

INTEGRITY PACT

CONCEPTUAL FRAMEWORK

INTEGRITY PACT is a tool for corruption prevention and non-transparent management of public funds, developed in the mid-1990's by the international anti-corruption organization Transparency International. It represents a written contract between a contracting authority and tenderers in the procedure for public procurement awarding, which lays out the opportunity of independent civil monitoring, conducted by independent external observer.

The main goal of the Integrity Pact implementation is to support the efforts of the public institutions, business sector and civil society in several directions:

- Prevention and counteraction of corruption in public procurement;
- Improved efficiency in public funds management;
- Better conditions for access to public funds by the business.

The Integrity Pact sets out rules for independent civil monitoring and specific commitments on the side of the participating parties (the public institution in charge of the procedure, and the competing tenderers in public procurement), which include:

- Giving access to information with regard to the preparation of documentation, the carrying out of tender procedure, selection of successful tenderer and contract execution;
- Providing opportunity for direct monitoring over all phases of preparation and execution of public procurement procedure;
- Guarantees for impact over participants (or their employees) whose behavior is contradicting with the best practices, as well as
- Incentives to encourage the participants that fulfill their commitments for publicity, transparency and accountability throughout the whole process.

The Integrity Pact establishes rights and obligations to the effect that neither side will pay, offer or accept bribes, or collude with competitors to obtain contract or while carrying it out.

The Integrity Pacts aims to achieve the following main objectives:

1. Present an opportunity to the governing institutions to reduce the high cost of corruption and its distorting effect on the implementation of public procurement, privatization and license granting.
2. Present an opportunity to companies to refrain from payment of bribes by giving guarantees that:
 - Their competitors will also refrain from corruption practices, and

- The agencies on public procurement, privatization, protection of competition and licensing will commit to corruption prevention, including bribe seeking from their representatives, as well as adherence to transparent procedures.

Viewed in a broader context, the Integrity Pact is designed to create confidence in the decision-making process, to facilitate the establishment of favorable environment for investment and to increase civil support towards public funds expenditure, privatization and licensing programs.

In a comparative international aspect, the Integrity Pact has proven as a mechanism, adaptable to different national judicial systems, and sufficiently flexible in its application. Since the initial development of the Integrity Pact concept, it has been implemented in more than 15 different countries and has been improved on the basis of feedback, opinions and recommendations by a wide range of individuals and organizations. Integrity Pacts are being implemented in countries with different levels of economic development and institutional cultures – Germany, United Kingdom, Hungary, India, Latvia, Italy, Venezuela, Mexico, Pakistan and other.