

DRAFT SUMMARY –
FIRST MEETING OF THE OECD/DAC TASK FORCE ON PROCUREMENT

May 3 – 5, 2010

Nairobi, Republic of Kenya

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Agenda item 2: The Government of Kenya opens meeting, Co-Chairs welcome participants

Dr. Ludeki Chweya, Permanent Secretary of the Office of the Vice President of Kenya, the Hon. Stephene Kalonzo Musyoka, officially opened the meeting. Dr. Chweya stressed the importance of public procurement in Kenya and its link to getting greater value for money. Meeting participants included 110 participants from 26 partner countries, eight OECD countries and organizations, eight multilateral institutions and four civil society organizations.

Ruby Alvarez, Co-Chair from the Philippines, and Pamela Bigart, the outgoing Co-Chair from the World Bank, welcomed participants to the first meeting of the Task Force. The TF was established in 2009 following the Third High Level Forum on Aid Effectiveness in Accra in Sept., 2008, to replace the Joint Venture on Procurement. The last meeting of the Joint Venture was in Arusha, Tanzania, in May 2008. Pam, who has been a leader of the original procurement forum, the OECD-World Bank Round Table on Procurement Capacity Development, the Joint Venture and the current Task Force, expressed her deep satisfaction with the work produced by these groups, the growing pool of knowledge and experiences shared and the lasting professional relationships established. Ruby thanked Pam for her long commitment and dedication to supporting the work of the Round Table, the Joint Venture and now the Task Force.

Agenda items 3 and 5: Introduction of the new Co-Chair and presentation of the draft meeting program for approval

Ruby introduced the new Co-Chair, Enzo de Laurentiis, Regional Procurement Manager for Latin America and the Caribbean of the World Bank. Enzo has been associated with the Joint Venture and with the Task Force. Enzo expressed his enthusiasm concerning this assignment and looked forward to the completion of the Task Force work plan as a key input to the Fourth High Level Forum to take place in December 2011.

The Co-Chairs outlined the draft program for the meeting, with special emphasis on the four sub-groups, which are intended to provide an opportunity for discussions and the sharing of experiences by all participants.

Micheal Lawrance, Procurement Advisor to the OECD/DAC Secretariat, explained to participants that Brenda Killen, Head of the Aid Effectiveness Division of the OECD/DAC Secretariat, would be joining the meeting by teleconference (she was unable to attend in person due to emergency discussions at the DAC on the aid effectiveness budget). The presentation by Brenda Killen was postponed until the morning of May 3 until the morning of May 5 because of program timing problems during the morning.

Agenda item 6: Preparation for the sub-group and plenary discussions on Day 3 on “The Future of the Task Force after the HLF at Seoul”

The Co-Chairs proposed to participants that there would be an opportunity on May 5 for a discussion on the future of the Task Force and its mandate and objectives. Participants were encouraged to reflect upon this issue during the next two days.

Agenda 7: Presentation of the Government of Kenya of its procurement reform program

Maurice Jumna, a/Director General of the Kenyan Public Procurement Oversight Authority (PPOA), shared with meeting participants the objectives and status of the Kenyan public procurement reform program:

- a) Procurement reforms – The WB CPAR (1997) identified several weaknesses: an ineffective public financial management system, poor service delivery, and a lack of a transparent legal framework. To address these and other weaknesses, the Public Procurement Reform Program was initiated in 1998.
- b) Results of reforms – Public procurement regulations were issued in 2001. The effect included the abolition of the Central Tender Board and the establishment of ministerial tender committees.
- c) Limitations of the new regulations – The new regulations could not control buying at inflated prices, the lack of a fair and transparent competition environment, poor records and documentation practices and continuing excessive delays throughout the procurement process.
- d) Public Procurement and Disposal Act (2005) – This new law was intended to address the major limitations of the regulations and included a strong legal framework and a strategic focus on the professionalization of the procurement function.
- e) The regulators – Following the implementation of the law in 2006, the following oversight bodies were put in place: the Public Procurement Administrative Review Board (PPARB), the Public Procurement Oversight Advisory Board (PPOAB) and the Public Procurement Oversight Authority (PPOA).
- f) Progress and results – A capacity development strategy is in place along with a Trainers' Manual. Staff has been trained from the oversight bodies, procurement entities and other Kenyan stakeholders. Awareness-raising workshops have been held for 7000 stakeholders. Compliance achievements include procurement assessments have been held in 63 procurement entities during 2007 – 09. A procurement audit/review manual has been developed and tested – 14 procurement audits have been undertaken using this manual. An Internal Procurement Performance Monitoring Tool has been developed and piloted in 23 entities. Under e-procurement, a tenders website has been set up, an e-procurement strategy is in place, ICT capacity is being built by equipment acquisitions for procurement entities. From the policy perspective, the Supplies Management Practitioners Act was implemented in 2007 and the Public-Private Partnerships Regulations were implemented in 2009, Standard Bidding Documents are standard throughout the country and the General Procurement Manual, the Records Manual, Framework Contracting Guidelines and six sector-specific procurement manuals are all in place. Finally, research is being undertaken on market price indexes and on the impact of the 2005 law on profit-oriented public enterprises.
- g) The way forward – The future includes awareness-raising activities on the procurement law and e-procurement, e-learning approaches will be introduced, the push on building capacity across public procurement will increase, the use of compliance tools like assessments and audits will be pursued, performance of

