

**'Corruption in public procurement: methods and means of anti-corruption
in the context of public procurement process reform in the international
public administration field'.**

by

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October, 2018

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(name, surname, signature)

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Abbreviations

APEC	Asia-Pacific Economic Cooperation
CA/CAs	Contracting Authority/-ies
CPB	Central Purchasing Body
CPI	Corruption Perceptions Index
DPS	Dynamic Purchasing Systems
EAADYSY	Independent Unified Public Procurement Authority
E-auctions	Electronic auctions
E-catalogues	Electronic catalogues
EO/EOs	Economic Operator/s
E-procurement	Electronic procurement
ESYDYS	National System for Online Public Contracts
EU	European Union
FA	Framework Agreement
GDP	Gross Domestic Product
GNI	Gross National Income
IMF	International Monetary Fund
IT	Information Technology
MTBF	Medium-Term Budgetary Framework
NGOs	Non-Governmental Organisations
OECD	Organisation for Economic Co-operation and Development
SAIs	Supreme Audit Institutions
SMB	Small and Medium Size Business Firms
SR	Social Responsibility
TI	Transparency International
UNCAC	United Nations Convention against Corruption

UNCITRAL United Nations Commission on International Trade Law

WB World Bank

WJP World Justice Project

TABLE OF CONTENTS

Introduction	6
CHAPTER I	7
Public Procurement	7
I. Definitions and significance of public procurement	7
II. The public procurement procedure	11
i. The legal framework	11
ii. The public procurement cycle	11
iii. Tools of procurement	23
CHAPTER II	29
Corruption and Public Procurement	29
I. Corruption	29
i. Definitions and types of corruption	29
ii. Causes and effects of corruption	33
II. Corruption in the public procurement cycle	42
i. Corruption and risks in the public procurement cycle	43
CHAPTER III	49
Anti-corruption in Public Procurement	49
I. Anti-corruption principles, policies and measures in the field of public procurement	50
i. Integrity	52
ii. Transparency	55
iii. Simplification of rules	57
iv. Accountability	58
v. Rotation of procurement officials	65
vi. Penalties, rewards and performance measurement	66
vii. Efficiency and effectiveness	67
II. Anti-corruption measures in the public procurement cycle	69
Conclusions	78
Appendix	81
References	90

Introduction

The magnitude of the consequences corruption may bring not only in the functioning of the public administration but also in the everyday life of the citizens was the reason that prompted me to deal with the issue of corruption in my thesis. Every now and then new cases of corruption see the light of day and the frequency with which they occur was the cause that intrigued me to further examine this issue. In addition, the complexity of corruption (V.Tanzi, 1998) and the many forms it takes (United Nations Handbook On Practical Anti-Corruption Measures For Prosecutors and Investigators, 2004) made it necessary to narrow the scope of my research. The selection of the scope was not random though, since it is targeted at the most corrupt area of the public administration, this of public procurement.

The analysis of some basic terms and procedures in public procurement as presented in Chapter I. may be helpful in grasping the general idea about how procurement in the public sector works. An as much as possible thorough analysis of procurement provides the basic knowledge of the field, knowledge with which we need to be equipped to understand where corruption arises. Moving on in Chapter II. drawing attention to the issue of corruption, the causes that create it and the effects it entail is an attempt to analyse the term and emphasise the gravity of the situation on the social, political and economic level. Which sectors suffer most from corruption and which countries afflicts more than others are central questions that will also be examined. By analysing corruption in the public procurement cycle the risks that emerge in the 3 stages of the cycle (the pre-tendering, the tendering and the post-tendering) will be presented, by the same time the ground for the following chapter will be prepared. It would be ineffective to design policies and measures for tackling corruption without adapting the decision-making procedure to the risks that have to be confronted. Thus, Chapter III. will attempt to associate the risks and pathologies of the administration with the appropriate solutions. It will highlight the policies and measures that may generally combat corruption in the public administration and consequently in public procurement, as an integral part of it. Except for measures that may reform the public administration, it will make a reference to the specific anti-corruption measures in the public procurement cycle that, if adopted, may contribute to the prevention and combat of corruption, as well as to the public procurement process reform.

Hence, the purpose of the present thesis is to examine the relation between corruption and procurement, the procedures that favour corruption and the risks that may generate it. The

thesis will not be limited to the presentation of the different aspects of the problem, but an attempt will be made to underline the measures that need to be taken to eliminate corruption. Approaching corruption both theoretically and practically is indispensable for creating a comprehensive and thorough proposal.

CHAPTER I

Public Procurement

I. Definitions and significance of public procurement

To be able to examine how corruption could be dealt effectively, at first, it is necessary to define some basic terms concerning the procedure of public procurement and also make a reference to the reasons that render public procurement so important a field in public administration.

By defining the meaning of public procurement, the significance of procurement in the public administration is revealed. According to the OECD, 'Public procurement refers to the purchase by governments and state-owned enterprises of goods, services and works'¹. The field of procurement plays a determinant role in the public administration, inasmuch as it needs the goods, services and works for its functioning. Another wording of the term, provided by the European Commission, defines it as 'the process by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies'². According to the Directive 2014/24/EU, the term procurement means 'the acquisition by means of a public contract of works, supplies or services by one or more contracting authorities from economic operators chosen by those contracting authorities, whether or not the works, supplies or services are intended for a public purpose'³ (Article 1, paragraph 2). In the UNCITRAL Model Law on Public Procurement, it is defined as follows ''Procurement' or 'Public Procurement' means the acquisition of goods, construction or

¹Published in the OECD site, <http://www.oecd.org/gov/public-procurement/>, (latest access 16.04.2018)

²Published in the European Commission site, https://ec.europa.eu/growth/single-market/public-procurement_el , (latest access 16.04.2018)

³*Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in EUR-Lex site, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 16.04.2018)

services by a procuring entity’’ (Article 2, paragraph (j))⁴. These definitions provide information about the actors involved, as well as about the object of the transaction.

The procedure evolves with the interaction of the Contracting Authorities, the Economic Operators and the Central Purchasing Body. According to the definitions provided by the 2014/24/EU Directive, the term CAs refers to ‘the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law’ (Article 2, paragraph 1 (1)). As far as the EOs are concerned, these are ‘any natural or legal person or public entity or group of such persons and/or entities, including any temporary association of undertakings, which offers the execution of works and/or a work, the supply of products or the provision of services on the market’ (Article 2, paragraph 1 (10)). The third actor is the CPB, which is ‘a contracting authority providing centralised purchasing activities and, possibly, ancillary purchasing activities’ (Article 2, paragraph 1 (16))⁵. The CPB buys, stocks and resells the goods that the CA/s need/s and also act/s as a mediator for the award of the contracts, the operation of dynamic purchasing systems and the conclusion of framework agreements⁶. Its role is crucial for the accomplishment of the process since it facilitates the cooperation and the interaction between the main actors of the procurement process.

The procurement goals and policies vary from country to country since they are economically, socially and politically differentiated from each other⁷. The economic, social and political situation of a country demonstrates the needs for procurement for the achievement of which the formation of the appropriate policies is necessary. Despite the differences, the impact of public procurement on the economy may be examined by the amount of money allocated in it⁸. According to the latest OECD 2013 data, procurement consisted the ‘12% of GDP and 29% of general government expenditure in OECD countries amounting to EUR 4.2 trillion’

⁴UNCITRAL *Model Law on Public Procurement*, United Nations, 2014, published in the UNCITRAL site, <http://www.uncitral.org/pdf/english/texts/procurement/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 16.04.2018)

⁵Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in EUR-Lex site, pg.32-33, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 27.04.2018)

⁶Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in EUR-Lex site, pg.13, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 27.04.2018)

⁷Khi V. Thai, *Public Procurement Re-examined*, Journal of Public Procurement, Volume 1, Issue 1, 2001, pg.26, <http://ippa.org/jopp/download/vol1/Thai.pdf>, (latest access 18.04.2018)

⁸Khi V. Thai, *Public Procurement Re-examined*, Journal of Public Procurement, Volume 1, Issue 1, 2001 pg.24, <http://ippa.org/jopp/download/vol1/Thai.pdf>, (latest access 20.04.2018)

(Figure 1.)⁹. As long as the budget aims at the accomplishment of the objectives of the public administration¹⁰, in case of misallocation or abuse these objectives are automatically distorted. Consequently, a misallocation of public expenditure may not only lead to an ineffective public administration-as the funds will not be allocated in areas where necessary-but it may also lead to the waste of public funds¹¹. As mentioned in the *EU Anticorruption Report 2014* the impact of corruption on the economy is difficult to be calculated but based on 'on estimates by specialised institutions and bodies', the economic cost for the EU is estimated to be 'EUR 120 billion per year, just a little less than the annual budget of the European Union'¹². Taking into account that the resources provided for the procurement constitute public expenditure, which means that they derive from tax revenue¹³, the allocation of public funds should be rational, cover the real needs of the public administration and ensure the public interest.

Another reason why the public procurement field is considered of paramount importance is the fact that it contributes to the development of the society and nation by the capacity it has to make society better through its policies. The goals set and also the way the public procurement is fulfilled affect the country's development. This may be achieved by applying policies targeted towards social responsibility and particularly on the four areas of social responsibility: a) the economic responsibility, b) legal responsibility c) ethical responsibility and d) philanthropic responsibility. These four areas include the maximisation of profit, the obedience to rules, the respect and protection of human rights, the treatment of people with dignity and respect, as well as the protection of the environment (e-procurement). Whether or not the public sector provides its procurement by EOs who infringe human rights and adopt as a philosophy for their functioning 'child labour, excessive work hours, paying less than a

⁹ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg5, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 20.04.2018)

¹⁰J.-W. Choi, *A study of the role of public procurement-can public procurement make society better?*, pg.5, <http://www.ippa.org/IPPC4/Proceedings/13ProcurementPreferences/Paper13-4.pdf>, (latest access 20.04.2018)

¹¹ *Enhancing Integrity In Public Procurement: A Checklist*, 2008, published in the OECD site, pg8, <http://www.oecd.org/gov/41760991.pdf>, (latest access 17.04.2018)

¹² *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.3, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 24.09.2018)

¹³J.-W. Choi, *A study of the role of public procurement-can public procurement make society better?*, pg.1, <http://www.ippa.org/IPPC4/Proceedings/13ProcurementPreferences/Paper13-4.pdf>, (latest access 20.04.2018)

living wage, gender inequity and any other forms of exploitation¹⁴ plays a key role in its progress and the principles that it represents to the society. Avoiding taking measures to protect the environment or measures to prevent corrupt practices that may diminish the quality of procurement have also an impact on society. On the contrary, measures that respect human rights, combat corruption, protect the environment and promote competition should be at the core of the designed policies for combating and therefore for reforming the field. In addition, the public entities should stimulate companies to adopt the ‘SR agenda’ and the governments should ‘define minimum standards for business performance embedded within the legal framework’. Social responsibility includes also an ethical aspect, which is the obligation of abiding to principles, such as the non-discrimination, the equal treatment and the transparency principles. Given the fact that SMB firms are not that powerful ‘to compete against big companies’, governments should assist them for their development and growth¹⁵. Indeed, inclusion is part of the Europe 2020 strategy which aims at achieving ‘smart, sustainable and inclusive growth while ensuring the most efficient use of public funds’. This may be attained by ‘the participation of small and medium-sized enterprises (SMEs) in public procurement’ and by enabling ‘procurers to make better use of public procurement in support of common societal goals’¹⁶. Smart growth stands for development ‘based on knowledge and innovation’, sustainable growth for ‘a more resource efficient, greener and more competitive economy’ and inclusive growth for ‘fostering a high-employment economy delivering social and territorial cohesion’¹⁷. From all these the view of Arrowsmith (1998) that the field of public procurement can be considered as a means of ‘achieving economic, social and other objectives’¹⁸ may be confirmed.

¹⁴J.-W. Choi, *A study of the role of public procurement-can public procurement make society better?*, pg.2,8, <http://www.ipppa.org/IPPC4/Proceedings/13ProcurementPreferences/Paper13-4.pdf>, (latest access 20.04.2018)

¹⁵J.-W. Choi, *A study of the role of public procurement-can public procurement make society better?*, pg.8-10, <http://www.ipppa.org/IPPC4/Proceedings/13ProcurementPreferences/Paper13-4.pdf>, (latest access 20.04.2018)

¹⁶*Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in EUR-Lex site, pg.1, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 16.05.2018)

¹⁷*EUROPE 2020:A European strategy for smart, sustainable and inclusive growth*, Brussels, 3.3.2010 COM(2010) 2020 final, published in the EUR-Lex site, pg.5, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52010DC2020&from=en>, (latest access 16.05.2018)

¹⁸Khi V. Thai, *Public Procurement Re-examined*, Journal of Public Procurement, Volume 1, Issue 1, 2001, pg.25, <http://ipppa.org/jopp/download/voll/Thai.pdf>, (latest access 20.04.2018)

Thus, the importance of public procurement is utterly linked to the provision of entities with the necessary means for their functioning, the fact that public funds are at stake and the country's orientation and progress.

II. The public procurement procedure

i. The legal framework

The legal framework for public procurement consists of the following international legal instruments: the United Nations Convention against Corruption (UNCAC), the United Nations Commission on International Trade Law (UNCITRAL), the World Trade Organisation Agreement on Government Procurement (GPA), the International Labour Organisation's Labour Clauses (Public Contracts) Convention and the Directives of the European Parliament and of the Council on Procurement¹⁹. To describe the procurement procedure reference will be made to the current EU directives, that is the Directive 2014/24/EU of the European Parliament and of the Council on public procurement and the Directive 2014/23/EU of the European Parliament and of the Council on the award of concession contracts and to the UNCITRAL.

ii. The public procurement cycle

There is a certain procedure in public administration that the CAs should follow to obtain the goods, services and works they need for their functioning. The public procurement process is cracked by the OECD into three stages: the pre-tendering stage, the tendering stage and the post-tendering stage²⁰; whereas the TI divides the process in four stages by labeling them as: the planning stage, the bidding stage, the bid-evaluation stage and the implementation and monitoring stage²¹. Except for the labeling of the stages, the phases are the same and nothing changes in the essence of the procedure. The main difference is that the TI considers the bidding and the bid-evaluation stage as two separate stages, while the OECD includes both in

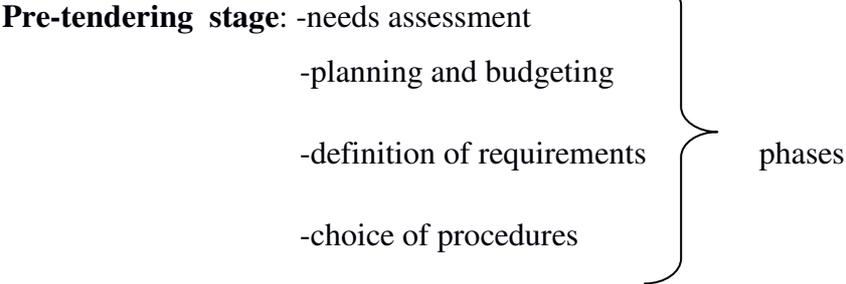
¹⁹ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.5, <http://www.oecd.org/gov/41760991.pdf>, (latest access 20.04.2018)

²⁰ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.10, <http://www.oecd.org/gov/41760991.pdf>, (latest access 20.04.2018)

²¹ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, 2014, published in the Transparency International site, pg.7, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 20.04.2018)

the tendering stage. For the purposes of this dissertation though, the analysis of the process will be made upon the OECD labeling.

-The Pre-tendering and Tendering Stages



The process starts with the pre-tendering stage and the first phase included is the needs assessment phase. The deficiencies of the CA/s are observed and the needs for procurement are determined. Having identified the needs, the following step is to conduct a plan about the way procurement will take place and draw up the budget for its realisation, which is called the planning and budgeting phase²².

The CA/s then has/have to publish a contract notice to inform the interested EOs about the current opportunity for procuring so as to submit their tenders (Article 49). As listed in the Annex V part C of the Directive 2014/24/EU, inter alia it describes the procurement, the procedure that will be followed, the tools of procurement and it sets the time limits ‘for receipt of tenders (open procedures) or requests to participate (restricted procedures, competitive procedures with negotiation, dynamic purchasing systems, competitive dialogues, innovation partnerships)’. It is also in the contract notices that the criteria are described²³, with the definition of requirements being part of the pre-tendering stage. Necessary for setting the terms according to which the process will be conducted, these criteria describe the required technical, selection and award criteria of the tenderers and the tenders they submit²⁴. For the suppliers or contractors to be able to participate in tendering, they have to comply with a series of certain criteria imposed by the CA/s. These ‘selection criteria’ are divided by the EU

²² *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.10, <http://www.oecd.org/gov/41760991.pdf>, (latest access 20.04.2018)

²³ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.60, 148-150, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 20.04.2018)

²⁴ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.29, <http://www.oecd.org/gov/41760991.pdf>, (latest access 20.04.2018)

in three basic categories and precisely the ‘suitability to pursue the professional activity’, the ‘economic and financial standing’ and the ‘technical and professional ability’ (Article 58, paragraph 1)²⁵. Another precondition related to law is the ‘legal capacity’ of the EOs for the engagement in a ‘procurement contract’, as well as the absence of any criminal record ((Article 9, paragraph 2 (c) & (f)). The implementation of ‘ethical and other standards applicable in this State’ is also a precondition for the acceptance of participation (Article 9, paragraph 2 (b))²⁶. Regarding the criteria of suitability, the EO/s might have ‘to be enrolled in one of the professional or trade registers’ to prove their professional activity (Article 58, paragraph 2). The economic situation is important as well, since it indicates whether the supplier has ‘the necessary economic and financial capacity to perform the contract’ via for example the provision of ‘information on their annual accounts’ (Article 58, paragraph 3)²⁷. Therefore, the EO/s should be economically able to undertake the contract and consequently, not being bankrupt or owing ‘taxes and social security contributions’ (Article 9, paragraph 2 (d) & (e))²⁸. As far as the technical and professional ability is concerned, the CA/s may ‘impose requirements’ on the EO/s related to ‘human and technical resources and experience to perform the contract to an appropriate quality standard’ (Article 58, paragraph 4)²⁹. In addition to this, they should possess ‘professional, technical and environmental qualifications, professional and technical competence, financial resources, equipment and other physical facilities, managerial capability, reliability, experience and personnel to perform the procurement contract’ (Article 9, paragraph 2 (a))³⁰.

²⁵Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in EUR-Lex site, pg.65, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 16.05.2018)

²⁶UNCITRAL Model Law on Public Procurement, United Nations, 2014, published in the UNCITRAL site, pg.10, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 16.05.2018)

²⁷Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.65, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 16.05.2018)

²⁸UNCITRAL Model Law on Public Procurement, United Nations, 2014, published in the UNCITRAL site, pg.10, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 16.05.2018)

²⁹Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.66, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 16.05.2018)

³⁰ UNCITRAL Model Law on Public Procurement, published in the UNCITRAL site, pg.9, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 16.05.2018)

There are also certain criteria upon which the CA/s will base the award of a concession to an EO/s and these should be included in the definition of requirements phase as well. The tender has to comply ‘with the minimum requirements set’ by the CA/s and the tenderer to comply ‘with the conditions for participation’ (Article 37, paragraph 1 (a) & (b)), such as ‘the professional and technical ability and the financial and economic standing of the candidates or tenderers’ (Article 38, paragraph 1). Additionally, for the award of a contract to a tenderer not being ‘excluded from participating in the award procedure’ (Article 37, paragraph 1(c)), inter alia on the grounds of corruption, fraud, money laundering or in case of bankruptcy or ‘violation of applicable obligations’ (Article 38, paragraph 4 (b) & (c) & (e), paragraph 7 (a) & (b)) is necessary. Furthermore, the criteria for the award of concessions should be objective and ‘comply with the principles’ (Article 41, paragraph 1) of equal treatment, non-discrimination during the award procedure and of transparency during and also after the ‘performance of the contract’ (Article 3, paragraph 3 (1) & (2)). They might also be based on environmental, innovative or social criteria and the CA/s ‘shall list the criteria in descending order of importance’ (Article 41, paragraph 3)³¹.

The purpose of the criteria of participation and award is to ensure the objective and unbiased conduct of the procedure that is why they should be explicitly defined in the solicitation documents. Also, they intend to verify the tenderer’s professional, economic, legal and technical capacity to fulfill the contract and that the tender submitted is proportionate to the needs and requirements of the CA/s.

The last phase of the pre-tendering stage is the choice of procedures via which the procurement will be accomplished. Depending on the type of the procurement there are five main procedures that the CA may choose to follow: the open procedures, the restricted procedures, the competitive dialogue procedures, the competitive procedure with negotiation the innovative partnership procedure, the request for quotations, the request for proposals without negotiation and the single-source procurement³². It should be mentioned that the CA/s shall send invitations ‘simultaneously and in writing’ to ‘invite the selected candidates to

³¹ *DIRECTIVE 2014/23/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 February 2014 on the award of concession contracts*, published in the EUR-Lex site, pg.19, 35-39, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0023&qid=1535473117745&from=EN>, (latest access: 27.07.2018)

³² *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.2, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 27.07.2018)

submit their tenders or, in the case of a competitive dialogue, to take part in the dialogue’ (Article 54, paragraph 1)³³.

Open procedures

In the open procedures, ‘any interested economic operator may submit a tender in response to a call for competition’ (Article 27, paragraph 1, of the 2014/24/EU Directive)³⁴ and they ‘should constitute the norm’ as they have the advantage of increasing competition and achieving ‘better prices for the contracting authorities when purchasing goods in large volumes’³⁵. The EOs should submit the ‘required documents’ and also ‘meet the selection criteria’ for the CA then to evaluate the tenders ‘on the basis of the most economically advantageous tender’³⁶. They are ‘generally suitable for routine, straightforward and commodity-type purchases’³⁷.

- *Open tendering*: According to the UNCITRAL, in the open tendering procedure, the CA/s should publish an invitation to tender (Article 36), and then provide the solicitation documents only to the suppliers that respond to the invitation (Article 38). These documents contain inter alia the ‘instructions for preparing tender’, ‘the criteria and procedures’, ‘the requirements as to documentary evidence’, ‘a detailed description of the subject matter of the procurement’, ‘the terms and conditions of the procurement contract’, ‘the currency’, ‘the language or languages’, as well as ‘the manner, place and deadline for presenting tenders’ (Article 39 (a),(b),(c),(d),(e) & (m)). Following the guidelines of the solicitation documents, the tenders should submit their tender in ‘writing, signed’ form and the CA/s ‘shall preserve the security,

³³ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.62, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

³⁴ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.45, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

³⁵ C.H. Bovis, *EU Public Procurement Law*, Edward Elgar Publishing, Inc., UK, USA, 2007, pg.76, <http://www.sate.gr/nea/EU%20Public%20Procurement%20Law.pdf>, (latest access 17.05.2018)

³⁶ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.3, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

³⁷ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.7, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

integrity and confidentiality of a tender and shall ensure that the content of the tender is examined only after it is opened' (Article 40, paragraph 2(a) & (c)). After this phase where the tenders have been submitted, they have to be opened and evaluated. The deadline that has been set for the submission is also the date the tenders will be opened (Article 42, paragraph 1). The successful tender will be the one 'with the lowest tender price' and 'the most advantageous tender ascertained on the basis of the criteria and procedures for evaluating tenders' (Article 43, paragraph 3 (b (i) & (ii)))³⁸.

The CA/s may choose to conduct the procurement by making use of an open procedure due to the increased competition and the transparency of the procedure, since 'the contracting authority has no discretion in selecting a provider'. On the other hand, if the procedure is not conducted electronically it costs to 'issue full tender documents to all parties' and it also costs in time and money to evaluate all the tenders submitted³⁹.

Restricted Procedures

In contrast with the open procedures, any EO may request to participate in a competition, the CA/s should then assess the information, but 'only those economic operators invited [...] may submit a tender' (Article 28, paragraphs 1 & 2, of the 2014/24/EU Directive)⁴⁰. This type of procurement 'can also be used for routine, straightforward and commodity-type purchases where the contracting authority is of the view that benefits will be derived from limiting the number of tenderers' but it 'is particularly suited to more complex procurement and to non-routine purchasing'⁴¹.

- *Restricted Tendering*: The UNCITRAL provides that in this method, the CA 'shall solicit tenders from all suppliers and contractors from which the subject matter of the

³⁸ *UNCITRAL Model Law on Public Procurement*, United Nations, 2014, published in the UNCITRAL site, pg.36-42, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 17.05.2018)

³⁹ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg. 6, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

⁴⁰ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.46, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

⁴¹ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.7, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

procurement is available' (Article 34, paragraph 1 (a)). As for the contents of the solicitation documents, the presentation and the evaluation of tenders, the same applies as with the open tendering procedure (Article 45, paragraph 2)⁴².

