



**United Nations**

Department of  
Economic and  
Social Affairs

# Module 13 – Transparent public procurement *Toolkit on Transparency, Accountability and Ethics in Public Institutions*





# Training agenda

Time	Day 1: Fundamentals of ethics and public integrity	Day 2: Ethics and public integrity at the institutional and policy level	Day 3: Organizational change for enhanced ethics and integrity	Day 4: Individual ethical behavior	Day 5: Developing a strategy, roadmap and action plan for enhanced ethics and public integrity
Morning	Module 1 - How would a world without corruption look like?	Module 5 - International frameworks for integrity and anti-corruption	Module 11 - Staff management and developing capacities for integrity	Module 14 - Ethical leadership	Module 18 - Developing a strategy, roadmap and action plan for enhanced ethics and public integrity – Preparation phase
	Module 2 - Essentials of ethics and public integrity	Module 6 - Accountability institutions	Module 12 - Creating an organizational culture of ethics and integrity	Module 15 - Assessing personal vis-à-vis organizational values	
		Module 7 - Social accountability mechanisms			
<b>Lunch break</b>					
Afternoon	Module 3 - Transparency and accountability	Module 8 - Integrity codes	Module 13 - Transparent public procurement	Module 16 - Behavioral insights and staff incentives	Module 18 - Developing a strategy, roadmap and action plan for enhanced ethics and public integrity – Presentation and feedback phase
	Module 4 - Understanding and assessing corruption	Module 9 - Managing conflict of interest		Module 17 - How to promote desired behavioral change?	
		Module 10 - Whistleblowing			



# Module agenda

**01** What is public procurement and why is it important?

**02** Corruption risks in the public procurement process

**03** Tools for clean public procurement

**04** Practical examples

**05** Activity: Case study: COVID-19 and public procurement in hospitals plus Quiz

Today you will see only a selection of slides!  
Full module available at: <https://we.tl/t-9Em2hH2kXP> and soon at [unpan.un.org](http://unpan.un.org).

UN Photo/Stuart Price

# Learning objectives

## In this module you will learn about:

- What is public procurement;
- What are the corruption risks in public procurement;
- Consequences of corruption in public procurement;
- International standards and recommendations for clean public procurement;
- Tools for public procurement;
- Procurement and the SDGs.



# Why is public procurement important?

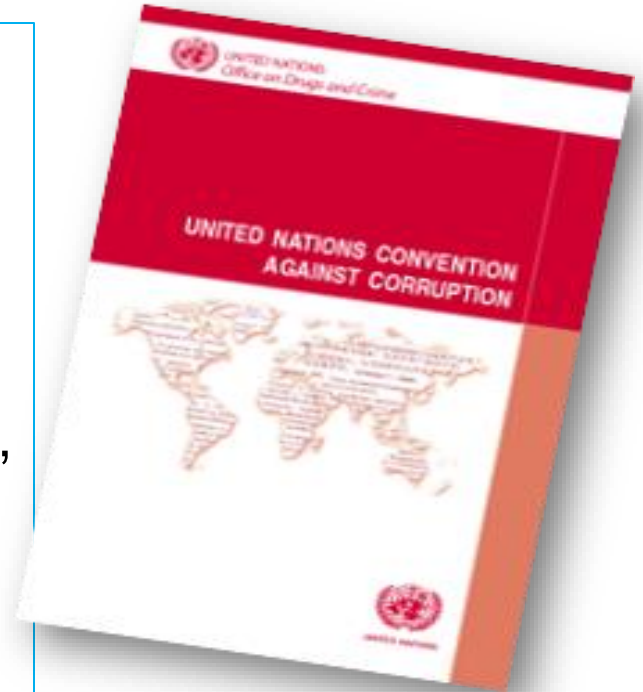
- Worldwide, public procurement spending averages between **13 per cent and 20 per cent of gross domestic product (OECD 2013a)**;
- Annually an estimated average of **US\$9.5 trillion of public money** is spent by governments through public procurement (Spruill 2013);
- Money drained through **corruption amounts to between 20 per cent and 25 per cent of the procurement budget** - around **US\$2 trillion** annually (OECD 2013b: 22).





