
CHAPTER 1

Public Procurement



Introduction

Public procurement is often placed at the epicenter of discussions of corruption. Procurement features prominently in corruption scandals in developed countries as well as developing countries, suggesting that procurement has characteristics that make it uniquely vulnerable to corruption and that corruption in procurement is particularly resilient. This chapter examines the nature of corruption in public procurement and explores efforts and initiatives to reduce corruption in state contracting.¹ There is an abundance of information on principles of good practice in public procurement relating to transparency, equity, and

efficiency. These principles are reflected in easily available and frequently utilized model procurement laws, such as the UNCITRAL Model Public Procurement Law. Implementation of procurement laws are supported by a host of international agreements that create legally enforceable commitments, including UNCAC and the World Trade Organization's Agreement on Government Procurement. Much less information exists on how to establish well-functioning procurement systems in the face of opposition by individuals and groups benefiting from existing practices.

Why is it important to tackle corruption in public procurement?²

Corruption in public procurement has wide-ranging ramifications for the economy and delivery of public services. The need to tackle corruption in public procurement is based on the importance of public procurement in public spending and economic activity, the prevalence of corruption in procurement and its impact on how public money is spent, private sector investment, and the availability and quality of public services.

Public procurement constitutes a significant proportion of public spending. It accounts for between 10-25% of public spending globally.³ This figure is often substantially higher in countries where the state participates significantly in economic activity and directly provides services. Public procurement is often the single largest channel for government spending, the single largest source of commercial spending in a country, and the dominant means for translating public money into public services.

Estimates from a variety of sources indicate that corruption in procurement is frequent and extraordinarily costly. Over the years, international organizations have consistently suggested that between 10-30% of the cost of capital investment projects is consumed by corruption.⁴ More than one-half of the cases relating to foreign bribery involve public procurement, and surveys of business owners

consistently identify corruption in public procurement as among the major constraints to doing business.⁵ Corruption in public procurement continues to be a substantial issue in developed as well as developing countries and large public scandals involving firms such as Odebrecht,⁶ Siemens,⁷ and Airbus⁸ have demonstrated that corruption in public procurement happens in some of the most advanced economies. Moreover, international and global distortions are sometimes caused by corruption in public procurement transactions.

The costs and societal damage caused by corruption in public procurement extend far beyond the price tag of capital projects. Corruption leads governments to overinvest in capital projects, given the ease of capturing rents from public procurement, and reduces their return on investment.⁹ It also robs school children of safe and well-built classrooms, reduces the quality of their education by limiting their access to textbooks and school supplies, and endangers their health and the health of their communities as publicly procured medicines are privatized and become inaccessible to the poor. Corruption also results in the provision of sub-standard infrastructure, which increases accidents and wear and tear costs, inflates the user-charges required to pay for services, and acts as an extra tax on the citizens. The cost of corruption is then borne by the poorest citizens who are most dependent on public

resources for access to life-sustaining medicine, public shelter, or the knowledge and expertise required for modern economic activity.

At the same time, corruption in public procurement creates noxious incentives for firms and distorts economic development. Private sector firms are encouraged to invest in building networks of influence instead of investing in skills and expertise, to the detriment of increased efficiency. Corruption in public

procurement enables well-positioned firms to dominate markets and restrict the ability of new firms to obtain contracts and access markets through innovation, creating competitive imbalances with lasting impact for economic growth.¹⁰ The firms that lose out are often those who do not have the financial or political means to access public procurement opportunities, but who, paradoxically, could have been the prime drivers for the creation of local jobs, thus reducing inequality and poverty.

What are the characteristics of corruption in public procurement?

Although procurement covers a wide range of actions, certain characteristics remain the same.

In most countries, public procurement takes the form of a vast number of contracts signed by a broad collection of government agencies for an extraordinary variety of goods, services, and projects.¹¹ The single term, public procurement, encompasses the purchase of office paper in a small village, contracting for the regular maintenance of roads across a district for a period of years, investment projects supported by development partners, as well as the acquisition and deployment of an advanced military defense system to protect the security of the nation. While these actions could not be more different in regard to scale, complexity, and cost, they share common features. They are the result of choices about what to purchase, from whom, and at what price. They require an act of purchasing often via a contract, and a determination by the purchaser of whether the contract terms have been properly fulfilled and payment is warranted.

Despite the development of useful tools, discretion remains at the core of procurement.