This type of procurement reduces the costs in money and also the time needed for the evaluation of tenders, since it is targeted only at the evaluation of those EOs that are suitable with the CA's needs and criteria. The negative aspect of this type is 'the increased exercise of discretion by the contracting authority'⁴³.

Negotiated Procedures

The negotiated procedures 'are procedures for the award of public contracts whereby contracting authorities consult contractors of their choice and negotiate the terms of the contract with one or more of them'. One kind of negotiated procedure is the negotiated procedures with prior notification that consists of two rounds, where in the first round 'all interested contractors may submit their tenders and the contracting authority selects which of the candidates will be invited to negotiate' and in the second one 'negotiations with various candidates take place and the successful tender is selected'. The other kind is the negotiated procedures without prior notification that includes one single round and the CA/s may 'choose whichever contractor they want, begin negotiations directly with this contractor and award the contract to him'⁴⁴.

-Negotiations with prior notification:

- *Competitive procedure with negotiation*: The CA/s having advertised the 'contract opportunity' expects from the EOs to submit the 'pre-qualification and selection stage information, which is used by the contracting authority to establish whether the economic operators are qualified to perform the contract'⁴⁵. According to the 2014/24/EU Directive, 'any economic operator may submit a request to participate'

⁴²UNCITRAL *Model Law on Public Procurement*, United Nations, 2014, published in the UNCITRAL site, pg.36-42, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 17.05.2018)

⁴³*Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.6-7, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

⁴⁴ C.H. Bovis, *EU Public Procurement Law*, Edward Elgar Publishing, Inc.UK, USA,2007, pg.75-76, <http://www.sate.gr/nea/EU%20Public%20Procurement%20Law.pdf>, (latest access 17.05.2018)

⁴⁵ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.3-4, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

(Article 29, paragraph 1) but in negotiations will proceed ‘only those economic operators invited by the contracting authority following its assessment of the information provided’ to ‘submit an initial tender which will be the basis for the subsequent negotiations’(Article 29, paragraph 2). It is a two-stage process and the evaluation is based on ‘the most economically advantageous tender’⁴⁶.

- *Request for proposals with consecutive negotiations*: This procedure also prescribes prior publication as concluded from Article 47, paragraph 1 of the UNCITRAL⁴⁷. The same provisions related to the request for proposals, the examination and evaluation of ‘the technical, quality and performance characteristics of proposals’ that apply for the request for proposals without negotiation, is also applicable in this method (Article 50, paragraph 1). Responsive proposals are considered those ‘whose technical, quality and performance characteristics meet or exceed the relevant minimum requirements’ (Article 50, paragraph 2). The CA shall inform the tenderers about their score in the previously mentioned characteristics and ‘invite the supplier or contractor that has attained the best ranking’ (Article 50, paragraph 2 (a) & (b)). The CA invites at first the one with the best ranking to participate in negotiations and they negotiate in order to conclude a contract. If the CA fails in reaching a contract with the first one, then it proceeds by inviting the following ones in the rating list, up to the level the contract is concluded (Article 50, paragraph 3 & 4). It should be noticed that the CA is not allowed to ‘reopen negotiations with any supplier or contractor with which it has terminated negotiations’ (Article 50, paragraph 6)⁴⁸.

-Negotiations without prior notification:

- *Negotiated procedure without prior publication*: According to the Directive 2014/24/EU, ‘Member States may provide that contracting authorities may award

⁴⁶ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.3-4, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

⁴⁷ *UNCITRAL Model Law on Public Procurement*, United Nations, 2014, published in the UNCITRAL site, pg.43, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 17.05.2018)

⁴⁸ *UNCITRAL Model Law on Public Procurement*, United Nations, 2014, published in the UNCITRAL site, pg.52-53, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 17.05.2018)

public contracts by a negotiated procedure without prior publication’ (Article 32, paragraph 1) in case ‘where no tenders or no suitable tenders or no requests to participate or no suitable requests to participate have been submitted in response to an open procedure or a restricted procedure’ (Article 32, paragraph 2 (a)) or ‘where the works, supplies or services can be supplied only by a particular economic operator’ for artistic reasons or for ‘the protection of exclusive rights’ or when ‘competition is absent for technical reasons’ (Article 32, paragraph 2 (b)). Also, it may be used ‘for reasons of extreme urgency brought about by events unforeseeable by the contracting authority, the time limits for the open or restricted procedures or competitive procedures with negotiation cannot be complied with’ (Article 32, paragraph 2 (c))⁴⁹.

As in the restricted procedures, in the negotiated procedures the competition is also limited, they are used for ‘more complex procurement schemes’ and ‘are utilised in relation to the most economically advantageous offer award criterion’⁵⁰.

Competitive dialogue procedures

As the competitive procedure with negotiation, it is a two-stage process and the CA/s having advertised the ‘contract opportunity’ expect/-s from the EOs to ‘submit the pre-qualification and selection stage information, which is used by the contracting authority to establish whether the economic operators are qualified to perform the contract and to select the economic operators that are to be invited to tender’⁵¹. As stated in the Directive 2014/24/EU, ‘in competitive dialogues, any economic operator may submit a request to participate’ but ‘only those economic operators invited by the contracting authority following the assessment of the information provided may participate in the dialogue’ (Article 30, paragraph 1). The aim of this procedure is through the dialogue ‘to identify and define the means best suited to

⁴⁹ Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.49, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

⁵⁰ C.H. Bovis, *EU Public Procurement Law*, Edward Elgar Publishing, Inc.UK, USA, 2007, pg.76, <http://www.sate.gr/nea/EU%20Public%20Procurement%20Law.pdf>, (latest access 17.05.2018)

⁵¹ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.3-4, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

satisfying their needs’ (Article 30, paragraph 3)⁵². The dialogue may carry on until the CA/s identifies/-y ‘the solution or solutions which are capable of meeting its needs’ (Article 30, paragraph 5), then it/they shall conclude the dialogue and ask ‘each of them to submit their final tenders on the basis of the solution or solutions presented and specified during the dialogue’ (Article 30, paragraph 6). The evaluation is based on ‘the best price-quality ratio’ (Article 30, paragraph 7)⁵³.

The competitive procedure with negotiation and the competitive dialogue procedure are used only ‘where specific conditions are met’. They may be used complementary to the open procedure and the restricted procedure, in case irregular or unacceptable tenders are received. Irregular are the “tenders which do not comply with the procurement documents, which were received late, where there is evidence of collusion or corruption, or which have been found by the contracting authority to be abnormally low, shall be considered as being irregular” and unacceptable are considered those “tenders submitted by tenderers that do not have the required qualifications, and tenders whose price exceeds the contracting authority’s budget as determined and documented prior to the launching of the procurement procedure shall be considered as unacceptable”. These procedures may also be used for procurement related to ‘design or innovative solutions’ and in cases where ‘the technical specifications cannot be established with sufficient precision by the contracting authority’. The CA/s in these cases shall negotiate with the tenderers so that they adapt their tenders to the requirements set and ensure that the tenders meet the CA’s needs⁵⁴.

Innovation Partnership Procedure

In this procedure, the CA/s shall advertise the contract notice and in the procurement documents ‘shall identify the need for an innovative product, service or works that cannot be met by purchasing products, services or works already available on the market’ (Article 31, paragraph 1). Negotiations ‘may take place in successive stages in order to reduce the number

⁵² Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.47-48, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 17.05.2018)

⁵³ Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.48, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 17.05.2018)

⁵⁴ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.7-8, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

of tenders to be negotiated by applying the award criteria specified in the contract notice, in the invitation to confirm interest or in the procurement documents’ (Article 31, paragraph 5). The EOs that ‘may submit research and innovation projects aimed at meeting the needs identified by the contracting authority that cannot be met by existing solutions’ are only those that will be invited to do so (Article 31, paragraph 5)⁵⁵. The award of the contracts is based on ‘the best price/quality ratio’⁵⁶. It may be used for covering the CA’s needs that require ‘the development of innovative products, services or works and the subsequent purchase of those supplies, services or works’ that cannot be found in the market⁵⁷.

The UNCITRAL includes also the following procedures:

- *Request for quotations*: In this method of procurement, pursuant to the UNCITRAL, the CA/s should invite at least three suppliers to tender, but generally it shall address to as many suppliers as possible, since ‘it shall request quotations from as many suppliers or contractors as practicable, but from at least three’ (Article 34, paragraph 2). It also prescribes that ‘each supplier or contractor is permitted to give only one price quotation and is not permitted to change its quotation. No negotiations shall take place between the procuring entity and a supplier or contractor with respect to a quotation presented by the supplier or contractor’ (Article 46, paragraph 2). The ‘lowest-priced quotation meeting the needs of the procuring entity as set out in the request for quotations’ is considered as the successful tender and thus, this will be the one accepted (Article 46, paragraph 3)⁵⁸.
- *Request for proposals without negotiation*: In accordance with the UNCITRAL, in this procedure the tenders are invited to submit their proposal without ‘negotiation proceedings to be published’ (Article 47, paragraph 1). In the request for proposals

⁵⁵ Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.48-49, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 17.05.2018)

⁵⁶ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg. 4, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

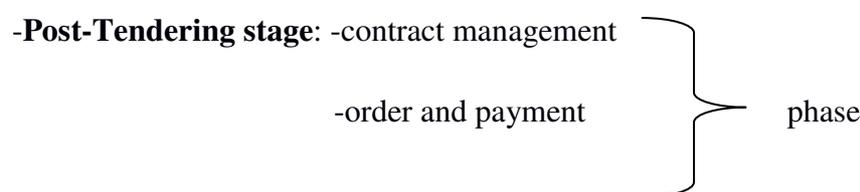
⁵⁷ *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the SIGMA site, pg.8-9, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 17.05.2018)

⁵⁸ *UNCITRAL Model Law on Public Procurement*, United Nations, 2014, published in the UNCITRAL site, pg.34, 43, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 18.05.2018)

shall be included inter alia the ‘instructions for preparing and presenting proposals’ and the currency (Article 47, paragraph 4 (a) & (c)). ‘The proposals whose technical, quality and performance characteristics meet or exceed the relevant minimum requirements shall be considered to be responsive’ and finally, the CA/s shall opt for ‘the proposal with the best combined evaluation in terms of: (a) the criteria other than price specified in the request for proposals; and (b) the price’ (Article 47, paragraphs 8 & 10)⁵⁹.

- *Single-source procurement*: The distinct characteristic of this type lies in the fact that ‘it shall solicit a proposal or price quotation from a single supplier or contractor’ (Article 34, paragraph 4). The UNCITRAL also defines that the CA ‘shall engage in negotiations with the supplier or contractor from which a proposal or price quotation is solicited unless such negotiations are not feasible in the circumstance of the procurement concerned’ (Article 52)⁶⁰.

Having made a reference on some basic characteristics of the procurement procedures, it should be noted that the chosen procedure for procuring is related to the type of procurement and that each of them is accompanied by advantages and disadvantages. In the **Tendering stage** the EOs are invited to tender and the evaluation and award phases follow.



The last stage concerns the performance of the contract in terms of ‘quality, price and timing’, so as to verify that the EOs follow all terms set in the agreement. Also, it involves the phase of payment where the procurement has to be supervised by public officials responsible for financial duties⁶¹.

⁵⁹UNCITRAL Model Law on Public Procurement, United Nations, 2014, published in the UNCITRAL site, pg.43-46, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 18.05.2018)

⁶⁰UNCITRAL Model Law on Public Procurement, United Nations, 2014, published in the UNCITRAL site, pg.34,54, <http://www.uncitral.org/pdf/english/texts/procurem/ml-procurement-2011/2011-Model-Law-on-Public-Procurement-e.pdf>, (latest access 18.05.2018)

⁶¹Enhancing Integrity in Public Procurement: A Checklist, OECD, 2008, published in the OECD site, pg.28, 42, <http://www.oecd.org/gov/41760991.pdf>, (latest access 18.05.2018)

iii. Tools of procurement

Once the CA/s find/-s the suitable procedure for procuring, the choice among four different tools to conduct the procedure ensues. Both have to be announced in the contract notice, so that the EOs are aware of the procedure that will be followed and the way that it will be conducted, according to the Directive 2014/24/EU (Article 49)⁶². There are four tools that may be used for procuring: the Framework Agreements (FA), the Dynamic Purchasing Systems (DPS), the e-auctions and the electronic catalogues (e-catalogues).

Framework Agreements

A CA may choose to conduct a procedure by making use of an FA. According to the EU Directive 2014/24, an FA is ‘an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged’ (Article 33, paragraph 1)⁶³. The way via which the procedure is conducted should be adjusted to the type of goods, services and works that is why the procurement cannot always be conducted with an FA⁶⁴.

Depending on the number of the actors involved it can be either a single-supplier FA or a multi-supplier FA. The single-supplier means that the EO is one, but there may be one or several CAs and the multi-supplier that there are several EOs and one or several CAs taking part in the agreement⁶⁵. Also, an FA can be completed in one or two stages according to the number of suppliers and the stage of the agreement terms (complete or incomplete). More specifically, a call-off stage will not be reopened if there is only one supplier and the terms are either fixed or not fixed, and if there are several suppliers and the terms are fixed. The

⁶² Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.60, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 18.05.2018)

⁶³ Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, published in the EUR-Lex site, pg.50, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 23.04.2018)

⁶⁴ Directive 3 (Decision 246/2014 of the Independent Unified Public Procurement Authority), Athens, 30/07/2014, Protocol Number: 3220, published in the Independent Unified Public Procurement Authority (EAADYSY) site, pg.4, http://www.eaadhsy.gr/images/docs/20140730-Kateythyntiria_Odigia_3-2014.pdf, (latest access 23.04.2018)

⁶⁵ Public Procurement: Procurement Tools, Brief 11, September 2016, published in the Sigma site, pg.3-4, <http://www.sigmaxweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

only case the agreement proceeds to a call-off stage is when there are several suppliers and the terms are not fixed, in order to define the rest of the terms and conclude the contract. Usually all terms are defined for the categories ‘that do not require customisation’, such as ‘office supplies, hardware, furniture or fuel’ and only some of terms for the categories that need to be aligned to ‘specific needs and market conditions’, such as ‘mobile communications, travel services or software’⁶⁶. The CA/s may proceed immediately to the conclusion of the contract so that the FA becomes legally binding⁶⁷. The use of this type is suitable for ‘repeated requirement for works, services or supplies, but where the exact quantities required are unknown’⁶⁸.

The procedure includes the preparation stage, the tendering and awarding stage and the launching and managing stage. Its distinct characteristic is that it provides for the conduct of a research based on data about ‘past spending’ and previous cooperations with the view to understand what the CA/s really need/-s to procure. That is why it is appropriate for repeated procurement and for unknown quantities, because through the research made they may be specified. It allows the categorisation of needs according to the types of goods procured, the expenditure and the priorities of the CA/s, and also the conduct of a market analysis research that helps in ‘designing tender documents which match needs with the suppliers’ available solutions’ and in choosing the ‘right procurement procedure and strategy’. The design of the FA follows and the CA/-s publish/-es a ‘prior information notice’ and comes in contact with the interested suppliers to discuss with them ‘all of the matters related to the tendering procedure’. The execution of the FA should be monitored and in case the goods or services procured are of low value ‘they are bought directly without a competitive process’. On the contrary, in case, as previously mentioned, there are several suppliers and the terms are not fixed, the call-off stage-that is the conduct of a competition with one of the procedures for

⁶⁶ *Manual for Framework Agreements*, OECD, 2014, published in the OECD site, pg. 11-12, <http://www.oecd.org/gov/public-procurement/publications/manual-framework-agreements.pdf> , (latest access 23.04.2018)

⁶⁷ *Directive 3 (Decision 246/2014 of the Independent Unified Public Procurement Authority)*, Athens, 30/07/2014, Protocol Number: 3220, published in the Independent Unified Public Procurement Authority (ΕΑΑΔΣ) site, pg.3, http://www.eaadhsy.gr/images/docs/20140730-Kateythyntiria_Odigia_3-2014.pdf, (latest access 23.04.2018)

⁶⁸ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.4, <http://www.sigmaxweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

procurement- is necessary⁶⁹. The procuring of an FA is mostly done by using the open or the restricted procedure, even though any of the procedures may be used⁷⁰.

The use of an FA is linked to the attainment of six basic objectives for the well functioning of the public administration. Among them the rationalisation of public expenditure, the increase of savings and quality, the improvement of competitiveness, the increase of efficiency, the development of reliable information and the ensuring of compliance. For these objectives to be attained, certain actions are needed. Rationalising the public expenditure is balancing the costs and benefits and practically reducing waste of funds and controlling the public debt. Choosing FAs for ‘the major spending categories’ and standardising goods and services are measures that can lead to rationalisation. In addition, to increase the savings and quality means to achieve the best quality of the supplied goods or services in the best price. This objective can be achieved by ‘awarding on the most economically advantageous tender (MEAT) if the subject of the contract allows it, or lowest price’ and also, by defining the ‘maximum price’ and the ‘minimum technical specifications’ in the requirements. Another objective of an FA is to improve the competitiveness, which ensures more transparency and ‘better supply terms for the public administration’. Competitiveness is possible by selecting suppliers based on financial, environmental and quality criteria. Moreover, achieving efficiency is of utmost importance for the public sector which can be modernised by simplifying the ‘purchasing process’ and by laying emphasis on e-procurement. The role of an FA in developing reliable information should not be underestimated as its procedures permit the performance monitoring of the FAs, the control of the expenditure and ‘reliable audit trail’. These outcomes can be achieved by grouping and analysing information about the EOs and the CAs and by creating ‘transparent and reliable databases’. Last but not least, an FA should ensure compliance, thus avoiding the creation of disputes or the imposition of sanctions, by complying with the ‘local and EU rules’⁷¹.

⁶⁹ *Manual for Framework Agreements*, OECD, 2014, published in the OECD site, pg. 17-49, <http://www.oecd.org/gov/public-procurement/publications/manual-framework-agreements.pdf>, (latest access 23.04.2018)

⁷⁰ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.5, <http://www.sigmaxweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

⁷¹ *Manual for Framework Agreements*, OECD, 2014, published in the OECD site, pg.13, <http://www.oecd.org/gov/public-procurement/publications/manual-framework-agreements.pdf>, (latest access 30.04.2018)

Briefly, this tool of procurement is useful for defining the real needs of the CA/s and adapting the requirements of a contract to what is available on the market, by the same time it maximises the quality, it reduces the costs of the public administration and enhances efficiency.

Dynamic Purchasing Systems (DPS)

The DPS is ‘a completely electronic system that can be used for repeated standardised purchases’⁷² and according to the Directive 2014/24/EU, ‘All communications in the context of a dynamic purchasing system shall only be made by electronic means’ (Article 34, paragraph 3). With the view to use this type of instrument for procurement, the procedure to be followed is the restricted procedure, since pursuant to the same Directive the CA/s ‘shall follow the rules of the restricted procedure’. Also, ‘All the candidates satisfying the selection criteria shall be admitted to the system, and the number of candidates to be admitted to the system shall not be limited in accordance with Article 65’ (Article 34, paragraph 2). The CA/s shall assess the requests (Article 34, Article 5) and then shall invite all admitted participants to submit a tender for each specific procurement under the dynamic purchasing system’ (Article 34, paragraph 6). The contract shall be awarded to ‘the tenderer that submitted the best tender on the basis of the award criteria set out in the contract notice for the dynamic purchasing system’ (Article 34, paragraph 6). The DPS may be used for ‘commonly used purchases the characteristics of which, as generally available on the market, meet the requirements of the contracting authorities’ (Article 34, paragraph 1)⁷³.

Another characteristic of this tool is that ‘under a DPS new economic operators may apply to join the system at any time, and throughout the entire DPS validity period’, which differentiates it from the fixed membership of the FAs⁷⁴.

The fact that the procedure is conducted electronically increases transparency and promotes the modernization of the public administration. In addition, another advantage of the DPS is

⁷² *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.8, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

⁷³ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.51-52, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

⁷⁴ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.9, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

that conducting the procurement electronically the amount of money required for the procedure can be significantly reduced. It becomes easier for the EOs ‘to do business with the public sector’, bureaucracy is reduced and it also encourages the SMBs to participate⁷⁵.

E-auctions

The e-auctions ‘is a method of inviting revised final tenders following the conduct of a full tender process’, which means that it is the ‘final stage of an open, restricted or competitive dialogue tender process, after receipt of the initial tenders’⁷⁶ and after being ranked by ‘using automatic evaluation methods’ (Article 1, paragraph 1)⁷⁷. Their utility lies in the fact that after the tendering procedure the EOs may ‘submit new prices and/or other revisions to elements of their tenders for a particular contract in real time and in direct competition with other economic operators’⁷⁸. If the contract ‘is awarded on the basis of price only’, the e-auction shall be based ‘solely on prices’ and if ‘on the basis of the best price-quality ratio’, it shall be based ‘on prices and/or on the new values of the features of the tenders’ (Article 35, paragraph 3 (a) & (b)).

It may be used for awarding public contracts of which the ‘content of the procurement documents, in particular the technical specifications, can be established with precision’ (Article 35, paragraph 2). On the contrary, it shall not be used for contracts that cannot be ranked by means of automatic evaluation methods, since ‘Certain public service contracts and certain public works contracts having as their subject-matter intellectual performances, such as the design of works, which cannot be ranked using automatic evaluation methods, shall not

⁷⁵ St.Sandercock, Z. Hariss, *Making a Dynamic Purchasing System work for you and your supplier*, Local Government Association, September 2017, pg.4, 12-14, <https://www.local.gov.uk/sites/default/files/documents/Workshop%20C2%20%E2%80%93%20Dynamic%20Purchasing%20Systems%20slides.pdf>, (latest access 23.04.2018)

⁷⁶ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.6, <http://www.sigmaxweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

⁷⁷ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.52, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

⁷⁸ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.6, <http://www.sigmaxweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 23.04.2018)

be the object of electronic auctions’ (Article 35, paragraph 1)⁷⁹. Also, they may ‘be used as a mini-competition under a framework agreement and under a dynamic purchasing system’⁸⁰.

E-catalogues

An e-catalogue is ‘a digital version of a supplier’s catalogue’ and it may be described as ‘a spreadsheet containing information about a specific product, such as its description, product manufacturer, product codes, pricing, units of measure, delivery time, images (if applicable) as well as any other relevant information, in accordance with the requirements of the contracting authority’.⁸¹ Except for the tenders ‘presented in the form of an electronic catalogue’, other documents may also be required to complete the tender (Article 36, paragraph 1)⁸².

The use of e-catalogues ‘may be “combined” with other procurement tools and techniques, such as a framework agreement or a DPS’ and in its positive effects are included the ability to ‘increase competition and streamline public purchasing, particularly in terms of savings in time and money’⁸³. Both e-auctions and e-catalogues can be used as part of the FA and DPS processes.

The DPS, the e-auctions and the e-catalogues are tools that may promote e-procurement or in other words ‘the use of information and communication technologies in public procurement’. As one of the OECD principles for preventing corruption and stimulating ‘good governance and accountability in public procurement’, it increases transparency and competition, while it may reduce one of the causes of corruption by limiting the interaction between the CA/s and

⁷⁹ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.53, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

⁸⁰ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.6, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 25.04.2018)

⁸¹ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.10, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 25.04.2018)

⁸² *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.54, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 30.04.2018)

⁸³ *Public Procurement: Procurement Tools*, Brief 11, September 2016, published in the Sigma site, pg.10, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-11-200117.pdf>, (latest access 25.04.2018)

the EO/s, it facilitates ‘access to public tenders’⁸⁴ and leads to ‘costs savings’. E-procurement innovation should make use of ‘recent digital technology developments’ in the public procurement cycle, but at the same time keep the procedure simple to be understandable and accessible to anyone interested. Moreover, it is extremely necessary taking measures that can protect the ‘sensitive data’ of the participators in the electronic processes (Article VIII (i) & (ii))⁸⁵.

