

## TC ABSTRACT

### I. Basic Project Data

- Country/Region: Regional
- TC Name: Digitalization of Public Procurement: Promoting Innovation, Gender inclusiveness and Transparency at the Sub-National Level
- TC Number: RG-T2962
- Team Leader/Members: Leslie Harper (IFD/FMM), Team Leader; Ana Lucia Dezolt Paiva; Lorena Kevish and Ana Cristina Calderon R (IFD/FMM); Maria Teresa Villanueva (SCL/GDI); Javier Davila (VPC/FMP); Adriana Salazar (VPC/FMP); and Viviana Maya (LEG/SGO).
- Taxonomy: Research and Dissemination
- Date of TC Abstract: 30 Mar 2017
- Beneficiary: Regional
- Executing Agency: Inter-American Development Bank
- IDB funding requested: \$ 300,000
- Local counterpart funding: \$ 30,000
- Disbursement period: 36 months
- Types of consultants: Individuals
- Prepared by Unit: IFD/FMM
- Unit of Disbursement Responsibility: IFD/FMM
- TC included in Country Strategy (y/n): No
- TC included in CPD (y/n): No
- Alignment to the Update to the Institutional Strategy 2010-2020: Institutional capacity and rule of law

### II. Objective and Justification

- 2.1 The main objective of this technical cooperation program is to promote innovation and strengthen efficiency and transparency in public procurement in sub-national governments in the region.
- 2.2 In the LAC region, the public sector plays a significant role as a consumer of goods, services and public works at the sub-national level, representing around 24.6% at the state/provincial level and 32.3% at the local level. This tendency is growing as governments move towards the decentralization of public procurement operations to the sub-national level. In addition, a large and increasing part of public expenditures, particularly in the areas of health and education, are executed by subnational governments, which tend to have limited institutional capacity and knowledge about good practices in public procurement. This program is justified therefore, as it will provide sub-national governments in the region with the tools needed to address the challenge of creating public value and innovation while improving the proper management of public resources.

### III. Description of Activities and Outputs

- 3.1 The technical cooperation program will include the following activities:
- 3.2 **Component I:** Research and Knowledge management (US \$100,000). The objective of this component is to generate data and systematize information on the current state of public procurement through the use of ICTs at the sub-national level in order to provide a solid factual foundation for future reforms and improve transparency and integrity in procurement operations. This component will include (i) diagnostic studies on public procurement at the sub-national; (ii) studies on transparency practices and market value

of goods and services at the sub-national level; and (iii) a study on the digitalization of public procurement at the sub-national level.

3.3 **Component II:** Strategic planning and capacity building (US \$100,000). The objective of this component is to provide innovative tools for public procurement at the sub-national level including planning, toolkit and training. This component will include: (i) strategic plans for improving public procurement at the sub-national level; (ii) a toolkit on how to handle procurement at the sub-national level for procuring entities and (iii) training programs.

3.4 **Component III:** Dissemination (US\$100.000). The objective of this component is to disseminate the knowledge generated by the program among the countries of the region. It will include: (i) consensus building event to create awareness of the importance of the topic; (ii) panel on sub-national procurement at the Inter-American Network on Government Procurement (INGP) conference; and (iii) the publication of the results of the program.

#### IV. Budget

**Table 1. Indicative Budget**

<b>Activity/Component</b>	<b>IDB/Fund Funding</b>	<b>Counterpart Funding</b>	<b>Total Funding</b>
Research and knowledge management	\$ 100,000	\$ 10,000	\$ 110,000
Strategic planning and capacity building	\$ 100,000	\$ 10,000	\$ 110,000
Dissemination	\$ 100,000	\$ 10,000	\$ 110,000

#### V. Executing Agency and Execution Structure

5.1 This TC will be executed by the Bank and directly coordinated, administered, managed and supported by the Fiscal Management division (IFD/FMM).

5.2 The justification for this execution structure is that this is a regional program that is of relevance to all countries in LAC. The Bank, as the executing agency, will enable the program to take into account the variety of experiences and lessons learned from the countries.

#### VI. Project Risks and Issues

6.1 There is a risk that other priorities will take precedence in the participating countries over the activities of the TC. To mitigate this risk, the project team will work closely with the participating members to ensure their active participation from the very beginning. Additionally, there's a risk that the political support to implement these policies may be varied across the region. This risk will be mitigated through Component III of the project, whereby emphasis will be placed on disseminating knowledge gained through Components I and II. Not only will project results be published, but also this knowledge will be featured at various high-level conferences throughout the region to build awareness among policy decision-makers.

#### VII. Environmental and Social Classification

7.1 The ESG classification for this operation is "C".