

Feedback form

Please return feedback forms to tsiaca@ecorvs.com by 17 April 2009.

1. Please enter any general feedback or comments you have on the Interim Technical Report below:

- Transparency International will concentrate its comments on the issue of **public procurement**, one of the focal areas of Transparency International’s work because of the high and pervasive damage caused by corruption in procurement.
- Experts estimate that when corruption is systemic, it can add 20-25% to the costs and frequently result in inferior quality construction and unnecessary purchases. **Corruption leads to a distortion of fair competition, frequently ends up in a waste of scarce resources, especially in developing countries, and thus contributes to the neglect of basic needs and to increased poverty.** Corruption can lead to massive market inefficiencies and, in the extreme, to the destruction of development opportunities.
- Transparency International believes **negotiations on public procurement shall focus on “the transparency aspects** and therefore not restrict the scope for countries to give preference to domestic supplies and suppliers” (see Doha Ministerial Declaration, 2001)

2. Please indicate your opinion on the following statements in the table below:

- Column 2: Sectors/horizontal issues with the most important social implications (please tick);
- Column 3: Sectors/horizontal issues with the most important environmental implications (please tick);
- Column 4: Level of priority for inclusion in sector analysis (1 is NOT a priority at all; 5 is top priority).

	Social impacts	Environmental impacts	Priority of sector/issue
Sector			
Fruits, vegetables & nuts			
Electronic equipment			
Textiles			
Communications			
Public services & dwellings			
Other agriculture			
Grains			
Other primary food			
Processed food, beverages & tobacco			
Other transport equipment			

	Social impacts	Environmental impacts	Priority of sector/issue
Manufactures nec			
Insurance			
Motor vehicles & parts			
Forestry			
Horizontal Issues			
Investment conditions			
Public procurement	X	X	5
Sanitary- and Phytosanitary measures			

3. We have recommended the following six sectors/horizontal issues for in-depth analysis on the basis of our CGE modelling exercise: **maritime transport; fruits, nuts and vegetables; textiles; electronic equipment; forestry and investment conditions**. If there are specific issues within these areas which you feel should be addressed in the in-depth analysis, then please elaborate below:

Transparency International recommends **further analysis of public procurement** and adds the following comments and suggestions.

- Experience clearly demonstrates that **open competition is the most effective method to obtain wide competition and thus offers which are competitive both in price and quality. Open competition should be the general principle and the grounds for exceptions should be limited and clear.** Good rules require that in all cases where open competition is suitable but still not applied the reason for selecting another method be recorded so that the decision can be reviewed. Every method of procurement (open competition, limited competition, single source negotiations) should be fully transparent – both with respect to the selection of the method in the individual case and the several steps of the individual procurement process itself.
- In this context, Transparency International believes that developing countries should be completely free to decide (together with their financiers) which procurement they open to international competition. If they choose to go for international competition, **developing countries’ governments should be able to offer limited preferences to their infant industries, provided these incentives and preferences are fully transparent, strictly regulated, and openly announced so that all bidders know the full set of decision-making criteria.**
- The **publication of information on national legislation and procedures is truly basic. Every potential bidder must be able to easily get full information about the legal framework in which s/he will operate.** The transparency of the process requires that not only legal information or tender opportunity information is available. Information on the individual procurement process itself must also be accessible at least to the bidders and, preferably, it should be publicly available to facilitate accountability to the electorate and monitoring and follow up by civil society.
- **Tender procedures should state the evaluation criteria which will govern the evaluation process so as to minimize the opportunities for arbitrary or manipulative evaluation**

decisions.

- Transparency International strongly recommends that the contracting authority publish not only the name of the winner, but also the outcome of the evaluation of the competitive bids and the reasons for selecting the winner. **As the evaluation phase is often the step most susceptible to manipulation in a non-transparent selection process, ensuring transparency of this step in the decision-making process is key.** Transparency International recommends in addition that a period of thirty days be observed between the announcement of the award winner and the contract execution, so as to enable competitors who feel aggrieved to challenge the decision before a fait accompli is established.

4. If you would like to be contacted directly by us regarding these issues, please provide the following information:

Names: Alejandro Salas, Regional Director of the Americas Department
Jana Mittermaier, Head of the Brussels Office

Organisation/Position: Transparency International

Telephone: +49 (0)30-3438 20-60 / +32 (0)2 504 90 61

Email: asalas@transparency.org / jmittermaier@transparency.org

Thank you for your support!