CHAPTER II

Corruption and Public Procurement

I. Corruption

i. Definitions and types of corruption

Dating back to antiquity and the year 3000 B.C, acts of corruption like bribery started to appear. In the recent past, its expansion reveals that it is not any more a matter of ‘a few isolated cases’, but a phenomenon characterised by ‘a global dimension’⁸⁶. By the end of the ‘80s, the issue of corruption would not only constitute an intellectual matter, but also a real issue that the international and national organisations would have to face⁸⁷. As early as the beginning of 1990s, corruption became a field of study for political science, economics, criminology and sociology⁸⁸, since the crime of corruption has legal, political and social dimensions (Apostolos Papakonstantinou)⁸⁹. A reasonable question that may arise is none other than why corruption starts being the centre of this decade’s attention onwards. The end

⁸⁴ *Preventing Corruption in Public Procurement*, 2016, published in the OECD site, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, pg.10,22, (latest access 17.05.2018)

⁸⁵ *OECD Recommendation of the Council on Public Procurement*, Directorate for Public Governance and Territorial Development, 2015, pg.10, <http://www.oecd.org/gov/public-procurement/recommendation/>, (latest access 17.05.2018)

⁸⁶T. Medina, *The Exclusion Of Tenderers In Public Procurement As An Anticorruption Mean*, University of Burgos (Spain), May 2016, published in the ResearchGate site, pg.1, https://www.researchgate.net/publication/239767886_THE_EXCLUSION_OF_TENDERERS_IN_PUBLIC_PROCUREMENT_AS_AN_ANTI_CORRUPTION_MEAN, (latest access 17.05.2018)

⁸⁷G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.25

⁸⁸ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.47

⁸⁹ K. Koutsoukis, P. Sklias, *Corruption and Scandals in Public Administration and Politics*, Athens, I. Sideris, 2005, pg.245

of Cold War symbolises also the end of ‘political hypocrisy’ that consisted in disregarding incidences of corruption in a country depending on whether or not it was subject to the preferable for either side political camp. In addition, another answer to the question is that the donor countries used to ignore corruption in countries they provided financial assistance. The increase of democratic governments and free media though, as well as the globalisation and the engagement of NGOs in the fight against corruption gave room for its examination more than ever before⁹⁰.

According to Heidenheimer and Johnston, there are three categories of definitions concerning corruption. The first one is related to the term of public interest, but after the 1990s it seems to play a limited role in the analysis of corruption. The other category, which is considered to be the most widely used, lays emphasis on the connection between corruption and public position. Among those who define corruption via the use of public position is J.S.Nye who describes corruption as the behavior that deviates from the typical tasks of a public role due to estimated ‘private-regarding’ (personal, close family, private clicks) related to economic or status gains or that violates rules to exercise influence aiming at private gains. The third category includes the definitions of the market, in which Della Porta and Vannucci declare that corruption refers to the abuse of public funds for private profit as the result of a hidden transaction and that it involves the violation of a rule of conduct. In the main categorisation of corruption, M.Philp adds the definitions based on legal rules, with Susan Rose Ackerman defining corruption as an unlawful payment to a public official to achieve a benefit that a corrupt person may or may not ‘deserve’ in the absence of a buyout⁹¹. Another wording of corruption is that it constitutes an infringement of law or breach of public duties entrusted to public officials with a view to obtaining financial gains, power or prestige (Niki Kaltsogia-Tournavity)⁹². The different approaches of the term created a variety of definitions that led Heidenheimer and Johnston propose-rather unsuccessfully- surpassing the categorisations and synthesise a new scientific definition⁹³.

⁹⁰V. Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, IMF Working Paper No. 98/63, May 1998, published in the IMF site, pg.560-561, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 18.05.2018)

⁹¹G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.30-44

⁹²Koutsoukis K., Sklias P., *Corruption and Scandals in Public Administration and Politics*, Athens, I. Sideris, 2005, pg.217

⁹³G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.47-48

Despite the different scientific approaches, the international institutions provide their own definition of corruption for the creation of a common basis of understanding, analysis and combating. Starting with the definition of the IMF and the WB-the most used definition in the bibliography-⁹⁴ they define corruption as ‘the abuse of public office for private gain’, a ‘concise’ definition that includes the majority of forms and lays emphasis on the public sector⁹⁵. A remark about this definition is that it does not refer both to the ‘receiver of the payment and the donator’, but simply to the receiver of the bribe⁹⁶. The TI refers to the factor of private gain as well, by defining corruption as ‘the abuse of entrusted power for private gain’⁹⁷. As far as the EU is concerned, the element of private gain is also present in its definition stated as ‘the abuse of power for private gain’⁹⁸. At this point it is of outmost importance to point out that the term corruption in the Convention on the protection of the European Communities’ financial interests was interpreted in the Greek law 2803/2000 that incorporated the convention, as bribery. In this way, in the Greek legislation not only the term is not equivalent to a crime but it also narrows the term to bribery, while it leaves nepotism out of the scope of criminal conviction (Dimitrios V. Skiadas)⁹⁹.

The OECD is more specific in its definition by including both the appointed and the elected public officials, and defines corruption as ‘active or passive misuse of the powers of Public Officials (appointed or elected) for private financial or other benefits’¹⁰⁰. It should be noted that the definitions refer either to the achievement of gain/benefit or profit depending on the emphasis each of them intends to lay on the result of the corrupt act. The use of the term gain/benefit emphasises gains in the area of politics, economy; whereas the term profit only

⁹⁴G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.48-49

⁹⁵*Helping Countries Combat Corruption: The Role of the World Bank*, published in the World Bank site, <http://www1.worldbank.org/publicsector/anticorrupt/corruptn/cor02.htm#note1>, (latest access 18.05.2018)

⁹⁶ D. H Enste, C. Heldman, *Causes and Consequences of Corruption – An Overview of Empirical Results*, Institut der deutschen Wirtschaft Köln, IW-Report 2/2017, January 2017, pg.5, https://www.iwkoeln.de/fileadmin/publikationen/2017/323508/IW-Report_2_2017_Corruption.pdf, (latest access 18.05.2018)

⁹⁷ *Anti-corruption Glossary*, published in the Transparency International site, <https://www.transparency.org/glossary/term/corruption>, (latest access 18.05.2018)

⁹⁸ Published in the EU Commission site, https://ec.europa.eu/home-affairs/what-we-do/policies/organized-crime-and-human-trafficking/corruption_en, (latest access 08.01.2019)

⁹⁹ K. Koutsoukis, P.Sklias, *Corruption and Scandals in Public Administration and Politics*, Athens, I. Sideris 2005, pg.515-517

¹⁰⁰ *Glossary of Statistical Terms*, published in the OECD site, <https://stats.oecd.org/glossary/detail.asp?ID=4773>, (latest access 18.05.2018)

the economic aspect of the corrupt act¹⁰¹. As far as the UN is concerned, at the negotiations taking place for the UNCAC it decided not to provide another definition but simply refer to the types of corruption¹⁰². A common ground for these definitions is that the existence of corruption presupposes an interest for achieving private gains and that the public officials abuse their position and power.

The corrupt act presupposes an unlawful transaction between two actors, a transaction between a public authority and a private one that leads to the abuse of power (Maria M. Liadi)¹⁰³. It should be highlighted here that a corrupt act may exist irrespectively of the existence of bribery and also, that the abuse of power may not solely be in the interest of one's private gains or benefits but in the interest of 'one's party, class, tribe, friends, family, and so on'¹⁰⁴. Therefore, a corruptive act depending on its means and purpose can take many forms. The UN provide a detailed categorisation of the forms of corruption as follows: a) grand and petty corruption, b) active and passive corruption, c) bribery, d) embezzlement, theft and fraud, e) extortion, f) abuse of function, g) favoritism and nepotism, h) creating or exploiting conflicting interests and i) improper political contributions¹⁰⁵. The TI classifies corruption in three categories: grand, petty and political corruption based 'on the amounts of money lost and the sector where it occurs'. In the list concerning the public sector among others are included bribery, clientelism, collusion, embezzlement, extortion, facilitation payments, fraud, nepotism and patronage as well¹⁰⁶.

According to the TI, the element that differentiates grand from petty corruption is the level at which corruption takes place and the different consequences that deviate from the abuse. The former abuse occurs at the 'high-level power', with the benefits be reaped by few, while

¹⁰¹ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.39

¹⁰² *United Nations Handbook On Practical Anti-Corruption Measures For Prosecutors and Investigators*, Vienna, September 2004, published in the United Nations Office on Drugs and Crime (UNODC), pg. 23, <http://www.unodc.org/pdf/crime/corruption/Handbook.pdf>, (latest access 23.05.2018)

¹⁰³ K. Koutsoukis, P.Sklias, *Corruption and Scandals in Public Administration and Politics*, Athens, I. Sideris 2005, pg.315-316

¹⁰⁴ V.Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, IMF WP No. 98/63, May 1998 published in the IMF site, pg.8-9, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 23.05.2018)

¹⁰⁵ *United Nations Handbook On Practical Anti-Corruption Measures For Prosecutors and Investigators*, Vienna, September 2004, published in the United Nations Office on Drugs and Crime (UNODC), pg.23-29, <http://www.unodc.org/pdf/crime/corruption/Handbook.pdf>, (latest access 23.05.2018)

¹⁰⁶ *Anti-corruption Glossary*, published in the Transparency International site, <https://www.transparency.org/glossary/term/corruption>, (latest access 23.05.2018)

causing ‘serious and widespread harm to individuals and society’; whereas the latter one is an ‘everyday abuse of entrusted power by public officials in their interactions with ordinary citizens’. Political corruption refers to the abuse made by the political decision makers who manipulate ‘policies, institutions and rules of procedure in the allocation of resources and financing’ with the aim ‘to sustain their power, status and wealth’¹⁰⁷. As observed in the TI definition, the UN differentiates grand from petty corruption by adding additional information. As far as grand corruption is concerned, the UN complements that it implies ‘a broad erosion of the rule of law, economic stability and confidence in good governance’. With regard to petty corruption or else administrative corruption, it complements that it ‘involves the exchange of very small amounts of money, and the granting of small favours’ without that diminishing the significance of the ‘considerable public losses’ they ensue. In contrast to the OECD definition, the UN refers to active and passive corruption in terms of bribery, by describing active bribery as ‘the act of offering or paying a bribe’ and passive bribery as ‘the requesting or receiving of a bribe’¹⁰⁸. Thus, due to the complexity of the term and the wide range of the corruptive acts it encompasses, the definitions vary as the focus of their interest varies.

ii. Causes and effects of corruption

The legal (Jain 2001), economic, cultural and political institutions of a country¹⁰⁹, in combination with its policies and the bureaucracy affect the levels of corruption in it¹¹⁰. In addition to the extent of bureaucracy or the application of principles, a country characterised by a low degree of economic development or lagging behind in terms of the political institutions create a favorable background for corruption¹¹¹. A clear image of the current situation is reflected on the latest CPI 2017 data on corruption (ranked in the scale of zero to 100-where zero denotes the highest level and 100 the lowest level of corruption in 180 countries and territories) (Figure 2). As it may be observed, the country with the lowest levels of corruption is New Zealand (CPI Score: 89), to be followed by Denmark (CPI Score:88), Finland (CPI Score:85), Norway (CPI Score:85), Switzerland (CPI Score:85), Singapore (CPI

¹⁰⁷ *Anti-corruption Glossary*, published in the Transparency International site, <https://www.transparency.org/glossary/term/corruption>, (latest access 23.05.2018)

¹⁰⁸ *United Nations Handbook On Practical Anti-Corruption Measures For Prosecutors and Investigators*, Vienna, September 2004, published in the United Nations Office on Drugs and Crime (UNODC), pg. 24, <http://www.unodc.org/pdf/crime/corruption/Handbook.pdf>, (latest access 23.05.2018)

¹⁰⁹ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.185-187

¹¹⁰ *Helping Countries Combat Corruption: The Role of the World Bank*, published in the World Bank site, <http://www1.worldbank.org/publicsector/anticorrupt/corruptn/cor02.htm#note1>, (latest access 24.05.2018)

¹¹¹ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.185

Score:84), Sweden (CPI Score:84), Canada (CPI Score:82), Luxemburg (CPI Score:82), Netherlands (CPI Score:82), United Kingdom (CPI Score:82) and Germany (CPI Score:81). On the contrary, the country that is ranked as the most corrupt is Somalia (CPI Score:9), while countries such as South Sudan (CPI Score:12), Syria (CPI Score:14), Afganistan (CPI Score:15), Yemen (CPI Score:16), Sudan (CPI Score:16), Libya (CPI Score:17), North Korea (CPI Score:17) are also characterised by high levels of corruption. Moreover, countries like Cyprus, Spain (CPI Score:57), Italy (CPI Score:50), Turkey (CPI Score:40), Greece (CPI Score:48) and Russia (CPI Score:29) are found in the middle of the list (Figure 2.)¹¹².

An effective legal system is determined by the criteria of detection and punishment and for this reason the degree of its effectiveness may affect the levels of corruption within a country (Andvig and Moene 1990)¹¹³. Despite the efforts made at european and international level via the conventions, decisions, directions, opinions etc, each country has its own legal rules and confronts corruption differently. Taking into account the factor of the absence of corruption in the Rule of Law Index 2017-2018 (in a scale where 0.40 and below shows ‘weaker adherence to the rule of law’ and 0.81 and above ‘strongest adherence to the rule of law’) it is fruitful to take a look at the levels of corruption in the ‘government officers in the executive branch, the judiciary, the military, police, and the legislature’. The country which comes first regarding the absence of ‘bribery, improper influence by public or private interests, and misappropriation of public funds or other resources’ is Denmark (Factor Score: 0.95). In the following positions are included Norway (Factor Score: 0.93), Sweden (Factor Score: 0.91), Singapore (Factor Score: 0.91), Finland (Factor Score: 0.89), New Zealand (Factor Score: 0.88), Netherlands (Factor Score: 0.86), Japan (Factor Score:0.85), Austria (Factor Score: 0.84) Hong Kong SAR, China (Factor Score: 0.83), Canada (Factor Score:0.83), Australia (Factor Score: 0.83, Germany (Factor Score: 0.83), United Kingdom (Factor Score: 0.82). The last scores are observed in Cambodia and Cameroon (Factor Score: 0.25), Uganda (Factor Score: 0.26), Bolivia (Factor Score: 0.26), Afghanistan (Factor Score: 0.27, Liberia (Factor Score: 0.28), Madagascar (Factor Score: 0.28), Zimbabwe (Factor Score: 0.28), Kenya

¹¹² *Corruption Perceptions Index 2017*, published in the Transparency International site https://www.transparency.org/news/feature/corruption_perceptions_index_2017, (latest access 24.05.2018)

¹¹³ T. Herzfeld, C. Weiss, *Corruption and legal (in)effectiveness: an empirical investigation*, European Journal of Political Economy, Vol. 19 (2003) 621 – 632, pg. 622, <http://weblaw.haifa.ac.il/en/JudgesAcademy/workshop3/Documents/A/D/Corruption%20and%20Legal%20ineffectiveness.pdf> , (latest access 24.05.2018)

(Factor Score: 0.29). In the middle are observed Spain (Factor Score: 0.71), Italy (Factor Score: 0.62) and Greece (Factor Score: 0.55) (Figure 3.)¹¹⁴.

In addition, the absence of conduct rules for the officials, combined with the lack of a system of accountability and of a financial management system are also preconditions for the development of corruption. A country without ‘watchdog institutions’ and ‘anti-corruption bodies’ or with ineffective ones give grounds for corruption to flourish¹¹⁵. The lack of horizontal accountability which means of ‘some state entities, such as supreme audit institutions, regulators or the judiciary’ that ‘control and sanction other government entities (checks and balances)’ or their misuse for political purposes may misinform citizens and lead to political choices based on misinformation or even to guided political choices¹¹⁶. With regard to accountability, an effective rule of law presupposes constraints on government powers, a factor that inter alia include the levels of independence and ability of the auditors and ombudsman to oversight the government, according to Rule of Law Index 2016-2017. The countries with the highest scores on constraints on government powers are Denmark (0.94), Norway (0.94), Finland (0.92), Netherlands (0.88), Sweden (0.88), further down come Spain and Italy with the same score (0.71), Greece (0.68), Russia (0.39) and the last positions are occupied by Turkey (0.30), Zimbabwe (0.28) and Venezuela (0.18) (Figure 4.)¹¹⁷. Accountability is also linked to openness, another factor included in measuring the rule of law, which measures inter alia ‘the extent to which a government shares information’ and ‘empowers people with tools to hold the government accountable’. The highest levels of openness are found in Norway (0.88), Finland (0.86), Denmark (0.86), Sweden (0.85), Netherlands (0.84), further down in the list is Spain (0.69), Italy (0.64) and Greece (0.60), Russia (0.48), Turkey (0.42) and the last positions occupy Uzbekistan, Zimbabwe and Venezuela (0.30), Ethiopia (0.28), Egypt (0.25) and the last country in the list is Cambodia

¹¹⁴ *Rule of Law Index 2017-2018*, World Justice Project, IBSN (online version): 978-0-9882846-3-0, 2018, published in the World Justice Project site, pg.37, https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2018-June-Online-Edition_0.pdf, (latest access 06.06.2018)

¹¹⁵ *Helping Countries Combat Corruption: The Role of the World Bank*, published in the World Bank site, <http://www1.worldbank.org/publicsector/anticorrupt/corruptn/cor02.htm#note1>, (latest access 06.06.2018)

¹¹⁶ F. Boehm, *Democracy and Corruption*, Dimensión Empresarial, Vol.13 No. 2, 2015, p. 75-85, published in the ResearchGate site, pg. 79-80, https://www.researchgate.net/publication/287121488_Democracy_and_corruption, (latest access 06.06.2018)

¹¹⁷ *Rule of Law Index 2017-2018*, World Justice Project, IBSN (online version): 978-0-9882846-3-0, 2018, published in the World Justice Project site, pg.14, 36, https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2018-June-Online-Edition_0.pdf, (latest access 06.06.2018)

(0.23) (Figure 5.). It is extremely important for the auditors and the institutions to be free to exercise their duties independently and for the public to have access to the results of their investigations. According to the WJP, when the rule of law is effective, not only corruption is reduced but at the same time ‘the foundation for communities of peace, opportunity, and equity – underpinning development, accountable government, and respect for fundamental rights’ is created¹¹⁸. Furthermore, the absence of meritocracy and of professional development within the political institutions, may lead to a low level of ‘a bureaucracy’s internal discipline’ and create incentives for civil servants to commit a corrupt act and face dismissal.

The system of a country cannot be analysed irrespectively of its prevalent mores and customs. This means that the culture of a country affects the meaning attributed to the term and deals with it accordingly, which can be understood by taking as an example the gifts given to the chiefs in Africa which is part of its cultural system¹¹⁹. As mentioned by Gunnar Myrdal (1970) ‘a bribe to a person holding a public position is not clearly differentiated from the ‘gifts,’ tributes, and other burdens sanctioned in traditional, pre-capitalist society or the special obligations attached to a favor given at any social level’¹²⁰. It is true that sometimes ‘bribes can be disguised as gifts’ but the difference is that a ‘bribe implies reciprocity while a gift should not’¹²¹. The perception of an act as corrupt or incorrupt goes hand in hand with the perception of the term of crime which varies from country to country.

What is more, the adopted public policies may affect the level of corruption in a country¹²². A common cause for corruption among the WB, the IMF and Susan Rose Ackerman is the factor of wages and particularly low wages. Vito Tanzi classifies it as an indirect cause and attributes it to the fact that high wages are accompanied by the high ‘cost of losing one’s

¹¹⁸ *Rule of Law Index 2017-2018*, World Justice Project, IBSN (online version): 978-0-9882846-3-0, 2018, published in the World Justice Project site, pg.36, 38, 10, https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2018-June-Online-Edition_0.pdf, (latest access 10.07.2018)

¹¹⁹ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.63

¹²⁰ D.Treisman, *The Causes Of Corruption: A Cross-National Study*, pg.6, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.8.4980&rep=rep1&type=pdf>, (latest access 10.07.2018)

¹²¹ V.Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, IMF WP No. 98/63, May 1998, published in the IMF site, pg.9, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 10.07.2018)

¹²² D.Treisman, *The Causes Of Corruption: A Cross-National Study*, pg.9, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.8.4980&rep=rep1&type=pdf>, (latest access 16.07.2018)

job'¹²³ that is why the act may be averted, and Paolo Mauro agrees that low wages may play a role in the involvement of public servants in bribery¹²⁴. Susan Rose Ackerman considers 'the role of income and wealth as both a cause and a consequence of corruption'; a cause because a country characterised by poor governance and consequently low growth opens the door to corruption, and a consequence because the level of human development is associated with the level of corruption, as observed by TI¹²⁵. Low wages and 'delays in the release of budget funds' may lead to the demotivation and demoralization of civil servants¹²⁶. Cheryl W. Grey and Daniel Kaufmann make a reference to the transition and developing countries to emphasise that poverty and low wages in the civil service are preconditions for corruption, in addition to the fact that 'laws and principles of ethics in government are poorly developed'. The salaries are low and even the punishment of losing a job cannot be considered having a serious 'deterrent effect' in committing a corrupt act¹²⁷.

In addition to this, it should be highlighted that a country's development cannot only be perceived in terms of a country's 'economic health' (measured by the GDP indicator)¹²⁸ but it is also depicted in the indicators of education, standard of living (measured by the GNI indicator) and life expectancy at birth which are all calculated in the Human Development Index¹²⁹. With regard to the view that low wages may lead to higher levels of corruption, this may also be concluded from the fact that there is a correlation between the human development index and corruption, based on oldest 2013 data (Figure 6.)¹³⁰. According to the latest Human Development Index 2016, the countries characterised by very high human

¹²³ V. Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, IMF WP No. 98/63, May 1998, published in the IMF site, pg.16-18, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 16.07.2018)

¹²⁴ P. Mauro, *Corruption: Causes, Consequences, and Agenda for Further Research*, Finance & Development, March 1998, published in the IMF site, pg.11, <https://www.imf.org/external/Pubs/FT/fandd/1998/03/pdf/mauro.pdf>, (latest access 16.07.2018)

¹²⁵ S. R. Ackerman, *The Challenge of Poor Governance and Corruption*, ESPECIAL 1, P. 207 – 266, 2005 :207, pg.216-217, 210, <http://bibliotecadigital.fgv.br/ojs/index.php/revdireitogv/article/viewFile/35253/34051>, (latest access 17.07.2018)

¹²⁶ *Helping Countries Combat Corruption: The Role of the World Bank*, published in the World Bank site, <http://www1.worldbank.org/publicsector/anticorrupt/corruptn/cor02.htm#note1>, (latest access 17.07.2018)

¹²⁷ W. C Gray, D. Kaufmann, *Corruption and Development*, Finance & Development, March 1998, published in the IMF site, pg.9, <https://www.imf.org/external/Pubs/FT/fandd/1998/03/pdf/gray.pdf>, (latest access 17.07.2018)

¹²⁸ Published in the Investopedia site, <https://www.investopedia.com/terms/g/gdp.asp>, (latest access 19.07.2018)

¹²⁹ Published in the United Nations Development Programme, <http://hdr.undp.org/en/content/human-development-index-hdi>, (latest access 19.07.2018)

¹³⁰ E. O. Ospina, M. Roser, *Corruption*, 2017, published in the Our World in Data site, <https://ourworldindata.org/corruption>, (latest access 22.07.2018)

development (ranked from 0.800 and above¹³¹) are as follows: Norway (0.949), Australia (0.939), Switzerland (0.939), Germany (0.926), Denmark (0.925), Singapore (0.925), Netherlands (0.924), Ireland (0.923), Iceland (0.921), Canada (0.920), United States (0.920), Hong Kong, China (SAR) (0.917), New Zealand (0.915), Sweden (0.913) and a little further down the list the positions are occupied by Italy (0.887), Spain (0.884), Greece (0.866) and Cyprus (0.856) etc. Among the countries with low human development (ranked below 0.550¹³²), Central African Republic (0.352) comes last and other countries like Burkina Faso (0.402), Guinea (0.414), Afghanistan (0.479), Uganda (0.493), Senegal (0.494), Rwanda (0.498) occupy the last positions (Figure 7.)¹³³. Furthermore, a country's progress cannot be measured without taking into account the level of respect in human rights. As one more factor of the rule of law, it should be noted that Finland (0.91), Denmark (0.90), Norway (0.88), Sweden (0.87), Germany (0.85), Netherlands (0.85) hold the first positions in the list, further down come Spain (0.77), Italy (0.71), Greece (0.63), Russia (0.44) and Turkey (0.32), while the last three positions are occupied by Iran (0.30), Egypt (0.30) and Zimbabwe (0.29) (Figure 8.)¹³⁴.