entities and the system will be measured and steps taken to improve, judges are to be offered awareness-raising about public procurement issues and there will be further use of the OECD/DAC assessment methodology to measure and improve capacity and performance. Responsibilities of the PPOA and the PPARB will be decentralized.

Agenda item 8: Introduction of the thematic sub-groups and the optional session on the Monitoring Survey of the Paris Declaration

The Co-Chairs referred participants to the annex of the program where the four sub-group themes, sub-themes and the responsible sub-group leaders are indicated. The themes consist of re-grouped themes of the Task Force work plan. The sub-group leaders will introduce the main issues around these themes. In several sub-groups, draft notes prepared for the work plan will be introduced as a way to help orient the discussions and to solicit comments and suggestions from participants. Input from the sub-groups will assist in advancing and finalizing the work plan outputs following the meeting. (The quarterly update of the work plan will be circulated to participants shortly after the Task Force meeting.) Participants were invited to self-select their sub-groups. Each sub-group was asked to make a summary presentation to the plenary on May 4.

Micheal Lawrance, Procurement Advisor to the OECD-DAC Secretariat, advised interested partner and donor country participants about the voluntary session on the morning of May 4 concerning the 2011 Monitoring Survey for the Paris Declaration. The responsible analyst from the DAC Secretariat in Paris will be phoning in to the meeting to outline the time lines and the key milestones of the survey.

Agenda item 9: Day 1 (afternoon) and item 11: Day 2 (morning) sub-group discussions and items 12 and 13: Day 2, plenary presentations by the sub-groups

- a) **Sub-group 1: Key Actors of Change and Reform** was chaired by Robert Hyland (DFID) and Robert Hunja (WBI); the other sub-group leader, Ramadhan Mlinga of Tanzania was not able to attend the Task Force meeting to present his draft Guidance Note on government engagement with the private sector because of urgent government business. Robert Hyland introduced the sub-theme of political economy analysis; Odd-Helge Fjeldstad of the Michelsen Institute in Norway made a presentation that proposed a definition for political economy analysis and argued the relevance of such analysis to the design and implementation of procurement reforms. Knowledge is produced and shared on the power structure, interests and incentives of the key actors in society, how policy outcomes are produced and on the impact of values and ideas on political decision-making and public policy. During the discussion, participants asked what are the entry points for a country-level dialog on political economy? What could be the sources of empirical data to support the analysis? To several participants, political economy analysis could be particularly useful for work in fragile and conflict-affected states. Robert Hyland proposed that the next steps in the work to produce a Guidance Note would be to complete a literature review (including case studies) and to then circulate a draft Guidance Note for field-testing and comments.

Robert Hunja (WBI) introduced the sub-theme of civil society as a monitor and advocate in public procurement. Marcela Roza of Transparency International

outlined the work of TI in anti-corruption and procurement monitoring in partner country procurement systems around the world. During the discussion, participants noted that budget analysis by civil society has led to the need for improved access to information to undertake procurement monitoring. There appear to be close links between public finances and growing interest in social accountability. There exists widespread skepticism about the capacity of civil society organizations. Robert Hunja noted the establishment of new offices of the Affiliated Network on Social Accountability (ANSA) established in 2009 in South and South-East Asia in addition to the first office established in Africa.

- b) **Sub-group 2: Taking the Plunge - Use of Country Systems:** This sub-group meeting was chaired by Ruby Alvarez Co-Chair), Mogens Strunge Larsen (Denmark), Kirsten Jensen (UNDP) and Jeanmarie Meyer (USA).

Bangladesh Case Study

The session opened with a country case study of Bangladesh and Denmark. Amulya Kumar Debnath, DG of the Central Procurement Technical Unit, Ministry of Finance, presented the case with support from Mogens Strunge Larsen of Denmark and Kirsten Jensen of the UN Procurement Capacity Development Center. In 2009, as part of their commitment under the Accra Agenda for Action regarding the use of country systems, Denmark and Bangladesh initiated a process to align Danish support with the national institutions and systems in Bangladesh, including the procurement system. As they move forward in the process, both parties are learning that the challenges are huge. While some of the issues may be specific to the two parties, their experiences thus far offer some lessons learned for other working on alignment strategies. Key lessons learned are:

- Capacity development is needed at both the development partner and the partner country level and at the individual and organizational level,
- The partner country needs to drive the process,
- There is a need to align efforts with reform in other areas of the public finance management system, such as audit.

