

U4 Expert Answer



The Political Economy of Public Procurement Reform

Query:

Has anyone looked at Political Economy in relation to Procurement Reform/Capacity Building? A developing country focus would be of greater interest but any materials would be appreciated.

Purpose:

We are looking to feed into and improve the Capacity Development & Reform work of DAC Procurement Task Force. This research would help uncover any existing studies around procurement and support the development of a proposal for a joint study.

Content:

Part 1: Applying Political Economy Analysis to Procurement Reform

Part 2: What do Existing Studies say about the Political Economy of Procurement Reform?

Part 3: Further Reading

Summary:

As procurement reform has been traditionally seen as a technical and administrative process, there are very few studies focusing on its political economy dimension. With regard to procurement, political economy issues have been implicitly addressed as part of studies looking at public sector or governance reform more broadly. Yet, as procurement reform often meets major resistance from vested interests within society there is a growing recognition of the need to understand and address the underlying factors that may undermine political will for reform and more systematically analyse the effects of political incentives on the feasibility and sustainability of such reforms.

Part 1: Applying Political Economy Analysis to Procurement Reform

Public procurement is a major activity of governments that generates important financial flows and makes the State one of the largest economic actors in many developing countries. According to [OECD figures](http://www.oecd.org/dataoecd/35/58/37766795.pdf) (<http://www.oecd.org/dataoecd/35/58/37766795.pdf>), public procurement accounts for approximately 15 % of non OECD countries, representing as much as 70 % of government expenditures in countries such as Uganda.

Authored by: Marie Chêne, U4 Helpdesk, Transparency International, mchene@transparency.org

Reviewed by: Christiaan Poortman, Transparency International, cpoortman@transparency.org

Date: 16 June 2009

U4 Expert Answers provide targeted and timely anti-corruption expert advice to U4 partner agency staff

www.U4.no

(http://www.oecd.org/document/63/0,3343,en_2649_34487_1845951_1_1_1_1,00.html).

Public procurement is also traditionally one of the government sectors most vulnerable to corruption, due to its size, complexity and the sums of money at stake that provide both incentives and opportunities for corrupt behaviours.

Within this context, procurement reform is essentially about addressing corruption risks, with the view to reducing opportunities for public officials to solicit or accept bribes at the various stages of procurement processes as well as strengthening internal and external controls to ensure enforcement. Yet, as procurement reform usually affect the interests of well connected and organised groups in society, reform processes are likely to meet major opposition and resistance to change among the ruling elites. Against this background, emerging efforts to look at the political economy aspects of procurement constitute a promising trend to help understand the politics of change and address challenges and political barriers as they come up along the reform process.

Good Practice Framework for Political Economy Analysis¹

Lack of Studies Looking at the Political Economy of Procurement

Yet, in spite of the growing interest of donors to look into the political economy of anti-corruption reforms, very little analysis has been undertaken in practice to look more specifically at the political economy of procurement reforms. Political economy issues have been rarely included in procurement assessment reports such as the ones conducted by the World Bank, which tend to have a more legal or technical focus.

A more common approach has been to marginally or implicitly address the political economy dimension of procurement as part of studies looking at public sector

¹ The OECD refers to political economy analysis as “*being concerned with the interaction of political and economic processes in a society: the distribution of power and wealth between different individuals and groups; and the process that create, sustain and transform these relationships overtime*”.

or governance reform more broadly. For example, the OECD 2009 report on the [Use of Country Systems in Public Finance Management](#)²

(<http://www.oecd.org/dataoecd/7/41/42448739.pdf>) touches on the politics of reform in relation to Public Financial Management that implicitly covers public procurement related issues.

A possible reason for this knowledge gap is that procurement reforms have traditionally been seen as a technical and administrative process mainly undertaken by legal experts and technical advisors. Its inherent political nature has often been ignored and the underlying incentive structure affecting support for reforms has been largely overlooked by policy makers. While reformers are usually broadly aware of political economy factors, this knowledge has remained largely absent from the analyses with little explicit effort to determine how it might affect the outcome of procurement reforms.

In addition, in many countries, procurement reforms have often been triggered by external pressures or corruption scandals, leading to hasty and piecemeal reforms that focus more on adding controls and legislation rather than developing a thorough understanding of the underlying causes of the problems and feasible options to address them.