Moreover, corruption is affected by the element of economic freedom and therefore, countries characterised by high levels of economic freedom are less corrupt compared with those with low levels. Economic freedom, combined with the element of democracy, create the ground for less corruption¹³⁵. As a result, corruption may be the outcome of low levels of economic freedom, as well as of low levels of democracy. A country's political system plays a

¹³¹ *Technical Notes*, Human Development Report 2016, published in the United Nations Development Programme (UNDP) site, pg.3, http://hdr.undp.org/sites/default/files/hdr2016_technical_notes_0_0.pdf, (latest access 22.07.2018)

¹³² *Technical Notes*, Human Development Report 2016, published in the United Nations Development Programme (UNDP) site, pg.3, http://hdr.undp.org/sites/default/files/hdr2016_technical_notes_0_0.pdf, (latest access 22.07.2018)

¹³³ *Human Development Report 2016: Human Development for Everyone*, United Nations Development Programme (UNDP), USA, 2016, published in the United Nations Development Programme (UNDP) site pg.198-201, http://hdr.undp.org/sites/default/files/2016_human_development_report.pdf, (latest access 30.07.2018)

¹³⁴ *Rule of Law Index 2017-2018*, World Justice Project, IBSN (online version): 978-0-9882846-3-0, 2018, published in the World Justice Project site, pg.39, https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2018-June-Online-Edition_0.pdf, (latest access 30.07.2018)

¹³⁵ S. Shrabani, G. Rukmani, Su Jen-Je, *The interaction effect of economic freedom and democracy on corruption: A panel cross-country analysis*, pg.5-6, <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.1025.5059&rep=rep1&type=pdf>, (latest access 02.08.2018)

determinant role in the creation of corruption. In democratic systems-even though there are possibilities for corruptors to take advantage of democratic institutions and abuse their power-corruption is at lower levels. Also, corruption is a typical characteristic that countries transforming from another type of political system (authoritarian, totalitarian) to a democratic one often may face. As observed by Hung-En Sung, 'it is the initial conditions and the final achievements of each society, rather than the democratization process itself, that determine the shape and magnitude of the impact of democratic reforms on political institutions'¹³⁶. The thing is that it takes time for the democratic institutions to be rooted in the system and for a culture of democracy to be developed where citizens 'make efficient and effective use of their political and civil rights'¹³⁷.

Consequently, the low levels of development, the ineffectiveness of the legal system, the lack of impartiality of the executive and the judiciary power, the ineffective institutions and the lack of accountability are all factors that shape corruption. It is also affected by the low wealth and income levels, the disrespect of human rights and the low levels of economic freedom and democracy. Taking a look at some developed countries with high scores in all the previously mentioned factors, it may be observed that their scores in the levels of corruption are low as well. It should be noted though that the association between economic development and corruption is not always the case, since developed countries like Greece and Italy¹³⁸ are found in the middle of the Transparency's International *Corruption Perceptions Index 2017* list. On the other hand, the developing or the less developed countries tend to achieve lower scores in the same factors but high scores at corruption. Briefly, all factors play more or less their role in the development of corruption and their impact varies depending on the case of each country.

Apart from the causes that create the general environment of corruption, there is a combination of reasons that constitute the field of public procurement so vulnerable to corruption a field. For the award of a concession, the interaction and the communication between the private and the public sector is necessary, and for the same reason the likelihood

¹³⁶ H. En Sung, *Democracy and political corruption: A cross-national comparison*, Crime, Law & Social Change 41: 179–194, 2004, published in the ResearchGate site, pg.187, https://www.researchgate.net/publication/226036499_Democracy_and_Political_Corruption_A_Cross-National_Comparison, (latest access 02.08.2018)

¹³⁷F. Boehm, *Democracy and Corruption*, Dimensión Empresarial , Vol.13 No. 2, 2015, p. 75-85, published in the ResearchGate site, pg.84, https://www.researchgate.net/publication/287121488_Democracy_and_corruption, (latest access 02.08.2018)

¹³⁸ Published in the Investopedia site, <https://www.investopedia.com/updates/top-developing-countries/>, (latest access 08.01.2019)

of corruption is possible; without that always being the case. During the entities' interaction, 'the volume of transactions and the financial interests at stake', in the context of a rather complex procedure render the public procurement a sector with high levels of corruption¹³⁹. Trying to depict the situation of corruption in public procurement though, it is enough to observe where bribes are directed to. According to the OECD, the highest levels of bribery are observed in the field of public procurement where bribes 'were paid to obtain public procurement contracts (57%)'¹⁴⁰. Admittedly, this refers only to one type of corruption. This is due to the fact that there are no data concerning corruption levels in public procurement, since 'the scale of corruption is often seen as impossible to measure'¹⁴¹ and because 'data on corruption cases or conflicts of interests detected in public procurement procedures at national and/or regional/local level are rarely centralised or kept in a national register', while their gathering is considered as 'an unnecessary administrative burden'¹⁴². In addition, in this has also contributed the EU Member States' lack of 'a dedicated authority for investigations of corruption in public procurement alone', let alone that 'many Member States do not have dedicated authorities for investigations of corruption in general'¹⁴³.

Corruption is reflected on the political, economic and social level with a variety of effects interlinked. Starting with the impact on economy, according to Mauro (1995) corruption may affect the types of programs selected by the competent authorities and it is also often for

¹³⁹ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.6, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 02.08.2018)

¹⁴⁰ *OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign public Officials*, OECD, 2014, published in the OECD site, pg.8, https://www.oecd-ilibrary.org/governance/oecd-foreign-bribery-report_9789264226616-en, (latest access 02.08.2018)

¹⁴¹ Corporate author(s): Directorate-General for Internal Policies of the Union (European Parliament) Personal author(s): Cardona, Francisco; Blomeyer, Roland; Beke, Mike, *Political and other forms of corruption in the attribution of public procurement contracts and allocation of EU funds*, European Parliament, 2013, published in the Publications Office of the European Union, pg.41, <https://publications.europa.eu/en/publication-detail/-/publication/00c79961-a26d-4a08-9679-94ea10497009/language-en/format-PDF/source-84541272>, (latest access 08.01.2019)

¹⁴² *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.30, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 08.01.2018)

¹⁴³ Lead authors are Wim Wensink (PwC, project manager) and Jan Maarten de Vet (Ecorys), *Identifying and Reducing Corruption in Public Procurement in the EU: Development of a methodology to estimate the direct costs of corruption and other elements for an EU-evaluation mechanism in the area of anti-corruption*, June 2013, published in the OLAF site, pg.20, https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/identifying_reducing_corruption_in_public_procurement_en.pdf, (latest access 26.01.2019)

corruptors, as Tanzi and Davoodi (1997) note, to select programs for procurement where bribery is possible¹⁴⁴. The impact of such a distribution or any kind of unfair and unjust distribution is against the less privileged and the disadvantaged¹⁴⁵ and consequently, another outcome, is the widening of social inequalities¹⁴⁶. An unjust distribution of resources deviating from serving the public interest leads to misallocation and waste of public funds that entail inefficiency. It is likely that contracts with corruption in its core are concluded on the basis of connections rather than the efficiency of the bidders¹⁴⁷. In public procurement corruption costs the government much more¹⁴⁸ not only in terms of public money but also in quality¹⁴⁹. With regard to public loss, it would be constructive to take a look at the ‘overall direct public loss’ of a sample data of corrupt/grey cases, so as to form an idea about the impact corruption has on public funds. More precisely, this impact may be depicted in (Figure 9.) in a sample number of 86 corrupt/grey cases in public procurement which indicate that the direct public loss ‘amounts to EUR 904 million, or 18% of the total budgets’¹⁵⁰. This may lead to procurement of higher prices and of lower quality, a cost that will burden the citizens via taxes¹⁵¹. Ensuring the ‘quality and safety standards of buildings and facilities’ is of utmost importance for the protection of citizens for example, from deaths caused by earthquakes. Especially in the developing world, where ‘sound and sustainable infrastructure’ is a component of their growth, the effects of corruption and bribery on the sector of ‘public works, contracts and corruption’ are devastating¹⁵².

¹⁴⁴ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.192

¹⁴⁵ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.41

¹⁴⁶ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.193

¹⁴⁷ S. R. Ackerman, ‘Corruption And The Global Economy’, Chapter 2, Institute for International Economics, pg. 31-60, pg.42, http://www.adelinotorres.info/economia/a_economia_politica_da_corrup%C3%A7ao.pdf,

¹⁴⁸ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.39

¹⁴⁹ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.192

¹⁵⁰ Lead authors are Wim Wensink (PwC, project manager) and Jan Maarten de Vet (Ecorys), *Identifying and Reducing Corruption in Public Procurement in the EU: Development of a methodology to estimate the direct costs of corruption and other elements for an EU-evaluation mechanism in the area of anti-corruption*, June 2013, published in the OLAF site, pg.172, https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/identifying_reducing_corruption_in_public_procurement_en.pdf, (latest access 26.01.2019)

¹⁵¹F. Boehm, *Democracy and Corruption*, Dimensión Empresarial , Vol.13 No. 2, 2015, p. 75-85, published in the ResearchGate site, pg.79, https://www.researchgate.net/publication/287121488_Democracy_and_corruption, (latest access 03.08.2018)

¹⁵² D. Hardoon, F. Heinrich, *Bribe Payers Index 2011*, Transparency International, 2011, published in Transparency International, pg.20, https://www.transparency.org/whatwedo/publication/bpi_2011, (latest access 12.09.2018)

What is more, economic growth is reduced as the investments are reduced (Paulo Mauro, 1995) due to the uncertainty corruption generates¹⁵³. In this way, the economic growth is impeded due to the lack of incentives for investments and the reduction of the provided quality¹⁵⁴. It is not by chance that in some EU member states ‘economic adjustment programmes include explicit requirements related to anti-corruption policies’, because tackling corruption may bring economic growth¹⁵⁵. Except for the economic and social impact of corruption, the political aspect of the consequences cannot be neglected. It erodes the principles of democracy, the system and its institutions, by the same time citizen’s trust in them is lost and the participation in public affairs is diminished¹⁵⁶. This lack of trust by citizens is not irrelevant to the ‘High-profile scandals associated with corruption, misuse of public funds or unethical behaviour by politicians’¹⁵⁷. The culture of democracy is undermined because citizens become mistrustful towards governments and their decisions, and once they lose trust in them it is easy to distance themselves from politics¹⁵⁸.

II. Corruption in the public procurement cycle

As mentioned in the first chapter, the procedure of the public procurement cycle involves three stages, labeled by the OECD as the pre-tendering, the tendering and the post award stage¹⁵⁹. Corruption can take the form of bribery, collusion, coercion and extortion and fraudulent practices in any of the previously mentioned stages and may be committed from

¹⁵³V.Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, IMF WP No. 98/63, May 1998, published in the IMF site, pg.29, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 03.08.2018)

¹⁵⁴P.Mauro, *Corruption: Causes, Consequences, and Agenda for Further Research*, Finance & Development, , March 1998, published in the IMF site, pg.12, <https://www.imf.org/external/Pubs/FT/fandd/1998/03/pdf/mauro.pdf> , (latest access 03.08.2018)

¹⁵⁵ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.8, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 24.09.2018)

¹⁵⁶ Published in the Transparency International site, <https://www.transparency.org/what-is-corruption#costs-of-corruption>, (latest access 05.08.2018)

¹⁵⁷ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg., https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 24.09.2018)

¹⁵⁸M. E. Warren, *What Does Corruption Mean in a Democracy?*, American Journal of Political Science, Vol. 48, No. 2 (Apr., 2004), pp. 328-343, pg.335, <https://projects.iq.harvard.edu/gov2126/files/warrendemocracy.pdf>, (latest access 05.08.2018)

¹⁵⁹*Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg., <http://www.oecd.org/gov/41760991.pdf>, (latest access 05.08.2018)

low-and mid-level public officials to agents ‘at a high level of government’ (‘political corruption’)¹⁶⁰. It may appear either vertically ‘between one or more bidders and the procurement official’ in the form of conflict of interest or collusion or even horizontally ‘between bidders, especially with the involvement of a corrupt inside official’ in the form of collusion or bid rigging¹⁶¹. The extent may vary according to the position of those involved, but the impact and its effects on the society as a whole are equally destructive. To examine the ways via which corruption in procurement may be tackled, it is essential to recognise the risks in each stage of the procurement process that may give grounds for corruption.

i. Corruption and risks in the public procurement cycle

According to the TI, the possibilities for corruption in the public procurement cycle increase in the appearance of the following factors and circumstances. Among them, the appeal of an ‘emergency situation’ for the accomplishment of ‘urgent purchases’ at the end of a fiscal year, when there is no strict control, may favor corruption. Also, corruptors in case of emergency, such as natural disasters or wars where the procurement of goods should take place the sooner possible, may find the chance to act. Except for the cases of emergency where the need for quick responses may be proved favorable, a government may take advantage of the fact that it does not provide adequate access to information for citizens with the aim to ‘hide corrupt manipulation of decisions in a procurement process’. In addition, corruption may be hidden in the use of non-standardised bidding documents that leave room for fitting documents to one particular bidder, and also in the use of ‘technical specifications that are created solely for a particular procurement or are applicable only nationally’. Examining the way funds are allocated in the ‘urgent purchases’ or ‘emergency situations’, as well as the procedure, that may allow the use of non-standardised documents or different technical specifications, may be helpful for detecting corruption. To avoid other risks in the procedure, the participation of bidders and the name of their company should be disclosed, while government officials with financial interests should be excluded from the contest. The company should have physical

¹⁶⁰S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.6-7, http://issuu.com/transparencyinternational/docs/2014_antikorruption_publicprocureme?e=2496456/8718192, (latest access 05.08.2018)

¹⁶¹ Lead authors are Wim Wensink (PwC, project manager) and Jan Maarten de Vet (Ecorys), *Identifying and Reducing Corruption in Public Procurement in the EU: Development of a methodology to estimate the direct costs of corruption and other elements for an EU-evaluation mechanism in the area of anti-corruption*, June 2013, published in the OLAF site, pg.20, https://ec.europa.eu/anti-fraud/sites/antifraud/files/docs/body/identifying_reducing_corruption_in_public_procurement_en.pdf, (latest access 26.01.2019)

presence, employees and commercial activity so as to ensure that it is not a ‘front or shell company’ behind which government officials willing to submit a bid are hidden. Furthermore, the more state-owned enterprises participate in the competition, the more likely corruption is, since ‘information about shareholdings and managerial control of SOEs is often not publicly available’ and therefore, ‘it is impossible to measure the danger of a conflict of interest in a given tender’. What is more, decentralisation of procurement and decision making at the sub-national levels is another risk, because of the likelihood of acquaintance in the interaction between the local officials with local companies and due to the fact that ‘procurements are often issued in smaller values, avoiding the need for open competitive bidding’¹⁶². The OECD also estimates that at the sub-national level ‘in some instances, weaker governance capacity’ may favour corruption, ‘through for example less developed auditing functions, limited legal expertise or low IT capacity’, but adds that decentralisation ‘may narrow the scope for corruption, in line with the assumption that politicians and public officials at subnational levels are more accountable to the citizens they serve’¹⁶³.

Also, the sector vulnerability is another risk¹⁶⁴. According to the OECD *Foreign Bribery Report 2014*, the percent of bribes that take place at the extractive sector is 19%, 15% at constructions, 15% at transportation and storage, 10% at information and communication, 8% at manufacturing and human health, 6% at electricity and gas, 5% at public administration and defense etc (Figure 9.) As stated in Article 1 of the OECD Anti-Bribery Convention, foreign bribery means “to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business”¹⁶⁵. According to the TI *Bribe Payers Survey 2011*, based on

¹⁶²S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.19-20, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 05.08.2018)

¹⁶³ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.7, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 06.08.2018)

¹⁶⁴ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.21, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 06.08.2018)

¹⁶⁵ *OECD Foreign Bribery Report: An Analysis of the Crime of Bribery of Foreign public Officials*, OECD, 2014, published in the OECD site, pg.21-22,7, <https://www.oecd-ilibrary.org/docserver/9789264226616->

‘business people’s views’ on the likelihood of companies to bribe (within the scale of 0 to 10, where 10 ‘corresponds with the view that companies in that sector never bribe’ and 0 ‘corresponds with the view that they always do’), public works contracts & construction come first (5.3), utilities and real estate, property, legal & business services (6.1), oil & gas (6.2) follow etc. (Figure10.)¹⁶⁶. These data indicate that public procurement is one of the most vulnerable areas to corruption and bribery and that more measures should be taken to safeguard the integrity of the procedure.

Among the risks is also enlisted the risk of using the negotiated procedures as they may be used ‘to subvert the competitive bidding process and therefore should only be used when objectively and publicly justified’¹⁶⁷.

Despite the above mentioned risks throughout the whole procurement procedure, a stage by stage analysis of the risks in the cycle will be presented. In the so called red flags-the risks that may favour corruption-not publishing the bidding opportunities is among them. At the pre-tendering stage, an inadequate needs assessment, formed upon the ‘influence of external actors’ or upon an ‘informal agreement on contract’¹⁶⁸ or even the ‘lack of transparency in the assessment of needs and development of a procurement plan’¹⁶⁹ are some of the perils. As follows in the phase of planning and budgeting, the dangers have to do with failing to ‘publish a procurement plan’, developing one lacking in transparency and/or announcing

en.pdf?expires=1532426117&id=id&accname=guest&checksum=18328DAF25807FB051E8AF727BE4E3E8, (latest access 06.08.2018)

¹⁶⁶ D. Hardoon, F. Heinrich, *Bribe Payers Index 2011*, Transparency International, 2011, published in Transparency International, pg.14,16-17, https://www.transparency.org/whatwedo/publication/bpi_2011, (latest access 06.08.2018)

¹⁶⁷ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.21, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 07.08.2018)

¹⁶⁸ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.29, <http://www.oecd.org/gov/41760991.pdf>, (latest access 07.08.2018)

¹⁶⁹ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.22, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 07.08.2018)

‘procurements that are not included in a procurement plan’¹⁷⁰, or even making a ‘poor procurement planning’. In the red flags may also be included procurements that deviate from the ‘overall investment decision making process’ or fail to draw up a budget in proportion with the available resources and without deficits in it¹⁷¹. Regarding the definition of requirements phase, the use of ‘non-standard bid documents’ that seem to be tailored to a bidders’ qualifications¹⁷², with technical qualifications ‘tailored for one company’, the imprecise selection and award criteria and the provision of licenses to ‘unqualified companies’ are some of the indications. The dangers that may be found in the choice of procedure phase are related to the ‘abuse of non-competitive procedures on the basis of legal exceptions’ and to the application of flexible timeframes that vary for each bidder¹⁷³. All the above mentioned factors indicate deviations from the transparency, integrity and fairness of the procedure. The pre-tendering stage is determinant for the rest of the procedure, since it is the basis for planning the goods needed in a CA, it sets the procedure that will be followed and the typical characteristics that the competitive bidders should have to submit their bid in the competition.

The tendering stage follows and in the invitation to tender phase, indicatives of corruption may be suspected in cases no public notice is made for the invitation to tender and the ‘award and evaluation criteria’ are ‘not announced in advance of the closing of the bid’¹⁷⁴. A technique ‘to make the bribing company win the tender is to limit the call for bids’ by sending on purpose invitations to inexperienced companies or specialised in other sectors, or even by making sure ‘that only a limited number of the invited enterprises receive the invitation, and

¹⁷⁰S. S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.22, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 07.08.2018)

¹⁷¹ *Enhancing Integrity in Public Procurement: A Checklist*, published in the OECD site, pg.29, <http://www.oecd.org/gov/41760991.pdf>, (latest access 08.08.2018)

¹⁷² S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.22, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 08.08.2018)

¹⁷³ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.29, <http://www.oecd.org/gov/41760991.pdf>, (latest access 09.08.2018)

¹⁷⁴ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.37, <http://www.oecd.org/gov/41760991.pdf>, (latest access 11.08.2018)

then put the blame on the mail system'. Nevertheless, to invite 'a large number of companies' to tender does not mean that real competition is ensured considering that 'these companies may not be real competitors' (Della Porta and Vannucci, 2001). Another technique is exposing the call for bids only 'for a very short time', leading only the already prepared companies-those who had information-to manage tendering. The companies with access to 'confidential information' not only have the advantage of time, but they also have the chance to adjust the tender to the 'parameters of evaluation, s/he can obtain the contract formally without any irregularity' (Della Porta and Vannucci, 2001:9-10) and bargain the prices by relying on information about the other tenders. In addition, a possible answer to 'a high number of companies offering quite different degrees of quality' and 'want to take part in the tender' is to limit 'the number of competitors' by making use of the 'short-listing or pre-qualification'. Corruption may appear in case the bidder's 'inclusion on a shorter list' is based on bribery rather than on 'quality and experience'¹⁷⁵. In the list are also included the omission of answering to the tenderers for clarifications in time and circulated in written form to all of them, as well as keeping inaccurate minutes of pre-bid meetings. Excluding experienced bidders for not abiding by 'minor technicalities' or requirements such as registration 'on a government-approved roster' can also raise questions about the transparency of the competition. What is more, if the location where the reception of bids take place and where they are opened is not the same, if there is a 'delay between deadline for submitting bids and opening them' and/or if bids 'are not opened publicly in the presence of the bidders and/or key elements of all bids are not made public' are all red flags for corruption. It should also be noted that any submission or acceptance of bids 'after the submission deadline' is another indication of the procedure's distortion¹⁷⁶. Once the phase of invitation to tender is completed, the evaluation of bids ensues. Attention should be given to tracing the members of the evaluation committee given the fact that corruption may be found in the presence of political figures in it. Suspicion should be generated in amendments made at the evaluation criteria after the submission of the bids, in the case there are similarities in the bids submitted or in

¹⁷⁵ T. Søreide, *Corruption in public procurement: Causes, Consequences and Cures*, Report R 2002: 1, Chr. Michelsen Institute Development Studies and Human Rights, 2002, pg.14-16, <https://brage.bibsys.no/xmlui/bitstream/handle/11250/2435744/R%202002-1.pdf?sequence=2>, (latest access 11.08.2018)

¹⁷⁶ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.23, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access: 11.08.2018)

case ‘qualified bidders drop out voluntarily as the bidding process progresses so that only one bidder is left’. As in the previous stage, ‘unreasonable delays in negotiating and executing the contract’ have to be taken into consideration¹⁷⁷. It goes without saying that any kind of familiarities with the tenderers and the acceptance of any kind of exchanges that promote the satisfaction of personal interests may hide indications of corruption in the evaluation process. In the award phase, corruption in the approval process can take the form of ineffective separation of ‘financial, contractual and project authorities’ and the ‘lack of access to records on the procedure’¹⁷⁸.

The post-tendering stage, the last stage of the procurement procedure, as already mentioned involves the contract management phase and the order and payment phase. In the contract management phase, attention should be paid on staff observed taking place both in ‘contract award decisions’ and in ‘contract supervision’,¹⁷⁹ on public officials executing insufficient supervision, as well as on ‘collusion between contractors and supervising officials’¹⁸⁰. Practices such as amendments after the award of the contract at the ‘contract specifications or scope of work’ or even procurement of goods or services proved not to fulfill the technical qualifications required at the pre-tendering stage consist red flags as well¹⁸¹. With regard to the order and payment phase, ‘deficient separation of financial duties and/or lack of supervision of public officials’¹⁸² may have as a result goods or services to remain unused or to be used ‘for purposes inconsistent with intended purposes’. Delivering them in delay,

¹⁷⁷ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.24, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 11.08.2018)

¹⁷⁸ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.37, <http://www.oecd.org/gov/41760991.pdf>, (latest access 12.08.2018)

¹⁷⁹ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.25, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 12.08.2018)

¹⁸⁰ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.42, <http://www.oecd.org/gov/41760991.pdf>, (latest access 12.08.2018)

¹⁸¹ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.25, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 12.08.2018)

¹⁸² *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.42, <http://www.oecd.org/gov/41760991.pdf>, (latest access 17.08.2018)

failing ‘to pay progress payments and invoices on a timely basis’ and omitting ‘the evaluation of contractors’ performance’ of the contract and the publication of ‘financial and performance audit reports’,¹⁸³ should also be disconcerting about the legality of the process. All these risks that may appear in the procurement cycle are indicatives of corruption and distort the transparency and the legality of the procedure.

All the previously mentioned risks will be taken into account in the following chapter so as to correlate the proposed anti-corruption measures with the problems that appear in the procedure and influence its integrity.