Building upon the Bangladesh experience, participants broke out into five smaller discussion groups to discuss three questions: (1) What does it mean to “use” country procurement systems? (2) What (good) stories can you share where donors have used country procurement systems (or elements)? (3) What are the challenges you faced which affect the different entry points with regard to use of country systems for procurement?

The key messages reported out of the discussion groups were:

- There is no universally accepted definition of the “use of country procurement systems”. It was proposed that the use of country procurement systems should be the “pure” form only. This means using the country’s laws, regulations and guidelines and local institutions and staff without condition and not involving a variety of safeguards (“shades of grey”). Attempting to implement a hybrid of country and donor systems causes mass confusion and serious delays.
- Realistically, the “all or nothing” definition is not likely to be feasible for most development partners in most situations. Rather, development partners will likely continue to pick and choose those aspects of the country system with which they

are comfortable and where the risk can be managed. Many development partners have legal restrictions (such as prohibited sources or firms from certain countries) that conflict with those of the development partner procurement system making impossible the unconditional use of a partner country procurement system,

- The continuing perception of development partners that there is corruption and excessive inefficiency in country procurement systems,
- Development partners are not willing to “let go” of the convenience and security of their own procurement practices,
- Partner countries themselves lack confidence in their own procurement systems,
- There is a lack of harmonization between development partner procurement systems and differing levels of acceptable risk between development partners send many mixed messages,
- With procurement, “the devil is in the detail”. For example: Domestic preferences are a common feature of many country procurement systems, yet this is inconsistent with the notion of “untied aid.” If the firms from the development partner country are not given preferences, it is difficult to permit preferences for the local firm of the development partner. Development partners also fear the use of specifications and expenditures in excess of the needs of a project that can cause problems with their own stakeholders.

On the positive side, undertaking joint assessments and sharing information have helped improve trust and confidence levels.

c) **Sub-group 3: Through Regional Lenses – Performance Measurement and Promoting Good Procurement:** During the sub-group meeting, a number of Latin American participants shared lessons and experiences on the application of the OECD/DAC assessment methodology:

- I. Jorge Luis Gonzalez of INCOP (Instituto Nacional de Contrataciones Publicas) of Ecuador explained there existed before the application of the methodology the need to establish a rational, common public procurement system in order to harmonize the policies and practices in public procurement. The results of the assessment helped Ecuador in this direction.
- II. Carlos Oviedo of the Direccion de Compras Publicas of El Salvador informed the sub-group that El Salvador is currently completing an assessment of the national procurement system with the technical assistance of the WB and the IADB.
- III. Gonzalo Suarez-Beltran, consultant for DNP (Departamento Nacional de Planeacion) of Colombia reported that the OECD/DAC methodology was used to assess the public procurement system in order to determine areas of strength and weakness and to generate information with which to monitor overall performance. In addition, an objective was to actively engage with Colombian stakeholders in planning and carrying out the assessment.
- IV. Ricardo Salazar Chavez, Executive president of OSCE (Organismo Supervisor de las Contrataciones del Estado) provided a summary of Peru’s recent experience in applying the OECD/DAC methodology at the levels of national and state enterprises. OSCE was satisfied with the overall results and with the high standards and the rigor of the ratings. Opportunities for

improvements were identified and clear Action Plans formulated. The upcoming assessment will focus at the levels of the national and regional governments.

- V. Juan Max Rejalaja Quinonez, Director of DNCP (Dirección Nacional de Contrataciones Públicas) reported on Paraguay's application of the methodology in 2008. Vulnerable sectors in the national public procurement system were identified, such as operational capacity, integrity and transparency. The resulting Action Plans include the development of procurement training programs, the establishment of a formal dialog with the private sector and the introduction of a Code of Ethics. Juan max also offered a couple of suggestions for improvements to the methodology: several BLIs need to include more flexibility to recognize country context and the approach to scoring rating should be less rigid.

Omar Tiwana, ADB, observed in his regional overview that while procurement reform in Asia is important, the banks and donors finance only 1 – 3% of the GDP in Asia- Pacific. Developing countries have shown they are following their own timing and setting their own pace. Dialog and partnership are building bridges to strategic change; strong political leadership and strong civil society institutions are essential in demanding transparent, fair and efficient public procurement.

Enzo de Laurentiis, Regional Procurement Manager for the World Bank in Latin America and the Caribbean and the new Task Force Co-Chair, presented some of his thoughts about the practice of procurement modernization and the evolving complexity surrounding government procurement. The goal for procurement is changing from conformity to performance and is shaping the “second generation” of reforms. In this context, value-for-money is both a tool and an approach to enable performance-based government procurement.

