Working Party on Aid Effectiveness

Joint Venture on Procurement Proposal for 2009 / 2010:

Proposed Agenda, Work Program and Structure

November 25 - 26, 2008

The Co-Chairs of the JV on Procurement have made a proposal to the members of the Joint Venture concerning how the Joint Venture could support the implementation of the Accra Agenda for Action during the upcoming biennium. Members have responded and the Co-Chairs have finalized the Joint Venture’s proposal as a result of this consultation.

This proposal is submitted for the consideration of the WP-EFF during its meeting on November 25 - 26.

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JOINT VENTURE ON PROCUREMENT PROPOSAL TO THE WORKING PARTY ON AID EFFECTIVENESS

Agenda, Work Program and Structure for 2009 – 2010 and Beyond

A. Introduction

In preparation for the meeting of the WP-EFF, members of the working group of the Joint Venture on Procurement met in Paris on October 9 – 10. A draft agenda, work program and delivery structure for the implementation of the AAA was prepared and translated into French and Spanish. It was circulated to the members of the JV for reflection, comments and suggestions. This version reflects their input and that of the Co-Chairs.

B. Proposed Action Agenda and Work Program

1. At the last meeting of our JV in Arusha in May, 29 partner countries, 11 donor countries and seven multilateral and international organizations endorsed the JV’s Arusha Statement. This document presents the JV’s vision of challenges facing the implementation of the Paris Declaration and our responses:

   a) The continuing need for results on strengthening and on the use of reliable country procurement systems and, in particular, the need for ongoing monitoring, direction, support and guidance on capacity development,

   b) The unfinished work on the harmonization and coordination of development partner policies and interventions in partner countries,

   c) The importance of identifying and tracking key issues and to share Best Practice,

2. In September, the HLF3 was held in Accra, Ghana and resulted in the Accra Agenda for Action (AAA). Four broad areas of work emerged from the AAA, three of which have direct links to recommended future work of the JV: strengthening ownership and promoting accountability, strengthening and using country systems and monitoring, assessing and evaluating progress. Building on links across these broad areas of work, the JV has defined three areas of focus where the JV can contribute to strengthening country procurement systems:

   a) The continuation and expansion of assessments of country procurement systems using the JV’s methodology for assessing public procurement systems,

   b) The development of country-owned capacity development strategies, implementation plans and models and

   c) The financing and implementation of these country-owned strategies for building capacity
3. As a result, the following list of specific products in support of the AAA is proposed:

a) Prepare a stocktaking of all partner country assessments using the JV’s methodology. Continue to encourage other countries to do a self-assessment or joint assessment with development partner support. Continue to document country experiences and the links of assessment results to capacity development to be published in future chapters of the JV’s “Compendium of Country Examples and Lessons in Applying the Methodology for Assessment of National Procurement Systems”.

b) Develop additional tools, templates and guidance and share with procurement agencies and implementation entities interested in implementing the OECD/DAC methodology:

i. Facilitate the provision of appropriate training and awareness-raising to interested donor agencies and to partner country implementing entities as a means to help change behaviors and improve skills.

ii. Prepare a template on how to prepare a capacity development strategy/plan following the completion of an assessment.

iii. Collaborate with the JV – MfDR on developing tools and methodologies for performance measurement in support of the methodology’s Compliance and Performance Indicators.

c) Prepare a good practice guide on country initiatives aimed at strengthening local private sector capacity in collaboration with the local private sector.

d) Provide progress reports from development partner organizations and DAC donor countries that are members of the JV in which they share policies, operational plans and experiences related to their use of reliable country procurement systems.

e) Develop in close collaboration with the JV – MfDR a tool to measure the benefits of good procurement as a means of promoting good public sector management and investments in strengthening procurement.

4. The following are suggestions on how we will improve the way we work and share in addressing issues of common interest with other organizations that are important partners in the work of the JV:

a) Development partner and donor members of the JV will collaborate with each other and with partner countries to commit sufficient resources to plan and implement country-owned procurement capacity development strategies in the context of broader public sector reforms. This would include development of a formula for agreeing multi-donor support and division of labor.

b) The JV will develop a better understanding of the role of the civil society community in the procurement process and in contract management and a common appreciation of how best to engage CSOs (which include NGOs, associations, labor unions and the media)

c) The development partner members of the JV who are also members of the Multilateral Development Bank (MDB) Heads of Procurement (HOPs) Group agree to share with the other members of the JV on an ongoing basis the results of the work being discussed in HOP working groups on:
i. Cross cutting or cross sectoral issues such as ethics and transparency, diversity and universal design (i.e. disability and accessibility),

ii. private-public partnerships (PPP),

iii. e-procurement and

iv. Sustainable procurement (socially responsible and environmentally respectful procurement).