# UNCAC and public procurement

- UNCAC requires states to **criminalize and sanction** a range of corrupt activities, including bribery of national public servants, embezzlement, trading in influence and illicit enrichment;
- **Article 9** stipulates to “take the necessary steps to **establish appropriate systems of procurement, based on transparency**, competition and objective criteria in decision-making, that are effective, inter alia, in preventing corruption.”





# Why is public procurement essential for achieving the SDGs?

Public procurement is a key component for achieving of the SDGs. Examples of related SDG targets include:

## Target 8.8

Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

## Target 12.7

Promote public procurement practices that are sustainable in accordance with national policies and priorities

## Target 3.9

Reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination





# Types of corruption in public procurement





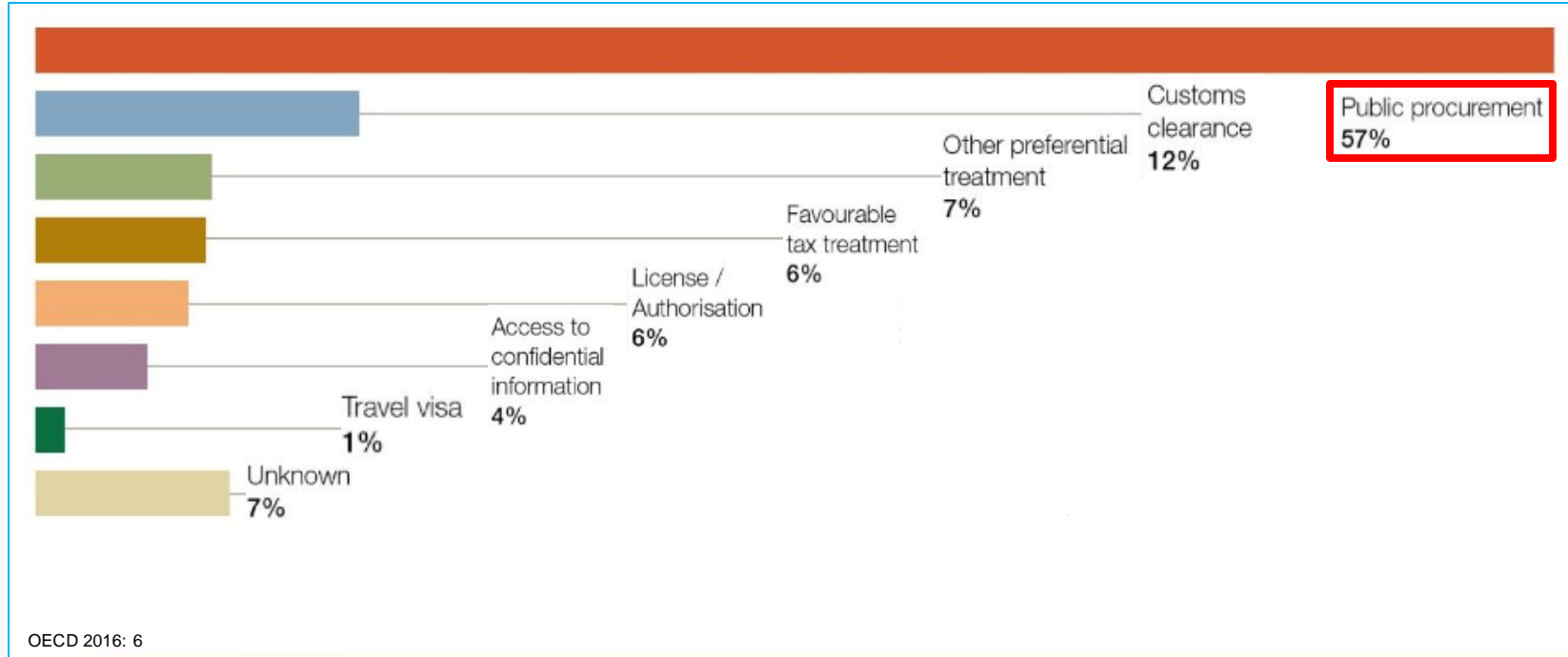


# Impacts of corruption in procurement





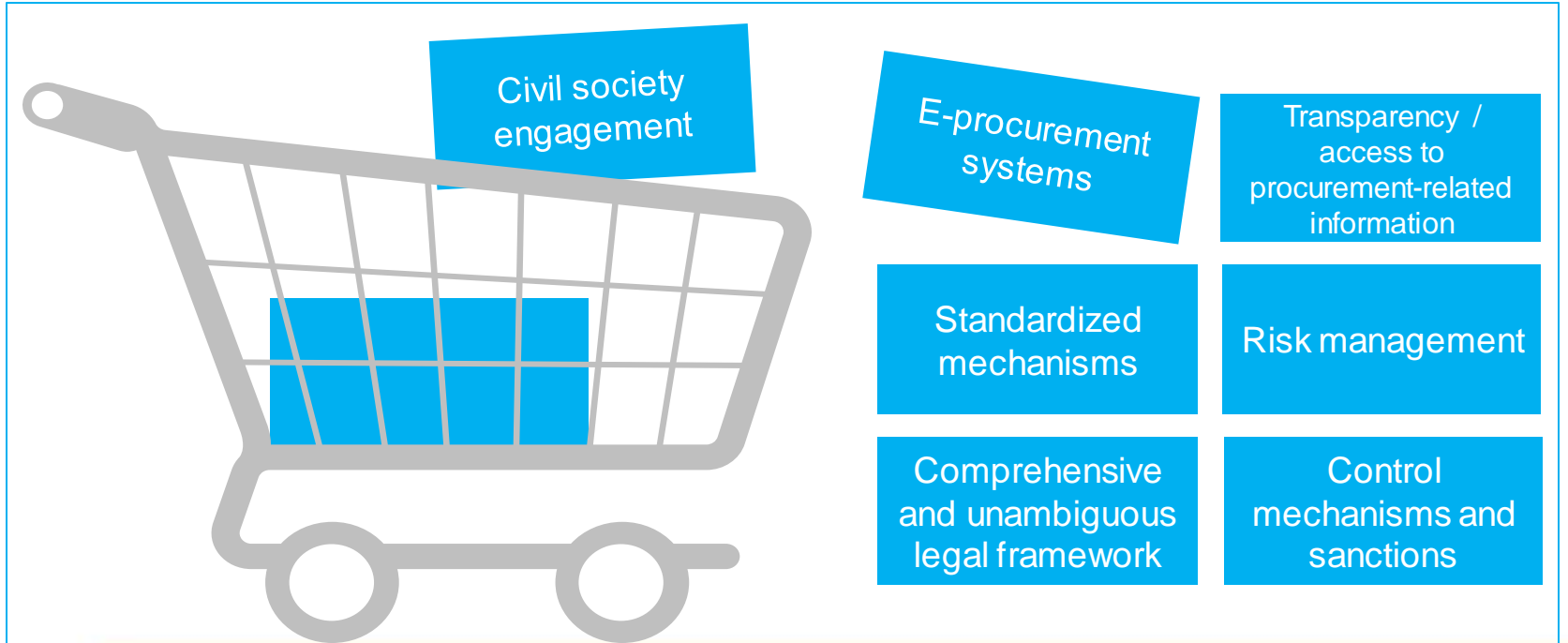
