionally, the project was also presented at the Social accountability trends 2021 conference, which was held in hybrid form and was targeted at decision makers, CSOs and business owners. As the event was focusing on cross-sector cooperation the main added value of the project in the context of the conference was to show the positive sides of a structured cooperation (through a written agreement) of representatives of three different sectors on a concrete project. This differentiated the IP project from other initiatives that were presented.

Advocacy

Advocacy activities were centred around the amendments of the Public Procurement Act where TI Slovenia advocated against the raising of the thresholds for the use of the PPA and other negative proposals. First, TI Slovenia actively participated by writing 8 recommendations during the opened public debate, however, the ministry did not take the recommendations into account, despite the fact that similar recommendations were made by the Commission for the prevention of corruption and Court of audit (this was found later). As the ministry failed to improve the proposal TI Slovenia tried to sway members of the National Assembly, namely members of the appropriate committee to propose amendments in line with TI Slovenia's. While an opposition party proposed several amendments in line with TI Slovenia's suggestions, none were passed by the committee. Additionally, TI Slovenia held two sessions of the advisory group for emergency procurement with Commission for the prevention of corruption, Competition protection agency, private sector procurement expert and the Ministry for public administration (Public procurement sector). Stakeholders discussed emergency procurement experiences during Covid-19 and potential remedies for future emergency procurement.

TI Slovenia representative also met with DG Regio representatives online regarding the safeguards included in the national recovery plan and the inclusion of civil society in the drafting of the plan. In addition, TI-SI drafted a country profile on lessons learned from the IP project, highlighting the most significant factors to be considered for the future implementation of IPs in Slovenia.

¹¹ <https://www.facebook.com/CounterEuroscepticismwithyourVote/photos/pcb.228551802292570/228551668959250>