

Unclassified

DCD/DAC/EFF(2006)5



Organisation de Coopération et de Développement Economiques
Organisation for Economic Co-operation and Development

16-Jun-2006

English text only

DEVELOPMENT CO-OPERATION DIRECTORATE
DEVELOPMENT ASSISTANCE COMMITTEE

DCD/DAC/EFF(2006)5
Unclassified

Working Party on Aid Effectiveness and Donor Practices

JOINT VENTURE ON PROCUREMENT
UPDATE ON WORK IN PROGRESS

To be held 5-7 July 2006

This document is submitted to the WP-EFF meeting on 5-7 July as background for discussion under agenda item IV-E. Members are invited to address issues raised in the last section.

Contact: Mr. Michael Lawrance; Email: Michael.LAWRANCE@oecd.org; Tel: +33 (0)1.45.24.14.25

JT03210825

Document complet disponible sur OLIS dans son format d'origine
Complete document available on OLIS in its original format

English text only

**WORKING PARTY ON AID EFFECTIVENESS
JOINT VENTURE ON PROCUREMENT**

UPDATE OF WORK IN PROGRESS

A. WORK OBJECTIVES FOR 2006: RESULTS TO DATE

a) Key Decisions

1. Produce a prototype of the Benchmarking and Assessment Tool for Public Procurement Systems for initial field testing during mid-2006. This prototype is to be based on the work of the DAC-World Bank Procurement Roundtable (2003 – 2004) and on feedback from participants at the first Joint Venture meeting in Manila (February 8 – 10) on the first draft of the tool.
2. Organize regional meetings where both partner countries and donors who have participated in the first round of field tests and those who did not can share the results of the experiences and the lessons learned
3. Seek out and exploit opportunities for collaboration with the Joint Ventures on Public Financial Management (JV-PFM) and Monitoring the Paris Declaration (JV-MPD).
4. In collaboration with the JV MPD, use the prototype assessment tool to produce data on the quality of country systems for the 2006 Baseline Report
5. After the regional meetings have taken place, de-brief the participants of the JV on Procurement on the results of this year's tests and discuss a proposal for the next steps and provide a relevant summary to the JV-PFM and JV-MPD on the results and the proposal for 2007

b) Draft Benchmarking and Assessment Tool for Public Procurement Systems

Use: a common internationally-accepted assessment tool for country procurement systems to be applied by multilateral and bilateral donors and partner countries

Purpose: a key, shared input into:

- a) Partner country capacity development plans for procurement based on the needs identified in the assessment
- b) Risk assessments to be made by donors regarding investments via country procurement systems in addition to other assessments, as may be required by shareholders or Parliaments
- c) Providing data for reporting against Indicator 2b of the Paris Declaration (quality of country procurement systems)

Structure: User's Guide (e.g. the intent, the context and a suggested outline of the assessment report)

Part I - Baseline Indicators (BLIs): 12 indicators and 55 sub-indicators grouped under four "pillars" – legislative / regulatory framework, institutional / management capacity, procurement market practices and integrity / transparency.

Part II – Compliance / Performance Indicators (CIs / PIs) that are associated with the BLIs: information / data is provided to demonstrate whether or how an agreed BLI is performing and at what level. This is the part of the tool for which there is the least practical experience and accepted practice; this part will be the focus of ongoing testing and refinement.

Annex - Benchmarking Compliance and Performance Worksheet: a summary of the findings and an overview of the strengths / weaknesses. Elements of a risk mitigation approach are highlighted to address capacity problems e.g. provision of specific technical assistance, longer term capacity development support

B. OTHER RELATED KNOWLEDGE- SHARING

Also during the first half of 2006 there has been useful networking between the Aid Effectiveness Division of the OECD Development Cooperation Directorate (Secretariat) and other groups inside and outside the OECD involving a range of issues including:

a) Anti-corruption, bribery and integrity

Ongoing exchanges of views and information between the Directorate for Financial and Enterprise Affairs and Aid Effectiveness Division was initiated during the Ad Hoc Seminar of the Working Group on Bribery in International Business Transactions on a typology of bribery in public procurement in March 2006. Similar contacts have been established with the Network on Governance (GOVNET) following the Expert Meeting on Political Corruption and the Role of Donors held at the OECD also in March. The Public Governance Committee of the OECD has recently launched a questionnaire amongst member countries to collect experience and practices in fostering integrity, transparency and accountability in public procurement. Informal discussions on political corruption are also ongoing with USAID and member countries in the Nordic+ Procurement Group.