# Occurrence of bribery by service



OECD 2016: 6

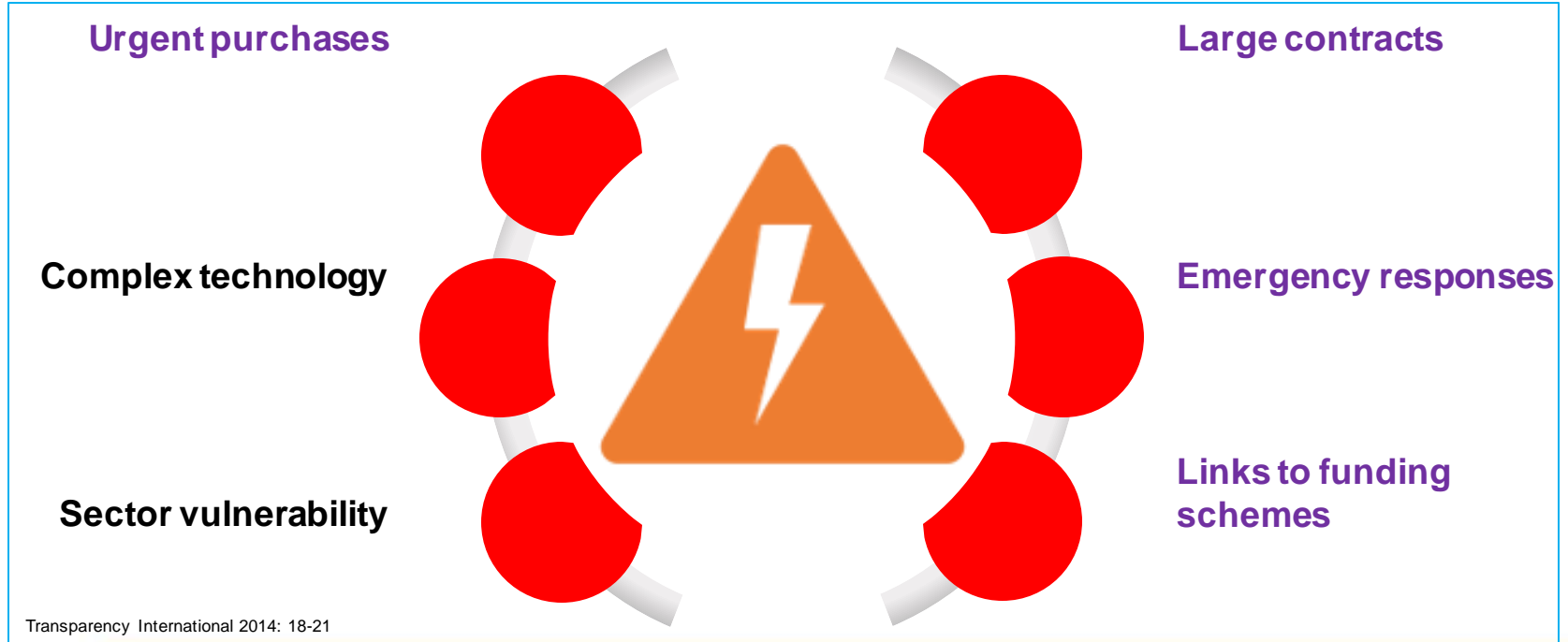


# Requirements for transparent public procurement



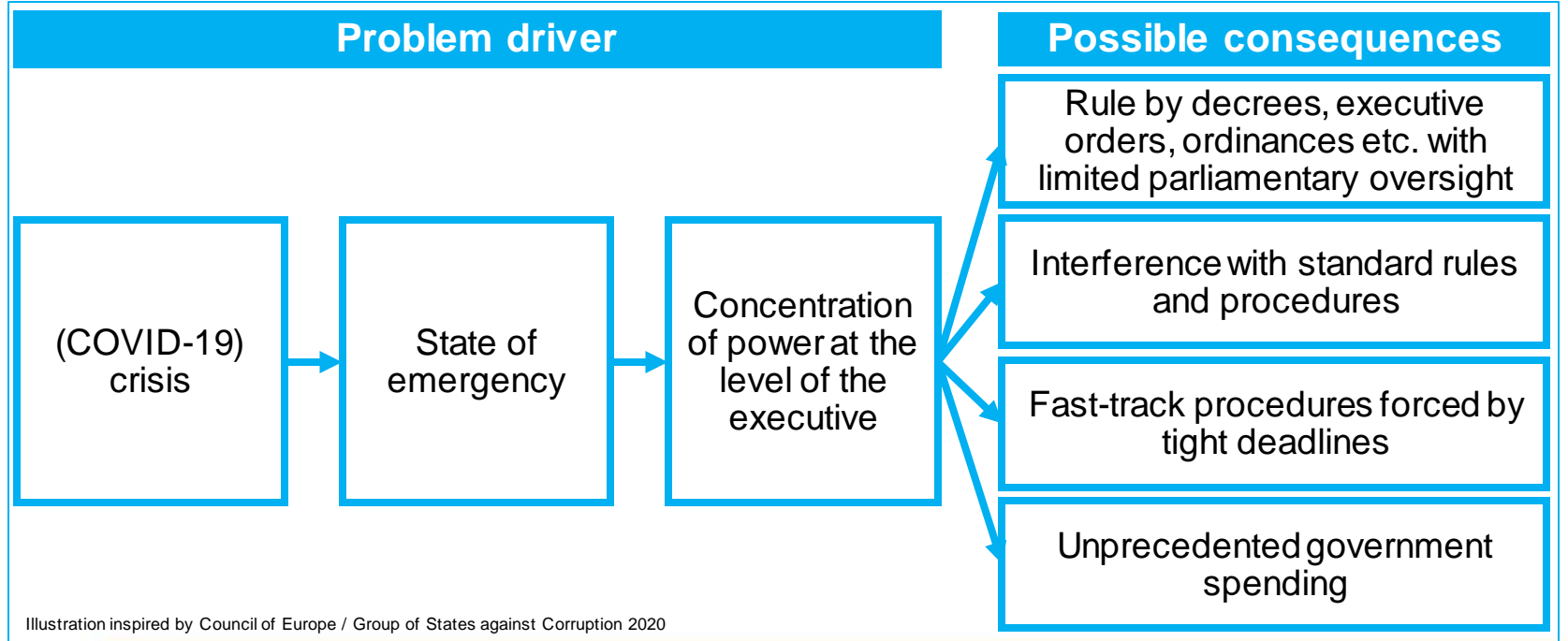


# High-risk areas in public procurement





# Example: Corruption risks in public procurement during the COVID-19 crisis (1)





# Group work in breakout rooms: Case study on COVID-19 and public procurement in hospitals

**Task:** To discuss in small groups an ethical dilemma faced by many public hospitals