Summary Record of the

Annual Meeting of the MENA-OECD Network on Public Procurement and
Capacity-Building Workshop

MENA-OECD Governance Programme Centre, Caserta Italy

19-21 November, 2014

Highlights

The Annual Meeting of the MENA-OECD Network on Public Procurement (the Network) was conducted along with a capacity-building workshop, in partnership with the MENA-OECD Governance Programme Centre. The event brought together more than thirty participants from five Deauville Partnership countries and Iraq, Network co-chairs Italy and Korea, the European Bank for Reconstruction and Development (EBRD), and the Organisation for Economic Co-operation and Development (OECD). Sessions included presentations representing country experiences in Egypt, Italy, Korea, Morocco, Tunisia and Yemen, as well as active engagement from the participants during each session - sharing successes, challenges and insights on the various topics.

Session Topics:

- Presentation of OECD Draft Recommendation on Public Procurement;
- Public Works Contracting;
- The Role of Audit Procedures in Public Procurement;
- Partners in Regional Development Activities;
- Measuring Success in Procurement Reforms;
- Implementation of E-Procurement Systems;
- Presentation of Country Updates;
- Presentation of Model Training Strategy;
- Network Next Steps.
Introductory Remarks

Ms. Renata Pavlova, Executive Director of the MENA-OECD Governance Programme Centre, opened the event with a welcome for participants, noting the long history of cooperation between the Centre and the MENA-OECD Network on Public Procurement – the Network was launched in Caserta in 2012.

Session 1: Presentation of OECD Draft Recommendation on Public Procurement

Mr. Jeremy McCrary, Policy Analyst in the Public Sector Integrity Division of the Public Governance and Territorial Development Directorate of the OECD, presented a draft Recommendation that, if adopted, will replace the 2008 Recommendation of the Council on Enhancing Integrity in Public Procurement. Developed based on lessons learned through working with OECD Member and non-member countries since the adoption of the 2008 Recommendation, the draft Recommendation retains the central principles of the earlier Recommendation while addressing public procurement in a broader and more holistic sense, to better support country reforms in creating an overarching approach to public procurement that fosters inclusive growth.

In addition to discussing the elements of the draft Recommendation, participants were invited to share thoughts regarding elements that might be most useful as part of an implementation toolkit, to be developed following adoption of the draft Recommendation.

Session 2: Issues in Public Works Contracting

Mr. Younes Riahi, Treasurer of the Department of Justice (Morocco), presented the view of public works contracting in Morocco, including an overview of the strategic importance of works deals as well as details regarding the processes for both awarding and implementing works projects. The contextual importance of combining Moroccan experience with international obligations that come with partnering relationships was also highlighted, as was the importance of measuring effectiveness. Recent progress in these regards led to the determination by the African Development Bank (AfDB) that projects funded in Morocco can adopt the Moroccan procurement framework instead of mandating use of the AfDB framework.

Mr. Kang-il Seo, Deputy Director of the International Cooperation Division, and Mr. Jaeku Cho, Deputy Director of the Technical Evaluation Division, presented the role of the Korean Public Procurement Service (PPS) in public works contracting. This role involves extensive work in cost analysis and reference price determination, both for works conducted by PPS and also as a service for other contracting authorities. PPS also plays an important role in assessing the qualifications of bidders and provides a project management service to assist in successful implementation following contract award. Finally, PPS has an important role in fostering small- and medium-enterprise contracting through separate purchase of construction materials and management of subcontracting relationships. This last issue proved of great interest to
participants, including discussion of unconventional means of support such as direct payment from the government to small or medium enterprise subcontractors.

Session 3: The Role of Audit Procedures in Public Procurement

Ms. Alison McMeekin, Policy Analyst in the Public Sector Integrity Division of the Public Governance and Territorial Development Directorate of the OECD, presented an overview of the audit function, including its importance as a system of checks for monitoring both compliance and performance of government functions. In exploring the activities of supreme audit institutions, the presentation highlighted ongoing trends, including an increased focus on the area of public procurement. In addition to moving to monitor outcomes as well as compliance in this area, useful audit functions at the “micro,” “macro” and “meta” level were highlighted.

Ms. Najla Bohli, HAICOP (Tunisia), presented a detailed explanation of these functions in the Tunisian context, including audit activities at three levels: evaluation of the legitimacy of proceedings in individual cases; efficacy and efficiency at the institution level; and strategic evaluation (management audits) as a comprehensive assessment of institutional methods and systems. After explaining how these functions apply in the area of public procurement, the shift from a priori control systems to a system where the procurement function was granted wider authority and subjected to stronger subsequent control was explored. The Tunisian response to the challenges involved in such a transition, including the need to establish effective ex post controls and the need to train procurement personnel, were also discussed.

Session 4: Partners in Regional Development Activities

Ms. Erika Bozzay, Senior Policy Adviser, Country Coordinator for Lebanon of the SIGMA initiative (Support for Improvement in Governance and Management) presented the activities of the organization in the Region with the focus on the several projects being developed to improve public governance in general and public procurement in particular.

