

INTEGRITY PACTS IN COHESION POLICY 2021-2027

OPERATIONAL ARRANGEMENTS FROM AN IP PROJECT (PORTUGAL)

Karina Carvalho
Executive Director
Transparency International Portugal



The training has been organised by EIPA and CPVA under the Framework
Contract Nr 2023CE160AT004.

Wednesday, 10 April 2024


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Session Overview

- Background information regarding the main challenges of Public Procurement in Portugal
- The need for civic monitoring tools to boost clean contracting in Portugal
- Implementing the IP at the Alcobça Monastery: Operational Arrangements + Results


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BACKGROUND INFORMATION REGARDING THE MAIN CHALLENGES OF PUBLIC PROCUREMENT IN PORTUGAL

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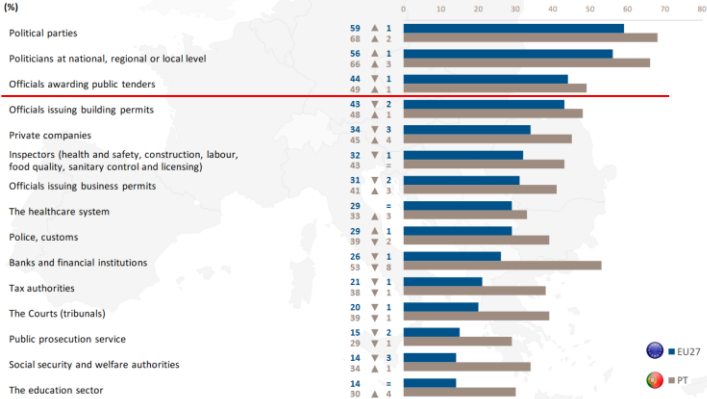


Background info

As in many countries, **Public Procurement is a high-risk corruption area in Portugal, and the levels of trust in public spending are low**



Special Eurobarometer 534: Citizens' attitudes towards corruption in the EU in 2023 (July 2023)

QA7. In (OUR COUNTRY), do you think that the giving and taking of bribes and the abuse of power for personal gain are widespread among any of the following? (MULTIPLE ANSWERS POSSIBLE) (%)



Sector	EU27 (%)	PT (%)
Political parties	59	68
Politicians at national, regional or local level	56	66
Officials awarding public tenders	44	49
Officials issuing building permits	43	48
Private companies	34	45
Inspectors (health and safety, construction, labour, food quality, sanitary control and licensing)	32	43
Officials issuing business permits	31	41
The healthcare system	29	33
Police, customs	29	39
Banks and financial institutions	26	53
Tax authorities	21	38
The Courts (tribunals)	20	39
Public prosecution service	15	29
Social security and welfare authorities	14	34
The education sector	14	30

▲ ▼ Evolution: 2023 (E899.2) - 2022 (E897.2)

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Background info



P SOCIEDADE EDUCAÇÃO SAÚDE JUSTIÇA MÍDIA FLORESTAS PÚBLICO NA ESCOLA MAIS

notícias pt

Investigação do DCIAP visa contratos de "várias centenas de milhões de euros" na Madeira

45 dos 130 mandados de busca domiciliária e não domiciliária decorreram na Região



Presidente da Câmara de Gaia diz ser arguido em investigação de contratação pública

O presidente da Câmara de Gaia esclareceu hoje que foi constituído arguido num processo que investiga "questões de contratação pública e de pessoal", e não no processo principal da Operação Babel.

Lusa
17 de Maio de 2023, 13:01

Tribunal de Contas critica mudanças na contratação pública

Mónica Soares
4 Janeiro 2022

Tribunal de Contas considera que existem riscos de "eventuais favorecimentos de adjudicatários e potenciais conflitos de interesses e empolamento dos preços", entre outros.

Esquema de corrupção na Defesa lesou o Estado em mais de um milhão de euros

O Ministério Público acusou 73 arguidos no processo relacionado com adjudicações de obras pela Direção-Geral dos Recursos da Defesa Nacional (DGRDN), no âmbito do processo "Tempestade Perfeita".