Enzo added that systems that are focused on both qualitative (e.g. competitive procurement, strong capacity and good planning) and quantitative aspects (prices paid, efficient processes, quality and customer satisfaction) of value for money and that utilize technology in a strategic way also typically achieve better compliance and greater transparency. As a result, better tools can be developed to identify and prevent corrupt practices.

Victor Hugo Escala, Procurement Specialist of the Inter-American Development Bank, presented a comparative vision of the Latin America procurement legislation and the existence of procurement chapters in many Free Trade Agreements in the region that can be helpful to identify key and common aspects and, eventually, develop a line across the procurements systems for the LA countries.

In Omar's summary of the sub-group's discussions to the plenary, he presented the following key issues:

- I. Value-for-money: what drives this, how can countries “leap frog” from compliance to performance approaches and what tools are needed to drive this approach?

- II. Transparency: what mechanisms can be used to promote transparency, how is civil society engaged and what is the effect of clarity and simplicity on transparency?
- III. Efficiency: How do countries accelerate the procurement process, how is accurate budgeting promoted and what is the benefit of an integrated procurement planning process?
- IV. Effectiveness: What are some ways to promote competitive bidding, obtaining reasonable reference prices, using reverse auctions, using e-procurement and obtaining relevant and accurate data to measure this?
- V. Country reform context: How to focus and sequence reforms, how to mobilize civil society and the private sector in reforms? How to increase the profile of value-for-money and performance in public procurement?

Areas to explore in the future include:

- I. A global e-network linking public procurement officials and private sector organizations
 - II. Focused exchanges of experiences in specific areas
 - III. Showcase the knowledge and experience of regions and sub-regions
 - IV. Make use of Task Force sub-group groups working on specific issues
- d) **Sub-group 4: Reform in Small, Fragile and Post-conflict States** – Pam Bigart (WB), Matthew Fehre (AusAID) and Kirsten Jensen (UN/PCDC) led the sub-group discussions. A draft Guidance Note has been prepared in advance for comment and debate on the application of the OECD/DAC MAP in countries with special or unique governance conditions. The sub-group discussion was oriented around several questions:
- I. Have countries had difficulties in applying certain indicators?
 - 1. Application of MAPS may require the collection of data from implementing entities and not just the central government
 - 2. MAPS does not focus on implementation and the results may be misleading
 - 3. Some countries feel that MAPS did not recognize country context enough.
 - 4. Some countries also felt that MAPS “penalized” their overall scoring outcome by including indicators that deal with governance functions outside their control eg timely payment.

Sub-group discussions included the following points:

- II. Timely payment:
 - 1. An issue for all countries.
 - 2. Budget and cash management issues affect procurement.
 - 3. Suggestions included: no certified funds – no contract, IFMIS systems to link budget, cash flow management to procurement, better procurement planning and monitor performance to pin point issues or individuals that contribute and then address the performance issue.
- III. Other MAPS issues:
 - 1. For several countries, the 54 sub-indicators may be too complex and overly comprehensive for small countries – this number could possibly be simplified by being reduced to the “key” sub-indicators.
 - 2. MAPS may not clearly recognize the value and impact of new technology/e-procurement on public procurement

3. Procurement oversight in small countries (or in larger countries) does not necessarily have to be in an independent entity. This responsibility is often located in the Ministry of Finance or a General Services Department.

4. Countries also pointed out that procurement bodies are still part of Government, are dependent on government financing and are required to report back to Government. So-called independence has to be seen in the context of functional responsibilities and authorities.

IV. Centralization vs. decentralization

1. MAPS possibly has a bias towards a decentralized system – if true, this could cause problems in a small, fragile or post conflict environment

2. Some large economies function well in a centralized system eg Korea.

3. Burundi has a mixed system that involves a Directorate that provides reviews, no-objections and key clearances for implementing agencies.

V. Capacity development and training

1. MAPS has set a high standard that may be too difficult (or perhaps less necessary) for small countries.

2. Afghanistan's experience involved initially using external consultants but has evolved into a more sustainable approach. It has enabled a transition from using external resources to relying on government capacity to train and build capacity under partnership within the public service.

VI. Other comments

1. MAPS is a neutral tool that identifies gaps and appropriate strategies in addressing shortcomings in small, fragile and post-conflict situations.

2. Post-conflict countries encounter special circumstances such as political pressure, weak support systems and a need to 'fast track' virtually everything – here, procurement is seen as an emergency.

Pam added in her summary presentation to the plenary meeting that additional feedback on the draft Guidance Note will be sought after the meeting with a particular interest in more country level experiences and country case studies examples. A new draft Note will be produced from this additional input and be made available for comment by Task Force members.

