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Perspectives on Transparency from the Local Country Level: Voices from Poland - Roundtable Discussion

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Why transparency is important?

- ❑ Transparency improves functioning of any kind of organization (public or private) and what is most important **helps to build its position in a wider social environment**, helps in management.
- ❑ **Modern democratic, free market state simply must extend transparency across all sectors.** Main reasons: civic legitimacy, blurred boundaries between different sectors, social responsibility.
- ❑ **Lack of transparency results in corruption** and corruption is an obstacle to the economic and social development.



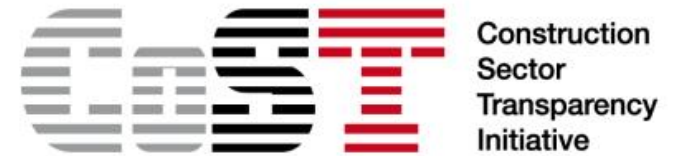
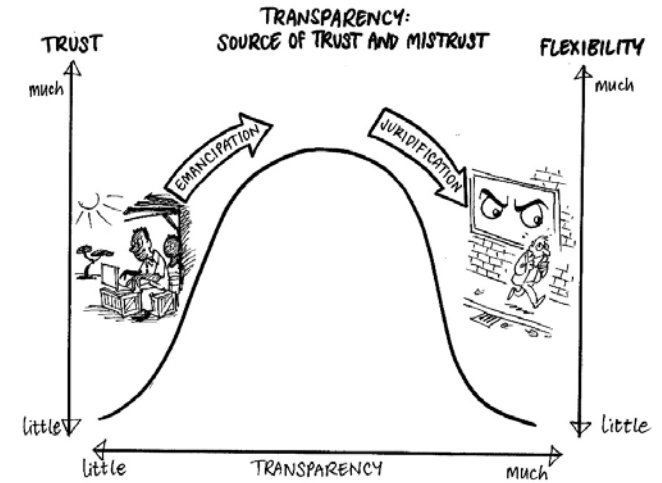
Business and transparency

- ❑ Only very **few and rather weak** transparency initiatives born in the business circles.

E.g. Open Contracting Partnership, **Construction Sector Transparency Initiative (CoST)**

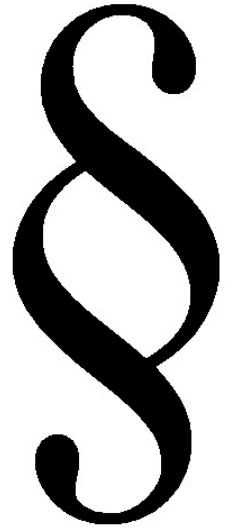
Most of them come from the public sector or from the civil society.

- ❑ **Pharmaceutical sector initiative to improve transparency and integrity is probably only one of this scale.**



Polish regulatory framework for transparency

- ❑ **Legal regulations related mainly to the public sector.** Key regulations: FOIA, the act on limitations to business activity of persons holding public functions, and more specific regulations such as the act on the office for registration of medicinal products, medical devices and biocidal products.
 - **No general acts promoting standards** in the private sector, such as UK Anti-Bribery Act or FCPA
 - **Many problems:** low quality of regulations, weak enforcement.
- ❑ **No motivation to self-regulation** in the private sector, lack of interest of companies in the transparency and integrity issues, weak business organizations, few good practices.
- ❑ However, there is some ground for future improvement: EU regulations and other international laws (such as UNCAC); initiatives such as Global Compact or OGP (both UN related).





Big and open data – the future of Transparency projects in all sectors.