Each step along the process requires government officials to perform activities that involve the implementation of policy choices necessitating extensive interpretation and often substantial discretion. A large number of tools have been developed to guide procurement, including detailed processes to determine capital investment decisions, standard bidding documents, explicit rules on the evaluation of bids, and exhaustive price lists for products purchased by the state. Each of these instructs officials on how they are expected to make choices, but they do not alter the inherently

discretionary nature of the activity. Discretion, and the use of professional judgement, is at its highest in cases of high-value sophisticated procurement, where the state invites private parties to propose methods to achieve the specified outcomes.

By its very nature, public procurement is highly vulnerable to corrupt activity.

Given that public procurement requires multiple discrete decisions, which take place in decentralized settings involving public and private actors and large sums of money, the frequent association between corruption and procurement comes as no surprise. There is a tendency for the analysis of corruption vulnerabilities to concentrate on the risks relating to the selection of a contract award winner, and a very rich literature has developed detailing different bribery, extortion, and collusion schemes used to capture contracts.¹² It is clear, however, that corruption occurs not just around the selection of an award winner, but at every stage in the procurement process, from the selection of what to buy to the determination that a contract has been fulfilled and the receipt of final payment. In a compromised process, each stage is engineered to increase the chances of a preferred contractor obtaining the contract.

Corruption risks are as deep as they are broad.

Corruption can take the form of an individual paying a bribe to win a contract in a single transaction. In other instances, corruption in procurement takes place systematically via a network involving multiple firms and individuals both inside and outside of government. Corruption networks can be strong and entrenched, lasting many years and involving the entire market

for a good or service.¹³ In these instances, corruption is systematic and is a function of the relationships among parties. In some countries, the money obtained through systematic relational corruption in public procurement fuels political parties and plays an essential role in financing politics. In these situations, public procurement serves as a way for economic elites to capture contracts and public funds and for political elites to finance their continued power and authority.¹⁴ Network domination of procurement is not exclusive to high-value national markets. It can be found at all levels where power and the authority to spend public money through procurement exist.

Corruption risks are also multifaceted. Corruption risks in public procurement can be driven by the type of procurement process (open versus closed), the processes used by the ministry and agency responsible for executing procurement, and the type of contractor and his/her network of connections. Other drivers include the mechanisms for paying contractors and managing the assets that have been created, and the interests of those parties with responsibility and authority for overseeing the procurement process. The multifaceted nature of these risks creates extraordinary challenges in improving accountability and integrity in impactful ways.

What do we know about fighting corruption in public procurement?

A vast and growing literature provides guidance on fighting corruption in standard public procurement transactions. This includes guidance on bidding documents that define the required technical specifications, design elements, and inputs required. The Methodology for Assessing Procurement Systems (MAPS), an internationally developed standard for evaluating procurement systems, identifies the features of procurement systems that operate with integrity, and allows countries to determine what needs to be put in place to address corruption vulnerabilities. Core principles to inform the fight have been set out in publications, such as the OECD's Preventing Corruption in Public Procurement.¹⁵ The guidance provided in this and other similar publications primarily restates the stipulations on procurement in the UN Convention against Corruption and the OECD's own Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD, 1997).¹⁶ Books and papers by groups like Transparency International provide complementary pointers and lessons on using particular tools in fighting corruption, such as integrity pacts or participatory governance.¹⁷

While differences in emphasis certainly exist in these materials, there is a general consensus on the features of procurement systems that operate with high degrees of integrity. Such features include transparency; procedural standardization that reduces the need for interpretation or human interaction; detailed and inclusive control; oversight and

monitoring of procurement transactions and contract implementation; mechanisms for raising and addressing complaints; Whistleblower statutes to encourage and protect informants; and clarity in the prosecution and sanctioning of individuals when corruption is identified. In addition to these technical aspects, rule-based procurement systems have well-defined roles for citizens, communities, civil society organizations, and the private sector in the monitoring and oversight of procurement transactions and outcomes.¹⁸

Increasingly, e-GP is identified as the key platform for delivering change and addressing corruption vulnerabilities. Buoyed by the positive impact of the implementation of fully functional systems in Ukraine and Rwanda, policy makers, advisors, and other stakeholders look to solve their procurement efficiency and corruption issues by rolling out end-to-end e-GP solutions.¹⁹ Such systems, especially when their use is mandatory, could standardize processes for carrying out procurement, and at the same time they might radically enhance transparency around bidding opportunities, bid evaluation, and contract award winners. The shift from paper to a digital platform can allow for the collection, sharing, and analysis of outcomes across the vast range of individual procurement transactions. Real-time monitoring could identify corruption risks as a procurement transaction goes through its different phases, allowing officials the possibility of intervening when red flags are triggered in the process to prevent corruption from ever taking place. The analysis of large

volumes of transactions over time could enable the identification of subtle corruption patterns and trends that might otherwise avoid detection, uncovering hidden corruption networks.

