Comprehensive Review of the AFDB’s Procurement Policies and Procedures

Summary Compendium on Application of MAPS in Africa

April 2014
This compendium has been prepared by a Consultant and the views expressed herein are those of the Consultant and not of the Bank.

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ACRONYMS

APPI  Agency Procurement Performance Indicators
BLIs   Baseline Indicators
CPAR  Country Procurement Assessment Report
CPIs  Compliance/Performance Indicators
       Development Assistance Committee
EU    European Union
GPP   Good Practice paper on Procurement Capacity Development
HLF4  Fourth High-Level Forum on Aid Effectiveness
ICB   International Competitive Bidding
JV    Joint Venture on Procurement
KPI   Key Performance Indicators
MAPS  Methodology for Assessment of National Procurement Systems
MDB  Multilateral Development Bank
NCB  National Competitive Bidding
OECD Organisation for Economic Co-operation and Development
OECD/DAC Organisation for Economic Co-operation and Development -
PEFA Public Expenditure and Financial Accountability
PEMFA Public Expenditure Management and Financial Accountability
PEMFA Public Expenditure Management and Fiscal Accountability
PFM  Public Financial Management
PPADB Public Procurement and Asset Disposal Board
PPB  Public Procurement Board
PPDA Public Procurement and Disposal Authority
PPME Public Procurement Model of Excellence
SBDs Standard Bidding Documents
UEMOA  *L'Union économique et monétaire ouest africaine*
UN    United Nations
UNCITRAL United Nations Commission on International Trade Law
UNDP United Nations Development Programme
WB    The World Bank
WTO   World Trade Organisation
ZNTB Zambia National Tender Board
SUMMARY COMPENDIUM ON APPLICATION OF MAPS IN AFRICA

I. OBJECTIVES

1. The objectives of this Paper are to review, analyse, synthesise, and to summarise background documentation available in the public domain concerning the theme of the compendium of country examples and lessons learned on applying the MAPS in Africa, which could be of relevance to, and also inform the Bank’s forthcoming review of its procurement rules, standard bidding documents, besides its internal processes.

2. This Summary relies on a number of publications and articles, which are itemised hereafter, in the List of References and Resources. Among these, due note should be taken of the following: Compendium Of Country Examples and Lessons Learned on Applying the Methodology for Assessment of National Procurement Systems; and the WB’s Procurement Policies and Procedures: Policy Review – Approach Paper.

II. FINDINGS

Background

3. The need for better tools for assessing country procurement capacity systematically came into focus two decades ago. The first concerted effort began in 2002-2003, with the creation of a Round Table [comprised of thirteen donors, eight multi-lateral organizations, and nine partner countries], to devise a new Methodology for Assessing Procurement Capacity, as required under the Johannesburg Declaration [2003]. This led to the formation, in 2005, of an OECD/DAC Joint Venture on Procurement [the “JV”; co-chaired by the WB], with the mandate to fulfil the Paris Declaration on Aid Effectiveness with respect to the use of country systems for procurement.

4. One of the products of the JV (under WB leadership), was the Methodology for Assessment of National Procurement Systems (initially called the “Methodology”, but later baptised as “MAPS”). The Methodology was tried in 22 countries in its pilot phase and used by the WB, in its piloting program for the use of country systems. The Methodology was the first tool to evaluate procurement capacities comprehensively and allow comparisons over time and across countries systematically. The results for the 22 countries under the pilot showed that the average level of capacity was relatively high, with respect to regulations, documentation, legislation, and ethics [all pilot countries scored above 2 on the three point scale], but lower in appeals, institutional capacity, controls, and mainstreaming [all below 2 on the three point scale].
5. The application of the **Methodology/MAPS** took a particular process. Firstly, **regional workshops** were held in Kampala (Uganda) and Lima (Peru), to expand the understanding and usage of the **Methodology** among African and Latin American countries. In early 2007, specific orientation and **guidance workshops** were organised in Nairobi (Kenya), Jakarta (Indonesia) and Yaoundé (Cameroon), for pilot countries in Africa and Asia. A further workshop was held in Paris [France; September 2007], for other potential adherents to the **Paris Declaration**. The pilot countries (together with the other additional countries using the **Methodology**) readily shared their experiences and recommendations on the process and the **results** of its application. They each submitted a monitoring report, and presented their experiences at the **JV** meetings at Copenhagen [Denmark; September 2007], and at Arusha [Tanzania; May 2008]. In this process, a variety of experiences, and initial lessons learned, were brought to light, besides certain areas that required further guidance.

6. It was also useful to note the growing collaboration between the OECD **Public Governance Committee** and the **JV** [in the area of **strengthening good public governance**, through procurement reforms]. The OECD took a multi-disciplinary approach on this issue, with the view to fostering policy dialogue and mutual learning between countries at various levels of development.

7. In June 2008, the **Public Governance Committee** agreed to recommend the **OECD Principles for Enhancing Integrity in Public Procurement** for approval by the OECD Council [end-2008]. It was hoped this approval would facilitate closer cooperation between the **Public Governance Committee** and the **JV**, as well as with non-member countries, in order to **enhance integrity in public procurement**. The **OECD Principles** formed a backdrop against which the application of the **Methodology** occurred. While they were aimed at OECD member countries as an **OECD recommendation**, they would also be available to non-member, partner countries as suggested inputs for consideration in their procurement reform processes.

