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PRESS RELEASE

Policy paper on boosting integrity in Romanian public procurement

Transparency International Romania elaborated a policy paper that aims to boost the integrity of Romanian public procurements. The paper contains a four steps model designed to increase the trust in public procurements carried out at national level.

For context, in Romania the funds directed to public procurement are approximately €50 billion/year. Although some progress has been made, there are still considerable risks of corruption and irregularities in the procurement system. This is the background in which Transparency International Romania started the initiative

The numerous situations when corruption was detected in procurement procedures, taking place as an abuse of power or as an accident due to limited administrative capacity to manage complex procurements, attract lack of trust in the system, both from the business sector and the general public.

Overall, the most common typologies of corruption in public contracting observed in Romania, according to the Romanian oversight authorities and other research, are:

- bribery or conflicts of interests associated with tailored terms of references or unfair evaluation of tenders;
- using emergency procurement to limit the competition, without proper cause;
- collusion between bidders (often without the involvement of the contracting authority);
- collusion and bribery at delivery (of goods, services or works), even if the awarding process for the contract was not corrupt.

In order to improve the integrity of public procurement, these are some of the policy measures that are recommended to the Romanian Government:

- formal recognition and systematic use of Integrity Pacts, by including them in the legislation and using them for procurement processes with high corruption/integrity risks;
- raise awareness and train civil servants dealing with public procurement on anti-corruption and integrity;
- develop a training program for public buyers, the civil servants dealing with public procurement, to allow them to better learn about the market;
- assess and amend legal provisions to widen the scope and definition of conflict of interests;
- implement an integrity risk management system for public procurement;
- issue general guidelines for direct procurement and model procedures for the required institutional procedures excepted from Directive 2014/24;
- ensure the quality of published public procurement data;
- use standard costs (as recommended by some European funded projects) in price estimations for public procurement.

Transparency International Romania proposes a four steps model for more trust in public procurement and for addressing the above-mentioned reforms:

1. **By using big data analyses, public institutions, the private sector and civil society can identify projects/public procurement procedures/contracts that are exposed to corruption / have a high corruption risk;**
2. **A variety of stakeholders should mobilise to monitor the projects/public procurement procedures/contracts exposed to corruption risks;**
3. **Using Integrity Pacts to monitor the projects/public procurement procedures/contracts exposed to corruption risks and involving the stakeholders;**
4. **Based on the experience of Integrity Pacts, both capacity building activities for institutional strengthening and policy reforms can be better planned and implemented.**

The Integrity Pacts implemented in Romania between 2016-2021 are a valuable tool for increasing trust in public procurement in order to facilitate decision-making and implement the necessary reforms.

Increasing trust in procurement procedures is one of the goals of Transparency International Romania, as it is a crucial step in breaking the vicious circle in which lack of capacity and integrity undermine trust, and lack of trust favors an environment conducive to irregularities and corruption to thrive.

Moreover, the Integrity Pacts are a mechanism of Collective Action and support capacity building, based on mutual learning, of all stakeholders involved: the contracting authorities, the companies as potential bidders and contractors as well as the civil society. Collective Action initiatives can support contracting authorities to better understand markets and formulate realistic and non-discriminatory demands. It can also support the avoidance of unintended irregularities, which increase the perception of corruption and decrease trust due to misunderstandings and different communication styles. Furthermore, Collective Action can enable the early detection of integrity issues with financial consequences (for the public budget and the private sector), including the early detection of corruption, if applicable.

The policy paper was elaborated within the project *"Bolstering Integrity in Public Contracting: A Reinvigorated Approach and Coalition on Integrity Pacts"*, implemented by Transparency International – Secretariat in partnership with its chapters from Argentina, Romania and Spain, being funded by Siemens, through Siemens Integrity Initiative. The main objective of the project is to set the Integrity Pacts as the standard in anti-corruption actions in public procurement and to expand global and national coalitions in order to promote the use of Integrity Pacts in key investments and regulations.

For more information, please access [Transparency International Romania website](https://www.transparency.org/ro). Contact person: Irina Lonean, programme coordinator at Transparency International Romania, e-mail: office@transparency.org.ro