Is Everything so Good Even When it Looks Good?

Inese Voika, TI Latvia
12 IACC, Guatemala
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7.2 Defence Procurement Reform
LATVIA

In 1991, after gaining independence, Latvia joined the UN.

In 2004 Latvia joined the EU and NATO.

Latvia actively contributes towards the strengthening of European security and participates in international peace missions.
## Defence Budget

<table>
<thead>
<tr>
<th>Year</th>
<th>Expected GDP</th>
<th>Defence Budget % of GDP</th>
<th>Million Ls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006 **</td>
<td>9,439.1</td>
<td>1.95</td>
<td>183.79</td>
</tr>
<tr>
<td>2007 **</td>
<td>10,430.4</td>
<td>2.00</td>
<td>208.61</td>
</tr>
<tr>
<td>2008 **</td>
<td>11,481.6</td>
<td>2.00</td>
<td>229.63</td>
</tr>
<tr>
<td>2009 **</td>
<td>12,612.4</td>
<td>2.00</td>
<td>252.25</td>
</tr>
<tr>
<td>2010 **</td>
<td>13,837.7</td>
<td>2.00</td>
<td>276.75</td>
</tr>
</tbody>
</table>
Procurement for NATO
International Tenders

- NATO Summit Procurements
- Equipment
- Personnel Procurements
- Medical Procurements
- Sustenance Procurements
- Technology and Communications Procurements
- Armament Procurements
- Construction Procurements
- Procurements up to 10,000 Lats
Examples of military procurement

1. 2006|263  Supply of lightning flares
2. 2006|115  Supply of modular armoured vests – result
3. 2006|243  Supply of 40x53mm high speed double action taped granades
4. 2006|242  Supply of microvawe radar and video systems
5. 2006|138  Supply of radion surveillice receivers and modules – restult

www.mod.gov.lv
Is everything so wonderful?

1. Transparent budget does not mean effective use of resources

2. The Ministry can publish corrupt tenders:
   - specially adjusted specifications
   - inflated purchase prices
   - Selecting procurement forms favoring certain providers

3. Access to information does not mean access to the ministry and reform
Partners for reform

1. NGO initiative + setting the context
2. Reform minded leadership
3. Lazy political leadership + efficient administrative staff
4. Endurance, persistence
Value of NGO involvement

1. The ministry learn how to deal with outsiders, looses fear from disclosing secrets
2. Gets a good partner
3. Gains trust from the international companies
4. Gains trust from public
5. Gets more value for money

Risk - dangerous STONES under water, everything breaks
Thank you!
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