The Methodology of Political Economy Analysis

Even if not yet specifically applied to procurement reform, donors have increasingly come to understand the potential of using political economy analysis to address the factors that promote or block governance reforms in developing countries. Initiatives such as DFID’s Drivers of Change, SIDA’s Power Analyse or the Netherlands “Strategic Governance And Corruption Analysis” (SGACA) reflect this emerging trend. A recent U4 Expert Answer

² This report emphasises the importance of grounding public sector reforms in a country’s political reality and identifies key drivers of successful PFM reforms that can be directly applied to procurement reforms, including factors such as country-led strategies, country owned management of reform process, co-ordinated donor support, stakeholder engagement and capacity development.

<http://www.u4.no/helpdesk/helpdesk/query.cfm?id=187> has looked at the extent to which political economy analysis has been used to inform anti-corruption reforms. Although political economy analyses of anti-corruption reforms have usually been conducted at country levels, the approach and methodologies used for such studies can relatively easily be adapted and applied to sector level analysis with the view to understanding the politics of public procurement reforms.

Although there are considerable differences across donors in the resources allocated to the studies, their scope and their methodologies, all studies cover to some extent an analysis of key stakeholder groups and their influence over the policy process, a study of the country's broad political and historical context, an exploration of formal and informal institutions likely to affect the outcome of reforms and a risk assessment of envisaged policy reforms. Political economy analysis usually privileges a multi-disciplinary approach based on a combination of quantitative and qualitative data and methodologies.

The World Bank is in the process of publishing a good practice framework on "problem driven governance and political economy analysis" of development challenges. This framework distinguishes three layers of analysis, including: 1) identifying the problem, issue or vulnerability to be addressed; 2) mapping out the institutional and governance arrangements and weaknesses and 3) exploring the political economy drivers, in terms of identifying obstacles as well as positive drivers to progressive change. The approach aims at anticipating stakeholders' opposition, identifying potential unintended consequences of policy options and developing appropriate strategies to mitigate the political or governance risks of reforms.

This good practice framework considers that political economy analysis is especially useful when it is "problem driven", focused on explaining why reform may be difficult and providing options for feasible solutions. The analysis should result in greater awareness of risks and consequences of policy reforms as well as identifying options for managing risks. For example, experience shows that recurrent risks involved in governance reform frequently include: 1) over-ambitious reforms that systematically result in implementation gaps; 2) sole reliance on individual champions of reforms and 3) exclusive reliance on current government rather than broader policy

stakeholders. Such approach regularly backfires when changes in personnel or government occur.

As a result of the above, there is an important need to more systematically analyse the effects of political incentives on the feasibility and sustainability of reforms and develop appropriate frameworks and methodologies to do so.

Challenges Involved in Using a Political Economy Approach

There are several challenges involved in applying the political economy analysis framework to public procurement reforms.

The prerequisite to understand and manage the politics of change in a given context or sector is to collect detailed information on actual reform processes that can help deal with political barriers and problems as they come up during the implementation process. As political economy studies are mainly concerned with the specificities of a particular country or sector, there is no generic or one-size-fit-all approach that can be universally applied and analysed. Methods used and lessons and policy options drawn up need to be flexible to account for local context and domestic needs.

Political economy analyses are mostly based on a comprehensive description of country experience and case studies, involving a detailed and nuanced assessment of country as well as sector specific data and information, and the collection of "blow by blow" information on every step of the reform process. An important methodological challenge relates to the accessibility, availability and quality of data from reliable sources at the local level. Data must be compiled from countries or sectors that don't necessarily have the capacity, resources and political will to generate reliable data on corruption. As a result, sufficient time and resources need to be allocated to quality control and fact checking to validate and ensure the quality of the data collected.

A related challenge involves the need to appropriately evidence the political economy analysis of procurement, substantiating the analysis with facts and data. The golden rule for evidencing political economy analysis is the triangulation of sources and data. This can be done by asking a similar set of questions to multiple respondents, or by triangulating soft or anecdotal sources with harder sources such as

procurement data, budget allocations or asset declarations of public officials.

Once data has been collected, the skills and capacity needed to analyse such data at sector level are considerable and include a good grasp of technical concepts and processes, a solid understanding of the stakeholders involved as well as a sound knowledge of the broader social and political context, institutions, incentive patterns, etc.

