

THE INTEGRITY PACT IN RWANDA



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THE INTEGRITY PACT

What is an Integrity Pact?

- The Integrity Pact (IP) is a tool developed in the 1990s by Transparency International (TI) to help governments, businesses and civil society to fight corruption in the field of public contracting and procurement.
- It consists of a process that includes an agreement between a government and all bidders for a public sector contract.
- The IP sets out rights and obligations to the effect that neither side will
 engage in corrupt practices during a procurement proceeding such as
 pay, offer, demand or accept bribes, or collude with competitors to
 obtain the contract.
- Besides, bidders commit to disclose all commissions and similar payments made by them to anybody in connection with the contract.
 Sanctions will apply in case of violations occur.
- The IP also introduces a monitoring system that provides for independent oversight and accountability. This task will be carried out by an external person with a specific expertise in the field, hired by TI-Rw.



What are the advantages of the IP?

- The IP is recognized as an important preventive anti-corruption measure in public procurement.
- It enables companies to abstain from bribing by providing assurances to them that their competitors will also refrain from bribing.
- It addresses bribery and other corrupt practices as collusion and bid rigging
- It enhanced access to information, which increases the level of transparency and integrity in public contracting.
- It helps Government and companies to reduce high cost and maintain quality control.
- It enhance public trust in government contracting and hence contributes to improving credibility of contracting procedures and administration in general.

THE INTEGRITY PACT



- The government bidding system and procurement will be more transparent.
- Induce greater media coverage of anti-corruption activities resulting in increased public awareness.
- It creates a better investment climate.
- More bidders compete for public contracts.
- Less litigation on procurement processes.
- It has been successfully implemented in many countries across the world
- It helps increase the quality of the projects it is applied to.
- It creates a level playing field among bidders.
- It promotes the principle that civil society can contribute to the fight against corruption through monitoring activities.

To what types of contracts can IP be applied?

The IP concept is suitable for all type of contract:

- Infrastructure
- Supply contracts
- Water supply
- Rubbish collection services
- Other consultancy services

TI-Rw has decided to implement the IP in order to contribute to curb corruption in procurement, a sector in which the government of Rwanda spends more than 50% on its annual budget.

The IP project will be initially piloted in four districts: Huye, Musanze, Kayonza and Rubavu.

TOGETHER AGAINST CORRUPTION TOGETHER I

TOGETHER FOR TRANSPARECENCY

Concept Of the Integrity Pacts

External monitor

- · Monitors all transactions, documents and meetings
- Informs customer in case of violations

Objectives

- Preventive measure to reduce risk of corruption by increasing transparency of individual projects and business transactions
- Create level playing field among bidding companies by external monitoring of processes
- Provide consequences for corrupt behavior
- Help protect participants from improper demands
- Send a visible anticorruption message to the public

Customer

(Government entities or large companies)

- Commits that employees will not accept or solicit bribes & enforces policy
- Allows external monitoring
- Discloses relevant project information
- Often initiates the Integrity Pact

Integrity Pact contract

- Formal, written contract to establish mutual rights and obligations between customers and bidders
- Introduced at pretender phase
- Principles:
- ✓ Transparency
- ✓ No corruption
- ✓ No bribery
- ✓ Fair business conduct
- Sanctions apply in case of infringement of contract
- Dispute resolution

Bidding companies

- Commits that employees will not offer, pay, accept or solicit bribes, or collude
- Allows external monitoring
- Discloses
 expenses
 related to offer
 preparation
- Cooperates in case of violations