A. THE PROCUREMENT ASSESSMENT METHODOLOGY: A TOOL TO INCREASE THE EFFECTIVENESS OF THE USE OF PUBLIC FUNDS

8. So, what was the **Procurement Assessment Methodology**? Simply put, it was a tool intended to **increase** the effectiveness of the use of public funds. And, one could ask: why the **Methodology**? The justification was that increasing the **effectiveness**, **efficiency** and **transparency** of public procurement systems was an on-going concern of governments and of the international development community. For public funding (including funds provided through official development assistance), to be use to the best effect, it was necessary to have a national procurement system that met international standards and that operated as intended.
9. The **Methodology** was intended to provide a common tool, which developing countries and donors alike could use to assess the quality and effectiveness of national procurement systems. The understanding being that:

   a. The **assessment** would provide an analysis of the **strengths** and **weaknesses** of the system, and a basis upon which a country could formulate a **capacity development plan** to improve its procurement system;

   b. Donors could use the results of the **common assessment** to develop strategies **for assisting the capacity development plan** and **to mitigate risks** in the individual operations that they would decide to fund; and

   c. In the long term, countries would improve their **national procurement systems** to meet internationally recognised standards enabling **greater effectiveness** in the use of funds to meet country obligations.

10. The **Methodology**’s core objective was capacity development and progress was dependent upon **country ownership and commitment** to implement the **capacity development programme**. It was agreed with the **JV** that the procurement **baseline indicators** would be used to help monitor the **qualitative procurement target** of the **Paris Declaration** (Target 2b).

11. The **Methodology** followed a two-step approach. **Part I** covered **baseline indicators (BLIs)**, which dealt with the **formal and functional features** of the existing system, while **Part II** covered **compliance/performance indicators (CPIs)** that concerned **monitoring performance data** to determine the **level of compliance** with the formal system. The application of BLIs was based on a review of the existing **regulatory framework** and the **institutional and operational arrangements**, including the marketplace. The application of CPIs relied on data obtained from a representative sample of contracts and information obtained from surveys, or questionnaires, with stakeholders of the procurement system. Since data and information for CPIs might not be available, the extent of application of CPIs was to be decided at the country level, between government and interested development partners.

12. A list of suggested **compliance/performance indicators** was given in **Part II**, which also provided a defined scoring system. The evaluators assigning scores were to justify the score with supporting evidence, or were to provide justification explaining the basis for the assigned score. A narrative, analytical report was to be produced, summarising the **country context** for the **assessment**, the **characteristics** of the **procurement system** and the roles and **capacities** of the main **stakeholders**. Furthermore, the report was to contain an overall assessment of the **weaknesses** identified as well as the **risks** involved and **links** to other government **reforms**.
13. Relationships existed between the *Paris Declaration* recommendations on procurement and the main focal points for aid effectiveness: *ownership, alignment, harmonization* and *results*. They highlighted *mutual accountability* for procurement reforms, *i.e.* partner countries taking responsibility for strengthening the system and development partners for increasingly using partner country systems, when defined standards would have been met.

i. Thus, in terms of *ownership*, partner countries were to *set the agenda*, take *leadership* in implementing *reforms*, while *receiving the necessary resources* from donor partners to *finance the reforms* and for *capacity development*;

ii. Under *alignment*, donor/development partners were to *align* with the partner country agenda, while *progressively relying on the partner country’s systems*, when these met relevant international standards;

iii. Where partner country systems did not meet agreed performance levels, donor partners were to adopt *harmonised approaches*, through common arrangements, simplified approaches, while sharing information; and

iv. There were mutually agreed standards for diagnostics, development of sustainable reforms and monitoring implementation in order to facilitate *management for results*.

**B. THE PROCESS OF PREPARING AND PLANNING A PROCUREMENT ASSESSMENT**

14. In 2007, the *JV* pilot countries prepared for the *assessment* of their *national procurement systems*, on the basis of the *Methodology/MAPS*. In sharing experiences, many pilot countries referred to “roadmaps” or “action plans”, which were developed to allow for a smooth workflow in implementing the *assessment*. Different approaches were chosen, reflecting the specific country situation, and resulting in different actions when planning the *assessment*. The key questions discussed at the planning stage were as follows:

- **Status of the assessment**: Self-assessment, joint donor/partner country assessment, external assessment?

- **Context of the assessment**: Stand-alone assessment using the *Methodology*, assessment in the context of a CPAR/CPAR update, combined PEFA/Procurement assessment, follow-up assessment?

- **Scope of the assessment**: BLIs and CPIs? National level/agency level? Degree of decentralisation?

- **Level of information available**: Availability of national procurement statistics, quality of procurement records?

- **Availability of expertise to conduct assessment**: Assistance of a consultant experienced in the use of the Methodology needed?
• **Budget/Timing:** costs involved? Funding? Sponsoring by donors? Time schedule?

