



PROPOSAL for a NEW FIELD OF TECHNICAL ACTIVITY	
Date of circulation	CEN/TC / SC N (where appropriate)
Secretariat SIS	CENELEC/TC / SC (Sec) (where appropriate)
Type of technical body proposed (TC / SC / BTTF)	TC

IMPORTANT NOTE: Incomplete proposals risk rejection or referral to originator.

☒ The proposer has considered the guidance given in Annexes 1 and 2 during the preparation

Proposal (to be completed by the proposer)

<p>Title of the proposed new subject</p> <p>Public Procurement</p>
<p>Scope statement of the proposed new subject</p> <p>The initial scope of this proposed new TC corresponds with the scope of the assignment of Output 3 in the approved agreement between CEN and the European Commission regarding the "Pilot Project on Increased use of standards in Public Procurement" (for details of the agreement related to the scope of this proposal, see Annex A).</p> <p>In summary, the initial scope of this new TC is to deliver output number 3 of the pilot project, which consists of the development of one specific standard focusing on integrity and accountability in public procurement. The proposed standard should specify:</p> <ul style="list-style-type: none"> a) an integrity and accountability policy of the contracting entity; b) an integrity risk management strategy of the contracting entity; c) an internal code of conduct for staff involved in procurement operations; d) an integrity commitment mechanism (ICM) between the contracting entity and the tenderers/suppliers; e) systems for managing procurement data and measuring the performance and quality of procurement operations at the level of contracting entities. <p>In parallel with working on the initial scope, or when the initial scope has been achieved, the proposed TC will investigate the interest among members to start new projects that would expand the work programme to include standards, or other deliverables, within the wider field of public procurement and not just limited to integrity and accountability only. Examples could be standards/deliverables specifying terms and definitions, general concepts, best practices, guides for the procurement process, checklists, and other guidelines of relevance</p>

Purpose and justification for the proposal.

The background for this proposal is that CEN accepted to deliver the European Commission's Pilot Project on Increased use of standards in Public Procurement - Output 3 (Integrity and Accountability Standard). The main objective with output 3 is to create a new CEN/TC with an initial goal to deliver an EN which focuses on public procurement.

Every organization has environmental, social and economic impacts. Procurement represents an opportunity to provide more value to the organization and society by improving productivity, assessing value and performance, enabling communication between purchasers, suppliers and all stakeholders, and by encouraging innovation. The United Nations, together with several international organisations such as the OECD, the European Union, International Financing Institutions, NGOs (i.e. Transparency International), have played leading roles in recognising the importance of good governance in public procurement and in developing technical guidance to enhance integrity in public procurement.

Analyses made by the European Commission indicate that the lack of integrity in public procurement constitutes a major problem with the EU, although in a varying degree between the member states. The EU regulatory framework on public procurement provides a strong preventative mechanism for the occurrence of potential irregularities. The EU legal system is based on the fundamental principles of transparency, equal treatment and with clear rules on how procurement procedures should be conducted to comply with these principles. A new generation of EU directives was adopted in 2014 that further underline the need of increased integrity by the inclusion of specific rules for situations of conflicts of interests and more stringent requirements on the exclusion of tenderers. However, the main challenges are normally not weak or absent regulatory or institutional frameworks at the member state level, but rather the implementation and practice at the level of contracting entities. Integrity should be understood in a broader sense since it covers not only direct irregularities, but also other important aspects of the "soundness dimension", such as how the procurement function is organised and managed to secure internationally recognised integrity and accountability frameworks. Integrity and accountability are two aspects of the same subject and are closely linked to each other.

The key benefits and goals with this proposed TC is to:

- develop an integrity and accountability standard in public procurement across the EU;
- increase the credibility of and the confidence in the public procurement system - internally within contracting entities and externally - from the key stakeholders' perspectives and at all levels within the EU;
- strengthen the competition in the public market sector;
- develop integrity mechanisms within contracting entities and suppliers;
- facilitate the implementation of EU regulatory frameworks on public procurement of relevance to the work item, including the recently launched Procurement Package by the European Commission (October 2017), in particular regarding the professionalisation component;
- strengthen accountability by improving the basis for internal and external audit of procurement operations by the establishment of effective systems for collection and management of procurement data and statistics and to measure the quality and performance of the procurement function at the level of contracting entities;
- facilitate cross-border trade and market access;
- increase trust and confidence in the public procurement system from key stakeholders' perspectives;
- improve and strengthen public sector markets attractiveness and ensuring better compliance and implementation of European and other international regulatory frameworks at the member state and contracting entity levels, generate savings, increased cross-border trade and fair business practices to the benefits of the tax payers and the society.