The power of e-GP to combat corruption may be fully activated when the data that is being collected is put into a machine-readable format, made publicly accessible, and linked with other data sets. Linking data on contract award winners with emerging databases on beneficial ownership may allow public and private parties to know who is really competing for and winning procurement contracts and could identify previously hidden networks and conflicts of interest. Linking procurement data with data from integrated financial management systems can create the opportunity to systematically track physical and financial progress and may create the potential to intervene where corruption vulnerabilities appear to be substantial before the loss of public funds happens. However, there is limited attention and/or guidance on how initiatives might be designed or sequenced in jurisdictions without well-functioning systems for transparency, public administration, law enforcement, and judicial decision-making, or where corruption is relational and systemic.

While expectations are high that the implementation of e-GP will be associated with dramatic reductions in corruption in public procurement, the experience to date is decidedly more mixed. Cross-country analysis was unable to detect a relationship between the adoption of e-GP and the level of bureaucratic corruption or the willingness of firms to bid for procurement contracts.²⁰ In more developed countries, the adoption of e-GP was found to increase the likelihood of firm bidding.

Country-level studies of the impact of e-GP present highly variable results. e-GP in India and Indonesia was found to be associated with positive changes in a number of variables that may be linked with corruption—the percentage of contracts awarded to non-local firms, a reduction in contract delays in Indonesia, and an improvement in the quality of construction in India.²¹ At the same time, the research was unable to detect a relationship between e-GP and the cost of contracts at the time of signing, or the final amount paid to the contractor. Ongoing and preliminary analysis of the influence of e-GP in Bangladesh suggests similar mixed findings; while the reform is associated with a rising number of tenders, an increasing number of bidders,

and a reduction in the time required to process a transaction, no statistically significant changes in cost and time overruns appear to have occurred.²²

Several reasons have been put forward to explain the difference between the expected impact of e-GP on corruption and the actual results.

- **Low capacity.** The primary reason may be the low capacity of the institutions and individuals responsible for executing procurement and for managing the switch to e-GP systems. Studies have repeatedly revealed the limited expertise and functionality of procurement officials and organizations, who frequently have received little or no training in how to carry out their current jobs, much less manage the implementation of an entire new system.²³
- **Differences in technology.** e-GP systems differ greatly regarding their functionality. In many jurisdictions, including in large economies, technology is used only to switch manual processes into automated ones. This, while improving transactional efficiency, is unlikely to achieve much else. Similarly, limited change is likely to be generated if barriers to registration are retained even in an e-GP system. Performance changes would, perhaps, be more easily captured by considering only those systems that involve in-depth modification of practices, and not simply the introduction of technology into the process.
- **Lack of corruption baselines.** The lack of useful corruption baselines established prior to the implementation of an e-GP system prevents research from measuring change and detecting an empirical relationship between performance and the move to e-GP. Without a robust corruption baseline, researchers sometimes place excessive reliance on measuring changes in cost savings, namely the difference between the cost estimate for the procurement and the cost obtained at the end of the tendering process. However, such calculations are difficult and subject to a wide range of influences and biases.

The expected relationship between corruption and e-GP has so far eluded detection, perhaps due to a combination of the above reasons. While theories of change explain why an intervention should reduce corruption, the impact of actual reforms often

falls short of expectations or results in a number of unexpected consequences.²⁴ For example, the introduction of e-GP in Albania significantly reduced personal contact with officials, but at the same time it led to a surge in the number of unpublished, negotiated procedures done outside of the system.²⁵ In Chile, the expansion of external audits of public procurement was closely associated with an increase in the use of direct contracting.²⁶

An efficient and rule-based procurement system, based on an e-GP platform, is strongly associated with high performance and low levels of corruption. Similarly, the successful prosecution of individuals who engage in corrupt actions in public procurement is a feature of most systems that maintain high standards of integrity. However, the history of efforts to establish effective systems for sanctioning corrupt officials or to drive out corruption by moving to e-GP demonstrates the space between inputs and outcomes. Many countries, especially those with poorly performing procurement systems that are assessed to be systemically corrupt, can point to an extensive list of failed efforts designed to fill “gaps” in accountability by importing best practice models of transparency, participation, and efficiency.