**Strategic Issues: Local Ownership and Donor Participation**

15. It had been observed that aid would be more effective when partner countries exercised *strong and effective leadership* over their development policies and strategies. This was why *ownership* was the fundamental tenet underpinning the *Paris Declaration*. In particular, country ownership was key to procurement capacity development, the core objective of the *Methodology*. The *Methodology* provided input into designing *capacity development* initiatives and served as a *baseline* against which progress could be measured. A country’s commitment to *strengthen* the *national procurement systems* included a political willingness to change.

16. In the *Paris Declaration*, donors had agreed to commit resources for *reforms and capacity development* to help achieve the *2015 Millennium Development Goal* targets. Donors agreed to use the *common assessment* to develop strategies for assisting the *capacity development plan* and as an input to *risk assessments* for the *use of national systems*.

17. Based on the country *assessment* reports, it was apparent that a variety of different approaches were used, depending on the specific country situation. They highlighted the above-mentioned principles of *ownership* and *donor participation*. In summary:

- Several countries conducted self-assessments [of which, among the African country participants: Tanzania, Zambia] and invited donors to discuss the scope and the approach of the assessment.

- In some other countries, a review or update of a CPAR was approaching. The procurement assessment was therefore integrated in this comprehensive process. In these countries, joint assessments were done involving government and active donors.

- In Ghana, procurement capacity development was already part of a comprehensive public financial management development programme. The government of Ghana and the WB, as well as representatives of the Multi Donor Budget Support Group and other stakeholders, therefore conducted a joint PEFA/procurement assessment.

- In a particular post-conflict country, the legal framework had been put in place only recently, and a snapshot assessment focusing on the baseline indicators and on a few important ministries was conducted. It was highlighted in the monitoring report that the assessment so far has been independent and that the same practice will be ensured throughout the process. The WB supported the assessment; other donors will be increasingly involved.
• In many of the pilot countries, national procurement statistics and data on procurement transactions were not readily available. Data for performance and compliance measurement needed to be collected for the purposes of the exercise. In these cases, pilot countries usually limited the data collection process to key agencies - mainly at the national level – and decided to include only a limited number of indicators to keep the cost for undertaking such an assessment under control. In other cases like Ghana, existing tools were used to evaluate performance at the entity level.

• Cross-country sharing worked well. Many countries involved procurement specialists, donor representatives, consultants experienced in the Methodology, or representatives from other partner countries who successfully used the Methodology in their country to add value relative to facilitating the process, independence and credibility.

• Regional initiatives such as UEMOA (l’Union économique et monétaire ouest africaine) initiated regional public procurement reform programs encouraging and assisting member countries in using the Methodology (for example Senegal, Niger). Other procurement assessment experience illustrated how high-level political support can be demonstrated and how donor participation can facilitate the exercise.

Strategic Issues: Stakeholder Involvement

18. As elaborated in the publication on Procurement Capacity Development compiled by the Round Table on Strengthening Procurement Capacities in Developing Countries, developing a country’s procurement capacity was to be viewed from the perspective of the dynamics of change. A procurement system was a multilevel “organism”, where every level and its actors interacted and were linked with other organisations and actors inside the system and in the enabling environment. To be effective, procurement capacity development needed to take account of these multiple levels and the relationships between important actors at each level in the system. One clear lesson from previous procurement capacity development programmes was the need to involve a broad range of stakeholders, encompassing both organisations and individuals.

19. It had been recommended that, early in the assessment planning process, a mapping exercise should be conducted to identify key stakeholders and their relative influence and importance. These stakeholders were then to be retained right through the assessment phase and finally, the validation process and the assessment results.

20. Based on the assessment reports provided, it was apparent that most countries gave considerable attention to the involvement of stakeholders in the process. Contacts with donors and key ministries usually focused on the planning and implementation stage. At the validation stage, stakeholder involvement was usually broader, frequently including private sector and civil society organisation representatives. Sierra Leone, for example, conducted a perception survey collecting opinions in the private sector on the procurement system and processes. Certain pilot countries faced real challenges in mapping
and involving stakeholders, because the level of national autonomy (decentralisation) was very high. As a result of mapping potential stakeholders, a large number of stakeholders were identified at the national, provincial, city and district levels.

Planning the Work

21. As highlighted in the Methodology, advance planning was needed to collect the information required, and to identify stakeholders to be interviewed or surveyed. Advance planning was especially important if the assessment was sponsored by the government and interested donors, to enable co-ordination of the work and agreement to be reached on critical aspects, such as the extent to which specific data for CPIs would be collected and if surveys and interviews would be employed.

22. The availability, reliability and integrity of records were issues that needed careful consideration during the planning phase, the absence of which could impede a full assessment of the system. Some CPIs required quantitative reliable data that might not be available in certain countries. This alone was an issue that needed to be identified as a weakness of the system that might hamper the application of adequate control and monitoring or analysis of the system’s performance.