Last but not least, one of the main challenges associated with the political analysis approach remains to use and translate findings and data into specific operational recommendations with the view to improving procurement processes and development outcomes. In practice, such analyses have seldom modified the shape and nature of development programmes, due to the complexity of issues covered, the nature and the number of factors considered in such studies. Experience shows that in spite of the considerable wealth of knowledge generated by these studies, findings have been rarely used in policy dialogue with external stakeholders and in most cases, their operational importance has been rather limited.

Why look at the Political Economy Dimension of Procurement?

As procurement is one of the most challenging sectors to reform because it often meets major resistance from vested interests within society, understanding the political economy aspects of procurement is critical to address the underlying factors that may impede the effective implementation of reforms.

The combined effect of high value transactions, excessive discretionary powers afforded to public officials and dependency of private firms on government contracts to survive economically provide fertile grounds for procurement corruption in many developing countries. Government contracts also provide an additional source of income for both politicians and bureaucrats and a substantial source of funding for political parties, election campaigns or individual politicians. Procurement reform is also a highly technical and complex process that requires major changes involving a wide variety of actors with multiple, often conflicting and changing political incentives that can complement, compete or reinforce each other. At the operational level, reforms involve major procedural changes that profoundly alter the work of procurement officers and generate massive

resistance from public officials who benefit from the old ways of doing business. Due to the inherent political nature of procurement reforms, anti-corruption approaches can not be limited to implementing a set of technocratic solutions. The incentive structure that may undermine political will for reform has to be adequately assessed and addressed to ensure effective implementation of reforms.

A 2004 [study of procurement reform in Sierra Leone](http://www.ipa.ws/IPPC1/PROCEEDING%20PAPER%20S/Elliott.pdf) (<http://www.ipa.ws/IPPC1/PROCEEDING%20PAPER%20S/Elliott.pdf>) supports this view. Based on the Sierra Leone case study, it recommends looking at motivational factors when analysing the drivers of economic and political behaviours in the context of procurement reform. The Sierra Leone procurement reform launched in 2003, used a legal and regulatory framework as well as capacity building strategy. This paper argues that the introduction of a comprehensive legislation can not be seen as the panacea to effectively reform procurement systems, as successful implementation of reform greatly depends on the support of political change agents. The various stakeholders' incentives that are likely to support or inhibit the reform process must be taken into account, since it is unlikely to bring meaningful change without securing the support and cooperation of the influential political circles.

In addition, while there is a wide consensus that the ultimate goal of procurement reforms is to promote efficient, transparent and non-corrupt procurement systems that achieve value for money, there is little information available on the means of effective reform, the process and dynamics of change and what strategies can be successfully replicated to improve developing countries' procurement systems. A 2005 paper on [international cooperation and the reform of public procurement policies](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=821424) (http://papers.ssrn.com/sol3/papers.cfm?abstract_id=821424) concludes that since there is no sufficient evidence as to the means by which successful procurement reform can be implemented in developing countries, there is a need for a concerted effort to substantially add to the knowledge base on public procurement reforms through the development a policy relevant research agenda. The development of such knowledge base is critical to pro-actively design advocacy campaigns, create the space for change and build traction for reform.

It is therefore essential to develop an in-depth understanding of the factors, structures, formal and

informal institutions that shape incentives and behaviours with the view to identifying procurement reform opportunities and threats. As political economy analysis is mainly concerned with the incentive structures, power relationships, institutional factors that lead political actors to support or resist change, it can significantly contribute to analysing the underlying causes of procurement corruption and develop a solid understanding of the drivers and dynamics of change. This approach is crucial to manage the politics of procurement reform and adequately address political challenges and problems as they arise during the implementation process.

Part 2: What do Existing Studies say about the Political Economy of Procurement Reform?

As already mentioned, very few studies explicitly discuss the underlying political determinants of weak procurement systems or the role of formal and informal arrangements and dynamics that may lead to change in procurement or budget processes. There are however a few marginal examples of studies where elements of political analysis have been used to understand the underlying causes of procurement corruption and map the sector's vulnerabilities, weaknesses, political economy factors and drivers. Policy makers are also increasingly interested in looking at actual reform processes and the sequence of events that led to positive change in particular contexts, drawing operational lessons from past experience on how to manage the politics of procurement reform processes.