The mixed impact of such initiatives appears to often reflect the degree to which initial assessments appreciated how accountability worked or did not work around procurement, and the formal and informal mechanisms underpinning existing practices. Assessments that provide useful inputs for reform are designed to capture the nature of the corruption problem, the capabilities of the parties responsible for managing change, and the ability of those who benefit from existing practices to subvert or circumvent the efforts.

Experience in confronting corruption in public procurement demonstrates the importance of resilience in the pursuit of reform, and the continued use of authority to maintain change. The response to an anti-corruption initiative, especially one that is powerful, has often been to wait out the reform until political attention shifts to another issue or politicians can be co-opted. Alternatively, they shift the locus of corruption, moving from influencing the contracting process to distorting contract implementation. Countries are successful when they develop and sustain reforms over time in ways to counter adaptations and defeat efforts to circumvent change.

Before concluding this section, it is important to discuss an important caveat on the features associated with well-performing public procurement systems that operate with high integrity. Recommended practices on confronting corruption are likely to generate large costs for output-oriented, high-value contracts. In these contracts, where the government defines the outputs it desires without prescribing inputs or specific designs, actions that focus on standardization of processes, reduction of discretion, and extensive auditing and oversight may perversely end up reducing the benefits obtained through contracting with the private sector.

Large capital projects are not efficiently purchased through rigid processes for evaluating bids submitted in accordance with specified designs and inputs. In many cases, shifting the responsibility of innovation to the private sector unleashes efficiency and effectiveness, creates the right incentives and more effectively shapes markets. It creates a body of the sub-contracting industry that is driven and regulated by the market and survives by its capacity to deliver value. This reduces government intervention (except at the initial procurement stage) and corruption possibilities.

Output-based contracts, whether they are structured as public-private partnerships or as more traditional procurement, are negotiated, multi-stage contracts that often adapt over time as new innovations are identified, and both the contractor and the state develop a richer understanding of their objective. Such contracts require a strong foundation of trust among all parties in order to enable the best options to come to the fore. They also require a high degree of expertise and sophistication across all parties in order to ensure that the parties have the ability to detect honest experimentation from strategic behavior.

For output-based contracts of this sort, approaches to integrity that emphasize extensive systems of internal and external reviews to test compliance with standard requirements are likely to be at odds with achieving best value. Multiple review and oversight processes generate large time and cost delays and reduce the space for innovation and experimentation as contractors are forced to justify their actions before they can determine their effectiveness. The best firms are likely to be discouraged from bidding in environments where oversight and accountability is structured in ways that are inimicable to trust.

Complex output-based contracts remain the exception rather than the rule and are found primarily in advanced and sophisticated markets.

At the same time, the tendency for accountability processes to multiply as contracts become more complicated and more valuable is a more general

phenomenon. A recent study of the interactions between audits and the complexity of procurement in Chile demonstrated the negative consequences of this dynamic as officials relied upon less efficient contracting in order to reduce costs associated with heightened oversight and monitoring.²⁷

What is needed to reduce corruption in public procurement?

Research studies and country experience are the two primary sources for learning what can reduce corruption in public procurement.

The research studies examine the impact of different types of intervention and the country experience focuses on those countries that have been successful in reducing such corruption. Both sources have their limitations since many of the “experiments” on the impact of different interventions come from more developed countries with better data sources, and there have been few efforts to track corruption indicators over time in public procurement systems. Moreover, these sources provide little or no information on addressing corruption in high-value output-based public procurement.

Transparency is the sole factor that has been demonstrated to reduce the risk of corruption in procurement across different jurisdictions and conditions.

Analysis of cross-country data reveals that ex-ante transparency in regard to the completeness of information in the call for tenders reduces corruption risks substantially.²⁸ In this situation, transparency allows horizontal monitoring of insiders in the bidding process in ways that lead to lower levels of corruption.

Increased frequency of audits has also been identified in a number of settings as leading to reduced levels of corruption.