23. Identifying a qualified team of assessors was critical to the credibility and reliability of the exercise. Assessors were preferably to be seasoned public procurement practitioners, with ample knowledge of the institutional and operational aspects of the subject and of internationally-accepted procurement practice. Assessors, if external to government, were to work with a counterpart team of the government to facilitate access to information and logistical support.

24. And, if the government carried out a self-assessment exercise, a verification process that would involve government and active donors [interested in the procurement system in the country], would be required in order to contribute to the transparency and credibility of the process. The verification process would provide an opportunity to agree on assigned scores, reform priorities and a shared strategy towards capacity development initiatives to address key weaknesses in the system.

25. When planning the work involved in conducting the assessment, many pilot countries organised workshops. For example, in some countries, a technical workshop was held by key ministerial technical departments to plan the internal government assessment process. In this regard, the Public Procurement Regulatory Authority in Tanzania organised an implementation/planning workshop for the institutions participating in the assessment exercise. Others organised stakeholder workshops with the public and private sector to explain the indicators, scope and the planning process, as obtained in Rwanda, for example.

26. In Botswana, following a regional train-the-trainer workshop for assessors, the team carrying out the assessment met and identified resource and capacity requirements for undertaking the exercise. The team was then enlarged and
agreed on a three-step approach. The first step focused on the team and stakeholders due to carry out the assessment of the BLIs. The second step was to validate the results in a workshop setting. Since the team was also charged with carrying out the assessment of some CPIs on the relevant Pillars (step 3), and realising that this exercise would require additional data and time, the work to collect data for the CPIs was planned well ahead and a questionnaire was drawn up for this purpose. Questionnaires were also used in Cameroon and in Malawi.

27. The **assessment of the national procurement system** in Ghana was divided into three sections: i) evaluation of the progress in implementing the recommendations of the 2003 CPAR; ii) joint government/donor assessment of the BLIs; and iii) independent review of the government’s self-assessment on public procurement performance. The latter was carried out earlier in the context of the government’s Three-Year Strategic Plan, focusing on public financial management. The **procurement assessment** was planned in detail to cover the three aforementioned areas, and it followed a tight schedule. It included interviews with a variety of stakeholders and the presentation of initial results to high-level government officials and donors.

28. In the pilot exercise, many countries called upon external expertise. Uganda, for example, used a mixture of government and UNDP expertise. Other countries used procurement specialists from WB [e.g., Sierra Leone], or hired a team of international/local consultants [Cameroon, Ghana, Tanzania, Senegal, Malawi, Niger].

The Work Plan

29. To summarise the planning results, Cameroon, Togo and Tanzania (among others) drafted **activity plans**, covering the necessary **activities**, **time schedule** and **responsibilities**. And, Tanzania produced a **roadmap.**

30. Based upon the **assessment** reports, the following preliminary list of key considerations was developed to help in co-ordinating and planning work, namely:

- **Scope of the Assessment:**

  Would baseline indicators and/or compliance/performance indicators be assessed? At which level would the assessment take place (national and sub-national government, government agencies)? If the sub-national level were to be covered, the **Methodology** had to be customised. How many/which compliance/performance indicators would be assessed?
- **Stakeholder Involvement:**

  How would key stakeholders be sensitised and engaged in the assessment process (e.g. letters, workshops, meetings). How many/which donors/stakeholders would participate/would be interviewed in the assessment of the baseline indicators? How many/which donors/stakeholders would be involved to gather data for the CPIs? Who were the key focal points within stakeholder organisations?

- **Identifying a qualified Team of Assessors:**

  Identifying a qualified team of assessors was critical to the credibility and reliability of the exercise. Assessors were to have ample knowledge of the institutional and operational aspects of the subject and of internationally accepted procurement practice. They were required to be familiar with the assessment tool to ensure consistency in its application. Assessors, if external to government, were to work with a counterpart government team, in order to develop capacity to conduct future assessments, and to facilitate access to information.

- **Interviews:**

  Interviews would be needed to gather facts for assessing BLIs. Interviews were to be structured well in advance. For the BLIs, the preparation was to include an overview of information to be collected. A matrix of sub-indicators containing the information required and potential informants were considered to be useful. Interview appointments were to be made with sufficient notice, clarifying the objectives of the assessment (e.g. specifying that the assessment would not be an audit). Evidence gathered in the interviews was to be summarised and used later in the narrative report. Lastly, interviews/surveys were useful to collect opinions when addressing CPIs.

- **Availability of data for CPIs:**

  What were the best sources of data needed to measure compliance/performance? Was the required data available (statistics, procurement records)? What would be the cost/benefit analysis of collecting the data? How much data collection would be required and what sampling approach would be used?

- **Validation Process:**

  [See paragraph 24 above].

- **Assessment Report:**

  The Methodology suggested an outline of the assessment report. It provided the context of the assessment as well as the assessor’s evaluation of the entire system and of the status of progress of individual items addressed.
• **Time Schedule, Costs and Funding:**

The *time schedule*, *resources needed* and *costs* involved needed to be estimated and allocated. As pilot countries completed the *exercise*, information would be gathered to help with the planning process.

**Obstacles likely to be encountered on the Road:**

31. One lesson learned during the *pilot exercise* was that pilots underestimated the workload for the *assessment*, and needed more time than originally planned. Some of the obstacles that could be anticipated and be addressed in advance were as outlined below.