b) Capacity development

The Aid Effectiveness Division is supporting the GOVNET partnership with the Learning Network on Capacity Development's planned global forum on capacity development in October. It is expected that the experience of the JV's development and use to date of the benchmarking tool will be presented as a case study as a way of identifying specific capacity needs.

c) Public financial management (PFM)

The Aid Effectiveness Division coordinated a teleconference between the co-chairs of the JVs on procurement and PFM in April; the objective was to brainstorm on practical ways for the two JVs to collaborate. It was agreed at that time that the Procurement Advisor of the Aid Effectiveness Division would make a status report to the JV-PFM in late June on the implementation of the procurement work program. The feasibility of inviting the co-chairs of the JV-PFM to the Fall meeting of the JV-Procurement would be investigated.

d) Monitoring the implementation of the Paris Declaration

The Aid Effectiveness Division has collaborated closely with the JV-MPD and the Co-Chairs of the JV-Procurement in adjusting and refining the wording associated with the Quantitative Indicator Questionnaire regarding procurement (indicator 5b) and in briefing the other JV on the status of work on the qualitative procurement indicator (indicator 2b).

e) Performance of public procurement systems of new EU member states:

The Aid Effectiveness Division and OECD-SIGMA are in contact regarding performance indicators for procurement systems in both partner countries and in recent members of the EU. SIGMA is preparing a study of current practices and indicators in use by the new cohort of member states in the European Union. The study is interested in learning from the experiences of the JV on Procurement in field testing the compliance/performance indicators in the version 3 of the tool in partner countries.

C. NEXT STEPS- 2006

1. Retro-fit about 15 recently-completed Country Procurement Assessment Reports (CPARs) using the final version 3 of the Methodology for the Assessment of National Procurement Systems; this data will feed into the 2006 Baseline Report for the Paris Declaration (June – August)
2. Implement field tests of version 3 of the Methodology for Assessment of National Procurement Systems in several pilot countries in Africa, Latin America and possibly Asia (July – September)
3. Organize regional meetings in Africa (possibly Nairobi), Latin America (possibly Mexico City) and possibly Asia where the results of the field tests and lessons learned from these initial pilot experiences will be shared (October / November)
4. Presentation of the collective results and lessons learned from the field tests to the second JV meeting (November / December), the next Meeting of the Heads of Procurement of the MDBs (London - November) and the next meetings of the JV-PFM, the JV-MPD and the WP-EFF.

Issues for discussion

1. What are Members views on implementing either a demanding internationally accepted set of criteria for the four scales of performance as required by the Paris Declaration immediately vs. implementing a more flexible internationally accepted and appropriate set of criteria based on each country's context and over an agreed timeframe?
2. Are members planning on participating actively in the field tests and the regional meetings?
3. Do members have concrete suggestions on how the link between the results of the assessments and the resulting capacity development plan can be strengthened at the country level?

ANNEX – KEY OUTPUTS OF THE WORK PLAN (2006 – 2008)

PROCUREMENT	
OUTPUTS/ACTIVITIES	TIMETABLE
C1 – Strengthen and facilitate the use of the common benchmarking tool	
C1.1 – Improve and revise the guidelines and methodology for a scoring process using the benchmarking tool.	Mid- 2006
C1.2 – Improve and revise the guidelines and methodology for a benchmarking process using the tool.	Mid-2006
C1.3 – Develop an on-line version of the tool for benchmarking in liaison with the JV-MPD	End-2006
C2 – Support efforts by countries to improve their procurement systems	
C2.1 – collaborate in organizing regional workshops in order to:	
i) Expand number of participating countries	2006
ii) Monitor the use of and progress regarding benchmarking tools, indicators and capacity building at country level	2007/2008
C3 - Contribute to the work of the JV MPD by establishing the required methodology for indicators 2b and 5b	
Output to be determined in consultation with the JV MPD	
C4 –Develop a framework for performance measurement that will help countries in managing procurement systems	2006-2008