

The concept

The Integrity Pact is Transparency International's most traditional and well known tool to fight corruption in the field of public contracting.

The IP consists of a process that includes an agreement between a government agency and all bidders for a public sector contract. It sets out rights and obligations to the effect that neither side will pay, offer, demand or accept bribes, or collude with competitors to obtain the contract, or while carrying it out. The IP further establishes an independent monitoring system under the leadership of civil society and a process for determining the presence of violations, which carry sanctions as a consequence. These sanctions range from loss or denial of contract, forfeiture of the bid or performance bond and liability for damages, to debarment for future contracts on the side of the bidders, and criminal or disciplinary action against government employees.

Global Status

The IP has been adapted to local conditions and implemented by more than 15 TI chapters in the last 10 years. By regions, Latin America and Asia are the ones who have gone farthest with the implementation, followed by Europe and Central Asia; Africa has been the last one, just starting recently to discuss the concept and explore possibilities for its implementation.

Up to date, more than 300 contracting processes in a wide range of sectors have integrated the signature of an IP together with independent monitoring. This is without including the number of contracts where IPs has been signed as part of a legal requirement, in those countries or local governments where the authorities have adopted the IP as part of the regular procurement procedure for contracts of values above certain thresholds.

Due to IP application, chapters and public & private sector participants in IP cases have reported significant results with respect to contract savings (from 10% up to 60% in some cases), bidders' increased confidence, decreased complaints and a positive impact on procurement reform and legislation.

Chapter involvement by region

- In Latin America IPs have been implemented in Argentina, Colombia, Ecuador, Mexico, Panama, Peru and Paraguay. El Salvador will start implementing IPs under the recently created Public Works Observatory.
- In Asia, IPs have been implemented in Indonesia, India, South Korea, Pakistan and China. Malaysia intends to introduce it at some point in the future.
- ECA participating chapters are Germany, Latvia and Italy. Poland has been trying to introduce it for some years without success yet. Hungary is promoting it and Bosnia, Israel and Romania have started to assess how they could implement it. TI -UK promotes IPs in the defence sector together with other national chapters and has adapted it through the PACS tool for the construction sector.
- Uganda has included the IP as a priority in its Anticorruption Strategy for the Water Sector. Nigeria is considering its introduction for the Niger Delta development projects as well as the Government of Lesotho for the expansion phase of the Lesotho Highlands Water Project

Challenges

To be able to increase impact and coverage of the use of the tool, TI needs to evaluate and document its experience with Integrity Pacts, and find ways to facilitate its broad application. Despite the breath of experience gained by so many chapters during these years, our capacity to systematically share it and learn

from it as a movement has been limited. The result of such evaluation should provide guidance on the measures needed to increase the potential of the tool in the future.

Opportunities

In addition to the interest shown in the tool by several governments, the tool has been profiled by the World Bank Institute as a collective action tool for the private sector in its efforts to fight corruption. Also, International Financial Institutions who have been reluctant to engage on IPs in the past, are moving more and more towards mechanisms that involve civil society in procurement monitoring, opening new entry points for IP work. In preparation for these opportunities an IP manual for government officials in the water sector is being produced together with WIN, material that with some adaptations can be used also for other sectors

In addition, some other TI chapters around the world have been working on procurement monitoring by civil society, even if not introducing the formal signature of an IP in their methodological approach. These efforts also generate experience that can be documented and shared to improve TI's IP work. These chapters are Guatemala, Bulgaria, Kyrgyzstan, Poland, Slovakia, Czech Republic, Macedonia, Romania and Serbia.