CHAPTER III

Anti-corruption in Public Procurement

With the aim to exercise good governance, enhance accountability and prevent the element of corruption in public administration, the OECD recommends that the member states adopt a series of principles in the public sector¹⁸⁴. First of all, it is necessary to define the term of good governance by noticing it is part of the decision making procedure and that ‘most generally refers to a list of admirable characteristics of how government ought to be carried out’ (Matt Andrews, 2008). It is not only a question of ‘how’ but also a question of ‘what’ and both may be combined in the definition of the term (Daniel Kaufmann, 2003). More specifically, the principles or characteristics of good governance highlight the way, the procedure by means of which good governance may be achieved, in other words it replies to the question of ‘how’. Except for this aspect of the definition, the term also contains in its essence the content of good governance, ‘what governments should do’ to achieve this goal. It is necessary to combine the application of principles with the introduction of certain measures within the public procurement procedure¹⁸⁵. For this reason, the first section of this chapter

¹⁸³S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International site, pg.25, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 17.08.2018)

¹⁸⁴ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.10, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, latest access (17.08.2018)

¹⁸⁵M. S. Grindle, *Good Governance: The Inflation of an Idea*, HKS Faculty Research Working Paper Series, RWP10-023, John F. Kennedy School of Government, Harvard University, June 2010, pg.2-3,

will make a reference to the principles and anti-corruption measures that should be applied in public administration and thus, in public procurement, which is an integral part of it, both for the achievement of good governance and also the reduction of corruption. The second section of this chapter will be more specific as it will constitute an effort to find out the anti-corruption measures that may be taken in the public procurement cycle to reform it and release it from corruption. Both chapters will attempt to answer to the questions of ‘how’ and ‘what’.

I. Anti-corruption principles, policies and measures in the field of public procurement

For the fight against corruption it is first necessary to detect it either by making an investigation based on an ‘anonymous source’ (‘pro-active investigation’) or based on an ‘official complaint (sometimes anonymous)’ (‘reactive detection’). Most investigations are based on official complaints that ‘may come from the community, from government agencies, local councils or private companies’. In case it is made by a ‘government agency’ it may be the outcome of information deriving from ‘disclosure and reporting requirements as well as audits and inspections’. The corrupt act may be detected by examining the disclosures of the public officials’ assets, audits of records or even by conducting ‘physical inspections of premises and assets’. The thing is that the majority of civilians either by lack of knowledge, motivation or for fear of the consequences refrain from reporting a corrupt act. With regard to this, measures should be taken to protect the ‘whistleblowers’, thereby encouraging reporting¹⁸⁶.

There are some general policies and measures that may help combat corruption, but when designing the measures and implementing them, the country’s conditions should be taken into account¹⁸⁷. Complexity is its characteristic and thus, a combination of measures and actions are required, rather than single actions in specific areas. Certainly, amendments require time

https://dash.harvard.edu/bitstream/handle/1/4448993/grindle_goodgovernance.pdf?sequence=1, (latest access 17.08.2018)

¹⁸⁶ *United Nations Handbook On Practical Anti-Corruption Measures For Prosecutors and Investigators*, Vienna, September 2004, published in the United Nations Office on Drugs and Crime (UNODC), pg.49-53, <http://www.unodc.org/pdf/crime/corruption/Handbook.pdf>, (latest access 20.08.2018)

¹⁸⁷ R. Klitgaard, *International Cooperation Against Corruption*, Finance & Development, March 1998, published in the IMF site, pg.6, <https://www.imf.org/external/Pubs/FT/fandd/1998/03/pdf/klitgaar.pdf>, (latest access 20.08.2018)

to be completed and bear fruits¹⁸⁸. The states to address corruption should take preventive and punitive measures at the national level, by the same time they cooperate at the international. The thing is that not all countries have the know-how -that is the appropriate strategies to combat it- the resources or even the will. International cooperation can be proved helpful in this way¹⁸⁹. The OECD estimates that effective tackling of corruption can be attained by taking preventive measures¹⁹⁰, since they aim at diminishing or even averting its appearance, rather than confronting it repressively.

With regard to the OECD principles of public administration, ‘value for money, free competition, transparency, equal treatment, mutual recognition and proportionality’ and ‘integrity in public procurement’ are ‘fundamental policy goals and principles of public procurement’ incorporated in the ‘public procurement legislation’ (Public Financial Management Principle, Principle 10, Paragraph 1) and the ‘public procurement operations’ should comply with them (Public Financial Management Principle, Principle 13)¹⁹¹. According to the 2014/24/EU Directive, ‘Member States shall put in place national rules for the award of contracts subject to this Chapter in order to ensure contracting authorities comply with the principles of transparency and equal treatment of economic operators’ (Article 76, paragraph 1). As far as the selection of the EO for the award of the contract is concerned, it prescribes that ‘the choice of the service provider shall be made on the basis of the tender presenting the best price-quality ratio, taking into account quality and sustainability criteria for social services’ (Article 76, paragraph 2)¹⁹². Taking into account that the OECD and the 2014/24/EU Directive set that the procedure should abide by these principles, any disregard of them may indicate corruption. Hence, EOs should be allowed to tender within a transparent framework with access to information, be treated equally and not on the basis of any preferential treatment or discrimination of proposals and participation should be allowed to everyone. The tender should comply with the principle of value for money, meaning that

¹⁸⁸ V.Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, IMF WP No. 98/63, May 1998, published in the IMF site, pg.30, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 20.08.2018)

¹⁸⁹ R. Klitgaard, *International Cooperation Against Corruption*, Finance & Development, March 1998, published in the IMF site, pg.4,3, <https://www.imf.org/external/Pubs/FT/fandd/1998/03/pdf/klitgaar.pdf>, pg. . (latest access 20.08.2018)

¹⁹⁰ G. Lazos, *Corruption and Anti-corruption*, Editions Law Library, Athens, Greece, 2005, pg.197

¹⁹¹ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.92,97, http://www.sigmaxweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf, (latest access 22.08.2018)

¹⁹² *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.74, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 22.08.2018)

the one accepted should be the most economic in terms of quality and price. Moreover, the result of the tender should be in proportion with the aim set, and be recognised by other countries as well. Also, the tenderer should be selected on the basis of objective criteria and not on any kind of preferential treatment that generates corruption. These principles condemn unequal and preferential treatment towards EOs and may contribute to the fight against corruption provided that the CAs abide by them.

i. Integrity

Combating corruption cannot be attained without the element of integrity. The principle of integrity refers to the general conduct of public procurement officials while exercising their duties. This conduct should be in compliance with ‘upholding ethical standards and moral values of honesty, professionalism and righteousness’¹⁹³, and integrity is also ‘the use of funds, resources, assets, and authority, according to the intended official purposes, to be used in line with public interest’¹⁹⁴. The procurement officials should abide by ethics and values, so as to ensure that public funds are used in a way that serves solely the public interest and not personal aspirations. In this way, ‘the prosperity of individuals and societies as a whole’ may be increased. It should be noted that national practices vary, though, since the member states are characterised by ‘distinct legal, institutional and cultural contexts’¹⁹⁵. The Netherlands with the establishment of ‘the Office for the Promotion of Public Sector Integrity (BIOS)’ which role is to ensure ‘the design and implementation of integrity policies’ may be praised as an example of integrity to be followed by other countries¹⁹⁶.

The public administration should invest in policies that may contribute to more integrity in procurement. Laying emphasis on setting out clearly the procurement officials’

¹⁹³ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.11, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 22.08.2018)

¹⁹⁴ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.9, <http://www.oecd.org/gov/41760991.pdf>, (latest access 22.08.2018)

¹⁹⁵ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.6-7, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 22.08.2018)

¹⁹⁶ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.10, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 12.01.2019)

responsibilities may enhance integrity¹⁹⁷ by leaving no doubts for who is to be blamed for a corrupt act. Another way is to incorporate ‘specific standards for procurement officials’ that is ‘specific restrictions and prohibitions’ and ‘specific codes of conduct for procurement officials’ accompanied by a training policy¹⁹⁸. For example, in the wider scope of learning and development policy, seminars may be organised by the department to explain the code of conduct to the officials and how they should practically behave when exercising their duties. Training can play a crucial role in instilling the culture, in raising awareness and developing the officials’ skills. Capacity building is a way of creating this sort of culture in the administration through the provision of ‘induction and on-the-job integrity training to public officials’, as well as of information concerning current ‘policies, rules and administrative procedures’¹⁹⁹. The OECD principles consider ‘regular training’ part of ‘the professional development of public servants’, in addition with ‘fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit’ (Principle of Public Service and Human Resource Management, Principle 6)²⁰⁰. Creating codes of conduct and training the public officials to be productive should be developed in parallel with ‘effective monitoring mechanism or clear sanctioning regulations’²⁰¹ to find out if they are applied and impose consequences on the commitment of a corrupt act. According to the *EU Anti-corruption Report 2014*, training the prosecutors and the judges to become familiar with

¹⁹⁷ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.8-9, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 25.08.2018)

¹⁹⁸ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.11, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 25.08.2018)

¹⁹⁹ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.8,10-11, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 25.08.2018)

²⁰⁰ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.49, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 26.08.2018)

²⁰¹ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.8, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 26.08.2018)

‘specific technical knowledge’ related to public procurement may ‘ensure effective and fair judicial proceedings’²⁰².

Developing a ‘merit-based, professional public sector’ is also a means of enhancing integrity and combating corruption. This means that it is extremely important the selection of the personnel to be made upon ‘objective criteria’²⁰³. Nevertheless, professionalism does not ensure morality, and as mentioned by Gerald E. Caiden (1981), ‘In the quest to replace the evils of the spoils system with the virtues of the merit system, it was assumed too readily that clever people would also be moral people’. For this reason, selecting agents after having testified their honesty (President’s Council on Integrity and Efficiency Report 1983) is absolutely important and may be done by means of checking an agent’s history, qualifications and creditworthiness²⁰⁴. Professionalisation of the public service may be achieved by selecting and recruiting officials in a fair and transparent way based on merit and qualifications rather than on unfair criteria²⁰⁵. Professionalising the public administration also means leaving aside practices like ‘politicisation of recruitment’ and substitute them with merit practices²⁰⁶. In addition, good management of procurement officials is linked to the terms of professionalism and capacity building. Choosing for officials that have the appropriate skills and knowledge may ensure that they ‘are able to fulfil their various tasks’ and reduce corruption by placing objective criteria at the centre of their evaluation process. Investing in their training at the same time may prevent ‘possible mistakes’, improve their performance and inform them about ‘the circumstances and relationships that lead to conflict-of-interest situations’²⁰⁷.

²⁰² *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.34, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 30.09.2018)

²⁰³ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.11, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 26.08.2018)

²⁰⁴ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.74-75

²⁰⁵ *Quality of Public Administration: A Toolbox for Practitioners*, Publications Office of the European Union, Luxembourg, 2015, pg.63, http://compus.uom.gr/IPA103/document/ARTICLES_II/19_TOOLBOX_PUBL_ADM_pages_to_read_from_1_7_to_19_and_from_53_to72.pdf, (latest access 27.08.2018)

²⁰⁶ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.9, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 24.09.2018)

²⁰⁷ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.18, <http://www.oecd.org/gov/41760991.pdf>, (latest access 27.08.2018)

What is more, the enhancement of integrity may be accomplished by adopting openness in public procurement by ‘encouraging an open culture where ethical dilemmas, public integrity concerns, and errors can be discussed freely’, as well as by ‘providing clear rules and procedures for reporting suspected violations of integrity standards’ while ensuring ‘protection in law and practice against all types of unjustified treatments as a result of reporting in good faith and on reasonable grounds’²⁰⁸.

Given the fact that integrity is linked to the use of funds in accordance with the public interest, ensuring good management of the budget is also important²⁰⁹. With regard to the budget, implementing public financial management via procurement planning is necessary. The budget should be taken into consideration when conducting the strategic plan for procurement, since ‘The strategic plan of each public sector organisation is consistent with the overall MTBF’ (Principle of Public Financial Management, Principle 1, paragraph 10)²¹⁰.

ii. Transparency

For achieving good governance in public procurement sector, it is of utmost importance transparency to be applied. This principle ‘promotes accountability and ensures access to information’, by the same time it gives the chance for ‘small and medium enterprises to participate on a more equal footing’²¹¹. There are five characteristics of transparency in the UNCITRAL model law, as mentioned in the OECD GOV/PGC/ETH(2013)9 Report, and these are: ‘public disclosure of rules applied in the procurement process’, ‘publication of procurement opportunities’, ‘prior determination and publication of what is to be procured and how submissions are to be considered’, ‘visible conduct of procurement according to the prescribed rules and procedures’ and ‘existence of a system to monitor that these rules are being followed and to enforce them if necessary’.

Transparency in the public procurement cycle means that ‘potential suppliers’ are treated in a ‘fair and equitable’ manner, as far as ‘access to laws and regulations, judicial and/or

²⁰⁸ *OECD Recommendation of the Council on Public Integrity*, published in the OECD site, pg.11, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 27.08.2018)

²⁰⁹ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.16-17, <http://www.oecd.org/gov/41760991.pdf>, (latest access 27.08.2018)

²¹⁰ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.73, <http://www.sigmaxweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 28.08.2018)

²¹¹ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.15, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 28.08.2018)

administrative decisions’ are concerned and access to ‘information on procurement opportunities’ and ‘conditions for participation’ via in advance publication²¹². Openness, which is closely linked to transparency, may be defined as ‘fair, equal and equitable treatment of participants in the procurement process’²¹³. Openness is related both to the principle of transparency and to that of integrity²¹⁴. In this point it is evident that the principles are strongly interlinked and complement each other. Transparency may lead to accountability in procurement inasmuch as ‘data availability’ is combined with ‘timeliness, data quality, processing capacity, effective reporting and whistleblower channels’. In the public procurement procedure this is translated into ‘adequate and timely information’ that ‘may be provided about upcoming contracts as well as contract notices and information about the status of ongoing procurement processes’²¹⁵. It should be noted that the *EU Anti-corruption Report 2014* refers to the Greek ‘Law 3861/2010’ and that “‘all public institutions, regulatory authorities and local governments are obliged to upload their decisions on the internet through the ‘Clarity’ programme (diavgeia – διαύγεια)’”²¹⁶. At the 6th European Quality Conference, it has been presented ‘as a Best Practice’ and at the ‘Open Government Partnership (OGP)’ ‘as a major successful open government reform’²¹⁷.

²¹² *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.12, <http://www.oecd.org/gov/41760991.pdf>, (latest access 28.08.2018)

²¹³ *Towards procurement performance indicators: Stocktaking report on procurement information collected in countries*, GOV/PGC/ETH(2013)9, OECD, October 2013, published in the OECD site, pg.10, [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH\(2013\)9&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH(2013)9&docLanguage=En), (latest access 28.08.2018)

²¹⁴ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.11, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 28.08.2018)

²¹⁵ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.15, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 28.08.2018)

²¹⁶ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.20, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 28.09.2018)

²¹⁷ Published in the site of Greek Ministry of Administrative Reform, <https://diavgeia.gov.gr/en>, (latest access 28.09.2018)

In the context of transparency, information should be disclosed to the point ‘fair competition between potential suppliers’, ‘collusion’ or ‘interests of the State’ are not endangered²¹⁸. The issue of confidentiality is stated in the 2014/24/EU Directive, which inter alia provides that ‘the contracting authority shall not disclose information forwarded to it by economic operators which they have designated as confidential, including, but not limited to, technical or trade secrets and the confidential aspects of tenders’ (Article 21, paragraph 1) and that ‘Contracting authorities may impose on economic operators requirements aimed at protecting the confidential nature of information which the contracting authorities make available throughout the procurement procedure’ (Article 21, paragraph 2)²¹⁹. It should be highlighted that the ‘need for access to information should be balanced by clear requirements and procedures for ensuring confidentiality’ especially ‘in the phases of submission and evaluation of tenders’,²²⁰ which means that access to information should not surpass the boundaries between transparency and confidentiality.

In addition, procurement procedures and regulations should ensure transparency in a way that is not complex and does not ensue to ‘red tape’ because the more complicated the procedure, the more likely corruption is²²¹. Access to information is an indicator of a democratic society and it creates equal terms for the interested EOs.

iii. Simplification of rules

The complexity of procedures is one of the causes of corruption in procurement and for this reason, simplifying the rules is the key. Conducting simple and clear rules that are understandable to civilians may help them identify corrupt practices and definitely it ensures transparency²²². Simplifying procurement also by making use of e-procurement, transparency

²¹⁸ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.13, <http://www.oecd.org/gov/41760991.pdf>, (latest access 28.08.2018)

²¹⁹ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.42, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 28.08.2018)

²²⁰ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.13, <http://www.oecd.org/gov/41760991.pdf>, (latest access 01.09.2018)

²²¹ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.13, <http://www.oecd.org/gov/41760991.pdf>, (latest access 01.09.2018)

²²² T. Søreide, *Corruption in public procurement: Causes, Consequences and Cures*, Report R 2002: 1, Chr. Michelsen Institute Development Studies and Human Rights, 2002, pg.24, <https://brage.bibsys.no/xmlui/bitstream/handle/11250/2435744/R%202002-1.pdf?sequence=2>, (latest access 01.09.2018)

and efficiency may be achieved and red tape-closely linked to corruption-may be reduced. Also, ‘automation’ by means of e-procurement that safeguards ‘process and data security’ makes it ‘more difficult for a public official to step in, or to influence the outcome’, by the same time it reduces discretion²²³. So far Lithuania where ‘the share of e-procurement rose from 7.7% to 63% in 2010’, Estonia with the establishment of an ‘e-procurement portal and related e-services’ and Portugal with the ‘Portuguese e-Procurement Programme’ indicate the decisive steps that have been made in e-procurement²²⁴. Thus, e-procurement is an important tool for reducing corruption as it may ‘reduce direct interaction between procurement officials and companies’²²⁵. A public administration that embraces new technologies may take the administration one step forward and with the capabilities they offer eliminate corruption.

iv. Accountability

Enhancing the procedures of internal control and auditing within an entity is crucial for promoting good public sector governance²²⁶. The officials should be accountable about ‘how they use the resources and the results they have accomplished’ and face penalties in case found to ‘have misapplied the resources for purposes other than intended’²²⁷. According to the OECD, the principle of accountability consists of two elements: internal and external accountability and ‘wide access to public information’²²⁸. Internal accountability and external accountability are two separate processes, complementary though, inasmuch as cooperation

²²³ *Quality of Public Administration: A Toolbox for Practitioners*, Publications Office of the European Union, Luxembourg, 2015, pg.48-49, http://compus.uom.gr/IPA103/document/ARTICLES_II/19_TOOLBOX_PUBL_ADM_pages_to_read_from_1_7_to_19_and_from_53_to72.pdf, (latest access 01.09.2018)

²²⁴ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.32, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 12.01.2019)

²²⁵ *Preventing Corruption in Public Procurement*, published in the OECD site, pg.22, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 01.09.2018)

²²⁶ *Supplemental Guidance: The Role Of Auditing In Public Sector Governance*, 2nd Edition, Institute of Internal Auditors North America, Release Date: Jan. 2012, published in the Institute of Internal Auditors North America, pg.5, https://na.theiia.org/standards-guidance/Public%20Documents/Public_Sector_Governance1_1_.pdf, (latest access 03.09.2018)

²²⁷ *Supplemental Guidance: The Role Of Auditing In Public Sector Governance*, 2nd Edition, Institute of Internal Auditors North America, Release Date: Jan. 2012, published in the Institute of Internal Auditors North America, pg.10, https://na.theiia.org/standards-guidance/Public%20Documents/Public_Sector_Governance1_1_.pdf, (latest access 03.09.2018)

²²⁸ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.54, http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf, (latest access 03.09.2018)

between the two enables the administration to have the whole picture of the controls' results²²⁹.

'Management control or internal control' is 'the systems, processes and methods of managing activities rather than a specific unit in a ministry or government agency'²³⁰. Internal controls involve 'financial controls, internal audit and management controls' with a view to 'verify whether legal, administrative and financial procedures are followed'²³¹ and provide internal accountability. According to the OECD principles, supervisory internal controls are controls that 'senior officials'-officials of the upper administrative ladder-exercise 'over the legality and purposefulness of subordinates' activities' (Principle of Accountability, Principle 3, paragraph 4)²³². They examine whether the result of a policy and of the resources used to fund it are in proportion with the aims and the objectives set²³³, according also to the principle of proportionality (Principle of Service Delivery, Principle 2, paragraph 4)²³⁴. The importance of internal controls lies in the ability of 'detection and reporting of irregularities' and also in the possibility of creating 'an audit trail of key financial decisions' that create a complete image about decisions, implementation and payments (Principle of Public Financial Management, Principle 7, paragraph 4)²³⁵.

The purpose of the internal audit is to test whether resources 'are used in accordance with the relevant rules and regulations' (according to the Institute of Internal Auditors internal auditors

²²⁹ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.24, <http://www.oecd.org/gov/41760991.pdf>, (latest access 03.09.2018)

²³⁰ Internal Control and Internal Audit, Chapter 10, pg.263, <http://www1.worldbank.org/publicsector/pe/befa05/oecdchapter10.pdf>, (latest access 03.09.2018)

²³¹ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.24, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 03.09.2018)

²³² *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.57, http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf, (latest access 05.09.2018)

²³³ Internal Control and Internal Audit, Chapter 10, pg.260, <http://www1.worldbank.org/publicsector/pe/befa05/oecdchapter10.pdf>, (latest access 05.09.2018)

²³⁴ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.65, http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf, (latest access 05.09.2018)

²³⁵ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.84, http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf, (latest access 06.09.2018)

should exercise their duties independently and objectively)²³⁶, in accordance with the principle of legality (Principle of Service Delivery, Principle 2, paragraph 4)²³⁷. In public administration the internal audit procedure is in proportion to ‘the size and complexity of the organisation’ (Principle of Public Financial Management, Principle 9, paragraph 1)²³⁸. The procedure of auditing includes officials accounting for the use of the resources and the accomplishment of the objectives set to the principal of the entity, with the auditors intervening in their in-between relationship to evaluate ‘the accuracy of the agent’s accounting’²³⁹. As for ‘the head of internal audit’, he/she ‘reports to the head of the organisation and also consults with the senior financial officer and chief administrative officer about the findings of the internal audit reports’, and then submits them ‘to the head of the organisation’ (Principle of Public Financial Management, Principle 9, paragraph 5)²⁴⁰. After the submission of the reports, the recommendations proposed should be followed by a ‘systematic follow-up process’ to ensure their implementation (Principle of Public Financial Management, Principle 9, paragraph 6)²⁴¹. As noted in the *EU Anti-corruption Report 2014*, ‘the recommendations of the courts of audit identifying irregularities in public procurement’ should be accompanied by ‘adequate follow-up’²⁴². The utility of financial audits can be found in the detection and investigation of fraudulent and corrupt acts; whereas that of the

²³⁶ Internal Control and Internal Audit, Chapter 10, pg.269, <http://www1.worldbank.org/publicsector/pe/befa05/ocedchapter10.pdf>, (latest access 06.09.2018)

²³⁷ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.65, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 06.09.2018)

²³⁸ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.89, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 06.09.2018)

²³⁹ *Supplemental Guidance: The Role Of Auditing In Public Sector Governance*, 2nd Edition, Institute of Internal Auditors North America, Release Date: Jan. 2012, published in the Institute of Internal Auditors North America, pg.13, https://na.theiia.org/standards-guidance/Public%20Documents/Public_Sector_Governance1_1_.pdf, (latest access 10.09.2018)

²⁴⁰ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.89, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 10.09.2018)

²⁴¹ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.89, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 10.09.2018)

²⁴² *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.36, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 30.09.2018)

performance audits in the provision of information ‘on the actual benefits of procurement and suggest systemic improvements’²⁴³ in ascertaining the extent of achievement of the objectives set²⁴⁴.