Agenda item 10: Optional session on the 2011 Monitoring Survey of the Paris Declaration

Background. 55 partner countries participated in the 2008 Monitoring Survey. This broader participation meant that the findings of the 2008 Survey were based on more reliable and representative data than the earlier survey in 2006; for example, for the first time country data from 17 countries was included under Indicator 2b – Strengthening Country Procurement Systems. It is hoped that these 17 countries will again participate in this survey and that additional countries will take advantage of this exercise to benchmark their procurement system against future improvements. The other important indicator from the procurement perspective is Indicator 5b – the Use of Country Procurement Systems by development partners and donor countries. As not all Task Force participants are directly involved in the Paris Declaration exercise, this session was presented as an option for interested partner country and development partner/donor country participants.

Session. 35 partner and donor participants attended the session, which involved a telephone connection from the OECD/DAC Secretariat office in Paris. Robin Ogilvy, Policy Analyst in the Aid Effectiveness Division and a member of the 2011 Monitoring Survey team, presented by telephone an overview of the objectives and the process by which the final report will be completed before the Fourth High level Forum in Seoul in December 2011. Of particular interest to the session participants was the news about regional awareness raising and discussion workshops. This will be of great use for those who have already participated in the 2008 survey but especially so for those contemplating to participate for the first time. Robin finished his presentation by urging development partners and donor country reps to again actively support the survey exercise and to report against Indicator 5b and for additional partner countries to participate in reporting against Indicator 2b. He added that the Task Force could be a very effective channel of communication concerning regional workshops from the survey team in Paris to members and also from members back to Paris concerning clarifications and suggestions.

There was time for questions from two participants:

- a) Indonesian participant: Are public financial systems to be assessed and included in the survey? Yes – Indicator 2a refers to strengthening public financial systems and Indicator 5b refers to the donor use of country financial systems.

Are donors involved in the survey? Yes - the local representatives of banks, the UN system and OECD donor countries are asked to complete their own questionnaires. These questionnaires are combined by the partner country coordinator with the partner's own input and the two inputs are sent to the OECD. The intent is for the two partners to have a serious and useful dialog on the respective answers to the questionnaire.

- b) Kenyan participant: Are regional associations or bodies involved in the survey? No – the capacity of national procurement systems (which includes assessments of laws and regulations that are compared to internationally accepted benchmarks and standards).

A suggestion – local procurement professionals can be more effectively engaged in the survey process by being asked to comment on specific survey issues by means of the Task Force.

Agenda item 4: Presentation by Brenda Killen, Head of Aid Effectiveness Division, OECD/DAC Secretariat, Paris

Brenda was not able to connect on Monday because of delays in officially opening the meeting but joined the meeting on Wednesday morning via telephone. Brenda's remarks covered the overall aid effectiveness context, progress in promoting the strengthening and use of country systems, the status of recent Country Systems Initiatives in Africa, the key role of the Task Force on Procurement and the future of the Task Force after the High Level Forum in Seoul in 2011.

Brenda summarized the following key messages on aid effectiveness:

- Global ODA is now USD120B: value-for-money is the theme
- Aid effectiveness is about making aid make a real difference through ownership, accountability and results
- All development actors must be engaged: donor and partner countries, development partners, civil society, parliaments, the private sector and the media

Partner countries shared their priority issues in Dec. 2009 with the OECD/DAC Secretariat; these priorities include alignment to country systems, procedures and development policies, donor harmonization and capacity development.

The OECD/DAC Global Partnership on Country Systems was created following the High Level Forum in Accra in 2008. It is co-chaired by the USA and Ghana and draws on the work of the Task Forces on Procurement and Public Financial Management. In response to partner country requests for political and technical support to take action on the opportunities and constraints regarding strengthening and using country systems, the Global Partnership has supported three Country Systems Initiatives in Ghana, Malawi and recently in Mali. Phase I of the Initiative involves a dialog between the Government and its ministries and civil society and with donors and development partners to identify the constraints and opportunities in strengthening and using country systems. Phase II, about to start in Ghana, involves the Government and its stakeholders discussing concrete steps to reduce bottlenecks. Phase III will involve implementing these concrete steps.

