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Annex I Guidance Note

Prevention of corruption in procurement at various government levels, including good practices, lessons learned and challenges, and the effective use of technology to prevent, detect, deter and counter corruption in procurement

1. The Secretariat has produced this Guidance Note to assist States parties in providing information on initiatives and practices they have implemented regarding the topics under consideration at the fifteenth session of the Working Group on the Prevention of Corruption taking place from 28 August to 6 September 2024.
2. The Secretariat wishes to recall paragraph 12 of the report of the Working Group on Prevention on its second intersessional meeting, which noted that in advance of each meeting, States parties and signatories should be invited to share their experiences of implementing the provisions of the Convention under consideration, preferably by using the self-assessment checklist.
3. In furtherance of this, the Secretariat outlines a set of questions, based on those in the self-assessment checklist, which States parties and signatories may wish to use as a guide when providing information regarding the two topics under consideration. States parties and signatories are encouraged to view the questions below only as guidance and are free to provide any information believed to be relevant to the topics under consideration.

I - Information requested from States parties and signatories in relation to prevention of corruption in procurement at various government levels and the effective use of technology to prevent, detect, deter and counter corruption in procurement (arts. 9 and Conference resolution 10/9).

1. Please describe (cite and summarize) the measures/steps your country has taken (or is planning to take) to implement this provision of the Convention.

In relation to integrity in public procurement processes, States parties and signatories may wish to cite and describe measures that:

- Ensure the national procurement system is based on principles of transparency, competition and objective criteria in decision-making;
- Establishing in advance the conditions for participation, including selection and award criteria and tendering rules;
- Provide for sufficient time to potential tenders to prepare and submit their tenders and using by default an open tender procedure;
- Provide for transparent publishing of all procurement decisions including publishing the invitations to tender;
- Establish procedures, rules and regulations for review of the procurement process, including a system of appeal;

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- Provide for a thorough selection of personnel responsible for procurement, including screening procedures; as well as establishing a conflict of interest management system with declarations of interest and methods to resolve conflicts in particular cases;
- Put in place other administrative practices promoting integrity in procurement (such as the rotation of personnel, debarment procedures, etc.).

Notices of Procurement

In accordance with Canada's trade agreement obligations, Notices of Planned Procurements (NPPs) and tender documentation for procurements subject to trade agreements are posted, free of charge, on the Government Electronic Tendering Service (GETS) and remain accessible on GETS until at least the end of the solicitation period. The current platform used for GETS is [CanadaBuys](#). NPPs typically include the name and address of the procuring entity, a brief description of the procurement, and the address along with the final date for the submission of tenders. Any tender documentation (e.g., RFP) includes all necessary information to enable suppliers to prepare and submit responsive tenders. This encompasses a comprehensive description of the procurement, all evaluation criteria, and any additional terms or conditions. In most instances, bids are submitted electronically. This online platform enhances transparency and ensures competition in procurement decision-making.

Code of Conduct for Procurement

In August 2021, Canada updated and streamlined its [Code of Conduct for Procurement](#) (the Code) to focus on expectations for Government of Canada suppliers. The Code includes expectations aiming at preventing conflict of interest in federal procurement processes. Suppliers and their sub-contractors are expected to ensure that "no real, apparent or perceived conflict of interest exists or is likely to arise in the performance of the contract".

Federal Contracting Tip Line

The [Federal Contracting Fraud Tip Line](#) is jointly operated by the Competition Bureau of Canada, Public Services and Procurement Canada, and the Royal Canadian Mounted Police and has been set up as a channel for members of the public to report suspected bid-rigging, fraud, corruption or bribery in federal contracting. The tip line is one measure to help ensure the Government of Canada contracting process is fair. Individuals reporting a tip can choose to remain anonymous. Personal information provided is protected under the provisions of the Privacy Act. The information provided is shared among relevant federal organizations. Foreign corruption allegations would be redirected to the RCMP's foreign corruption team.

The introduction of the [Tip Line](#) has enabled the collection of information and intelligence relating to suspected misconduct in the federal government procurement process that previously did not exist. Since it was introduced, PSPC and partner organizations have received hundreds of tips that have assisted in the identification of various schemes and areas of risk. The majority of relevant tips from the Tip Line are received anonymously via the online form, underscoring the importance of offering this option to tipsters.

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More broadly, having a public facing tip line allows the opportunity to educate the public on red flags and warning signs of bid-rigging, fraud, corruption or bribery that they may come across that would be relevant to report to the Tip Line. In support of this, the Government of Canada undertakes semi-annual fraud awareness campaigns for Fraud Awareness Week in November and Fraud Prevention Month in March, using innovative communications channels such as the Canada Business App, social media accounts, and supplier portals. The impact that these campaigns are having is also measured (e.g. tip volume and types of tips received) to identify the most effective communication products to inform and prioritize future communications strategies.

Office of Supplier Integrity and Compliance

In July 2015, Public Services and Procurement Canada (PSPC) introduced the Integrity Regime, a government-wide policy based suspension and debarment framework to help ensure that Canada conducts business with ethical suppliers at home and abroad.