Procurement Corruption Risk Mapping Studies

Irrespective of context or circumstances, procurement processes face major challenges of transparency, accountability and efficiency in developing countries. Procurement corruption can take place at any stage of the procurement process – from the project selection to the tendering and project implementation phases and manifests itself in various forms such as bribery, influence peddling, bid rigging, kickbacks, illicit enrichment, embezzlement, etc.

Most studies identify similar factors across countries that create an enabling environment for procurement corruption to flourish, including the proliferation of complex procurement rules and procedures, weak independent oversight and performance monitoring arrangements, large discretionary powers afforded to

public officials, frequent political interference in procurement processes, lack of capacity and professionalism of procurement staff mostly appointed on the basis of social and political connections, etc. In addition, country specific factors or circumstances can create additional corruption challenges.

Overview of Procurement Corruption Risks

A World Bank 2007 study tracking corruption vulnerabilities at sector level illustrates emerging efforts by donors to include political economy issues in the dialogue with partner countries. The [Many Faces of Corruption](http://www.igac.net/pdf/publications_adb_manyfacesofcorruption.pdf) (http://www.igac.net/pdf/publications_adb_manyfacesofcorruption.pdf) dedicates a full chapter to public procurement in general, exploring potential weaknesses along the procurement chain and identifying red flags as well as potential policy options to address and manage corruption risks.

The study starts by identifying the most common corruption schemes used to manipulate procurement processes such as kickback brokered by local agents, various forms of bid rigging or use of shell companies and provides an overview of the potential vulnerabilities associated with each phase of the government contracting process. At the project selection stage, demand for goods and services can be inflated, artificially induced or manipulated to identify projects with higher return value. Many opportunities for corruption also occur during the tendering process, where specifications can be tailored or publicity restricted to limit competition, confidentiality can be abused, and preparation, submission and evaluation of bids manipulated. There are also many opportunities for abuse of authority in the post-tendering process, when it comes to monitoring contract performance, administration and supervision. The chapter identifies three overarching factors that heighten corruption risks throughout the procurement chain, including budget management, personnel management and staff capacity.

The study identifies promising methods to achieve a well functioning procurement system with lower incentives for corruption. These typically include measures that foster accountability, establish true market conditions within the civil service, promote competitive and merit based human resource management and effectively address staff capacity issues. The study further distinguishes between: 1)

supply side interventions adopted by government to improve internal processes such as e-procurement, forensic audits, selective sanctioning, voluntary disclosure programmes and 2) demand side interventions that include external monitoring arrangements, reporting and access to information, information sharing and collective action, norms and conventions, etc.

The article concludes that conducting comprehensive vulnerability assessment as a tool that establishes the likelihood of corruption to occur in a given project can be considered a new and promising approach to anticipate and reduce corruption risks in specific procurement processes. By obtaining comprehensive information before the distribution of funds on the likelihood of corruption, the methods likely to be employed and the actors likely to use them, due diligence can be enhanced throughout the project cycle and corruption risks adequately managed.

The Political Economy of Public Procurement in Country Specific Contexts: The Case of Kenya

From country case studies, further political economy factors that are likely to affect procurement corruption risks can be identified. Although by nature these factors are essentially country specific, many transparency, accountability and efficiency challenges cut across contexts and are invariably observed in most developing countries, such as vague and dispersed procurement rules, weak control and oversight mechanisms, political interference or lack of capacity of procurement officers.

In Kenya for example, a [study published in 2006](http://www.law.nyu.edu/ecm_dlv/groups/public/@nyu_law_website__journals__journal_of_international_law_and_politics/documents/documents/ecm_pro_059625.pdf) (http://www.law.nyu.edu/ecm_dlv/groups/public/@nyu_law_website__journals__journal_of_international_law_and_politics/documents/documents/ecm_pro_059625.pdf)

looking at the political economy of procurement suggests that procurement corruption is facilitated by opaque regulations, and vague procurement procedures and policies spread over various government documents. The system is characterised by a general lack of transparency, with applicable procedures invariably inaccessible to the public. The system is also marred by widespread ministerial interference with tendering processes, with procurement officers often lacking the professionalism and capacity to resist pressures and manipulation exercised by senior officials and powerful politicians.