Studies in Brazil²⁹ found a decrease in costs (of approximately 10%) and decreases in audited resources involved in corruption (of approximately 15 percentage points) linked with initiatives to increase the frequency of auditing by 20 percent. A 2007 study of village-level procurement in Indonesia found that increasing the frequency of audits to 100% resulted in a decline in missing expenditures by 8 percentage points.³⁰ However, the relationship between increased audits and lower levels of corruption

does not always appear. When audit agencies are themselves corrupt, increased auditing serves to shift the distribution of corruption or, in the worst-case scenario, increase rents.³¹

At a country level, many of the countries that have succeeded in reducing corruption overall have undertaken major reforms of their public procurement systems.³²

In countries such as South Korea, Georgia, Rwanda, and Estonia, changes in procurement policies, which focused on increasing competition and transparency, have been reinforced by advanced e-GP systems that have standardized practices and increased efficiency. In a number of cases, provisions for meeting the Open Contracting Data Standard have been built into the e-GP systems, ensuring a high degree of transparency and information access. These efforts have led to substantial increases in the level of competition in procurement and much greater transparency about the identity of contract award winners.

Successful anti-corruption efforts that include work on reducing corruption in public procurement share a number of core features. These include:

- **Strong leadership.** Successful anti-corruption reforms are initiated and maintained through strong leadership from the highest political level. Political leadership creates an overall vision and orientation, while administrative leadership establishes the necessity and the space within institutions to introduce new processes and systems. Finally, technical leadership within organizations establishes new behaviors and protocols that show others how to adopt new tools and methods.

- **Problem-driven and outcome-oriented.** Successful initiatives to reduce corruption in public procurement are problem-driven and outcome-oriented. This requires careful analysis of the specific mechanics of corruption, and often the development of sector or ministry-specific approaches to reducing the problem. Problem-driven approaches to corruption often result in distinguishing among types of procurement. Addressing corruption problems in local level procurement in small markets involves actions that are different from those that would be employed to reduce corruption in the procurement of high-volume standardized goods. In the same vein, outcome orientation means that efforts to confront corruption in procurement are likely to be sector specific, since corruption functions differently, for example, in a sector like irrigation than it does in wastewater management or education. Outcome orientation also requires close monitoring not only of progress in implementing the reform but also of outcomes. For example, establishing multiple points of control in order to prevent and reduce corruption in high-value procurement may perversely convince the most reputable firms to stay away if they determine that there is insufficient trust to enable creativity and flexibility in creating an asset.³³
- **Sustainable.** Successful efforts are built over the

medium to long term and grow over time in order to sustain change in the face of repeated opposition. Resilience is often built through producing concrete changes and establishing expanded coalitions of support that include enhanced roles for the private sector, and for civil society/communities in oversight and monitoring.

- **Complemented by other reforms.** Public procurement reforms that succeed in reducing corruption tend to draw support from other complementary reforms. Most directly, such efforts have been aided by the introduction of effective systems for asset declaration, prevention of conflict of interest, revealing beneficial ownership of firms, and enhanced efficiency in sanctioning misbehavior. Concurrent reforms to improve public financial management, introduce performance contracting, build skills and expertise within the civil service (including procurement skills), privatize and/or improve corporate governance of state-owned enterprises, and remove barriers to entry and competition can all contribute to strengthening accountability and integrity, and to changing behavioral expectations and incentives. These broader changes are essential in addressing the systemic collective action problems that drive corruption in procurement in many jurisdictions and settings.

How to gain traction in fighting corruption in public procurement: Case studies

Reforms have to be tailored to the prevailing environment. As with many reforms, much of the challenge in fighting corruption in public procurement revolves around defining an approach that is appropriate for the problem at hand and tailored around the authorizing environment for reform. Reforms that look good on paper often fail because they are not shaped and structured around the political and administrative realities that exist. The three case studies that accompany this overview describe very different anti-corruption efforts relating to procurement. However, they were all designed to have traction and have been shaped by the broader governance environment. The three cases—Somalia, Bangladesh,

and Chile—describe anti-corruption reforms in public procurement that alternative emphasize changing strategic transactions, systems for undertaking public procurement, and the interactions between economic and political elites. Differences in the focal point for reform occur along a governance continuum.

The Somalia case explores an effort to reduce corruption in a limited number of strategic high-value procurement contracts, using a specially designed mechanism established jointly by development partners and the Government of Somalia. The intervention does not attempt to reform public procurement due to severe limitations on the

capacity and authority of the government to manage large reforms and the systemic nature of corruption. The initiative is confined to restricting corruption in a number of transactions, using the combined authority of the government and international development partners. Its success demonstrates the ability to achieve results in even the most challenging of environments.

The Bangladesh case explores an effort to reduce corruption as one dimension of an overall reform of the country's public procurement system. In this instance, anti-corruption efforts are closely intertwined with work on establishing new mechanisms for carrying out public procurement utilizing an e-GP platform. Bangladesh officials included a number of measures to proactively address corruption in public procurement, based upon their recognition of the impact corruption has on outcomes and the risk that corruption poses to the implementation of the reform. The results to date demonstrate both the progress that can be made as well as the tenacity of the problem.

