



# Luta Hamutuk

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## **Report on the Establishment of Procurement Multi Stakeholder Group (P-MSG)**

### **Introduction**

The establishing of Multi Stakeholder Group has been on Luta Hamutuk's plan since the beginning, which basically aimed to conduct control over public procurement process. Based on Luta Hamutuk's result of monitoring,  $\pm 70\%$  of State Budget (OGE) has been executed through public procurement process. Therefore in order to guarantee transparency process and the quality of infrastructure project including the enforcement of public equipments, Luta Hamutuk establish Procurement-MSG in 03/07/2013, which gains it support and strong commitment from its member. Procurement considers as important element, part of good governance, since the more adequate the system this will promote transparency and accountability of the utilization of public resource toward public.

Within the execution process of State Budget, procurement still becomes as public interest, particularly civil society which focusing its work on procurement system established by the government. The phenomenon is indicated that public procurement system is facing different obstacles, which can prejudice public service and impede such benefits toward people.

Based on Luta Hamutuk's monitoring, procurement process has been ineffectively conducted. Therefore, Luta Hamutuk together with stakeholder like civil society, member of government as well as private sector established Multi Stakeholder Group, aimed to conduct control and give suggestion as well toward public procurement process.

### **OBJECTIVE**

The principal objectives from the establishment of P-MSG are:

- Provide forum to facilitate dialogue in respect of public procurement service.
- Produce technical suggestion in respect of procurement process.
- Stakeholders have such space to discuss and share such positive ideas in respect of public procurement process.

## Result from the Establishment of Procurement MSG

Luta hamutuk perceives that the process of public procurement need for integrate control in order to guarantee transparency and accountability. Based on Luta Hamutuk's monitoring, procurement often practice in-transparency within its process, therefore Luta Hamutuk then established such group to be able to control the service of public procurement.

During the process of the establishment, the team has conducted lobby toward departments within ministries, to explain the principal objective of MSG Procurement as well as its role, therefore ones will understand its function whenever agree to take part as member of MSG. During the lobby, there was challenge since some of important stakeholders couldn't involve within MSG Procurement, caused by the hierarchy within workplace, which forbid for such involvement. However, such problem didn't seriously impact the work of the team, since there are many people out there who are interest in promoting Good Governance; in addition procurement has become public interest therefore the team will easily find persons who are willing to join the group. At the end, the team has finally gained member who have strong commitment to involve within MSG Procurement and fight to promote Good Governance.

At the beginning of the establishment of Procurement Multi Stakeholder Group, there were 6 persons who considered as founder of idea. Unfortunately during the discussion in respect of MoU and work hierarchy, one member coming from National Commission of Procurement (CAN) couldn't be able to continue as member. Finally there were 5 persons left which composed from; 2 members from civil society (**Luta Hamutuk and Labeh**), 1 person from **National Development Agency (ADN)**, and 2 persons from private sector (Commerce and Industry Agency/**Camara Comercio no Industria Timor Leste (CCI-TL) and Women Entrepreneur Association of Timor Leste (AEMTL)**). These persons then decided to become member of Procurement MSG and agree to take part in controlling procurement process as well as give certain idea therefore guarantee transparency and accountability within such process.

During discussion in respect of MoU, this was including also regulations shall to create within the group prior to official launch. Discussion was conducted through email, followed by meeting within Luta Hamutuk office in 03/julhu/ 2013.

Within this meeting members of MSG have agreed with such regulations and signed such MoU, therefore officially become as member of MSG. Member of MSG then conducted declaration toward public trough media stated that have agreed with regulations set within MSG Procurement and will take part within monitoring work toward public procurement process as well as toward companies which take illegal means in getting certain project, therefore guarantee transparency and accountability. Unfortunately, representative from National Development Agent (ADN) didn't able to attend this launch caused by urgent problem which needs to be immediately addressed, however AND has agree with such agreement and will conduct collaboration with member of MSG Procurement anytime needed.

Member of MSG who were participated within such launch and gave sign upon MoU were like; Camara Comercio no Industria Timor Leste (CCI-TL) which represented by Mr. Jaime do Santos which also considered as Vice President of CCI-TL, he represented Mrs. Kathleen Goncalves who couldn't able to attend such ceremony, Civil Society [Lalenok Ba Ema Hotu (LABEH)], represented by Julio Gil da Silva Guterres who considered as well as the director of such institution and the Director of Luta Hamutuk. Member who couldn't attend this ceremony aimed to sign MoU were like Samuel Marcal (ADN) and the Director of Women Entrepreneur Association of Timor Leste, Mrs. Leontina do Santos. Both members however have agreed to conduct collaboration aimed to control public procurement process.

### **Points of Agreements of Procurement MSG**

The following are points of agreement which have been signed by member of Procurement MSG:

- Member of MSG agree to conduct consultation toward other member, particularly those who have direct relation with public procurement process.
- Member of MSG agree to conduct monitoring, observation and analysis toward the result of project which has decided through public procurement system
- Within the context of implementation of project, MSG will guarantee that the process will always in accordance with procurement system which regulated within Internal Regulation of Procurement.
- Member of MSG agree to socialize the work mechanism of MSG toward institutions.
- Member of MSG agree to conduct honestly and seriously conduct cooperation with other member and to be responsible with the group.
- Member of MSG agree to resolve problems and conflict internally within the group.
- Member of MSG agree to publicly publish the work report every year or after duration of certain project is terminated.