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P ECONOMIA MERCADOS EMPRESAS BANCA TRABALHO E EMPREGO CONJUNTURA FINANÇAS PÚBLICAS IN

VISÃO

EDIÇÃO SEMANAL

MINISTÉRIO PÚBLICO ADMITE RISCOS DE FRAUDE NO PRR



Procuradoria Europeia investiga fraudes no PRR em Portugal

Dois inquéritos foram abertos em 2022, mas esse número "já está desatualizado", diz o procurador José Guerra. Organismo Europeu de Luta Antifraude também investiga infrações

Victor Ferreira
16 de Julho de 2023, 6:40

PRR com "insuficiências" na "prevenção de fraude" e "de corrupção"

Órgão que vigia execução do PRR continua com "insuficiências" de "prevenção de fraude e corrupção". Pedido de pagamento de 2.ª tranche foi feito sem "verificação das regras da contratação pública".



Ex-autarca detido em Leiria por burla qualificada com projetos do PRR

A detenção aconteceu no seguimento de uma queixa que a PJ recebeu em setembro.



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Public Procurement is core for the country's sustainable development, able to **boost economic growth through public investment and innovation** while **mitigating regional and social inequalities**, but also, because **low levels of trust weakens Democracy and the Rule of Law**

Main obstacles:

- **high levels of perceived corruption by citizens**
- **the fundamentals of public procurement** - transparency, integrity, free competition, accountability - **have not yet been fully embraced by decision makers, contracting authorities and bidders**
- **the prevention** of corruption, fraud and mismanagement of public funds continues to **rely almost exclusively in the legislative setup** – the Public Procurement Code



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THE NEED FOR CIVIC MONITORING TOOLS TO BOOST CLEAN CONTRACTING IN PORTUGAL



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Why do we need civic monitoring tools to boost clean contracting in Portugal?

Corruption in Public Procurement

- In-person Interactions & Favouritism
- Inadequate record keeping & data availability
- Centralized control & distinct Access to Info
- Low Public Accountability & knowledge about PP processes

Clean Contracting

- Oversight of the PP Cycle
- Internal and External Controls & Audits
- Whistleblowing
- Enforcement & Sanctions

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Why do we need civic monitoring tools to boost clean contracting in Portugal?

Clean Contracting

- Oversight of the PP Cycle
- Internal and External Controls & Audits
- Whistleblowing ?
- Enforcement & Sanctions

OECD
Public Procurement Projects

Portugal: Improving the efficiency and transparency of public procurement with a focus on strengthening the control framework

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Public Procurement Projects

Portugal: Improving the efficiency and transparency of public procurement with a focus on strengthening the control framework

Fast Facts

- Country: Portugal
- Timeframe: November 2022 – October 2024
- Counterparts:
 - Tribunal de Contas, Portugal
 - European Commission (DG REFORM)
- Areas of focus:
 - Risk Management
 - Accountability
 - Integration
 - E-procurement
 - Efficiency
 - Transparency
 - Integrity

List of Deliverables

- A report on good practices and recommendations regarding the efficient financial compliance and control of public procurement with a tailored proposed action plan for Portugal
- A data science framework, including the development and testing of data pipelines and machine learning models, for the identification of "red flags" focusing on risks of irregularities in public procurement processes.
- Guidelines, training and workshops for the Tribunal de Contas.
- A short final report summarising key challenges and identified practices for implementing a data-driven system for detecting irregularities in the public procurement control and audit functions.





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Public Procurement Projects

Portugal: Improving the efficiency and transparency of public procurement with a focus on strengthening the control framework

The economic impact of public procurement processes in Portugal is significant, representing around 10% of the national GDP.

In Portugal, the Tribunal de Contas (TdC), the national supreme audit institution, oversees the legality, regularity, economy, efficiency, and effectiveness of public procurement activity. In carrying out this mission, the TdC contributes to the sustainability of public finances and the efficiency of public administration.