**Assessing the BLIs and their 54 Sub-Indicators took time:**

32. Assessing *baseline indicators* required comprehensive knowledge in a number of different areas such as *procurement legislation*, *operational procurement procedures and practices*, *country development strategies*, *financial management*, *audit*, *ethics* and *anti-corruption measures*. Identifying and studying relevant documents, interviewing stakeholders and discussing the preliminary findings in the assessment team in order to have a solid base for scoring 54 *sub-indicators* simply took time. The solution was to:

• Efficiently manage the wealth of information, share the load and assign roles among *assessment* team members.

• Prepare *questionnaires* to gather evidence; plan the necessary *meetings/interviews* realistically.

• Allow sufficient *time to explain* the objective of the exercise and to ease the tension that may be a source for “*defensive participation*”.

• Reserve *time for sharing and discussing* the preliminary findings within the assessment team.

• Enter the score, the justification, any references and trends into the *Benchmarking Compliance and Performance Sheet* immediately.

• *Relieve team members* from their *normal duties*, to the extent possible.
Performance Data needed to be collected in a Structured Manner:

33. **Procurement management information systems** providing data required for *compliance/performance* measurement usually did not exist. Samples needed to be defined and data had to be collected in a *structured manner*. In this context, *record keeping* proved to be a major challenge in almost all pilot countries. In some cases, pilot countries found that procurement entities were not willing to participate in the assessment because they suspected an *audit exercise* was likely to be carried out. Suggested solutions:

- When selecting the number of *CPIs* to be monitored and when subsequently defining the representative sample, teams were to be *realistic* and not *overambitious*.

- If data were not available, teams to consider undertaking a *qualitative assessment* of *BLIs* through interviews with procuring entities and other stakeholder groups, including private sector and civil society.

- To achieve value-for-money, the survey could focus on a few key spenders according to the motto *“less can be more”*.

- Invest sufficient time in *explaining the purpose* of the exercise to participating organisations (in a transparent way), and in *proper training of assessors*, so as to obtain the full cooperation of the procurement entity.

Validating the Results

34. Several pilot countries reported back that validating the findings was perceived to be difficult. With regard to *BLIs*, the aforementioned complexity of the indicator system and its scoring criteria required comprehensive knowledge and a lot of time not only when doing the assessment but also in order to validate the results. Time and capacity however were limiting factors. In cases where data for measuring *CPIs* were taken from incomplete contract files, uncertainties remained affecting the credibility of the validation process. In some countries, invited stakeholders did not participate in the workshops, or expressed some scepticism. Suggested approaches:

- In the *validation process*, explain how the assessment was carried out.

- Provide sufficient information to explain the basis for the assigned *BLI* scores.

- Establish a built-in mechanism for quality assurance that ensures that data collected for *CPIs* were relevant, complete, accurate and representative and that they were aggregated correctly before interpreting the results. Consider the independent review of the *assessment* results [for example, by an auditing firm].
• When **validating** the results, clearly distinguish between those for **BLIs** and those for **CPIs**, while keeping in mind that:

• **BLIs** were **qualitative** and primarily based on existing (or not existing) elements of the system, embedded in **laws, regulations, documents**, etc. The **validation** exercise needed to determine whether the scores assigned were substantiated and justified.

• **CPIs** were **quantitative** and mainly based on statistics, or data collected on a sample basis. In some cases, perception surveys could be conducted. The validation exercise needed to deal with the **relevance and reliability** of data and its interpretation.

• Serious **stakeholder** involvement during the entire process would foster active participation in the validation. Validation workshops were to be scheduled with advance notice, and sufficient information provided, while not forgetting creating a proper setting for fruitful discussions.

• Consider whether all **stakeholders** could be included in one **validation** exercise [e.g. donors together with procuring entities, private sector, and civil society], or whether a number of such events should be scheduled [e.g. firstly, with the **procuring entities**, and thereafter, with other **stakeholders**].

### C. IMPLEMENTATION OF THE PROCUREMENT ASSESSMENT

35. Concerning actual implementation of the **assessment**, the experiences gained was discussed. Firstly, the section under “**Baseline Indicators**” presented key elements of the **Methodology** and discusses some practical issues such as arriving at the “**right score**” and the importance of documentary evidence. And, that of “**Performance/Compliance Indicators**” introduced the **Methodology** and summarises experiences focusing on **sampling, data collection** and **interpreting the results**. The assessment cycle ended with sections entitled “**Validation**” and “**Assessment Report**,” during which high-level government **officials**, development partners and **stakeholders** were included for validation and reporting purposes.

**Baseline Indicators [BLIs]**

36. The two parts of the **Methodology** [**BLIs** and **CPIs**] had been designed to be applied jointly, or separately, depending on the intended purpose and scope of the **assessment**. The understanding was that the **assessment** would provide a basis upon which a country could formulate a **capacity development plan** to improve its procurement system, as well as to establish a **baseline** against which future progress could be measured. It had been agreed with the **JV** that the **procurement baseline indicators** would be used to monitor the **qualitative procurement target** of the **Paris Declaration** (Target 2b).

