

**International Conference on  
Fighting Corruption and Safeguarding Integrity Among Government Official  
February 24-26, 1999  
Washington, D.C.**

***Panel Discussion: Integrity and Corruption Issues Specific to Procurement Officials***

**3:30-5:30 p.m., February 25, 1999  
Cash Room (2<sup>nd</sup> Floor, 2100 Corridor)  
U.S. Treasury Department  
(Use 15<sup>th</sup> Street Entrance)**

**Chairman and Moderator:** Donald Strombom (former World Bank Chief of Procurement)

**Panelists:**

Aldalberto Giavarini - Secretary of Finance, Government of the City of Buenos Aires, Argentina

Theodore Nkodo - Director of Central Operations Department, African Development Bank, Abidjan, Cote d'Ivoire

Laura Rojas - Advisor to the Minister of Industry and Commerce, Government of Venezuela, Caracas, Venezuela

Joe Sutton - President and CEO, Enron International, Houston, Texas.

Howard Wilson - Ethics Counselor, Government of Canada, Ottawa, Ontario

**Description:**

This session will concentrate on how the awarding of public sector contracts for goods and services may be corrupted by suppliers, contractors and government officials, and on ways to combat these abuses and create integrity in the system. Introductory remarks by the moderator and panelists' presentations will draw on international cases and experience to highlight specific points of vulnerability and warning indicators of corruption in procurement. Subsequent discussion will focus on measures to be taken within the procurement process itself and in related areas of laws and regulations, public information and citizen involvement, auditing and law enforcement to reduce corruption and its attendant costs to society.

**Specialty Session: Integrity and Corruption Issues Specific to Procurement Officials**  
**February 25, 1999**

**Moderator: Donald Strombom**

**Purpose:** To discuss specific ways of addressing corruption by suppliers, contractors and government officials in government procurement and how to create integrity in the procurement system.

**Findings:** This panel took seriously the request to provide specific examples of how to address corruption in government procurement. Panelists and participants recognized that the overwhelming evidence from the national view and the private sector view, that corruption is bad for development and for business. At the same time, the information exchanged during the presentations and discussion led to the conclusion that there are no "quick-fixes." Hard work, time and commitment are the keys to an efficient and successful procurement regime. The following summarizes the specific examples to address corruption in government procurement as discussed by the panel and participants:

**Ways to Address Corruption on the Supply and Demand Side of the Procurement Equation**

- Development of transparent rules and procedures standardizing the procurement process.
- Development of rules for suppliers that directly address the propensity to engage in corruption.

**Mechanisms for Narrowing Opportunities for Corruption**

- Privatization of state-owned enterprises.
- Creation of procedures and decision-making criteria for procurement officials that lead to a predictable outcome.

**Recognition of the Advantages of Multilateral Initiatives**

- Ratification and implementation of the OECD Convention on Bribery and Corruption.
- Conclusion of a multilateral transparency agreement on government procurement in the World Trade Organization.

**Assistance by Multilateral Development Banks**

- Assist borrower member countries to develop standardized procurement rules and procedures.
- Assist borrower member countries in creating the necessary tools to implement these practices.

**Panel Participants:** Aldalberto Giavarini, Argentina; Theodore Nkodo, Cote D'Ivoire; Larua Rojas, Venezuela; Joe Sutton, United States; Howard Wilson, Canada