Concerning useful roles for the Task Force on Procurement, Brenda suggested the following for consideration:

- Continue to support procurement capacity development
- Provide an open forum for discussing and exchanging views on the challenges to strengthening reliable, corruption-free procurement systems and using them
- Providing support to the Phase II of Country Systems Initiatives that involve procurement
- Providing a forum for OECD and non-OECD countries to discuss experiences and lessons learned in procurement reforms

Agenda item 15: Sub-group discussions on the future of the Task Force after the HLF at Seoul in 2011

Meeting participants were divided into two sub-groups: one for partner countries and one for development partners and donor countries. Ruby chaired the partners' discussion and Enzo the discussion of the development partners and donors. As each sub-group was a private discussion amongst peers, only the comments are reproduced, not the name or nationality of the speaker.

a) Partners' sub-group

Ruby asked Micheal to begin with a brief summary of the history of the forum from the beginning of the OECD-DAC/World Bank Round Table on Procurement Capacity Development in 2003 and 2004 (which produced four Good Practice Papers), through the OECD/DAC Joint Venture on Procurement from 2005 – 2008 (which developed the OECD/DAC assessment methodology) and the OECD/DAC Task Force on Procurement from 2009 to the present.

Ruby asked participants two questions: how has the Task Force helped you as a procurement practitioner / as an advocate for the use of country systems?

How can the Task Force help you in the future as a procurement practitioner / as an advocate for the use of country systems?

- I. Comment 1. We need the OECD and the Task Force to assist in the communications about excessive loan conditions between local authorities and the staff of the WB and the ADB. The Task Force works at a high level – it needs to be at the ground level, not the policy level, giving day-to-day support.
- II. Comment 2. In the past, the Good Practice Paper on capacity development was very useful. The Task Force links partners to donors, has assisted in improving communications and with the participation in the 2008 monitoring survey. We look forward for more help from the Task Force in the future.
In the future, more complex and strategic procurement is coming. The TF could continue to help with assessments and could assist with e-procurement and modernization. The new mix of TF participants of donors, partner countries, civil society and development banks will provide a rich exchange of views. We need to do more work on measuring performance and better use of information technology. Sharing experience from other regions will be a precious assistance.
- III. Comment 3. In the past, we have had a positive view of the task Force. As a practitioner, I have appreciated the tools developed for assessments and also the shared global lessons.
The TF should add pressure on donors to begin using systems. Progress by the WB and the donors has to speed up. For example, we need to be regularly informed of the status of the WB UCS Project and the policy of the AfDB concerning the use of systems. Donors act separately. The TF could hire a consultant to identify the common aspects of the donors' policies on the use of systems and to regularly update TF members on the status. The purpose of using systems is more than for donors – resources could be brought into the country to build roads, create transparency, support small and medium companies and enhance social accountability by the population.
- IV. Comment 4. We have experience in sharing assessment comparisons with others in the region. The MAPS is a powerful methodology. Our view of the history of the Task Force is very favorable.
Concerning the future, there is already a network in place in Latin America; over the past six years, a network of institutions links experiences and facilitated the exchange of knowledge and joint work. The TF annual meeting would be an annual review and discussion of issues. If we can agree on the idea of a global Forum, we can continue to share ideas with regional networks that can develop work for the global TF work plan. The TF is free from political interference.
- V. Comment 5. The Task Force has helped us. The MAPS experience fed directly into our reform programs. The capacity development tools and shared knowledge have helped a lot.
For the future, we suggest supporting regional networks with regional leaders that meet every six months. Such networks could feed regional issues and analysis into the global TF. If each country can send only two representatives to the RF meeting, could all previous participants be retained on the distribution list to keep current with events and shared experiences. The TF should continue to support capacity development tools and also keep the pressure on donors to maintain support.
There should be better sharing of adaptations and modifications to the MAPS and the way it is applied in different situations. All countries should be encouraged to use the MAPS and the various ways the results are being used should be documented and shared. Assessments should be used to classify

- areas in need of improvement and the various ways used to address them/ country. Assessments should categorize countries /needs. The TF should also work towards the professionalization of procurement. Procurement units are not valued; mainstreaming is needed. A tool for improving performance and compliance is needed.
- VI. Comment 6. This is a forum for sharing and communicating experiences. It helps our discussions at home: we learn how other countries approach reforms. It is in this forum where donors and partners share and learn together and share views. Yesterday we heard from Afghanistan about building institutions. We learn more about the Paris Declaration process and commitments. As an advocate of using country systems, the forum is helpful to communicate and share views. We have strongly supported the forum in the past. In the future, we need a strong global network with a strong, easily accessible website. We need to shape our donors' agendas and align their policies to our country systems in accordance with the Paris commitments. There are conflicts between the practices of the WB and the ADB that the TF could referee and help harmonize. The TF could also monitor the status of the use of country systems and report to the TF. What are the structure and the composition of the TF? A set of TORs is needed – it is currently too ad hoc. It needs a legal status to force donors and partners to accept the recommendations of the TF. We need to include local focal points. These focal points could summarize and share information about relevant local meetings or papers on procurement reforms in a newsletter.
- VII. Comment 7. As a practitioner, we need help from the OECD to resist political interference.
- VIII. Comment 8. We have not participated in many meetings but we have benefited: we learned about internationally accepted standards, we have listened to experiences and lessons from others. As a practitioner, we learned much from participating in sub-group discussions. We now want to use MAPS but we have limited knowledge about its use. We look forward to gaining knowledge and examples of other experiences at future meetings and exchanges.
- IX. Comment 9. We joined in 2006. Our country did our first assessment using the MAPS using the recommended approach of a systematic review. The country ownership of the tool is important, involving the stakeholders brings credibility. There has been a lot of talk by donors but little action. The meeting at Arusha involved a lot of talk, as well. During the past two years since Arusha, the Task Force didn't do much to force donors to use country systems. We agree this is a good place to share and learn with regions like Latin America. The TF is a unique forum for both donors and partner countries – how can we leverage this resource? An open discussion can support partner country reforms. This means a clear goal for the “new” TF: provide support to partner reforms that include targets and dates. The TF should be able to advise on how to reach these targets. We agree that consultants should be hired to provide assistance in applying the MAPS in specific contexts.
- X. Comment 10. Benefits from using the MAPS include identifying strong and weak points in the system. This allowed the preparation of an Action Plan to improve the Paris Declaration aspects of our cooperation. It demonstrated our country system was basically good and comparable to others in the region. We are not donor-dependent for finances and we are already using procurement practices of the WB and IADB.