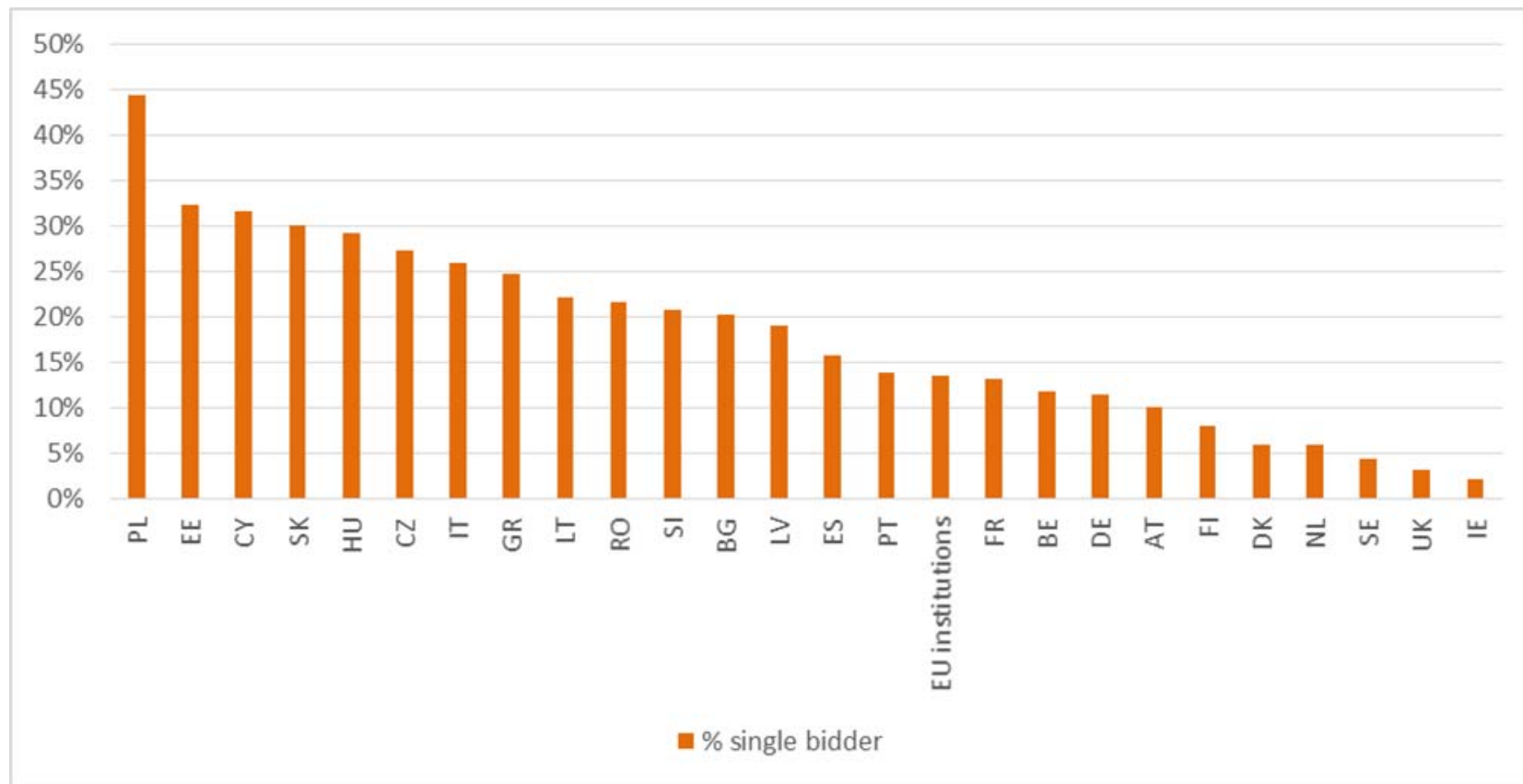
- ❑ **Public procurement transparency initiatives** – example how open data may mobilize citizens, business and public sector to improve the way how different organizations operate.
 - **Every more developed state publishes current information on public procurement.** In Europe it is obligatory for every member country (e.g. TED system).
 - **Raw data on tenders are not only registers for bidders and authorities** – in hands of citizens they might become important analytical and mobilization tool helping avoiding corruption and other irregularities, improving competition and public integrity.





Public procurement transparency initiatives (2)

- Possibility to identify systemic problems – e.g. analysis of big number of cases reveals that in Poland we have enormous share of tenders, conducted in open procedures, where is only one bidder. Isn't it a sign that the whole system is somehow dysfunctional, because it is not competitive?