Thousands of audits (a priori audits, real time audits and posteriori audits) of public procurement activity are carried out every year, a time-consuming process that requires significant expenditure of human and financial resources. In 2020, the TdC reviewed 4,035 contracts and its actions resulted in saving of more than EUR 77 million euros from irregular procurement activity.

Additionally, it is anticipated that Portugal's Recovery and Resilience Plan (RRP) will lead to an increase in the number of public contracts, as well as in the value of contracts to be executed by central and local governments, which will impact monitoring and oversight. In its 2020-22 Strategic Plan, the TdC identified the need to strengthen the use of risk analysis techniques at various levels of its audit activity, and the need to innovate and adapt to the opportunities and challenges posed by digitalisation and the use of artificial intelligence and new technologies.

Linking the increased use of data and more sophisticated methodologies to overall public procurement objectives can help drive broader improvements in data governance, data infrastructure and institutionalisation of the procurement function, with benefits in terms of its efficiency and effectiveness.





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Jacques de Sousa, Luís & Simões, Maria & Martins, João & Sanhudo, Luís & Costa, Jorge. (2023). Statistical Descriptive Analysis of Portuguese Public Procurement Data from 2015 to 2022. CivilEng. 4. 808.

During the tender phase of public construction projects in Portugal, documents that describe the project are mandatorily submitted to open data repositories [BASE gov]

However, in their current state, most of these repositories do not allow for benchmarking analysis due to a lack of data treatment and cohesion.

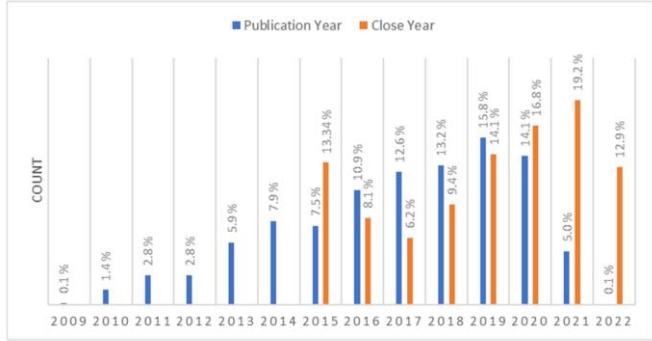


Figure 1. Contract publication per year (blue) and closed contracts per year (orange).



Why do we need civic monitoring tools to boost clean contracting in Portugal?



Integrity risks exist throughout the public procurement process

Civic monitoring tools, such as the IP, provide an holistic approach for prevention and risk mitigation that stimulate good governance and accountability in public procurement towards increased:

- ✓ Integrity
- ✓ Transparency
- ✓ Stakeholder participation
- ✓ Accessibility and Competition
- ✓ Availability of Procurement Data
- ✓ Trust through civic oversight





IMPLEMENTING THE IP AT THE ALCOBAÇA MONASTERY: - OPERATIONAL ARRANGEMENTS



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Implementation Baseline (Portugal)

- **There is no strategic planning.** CAs tend to not plan in advance, so it's likely to find contracts that don't seem urgent
- **CAs lack human, technical and technological resources** for procurement
- **CAs don't produce good quality procurement data** nor they use it for performance monitoring
- **Most citizens are not knowledgeable about Public Procurement** regulations and dispositions
- **Lack of transparency regarding procurement data increases distrust** in public decision-making and empowers populism
- **Civic monitoring and community engagement are key**



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Implementation Baseline (Portugal)



- Direcção-Geral do Património Cultural/ **General Directorate of Cultural Heritage (DGPC)** is the public agency responsible for “ensuring the proper management, safeguard, enhancement, conservation and restoration of built, tangible and intangible cultural heritage of the country, as well as to develop and implement the national museological policy”.
- **Operational challenges regarding public procurement arise out of budgetary constraints which translate into procedural challenges**
- **The sensitive nature of DGPC procurement, which is mainly driven by conservation and restoration of national or UNESCO-classified monuments (specialized procurement of works)**



