

Country case: Integrity Pacts in India

Description

In the recent past CVC has taken commendable initiatives in terms of promoting electronic solutions and Integrity Pacts. Integrity Pacts in procurement help governments, businesses and civil society to fight corruption in the field of public contracting via an agreement on no corruption between the procurement agency and all bidders for a public sector contract. In India, Integrity Pacts hold additional relevance for the following reasons:

- Low rating in the Corruption Perception Index;
- History of scandals and delays in Public Procurement;
- Existing anti-corruption regulations have had limited success.

39 public sector companies are using Integrity Pacts in their procurement process. According to a Transparency International -India document, 96% of Integrity Pact Compliant Public Sector Undertakings feel that the Integrity Pact has helped in making procurement process more transparent and 100% feel that the procurement process will not be better off without IP.

Integrity Pacts in India has been used in several sector such as energy (gas, oil, thermal power), telecommunication or airport construction. In addition, India has developed specific Integrity Pacts in defence procurement. The Defence Procurement Procedures (DPP) 2006 for the first time introduced a provision called pre-contract Integrity Pact, in a move to eliminate 'all forms of corruption' in defence deals. The DPP 2006 provided for the appointment of Independent Monitors (IMs), who would be responsible to examine any violations of the Pact, brought to notice by the buyer. However, DPP 2006 did not mention the precise role and power of the IMs. An Amendment in 2009 includes clauses on precise role and powers to IMs.

Henceforth, IMs are authorised to scrutinize complaints with regards to violation of Integrity Pacts, through the access to 'the relevant office records in connection with the complaints sent to them by the buyer.' According to Defence Procurement Procedures 2011, Integrity Pacts are applicable in procurements worth Rs 100 crores (approximately USD 16 million) & above and in Defence Enterprises at Rs 20 crores (approximately USD 322 thousand) & above.

Source: OECD (2016), "[Corruption in Public Procurement](#)".

Public Procurement

Principle: **Integrity**

Procurement Stage:

Tendering

Audience: **Policy Maker,
Procuring Entity, Private
Sector**