

Contents

1	Introduction	1
1.1	Aspects Analysed.....	1
1.2	Benchmarking.....	2
2	The EU Principles in Public Procurement. Transparency – Origin and Main Characteristics	5
2.1	The Procurement Principles. The Concept of Transparency	5
2.2	Transparency – How Does it Start?	9
2.2.1	The Meaning of Transparency	11
2.2.2	Features and Functions of Transparency	13
2.3	Transparency in the EU Public Procurement Legislation and the Work of International Organisations. Evolution of the Principle.....	19
2.3.1	The Treaties and the European Court of Justice	20
2.3.2	The Directives.....	22
2.3.3	The Work of International Organisations Towards Transparency in Public Procurement Procedures.....	24
2.3.4	Evolution of the Transparency Principle in the Field of Public Procurement	27
2.4	Progress and Degradation of the Principle of Transparency. The Example of Bulgaria.....	34
2.4.1	Historical Predisposition.....	34
2.4.2	Transparency in the Bulgarian Procurement Legislation	40
2.5	Concluding Observations.....	44
	Bibliography.....	48
3	Corruption – Definition and Characteristics	51
3.1	The Reasons for This Chapter	51
3.2	Corruption – Common Definitions	52
3.2.1	Forms of Corruption	53

3.2.2	Origins	55
3.2.3	Causes and Consequences	57
3.2.4	International Organisations Against Corruption	57
3.3	Corruption in Figures.....	58
3.4	Corruption in Government Procurement – A Global Review.....	59
3.5	Members States with Higher Levels of Corruption – The Example of Bulgaria.....	63
3.5.1	Historical Explanation of the Predisposition to Corruption.....	63
3.5.2	Economic Factors for Corruption in Bulgaria	67
3.5.3	Corruption in Bulgaria in Figures.....	69
3.5.4	Corruption in Government Procurement	73
3.6	Concluding Observations.....	75
	Bibliography.....	75
4	The Public Procurement System in Bulgaria: Authorities, Participants, Control and Achievements	77
4.1	What Is Examined, and Why?	77
4.2	The Participants	78
4.2.1	Contracting Authorities.....	78
4.2.2	Bidders.....	80
4.3	Authorities Involved in the Public Procurement Process. Controlling and Appellate Authorities.....	81
4.3.1	Council of Ministers	81
4.3.2	Controlling Authorities	81
4.3.3	Appellate Authorities	92
4.4	Why Not Less Burdensome But More Effective?	96
4.5	Some Warriors in the Uneven War Against Corruption in Bulgarian Public Procurement.....	97
4.5.1	Who Are They?.....	98
4.5.2	Center for the Study of Democracy	99
4.5.3	Transparency International in Bulgaria	101
4.5.4	The BORKOR Project – An Attempt to Transfer German Experience in Bulgaria.....	106
4.6	Where Does Bulgaria Stand Now?	114
	Bibliography.....	115
5	Infringements in Procurement Procedures. Corruption Loopholes and Practices	117
5.1	Methodology.....	117
5.2	Statistics.....	119
5.3	Types of Infringements and Incidents of Corruption.....	123
5.3.1	Choice of Object Phase.....	123
5.3.2	Announcement Phase.....	132
5.3.3	Procedure Conduct Phase	147
5.3.4	Contract Implementation Phase.....	155

5.4	One Verdict, Among ... Few.....	158
5.4.1	Background.....	158
5.4.2	Infringements Found.....	159
5.5	Findings and Future Challenges	162
5.5.1	Relevant Conclusions.....	162
5.5.2	New Legislative Decisions – New Corruption Loopholes	163
	Bibliography.....	167
6	The German Procurement System – A Successful Battle Against Corruption.....	169
6.1	Benchmarking Mechanism	169
6.2	Why Germany?.....	171
6.2.1	Legislative Similarities	171
6.2.2	Corruption Level.....	171
6.2.3	Public Procurement System.....	174
6.2.4	Socioeconomic Differences	175
6.3	Main Characteristics of the German Public Procurement System – Applicable Legislation	178
6.4	Main Principles. Transparency Obligations.....	180
6.5	The Integrity Pact as a Tool to Optimise Transparency and Curb Corruption.....	182
6.6	Contracting Authorities Under GWB	184
6.7	Procedures.....	184
6.8	Award Criteria.....	186
6.9	Appeal.....	187
6.10	Corruption in Public Procurement and the German Way to Combat It.....	192
6.10.1	Corruption Prevention Legislation.....	192
6.10.2	Anticorruption Strategies and Institutions	194
6.11	Successful Pillars to Raise Against Corruption in the Award of Public Contracts	196
6.11.1	Adequate Legislative Decisions Providing Clear and Unambiguous Rules.....	197
6.11.2	Modernised and Facilitated Conduct of Procurement Procedures.....	203
6.11.3	Centralised Procurement.....	207
6.12	Lessons to Be Learned from Germany	210
	Bibliography.....	212
7	Public Procurement in Austria – Reforms Limiting Corruption	215
7.1	Why Austria?	215
7.1.1	Legislative Similarities	215
7.1.2	Corruption Level.....	217
7.1.3	Public Procurement System.....	219
7.1.4	Socioeconomic Differences	220

7.2	Main Characteristics of the Austrian Public Procurement System – Applicable Legislation	223
7.3	Main Principles. Transparency Obligations.....	226
7.4	Contracting Authorities Under BVergG.....	229
7.5	Procedures.....	234
7.6	Award Criteria.....	236
7.7	Appeal.....	238
7.8	Corruption Prevention.....	244
	7.8.1 Corruption Prevention Legislation.....	245
	7.8.2 Responsible Bodies.....	248
	7.8.3 Other Anticorruption Efforts in Public Procurement.....	253
7.9	What Can Be Borrowed from Austria?.....	255
	Bibliography.....	257
8	Conclusions	259
8.1	Groups of Conclusions	259
	8.1.1 Transparency Principle Efficiency Against Corruption	259
	8.1.2 Control and Appellate Authorities Effectiveness.....	262
	8.1.3 Outline of Good Practices.....	263
8.2	Recommendations.....	267