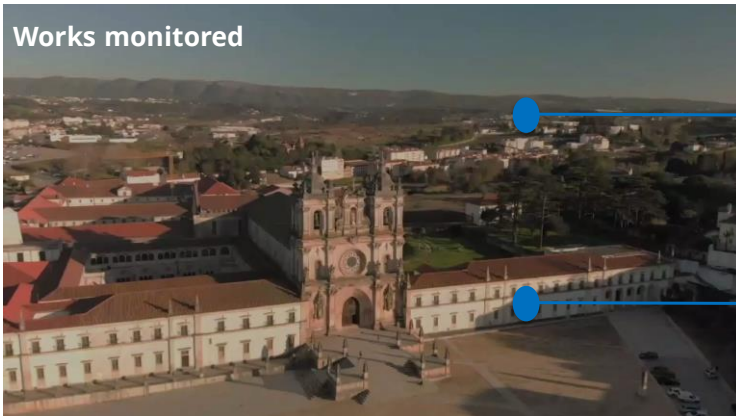
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Works monitored



RENOVATION OF THE CONVENTUAL
PORT AND SHOP

311.545,05 EUR

CONSERVATION OF THE WEST AND
NORTH FACADES

667 549,37 EUR



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RENOVATION OF THE CONVENTUAL PORT AND SHOP

Tender launch/publication date	4 February 2019
Tender link	https://www.base.gov.pt/Base4/pt/detalhe/?type=anuncios&id=160689
Procurement method	Restricted procedure
Contractor	Augusto de Oliveira Ferreira & Ca., Lda
Contract Signature date	11-06-2019 2
Contract Value	311.545,05€
Link Portal Base	https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=5904363

4 contracts monitored

CONSERVATION OF THE WEST AND NORTH FACADES

Tender launch/publication date	29 April 2019
Tender link	https://www.base.gov.pt/Base4/pt/detalhe/?type=anuncios&id=184649
Procurement method	Restricted procedure
Contractor	STB - Reabilitação do Património Edificado, Lda.
Contract Signature date	17-09-2019 3
Contract Value	664.634,07€
Link Portal Base	https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=7153835
Other Implementation Contracts	
Project Revision	Planex, Engenharia, Lda
Contract Signature date	08-02-2019 1
Contract Value	6.315,30€
Link Portal Base	https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=7157124
Security	Brazão Farinha Lda
Contract Signature date	06-07-2020 4
Contract Value	6.600,00€
Link Portal Base	https://www.base.gov.pt/Base4/pt/detalhe/?type=contratos&id=5387399



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Civic Monitoring Plan





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Civic Monitoring Tools

-  **Technical Meetings**
-  **Analysis of documents and processes**
-  **Guided Tours**
-  **Conferences & Seminars**
-  **Recommendations and Suggestions**
-  **Reports**
-  **Outreach**
-  **Workshops**





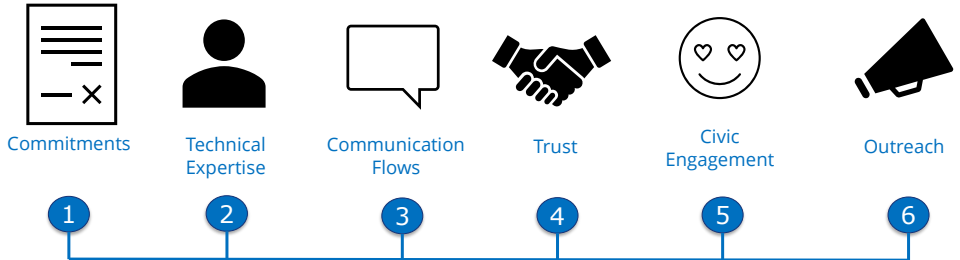



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Operational Arrangements









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Commitments





MEMORANDO DE ENTENDIMENTO PARA A FASE DE DESENVOLVIMENTO DO PACTO DE INTEGRIDADE (2015) - DOCUMENT IN PORTUGUESE
 MoU

MEMORANDO DE ENTENDIMENTO PARA A IMPLEMENTAÇÃO DO PACTO DE INTEGRIDADE (2017) - DOCUMENT IN PORTUGUESE
 MoU

PACTO DE INTEGRIDADE ENTRE A DGPC E A TI-PORTUGAL (2018) - DOCUMENT IN PORTUGUESE
 IP




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Civic Monitoring Team





1. Project Manager
2. Project Assistant
3. Advocacy Officer



Expert Committee

4. Legal Expert (*Team Leader*)
5. Architect
6. Civil Engineer
7. Financial Auditor
8. Political Science/ Open Contracting Expert