Staff capacity has also resulted in major inefficiencies along the procurement chain, resulting in poor planning and packaging of procurement contracts, general lack of supervision and monitoring of project implementation. Many situations of conflicts of interests have also occurred in the past, as the law does not prohibit public officials from participating in private enterprise.

At the beginning of the 2000s, Kenya finally engaged in major procurement reforms under the combined pressures from the business community - that was complaining that inefficient procurement resulted in poor infrastructures and inefficient services - and donor push for procurement reforms as a condition for lending. In spite of progress made, the new procurement regime still faces transparency, accountability and efficiency challenges, due to various impediments to the realisation of a sound procurement system, including the following:

- The new procurement regime lacks a firm legal basis. As a result, the Minister of Finance can potentially simply repeal the regulations and retain a great deal of power that can be used to hamper reform. In 2003 for example, all procurement officers were suspended, allegedly to purge procurement of corruption. Many believe that in reality, the Minister used his prerogative to assume control of public procurements.
- The exemption of national security and defence procurements from the new regulations should also be considered as a flaw of the system, as a number of corrupt security procurement have been exposed by the media, including the Anglo-Leasing scandal.
- Kenya also still lacks a comprehensive policy on public procurement. In the absence of such policy, successive governments have been able to misuse public procurement as a political patronage tool.
- The exemption of development agreements from the provisions of the procurement regulations resulted in maintaining parallel procurement regimes, diluting the country's lines of accountability.

The study concludes that while development partners increasingly recognise the need to rely on national procedures and systems, they are still reluctant to use

them as these procedures and systems are often corrupt and inefficient, creating parallel structures that ultimately undermine national systems.

The Special Case of Emergency Procurement

Context related circumstances may also create specific vulnerabilities that require special attention and tailor made solutions.

Emergency related procurement³ for example face a number of additional challenges that need to be taken into account when designing relevant policy options to address corruption risks in procurement processes. The crisis environment of most emergency settings creates very specific circumstances that are all the more likely to exacerbate corruption risks as providers are often unfamiliar with the local context. A number of factors provide unique opportunities as well as incentives for corruption in emergency situations, while the risk of being caught is considerably reduced by the circumstances. These include logistical difficulties, extreme urgency and pressure to save lives during relief phase, massive inflows of funds overwhelming the government absorption capacity combined with disrupted local control and oversight mechanisms, lack of coordination of the various actors, and special incentives set by aid providers for receiving assistance.

A 2006 U4 Issue paper (http://www.u4.no/pdf/?file=/themes/ces/documents/U4_issue_7_2006_corruption_emergency_procurement.pdf) uses element of political economy analysis to unpack the various factors and patterns of incentives affecting procurement corruption in emergency settings with the view to identifying appropriate strategies to mitigate corruption risks. Suggested strategies promote a multi-layered approach that combines internal agency control mechanisms, conflict-sensitive management, better coordination and monitoring of procurement processes and the need for introducing common systems among operators.

³ The nature of risks faced in emergency procurement are similar to the ones that might be faced on the use of the rescue packages approved in the financial crisis – massive amounts of money that will be injected in the economy at a very fast rate. Similar care should be required.

Another study commissioned by Transparency International (TI) (http://www.transparency.org/global_priorities/other_thematic_issues/humanitarian_assistance/ti_publications) corroborates these findings. The study analyses major corruption risk area in emergency settings according to the different stages of a relief response, from assessment and fundraising to procurement, targeting, distribution and evaluation. In emergency procurement, a number of factors that make procurement particularly prone to corruption, including the large influx of external resources, both financial and in kind, the urgency of delivering relief and reconstruction supplies and the breakdown of local institutions and public services. The research establishes that corruption risks within humanitarian action are very much affected by the context in which it takes place and the nature of the action itself – the complex system by which it is delivered, the actors involved in it and the type of emergency to which they are responding.

Managing the Politics of Procurement Reforms

While mapping procurement corruption risks based on political economy factors is an important initial step to identify appropriate mitigating strategies, political economy approaches can also make a critical contribution in helping manage the politics of procurement reform. Only a few studies illustrate the critical contribution that such approach can make by providing analytical tools to address political challenges and problems as they arise during the reform implementation process.