around the world due to the need for rapidly procuring sufficient medical equipment and supplies to treat COVID-19 patients.

**Expected result:** Be ready to report on the (potentially different) opinions of group members on the following guiding questions related to the fictitious case:

- Did Theodore act ethically? Why/why not? What should he have done?
- Did George act ethically? Why/why not? What should he have done?

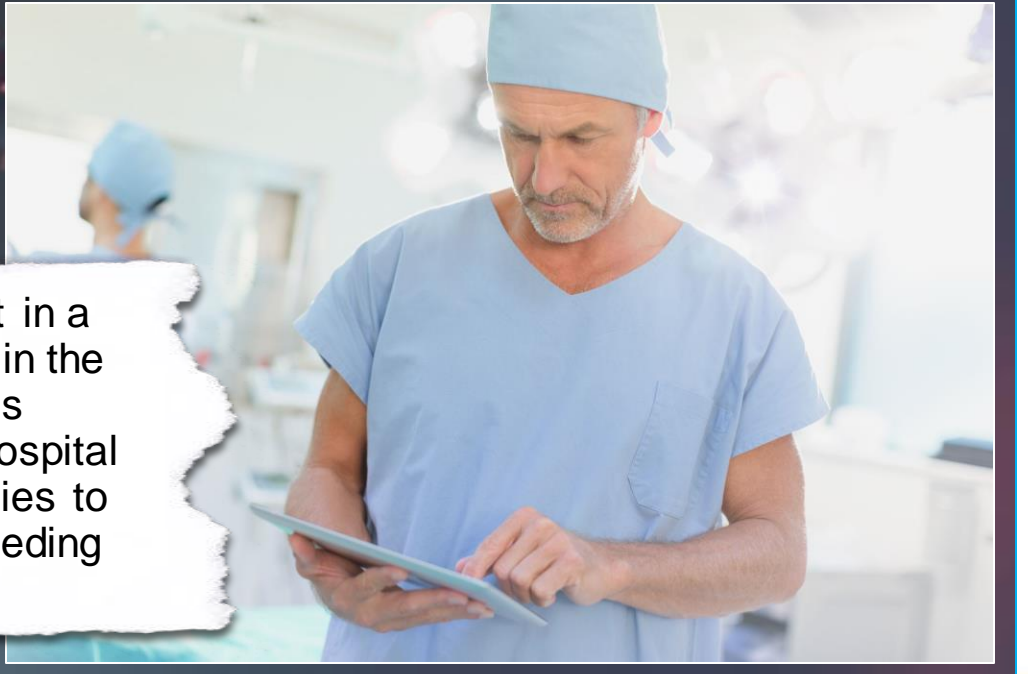
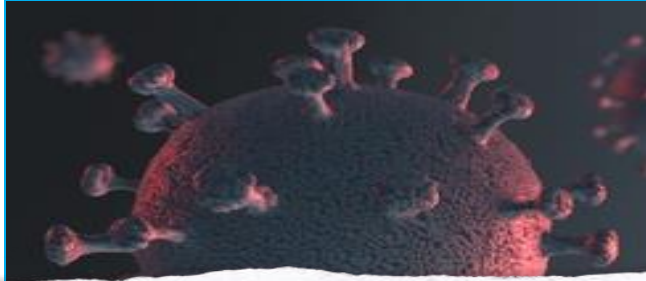
## Steps to take:

1. Join the breakout room with camera turned on. The room will be open for ca. 15 minutes;
2. Introduce yourself briefly to other group members;
3. Volunteer for chair and rapporteur roles. Rapporteur should jot down and share group reflections on the guiding questions, if group is called upon later by facilitator.
4. Discuss the case in a group. You may do so through two “tours de table” listening to opinions of all group members – one on the behavior of Theodore and another one on that of George.

OECD 2017: 64



# Case study: COVID-19 and public procurement in hospitals (2)



Theodore, Director of Procurement in a large public hospital in a large city in the grips of the COVID-19 pandemic, is responsible for ensuring that the hospital has sufficient equipment and supplies to treat the large surge of patients needing medical care due to COVID-19.

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## Case study: COVID-19 and public procurement in hospitals (3)



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The situation is dire and urgent, as the hospital does not currently have the sufficient equipment and supplies to treat people coming in with COVID-19 symptoms. Also, doctors and nurses feel vulnerable, as they do not have sufficient personal protective equipment and many of them are falling ill, creating staff shortage.

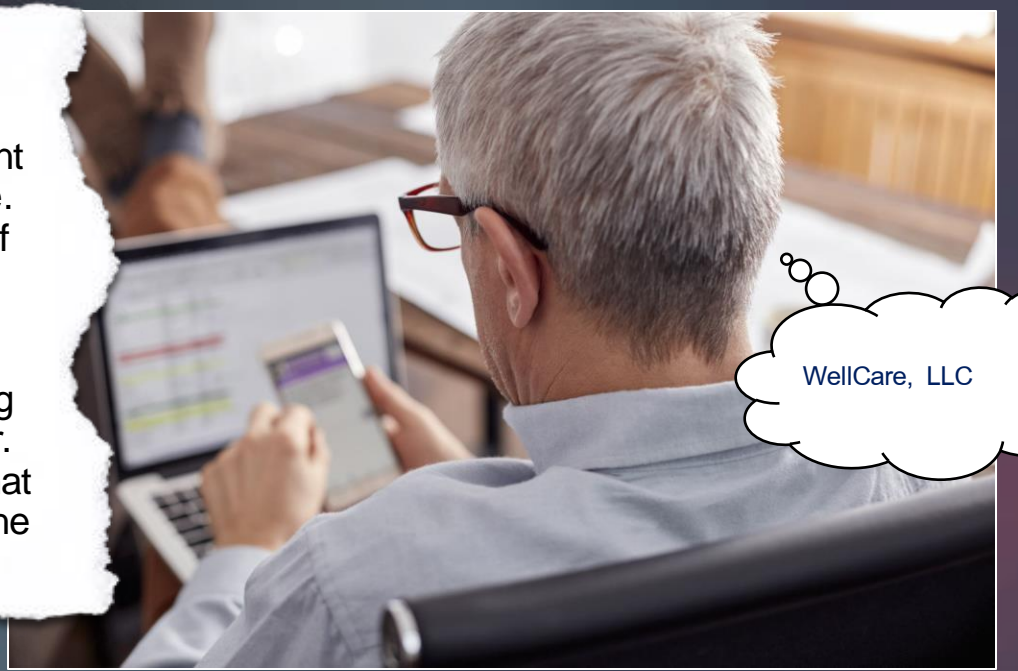






# Case study: COVID-19 and public procurement in hospitals (4)

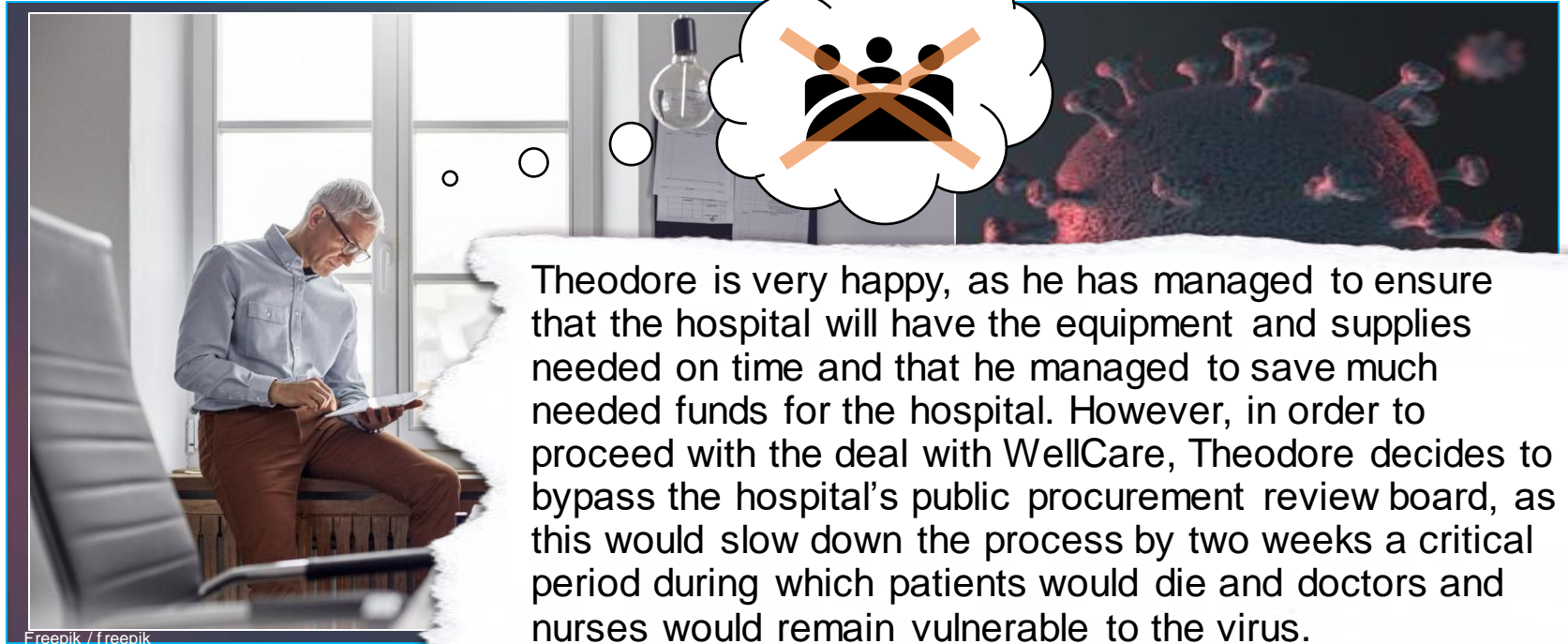
Theodore is under pressure and feels relieved when he remembers his old friend George owns a medical equipment and supplies company named WellCare. Theodore calls George and at the end of the call they have an agreement that Theodore's order for equipment and supplies will get utmost priority in WellCare's manufacturing orders, putting other smaller hospitals behind this order. George also agreed that, as the order that Theodore would be placing is so large, he would get a 10 per cent discount on it.