37. The **Methodology** provided for **4 Pillars**, organised around 12 **Indicators** and 54 **Sub-Indicators**, with defined scoring criteria. The scoring system ranged from 3 to 0 for each **baseline Sub-Indicator**, with the exception of 2 **Sub-**
Indicators, which were pass/fail criteria (Sub-Indicators 4d and 10e). The Methodology included a User’s Guide, which was a “must read” when preparing for an assessment. Some key elements were:

a. Purpose and Use of the Methodology:
   - The Methodology provided a harmonised tool for assessing national procurement systems.
   - The Indicators were to be used in the assessment of the central government or national procurement system; they could be adapted for use in sub-national or agency level assessments.
   - The Methodology was designed for self-assessments, joint or external assessments.
   - It supported design of harmonised capacity development and reform initiatives.
   - It enabled system performance and the success of reform initiatives to be monitored.
   - It helped donors to determine risks to funds provided to partner countries.

b. The Indicators:
   - Baseline Indicators: BLIs presented a “snapshot” comparison of the actual system against international standards.
   - Compliance/Performance Indicators: CPIs assessed what was happening on the ground, by examining a sample of procurement transactions and other relevant information deemed representative of the performance of the system.

c. Application of the Indicators:
   - BLIs were based on a review of the existing regulatory framework and the institutional and operational arrangements.
   - CPIs relied on hard facts (representative sample) and interviews/surveys.
   - Each Baseline Indicator contained a short explanatory text and four scenarios with associated scores thereto.
   - For assessing CPIs, the assessor obtained information from a sample of relevant procurement processes, from existing government statistics, surveys or interviews.
• Extent of application of CPIs was to be a decision made at the country level, in discussions between the government and donors.

• The Methodology allowed for subjective professional judgments (to be minimised to ensure consistency and comparability).

d. Scoring System for Baseline Indicators:

• Scoring ranged from 3 to 0 (only whole numbers):
  
  3 = indicated full achievement of the stated standard;
  
  2 = system exhibited less than full achievement and would need some improvements in area being assessed;
  
  1 = areas where substantive work was needed for the system to meet the standard;
  
  0 = indicated a failure to meet the proposed standard.

• Narrative report was to provide additional information on changes underway.

• In case of substantive or material gaps, evaluators were to use their professional judgment.

• In some Sub-Indicators, internal hierarchies had been formulated to focus on key principles of good procurement.

e. Aggregation of Scores:

• All BLIs had sub-indicators, individually scored, at the Sub-Indicator level.

• The assessor might want to aggregate the scores at the Indicator level or Pillar level, to obtain a compact profile of strengths and weaknesses of the system.

• The need and method of aggregation was a decision left open to the user. For the most comprehensive understanding of the system’s strengths and weaknesses, the Sub-Indicator view was thought to be the most informative.

f. Benchmarking, Compliance and Performance Sheet:

• Annex 1 to the Methodology contained a Benchmarking Compliance and Performance Sheet where the assessor could summarise the scores of each CPI and enter the results of the performance assessment.
• A column was provided to include a brief description of the situation that justified the score, or where to explain the result of each compliance indicator.

• Assessors might also include recommended actions and assign priorities.

• The marking sheet provided a broad overview of the system, the key weaknesses and strengths, and priorities for action.

• Scoring could be depicted graphically by way of Excel spreadsheets.

**Methods to arrive at the “Right Score”**

38. Most pilot countries started with the BLIs, and measured the CPIs, as a second step. According to the Methodology both parts were needed to fully undertake the assessment. In this regard, pilot countries reported that, when conducting the BLI exercise, discussions ultimately focused on the scoring. Sometimes members of the teams did not have the same amount of information, and consequently arrived at different conclusions. In some cases, donors or other stakeholders questioned the evidence or reliability of data, in order to arrive at an agreement on the scoring, based on evidence. The country examples illustrated that the approaches applied to arrive at the “right score” could be regrouped under three scenarios, namely:

• Scenario 1: Pure Self-Assessment;

• Scenario 2: Self-Assessment, with second Independent Scoring;

• Scenario 3: Joint Government/Donor Assessment.

**Scenario 1: Pure Self-Assessment**

39. In a “pure” self-assessment, the government itself [without involving development partners or other stakeholders] did the scoring. Sierra Leone, as well as another post-conflict country [both in a transition phase between old procurement regimes to new national systems], carried out self-assessments. Sierra Leone reported that, unfortunately, interest and participation of development partners has been “minimal”, although invitations were sent out. Some non-pilot countries conducted self-assessments, focusing on key ministries.

**Scenario 2: Self-Assessment, with second Independent Scoring**

40. A few countries [among which Botswana, Uganda, Niger and Zambia], chose a two-step approach. Typically, one scoring was undertaken by the assessment team (self-assessment), a second independent scoring was provided, either by an external assessor, or a group of stakeholders. Then, the assessment results were discussed in a workshop and, usually, consolidated by determining the average score for each sub-indicator.
41. In Botswana, for example, a comparative analysis was part of the scoring process. It was agreed during the validation workshop that the report should keep the two results separate (those from the workshop and those from AfDB public procurement team) so as to compare them and draw appropriate conclusions. In some other cases, the initial scoring of the pilot assessment was done by an external assessor, and then compared with a second scoring done by a technical department of government.

