

Governance and accountability in HGSF

Some premises of the Procurement Governance for HGSF project

Forum: Stimulating Economic Development & Improving Food Security through School Feeding Programs

Addis Ababa, May 2012

Netherlands

Development

Organisation



Connecting People's Capacities

CENTRAL QUESTION:

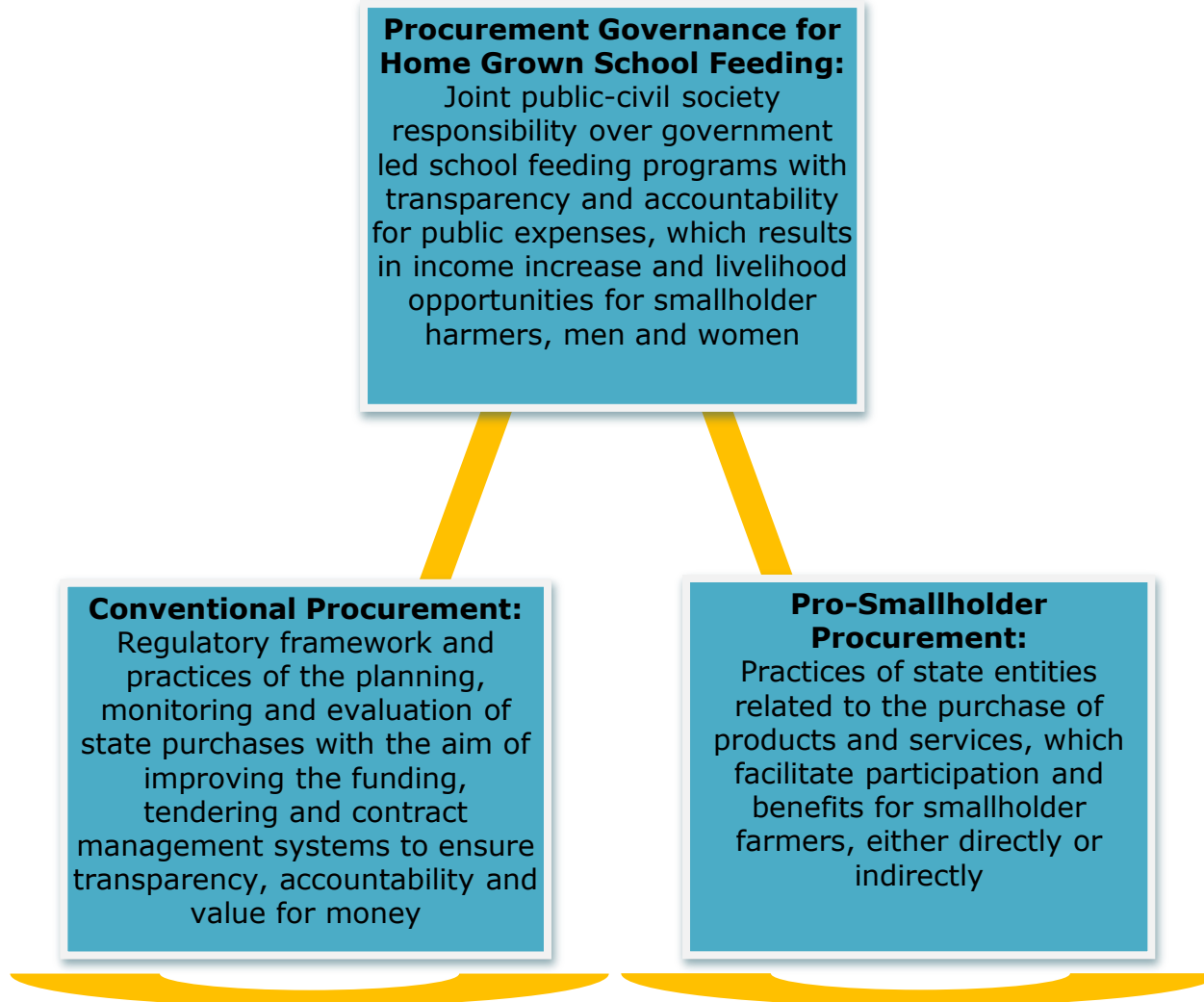
How can you work toward or ensuring the integrity of an open, transparent procurement process while at the same time giving smallholder farmers a chance to effectively participate?