Managing the Politics of Public Procurement Reform in the Philippines

One of the only attempts to date to document the challenge of managing the politics of change in the area of procurement reform is a 2006 World Bank study that looks at a successful effort to reform public procurement regulations in the Philippines (http://www-wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2005/10/31/000090341_20051031141413/Rendered/PDF/340440Man0Polit0Reform.pdf). The paper specifically analyses the sequence of events that ultimately led to the passage of landmark legislation in the country.

A number of critical elements helped the reform implementation including getting the right people involved from the onset, proactive civil society engagement, the formation of a tightly knit group of reform minded government officials, the support of progressive legislators, the conduct of in-depth technical studies and the implementation of well-thought out communication strategy that mobilised public support leading to the adoption of the new procurement legislation.

The Philippines' experience highlights the necessity to create a well-oiled, coordinated and highly motivated reform team to address challenges arising through the painstaking reform process. Further key lessons drawn from the Philippines' procurement reform process include:

- It is necessary to form a cadre of reformers within the executive and gain support for reform within the government. Engaging experts in the government is an absolute prerequisite to foster ownership and give impetus to reform. Experience suggests that it is ultimately more effective to implement a less than ideal reform with strong government ownership than a "state of the art" reform with little ownership.
- While influential politicians have to be mobilised to champion the bill, these reform champions must be supported by a core group of reformers within the government.
- This core group of reformers needs to be armed with sufficient technical knowledge and tools. In other words, reform must be backed up by solid technical analysis that helps ground debates, disagreements and political opposition.
- The reform technical group also needs strong links to civil society and the business community. Reformers from both the executive and civil society have to work together.
- As civil society has to be mobilised to get the legislature to act, an often under estimated and neglected aspect of the reform process is the implementation of a strategically targeted media campaign.

The Role of Political Economy in Managing Public Financial Management (PFM) Reforms

Although not only focused on procurement reform, this [2009 OECD report](http://www.oecd.org/dataoecd/7/41/42448739.pdf) (<http://www.oecd.org/dataoecd/7/41/42448739.pdf>) provides useful insights on the drivers of change in the area of PFM reforms. The report indicates that Eastern European countries and Latin American countries have in general achieved better PFM performances, suggesting that internal crisis and outside pressure (such as EU accession or HIPC requirements) have created significant opportunities and given a major impetus for countries' improvements of PFM. Further drivers of successful PFM reform include country led strategies, co-ordinated donor support, strategic sequencing and prioritising of reforms, customised solutions, stakeholders' engagement and capacity development. Even when reform was triggered by internal crisis or external pressures, the starting point for successful implementation of reform was a country owned response structure for managing the reform process.

Concluding Remark

Even though very few specific studies explicitly analyse the politics of procurement reforms, there is an emerging common understanding of the major reform political shortcomings and converging attempts to address them. Cutting across all studies, methodologies and guidelines, is the need to involve all stakeholders from the outset of the reform process. Latest initiatives for assessing procurement systems such as the OECD-DAC Methodology for Assessment of National Procurement Systems reflect this trend and explicitly promote the engagement of civil society and the private sector from the assessment stage. Multi-stakeholder initiatives such as the [Construction Sector Transparency Initiative](http://www.constructiontransparency.org/) (CoST) (<http://www.constructiontransparency.org/>) further reflect this concern, and seek to enhance the accountability of procuring bodies and construction companies by engaging the wide range of stakeholders that are typically linked to publicly financed construction projects.

Part 3: Further Reading

Managing development resources: The use of country systems in Public Financial Management (2009)

This report takes stock of progress in strengthening public financial management systems and provides recommendations on how best to facilitate achieving the 2010 targets set out in the Paris Declaration. It sets out the benefits of and rationale for using country systems, assesses progress in meeting the Paris Declaration targets, reviews the landscape of PFM reforms in partner countries, looks at drivers of successful PFM reforms, examines the factors that influence decisions to use country PFM systems, focusing on the perceived risks and their assessment and management, and describes the PEFA (Public Expenditure and Financial Accountability) assessment, which provides information on the quality of a countries' PFM system. This report shows that now, as perhaps never before, partner countries and donors must strive to build mutual trust and work together in a true partnership for results.