**Scenario 3: Joint Government/Donor Assessment**

42. In some cases, such as Ghana, joint assessments were carried out, either by establishing working groups consisting of government and donor representatives, or by jointly conducting a full CPAR, a CPAR-update, or a joint PEFA/Procurement assessment [in the case of Ghana, for example].

43. In such a joint assessment, not only were intense discussions likely, but they could constitute a rewarding opportunity for all involved. The approach of the partner country taking the lead, and organising an assessment exercise, in which active donors entirely participated, and in which civil society and the private sector also participated [in the planning and the review of the assessment] appeared to result in more credible, useful outcomes.

44. If different perspectives remained on a limited number of sub-indicators, the approach chosen in Ghana may be a solution. As already done in an earlier PEFA assessment, government and donor representatives finally “agreed to disagree” in the scoring of a few sub-indicators. The rationale for the differing views was made transparently in the Benchmarking, Compliance and Performance Sheet, and the two perspectives made public.

**Documentary Evidence**

45. The main objective for assessing BLIs was not the score per se, but rather to establish a platform for designing a procurement capacity development strategy, and, also to create a baseline against which future progress in implementing the reforms could be monitored. In this context, evidence of data played an important role.

46. For example, in Ghana, the assessment exercise aimed at thoroughly gauging the scoring criteria as defined in the Methodology. In the process of summarising the lessons learned, a list of all documents studied during the assessment was compiled and could serve as a checklist to collect evidence for the BLIs.

**Compliance & Performance Indicators [CPIs]**

47. As indicated earlier, CPIs aimed at measuring how well the established formal system worked in practice. They covered a set of suggested compliance/performance indicators (CPIs) that were associated with BLIs. As there were no agreed standards for performance for each country, the short-term objective was to find out the degree to which the system was following its own regulations, or what the perception of compliance was in those cases
where data could not be measured quantitatively. CPIs helped to identify areas where compliance or performance was weak, and when a more in-depth review of deficiencies and their likely causes might be warranted. No scoring of compliance was proposed, at the beginning.

48. The application of CPIs relied on data obtained from a representative sample of contracts, as well as information obtained from surveys, or questionnaires, with stakeholders of the procurement system. Since data and information for CPIs might not be available, the extent of their application was to be decided at the country level, between government and interested development partners. The User’s Guide highlighted the following aspects of measuring compliance and performance:

a. Sampling for Performance Assessment and Data Collection:

- Selecting an adequate sample of actual procurement processes for assessing performance was important for the credibility of the exercise.
- The reliability of information was to be confirmed, based on reports or an evaluation of the information systems used to produce the reports.
- Assessors were to disclose the sampling method used, and the level of confidence with regard to the data collected, or other techniques used to collect information, such as surveys and interviews.

b. Planning and Preparing the Assessment:

- The availability, reliability and integrity of records were issues that needed careful consideration during the planning phase, the absence of which could impede a full assessment of the system.
- Non-existence of reliable quantitative data was an issue that needed to be addressed as a weakness of the system that might impede adequate controls and monitoring or analysis of the system’s performance.
- If government carried out a self-assessment exercise, validation was imperative.

49. Part II of the Methodology provided a table showing each compliance/performance indicator, the related baseline indicator/sub-indicator, the suggested source of information, besides a column titled “Considerations for Assessment”, designed to provide additional guidance for the assessor on critical aspects to be examined. The findings were to be recorded in a short narrative report, discussing the probable causes for data not showing the expected degree of compliance.
50. As noted in the User’s Guide, the use of CPIs needed to be determined on a country basis, taking into consideration the specific capacities, existing country issues, and the decisions of the assessment participants, including timing, resources needed, costs involved [for collecting and analysing data and conducting interviews and surveys]. However, the use of CPIs was considered to be a critical aspect of monitoring the effectiveness of reforms to be introduced to address weaknesses in the overall system.

51. With regard to the experiences of pilot countries on CPIs, it was reported that the exercise helped to identify performance issues, and to determine gaps in the systems. Maintaining ownership in the implementation of the Methodology was essential for achieving the outcomes, and for future commitments. This was particularly manifest in self-assessments and joint-assessments.

52. However, it was suggested at the Copenhagen JV meeting that further guidance, simplification of the CPIs, and better alignment of the procurement assessment framework with the PEFA/PFM framework were needed. Consequently, the following accounts focussed on background information, while sharing experiences and challenges faced, initially.

The Sampling Phase

53. In order to obtain a valid picture of the performance of the procurement system, one of the most important steps was to carefully consider the sample of cases and procuring entities to be assessed. The sample needed to provide enough information in order to be able to draw conclusions, which could be regarded as valid at an aggregate level, and be generalised with respect to the procurement system, as a whole.