Is the proposed new subject actively, or probably, in support of European legislation or established public policy?

☒ **Yes** ☐ **No**

If Yes, indicate if the proposal is

- **in relation to EC mandate(s):** N/A
- **in relation to EC Directive(s)/Regulation(s):** Directive 2014/24/EU on public procurement and Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors
- **in relation to other legislation or established public policy:** UNITED Nations Convention against corruption, OECD Recommendations on public procurement 2015, WTO/Government Procurement Agreement (GPA)

Proposed initial programme of work

The initial proposed work item is a standard for integrity and accountability in public procurement.

Integrity and accountability are key prerequisites for an efficient and sound public procurement system. Any compromises lead to higher costs for society and generate a negative impact on efficiency and "value for money" in the delivery of public services. Still, fraudulent and deceptive practices are regrettably common features in public procurement, globally, and no country, including the member states of the European Union, have escaped the incidence of such practices.

The standard on integrity and accountability in public procurement should cover the following aspects:

1. Integrity and Accountability Policy of the contracting entity

The policy should reflect international agreements and commitments and good practice and should address all key aspects of a required integrity standard for the sound execution of procurement responsibilities and functions of a contracting entity.

2. Integrity Risk Management Strategy and Action Plan of the contracting entity

The strategy should provide guidance on how best to identify and manage integrity risks within the procurement function and processes of a contracting entity as well to support professionalism and to ensuring effective practices and procedures.

3. Internal Code of Conduct for staff involved in procurement operations

The Code of Conduct should cover conflict of interests and other important measures aimed at ensuring the impartiality and ethical standard of the procurement organisation and the staff of the contracting entity involved in procurement operations.

4. Integrity Commitment Mechanism (ICM) between the contracting entity and the tenderers/suppliers.

The Integrity Commitment Mechanism (ICM) should include an integrity pledge between the contracting entity and the economic operator submitting a tender that both parties will abstain from non-integrity practices for the event of a contract. A third party should monitor the integrity pact to ensure compliance. Inspiration can be drawn from the "Integrity Pact" that has been developed by Transparency International with the objective to prevent integrity risks in public contracting. A number of pilot projects have been initiated within the member states of the EU. The ICM of the proposed standard could be modelled on the Integrity Pact but designed and adapted to the specific requirements that need to be considered in the context of standardisation.

5. Systems for Managing Procurement Data and Measuring the Performance and Quality of procurement operations at the level of contracting entities.

Accountability is ultimately dependent of effective internal and external audit and financial control functions, which in turn require access to reliable and relevant statistics and procurement data concerning the procurement operations in a wide range of aspects. The European Commission and national public procurement oversight bodies request regular (normally annually) submissions of aggregated procurement data concerning the procurement operations. Further, the international community, in particular the OECD, has over the past 15 years developed instruments to measure the performance of public procurement at different levels, nationally as well as at operational level (contracting entity), so called Key Performance Indicators (KPI).

The Systems for Managing Procurement Data should specify how to manage the collection and management of important procurement data as well as to design and agree on a set of key performance indicators (KPIs). The procurement data will be used as an input for the KPIs. The performance indicators will be used at the contracting entity with the purpose to measure the quality and performance of the procurement operations in general terms, but also with specific reference to the implementation of the integrity standard. KPI system will also enabling benchmarking and to get a better picture of how the national system operates.

Proposed target dates for main initial activities (conditional to approvals of work):

- Early 2019 – Calling notice for 1st TC-meeting
- April 2019 – Circulation of draft TC scope and draft NWIP for EN for discussion at 1st TC meeting;
- June 2019 – 1st TC meeting with resolutions to;
 - circulate final NWIP for EN to TC members for approval via electronic 2 month-ballot;
 - create Working Group 1 "Integrity and accountability" (pending approval of NWIP for EN);
 - appoint TC Chairperson;
 - appoint WG 1 Convenor (pending approval of NWIP for EN);
 - submit final TC Scope to CEN/BT;
- Aug 2019 – Approval of NWIP for EN;
- Sep 2019 – First WG meeting to start work on EN;
- Nov 2021 – Publication of EN.