C. How We Propose to Organize the Way We Work

1. Joint Venture

   a) The organizational structure for the current JV is based on the structure of the OECD / DAC Round Table on Strengthening Procurement Capacity that began in January, 2003. This has proven effective and flexible and it is recommended that this remain the core structure.

   b) The JV should continue to be managed by three Co-Chairs selected by members of the key constituencies of the JV: the multilateral banks / international organizations, the DAC donor countries and the partner countries. (See TORs in Annex-A.)

   c) The working group of the JV currently constituted on an informal basis and including the three Co-Chairs and representatives from the World Bank, the Asian Development Bank, and the African Development Bank, the Inter American Development Bank, the UNDP, bilateral donors and the DAC Secretariat should formalize its existence. Participation could be for a set period and a set membership or membership could vary depending on specific issues to be addressed (e.g. including the country host for an upcoming JV meeting or workshop). The total number of participants has to be managed by the Co-Chairs for efficiency and economy reasons. The main purpose is to have a dedicated, available group to develop and oversee the ongoing implementation of the JV's work program, prepare for JV meetings and provide timely advice to the Co-Chairs. (See TORs in Annex-B.)

2. Collaboration with other Organizations:

   a) The JV on Procurement expects to collaborate closely with the JVs for PFM and Results especially with regard to common areas of interest such as the use of country systems. The JV values this opportunity to work closer with these groups in the context of public sector governance.

   b) We will build on our collaboration with the Policy Coordination Division with regard to capacity development, governance, fragile states and donor peer reviews.

   c) The JV will continue its association with BIAC. This collaboration and exchange of views, is important and provides the opportunity to discuss the role of the private sector and ways we can work together to strengthen public procurement.

   d) The JV will build on its current collaboration and partnership with GOV/IID and DAF/ACD by, for example, exploring the possibility of joint work on anti-corruption diagnostic tools.

   e) The JV will seek to engage with regional organizations and networks that are involved in procurement reform initiatives to support the capacity development work they undertake and
to share tools, lessons learned and experiences. This is seen as a way to extend the benefits of the work of the JV to a broader number of partner countries.

f) The JV will explore ways to collaborate with the UN Convention against Corruption (UNCAC).

D. The Resources We Will Need

1. Operations

   a) A dedicated DAC Secretariat Procurement Advisor.

   b) Based on the approved work program, a reasonable level of operations funding from the DAC Secretariat for: the travel of the advisor in the context of implementing the work program and of the partner country Co-Chair to attend JV and working group meetings, rental of conference facilities and equipment for JV meetings, translation and interpretation services and to hire consultants.

2. Delivery of the Work Program

   a) At the last JV meeting in Arusha, there were 54 participants from 25 partner countries. The travel costs were financed by a grant from DFID managed by the UNDP office in Copenhagen and from the WP-EFF fund managed by the UNDP in New York. The total cost for travel and hotels was approximately USD 150,000.

   b) If there are annual JV meetings in a partner country over the next two years, this financing could either come from a combination of direct contributions from JV donors and the WP-EFF fund managed by the UNDP or all from one or the other.

   c) In addition to annual JV meetings, there are a number of JV regional workshops planned for 2009 in the Middle East and the South Pacific as part of implementing our core work program. In the past, such workshops have been financed by the World Bank and a combination of regional development banks, the UNDP and DAC donor countries. The host partner country has also made an important financial contribution, often in the form of the workshop venue.

   d) Five products are planned requiring funding from the DAC Secretariat to cover consultancy assignments, estimated to cost approximately 100,000 €:

      I. Prepare a stocktaking of all partner country assessments using the JV’s methodology. Continue to encourage other countries to do a self-assessment or joint assessment with development partner support. Continue to document country experiences and the links of assessment results to capacity development to be published in future chapters of the JV’s “Compendium of Country Examples and Lessons in Applying the Methodology for Assessment of National Procurement Systems”.