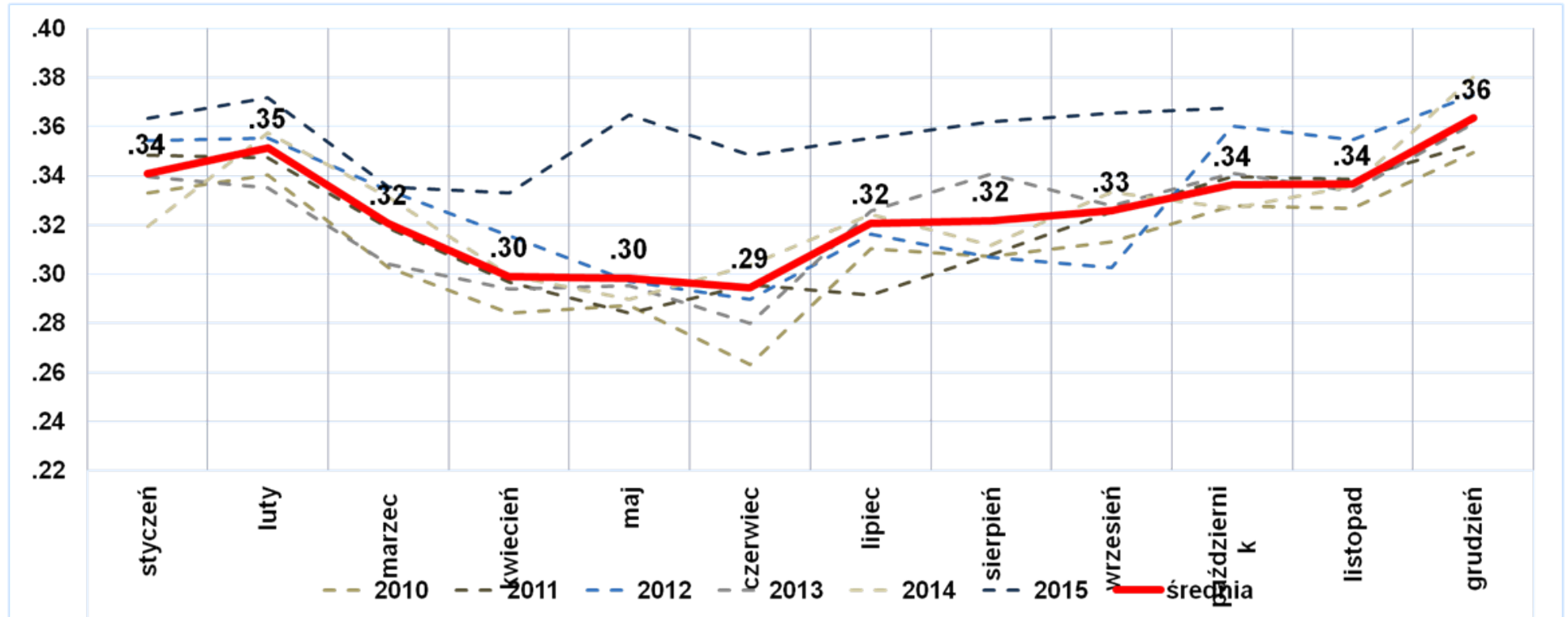


Source:
Mihaly Fazekas,
2015



Public procurement transparency initiatives (3)

- Building complex risk indicators – e.g. Stefan Batory and Zamówienia 2.0 Irregularities Risk Barometer (BRN), based on 9 components, measures risk on the scale between 0 and 1 (higher value means higher risk).
- Avg. BRN value within the year indicates that risk is higher in the end of the year when public bodies try to close budgetary year.