A statement from the proposer as to how the proposed work may relate to or impact on existing work, especially existing CEN, CENELEC, ISO and IEC deliverables.

There are several technical committees within CEN and ISO working with standards within the area of procurement and/or public procurement or with standards which, directly or indirectly, deal with aspects of procurement. Some examples are CEN/TC 440 Electronic Public Procurement and CEN/TC 447 Horizontal standards for the provision of services. These TC's are very likely primary stakeholders in liaising with this work. Even if the work programmes of these TC's are related to the scope of this proposed TC, the proposed new field of work is complimentary rather than overlapping. Therefore, we do not foresee any conflict with the scopes of the above mentioned TCs.

In another perspective, all TC's producing management system standards, process standards, service or product standards might be relevant stakeholders since all standards can possibly be mentioned in tendering material. Yet, this would be a too wide scope and therefore the focus of the proposed TC will be to create liaisons with key stakeholders working specifically on standards/deliverables which deal with specific stages of the procurement process.

Another example of already existing work that relates to the scope of this proposal is the standard ISO 37001 (Anti-bribery management systems -- Requirements with guidance for use). ISO 37001 differs significantly from the proposed standard since it covers contracting entities, specifically, includes areas which are linked to public procurement, only, and provide mechanisms for assessing and measuring performance and compliance. However, where appropriate, the deliverables will be harmonized.

A listing of relevant existing documents at the international, regional and national levels.

- All EU Directives on public procurement and concessions, including recommendations and explanatory documentation of relevance to the work item issued by the EC;
- The United Nations Convention against Corruption (Chapter II on Preventative measures, in particular article 9 on public procurement and management of public finances);
- The 1997 OECD Convention on Bribery of Foreign Officials in International Business Transactions;
- The OECD Recommendation on Public Procurement (2015);
- ISO 37001:2016 Anti-bribery management systems -- Requirements with guidance for use;
- ISO 26000 Guidance on social responsibility;
- ISO 20400 Sustainable procurement – Guidance;
- CWA 15896-1 Value added purchasing management - Part 1: General criteria (withdrawn 2015);
- ISO/AWI 37000 Guidance for the governance of organizations (under development);
- EN 301549:2015 Accessibility requirements for public procurement of ICT products and services in Europe.

Known patented items

☐ Yes ☒ No If "Yes", see CEN-CENELEC Guide 8 and provide full information in an annex

A simple and concise statement identifying and describing relevant affected stakeholder categories (including small and medium sized enterprises) in particular those who are immediately affected from the proposal (see Annexes 1 and 2) and how they will each benefit from or be impacted by the proposed deliverable(s)

With reference to Annex 2, on an oversight level, the affected stakeholders of the proposed work are the contracting entities, including the owners (the political system), management and staff, covered by the European Directives on public procurement together with all economic operators and their principal organisations having an interest in public procurement. Other important stakeholders are the relevant government bodies with responsibilities and functions in the area of public procurement. The benefits and rationale for the standard are described under the relevant sections.

Also, another important stakeholder is society as a whole since the proposed work will lead to more efficient procurement processes thus saving tax money. Another benefit is less fraud and the reducing the risk for corruption.

In more detail, some examples of affected stakeholders are:

- Contracting Entities in the Member States of the European Union. A contracting entity is defined as a body falling within the definition of the EU Directives 2014/24/EU and 25/EU as well as the Directives covering the areas of Concessions, and Defence and Security;
- Organisations representing the Contracting Entities at the Member State and European levels;
- Economic Operators (tenderers/suppliers), irrespective of size, with an interest to participate in public tenders issued by Contracting Entities;
- Organisations representing the Economic Operators at the Member State and European levels;
- Public Purchasers employed by the Contracting Entities in the Member States, individually and collectively (Professional Organisations and Trade Unions in the Member States);
- Government Regulatory, Oversight, including Complaint Review Bodies, and Support Bodies in the area of Public Procurement;
- Supreme Audit Institutions in the Member States and at the European level;
- International Organisations such as the European Commission, OECD, United Nations, World Trade Organisation (WTO) and International Financing Organisations (the EBRD and the World Bank);
- National, Regional and Local Assemblies and Political Parties in the Member States, including at the EU level;
- Non-governmental Organisations such as Transparency International and national Anti- Corruption Institutions;
- Academic and other Research Institutions in the Member States;
- Accreditation and Potential Certification Bodies in the Member States.