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Civic Monitoring Team



REPORTS





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COMMS-RECORD

Project: Integrity Pact – Civil Control Mechanism for Safeguarding EU Funds, Phase III

Activity: Public Procurement Monitorings

Construction Work: MA02 – RENOVATION OF THE CONVENTUAL PORT AND SHOPS

Public Procurement Stage: 2 – Tender Preparations



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Communication Flows



REQUEST/COMMENT NUMBER	DATE	DESCRIPTION
1 ^a	20/11/2018	Requested access to the following documentation: 1. DGPC's Management Plan for the Monastery of Alcobaça; 2. Detail of the project submitted and approved by the Centro 2020; 3. Request for Tender, including the terms and conditions of the contract, a bill of quantities, the specifications, designs/drawings and/or plans, the quality requirements, and the evaluation criteria; 4. Concession Agreement for the Hotel occupying part of the Monastery
ANSWER NUMBER	DATE	RESULT
1 ^a	06/12/2018	Request for Tender sent by mail (incomplete)
2 ^a	10/12/2019	Tresorit upload: additional tender documents, including the terms and conditions of the contract, a bill of quantities, the specifications, designs/drawings and/or plans, the quality requirements, and the evaluation criteria
3 ^a	07/01/2019	Tresorit upload: additional tender documents, including the terms and conditions of the contract





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Trust








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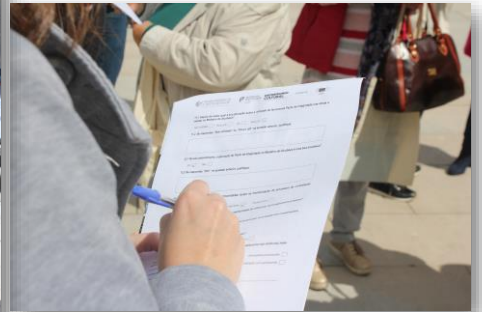
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Civic Engagement



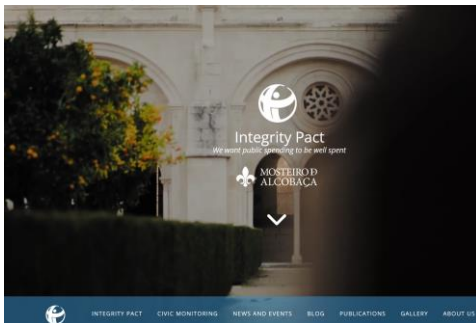
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Outreach



Project Webpage




Clean Contracting Campaign webpage



Procurement Data Hotspot





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The IP at the Alcobça Monastery 2016 - 2021


Outreach




Integrity Pact at the Alcobça Monastery




Guided Tour




Technical Visit





The Role of TI Portugal




The relevance of the Integrity Pact in DGPC













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IMPLEMENTING THE IP AT THE ALCOBAÇA MONASTERY: - RESULTS







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The IP at the Alcobaca Monastery - Results

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NEWS ARTICLE | 15 February 2023 | Directorate-General for Migration and Home Affairs | 2 min read

Handbook of good practices in the fight against corruption

Pacto de Integridade no Mosteiro de Alcobaca reconhecido pela Comissão Europeia como melhor prática anticorrupção



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Pactos de Integridade na Estratégia Nacional Anti-Corrupção: um novo papel para os cidadãos na contratação pública




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Thank you

Karina Carvalho
karina.carvalho@transparencia.pt


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