      II. Develop additional tools, templates and guidance and share with procurement agencies and implementation entities interested in implementing the OECD/DAC methodology:

         i. Facilitate the provision of appropriate training and awareness-raising to interested donor agencies and to partner country implementing entities as a means to help change behaviors and improve skills.
ii. Prepare a template on how to prepare a capacity development strategy/plan following the completion of an assessment.

iii. Collaborate with the JV – MfDR on developing tools and methodologies for performance measurement in support of the methodology’s Compliance and Performance Indicators.

III. Prepare a good practice guide on country initiatives aimed at strengthening local private sector capacity in collaboration with the local private sector.

IV. Provide progress reports from development partner organizations and DAC donor countries that are members of the JV in which they share policies, operational plans and experiences related to their use of reliable country procurement systems.

V. Develop in close collaboration with the JV – MfDR a tool to measure the benefits of good procurement as a means of promoting good public sector management and investments in strengthening procurement.

E. Our Next Steps

1. After the WP-EFF meeting on Nov. 25 - 26, a JV meeting will be scheduled in 2009.

2. A selection process to select the Co-Chairs for the JV will be organized within the three major constituencies forming the JV membership.

3. The new Co-Chairs will assume their responsibilities in 2009.

4. The TORs for the working group will be discussed and officially adopted at the next JV meeting.
ANNEX A – TOR FOR THE CO-CHAIRS OF THE JV ON PROCUREMENT

The Co-Chairs are responsible for management and leadership of the JV which is made up of representatives from different partner and bilateral donor countries and multilateral organizations. Each Co-Chair is expected to serve for 2 – 3 years.

There can be up to three Co-Chairs / JV: one representing the partner country constituency, one from the bilateral donor countries and one the multilateral banks and international organizations. Within each JV, each constituency identifies and selects its own recommended Co-Chair; these TORs are the basis of identification and acceptance.

The Co-Chairs prime contact regarding the mandate, structure and work plan is the Head of the Aid Effectiveness Division. Their primary contact person in the OECD/DAC Secretariat for administrative and logistics issues is the Procurement Advisor in the Aid Effectiveness Division.

The Co-Chairs are responsible for overseeing the development and implementation of the JV work plan and for ensuring the provision of timely input on monitoring and reporting on progress according to agreed milestones and formats.

The Co-Chairs are responsible for ensuring coordination and harmonization of work programs with other JVs and organizations that are working on achieving cross cutting objectives and programs of the WP-EFF and the AAA.
ANNEX B – TOR FOR THE WORKING GROUP OF THE JV ON PROCUREMENT

General

An informal working group was put into place by the Co-Chairs just after the first meeting of the JV in Manila in early 2006. The first task was to draft a version of the assessment methodology that had been discussed during the meeting and that would be circulated in a short period of time to JV members for comments. The JV members asked by the Co-Chairs to be part of this first task were representatives of the World Bank, the Asian Development Bank, the Inter-American Development bank, the African Development bank, the UNDP, the bi-lateral donors and the DAC Secretariat.

Since this time, the working group has continued to plan and to manage implementation of the JV work program that has been presented and discussed at JV meetings. Progress on this implementation has been reported on at the beginning of each meeting and members have the opportunity to ask questions and to comment.

Specific

The purpose of the working group is to assist the Co-Chairs in planning and overseeing the delivery of the JV work plan. The working group should be representative and limited in size to maintain efficiency. Members of the working group have to be committed to working together in a constructive way in order to oversee delivery of the work program.

The World Bank and UNDP should be represented, as should the regional development banks. Active bilateral donors should also be represented. Partner country representation should be expanded; for example, a participant from the partner country planning to host the meeting of the JV should be invited to participate in working group meetings leading up to the JV meeting.

Members of the working group are expected to be able to:

- Have the capacity and a mandate to speak on behalf of their institutions and the resources to attend working group meetings (partner country reps would need to be supported by the JV budget.)
- Be able to represent the views and plans of their institutions and be prepared to make recommendations to decision-makers in their respective institutions concerning local ownership and needs and for financial support for implementation, especially for capacity development

Annually, at the time of WP-EFF meetings for example, the Co-chairs and representatives of the working group will meet with the Co-Chairs of the other JV’s involved in implementing cross cutting programs and the Head of the Aid Effectiveness Division to review the progress made in implementing the respective work plans, identify issues or problems to address together and consider opportunities for collaborative work.