- XI. Comment 11. In addition to knowledge-sharing, our participation in the Task Force has had a positive impact on national reforms. We are pushing to improve and comply with international standards and the Paris agenda. We think donors have also benefited by hearing first hand the views of partner countries. Funding of participation in Task Force meetings should be assured and not last minute.
- XII. Comment 12. We appreciate the invitation to this meeting and we look forward doing our first assessment. As we explained in the sub-group discussion on fragile states, we feel the MAPS needs some modifications in fragile/small state situations.
- XIII. Comment 13. We used MAPS to evaluate our system. We were able to identify results with our senior authorities to show how we comply with international standards and that consistency in approach and new lessons are shared with others.
- XIV. Comment 14 Continue the focus on capacity building. The emphasis should be on reducing prior controls and shortening delays in the procurement process. We will need more help in changes to our procurement system with the help of the MAPS.
- XV. Comment 15. This is my first TF meeting. I expect the TF will work toward the professionalization of procurement with certification and a set of common standards as practioners.

b) Development partners' and donors' sub-group:

Enzo chaired the discussions. The key questions discussed were: (1) what is the added value of the Task Force to the Partner Countries? (2) What are its key objectives? and (3) Should it continue to exist after the Seoul HLF and, if so, in what form?

- I. Development partners and donor countries agreed that there is significant added value, which goes beyond the objectives of the Paris Declaration and aid effectiveness. This value is driven by the partner clients' demand for capacity building and modernization of public sector procurement to facilitate implementation of government economic and social development plans, to improve the quality of public expenditures and to strengthen public sector governance. Both partner countries and development partners/donor countries operate in a broader context of development effectiveness and, therefore, see the overall mandate of the Task Force in this context. Clearly, the immediate objectives of the Task Force include contributing to monitoring of the targets and commitments set by the Paris Declaration. Progress with respect to the target set on the increased use of country procurement systems has been limited, This is due, among other factors, by the need to implement complex, multi-year reforms in most partner countries, to strengthen country systems and to harmonize the different policies on the use of country systems amongst development partners and donor countries. However, there is consensus that the Task Force and its predecessors, the Joint Venture on Procurement and the OECD/World bank Round Table contributed to significant progress over the past several years to strengthening these systems. While further progress is needed, there are many successful examples of ongoing reforms in countries around the world, which have benefitted from the work of the Task Force. In addition, there

have been parallel efforts within its diverse and comprehensive membership, which were strongly influenced by or set in motion by the Task Force. The key value of this work is directly linked to its core product: the benchmarking tool.

- II. Development partners and donor countries agreed that selectivity is critical going forward and that the task force should focus on improving the tool and developing a new generation of indicators to measure performance of procurement systems (i.e. systems outcomes in terms of value for money, efficiency, quality and service delivery).
- III. Development Partners also agreed that the OECD is the logical umbrella under which to continue this work, but that the working group should link more directly with other parts of the organization and not focus exclusively on aid effectiveness.
- IV. Partner countries should take more active leadership represented by their national procurement authorities, which, ideally, would establish a formal network to share experiences, work together on strategies to solve common problems, and possibly elect regional representatives to serve on the Task Force. Development partner and donor country representatives would continue to work closely with the partner countries through the Task Force. Although the networks and new Task Force could operate with a skeletal secretariat, additional resources would clearly be required for its operation and to produce new or improved tools.
- V. Omar Tiwana, ADB, seconded the creation of an online 'Global Procurement Network' (as suggested by Ricardo Salazar from Peru), housed perhaps at UNDP's PCDC site, that would bring together on one integrated IT platform various PPAs from Latin American, Africa and Asia and donor countries-- ADB would be open to consider funding the Asian part of this initiative.
- VI. Omar also suggested the Task Force produce an annual OECD Directory of 'Leading Procurement Indicators' (something akin to OECD's publication of 'Leading Economic Indicators') that would highlight, for each OECD and also non-OECD developing countries, basic procurement data to measure the 'health' of a given country's procurement (eg. public procurement expenditure as a percentage of GDP, percentage of public procurement undertaken through direct (or negotiated procurement) compared to competitive bidding, value, number and percentage of ICB used, NCB used, other forms of procurement (eg. shopping), number of bid protests, budget (quantum and funding source) and staffing for public procurement agencies, public procurement training institutes, etc). Over time, this could become an authoritative profile of any given country's procurement regime. ADB would be open, if in partnership with other interested donors, in exploring some contribution to fund this type of initiative.

