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### Working Party on Aid Effectiveness and Donor Practices

#### STEPS TO DEVELOP PROCUREMENT CAPACITIES IN DEVELOPING COUNTRIES: THE JOHANNESBURG DECLARATION

30 November - 2 December 2004  
Johannesburg, South Africa

*This note is submitted for COMMENTS to the Joint Venture on Public Procurement meeting on 22 October 2004.*

*Comments will be taken into account in the next draft, which will be submitted to the participants of the Joint OECD/DAC - World Bank 3rd Round Table on Strengthening Procurement Capacities in Developing Countries for endorsement at the meeting in Johannesburg, South Africa on 30 November - 2 December 2004.*

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**THE JOHANNESBURG DECLARATION  
ON STEPS TO DEVELOP EFFECTIVE PROCUREMENT SYSTEMS  
IN DEVELOPING COUNTRIES**

We, the representatives from developing countries, multilateral and bilateral development institutions and other participants in the OECD/DAC – World Bank Joint Round Table Initiative on Strengthening Procurement Capacities in Developing Countries<sup>1</sup>, cognizant that improvements in the performance of public procurement systems will (i) produce enormous benefits towards efficient use of public resources, and (ii) facilitate harmonization and aid effectiveness by enabling greater reliance on well performing country systems for delivery of development assistance:

1. **Hereby agree** to utilize common sound strategies, approaches and tools for strengthening procurement system capacities by implementing the broader objectives of the Round Table process<sup>2</sup>: i.e. to support effective procurement strengthening in developing countries and move towards greater reliance on national systems.
2. **Consider** that urgent action is needed in the following three main areas:
  - i) accord public procurement reform a higher strategic priority,
  - ii) improve the effectiveness of the approaches and techniques used to develop procurement system capacity, and
  - iii) for aid-funded procurement, move towards greater reliance on national systems that conform to internationally recognized standards, or are moving successfully in this direction.
3. **Commit** to achieve these shared objectives by putting into widespread use the common strategies, approaches and tools we have developed under the Round Table process. Using these recommended strategies, approaches and tools, we will:
  - i) work to strengthen country procurement system capacity at the institutional, organizational and professional levels using new approaches and techniques which strongly emphasize country ownership,
  - ii) do this by carrying out careful systems-wide diagnostics at the country level, identifying priority areas of weakness, and designing realistic reform programs based on the results that are closely and flexibly monitored during implementation, and
  - iii) focus on measurable improvements in the performance of procurement systems.

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1. A full list of participants at the 3<sup>rd</sup> Round Table meeting in Johannesburg is attached as Appendix 1.

2. The Round Table process was launched in Paris, France from 21 to 23 January 2003 and subsequent Round Table meetings were held in Kampala, Uganda from 4 to 6 February 2004 and Johannesburg, South Africa from 30 November to 2 December 2004. Working Group meetings were also held in Paris from 21 to 23 June 2004.

4. More specifically:

- i) developing country partners commit to implement programs to strengthen the performance of their procurement systems with the goal of making them more effective, efficient and accountable and in doing so will:
  - a) utilize the approaches and tools prepared under the roundtable processes, and
  - b) take due account of the importance of integrating the procurement and public financial management functions of government.
- ii) multilateral and bilateral development institutions commit to support the developing country partner's efforts to strengthen their procurement system by:
  - a) mobilizing financial and other resources as needed, and
  - b) progressively utilizing well performing country procurement systems for aid delivery.

5. **Promise to reconvene by end-2006** to report on the progress made in meeting these commitments in pushing forward with effective strengthening of procurement systems. In the meantime we will report periodically to Round Table participants on progress made providing feedback about each of the recommended Round Table approaches and tools that have been used so that they can be improved over time.