

Summary: Development Partners' Dialogue on Procurement, Brussels, June 30, 2015

Summary:

The Governance Global Practice (GGP) of the World Bank and the European Commission (EC) DEVCO co-organized a development partners' dialogue on the establishment of a Global Procurement Partnership (GPP) and a Procurement Multi-Donor Trust Fund (MDTF) on June 30, 2015 in Brussels, Belgium.

As a follow-up to the development partners' dialogue taken place in Manila in April, 2015, the Brussels meeting was a major consultation opportunity for development partners to discuss the technical elements and governance structure of the GPP and MDTF. Partners again endorsed the importance of strengthening country capacity and institutions to scale up efforts in public procurement reforms. They appreciated the World Bank's leadership in revitalizing the global partnership on this topic.

It was highlighted that procurement fits well into the theme of "Collect more, Spend better" that the EC has adopted in the run up to the Financing for Development meeting in Addis in July, 2015. In this context, the EC is committed to supporting the PPF and MDTF. Klaus Rudischhauser, Deputy DG of DEVCO delivered opening remarks and reiterated the EC's commitment in the initiative. Robert Hunja, Director of Public Integrity and Openness, GGP, World Bank, and Jose Correia-Nunes, Director for budget support and PFM at DG DEVCO, illustrated WB and EC's programmatic priorities, and Robert outlined the proposed technical and management components of the GPP and MDTF.

Jose indicated that Procurement, PFM, and Domestic Resource Mobilization are the three main building blocks of the flagship budget support and PFM programs undertaken by the EU. It was also noted that in the official EU working paper for the upcoming Financing for Development meeting in Addis, good procurement is highlighted as one of the 10 fundamental principles. It was evident that procurement reforms and capacity building in countries would contribute to the successful implementation of the sustainable development goals under the post-2015 framework.

Participants also endorsed the two pronged approach which would allow for the development of global public goods, as well as implementation of demand-driven, country-level programs. In particular, for those donor partners that have a more decentralized structure in programs and budgets (such as the EU and USAID), this global-country approach will enable them to directly provide global-level resources to develop global public goods and at the same time to coordinate with their delegations and country-based units to mobilize and leverage local funding to scale up implementation of these innovations.

Based on the current budget cycle, the EC plans to decide on the amount of their contribution to the MDTF between Oct and Dec this year, and other donors indicated that they will announce their contribution shortly after that.

To keep the momentum and to move things forward, the World Bank will follow up with the EU and with other donor agencies individually to prepare tailored action plans while also putting in place the process to formally launch the GPP.

Other Key Takeaways from the dialogues:

- **Engagement with the Private Sector**
 - It was agreed that the GPP will need to find ways to involve private sector players since private sector can be both a beneficiary of public procurement as well as potential contributors to the GPP/MDTF.
 - Private sector would be a key player in the value for money dialogue; programs related to private sector development could include early contract involvement, unsolicited proposals, market analysis, SME growth, and extractives industries, etc.
- **The role of Civil Society Organizations (CSOs):** The GPP should also consider CSOs' participation which may also include carrying out some of the country-led activities
- **Targeted Country Support**
 - The GPP and MDTF need to have clear structure that guarantees support for targeted country activities and possible earmarking with the agreement of all participants in the MDTF. The governance mechanism for global and country resource allocation should also be further elaborated.
- **Room for Innovation and Additional Programs**
 - **Sustainable Procurement:** This topic should be further expanded in the proposal, as government procurement can bring about significant positive social and environment impacts.
 - **PPP:** This is a critical topic in the post-2015 agenda.
 - **Sectoral and Context- Specific Programs:** Procurement is a cross-cutting theme; we should also encourage sectoral programs, such as in extractives, agriculture, health and infrastructure, or in specific context (e.g. FCV states)
- **Methodology for Assessment of Procurement Systems II**
 - MAPS II will be amongst the first of the global public goods sponsored by the proposed GPP and MDTF
 - One of the decisions from the Paris meeting was to establish a Secretariat to start the revision process for the methodology. OECD will issue the call for support for the Secretariat soon.
 - Donors like how PEFA was rolled out and would welcome a similar process for MAPS II
- **Further Building Support at Respective Agencies**
 - Some bilateral donors will still need to build support within their budget units.
 - Some may need to start preparing briefings for the next budget allocation window
- **Other possible partners to be included in the Partnership Council:**
 - UNDP, private sector, foundations

Participants' List:

1. Jun Jin, USAID
2. Diana Viljoen, Canada, DFATD
3. Henrike Hertz, Germany, BMZ
4. Inge Janssens, Belgium, BTC
5. Jean-Philippe Nadal, France, Expertise France
6. Marc Frilet, France, Institutes of Legal Experts
7. Jeroen Vlutters, the Netherlands, MFA
8. Alan Whaites, OECD
9. Tom Eriksen, Norway, MoFA
10. Matthew Fehre, Australia, DFAT (remote)
11. Monica Rubiolo, Switzerland, SECO (remote)
12. Jose Correia-Nunes, EC, DEVCO 03
13. Hubert Perr, EC DEVCO 03
14. Alessandro Villa, EC DEVCO A3
15. Bernd Wild EC NEAR A3
16. Robert Hunja, WB, GGP
17. Piet Van Heesewijk, WB, GGP
18. Asha Ayoung, WB, GGP
19. V. S. Krishnakumar, WB, GGP
20. Hiba Tahboub, WB, GGP
21. Kerina Biou Wang, WB, GGP
22. Matija Laco, WB, Brussels Office