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

SNV
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:

Procurement Governance for Home Grown School Feeding:
Joint public-civil society responsibility over government led school feeding programs with transparency and accountability for public expenses, which results in income increase and livelihood opportunities for smallholder farmers, men and women.

Conventional Procurement:
Regulatory framework and practices of the planning, monitoring and evaluation of state purchases with the aim of improving the funding, tendering and contract management systems to ensure transparency, accountability and value for money.

Pro-Smallholder Procurement:
Practices of state entities related to the purchase of products and services, which facilitate participation and benefits for smallholder farmers, either directly or indirectly.
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 HGSF 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
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<thead>
<tr>
<th>CHALLENGE FOR SMALLHOLDER FARMER ACCESS</th>
<th>POSSIBLE MEANS TO ADDRESS CHALLENGES - FARMER SIDE</th>
<th>POSSIBLE MEANTS TO ADDRESS CHALLENGES - SCHOOL FEEDING PROGRAM SIDE</th>
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<tbody>
<tr>
<td>No information on procurement notifications</td>
<td>Access to ICT/mobile devices, focus on procurement opportunities</td>
<td>Information campaigns (radio, specific targeting)</td>
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<td>Informal status and consequently non-eligibility</td>
<td>Formalization according to requirements public tender</td>
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<td>Lack of experience with bidding proposals and competitive processes</td>
<td>Partnership with private company, invest in good proposal writing, link with technical assistance</td>
<td>Simplify proposal requirements, training, easy templates, limited waivers for smallholders and alliances between smallholders and private sector</td>
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<td>Insufficient quantity, quality, continuity and processing capacity to meet the requirements</td>
<td>Collect products of organized smallholders, connect with other smallholder organizations, invest in quality and processing, partnerships with private companies</td>
<td>Reduce lot size, adapt to period of availability, menu based on local products, adjust standards for packaging, use of cereal banks, promote partnerships and association</td>
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<td>Gender and cultural gap with public procurement officers</td>
<td>Self-esteem, gaining experience, involve professionals, including women</td>
<td>Change of attitude, creativity, leadership for linking with smallholders</td>
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<td>Higher transactions costs</td>
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<td>Lack of liquidity to pre-finance delivery</td>
<td>Link with financial institutes, formalize assets as collateral</td>
<td>Reduce requirement for financial guarantees (e.g. along with reduced lot sizes), guarantee from local government</td>
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**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**

**Creating economy of scale: Cooperatives of smallholders for bulking, processing and transport**

**Microcredit institutions accepting delivery contract as collateral: Bolivia**