

# Integrity Pact

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**In news:** Recently, the CVC amended SOP on adoption of Integrity Pact in government Organizations

## Key amendments

The Central Vigilance Commission has amended the Standard Operating Procedure (SOP) on adoption of “Integrity Pact” in government organisations for procurement activities following are the key amendments proposed by CVC:

- The amended provision states that the choice of **Integrity External Monitors (IEMs)** should be restricted to officials from the government and Public Sector Undertakings (PSUs) who have retired from positions of the level of Secretary to the Central government or of equivalent pay scale.
- As per the amendment, such officials who retired as Chairman and Managing Directors (CMDs) of PSUs Schedule ‘A’ companies and CMD/Managing Director and Chief Executive Officer levels in the Public Sector Banks (PSBs), insurance companies and financial institutions should be at least of the level of Additional Secretary or its equivalent.
- It also states that officers of the Armed Forces who have retired from the rank equivalent of General may also be considered for appointment.
- It also adds that preference would be given to persons who have worked in any other sector, other than their own, or have worked as CVO [Chief Vigilance Officer] in any organisation
- For appointment as IEM, the Ministry, department or organisation concerned has to forward a panel of suitable persons to the CVC, of those persons who are in the panel maintained by the Commission.

- The previous corresponding provision stated that the panel could include those already in the panel maintained by the Commission, or they could propose names of other suitable persons.
- Earlier, the initial tenure of IEM would be three years and it could be extended for another term of two years on a request received by the Commission from the organisation concerned, fixing the maximum tenure at five years in an organisation.
- The latest orders provide that the IEM will be appointed for a period of three years in an organisation.

### **What was the earlier provision?**

Under the 2017 order, the officials who had retired from positions of the level of Additional Secretary to the Central government and above, or equivalent pay scale, were eligible for the PSUs, board level officers in Schedule 'A' companies, PSBs, insurance companies and financial institutions. Officers of the Armed Forces who had retired from the rank equivalent to Lieutenant-General and above could also be considered for appointment.

### **What is an Integrity Pact?**

According to CVC, "Integrity Pact" is a vigilance tool that envisages an agreement between the prospective vendors/bidders and the buyer, committing both the parties not to exercise any corrupt influence on any aspect of the contract. The pact is also to ensure transparency, equity and competitiveness in public procurement

### **What are Integrity External Monitors (IEMs) and their role?**

- The IEMs independently and objectively review the documents to determine if the parties have complied with their obligations under the pact.
- The main role and responsibility of IEM is to resolve issues raised by an intending bidder regarding any

aspect of the tender which allegedly restricts competition or indicates bias towards some bidders.

- They may submit a report to the chief executive of the organisation concerned or directly to the CVO and the CVC, if they find serious irregularities attracting the Prevention of Corruption Act provisions.