Agenda item 16: De-brief in plenary of the partner and development partner/donor sub-group discussions on the future of the Task Force

Ruby presented a summary of the discussion in the partner sub-group. The benefits that several partners noted in particular were:

- a) The assessment methodology: this has been useful in reinforcing ownership over the inputs in strengthening the procurement systems; it gives confidence to

- partners when speaking to donors and is helpful within the partner country to inform higher authorities.
- b) Sharing experiences amongst partner countries, between donor and partner practitioners and within a forum of change (ie that can bring pressure to bear on donors).
 - c) The forum serves as a link between partner countries and the donor community that can clarify donor expectations of country systems and that can promote good reform programs.

Regarding the future of the Task Force, a number of the partner countries had the following views:

- a) Ensure financial support and ongoing information sharing amongst participants at successive meetings. Keep all participants on the Task Force distribution list even if only two can participate at each meeting.
- b) Regarding the MAPS, develop and refine the performance and compliance indicators.
- c) Continue to reach out and include new countries in using the MAPS as the common assessment tool.
- d) Establish the Task Force as a global network linked to regional networks via a strong central website.
- e) Include new issues for the reform agenda as a result of an increasingly complex public procurement environment.
- f) The Task Force should have a role in harmonizing the alignment of donor policies eg contracting a consultant to identify the common aspects of what donors can accept.
- g) The Task Force should have a role in promoting the professionalization of the procurement specialists and in a Code of Ethics.
- h) The Task Force should provide a push to donors to use country systems.
- i) The Task Force should act as a referee in disputes between partner countries and development partners/donors.

Enzo summarized the similar discussion held between development partners and donor countries with the following points raised by a number of participants:

- a) In general, the overall sense of the usefulness of the forum/Task Force is close to the views of the partner countries.
- b) The value of the Task Force is beyond that of only supporting aid effectiveness – we cannot afford to lose this resource.
- c) The Task Force needs to be selective and not to become dispersed over too many work activities.
- d) The Task Force needs to continue to focus on improving the MAPS.

Regarding the future of the Task Force, development partners and donor countries felt:

- a) The Task Force should be a global network but with a formalized structure and mandate. Resource will be an important factor. A user-friendly website is essential with complete, easy access to documents, lessons, completed assessment reports; it should be country-led and focused on the needs of partner countries, supported appropriately by donors.
- b) The Task Force should raise the level of recognition and professionalization of procurement as a strategic policy function of government.
- c) The Task Force should promote and ensure links to other essential parts of government eg anti-corruption agencies and public financial management. The

- Task Force should help to strengthen the profile and recognition of the procurement function.
- d) Where to house the Task Force? We need some sort of link to the OECD. The Task Force has to remain a conveyer of messages to donors and partners and a focal point of sharing strategic knowledge.
 - e) The next phase of work should include improving the performance of a strengthened system.

Agenda item 17: Open discussion of the meeting's results, the way ahead and the Co-Chairs' concluding remarks

Marcela Rozo, Transparency International, and Collins Magalasi, African Forum and Network on Debt and Development (AFRODAD), urged the Task Force to involve non-state actors from civil society in future meetings as a way to promote multi-stakeholder consultations.

In his concluding remarks, Enzo pointed out that. In looking forward "post-Seoul", it was necessary to start focusing not simply on aid effectiveness and country systems, but on the need for meaningful, broader 'development effectiveness'. In that broader context, there is a need to look at promoting a second generation of reforms based on development effectiveness and aimed at improving procurement performance in national systems -- taking into account 'value for money', the need for strategic procurement planning and budgeting and the role and importance of the procurement function as distinct from the PFM function and anti-corruption initiatives.

Regarding the immediate follow-up steps, a draft summary will be prepared, translated and posted on the Task Force website for comments by participants. All meeting documents and presentations will also be posted, including translated sub-group summaries.