On May 31, 2024, Canada established the new Office of Supplier Integrity and Compliance (OSIC), an enhancement to the former Integrity Regime, and published a revised Ineligibility and Suspension Policy (the Policy). These updates to Canada's debarment system improve the government's ability to respond to emerging risks and provides a more agile approach, with greater flexibility to respond to a broader range of misconduct and unethical behaviour. The Policy is applied across the Government of Canada through corresponding contractual and real property agreement clauses that incorporate the Policy by reference.

Under the Policy, Canada may declare a supplier ineligible, or suspend a supplier from being awarded a contract or real property agreement if they have been convicted of, or charged with, an applicable listed offence (e.g., offences related to corruption, fraud, bribery and foreign bribery), in Canada or a similar offence abroad. Recent updates to the Policy have resulted in the integration of additional triggers for suspension or debarment including new listed offences and the consideration of judicial decisions in other jurisdictions, as well as enabling the review of suppliers of concern in the absence of charges and convictions. The modifications have also captured broader considerations associated with corporate wrongdoing while allowing Canada to impose a wider variety of measures on a supplier that is determined to present a risk to the integrity of federal procurement and real property systems.

The names of all ineligible and suspended companies are published on the PSPC website, as well as those who have entered into an administrative agreement with PSPC.ⁱ To date, five companies have been declared ineligible, one company is suspended, and three companies have signed administrative agreements with PSPC to reduce their period of ineligibility or *in lieu* of suspension.

Currently 89 federal departments and agencies have signed MOUs with PSPC to apply the Policy and obtain supplier integrity verification services. This allows organizations to verify that a

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supplier is not ineligible to conduct business with the Government of Canada under the Policy prior to awarding a contract or real property agreement.

2. Please describe (cite and summarize) the measures/steps your country has taken, if any (or is planning to take, together with the related appropriate time frame) to promote the effective use of technology to prevent, detect, deter and counter corruption in procurement.

States parties and signatories may wish to provide information on measures that:

- Utilize technology, such as online platforms for the distribution of information relating to public procurement and tenders as a way to prevent corruption, enhance transparency and ensure competition and objective criteria in procurement decision-making.

Information sought may, in particular, include the following:

- Description of any electronic system of public procurement, including, for example:
 - The means by which tender invitations are published;
 - The inclusion of all pertinent information on the award of contracts;
 - Ways in which applications may be submitted (including the use of electronic procurement platforms); and
 - Ways in which the criteria to be used for selection and award are publicized.
 - Any other ways, in which technology is used in the procurement process
 - Any other ways, in which technology is used to detect corruption or identify irregularities.

When providing information on the use of technology to prevent, detect, deter and counter corruption in procurement, States parties and signatories may wish to refer to their submissions for the sixth meeting of the Working Group, held in 2015.

Fraud Analytics and Intelligence Strategy

PSPC has deployed the use of fraud analytics to detect potential fraud on a priority basis. PSPC developed the Fraud Analytics and Intelligence Strategy (FAIS) action plan, which anticipates that the analytical environment will continue to mature on an ongoing basis with regard to the identification and collection of new data sources, growth in intelligence stored in the Central Intelligence Procurement Database (CIPD), and progressive development of a broad library of PSPC-specific tests to detect potentially fraudulent activity. Given that analytic technology is constantly evolving, PSPC will monitor and adapt its processes to leverage advancements in this area. The FAIS includes a process for referring detected anomalies for investigation, as well as for incorporating insights from the investigations into fraud detection mechanisms. PSPC will continue to identify opportunities to deploy machine learning/automation to data exporting and processing and to develop proactive computer-aided tests to automate fraud detection processes.

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3. Please outline actions required to strengthen or improve the measures described above and any specific challenges you might be facing in this respect.

Examples of the types of challenges States parties and signatories may have faced include:

- Challenges in developing the proper legislative framework;
- Coordination challenges between government agencies responsible for integrity in procurement and other bodies;
- Communication challenges between government bodies, agencies responsible for integrity in procurement, and business community representatives;
- Other implementation challenges; and
- Financial challenges with respect to maintaining sufficient and consistent funding for government bodies and other government agencies responsible for integrity in procurement and management of public finances.

PSPC works closely with the private sector, industry partners and civil society organizations to promote an ethical business culture and integrity in public procurement. Senior PSPC officials participate as guest speakers and deliver presentations at a range of events on Canada's approach to combating fraud and corruption in procurement and real property processes, the new OSIC and revised *Ineligibility and Suspension Policy* and PSPC's Fraud Risk Management Framework.

PSPC collaborates with federal partners on measures to prevent, mitigate and address unethical business practices within public procurement and real property processes. This includes participating in working groups, committees, and bilateral meetings. PSPC is also actively involved in discussions with like-minded countries to share lessons learned on emerging trends related to corruption and federal procurement.

4. Do you require technical assistance in relation to the measures described above? If so, please specify the forms of technical assistance that would be required. In case you have received or are receiving technical assistance to implement these measures, please indicate so in your response.

NIL

ⁱ [The Office of Supplier Integrity and Compliance](#) .