<p>Liaisons:</p> <ul style="list-style-type: none"> CEN/TC 440 Electronic Public Procurement CEN/TC 447 on Horizontal standards for the provision of services <p>External organizations that could be of interest to establish liaisons to:</p> <ul style="list-style-type: none"> OECD - Organization for Economic Cooperation and Development EUROSAI- European Supreme Audit Institutions UNODC- United Nations Office against Drugs and Crimes UNCITRAL, United Nations Commission on International Trade Law European Trade Union Confederation (ETUC) The European Institute of Purchasing Management (E.I.P.M)ECOS - European Environmental Citizen Organization for Standards WTO/GPA World Trade Organization/Government Procurement Agreement The World Bank EBRD - European Bank for Reconstruction and Development TI- Transparency International CPB Network for centralized purchasing bodies CEMR, Council of European Municipalities and Regions Euro chambers The Association of European Chambers of Commerce and Industry Business Europe (Confederation of European Business) UEAPME- European Association of craft, small and medium-sized enterprises FIDIC – International Federation of Consulting Engineers 	<p>Joint/parallel work:</p> <p>Possible joint/parallel work with:</p> <p><input type="checkbox"/> CEN (please specify committee ID)</p> <p><input type="checkbox"/> CENELEC (please specify committee ID)</p> <p><input type="checkbox"/> ISO (please specify committee ID)</p> <p><input type="checkbox"/> IEC (please specify committee ID)</p> <p><input type="checkbox"/> Other (please specify)</p>
<p>Name of the Proposer</p> <p>SIS – Swedish Standards Institute Solnavägen 1E 113 65 Stockholm Sweden</p> <p>Contact person: Farshad Akhondi +46 8 55 55 20 40 farshad.akhondi@sis.se</p> <p>An expression of commitment from the proposer to provide the committee secretariat if the proposal succeeds.</p> <p>SIS is committed to provide the secretariat for the proposed TC and to provide the Professional Standardization Support to the Working Group to be created and tasked with developing the proposed initial work (the standard on integrity and accountability).</p> <p style="text-align: center;">Signature of the proposer</p> <p style="text-align: center;">Farshad Akhondi, Project manager - SIS</p>	

Annex(es) are included with this proposal (give details)

- ☒ Annex A to SIS Proposal Public Procurement – excerpts from the below agreement related to the scope of the proposal

Informative Annex 1 "Principal categories of market needs"

- Consumer protection and welfare
- Environment
- Innovation
- Support to:
 - public policy
 - European legislation/regulation
- Market access/barriers to trade, i.e. enhancing the free movement of:
 - services
 - goods
 - people
- Interoperability
- Health/Safety
- Terminology

Informative Annex 2 "Principal categories of stakeholders"

- Industry and commerce,
 - where particularly appropriate, to be identified separately as
 - Large enterprises (those employing 250 staff or more)
 - Small and medium sized enterprises (SME), (those employing 250 staff or fewer)
- Government
- Consumers
 - including those organizations representing interests of specific societal groups, e.g. people with disabilities or those needing other particular consideration)
- Labour
- Academic and research bodies
- Non-governmental organisations (NGO),
 - including organizations representing broad or specific environmental interests
- Standards application business (e.g. testing laboratories, certification bodies)

Sometimes it is valuable also identify the immediate affected stakeholders from industry and commerce in terms of their position in a product value chain, as follows:

- Supplier
- Manufacturer
- Intermediary (e.g. warehousing, transport, sales)
- Service provider
- User of the product or service
- Maintenance / disposal

NOTE: 'Immediately affected stakeholders' are considered to be those who, within the context of the proposal, would be in a position to implement the provisions of the intended standard(s) into their products, services or management practices.

Annex A to SIS Proposal Public Procurement – excerpts from the below agreement related to the scope of the proposal



EUROPEAN COMMISSION
Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs
Industrial Property, Innovation and Standards
Standards for Growth

SPECIFIC AGREEMENT N° CEN/2017-15 **Pilot Project on Increased use of standards in Public Procurement**

This specific agreement (hereinafter referred to as "the Specific agreement") is concluded between:

The **European Union** (hereinafter referred to as "the Union"), represented by the European Commission (hereinafter referred to as "the Commission"), represented for the purposes of signature of the Specific agreement by Mrs Lowri EVANS, Director General of the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs or her authorised representative,

on the one part,

and

The European Committee for Standardization (CEN), with its registered office at 23, Rue de la Science, B-1040 Brussels, BELGIUM, hereinafter referred to as "the Partner", represented for the purposes of signature of the Specific agreement by Mrs Santiago Cid, Director General,

on the other part.