<http://www.oecdbookshop.org/oecd/display.asp?K=5KZBW0XKQ7HF&DS=Managing-Development-Resources>

The UN Procurement Capacity Development Centre (PCDC) website. (Launched in 2008)

The aim of this website is to provide development partners with a central point, where they can easily access the most relevant and up to date information within the procurement capacity development arena. The PCDC provides guidance materials, methods, tools and advisory services in developing national and sub-national public procurement capacities. <http://www.unpcdc.org/english/about-us.aspx>

Aid, Rents and the Politics of the Budget Process (2008)

This paper analyses the impact of political institutions and budgetary procedures on budget governance in aid and resource dependent countries. Based on a data set of 47 low and lower middle income countries whose economy depend on aid and natural resources inflows, the paper builds on indicators of party competition and democracy, good governance, budgetary processes and institutions and aid resource dependency. Preliminary findings suggest that greater executive powers is positively associated with improved fiscal performance in resource dependent countries, but lower levels of party competition and democracy. Conversely, greater levels of aid dependency are

inversely associated with both executive power and fiscal performance.

<http://www.ntd.co.uk/idsbookshop/details.asp?id=1055>

The many faces of corruption (2007)

This publication offers a useful framework to help reformers analyse corruption and target reforms at the sector level. This book provides an in-depth analysis of the corruption risks that may arise at the various stages of the project cycle and a detailed roadmap with relevant indicators that warn of possible problems. It shows that combatting corruption is basically about improving governance, that operationally useful indicators can be used to track corruption and monitor progress and that the private sector and developed-country governments must share responsibility with developing-country governments in curbing it. A full chapter is dedicated to corruption in procurement processes.

<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPUBLICSECTORANDGOVERNANCE/EXTANTICORRUPTION/0,,contentMDK:21136764~pagePK:210058~piPK:210062~theSitePK:384455,00.html>

Managing the politics of reform: overhauling the legal infrastructure of public procurement in the Philippines (2006)

Over the past 30 years there has been considerable research on the political economy of reform. Yet despite this, little is known about strategies for managing the politics of change moving from a bad to a better equilibrium. Part of the challenge of studying this issue stems from the difficulty of obtaining detailed, so-called blow-by-blow information on actual reform processes. From this type of information, one can discern and cull practical lessons on strategy, which by its very nature is about dealing with political barriers or problems as they crop up during the implementation process. This study looks at the sequence of events that ultimately led to the passage of legislation that markedly altered the rules that govern public procurement in the Philippines. The study attempts to distill operationally useful lessons for managing the politics of a reform process.

http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2005/10/31/000090341_20051031141413/Rendered/PDF/340440Man0PoliticoReform.pdf

Compendium of Country Examples and Lessons Learned from Applying the Methodology for Assessment of National Procurement Systems (2008)

This paper presents the experiences and the lessons learned by 22 partner countries in Africa, Latin America and Asia related to the application of the Methodology for the Assessment of National Procurement Systems of the OECD/DAC Joint Venture on Procurement. The Methodology was developed and approved for field testing in 2006 as an input for implementing the Paris Declaration agenda and to assist in strengthening country procurement systems.

http://www.oecd.org/document/40/0,3343,en_2649_19101395_37130152_1_1_1_1,00.html

The Procurement Capacity Assessment User's Guide (2006)

This guide provides UNDP and other development practitioners with an overview of UNDP's approach to Procurement Capacity Assessment. It includes a step-by-step guide to conducting a procurement capacity assessment using the Procurement Capacity Assessment Tool which is in line with UNDP's "default" capacity assessment framework.

[http://www.unpcdc.org/media/21288/procurement%20capacity%20assessment%20users%20guide\(nov06\).pdf](http://www.unpcdc.org/media/21288/procurement%20capacity%20assessment%20users%20guide(nov06).pdf)

Procurement reform in Sierra Leone - a public choice model of analysis (2004)

In September 2003, the Government of Sierra Leone launched a programme of procurement reform. To date, a number of innovative approaches have been employed to guide the policy-making of the high-level Procurement Reform Steering Committee. These included a Spend Analysis, consultative meetings and workshops, and contracting out of the development of a new procurement law. Consequently, the outcomes of the procurement reform processes are expected to be a new framework of interlinked institutions, professionalisation of the procurement function and economic efficiency.

<http://www.unpcdc.org/media/5928/procurement%20reform%20in%20sierra%20leone%20-%20a%20public%20choice%20model%20of%20analysis.pdf>