Sub Group 1: Key Actors of Change & Reform

Linking Procurement and Political Economy

Nairobi, 4 May 2010
What is political-economy (PE) analysis

- Interaction of political and economic processes

- Focuses on how power and wealth are distributed in society and contested in different contexts,

- Gets beneath the formal structures to reveal the underlying interests, incentives and institutions that enable or frustrate change

- Implications for development outcomes
Relevant for the design and implementation of effective procurement reforms because it provides knowledge on:

- the power, interests and incentives of different groups/actors in society

- how policy outcomes are produced as a result of power, interests and incentives

- the impact of values and ideas on political decision making and public policy
PE analysis not a magic bullet, but it can...

- support more effective and politically feasible development strategies

- inform more **realistic expectations** of what can be achieved in specific contexts, and the risks involved

- contribute to better results by identifying where the main opportunities and barriers for policy reform exist

- Particularly relevant in fragile and conflict-affected environments where the challenge of building peaceful states and societies is fundamentally political
Types of PE analyses

Country level analysis

Sector level analysis

Problem-driven analysis
Discussion points

1. Based on your experiences what do you perceive to be the major PE challenges in procurement?

2. Are there any case studies/examples you will recommend to exemplify/concretise the analytical approach/guiding principles?

3. How to secure that the guide will be relevant for practical work?
Discussion, feedback

- Empirical data? Benchmarks, examples of bad or negative reform.
- Knee jerk reactions to political or other external drivers
- Corruption
  - Foreign Political interest
  - Defense procurement
- Civil Society

- Guide should not be seen not just as tool for donors, not be too technical in its approach.
Next steps

- Complete literature review (case studies welcomed)

- Produce guide relevant to Procurement

- Field test

- Review and repeat