A tool of the audit procedure is the use of audit trails. Conducting audit trails is important for checking ‘the transfer of funds authorised by the ministry of finance (or treasury) to the line ministry and/or to the regional or local office’ and for locating ‘completed payment files with evidence that payment has — or has not — been made in accordance with rules and regulations’²⁴⁵. In this way, the auditor may verify that the total amount of funds has been transferred and check the exact payments made to ensure that embezzlement has not taken place. In public procurement the internal auditor has to check that ‘there has been adequate publicity for calls for tender, that there are satisfactory procedures for receiving and evaluating tenders and that the justification for the award of contract is in accordance with national and/or EU requirements’²⁴⁶. Also, record keeping enables inspection in procurement and, according to the APEC, it provides justified reasons for decisions taken and for the implementation of them²⁴⁷. Auditors, as long as they exercise their duties independently and objectively, should ‘recognize and report corruption, abuse of authority or failure to provide equity or due process’²⁴⁸ and their role is determining for combating corruption. Apart from the audit trails and record keeping, conducting random and unannounced inspections²⁴⁹ to catch officials unprepared, is also included in the ways that help detecting corruption. Thus,

²⁴³ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.24, <http://www.oecd.org/gov/41760991.pdf>, (latest access 10.09.2018)

²⁴⁴ Internal Control and Internal Audit, Chapter 10, pg.268, <http://www1.worldbank.org/publicsector/pe/befa05/oecdchapter10.pdf>, (latest access 11.09.2018)

²⁴⁵ Internal Control and Internal Audit, Chapter 10, pg.271, <http://www1.worldbank.org/publicsector/pe/befa05/oecdchapter10.pdf>, (latest access 10.09.2018)

²⁴⁶ Internal Control and Internal Audit, Chapter 10, pg.269 <http://www1.worldbank.org/publicsector/pe/befa05/oecdchapter10.pdf>, (latest access 11.09.2018)

²⁴⁷ T. Søreide, *Corruption in public procurement: Causes, Consequences and Cures*, Report R 2002: 1, Chr. Michelsen Institute Development Studies and Human Rights, 2002, pg.27, <https://brage.bibsys.no/xmlui/bitstream/handle/11250/2435744/R%202002-1.pdf?sequence=2>, (latest access 12.09.2018)

²⁴⁸ *Supplemental Guidance: The Role Of Auditing In Public Sector Governance*, 2nd Edition, Institute of Internal Auditors North America, Release Date: Jan. 2012, published in the Institute of Internal Auditors North America, pg.18, https://na.theiaa.org/standards-guidance/Public%20Documents/Public_Sector_Governance1_1_.pdf, (latest access 12.09.2018)

²⁴⁹ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.82-83

strengthening the monitoring system within the field of public procurement more transparency and accountability may be achieved and corruption may be diminished.

Except for internal scrutiny, external scrutiny with institutions outside the scope of the administration is also important for monitoring procurement. The role of ‘parliaments and assemblies’, as well as of ‘SAIs, independent regulatory bodies and Ombudsmen’ which are accountable to the Parliament, is to hold the governments accountable²⁵⁰. External accountability does not take place within the micro-level of an administrative department-the public procurement department-but at a wider one. The means of external controls are ‘the political, judicial and social systems and oversight institutions’. At the political level, the ministers ‘are answerable for the performance of the agencies/bodies subordinated to their ministry’ (Principle of Accountability, Principle 1, paragraph 7)²⁵¹ and the agencies/bodies are accountable to them. The courts, the public and the oversight institutions scrutinise all ‘state administration bodies’ (Principle of Accountability, Principle 3, paragraph 1)²⁵². The parliament, the Ombudsman and the Supreme Audit Institution are oversight institutions which can increase public scrutiny by drafting ‘reports on public procurement’²⁵³. The parliament ‘exercises control over the executive’ (Principle of Accountability, Principle 3, paragraph 3)²⁵⁴; whereas the role of the Ombudsman is ‘to examine the legality of public administration actions’ and ‘undertake investigations’²⁵⁵. The Ombudsman having concluded the investigations, it drafts reports with recommendations that the administration has to

²⁵⁰ *Quality of Public Administration: A Toolbox for Practitioners*, Publications Office of the European Union, Luxembourg, 2015, pg.36, http://compus.uom.gr/IPA103/document/ARTICLES_II/19_TOOLBOX_PUBL_ADM_pages_to_read_from_1_7_to_19_and_from_53_to72.pdf, (latest access 12.09.2018)

²⁵¹ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.55, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 12.09.2018)

²⁵² *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.57, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 12.09.2018)

²⁵³ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.27, <http://www.oecd.org/gov/41760991.pdf>, (latest access 12.09.2018)

²⁵⁴ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, <http://www.oecd.org/gov/41760991.pdf>, (latest access 12.09.2018)

²⁵⁵ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.27, <http://www.oecd.org/gov/41760991.pdf>, (latest access 13.09.2018)

implement (Principle of Accountability, Principle 3, paragraph 3)²⁵⁶. In the EU, the European Ombudsman as an oversight institution, independent and impartial ‘holds the EU administration to account’ and is responsible for investigating ‘complaints about maladministration in EU institutions, bodies, offices, and agencies’ and ‘may find maladministration’ in case an institution does not respect ‘fundamental rights, legal rules or principles, or the principles of good administration’²⁵⁷. Furthermore, the Supreme Audit Institution is part of the external audit procedure and ‘fulfils the independent and technical public sector external audit function’ (OECD, 2011)²⁵⁸. Among its responsibilities are included ‘financial, performance and compliance audits’ and the submission of an annual report with ‘its findings’ ‘to the Parliament or any other responsible public body’ that should also be published (Principle of Public Financial Management, Principle 15, paragraphs 3&8). The Supreme Audit Institution has to perform its tasks in an ‘independent’ and ‘professional’ manner and apply ‘the fundamental principles to public sector audit engagements, allowing for financial, performance and compliance audits to promote accountability and transparency over public activities’ (Principle of Public Financial Management, Principle 16, paragraphs 2&3)²⁵⁹. Both internal and external scrutiny are necessary for combating corruption as it is crucial to verify that results of the investigations, for example on a procurement case, are not divergent.

The other aspect of accountability is public information which helps in the creation of a transparent and democratic society, where officials are accountable for their actions and civilians are aware of them. Public information is ‘accurate, up to date and intelligible’ information ‘on the performance of public duties that is recorded and documented is considered public unless there are compelling reasons to classify it’, such as ‘legal acts, policy plans, public services offered, annual reports, budget, contact information, organization chart’

²⁵⁶ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.57, <http://www.sigmaxweb.org/publications/Principles%20-ENP-Eng.pdf>, (latest access 13.09.2018)

²⁵⁷ *Problems with the EU? Who can help you?*, European Union, 2015, published in the European Ombudsman site, <https://www.ombudsman.europa.eu/en/publication/en/11134>, (latest access 13.09.2018)

²⁵⁸ *OECD Public Governance Reviews: Supreme Audit Institutions and Good Governance, Oversight, Insight and Foresight*, OECD, 2016, published in the OECD site, pg.18, https://read.oecd-ilibrary.org/governance/supreme-audit-institutions-and-good-governance_9789264263871-en#page20, (latest access 13.09.2018)

²⁵⁹ *The Principles of Public Administration*, OECD, 2017, pg.103, published in the Sigma site, <http://www.sigmaxweb.org/publications/Principles%20-ENP-Eng.pdf>, (latest access 13.09.2018)

in the web site of the institution (Principle of Accountability, Principle 2, paragraphs 3&4)²⁶⁰. Controls and public information create the context of a democratic society where the answerables are accountable for their actions and for the use of public funds.

In practice, to enhance accountability within the administration, governments should segregate duties and delegate some officials with the responsibility to approve ‘spending, sign off’ and ‘key stages’ of procurement cycle, as well as define their obligations for internal reporting²⁶¹. When investigating the perpetrators of an illegal act, explicit segregation of duties and report leaves no room for misconceptions, since in this way the beginning and the end of the employees’ responsibilities is evident. In addition, it would be fruitful to align the strategies against corruption with the application of risk assessment to identify the areas lacking in integrity or face corruption issues. This may be done by making use of the tool of risk-mapping to assess the likelihood and the impact of corruption (low, medium, high)²⁶² in the public procurement procedure. Moreover, governments have to provide potential suppliers with the capability to submit their complaints on the ‘award decision’ and ‘the pre- and post-award phases’ and these should be handled ‘in a fair manner’ and also ‘in a timely manner’²⁶³. That is why ‘enforcement mechanisms’ should ‘provide appropriate responses to all suspected violations of public integrity standards by public officials’ during the phases of ‘detecting, investigating, sanctioning and appeal’ via the application of ‘fairness, objectivity and timeliness’²⁶⁴. It is the responsibility of ‘the review and remedies system’ to handle and resolve ‘complaints and sactions’ in an effective and speedy way (Principle of Public

²⁶⁰ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.56, <http://www.sigmaweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 14.09.2018)

²⁶¹ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.24, <http://www.oecd.org/gov/41760991.pdf>, (latest access 14.09.2018)

²⁶² *Quality of Public Administration: A Toolbox for Practitioners*, Publications Office of the European Union, Luxembourg, 2015, pg.42-43, http://compus.uom.gr/IPA103/document/ARTICLES_II/19_TOOLBOX_PUBL_ADM_pages_to_read_from_1_7_to_19_and_from_53_to72.pdf, (latest access 15.09.2018)

²⁶³ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.25, <http://www.oecd.org/gov/41760991.pdf>, (latest access 15.09.2018)

²⁶⁴ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.12, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 15.09.2018)

Financial Management, Principle 12, paragraph 4)²⁶⁵. The capability to submit complaints would attribute the elements of interaction and participation to the public procurement process. What is more, for the investigation of an illegal act ‘exchange of information’ and cooperation between ‘the relevant bodies, units and officials’ is necessary²⁶⁶. Last but not least, the interaction between the government and the civil society organisations, media and the public procurement may also increase accountability. This interaction has to do with the disclosure of ‘public information on the key terms of major contracts to civil society organisations, media and the wider public’ to enhance ‘public scrutiny’²⁶⁷. It is also related to the stakeholder’s participation, such as ‘anti-corruption offices, private sector organisations, end-users, civil society, the media and the general public’ and citizens, ‘at critical stages of the procurement process’ and also in a dialogue by means of an ‘online platform’-as in the United States- where ideas and suggestions for improvements would be welcomed²⁶⁸. An interaction of this kind would render procurement more participatory and would fill the process with more accountability.

v. Rotation of procurement officials

Another way for deterring corruption is by rotating the officials within the public procurement department. Practically, this means periodically changing the location and the function of the staff, so there is no time for creating corrupt relationships²⁶⁹ between the procurement staff and the economic entities. The negative side of it is that it may take time till officials are completely adapted in their new post and aware of the current programs and their details. Nevertheless, it may be balanced if the officials they substitute provide them with thorough

²⁶⁵ *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.95, http://www.sigmaweb.org/publications/Principles-of-Public-Administration_Edition-2017_ENG.pdf, (latest access 15.09.2018)

²⁶⁶ *OECD Recommendation of the Council on Public Integrity*, OECD, 2017, published in the OECD site, pg.12, <http://www.oecd.org/gov/ethics/OECD-Recommendation-Public-Integrity.pdf>, (latest access 15.09.2018)

²⁶⁷ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.27, <http://www.oecd.org/gov/41760991.pdf>, (latest access 15.09.2018)

²⁶⁸ *Preventing Corruption in Public Procurement*, OECD, 2016, published in the OECD site, pg.18, <http://www.oecd.org/gov/public-procurement/publications/Corruption-Public-Procurement-Brochure.pdf>, (latest access 16.09.2018)

²⁶⁹ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.89

information about the post and their duties. Rotation does not reassure the attitude of the economic entities, but it reduces the chances for corruption in the public authorities.

vi. Penalties, rewards and performance measurement

Even if measures, such as the above, are taken to diminish the spread of corruption, they are not sufficient for averting the staff from being engaged in it. Evidently, they promote the good functioning of the administration but they have to be accompanied by a policy of penalties and rewards. Making it clear for the staff that corrupt practices entail penalties, it repels officials from getting involved²⁷⁰. According to the *EU Anti-corruption Report 2014*, the efficiency and speed of procedures is a key requirement in combination with the use of anti-corruption tools, such as ‘better definition of offences, in some cases higher sanctions, and fast-track provisions’²⁷¹.

Corruption is still present in countries where the rule of law is weak. Countries with high levels of corruption have also low levels of adherence in the civil justice and criminal justice system. According to the *Rule of Law Index 2017-2018*, the civil justice factor, inter alia, measures the levels of ‘bribery and improper influence by private interests’ in the civil justice system; whereas the criminal justice factor inter alia ‘whether the police, prosecutors, and judges are free of bribery and improper influence from criminal organizations’ and ‘whether the criminal justice system is independent from government or political influence’. As a consequence, if the judicial system of a country is governed by corruption, the utility of penalties is decreased. Taking for example, countries like Norway, Denmark, Sweden or Netherlands which have the lowest levels of corruption, they also have a strong civil and criminal justice system (Figure 12. & Figure 13.)²⁷². In this way, in countries with much corruption, imposing penalties should be combined with the strengthening of the independence of justice, otherwise the imposition of penalties have no use. The *EU Anti-corruption Report 2014* refers to the ‘annual EU Justice Scoreboard and the rule of law

²⁷⁰ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.77

²⁷¹ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.13, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 28.09.2018)

²⁷² *Rule of Law Index 2017-2018*, published in the World Justice Project site, pg., https://worldjusticeproject.org/sites/default/files/documents/WJP-ROLI-2018-June-Online-Edition_0.pdf, (latest access 16.09.2018)

framework’ to highlight that the ‘political interference’ in the ‘prosecution services and courts’ dealing with cases of corruption is a fact. Interference in their functioning includes appointing, promoting and dismissing ‘leading prosecutors working on corruption cases’ without transparency and with discretion. It is also related to dismissing or discrediting ‘anti-corruption institutions or their leaders without an apparent objective reason’ or interfering ‘in their management and functioning’²⁷³.

As far as rewards are concerned, public authorities should praise officials whose work is effective and productive by rewarding them with ‘training opportunities’, ‘favorable publicity’ or even ‘simple praise’²⁷⁴. In addition with rewards, it may be proved helpful implying performance measurement and adapting wages to official’s work²⁷⁵. Low wages may lead to corruption and, as mentioned before, providing high wages means that corruptors would have to consider the risk of losing a high salary, although it is likely that ‘demands for higher bribes on the part of those who continue to be corrupt’ occur²⁷⁶. Providing officials with satisfying wages, motivating them to perform their duties productively by adjusting wages to their performance and also, providing officials with ‘nonmonetary rewards’²⁷⁷ may lead to lower levels of corruption and to a more effective procurement system.

vii. Efficiency and effectiveness

All the previously mentioned measures have to be conducted in an efficient and effective way to be constructive for the prevention and combat of corruption in procurement. Efficiency and

²⁷³ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.15, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 28.09.2018)

²⁷⁴ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.78

²⁷⁵ R. Klitgaard, *International Cooperation Against Corruption*, Finance & Development, March 1998, published in the IMF site, pg.4, <https://www.imf.org/external/Pubs/FT/fandd/1998/03/pdf/klitgaar.pdf>, (latest access 16.09.2018)

²⁷⁶ V.Tanzi, *Corruption around the World: Causes, Consequences, Scope and Cures*, WP No. 98/63, May 1998 published in the IMF site, pg.18, <https://www.imf.org/en/Publications/WP/Issues/2016/12/30/Corruption-Around-the-World-Causes-Consequences-Scope-and-Cures-2583>, (latest access 19.09.2018)

²⁷⁷ R. Klitgaard, *Controlling Corruption*, by The Regents of the University of California, United States of America, 1988, pg.78

effectiveness are two principles that complete one another²⁷⁸ since it is necessary the goals set to be achieved both efficiently and effectively. Efficiency in public procurement may be defined as ‘the proportionality between transaction costs and time of each procurement procedure and its value’ (UNCITRAL)²⁷⁹. A goal is achieved efficiently provided that ‘the maximum results are achieved with a given level of resources, or if it uses the minimum resources for a certain level of the result’ (Profiroiu, M., Profiroiu, A.)²⁸⁰. In addition, efficiency of public expenses may be characterised as the ‘relation between the economic and social effects resulted from implementing a program and the effort made to finance that program’; whereas effectiveness ‘is the indicator given by the ratio of the result obtained to the one programmed to achieve’²⁸¹. Thus, achieving a goal efficiently means that the effort made to achieve a goal is in proportion with the outcome of this effort and effectively that the outcome is related to the goal set. The role of ‘proper planning and preparation and effective contract management and control’ is essential so as to achieve ‘economy, effectiveness and efficiency’ (Principle of Public Financial Management, Principle 13, paragraph 6)²⁸². This means that effectiveness and efficiency is possible by identifying and investing in the real CAs’ needs for procuring and by monitoring the progress of this investment.

The measurement of efficiency levels within the administration enables us to check if measures are needed for its enhancement. To increase efficiency in public procurement, public administration should proceed to streamlining ‘the public procurement system and its institutional frameworks’ by identifying ‘causes of waste’ and by reducing ‘administrative red tape and costs’. Another possible measure that may lead to an efficient procurement system is making use of tools such as FAs and e-procurement tools that may ‘improve procurement

²⁷⁸ A. Manzoor, *A Look at Efficiency in Public Administration: Past and Future*, SAGE Open October-December 2014: 1–5, The Author(s) 2014 DOI: 10.1177/2158244014564936, pg. 4, <http://journals.sagepub.com/doi/pdf/10.1177/2158244014564936>, (latest access 19.09.2018)

²⁷⁹ *Towards procurement performance indicators: Stocktaking report on procurement information collected in countries*, GOV/PGC/ETH(2013)9, Public Governance And Territorial Development Directorate Public Governance Committee, October 2013, published in the OECD site, pg.4, [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH\(2013\)9&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH(2013)9&docLanguage=En), (latest access 19.09.2018)

²⁸⁰ D. M. MIHAIU, A. OPREANA, M. P. CRISTESCU, *Efficiency, effectiveness and performance of the public sector*, Romanian Journal of Economic Forecasting – 4/2010, pg.138, http://www.ipe.ro/rjef/rjef4_10/rjef4_10_10.pdf, (latest access 19.09.2018)

²⁸¹ D. M. MIHAIU, A. OPREANA, M. P. CRISTESCU, *Efficiency, effectiveness and performance of the public sector*, Romanian Journal of Economic Forecasting – 4/2010, pg.136, http://www.ipe.ro/rjef/rjef4_10/rjef4_10_10.pdf, (latest access 19.09.2018)

²⁸² *The Principles of Public Administration*, OECD, 2017, published in the Sigma site, pg.97, <http://www.sigmaxweb.org/publications/Principles-of-Public-Administration-Edition-2017-ENG.pdf>, (latest access 20.09.2018)

procedures'²⁸³. Effectiveness may be measured by calculating 'the ratio of the actual result to its expected level'²⁸⁴. The process of evaluation includes the development of indicators aimed at measuring the levels of effectiveness and the assessment of the outcomes of public procurement²⁸⁵. These indicators can contribute in examining if the goals achieved are in proportion to the goals set.

Consequently, with the countries differing from one another in the economic, political and social level, there is not a one-size-fits-all solution for tackling corruption. Each country should benefit from the tools that the EU or international organisations like the OECD, the TI and the UN provide and count on the international cooperation. Cooperation is determining not only in the measures taken against corruption, but also in the exchange of information.

II. Anti-corruption measures in the public procurement cycle

Incorporating principles of good governance and developing policies based on measures against corruption are fundamental for the good functioning of the administration. As important as they are, their essence would be diminished if not accompanied by measures in the public procurement cycle. According to the *EU Anti-corruption Report*, the reason for the vulnerability of EU member states to corruption in public procurement is the 'deficient control mechanisms and risk management'²⁸⁶. Attempting a stage by stage analysis, a reference will be made on some substantial amendments that may diminish the chances of corruption.

In the pre-tendering stage, which represents the beginning of the procedure, there are many risks that may lead to corruption. The danger of procuring 'similar goods or services in amounts beyond the threshold for open competitive bidding'²⁸⁷ may be eradicated by adopting

²⁸³ *OECD Recommendation of the Council on Public Procurement*, Directorate for Public Governance and Territorial Development, 2015, pg.10, <http://www.oecd.org/gov/public-procurement/recommendation/>, (latest access 20.09.2018)

²⁸⁴ D. M. MIHAIU, A. OPREANA, M. P. CRISTESCU, *Efficiency, effectiveness and performance of the public sector*, Romanian Journal of Economic Forecasting – 4/2010, pg. 138, http://www.ipe.ro/rjef/rjef4_10/rjef4_10_10.pdf, (latest access 20.09.2018)

²⁸⁵ *OECD Recommendation of the Council on Public Procurement*, Directorate for Public Governance and Territorial Development, 2015, pg.10, <http://www.oecd.org/gov/public-procurement/recommendation/>, (latest access 20.09.2018)

²⁸⁶ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.7, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 24.09.2018)

²⁸⁷ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, pg.22,

an effective needs assessment policy. Finding out the real goods, services, works that an entity needs to procure averts the misuse of funds, while investing money in areas where there are deficiencies and procurement is necessary. The consultants that estimate the needs for procuring should be independent and without any kind of association with the suppliers. It should also be prohibited for those involved in this stage to be part of the tendering stage²⁸⁸. With the danger of intransparency lurking when defining the needs and also when developing a procurement plan, the entity should ‘carry out market surveys to determine pricing, quality levels and suppliers’. Having obtained a clear picture of what is really needed in an entity, the development of a procurement plan has to follow. The plan has to be supported by the budget and more transparency in the planning and budgeting phase may be achieved by publishing ‘an annual procurement budget and breakdown of expenditures’²⁸⁹. Allocation of funds in the budget facilitates the task of internal controls in verifying whether the funds are used as planned or abused. In the definition of requirements phase, it is worth paying attention to identifying as a clue of corruption any ‘use of non-standard bid documents that are narrow or appear tailored’ to specific tenderers. Instead, it is essential to create stricter conditions by using ‘standard bidding documents and internationally accepted technical standards’²⁹⁰, which

http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192,
(latest access 20.09.2018)

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²⁸⁹ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.22, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 20.09.2018)

²⁹⁰ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.22, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 20.09.2018)

reassures tenderers are being treated equally and without discrimination or favourable treatment.

As far as the choice of procedures phase is concerned, choosing for ‘the optimum procurement strategy that balances concerns of administrative efficiency with fair access for suppliers’ by opting for the method that ‘ensures sufficient competition’ is a way of reducing corruption²⁹¹. The type of the procedure should be chosen in relation with the object of procurement. The open procedures are ‘generally suitable for routine, straightforward and commodity-type purchases’, the restricted ones ‘can also be used for routine, straightforward and commodity-type purchases where the contracting authority is of the view that benefits will be derived from limiting the number of tenderers’ but it ‘is particularly suited to more complex procurement and to non-routine purchasing’. The negotiated procedures are designed to have a complementary use to the open procedure and the restricted procedure for the cases of irregular or unacceptable tenders and for ‘design or innovative solutions’ and where ‘the technical specifications cannot be established with sufficient precision by the contracting authority’²⁹². When the CA/s aim/s at ‘the development of innovative products, services or works and the subsequent purchase of those supplies, services or works’ that cannot be found in the market (Article 31, paragraph 1), it should turn to the innovation partnership procedure²⁹³. The choice of the right procedure will maximize the efficiency, since it will be in agreement with the type of procurement, and it will diminish corruption by providing a justification of the procedure used. Particularly, in cases where ‘competitive tendering is not required by regulations’, the CA/s should provide ‘clear and documented requirements’, justify the choice of the procedure and publish the selective criteria and the contract. As for the ‘restricted/selective tendering methods’ the CA/s should consider ‘the minimum number of suppliers to be invited for tendering according to regulations’, estimate ‘the maximum number of suppliers that could be realistically considered for the specific procurement’ and

²⁹¹ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.35, <http://www.oecd.org/gov/41760991.pdf>, (latest access 20.09.2018)

²⁹² *Public Procurement: Public Procurement Procedures*, Brief 10, September 2016, published in the in the SIGMA site, pg.7-8, <http://www.sigmaweb.org/publications/Public-Procurement-Policy-Brief-10-200117.pdf>, (latest access 20.09.2018)

²⁹³ *Directive 2014/24/EU Of The European Parliament And Of The Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC*, published in the EUR-Lex site, pg.48, <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024&from=EN>, (latest access 21.09.2018)

record ‘justifications if the minimum number of tenders cannot be met’. In the negotiated/limited tendering, they should provide a ‘more detailed record’ about the selected supplier, as well as ‘the terms agreed upon in the contract’²⁹⁴. As for the type of procurement, open competitive bidding should be preferred over the non-competitive ones²⁹⁵. Depending on the type of procurement, it is preferable using the open tendering procedure in combination with e-procurement for more transparency, competition and for cost-savings. The use of electronic means may diminish interactions between officials and suppliers by limiting their in between communication. Only in case there is a ‘limited number of potential bidders or if proprietary goods are being sought’ and under full justification, should the use of ‘limited public competition or even negotiated contracting or single source contracting’ be permitted²⁹⁶.

