

Sharing Lessons from Integrity Pact Experience

– challenges, best practices, room for improvement –

Integrity Pact Stakeholder Event

14 December 2017 - Bucharest, Romania

Hungarian specificities in implementing Integrity Pacts

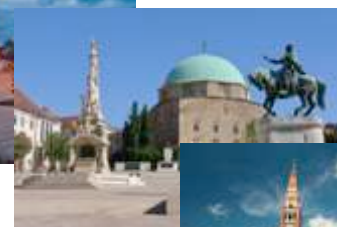
- IP in the form of one trilateral contract;
- joining of tenderers: mandatory or voluntary?
- financing: contracting authority (CA), owner of CA (f.e. local government in case of a municipality-owned company), donor



The beginnings of Integrity Pact Projects in Hungary

2009. „road show” – presentations, interactive games in major Hungarian cities

- international experiences;
- articulating doubts <—> advantages



- 2010. the first integrity pacts with Central Bank of Hungary on procuring taxi services



TI Hungary's Previous Experiences

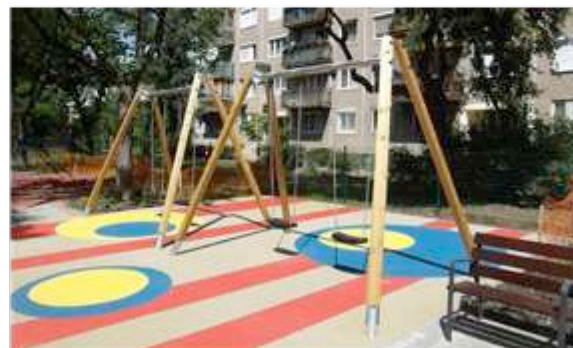
2012. procuring PCs by
Central Bank of Hungary



2012/2013 – 2016.
water supply
infrastructure
development in Ózd
financed by the Swiss
Confederation



2013-2014. reconstruction of a nursery in
the 13th District of Budapest



2015.
playground
development in the 13th
District of
Budapest

IPs to be implemented within the framework of the European Commission' pilot project



Construction of the final section (~25 km) of M6 Motorway
/contract value:
~160m €

Tisza flood reservoir
/contract value: ~
89m €



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Lessons from Hungarian experience with IP

- prices were lower by 30%;
- increased trust from companies toward the public institutions;
- increased competition;
- authorities, State-owned companies: good PR value, PR possibility;
- building trust and good cooperation with monitor, good experiences => usually more IPs later



Bulgarian specificities in implementing Integrity Pacts

- IP in the form of one trilateral contract
- Independent financing of the monitoring
- IP voluntary for bidders
- Incentive for accession to the IP – a White List and dissemination of its information.



TI Bulgaria's Previous Experiences

- 2000: Independent monitoring of the privatization of the National Telecommunication Company - no IP
- 2005: Independent monitoring of the construction of Trakia Highway - IP signed by the CA
- 2010: Independent monitoring of tender procedures of the Ministry of Health, Ministry of Labor and Social policy and the Road Infrastructure monitoring – IPs signed by both CAs and successful contractors



IP to be implemented within the framework of the European Commission' pilot project

DESIGN AND BUILD OF STRUMA MOTORWAY LOT 3.1
ZHELEZNITSA TUNNEL

/contract value ~ 128 MEUR/



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Challenges

- Financing;
- Participation of the Contracting Authority: voluntary or mandatory?
- Who is the monitor?
- Need for specialised external experts



What worked well so far?

- Financing: donor or other external finances provides independency;
- Participation of the Contracting Authority: voluntary – better cooperation, higher level of trust
- Who is the monitor: in Hungary, TI as a monitor worked well;
- Need for specialised external experts: open tender, important to have some personal commitment to the cause;
- White list.



Room for Improvement

- Participation of the Contracting Authority: mandatory – active buy in from Contracting Authority.
- Who is the monitor: in Hungary, serious challenges with other organisations;
- Need for specialised external experts;





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Thank you for your attention

Michaela Rajkova
Project manager
Transparency International Bulgaria
mihaela@transparency.bg
<http://integrity.transparency.bg>

Gabriella Nagy
head of public funds programs
Transparency International Hungary
gabriella.nagy@transparency.hu
<http://transparency.hu/>

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