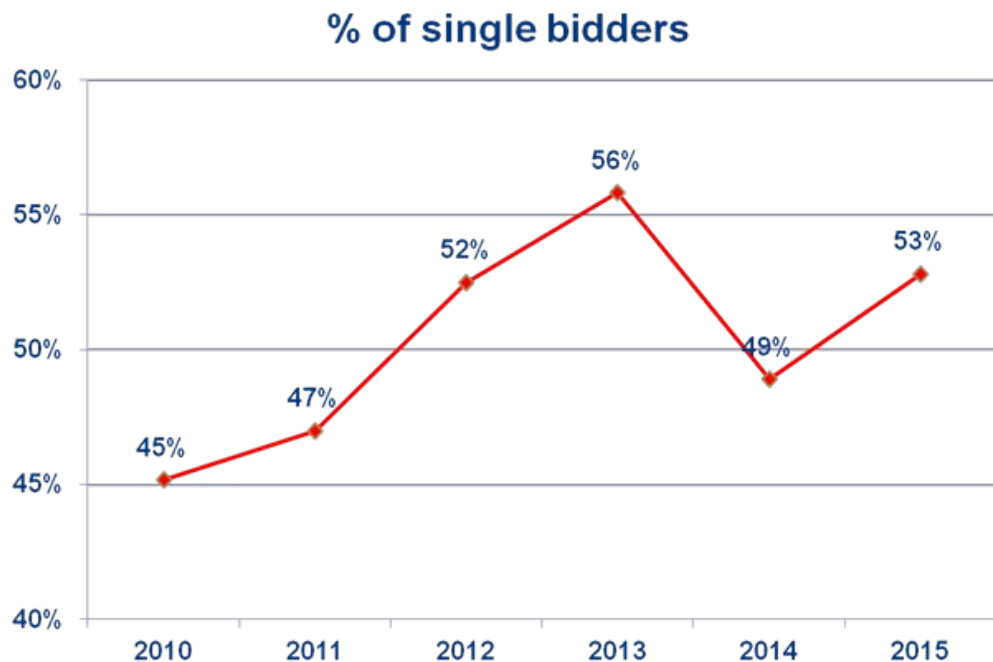


Public procurement transparency initiatives (4)

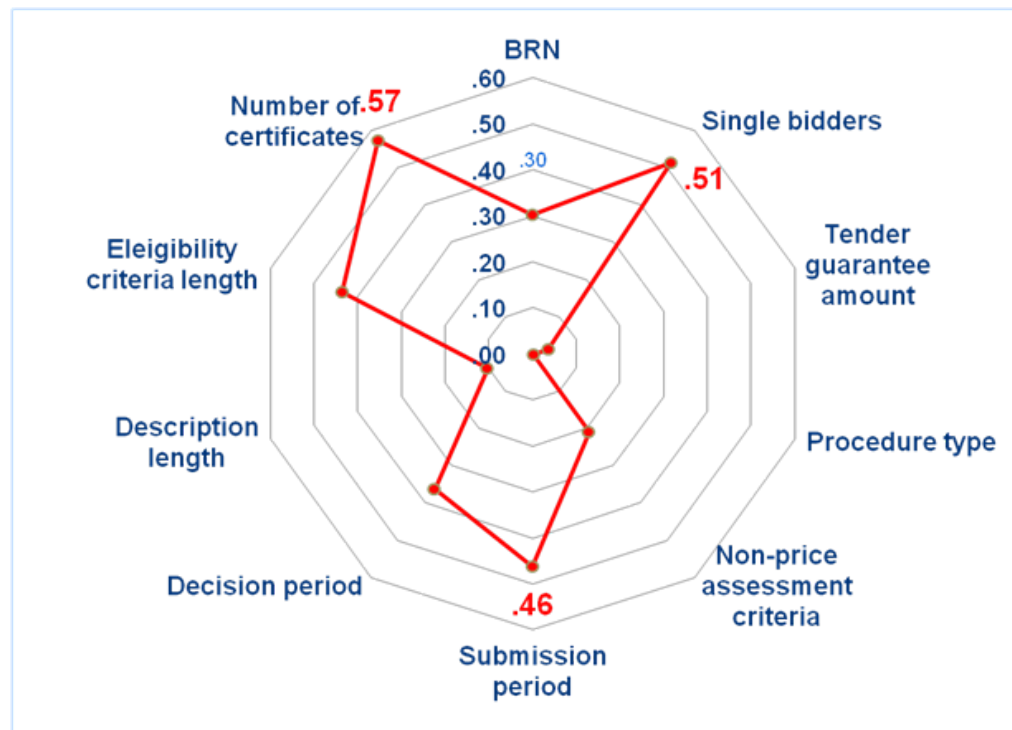


□ And what can we learn about Polish PP market related to pharmaceuticals (basing on data from 2010-15 / 59 308 cases)?

- Total value of all tenders (only below EU threshold : 2 372 075 872 PLN (over 551 000 000 EUR)
- Average contract value: 40 000 PLN (9 300 EUR)



Risk in pharmaceuticals PP



Why transparency is important?

- ❑ Transparency can't be total, but generally more transparency means:
 - better control, accountability and integrity
 - stronger social trust in organizations
 - better communication

- ❑ Business may become a leader of transparency thanks to initiatives such as EFPIA disclosure program, wider use and promotion of big, open data and new technologies.





Thank you!

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