CURRENT SITUATION:

1. Most countries explicitly aim for smallholder farmer supply
2. But little information about if this happens
3. Cost, quality and continuity doubts
4. Differences among countries

How can we achieve transparent procurement that sources at least 50 % of foodstuffs from smallholder farmers and prove it?

AN INHERENT TENSION FOR HGSF:



OUR APPROACH:

PROCUREMENT GOVERNANCE

Procurement is not just a task of public administration; we need a process of effective oversight of the procurement system by the people who are the stakeholders:

- public, private, community, civil society
- guarding value for money AND development goals
- agreeing on improvements and joint investments to implement them
- backed by evidence-based information

WHAT NEEDS TO BE DONE FOR FARMER PARTICIPATION IN SUPPLY CHAINS?

- Check on procurement rules for smallholder farmers barriers
- Supply chain analysis and agree on improvements with all stakeholders:
 - Create conditions for improved bulking, processing and storage
 - Encourage inclusive business relations
- Farmer organization and strengthening on participation in procurement process
- Transparent and evidence-based social accountability to support SFP

SOME CONSIDERATIONS FOR ADDRESSING THOSE NEEDS:

- How can you impact along social and economic development indicators? How can agriculture development policy be supportive?
- How can you target specific suppliers without losing benefits of competition?:
 - Value for money is not the only priority
 - Lowest prices (and how will prices be determined?)
 - Access for all
 - High quality demand as stimulus for competitiveness and enhancement of production
- What are your criteria for targeting?
- How to mitigate corruption and favouritism?

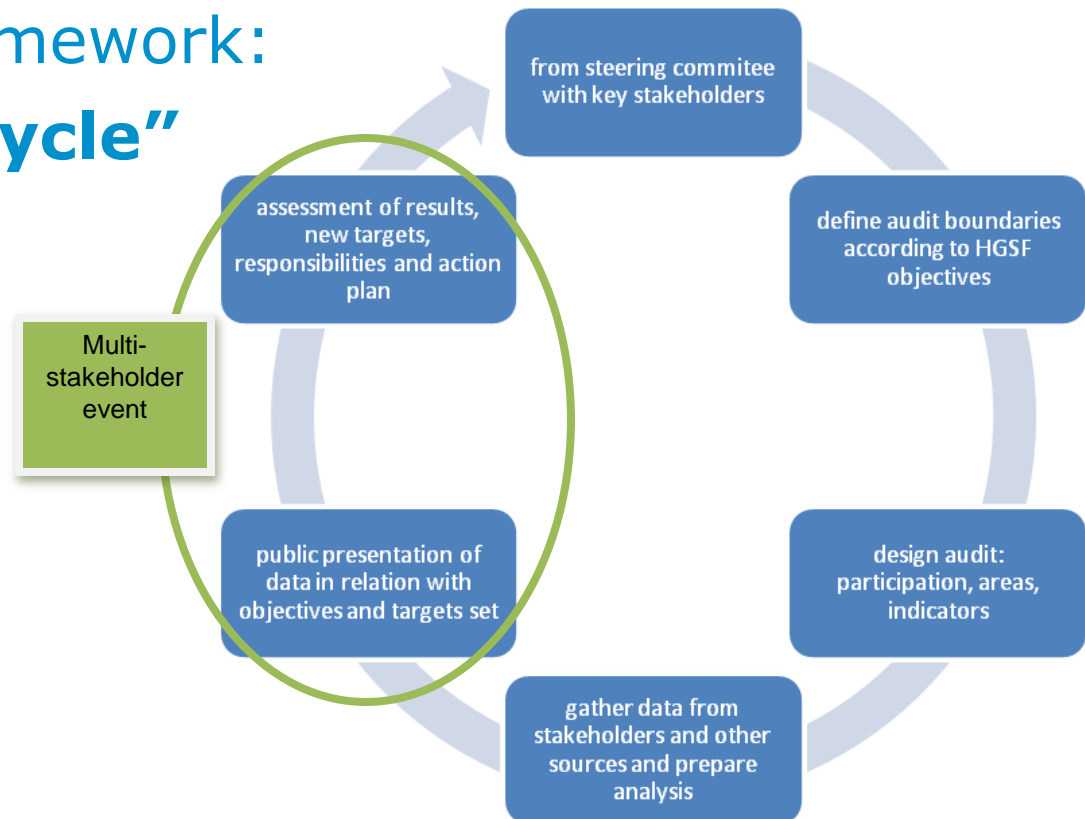
AND SOME ADDITIONAL QUESTIONS FOR IMPLEMENTATION:

- What does localization of purchase mean in specific situations? Feasibility, economies of scale
- How can quality control be organized at local level?
- Can you trace the origin of foodstuffs at low costs? For direct and indirect smallholder suppliers
- How can information systems for HGSP be linked with existing education, agriculture and public expenditure data systems?
- How does community participation and social accountability figure in procurement governance?

CHALLENGES FOR SOCIAL ACCOUNTABILITY:

- (Evidence-based) information
- Prepared public and civil society actors
- Conciliation of different interests
- Institutional framework:

“social audit cycle”



Example: INDEPENDENT CIVIL SOCIETY ORGANISATIONS (ICSO)

M&E OF THE SOCIAL ACCOUNTABILITY PROJECT - Ghana

- Funded by RNE and implemented in 10 regions with 14 CSOs
- Strengthening 70 ZUTAs in social accountability

Main Findings:

- High interest in budgets and expenditure issues
- Reactivation of school and district implementation committees
- Detected weaknesses:
 - ❖ Lack of information
 - ❖ Inadequate infrastructure
 - ❖ Late payment of caterers
 - ❖ Quantity and quality of rations
 - ❖ Kitchen sanitation
 - ❖ Commitment of public officers
 - ❖ Discrepancies of enrolment figures

WHAT WILL THE PROCUREMENT GOVERNANCE PROJECT ACHIEVE?

- ✓ 26.000 men and women farmers with new markets, hence income
- ✓ Innovative procurement models
- ✓ Stronger farmer organizations, to access new markets
- ✓ Inclusive and more efficient supply chains
- ✓ Diversity in food rations
- ✓ Evidence-based information
- ✓ Yearly social audit events
- ✓ Effective public – private – civil society collaboration

THANK YOU

CHALLENGE FOR SMALLHOLDER FARMER ACCESS	POSSIBLE MEANS TO ADDRESS CHALLENGES - FARMER SIDE	POSSIBLE MEANS TO ADDRESS CHALLENGES - SCHOOL FEEDING PROGRAM SIDE
No information on procurement notifications	Access to ICT/mobile devices, focus on procurement opportunities	Information campaigns (radio, specific targeting)
Informal status and consequently non-eligibility	Formalization according to requirements public tenders	Simplify registration requirements and process: Enterprise card in Bolivia
Lack of experience with bidding proposals and competitive processes	Partnership with private companies, proposal writing, link with public tenders	Simplify procurement requirements, limited tenders and alliances and private
Insufficient quantity, quality, continuity and processing capacity to meet the requirements	Collect products of organized smallholders, cooperatives, other smallholder organizations, invest in quality and processing, partnerships with private companies	Reduce lot size, adapt to period of availability, market based on local products, adjust standards for promote partnerships and association
Gender and cultural gap with public procurement officers	Self-esteem, gaining experience, involve professionals, including women	Change of attitude, creativity, leadership for linking with smallholders
Higher transactions costs	Creating economy of scale: Cooperatives of smallholders for bulking, processing and transport	Cooperatives of smallholders, transport and storage
Lack of liquidity to pre-finance delivery	Microcredit institutions accepting delivery contract as collateral	Payments to the suppliers, flexibility for including credit arrangements
Lack of bank guarantees	Link with financial institutes, formalize assets as collateral	Reduce requirement for financial guarantees (e.g. along with reduced lot sizes), guarantee from local government

Simplify registration requirements and process: Enterprise card in Bolivia
 Support in bidding proposal writing:
 Opportunity with Ghana's BDS-Fund

Reduce lot size: national level tender vs. school level purchase
 Use of cereal banks: Mali and Kenya