4. Context

The Joint Initiative on Standardisation under the Single Market Strategy, as agreed in the summer 2016, sets out a shared vision for European standardisation in order to take steps to better prioritise and modernise the European standardisation system. It supports the relevant aspects of the ten European Commission Priorities and other European policy objectives.

Three cluster domains have been identified for improving the European Standardisation System and under those clusters 15 different actions have been agreed. Public procurement is listed as **Action 11**¹ under cluster number 2, Coordination, Cooperation, Transparency and Inclusiveness.

Action 11 is agreed to form a Pilot Project with the purpose to provide a proposal and route for an increased use of standards in public procurement to better implement the European public procurement directives. The rationale for the Action is described as the low use of standards in public procurement, which leads to unnecessary costs and inefficiencies in public procurement operations. Another important motive is the low extent of cross-border trade that has characterised the public procurement market for decades.

The purpose of the project is to take various concrete measures that facilitate the use of standards to support the application of the public procurement Directive (classic directives). Foremost, the project should deliver a guidance process to support on how to make use of standards in public procurement in line with the directive and, if agreed, a supporting standard or guide to the Directive.

Action 11 contains 4 different activities and envisaged outputs:

1. Analysis of public sector procurement activities
2. The elaboration of a Guide on how to reference standards
3. The elaboration of an Integrity and Accountability Standard
4. Dissemination of Best Practice

EU Public Procurement Directives do not cover all contracts or elements of the procurement process. Member states are free to regulate contracts outside the scope of the directives in accordance with national priorities as long as the fundamental principles of the Treaty are followed. Further, the EU directives leave to the Member States to design the procurement legislation in areas where the Directives are silent, such as on the planning of the process, organisation of the procurement function, and contract management. Thus, the EU directives basically focus on the tendering process while the other stages of the procurement cycle are left to the Member States to determine.

The European Commission (DG GROW) and CEN are major stakeholders in the project and must participate as well as all Member States referencing the directives in the implementation of the EU-

¹ See <http://ec.europa.eu/docsroom/documents/24178>

Directive on Public Procurement (Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on Public Procurement)

There are several Technical Committees (TC's) working with standards within Public Procurement area couple of them, CEN/TC 440 on Electronic Public Procurement and CEN/TC 447 on Horizontal Service standards could be primary stakeholders in liaising with this work.

In that sense all TC's producing management or product standards might be relevant stakeholders since all standards can possibly be mentioned in tendering material. Yet, this would be a too wide scope, and therefore the focus of the study will be only on key stakeholders working specifically on products directly within certain stages of the procurement processes.

Currently the European Commission has issued no formal standardization request. All work has been based on national funding's in DS (Danish Standards) and SIS (Swedish Standards Institute) and with help from personnel resources throughout the CEN's National Standardisation Bodies.

To ensure smooth work with all relevant liaisons within development of public procurement standards and the relevance according to the EU-Directive on Public Procurement, European funding is requested to ensure the above-mentioned objectives.

5. Objectives and impact

5.1 Objectives

The project aims to improve the use of standards in public procurement to increase the efficiency of public procurement activities, strengthen the competition and better achieve the ambitions of the new EU procurement directives. Overall, it is about stimulating a more efficient single market including public procurement and contribute to growth. By ensuring better understanding between contracting entity and tenderer cross border and therefore achieving higher performance on contracts with focus on quality. More simple processes in procurement by referencing standards can also reduce total costs, which can be beneficial for both parties. To achieve such growth, the development, adoption and use of relevant standards in public procurement is recognized as a prerequisite.

The purpose of this project is to take various concrete measures that facilitate the use of standards to support the public procurement Directive (classic directives). Foremost the project should deliver a guidance process to support on how to make use of standards in public procurement in line with the directive and if agreed a supporting standard or guide to the Directive.

The project will be divided into four different but closely integrated fields of activities. The intention is that all project activities will be completed by the end of 2019.