Regarding the tendering phase, tenders are invited to submit their tender and the critical point for the creation of corruption concerns the evaluation and the award phases²⁹⁷. Taking into

²⁹⁴ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.35-36, <http://www.oecd.org/gov/41760991.pdf>, (latest access 21.09.2018)

²⁹⁵ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.23, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 21.09.2018)

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account the UNCITRAL characteristics of transparency, among them are the ‘prior determination and publication of what is to be procured and how submissions are to be considered’ and the ‘publication of procurement opportunities’ (OECD GOV/PGC/ETH(2013)9 Report)²⁹⁸, the entity should ensure there is adequate publicity of a bidding opportunity. Even though there is always the risk for experienced tenderers being excluded on the basis of ‘minor technicalities’, the bidding documents should define with clarity ‘the quantity and quality of goods/services or scope of work required and the applicable time frames’. The CA/s should give adequate time to the interested EOs to prepare their applications²⁹⁹. There should be given adequate information for clarifications and the requests should not be answered with delay or with ‘evasive answers’³⁰⁰. When tenderers have doubts about the submission of tenders and their questions are not answered, they will definitely not match what is required. Delaying on purpose is an indicator of corruption that leads to the exclusion of some bidders. Not keeping ‘accurate minutes of pre-bid meetings’ about what has been discussed may be another risk in the process. On the contrary, recording questions and answers discussed in the meetings promotes transparency and gives the content of what has been discussed there. In addition, bids should neither be submitted nor be accepted after the ‘submission deadline’, but ‘adhere to the established deadlines’. Following the deadlines is extremely important for the tenderers being treated on equal terms and for avoiding discriminatory treatment towards certain tenderers. The location ‘for receiving bids

²⁹⁸ *Towards procurement performance indicators: Stocktaking report on procurement information collected in countries*, GOV/PGC/ETH(2013)9, OECD, October 2013, published in the OECD site, pg.10, [http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH\(2013\)9&docLanguage=En](http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=GOV/PGC/ETH(2013)9&docLanguage=En), (latest access 21.09.2018)

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³⁰⁰ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.23, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocurement_e=2496456/8718192, (latest access 22.09.2018)

and opening them’ should be the same and the tenders should be opened publicly ‘in the presence of the participating bidders’. The participating bidders should be present in the opening and the signing of the bids opened, so as to enhance transparency by ensuring ‘that bids are not tampered with post-opening’. Transparency in the procedure is also ensured by providing the public with access to data concerning the ‘bidding documents’³⁰¹. After the award of the contract, the public should be informed about the outcome by ‘promptly notifying unsuccessful tenderers of the outcome of their tenders’ and ‘the outcome of the tendering process’ should be published as well³⁰².

As far as the evaluation committee is concerned, the procedure should be free from ‘political figures’, be composed of members meeting the ‘technical expertise needed’ and who do not have any kind of ‘conflicts of interest’³⁰³. The composition of the committee may safeguard the unbiased and scientific conduct of the evaluation phase. Selecting the members of the committee on the basis of merit and qualifications and after having examined the member’s personality and ‘history’ may be proved helpful. Under no circumstances should the evaluation criteria applied by the committee be amended after the ‘receipt of bids’. Observing ‘similarities between competing bids’ should raise concerns as well. Another alarming issue is ‘unreasonable delays in evaluating the bids and selecting the winner’, which means that delaying the decision over the tender may indicate that objective criteria are not counted in the evaluation and that they should be avoided³⁰⁴.

The vulnerability of the evaluation phase appears in the possibility of deciding in favor of a specific supplier by rejecting ‘unwanted bids on trivial procedural grounds’ or choosing a

³⁰¹ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.23, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 22.09.2018)

³⁰² *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.41, <http://www.oecd.org/gov/41760991.pdf>, (latest access 22.09.2018)

³⁰³ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.24, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 22.09.2018)

³⁰⁴ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.24, http://issuu.com/transparencyinternational/docs/2014_anticorruption_publicprocureme?e=2496456/8718192, (latest access 23.09.2018)

tender based on criteria totally different from what mentioned in the requirements³⁰⁵. Giving the possibility to the ‘unsuccessful bidders to appeal the decision’ by providing ‘sufficient time between contract award and commencement’³⁰⁶ indicates that decisions are made without discriminations. Examination for possible errors in the evaluation shows willingness to correct any possible error made during the evaluation. Also, the ‘bid evaluation report’ should be in accordance with the criteria set³⁰⁷, to be considered reasoned, objective and fair. Rotating staff which constitutes the committee may diminish the interaction between the officials and the suppliers and avert corruption³⁰⁸.

Even if tendering is completed, the post-tendering stage is equally vulnerable to corruption³⁰⁹. In the contract management phase, transparency may be increased by delegating the ‘contract

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³⁰⁶ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.24, http://issuu.com/transparencyinternational/docs/2014_antikorruption_publicprocureme?e=2496456/8718192, (latest access 23.09.2018)

³⁰⁷ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.24, http://issuu.com/transparencyinternational/docs/2014_antikorruption_publicprocureme?e=2496456/8718192, (latest access 23.09.2018)

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award decisions' and the 'contract supervision' to different officials³¹⁰. The purpose may be safeguarding the independence between the two phases and avoiding involving the same staff, as each phase require different level of expertise. For this reason, the implementation of the contract should be appraised by 'an independent monitoring system'³¹¹, in combination with the conduct of 'financial and performance audits on a regular basis'³¹². As mentioned before, scrutiny increases the accountability by enabling detection of corruption and by having the public informed. A common risk is not making use of the procured 'goods or services' or using them 'for purposes inconsistent with intended purposes'³¹³, which diminishes the effectiveness of the procurement and may include misuse of funds. The auditors can contribute in this by examining the proportionality and the legality of the procurement and by conducting reports and making them publicly available. Moreover, the 'expectations, roles and responsibilities' should be clarified and close supervision of 'the contractor's

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³¹⁰ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.25, http://issuu.com/transparencyinternational/docs/2014_antikorruption_publicprocureme?e=2496456/8718192, (latest access 23.09.2018)

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³¹² S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.25, http://issuu.com/transparencyinternational/docs/2014_antikorruption_publicprocureme?e=2496456/8718192, (latest access 23.09.2018)

³¹³ S. Kühn, L. B. Sherman, *Curbing Corruption in Public Procurement: A Practical Guide*, Transparency International, 2014, published in the Transparency International, site, pg.25, http://issuu.com/transparencyinternational/docs/2014_antikorruption_publicprocureme?e=2496456/8718192, (latest access 23.09.2018)

performance and integrity’ should follow. Public scrutiny is also important in this phase and the public should have access on ‘information in relation to contract management’³¹⁴.

With regard to the order and payment phase, there should be no delays neither ‘in the delivery of goods or services’, mistakes such as delivering of ‘wrong quantities’ should be avoided and ‘progress payments and invoices’ should be made ‘on a timely basis’. It is extremely important to make sure that what is agreed in the previous stages will be followed. This stage may inspect that there are disparities between the technical characteristics agreed and those applied in practice, as for example the use of lower quality products for a construction, based on the certainty of a corrupt pre-agreement that no inspections will take place after the award³¹⁵. The possibility of corruption in this phase may be dealt by verifying ‘that the receipt of goods/services is in line with expected standards’ by making inspections on ‘the goods against the purchase order and the delivery invoice before payment’ and also by assessing and certifying ‘the standard of service to ensure quality’. In this phase it is also important to ‘ensure the separation of duties and authorisation’ so that they differ for the officials ‘who examine the invoice against the goods and orders/delivery note’ from those ‘who give the payment order to the accounting department’, a step that may ensure transparency, integrity and accountability. What is more, ‘a post project assessment’ may be a good source of ‘drawing lessons’ that may be applied in other contracts in the future and also record this information. It should also be useful to ‘in the report for information management’ to make a reference to ‘discrepancies and abnormal trends in procurement’ because in this way future mistakes or failure may be averted. In this point accountability of the process may be

³¹⁴ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.43-44, <http://www.oecd.org/gov/41760991.pdf>, (latest access 23.09.2018)

³¹⁵ Contributing authors: (Part I) Michael Wiehen and Juanita Olaya; (Part II: TI Indonesia Chapter) Adhi Ardian Kustiadi and Soraya; (Part II: TI Malaysia Chapter) Josie Fernandez and Goh Ban Lee; (Part II: TI Pakistan Chapter) Syed Adil Gilani and Saad Rashid; Editorial and Research Assistants: (Part I) Julia Kercher, Josphine Leclercq and Conny Abel; and Neill Stansbury; (Part II: TI Indonesia Chapter) Anung Karyadi and Hani Yulianto; (Part II: TI Pakistan Chapter) Faisal bun Riaz (Part II: Malaysia Chapter) Brian Fong, Selvam John, Rash Behari, Justina Tan., *Handbook for Curbing Corruption in Public Procurement*, Transparency International, 2006, published in the Transparency International site, pg.45, http://issuu.com/transparencyinternational/docs/2006_curbingcorruptionpublicprocurement_en?mode=window&printButtonEnabled=false&shareButtonEnabled=false&searchButtonEnabled=false&backgroundColor=%23222222, (latest access 24.09.2018)

enhanced by ‘Transmitting information on high-value procurements to the Supreme Audit Institution or other oversight bodies’³¹⁶.

Even though EU member states have ‘the necessary legal instruments and institutions to prevent and fight corruption’, the results are far from satisfactory. It is evident that political will is pivotal for the application of rules and the combat of ‘systemic problems’ but in this fight ‘declared intentions’ are not enough and cannot bring ‘concrete results’³¹⁷.

Consequently, all the previously mentioned measures may contribute to the fair and transparent conduct of the public procurement cycle and they should be applied by member states so that the factor of corruption is no longer determinant in the exercising of governance. The principles of good governance should constitute the guidance for the formation of policies, and the measures taken should be directed towards the combat of corruption.

Conclusions

In conclusion, taking into account that the economic development, the effectiveness of the legal system and the political institutions vary, that the type of the political system and the respect and application of a system of accountability differ from country to country, the levels of corruption vary as well. All the previously mentioned factors are indicators of one’s country’s progress but a combination of them with low scores may create the ground for corruption. The sector most vulnerable to corruption, with the highest levels of bribery in it, is the public procurement sector. Its vulnerability may be attributed primarily to the financial interests and secondarily to the increased interaction between the private and the public sector and the complexity of the procedure. The absence of data concerning the levels of corruption in public procurement restricted the data used in this thesis to the available data concerning one form of corruption, bribery.

The different economic, political, social and legal background denotes that there is not a one-size-fits-all solution to eradicate corruption. Such a diversity implies forming policies and

³¹⁶ *Enhancing Integrity in Public Procurement: A Checklist*, OECD, 2008, published in the OECD site, pg.45, <http://www.oecd.org/gov/41760991.pdf>, (latest access 24.09.2018)

³¹⁷ *EU Anti-corruption Report COM(2014) 38 final: Report from the Commission to the Council and the European Parliament*, February 2014, Brussels, published in the EU Commission Migration and Home Affairs site, pg.2, https://ec.europa.eu/home-affairs/sites/homeaffairs/files/e-library/documents/policies/organized-crime-and-human-trafficking/corruption/docs/acr_2014_en.pdf, (latest access 24.09.2018)

taking measures that are structured on the basis of the country's conditions and current needs. Nevertheless, there are two basic categories of measures that may be used as a guidance for the formation of policies against corruption. The first category includes principles and anti-corruption measures that should be applied in the public administration and thus, in the public procurement, as an integral part of it; whereas the second category the anti-corruption measures in the public procurement cycle.

In the present thesis, among the general anti-corruption principles have been included the application of integrity in the conduct of the public procurement officials and in the use of public funds. Also, laying emphasis on the creation of a more transparent system of public administration is fundamental for tackling corruption. Another factor that plays a key role in the proper functioning of the public administration and procurement is the enhancement of accountability, both internal and external. The simplification of the procedure should be another goal to achieve with the modernisation of the sector by means of e-procurement and automation. In addition, the rotation of public officials and the development of a penalties and awards policy are some other necessary measures. The penalty system should be accompanied by the strengthening of independence of justice and the establishment of procedures that promote efficiency and speed. Moreover, it has been noted that all the measures to be taken should be applied in an efficient and effective way to bear fruits and in a context that promotes report and protects whistleblowers.

Furthermore, the second category includes specific anti-corruption measures in the public procurement cycle. A stage by stage analysis have been attempted to highlight the measures that need to be adopted in the three stages of the public procurement procedure: the pre-tendering, the tendering and the post-tendering stages. The measures that have been mentioned were presented in relation to the possible risks that may appear in the procedure. Among them ensuring equal terms for the participation of suppliers, opting for procedures that correspond to the type of procurement and e-procurement are of utmost importance. What is more, the evaluation and award phases should be conducted in an unbiased and fair manner to safeguard the transparency and the integrity of the procedure and leave no room for any kind of preferential treatments. Except for the measures that may appear in the first two stages of the procedure, the risks that may emerge in the post-tendering phase should not be underestimated. That is why a follow-up process should be applied to ensure that the execution of the contract is conducted as agreed.

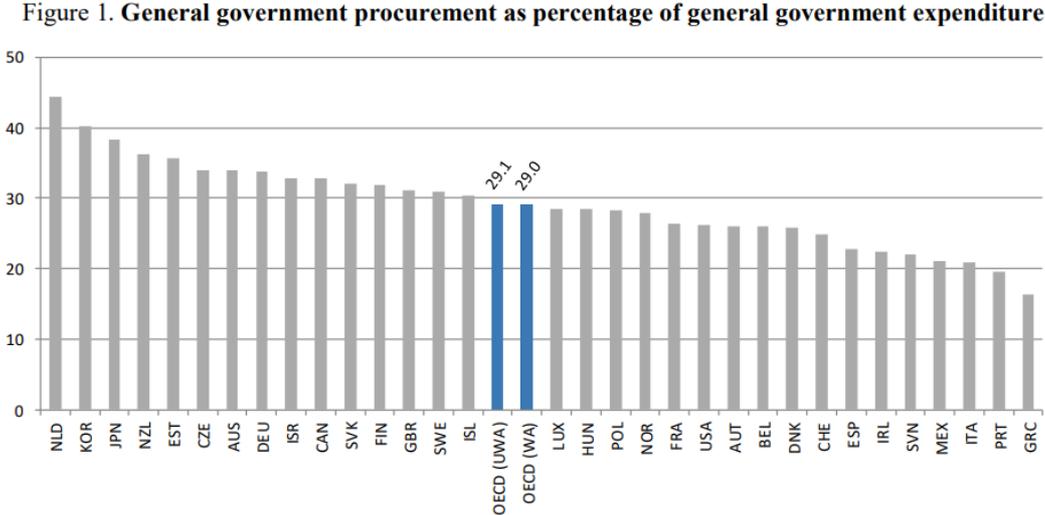
Good practices, such as the establishment of an Office for the promotion of integrity in the public sector as implemented by Netherlands or the initiative of Greece for more transparency with the obligation of the uploading of the public institution's, regulatory authorities' and local governments' decisions on the internet, as well as the examples of Lithuania, Estonia and Portugal for the implementation of e-procurement should be highlighted. Their praise is necessary since they are indicatives of the effort made to tackle corruption, while they pave the way for other countries to adopt-whenever possible-measures that have been proved effective and even more to create their own initiatives that match best their country's characteristics.

The detrimental effects that corruption in public procurement may cause require that states should take measures and cooperate towards this effort. It is the waste of public funds, the consequences of inefficiency and lower quality in the public administration that should activate the officials. What should not be neglected is that corruption erodes democracy and reduces citizen's trust in their capacity to deal with it and respond to their request for fair governance. Also, the responsibility falls not only on the highest levels of powers but on each one of us, as officials, citizens, on the choices we make and the decisions we take. No one may ensure that corruption may be totally eradicated but the implication of these measures may progressively eliminate its presence.

The present thesis have attempted to analyse the terms of public procurement and corruption and examine the anti-corruption measures not only from a theoretical aspect but also from a more practical and specific perspective. It remains to be seen how they will be adopted by states and what will the results of their application be.

Appendix

Figure 1. ‘General government procurement as percentage of general government expenditure’



Source: OECD National Accounts Statistics (database)

Note: The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

Source: *Preventing Corruption in Public Procurement*, OECD, 2016

Figure 2. 'Corruption Perceptions Index 2017'

Corruption Perceptions Index 2017: Global Scores

Country	ISO3	Region	CPI Score 2017	Rank	Standard Error	Lower CI	Upper CI	Number of Sources
New Zealand	NZL	AP	89	1	2.4	85	93	8
Denmark	DNK	WEU	88	2	2.5	83	93	8
Finland	FIN	WEU	85	3	2.84	80	90	8
Norway	NOR	WEU	85	3	1.91	82	88	7
Switzerland	CHE	WEU	85	3	1.71	82	88	7
Singapore	SGP	AP	84	6	2.26	80	88	8
Sweden	SWE	WEU	84	6	2.27	80	88	8
Canada	CAN	AME	82	8	1.49	80	84	8
Luxembourg	LUX	WEU	82	8	2.08	79	85	8
Netherlands	NLD	WEU	82	8	2.23	78	86	8
United Kingdom	GBR	WEU	82	8	1.7	79	85	8
Germany	DEU	WEU	81	12	1.87	78	84	8
Australia	AUS	AP	77	13	1.4	75	79	8
Hong Kong	HKG	AP	77	13	2.37	73	81	7
Iceland	ISL	WEU	77	13	4.38	70	84	7
Austria	AUT	WEU	75	16	1.17	73	77	8
Belgium	BEL	WEU	75	16	1.63	72	78	8
United States of America	USA	AME	75	16	3.24	70	80	9
Ireland	IRL	WEU	74	19	3.68	68	80	7
Japan	JPN	AP	73	20	2.86	69	77	9
Estonia	EST	WEU	71	21	2.31	67	75	10
United Arab Emirates	ARE	MENA	71	21	6.26	61	81	7
France	FRA	WEU	70	22	1.36	68	73	8
Uruguay	URY	AME	70	23	2.67	66	74	7
Brazil	BRA	AME	69	25	2.34	63	75	9
Ireland	IRL	WEU	69	25	2.34	63	75	9
Ireland	IRL	WEU	69	25	2.34	63	75	9
Chile	CHL	AME	67	26	2.03	64	70	5
Ireland	IRL	WEU	67	26	1.83	64	70	5
Malaysia	MYS	AME	65	28	5.39	56	74	3
Peru	PER	WEU	63	33	2.56	59	67	8
Qatar	QAT	MENA	63	29	7.5	51	75	7
Taiwan	TWN	AP	63	32	3.28	58	68	7
Bahrain	BHR	AP	62	32	8.72	48	76	3
Israel	ISR	MENA	62	32	2.19	58	66	7
Romania	ROU	WEU	61	34	2.74	57	65	7
Slovenia	SVN	WEU	61	34	2.78	56	66	10
Poland	POL	WEU	60	36	1.36	58	62	10
Seychelles	SYC	SSA	60	36	8.32	46	74	4
Costa Rica	CRI	AME	59	38	2.88	54	64	7
Lithuania	LTU	WEU	59	38	2.21	55	63	9
Latvia	LVA	WEU	58	40	3.21	53	63	9
Spain	ESP	WEU	58	40	3.39	52	64	3
Cyprus	CYP	WEU	57	42	3.78	51	63	7
Czech Republic	CZE	WEU	57	42	1.98	54	60	10
Dominica	DMG	AME	57	42	2.52	53	61	3
Spain	ESP	WEU	57	42	3.78	51	63	8
Greece	GRC	WEU	56	46	3.1	51	61	6
Malta	MLT	WEU	56	46	1.18	54	58	5
Cuba	CUB	AME	55	48	4.19	48	62	4
Rwanda	RWA	SSA	55	48	8	45	65	6
East Asia	EAS	AME	55	48	4.07	48	62	3
Korea, South	KOR	AP	54	51	2.24	50	58	10
Guatemala	GTM	AME	53	53	3	49	57	5
Namibia	NAM	SSA	51	53	3.32	46	56	6
Timor	TIM	WEU	50	54	3.72	44	56	6
Maldives	MUS	SSA	50	54	4.41	43	57	5
Sri Lanka	LKA	AME	50	54	3.32	45	55	8
Croatia	HRV	WEU	49	57	2.84	45	53	10
Saudi Arabia	SAU	MENA	49	57	5.14	43	59	7
Kenya	KEN	SSA	48	59	2.89	43	53	8
Jordan	JOR	MENA	48	59	2.89	43	53	8
Romania	ROU	WEU	48	59	3.12	43	53	10
Cuba	CUB	AME	47	62	2.36	43	51	5
Malaysia	MYS	AME	47	62	2.07	43	51	9
Morocco	MAR	SSA	46	64	2.45	42	50	5
San Tomé and Príncipe	STP	SSA	46	64	5.21	37	55	4
Hungary	HUN	WEU	45	66	2.89	40	50	10
Sri Lanka	LKA	AME	45	66	2.52	41	49	9
Bahrain	BHR	AP	44	68	4.12	37	51	7
Latvia	LVA	WEU	44	68	3.06	37	51	7
Oman	OMN	MENA	44	68	7	33	55	5
Bulgaria	BGR	WEU	43	71	2.69	37	49	10
South Africa	ZAF	SSA	43	71	3.98	36	50	8
Yemen	YEM	AME	43	71	3.93	37	49	3
Burkina Faso	BFA	SSA	42	74	2.18	38	46	7
Lesotho	LSO	SSA	42	74	4.08	35	49	4
Tunisia	TUN	AME	42	74	3.73	36	48	7
China	CHN	AME	42	77	1.96	36	48	9
Senegal	SEN	SSA	41	77	2.8	36	46	8
Sierra Leone	SLE	SSA	41	77	2.8	36	46	8
Trinidad and Tobago	TTO	AME	41	77	5.47	32	50	6
Ghana	GHA	SSA	40	81	2.66	36	44	9
India	IND	AP	40	81	2.16	36	44	9
Morocco	MAR	MENA	40	81	2.16	36	44	9
Turkey	TUR	ECR	40	81	1.8	37	43	8
Argentina	ARG	AME	39	85	2.92	34	44	6
Belize	BZL	AME	39	85	4.17	32	46	4
Kosovo	KOS	ECR	39	85	2.13	36	42	5
Kuwait	KWT	MENA	39	85	2.47	35	43	6
Solomon Islands	SLS	AP	39	85	3.71	33	45	3
Swaziland	SWZ	SSA	39	85	5.81	29	49	3
Albania	ALB	ECR	38	91	1.81	35	41	8
Romania and Herzegovina	BHM	ECR	38	91	2.58	34	42	7
Dominica	DMG	AME	38	91	1.84	35	41	5
Sierra Leone	SLE	SSA	38	91	1.84	35	41	5
Timor-Leste	TLS	AP	38	91	7.5	28	50	3
Sri Lanka	LKA	AME	37	96	4.54	30	44	8
Colombia	COL	AME	37	96	2.77	32	42	8
Indonesia	IDN	AP	37	96	3.12	32	42	8
Panama	PAN	AME	37	96	1.79	34	40	7
Peru	PER	AME	37	96	2.35	32	42	8
Thailand	THA	AP	37	96	2.03	34	40	9
Zambia	ZMB	SSA	37	96	2.46	33	41	6
Bahrain	BHR	MENA	36	103	1.81	33	39	4
Chad	CHD	SSA	36	103	2.03	33	39	4
Mongolia	MNG	AP	36	103	1.4	34	38	9
Tanzania	TZA	SSA	36	103	1.65	33	39	4
Armenia	ARM	ECR	36	107	3.79	29	41	6
Ethiopia	ETH	SSA	36	107	1.36	33	37	6
Micronesia	MIC	ECR	36	107	4.49	28	42	6
Madagascar	MAD	AP	36	107	2.78	30	40	6
Philippines	PHL	AP	34	111	1.9	31	37	7
Algeria	DZA	SSA	33	112	2.32	29	37	6
Bolivia	BOL	AME	33	112	2.88	28	38	6
El Salvador	SLV	AME	33	112	3.25	28	38	7
Madagascar	MAD	AP	33	112	1.71	29	36	3
Niger	NER	SSA	33	112	3.27	28	38	6
Ecuador	ECU	AME	32	117	2.66	28	36	7
Uganda	UGA	SSA	32	117	4.04	25	39	7
Qatar	QAT	MENA	32	117	3.22	27	37	4
Pakistan	PAK	AP	32	117	2.11	29	35	8
Togo	TGO	SSA	32	117	3.29	27	37	4
Azerbaijan	AZE	ECR	31	122	5.64	22	40	7
Dubai	DJB	SSA	31	122	5.32	22	40	4
Kazakhstan	KAZ	ECR	31	122	3.59	25	37	9
Lebanon	LBN	SSA	31	122	3.54	26	36	8
Malawi	MWI	SSA	31	122	1.85	28	34	9
Mali	MLI	SSA	31	122	2.09	28	34	9
Nepal	NPL	AP	31	122	2	28	34	6
Madagascar	MAD	AP	31	122	1.54	28	34	6
Gambia	GMB	SSA	30	130	6.22	20	40	6
Peru	PER	AME	30	130	3.51	24	36	7
Myanmar	MAR	AP	30	130	3.91	24	36	7
Sierra Leone	SLE	SSA	30	130	1.95	27	33	9
Ukraine	UKR	ECR	30	130	2.27	26	34	9
Czech Republic	CZE	WEU	29	135	2.36	25	33	8
Honduras	HND	AME	29	135	2.36	25	33	8
Kyrgyzstan	KYG	ECR	29	135	2.59	25	33	5
Laos	LAO	AP	29	135	5.89	19	39	5
Mexico	MEX	AME	29	135	1.69	26	32	9
Papua New Guinea	PNG	AP	29	135	2.55	25	33	6
Paraguay	PRY	AME	29	135	3.1	24	34	6
Russia	RUS	ECR	29	135	2.5	25	33	9
Bangladesh	BGD	AP	28	143	3.19	23	33	8
Burkina Faso	BUR	SSA	28	143	2.19	24	32	7
Kenya	KEN	SSA	28	143	1.94	25	31	9
Lebanon	LBN	MENA	28	143	2.11	25	31	7
Morocco	MAR	SSA	28	143	2.41	24	32	6
Cyprus	CYP	SSA	27	148	8.67	12	42	4
Ghana	GHA	SSA	27	148	2.37	23	31	7
Nigeria	NGA	SSA	27	148	1.97	24	30	9
Nicaragua	NIC	AME	26	151	2.29	24	28	8
Spain	ESP	SSA	26	151	2.11	23	29	9
Cameroon	CMR	SSA	26	153	3.87	20	29	8
Mozambique	MUZ	SSA	26	153	2.97	20	29	8
Maldives	MAD	SSA	24	165	2.72	20	28	8
Central African Republic	CAR	SSA	23	166	3.36	18	28	5
Burundi	BUR	SSA	22	167	3.29	17	27	6
Haiti	HTI	AME	22	167	2.05	19	25	6
Lithuania	LGB	ECR	22	167	2.11	19	25	7
Madagascar	MAD	SSA	22	167	2.22	19	25	7
Comoros	KOM	AP	21	161	2.43	17	25	6
Congo	COG	SSA	21	161	1.08	19	23	6
Democratic Republic of the Congo	DRC	SSA	21	161	1.96	18	24	6
Tajikistan	TJK	ECR	21	161	2.36	17	25	5
Chad	TCD	SSA	20	165	2.73	16	24	6
Eritrea	ERI	SSA	20	165	3.74	11	29	5
Algeria	AGO	SSA	19	167	1.28	17	21	5
Turkmenistan	TMO	ECR	19	167	1.79	16	22	5
Haiti	HTI	AME	18	169	2.47	14	22	5
Venezuela	VEN	AME	18	169	1.6	15	21	5
Korea, North	PRK	AP	17	171	4.18	10	24	4
Equatorial Guinea	GNQ	SSA	17	171	3.56	11	23	3
Guinea-Bissau	GUB	SSA	17	171	1.7	14	20	5
Libya	LYB	MENA	17	171	3.05	12	22	5
Sudan	SDN	SSA	16	175	2.31	12	20	7
Yemen	YEM	MENA	16	175	1.85	13	19	7
Algeria	ALG							