The final case, Chile, explores a reform effort where corruption issues in public procurement were understood to be symptoms of a larger problem in the relationship between economic and political power. The initiative, which was largely driven by an independent and non-political task force, recommended a number of steps to improve the coherence of the public procurement system, within a larger program of reforms aimed at restructuring the role and transparency of the private financing of political parties. In the context of a well-performing state with a relatively high degree of capacity and integrity, addressing corruption in public procurement was approached primarily by modifying the incentives and dynamics in the overarching system of governance. As with the other two examples, the patterns of success that were achieved demonstrate that progress can be made in modifying relatively fundamental governance issues, but the overall process of change is long and progress is not constant.

Conclusion: What is realistic to expect?

The major misconception is the assumption that, as long as there is sufficient political will, corruption can be solved by a technical fix done by the government to address an accountability gap or capacity weakness. Sometimes that fix is asserted to be greater oversight, stronger sanctions, enhanced transparency, or the introduction of e-GP. Reforms based on this approach often feature the adoption of "best practice" processes and practices that have been demonstrated to be closely associated with well-performing procurement systems that operate with low levels of corruption. The track record of success of these efforts is not encouraging, especially in those environments where state capacity and authority are weakest, where civil society and the private sector are fractured and fragmented, and where corruption is most systematic.

Nonetheless, experience has demonstrated that it is possible to reduce corruption in public procurement regardless of the extent of corruption and the overall governance environment. To achieve progress in this regard, effective approaches are built for the long haul, with the expectation that initial

successes will face challenges and that reform progress will not be a straight and linear line. Demonstrating concrete progress is an essential part of building reform momentum, just as learning from setbacks is fundamental to establishing sustained change. Anti-corruption reforms in public procurement that succeed are designed to achieve concrete outcomes relating to a reduction in corruption and an improvement in procurement outcomes. Such reform programs invariably involve actors outside of government, and are sustained through coalitions of government, private sector, and civil society groups.

One corollary to the point above is that impactful efforts to reduce corruption make use of existing resources. Countries should only attempt reforms that are within their capacity; otherwise, they are likely to fail. Examples from countries that have reduced corruption overall, as well as from the specific cases in this report, illustrate variations in the depth of those resources and the strength of the forces opposing change. Some circumstances, such as those found in countries emerging from conflict, may only allow for initiatives to reduce corruption in certain transactions. In other



cases, anti-corruption work can be woven into systemic procurement reforms in ways that tackle corruption and increase the probability of reform success.

A second corollary is that anti-corruption initiatives in public procurement must consider their overall impact on procurement performance.

This point is most evident in relation to output-oriented high-value contracts that are not amenable to strict rules of the pass-fail variety. Obtaining best value in output-based procurement requires developing a deeper engagement with the industry both at the pre-tender stage as well as during the procurement process. In addition, it requires government officials to use professional judgment in applying principles that are clearly defined ex-ante. For procurement of this type, constructive anti-corruption actions will involve defining very tight and verifiable boundaries, investing in professionalization of officials entrusted with responsibilities for executing procurement, creating the right incentive structure, and developing a more active engagement with industry while maintaining a level playing field. A more difficult process will be the professionalization of the oversight bodies, so that procurement officers are not penalized for their bona-fide decisions.

The centrality of public procurement for development means that it is essential to find

ways to address corruption in how procurement

functions. The development of new tools, like e-GP and the broad range of other information technologies, greatly expands opportunities for changes that strengthen accountability and oversight. To be effective, efforts to reduce corruption in public procurement need to identify ways to harness the power of technology to help drive fundamental changes in expectations, incentives, and authority, which form the basis for better outcomes.

In sum, successfully reducing corruption in public procurement requires a country-specific approach that pays as much attention to the incentives and capabilities of the institutions responsible for executing procurement as it does to improving the transparency and efficiency of the procurement system.

Overcoming repeated opposition to change requires harnessing forces in the private sector and civil society who have a strong interest in improving procurement outcomes through greater integrity and accountability. These opposing forces are likely to be stronger in high-corruption environments than they are in jurisdictions with lower levels of malpractice. New technologies, like e-GP can dramatically improve the effectiveness and efficiency of public procurement systems, but their potential will only be fully realized when combined with work to deal with the causes of corruption and not just the symptoms.