5.2 Relevance

With public expenditure on goods, works and services representing approximately 14% of EU GDP with an annual value of nearly €2 trillion, public procurement is critical to the European economic recovery. However, the cross-border public procurement is limited to 2% and, therefore, measures to increase competition and thereby strengthen the single market are necessary. Transparent, fair and competitive public procurement across the Single Market creates 15 business opportunities for European enterprises and contributes to economic growth and job creation.

The European Commission's public procurement strategy is rethinking the entire approach to purchasing, professionalizing public buyers, cutting red-tape and capitalizing on the benefits of the digital revolution so that public administrations can be more effective and more citizen and business-friendly. Improved governance, the simplification of procedures and the greater use of electronic tools in public procurement are also important instruments in the fight against fraud and corruption. Finally, as the biggest single spender in the EU, the public sector can use procurement to drive the

Commission's policies. This includes policies aimed at creating a more innovative, green and socially-inclusive economy, as well as those boosting jobs, growth and investment²

Small and medium-sized enterprises often find themselves at a disadvantage in procurements as varied and specific requirements occur. There is therefore a need to simplify and synchronize the processes which entail broader opportunities to participate in these tendering processes. Increased referencing to standards will increase transparency and provide more opportunities for more companies to respond to the tendering processes. Both the public sector and businesses will benefit from the increased use of standards and aligned procurement process.

5.3 Indicators

The number of active stakeholders/sponsors participating in the work of JIS Action 11 is growing. Member States, Standardization Organizations and the EU are working actively in producing new standards within the public procurement sector.

Stakeholders/Sponsors:

Portugal(MS), Germany (MS), France (MS), The Netherlands (MS), DG Connect, Digital Europe, CEN-CENELEC, BSI UK, NEN Holland, Denmark, Erhvervsstyrelsen, EBST, AFNOR, France, Intel, EBSA Secretariat, Norsk Standard, DG Grow, Swedish Foreign Ministry, The Swedish National Board of Trade, The Swedish, National Agency for Public Procurement, EBSA representative, SKL Kommentus (CPB), MSZT Hungary.

As of October 2017, the project group has held at least 10 WebEx meetings and one physical meeting in Stockholm. Engagement from the Commission Services in the activities would be highly appreciated, especially since the works aim at better implementation of Commission directives, something that cannot be conducted well without their input.

The Action group has made efforts to interact with relevant directorates of the Commission, DG Grow and DG Connect to make sure work is done in line with EU policy goals. The project has also investigated the scope of CEN/TC 440 involved with e-procurement and with DG Connect Catalogue of ICT standards for public procurement, in order to learn if there is any risk of duplication or conflicting issues. At this stage, dialogues have taken place with DG staff involved with the projects, and believe further dialogue is necessary for a full understanding to ensure that the project can be delivered timely. Contact has also been established with the CEN/TC 447 which focuses mainly on standardization within services, whereas the JIS Action 11 project is tuned towards both products and services and aims at public procurement. In case of CEN/TC 447 the focus lies in overall procurement.

Increased knowledge on the use of standards will reduce misunderstandings and increase focus on the right products or services. Knowing how to address different issues as for example environmental, health or safety issues through standards can also simplify tendering material. Safety and health is already important in standards, and environmental issues are also increasingly taken in consideration when building standards. As an example, could be mentioned medical gloves for single use (EN 445-2:2015). Comparing these gloves tested for their safety capacity to "Chinese" copy gloves, that are much cheaper but not tested at all can cause health problems. The quality of these "Chinese" products is not known, hence the effect in reducing problematic substances from being absorbed in humans is not known either. What is only known is that copied products are bought globally and that allergies and health issues within sectors using single gloves is increasing – as for example with hairdressers. Knowing how to reference safety issues correctly in Public Procurement will also increase knowledge of safety issues, and referencing the correct standards in a correct way.

² European Commissions' strategy for Public Procurement: https://ec.europa.eu/growth/single-market/public-procurement/strategy_sv

All studies show that a common language through standards help understanding Public Procurement Call for Tenders abroad and therefore can increase Cross-Border trade and competitiveness. Correct referencing of standards will increase understanding and therefore increase international trade³.

The project includes building trainings programs and therefore also ensures training packages. The kind of training packages has not yet been decided, and is of course dependent on whether there is funding.

5.4 Impact

The new public procurement directive issued in 2014 makes reference to standards according to Article 42 of Directive 2014/24/EU on Public Procurement even more important and necessary. Hence, looking back historically, the lack of guidance in this area has had the result that standards have only been referenced in very specific sectors, as for example the Electrical sector within cables, safety, fire hazards and the Plumbing sector with metal pipes and plastic pipes, the textile sector for producing and testing textiles or IT-sector to ensure comparability between products. while not at all or very little in most sectors.