Figure 3. 'Absence of Corruption'



Source: Rule of Law Index, 2017-2018, World Justice Project

Figure 4. Constraints on Government Powers



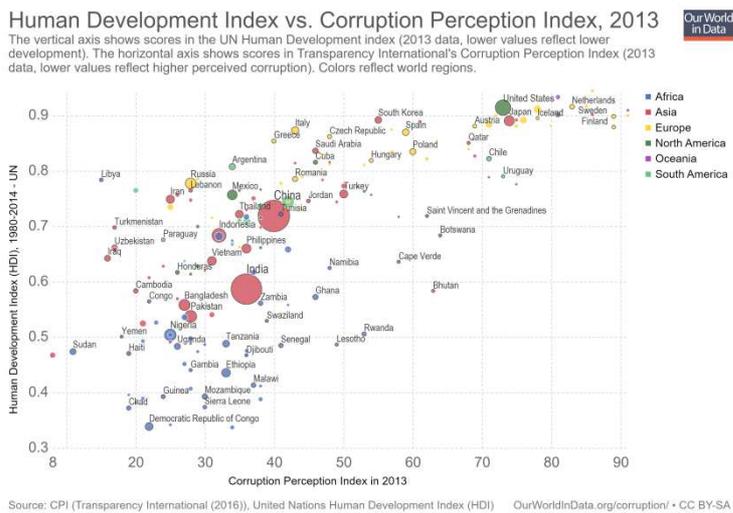
Source: Rule of Law Index, 2017-2018, World Justice Project

Figure 5. 'Open Government'



Source: Rule of Law Index, 2017-2018, World Justice Project

Figure 6. 'Human Development Index vs. Corruption Perception Index'



Source: Our World in Data, 2013

Figure 7. 'Human Development Index and its components'

SDG rank	Human Development Index (HDI)	Life expectancy at birth		Expected years of schooling		Mean years of schooling		Gross national income (GNI) per capita	GNI per capita rank	HDI rank
		2015	2016	2015	2016	2015	2016			
VERY HIGH HUMAN DEVELOPMENT										
1	0.943	81.7	82.7	12.7	13.7	10.0	10.0	47,014	5	1
2	0.938	82.5	83.4	13.2	13.2	10.0	10.0	41,823	10	2
3	0.933	83.1	83.3	12.4	12.4	10.0	10.0	38,304	7	3
4	0.928	81.1	81.2	12.2	12.2	10.0	10.0	41,823	12	4
5	0.925	81.4	81.7	12.7	12.7	10.0	10.0	44,511	13	5
6	0.925	82.3	82.4	11.8	11.8	10.0	10.0	39,764	14	6
7	0.924	81.7	81.7	11.9	11.9	10.0	10.0	40,328	8	7
8	0.923	81.1	81.2	12.8	12.8	10.0	10.0	42,096	11	8
9	0.921	82.7	82.7	12.2	12.2	10.0	10.0	37,085	20	9
10	0.920	82.3	82.3	12.1	12.1	10.0	10.0	42,582	15	10
11	0.920	82.2	82.2	12.2	12.2	10.0	10.0	32,245	1	11
12	0.917	80.2	80.2	11.9	11.9	10.0	10.0	34,842	2	12
13	0.915	82.0	82.0	12.5	12.5	10.0	10.0	32,876	20	13
14	0.913	81.3	81.3	12.3	12.3	10.0	10.0	46,251	2	14
15	0.912	80.2	80.2	12.4	12.4	10.0	10.0	33,053	11	15
16	0.911	80.4	80.4	12.3	12.3	10.0	10.0	32,022	14	16
17	0.910	81.7	81.7	12.5	12.5	10.0	10.0	37,288	10	17
18	0.909	82.1	82.1	12.2	12.2	10.0	10.0	34,541	10	18
19	0.908	82.3	82.3	12.8	12.8	10.0	10.0	31,215	18	19
20	0.908	81.8	81.8	12.8	12.8	10.0	10.0	34,411	11	20
21	0.907	82.4	82.4	11.8	11.8	10.0	10.0	38,285	4	21
22	0.906	81.0	81.0	11.4	11.4	10.0	10.0	47,243	1	22
23	0.905	81.0	81.0	11.2	11.2	10.0	10.0	38,888	1	23
24	0.902	81.8	81.8	11.9	11.9	10.0	10.0	34,823	4	24
25	0.900	81.0	81.0	12.1	12.1	10.0	10.0	28,084	13	25
26	0.897	81.3	81.3	11.9	11.9	10.0	10.0	29,912	6	26
27	0.896	82.8	82.8	11.7	11.7	10.0	10.0	22,218	7	27
28	0.895	80.8	80.8	12.2	12.2	10.0	10.0	28,144	11	28
29	0.895	81.1	81.1	11.2	11.2	10.0	10.0	29,838	18	29
30	0.895	79.8	79.8	10.0	10.0	10.0	10.0	21,042	20	30
31	0.895	79.9	79.9	10.0	10.0	10.0	10.0	26,362	12	31
32	0.893	81.5	81.5	11.3	11.3	10.0	10.0	40,919	10	32
33	0.893	81.3	81.3	11.7	11.7	10.0	10.0	25,405	4	33
34	0.893	81.7	81.7	11.9	11.9	10.0	10.0	28,100	3	34
35	0.892	81.3	81.3	11.4	11.4	10.0	10.0	22,914	12	35
36	0.892	79.8	79.8	11.8	11.8	10.0	10.0	24,117	10	36
37	0.890	79.5	79.5	12.7	12.7	10.0	10.0	26,838	7	37
38	0.890	80.0	80.0	11.9	11.9	10.0	10.0	27,005	10	38
39	0.887	80.4	80.4	11.9	11.9	10.0	10.0	31,223	8	39
40	0.886	78.4	78.4	12.2	12.2	10.0	10.0	26,764	7	40
41	0.885	81.2	81.2	11.8	11.8	10.0	10.0	26,104	2	41
42	0.884	79.1	79.1	11.7	11.7	10.0	10.0	28,302	10	42
43	0.883	80.3	80.3	12.0	12.0	10.0	10.0	22,284	8	43
44	0.882	78.2	78.2	11.3	11.3	10.0	10.0	22,085	7	44
45	0.877	80.3	80.3	11.7	11.7	10.0	10.0	23,343	12	45
46	0.876	79.5	79.5	11.9	11.9	10.0	10.0	22,020	16	46
47	0.875	81.7	81.7	11.4	11.4	10.0	10.0	22,224	8	47
48	0.873	80.4	80.4	11.3	11.3	10.0	10.0	15,413	24	48
49	0.873	81.3	81.3	11.9	11.9	10.0	10.0	23,288	1	49
50	0.872	78.8	78.8	11.7	11.7	10.0	10.0	15,428	11	50
51	0.870	78.3	78.3	11.2	11.2	10.0	10.0	16,074	10	51
HIGH HUMAN DEVELOPMENT										
52	0.796	71.3	71.3	11.9	11.9	10.0	10.0	13,028	18	52
53	0.796	71.0	71.0	11.7	11.7	10.0	10.0	14,402	10	53
54	0.795	70.8	70.8	11.3	11.3	10.0	10.0	14,952	10	54
55	0.795	71.4	71.4	11.5	11.5	10.0	10.0	11,748	6	55
56	0.794	71.3	71.3	11.8	11.8	10.0	10.0	16,201	13	56
57	0.794	70.8	70.8	11.7	11.7	10.0	10.0	12,000	11	57
58	0.792	70.8	70.8	12.1	12.1	10.0	10.0	21,585	1	58
59	0.792	71.6	71.6	11.1	11.1	10.0	10.0	14,628	12	59
60	0.792	72.0	72.0	12.2	12.2	10.0	10.0	11,771	21	60
61	0.790	71.8	71.8	11.9	11.9	10.0	10.0	15,411	6	61

SDG rank	Human Development Index (HDI)	Life expectancy at birth		Expected years of schooling		Mean years of schooling		Gross national income (GNI) per capita	GNI per capita rank	HDI rank
		2015	2016	2015	2016	2015	2016			
62	0.789	72.3	72.3	12.3	12.3	10.0	10.0	21,321	10	62
63	0.788	72.3	72.3	11.4	11.4	10.0	10.0	21,288	10	63
64	0.787	71.8	71.8	11.1	11.1	10.0	10.0	17,949	1	64
65	0.786	71.9	71.9	12.1	12.1	10.0	10.0	20,249	20	65
66	0.785	71.8	71.8	11.7	11.7	10.0	10.0	14,028	18	66
67	0.784	71.3	71.3	11.4	11.4	10.0	10.0	15,202	22	67
68	0.783	71.6	71.6	11.9	11.9	10.0	10.0	14,015	16	68
69	0.783	71.6	71.6	11.8	11.8	10.0	10.0	16,015	12	69
70	0.782	71.1	71.1	12.1	12.1	10.0	10.0	14,808	18	70
71	0.782	71.5	71.5	11.6	11.6	10.0	10.0	16,100	1	71
72	0.781	71.4	71.4	11.3	11.3	10.0	10.0	15,129	2	72
73	0.780	71.0	71.0	11.0	11.0	10.0	10.0	16,741	21	73
74	0.779	71.1	71.1	11.7	11.7	10.0	10.0	15,428	12	74
75	0.778	71.3	71.3	11.2	11.2	10.0	10.0	16,032	24	75
76	0.778	71.3	71.3	11.3	11.3	10.0	10.0	12,212	8	76
77	0.777	71.1	71.1	11.3	11.3	10.0	10.0	16,248	1	77
78	0.776	71.3	71.3	11.2	11.2	10.0	10.0	16,413	10	78
79	0.775	71.7	71.7	11.2	11.2	10.0	10.0	16,748	14	79
80	0.774	71.8	71.8	11.3	11.3	10.0	10.0	11,522	13	80
81	0.773	71.8	71.8	11.7	11.7	10.0	10.0	16,191	22	81
82	0.773	71.5	71.5	11.9	11.9	10.0	10.0	12,405	5	82
83	0.773	71.9	71.9	11.8	11.8	10.0	10.0	13,023	14	83
84	0.772	71.8	71.8	11.5	11.5	10.0	10.0	11,189	28	84
85	0.772	71.7	71.7	11.3	11.3	10.0	10.0	12,281	24	85
86	0.771	71.2	71.2	11.1	11.1	10.0	10.0	10,111	15	86
87	0.771	71.8	71.8	11.6	11.6	10.0	10.0	11,206	16	87
88	0.771	71.8	71.8	11.9	11.9	10.0	10.0	14,510	11	88
89	0.770	71.3	71.3	11.0	11.0	10.0	10.0	10,038	5	89
90	0.770	71.6	71.6	11.5	11.5	10.0	10.0	11,348	17	90
91	0.770	71.7	71.7	11.3	11.3	10.0	10.0	12,441	24	91
92	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,443	8	92
93	0.770	71.7	71.7	11.7	11.7	10.0	10.0	11,911	14	93
94	0.770	71.9	71.9	11.8	11.8	10.0	10.0	12,351	16	94
95	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	95
96	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	96
97	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	97
98	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	98
99	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	99
100	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	100
101	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	101
102	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	102
103	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	103
104	0.770	71.9	71.9	11.8	11.8	10.0	10.0	11,747	10	104

TABLE 1

HDI rank	Human Development Index (HDI)	Life expectancy at birth (years)	Expected years of schooling (years)	Mean years of schooling (years)	Gross national income (GNI) per capita (2011 PPP \$)	GNI per capita rank minus HDI rank	HDI rank
184	0.675	69.2	11.1	6.1	4,191	36	184
175	0.640	71.1	10.1	6.3	1,052	-4	178
176	0.640	66.1	11.1	6.1	3,179	-8	176
177	0.628	65.5	12.2	6.4	6,393	-6	175
169	0.626	69.2	10.1P	6.1*	2,281	26	174
178	0.627	69.0	11.2	6.1*	2,001	28	179
180	0.625	71.2	11.2	6.2	4,468	31	181
131	0.624	69.2	11.1	6.3*	3,001	-4	131
182	0.601	69.0	10.2	5.1	1,081	-2	182
152	0.605	69.0	12.1	6.4*	5,371	-7	152
154	0.607	71.1	10.8*	6.8*	2,856	21	156
170	0.602	62.9	11.1	6.3*	1,502	-7	170
188	0.588	54.9	12.1	5.6*	2,011	-8	187
127	0.588	69.2	11.8	7.8*	1,475	10	130
136	0.588	69.8	10.8	5.7*	3,049	-2	137
179	0.579	62.0	10.2	5.2*	1,341	8	180
129	0.579	61.3	10.5	5.8*	2,619	5	132
129	0.579	61.8	12.3	6.3*	1,494	7	129
162	0.574	69.6	10.2	5.3*	3,074	12	162
142	0.563	69.8	10.8	6.1*	2,225	10	142
144	0.561	70.0	12.2	6.1*	2,222	10	144
145	0.558	65.1	11.1*	6.1*	4,942	-8	146
146	0.558	62.2	11.1	6.3*	2,881	10	147
147	0.555	69.4	8.1	5.3	5,071	-10	148
LOW HUMAN DEVELOPMENT							
148	0.541	60.8	11.4	6.8*	1,522	-31	148
149	0.540	60.7	11.8	6.5*	2,461	-11	149
122	0.523	62.7	11.4	5.5*	4,229	-21	122
161	0.521	62.5	10.2	5.8*	1,487	10	162
122	0.527	61.1	10.8	6.8*	3,442	-21	122
162	0.516	60.8	10.6	6.1*	2,894	7	165
174	0.516	62.8	11.1*	6.2*	1,712	4	173
164	0.516	61.2	12.2	7.7*	1,588	28	168
158	0.515	61.1	10.4*	5.3*	1,581	18	158
165	0.514	61.2	10.1	6.2*	2,421	-10	166
128	0.512	61.5	10.2	6.1*	1,221	25	127
168	0.498	64.7	10.8	5.8*	1,617	14	167
168	0.491	62.6	11.1	6.8*	1,325	22	168
166	0.487	61.1	10.2	6.1*	2,811	-15	167
152	0.484	61.8	11.1	7.8*	2,752	7	152
163	0.483	61.1	11.1*	6.2*	1,659	9	164
163	0.483	60.2	10.8	5.7*	1,611	8	163
166	0.480	61.7	11.2	7.8*	2,884	-12	165
166	0.481	60.2	12.8	6.7*	1,262	18	167
162	0.480	60.8	10.7	5.5*	1,674	7	168
178	0.480	64.1	11.1	10.1*	1,202	-4	178
166	0.479	60.4	10.1	5.8*	1,681	11	166
176	0.476	62.0	10.8	6.4*	1,071	16	176
171	0.474	61.8	8.8	5.0*	3,183	-26	171
172	0.473	62.2	8.1	6.1*	1,276	-22	172
173	0.462	60.2	11.2	11.2*	1,967	7	173
174	0.446	64.8	8.4	20.1*	1,323	5	174
176	0.445	60.3	8.6	2.3	2,278	-6	176
176	0.425	61.1	11.8	6.1	688	21	176
177	0.421	61.2	11.1	6.6*	381	12	177
179	0.424	61.5	12.1*	2.8*	1,388	3	179
179	0.420	64.2	2.6	29.1*	1,462	7	180
179	0.420	61.3	11.3	11.3*	1,221	-7	179
181	0.416	61.5	11.1	11.1*	1,088	4	182
181	0.416	61.1	4.8	4.8*	1,002	-12	179
182	0.414	60.2	10.8	10.8*	1,088	4	182
184	0.404	61.1	10.1	10.1*	691	5	184
185	0.402	61.0	7.7	14.1*	1,527	-8	185

TABLE 1

HDI rank	Human Development Index (HDI)	Life expectancy at birth (years)	Expected years of schooling (years)	Mean years of schooling (years)	Gross national income (GNI) per capita (2011 PPP \$)	GNI per capita rank minus HDI rank	HDI rank	
								2015
186	Chad	0.296	51.9	7.3	2.3*	1,991	-19	186
187	Niger	0.263	61.9	5.4	1.7*	809	1	187
188	Central African Republic	0.352	51.5	7.1	4.2*	687	4	188
OTHER COUNTRIES OR TERRITORIES								
	Korea (Democratic People's Rep. of)	—	70.5	12.0	—	—	—	—
	Marshall Islands	—	—	—	—	4,412	—	—
	Monaco	—	—	—	—	—	—	—
	Nauru	—	—	9.7*	—	12,058	—	—
	San Marino	—	—	15.1	—	50,063	—	—
	Somalia	—	56.7	—	—	294	—	—
	Tuvalu	—	—	—	—	5,395	—	—
Human development groups								
	Very high human development	0.892	79.4	16.4	12.2	39,605	—	—
	High human development	0.746	75.5	13.8	8.1	13,844	—	—
	Medium human development	0.631	68.8	11.5	6.8	6,291	—	—
	Low human development	0.497	59.3	9.3	4.6	2,649	—	—
	Developing countries	0.668	70.0	11.8	7.2	9,257	—	—
Regions								
	Arab States	0.687	70.9	11.7	6.8	14,958	—	—
	East Asia and the Pacific	0.720	74.2	13.0	7.7	12,125	—	—
	Europe and Central Asia	0.756	72.6	13.9	10.3	12,862	—	—
	Latin America and the Caribbean	0.751	75.2	14.1	8.3	14,028	—	—
	South Asia	0.621	68.7	11.3	6.2	5,799	—	—
	Sub-Saharan Africa	0.523	60.9	9.7	6.4	2,303	—	—
	Least developed countries	0.528	63.6	9.4	4.4	2,385	—	—
	Small island developing states	0.687	70.3	11.5	8.1	7,303	—	—
Organisation for Economic Co-operation and Development								
		0.887	80.3	15.9	11.9	37,916	—	—
	World	0.717	71.6	12.3	8.3	14,447	—	—

Source: Human Development Report, UNDP, 2016

Figure 8. 'Fundamental Rights'



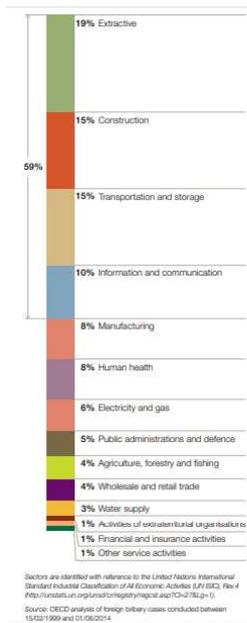
Source: Rule of Law Index, 2017-2018, World Justice Project

Figure 9. 'Overview of overall direct public loss encountered in corrupt/grey cases analysed – by sector'

Table 62: Overview of overall direct public loss encountered in corrupt/grey cases analysed – by sector			
(n = 86 corrupt/grey cases)	(000's €)	% of volume lost	% of avg. budget
Total (of all budget)	€ 904 283	18%	
Total (of EU budget)	€ 176 864		
Loss per average budget	€ 10 515		31%
Road & Rail	€ 14 128	20%	26%
Water & Waste	€ 16 266	16%	26%
Urban/utility construction	€ 11 162	29%	23%
Training	€ 1 200	44%	67%
R&D/High tech/Medical products	€ 1 265	5%	29%

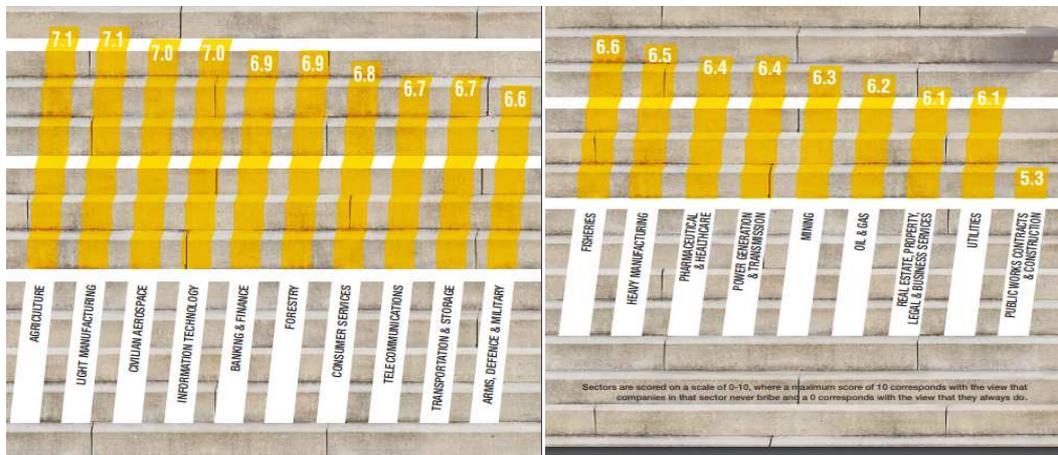
Source: Identifying and Reducing Corruption in Public Procurement in the EU: Development of a methodology to estimate the direct costs of corruption and other elements for an EU-evaluation mechanism in the area of anti-corruption Report, OLAF, 2013

Figure 10. ‘Almost two-thirds of foreign bribery cases occurred in four sectors’



Source: *OECD Foreign Bribery Report*, OECD, 2014

Figure 11. ‘Likelihood of companies to bribe abroad, by sector’



Source: *Bribe Payers Index*, Transparency International, 2011

Figure 12. 'Civil Justice'



Source: Rule of Law Index, 2017-2018, World Justice Project

Figure 13. 'Criminal Justice'



Source: Rule of Law Index, 2017-2018, World Justice Project

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