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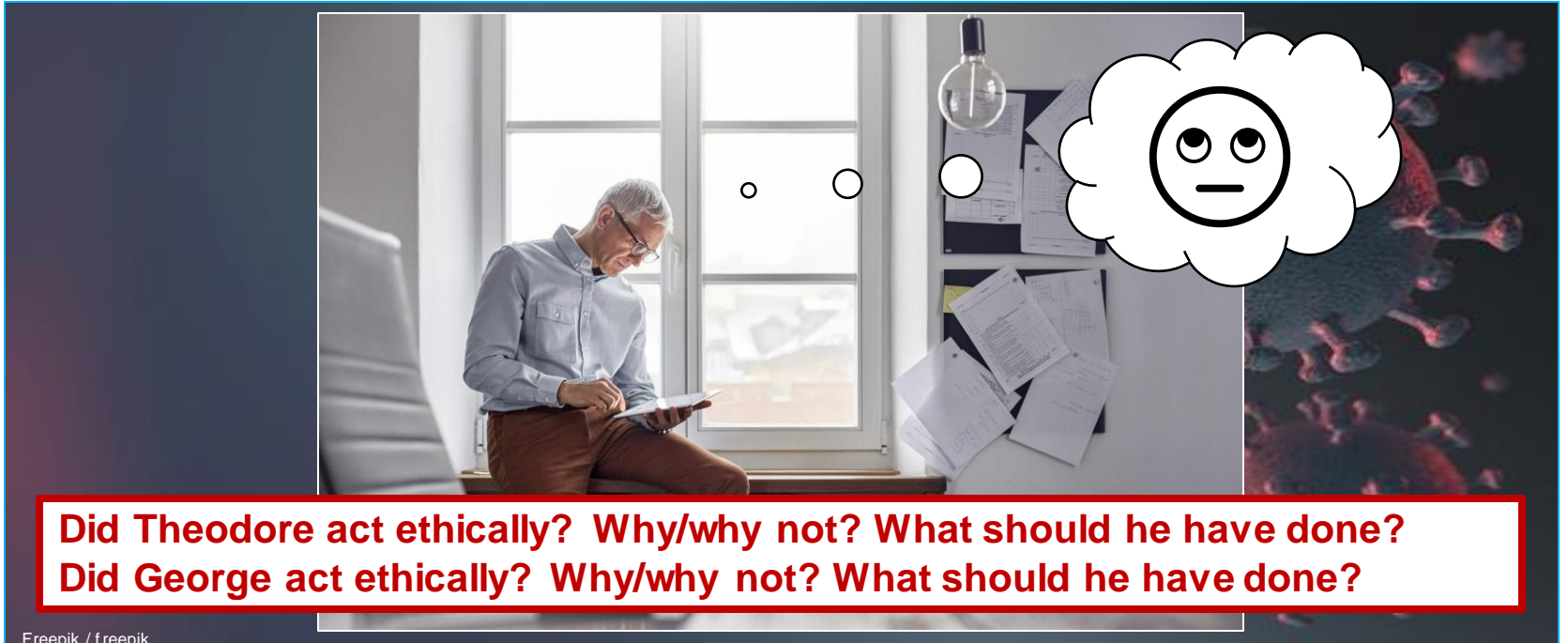
# Case study: COVID-19 and public procurement in hospitals (5)



Theodore is very happy, as he has managed to ensure that the hospital will have the equipment and supplies needed on time and that he managed to save much needed funds for the hospital. However, in order to proceed with the deal with WellCare, Theodore decides to bypass the hospital's public procurement review board, as this would slow down the process by two weeks a critical period during which patients would die and doctors and nurses would remain vulnerable to the virus.



# Case study: COVID-19 and public procurement in hospitals (6)



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Thank you.