This work opens up for the possibility for the European Parliament and the Council to issue implementing or delegated acts concerning standard formats to be used.

The work will directly contribute to easier circulation of goods and services by focusing how to reference standards in Public Procurement and therefore also increasing a common understanding of standards between Public Authorities and Bidders and contributing through standards to a common language in Public Procurement material, which will most likely increase cross border trade.

Output 3: Integrity and accountability standard (SIS)

Integrity and Accountability – Coverage and Definitions

Integrity in public procurement is a foundation for an efficient and sound public procurement system. Any compromise on integrity generates a negative impact on the efficiency. Still, corruption and fraud are regrettably common features in public procurement, globally, and no country has escaped the incidence of such practices. The creation of an integrity and accountability standard in public procurement at the level of the contracting entities should draw on the experiences and commitments that have been agreed and adopted internationally, in particular at the EU level.

The challenge does not normally rest in weak or absent regulatory frameworks regarding integrity at level of the member states; all countries condemn corruption and usually provide strong penal codes and other legal acts on these behaviors as well as have adopted international conventions and agreements in this area. The real problem and challenges occur in the implementation and practice. Further, integrity is not only a matter of corrupt and fraudulent practices, but covers also other aspects of the "soundness" dimension, such a conflict of interest, transparency and choice of procurement procedures, how procurement decisions are made, communication and dialogue with suppliers, control and audit. Integrity and accountability are two aspects of the same subject and are closely linked to each other.

Integrity in public procurement could be defined as: use of funds, resources, assets and authority, according to the intended official purposes and in a manner that is well informed, aligned with public interest, and aligned with broader principles of good governance (OECD).

Conflict of interest is defined as a conflict between the public duty and private interests of a public official, in which the public official has private-capacity interests, which could improperly influence the performance of their official duties and responsibilities (OECD).

In the procurement context, the issue of conflict of interest occurs as a reason of specific relationships between the contracting authority and the tenderers, which may affect negatively the impartiality of the process. The new EU directive on procurement (art 24) includes now a provision on conflict of interest.

It should also be mentioned that the EU directives lay down strong provisions on mandatory exclusion of suppliers that have been found guilty of irregularities (in addition to the other grounds).
International References

The United Nations, together with a number of international organisations such as the OECD, the European Union, International Financing Institutions, NGOs (i.e. Transparency International), have played leading roles in recognising the importance of good governance in public procurement over the time and in developing technical guidance for policy makers to enhance integrity in public procurement.

- The United Nations Convention against Corruption (Chapter II on Preventative measures, in particular article 9 on Public procurement and management of public finances)
- The 1997 OECD Convention on Bribery of Foreign Officials in International Business Transactions (see below)
- The OECD Recommendations on public procurement (2015)

Proposed Scope of an Integrity and Accountability Standard

An integrity standard would increase the credibility of and the confidence in the public procurement system from key stakeholders' perspectives, improve public sector market attractiveness, and ensure better compliance in the application of the regulatory frameworks. Foremost, an integrity standard

would potentially generate savings and a cleaner public business environment to the benefits of the tax payers and the societies in whole. Further, the availability of an integrity and accountability standard would provide an assurance that international agreements, EU law and commitments will be implemented effectively by Member States at the level of the contracting entities. The proposed standard will ensure a better implementation of the EU directives on Public Procurement and will aim at preventing conflicts of interests and exclusion grounds, in support to the integrity provisions of the EU directives on Public Procurement.

The scope would include the following components:

1. The Development of an Integrity and Accountability Policy of the contracting entity.
2. The Elaboration of an Integrity Risk Management Strategy and Action Plan of the contracting entity.
3. The Development of an Internal Code of Conduct for all staff of the contracting entity involved in procurement operations.
4. The Elaboration of an Integrity Commitment Mechanism (Integrity Pacts) between the contracting entity and the suppliers.
5. The Development of systems for Managing Procurement Data, including data gathering and analysis. The objective being to develop methods and systems for measuring efficiency and performance of the activities (within the framework of accountability).

The proposed components under output 3 will be discussed, agreed and elaborated in detail during the course of project (following the rules and principles for standards development activities, as laid down in Reg(EU) 1025:2012).