

Role of Civil Society Organizations in Monitoring Public Procurement – Challenges and Opportunities

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Public Procurement**

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Main messages ..challenges

CSOs play an important role in increasing transparency and reducing corruption in public procurement - but face three main challenges:

1. Enabling operating environment - legal – protection – security - recognition – CSOs allowed to monitor
2. Skills (procurement – basic and advanced, keeping up with digital tools and applications, procurement reforms, etc.
3. Funding: independent - untied – transparent - sustainable

Main messages.. Opportunities

To strengthen CSOs role in procurement monitoring - based on our experience

1. Develop Local - Regional Institutions to build capacity in procurement monitoring on a continuous – sustainable basis
2. Capability to use electronic procurement platforms
3. Establish mechanisms for “independent” sources of funding to qualified CSOs to carry out procurement monitoring
4. Strengthen local – regional – international CSO networks in procurement monitoring

What is Procurement Monitoring?

Third-party observation, tracking, or oversight of the public procurement process .

Source: Partnership for Transparency

“Social witness”

citizen representative
sits on the bid
evaluation committee

“Macro” monitoring

outside groups analyze
procurement award
and spending patterns
and attempt to
influence legislation
and government
policies

“Micro” monitoring

outside groups track
individual public
procurements for
warning signs “red
flags” of corruption
and/or fraud

Procurement Monitoring

Who does what?

Contracting Entity

- day to day monitoring of contractors, suppliers, etc.

Government Control Entity

- selective independent monitoring

Civil Society

- third-party monitoring - review – analyze – disseminate - discuss – publicly available and investigative data – information- reports - follow up

What does Public Procurement Monitoring by CSOs entail?

Systematic observation of the procurement process at all stages to detect:

violations of law non-compliance
deviations from process unethical behaviors

Improved procurement practices and reduction and prevention of fraud and corruption

Better public service delivery achieved, increase in consumer satisfaction and strengthening of public – private – civil society partnership

CASE STUDIES – WHAT CSOs HAVE DONE IN PROCUREMENT MONITORING

Philippines – Textbook count program

- Objective : to assist communities and volunteers to monitor the procurement of textbooks for elementary and secondary education and its distribution and delivery to schools

How this objective was achieved?

- PTF funded CSOs led by G-Watch engaged with the Department of Education for six years

Philippines : Text Book count program – monitoring by civil society.. Contd.

Result:

- **Average unit price of textbook was cut in half, with savings of about 68.5 million pesos.**
- **Inspection of 165,000 textbooks by civil society members led to the repair and replacement of 62,000 defective textbooks.**
- **Percentage of textbook delivery to schools also increased significantly as a result.**

- **Success factors**
- **Strong leadership intervention to counter negative image of the Department and ownership of the reform process**
- **Civil society monitoring each step of the procurement**

process.

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How do CSOs contribute to the improvement of transparency and effectiveness in Public Procurement?

Example: Latvia

5-year PTF program to support TI-Latvia (Delna):
Monitoring the procurement and construction of the National Library

- **Key Challenge:** to analyze and keep up with a large amount of complex technical and legal documents available to Delna under the Integrity Pact.
 - **Lesson 1:** monitoring should extend from planning through contract execution
 - **Lesson 2:** CSOs need to be technically competent and be able to recruit and pay specialists as needed

Ukraine

PTF's current work on Procurement Monitoring by CSO's

- **Objective :to enhance the capacity of local CSOs in monitoring and assist them in carrying out public procurement in Ukraine**
- **Key Activities: Pilot training, Basic and Advanced training, strengthening local training institution in procurement monitoring and assisting a few trained CSOs in carrying out monitoring of public procurement**
- **PTF and Kyiv School of Economics working in partnership to develop and implement the training program**
- **CSOs from almost all regions were trained over a period of two years**
- **Financed by EBRD and PTF**

Process

- **Assessed the CSO landscape – skill gaps - identified promising CSOs who can do procurement monitoring**
- **Identified risks in the public procurement process, procedures, tools which constrain CSO participation and bring/adapt international best practices**
- **Train CSOs in basics and advanced methods of procurement monitoring**
- **Work with CSOs to build networks to help reduce corruption and increase transparency in public procurement**
- **Assist CSOs in preparation of proposals for funding and mentoring .. Which continues...**

Expected results

- Improved transparency and reduction in corruption in public procurement of goods, works and services
- Reduction in violations of procurement laws, non-compliance and deviations from procurement process
- Better value for the use of public funds

Risks going forward..

- **CSOs participating in advanced training might not be able to mobilize sufficient personnel or funding to engage in the kind of time-consuming exercise of monitoring procurement, particularly in monitoring of civil works, which typically has a long period from tendering to project implementation;**
- **The legal framework on public procurement could change and lack of enforcement of laws and regulations could hamper efforts of CSOs to engage in effective monitoring; and**
- **CSOs could become the target of the Government, thus discouraging them from engaging in monitoring activities.**

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Questions ..comments are most
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