Mr. Jan Jackholt, Head of the Procurement Department of the European Bank for Reconstruction and Development (EBRD), also presented the activities of the institution in the region both as a Bank and as to strengthen the foundations for improved design and implementation of public administration reforms.

Session 5: Measuring Success in Procurement Reforms

Mr. Paulo Magina, Head of the Public Procurement Unit in the Public Sector Integrity Division of the Public Governance and Territorial Development Directorate of the OECD presented the work of the organization in the development of key indicators to monitor the performance of public procurement systems. The set of indicators was developed by the OECD after a stocktaking report of the current situation in OECD countries conducted last year and it covers four major areas: 1. Efficiency of the public procurement cycle, 2. Openness and transparency of the public procurement cycle, 3. Professionalism of the public procurement workforce and 4. Contract
Following the presentation the OECD invited the DP countries to participate in an extension of the stocktaking exercise by responding to the questionnaire that was distributed.

Ms. Erika Bozzay presented the SIGMA perspective to measure performance of public procurement systems. The SIGMA principles for public procurement and the methodology for complying with EU Public Procurement Directives were presented, as well as the relevant functions that need to be considered at the different institutional and organizational levels. Both presentations generated an interesting debate amongst the participants, with countries explaining the challenges in this area.

Session 6: Implementation of E-Procurement Systems

Mr. Paulo Magina presented the OECD’s key findings for an effective implementation of e-Procurement systems and the importance of addressing change management and develop the appropriate strategies.

Ms. Eliza Niewiadomska, Senior Legal Adviser of the Legal Transition Programme of the EBRD, presented different models of developing e-Procurement solutions, according to the Bank’s experience and also comparative advantages and disadvantages of single vs. multi-platform environment. Lessons learned from implementations in EU countries and the relevant components of a successful e-Procurement system were also explained.

Mr. Luca Mastrogregori, Head of the e-Procurement department of CONSIP (Italy), presented the challenges faced when implementing e-Procurement systems and also the characteristics and major achievements of the Italian model.

Ms. Ghofrane Lajimi, from HAICOP (Tunisia), presented the current situation of TUNEPS – Tunisian e-Procurement System - with a detailed explanation about the evolution of the project until today. Video materials about the functionalities and potentialities of the system were also presented.

Following a lively debate, speakers and participants agreed on three fundamental characteristics for a proper implementation of an e-Procurement system, once the electronic tools themselves are in place:

1) The existence of a sound legal and institutional framework;
2) The development of a proper business model for the system and the identification of a strong actor capable of being the motor of the reform; and,
3) The need for an adequate change management and communication strategy that will raise awareness and allow a common knowledge base for the utilisation of the system.
Presentation of Country Updates

In addition to general discussion about reforms and continued discussion regarding some of the previous session topics, the introductory session of the Network Meeting provided an opportunity for presentations from the Delegation from Egypt and the Delegation from Yemen.

Mr. Ahmed Kamal Hamza and Mr. Ahmed Kamal Shabaan, Ministry of Administrative Development (Egypt), presented ongoing reform efforts in the development of e-Government tools, particularly in the area of e-Procurement. Tasked with improving the performance of government services and simplifying procedures for accessing them, e-Government tools that can be accessed through a variety of portals are an important element of the Ministry’s efforts to improve citizen services delivery.

Mr. Fahmi Al-Edlah, High Authority for Tender Control (Yemen), presented the institutions and processes designed to supervise the procurement system, to ensure compliance with the law and identify and address weaknesses in the system. In addition to the oversight activities of the High Authority, the presentation also included a description of the cooperation with other institutions with anti-corruption responsibilities, and the development of the Procurement Management Information System (PMIS), to provide a modern tool for management and supervision of public purchasing.

Presentation of Model Training Strategy

Mr. Jeremy McCrary presented a draft Model Training Strategy, developed for the OECD following a request from the MENA-OECD Network on Public Procurement. Designed to take a broader view of developing capacity for effective public procurement, the model strategy begins with the need for a strong steering committee backed by sufficient political will to bring together the various stakeholders and make the long-term commitment that is required to truly develop substantial capacity. Further steps to identify issues, identify goals, implement and monitor a training plan are then outlined. Participants were invited to review the draft Strategy in detail, and provide inputs for use in finalising the document.

Mr. Rachid Boukrim, Regional Treasurer of Meknes (Morocco), presented efforts for capacity building in Morocco, based on a high-level strategy designed to address needs identified through a thorough assessment. As in many procurement systems, lack of human resources, fragmentation of institutions, and lack of coordination are challenges that are being addressed to satisfy the obligation for all public entities to meet high performance standards.
Network Next Steps

During the final session, participants had an opportunity to discuss the current structure and function of the Network, and provide input regarding next steps. OECD Network Co-Chairs Italy and Korea each committed to continued support for the Network during 2015, including an offer from Korea to provide capacity-building activities for Network participants at the Public Procurement Service facilities. Additionally, Egypt expressed a will to serve as Co-Chair as part of the mechanism of the Network to rotate Chairmanship through those members interested in serving. More details about these and other network activities will be forthcoming in early 2015.