54. For example, if the distribution of cases were known [e.g., percentage of goods/services/works; method of procurement; contract amount; procurement at national and sub-national level, etc.], then the method of “representative sampling” could be used by analysing a sufficient number of cases within each category.

55. Conversely, it was possible to draw on a “random sample”, which would need to be of sufficient size, so as to ensure that the data collected could be seen as representative. Random sampling was, in many ways, the most adequate type of sampling, given that it was possible to draw a large enough sample, and that the population it would be drawn from was known, and defined.

56. Another way of drawing a sample was “strategic sampling”, i.e. drawing a sufficient number of cases according to criteria that would be considered to be particularly important or interesting, such as contract amount.
57. In assessing the CPIs, most pilot countries chose a sample at the national level. In Rwanda, for example, the sample for CPI measurement was defined as follows:

- 8 compliance/performance indicators evaluated;
- 30 key institutions evaluated [according to budget allocation];
- national and sub-national levels considered [6/14 ministries; 1/5 provinces/the city of Kigali; 10/30 districts; and 13/85 other public institutions];
- all contracts above the equivalent of USD 80 000 awarded in fiscal year 2006 were evaluated;
- 12 assessors were used.

58. Equally, Ghana evaluated the performance of 213 procuring entities, using its PPME tool [Public Procurement Model of Excellence]. The performance evaluation grid consisted of 54 Key Performance Indicators (KPI), addressing the following areas: management systems; information & communication; procurement process; and contract management.

59. However, some other countries advanced the CPI system for use at the agency level. In this regard, key public procurement entities were benchmarked, applying agency procurement performance indicators (APPI). The APPI was a tool used to assess and compare the effectiveness of a government agency’s procurement system, against that of the national public procurement system, using 28 baseline standards and indicators, based on the BLI system. The results of the independent evaluation of the key agencies were utilised to support the findings of the BLI assessment. A second assessment, using the suggested CPIs, was undertaken by civil society organisations.

60. One of the most common findings in the pilot assessments was that, either the pilot countries did not have in place a system to generate nation-wide procurement statistics, or that the system was not functioning in a reliable manner. The pilot countries’ progress reports recognised that the lack of a well-functioning statistical system imposed high risks and impeded the measuring and monitoring of CPIs. Consequently, the capacity development plans submitted with the assessment reports usually included an objective of developing or strengthening a system for generating and analysing nation-wide procurement statistics.

61. For example, some countries reported that national procurement statistics were inexistent, and recognised the need to develop a data collection, monitoring and evaluation system. Indeed, Zambia noted that the country had no system or procedures for collecting and monitoring national procurement statistics. In Uganda and Ghana (among others), where a system to collect procurement data was in place, the assessment revealed that ensuring that the system was applied in a complete, reliable manner was a task in itself. The following examples gave an impression of the challenges faced, and on actions taken:
• In Uganda, procurement entities were required by law to submit monthly/quarterly procurement reports to the Public Procurement and Disposal Authority (PPDA). However, collected data was not detailed and was considered unreliable.

• In Ghana, a new web-based procurement planning system was introduced. The Public Procurement Board (PPB) trained procurement entities to use the system and expanded its application for generating national procurement statistics.

• In another laudable example, a pilot country introduced a single electronic portal for the collection and dissemination of procurement information and statistics. However, it was noted that the information had not been verified by audit. It was recognized that the requirement to submit the required information to the portal needed to be reinforced, and data needed to be analyzed.

Data Collection and Record Management

62. When the sample for the assessment had been defined, the next step was to ensure that the data collection was conducted in a way that would be reliable and valid. Reliability in the data collection depended on:

• appropriate guidance (manuals, guidelines, structured interviews and questionnaires);

• thoroughly trained assessors;

• a common assessment approach to ensure consistency; and

• independence (example: peer review).

63. There was a need to ensure that the data collected was as valid as possible, i.e. that what was collected reflected reality. The validity of data could be enhanced by using different sources of information for acquiring the same data, the so called triangulation of data. Triangulation could be done both in terms of the methodology [interviews, reviews, questionnaires] and target groups. Triangulation would enable a comparison of results and this could help analyse findings.

64. In this respect, many pilot countries frankly expressed their concern that the process of data collection had been complicated and expensive, and that poor record keeping and incomplete filing were major hindrances to collecting data. In many cases, time allocated to undertake the assessment proved insufficient because key documents were missing, or were kept at other government departments.
65. For example, Zambia identified record management as a major weakness of its system. Record keeping was reportedly very poor and there were no norms for the safe keeping of records and documents related to transactions and contract management. As a result, accessing information was a great challenge as there was no particular system in which procurement information was kept. In most ministries, only limited information was available at the Procurement and Supplies Unit as most of the information had been passed on to the accounts department. The assessors therefore had to go through various departments in order to trace the process of a particular procurement. About 55.7% of tenders had incomplete documentation. As a result of such poor record keeping, the time allocated to undertake the assessment at each institution proved insufficient. This imposed limitations on extensive collection and follow-up on data. On the other hand, as Zambia implemented a major Public Expenditure Management and Fiscal Accountability (PEMFA) programme around the same period, it was hoped that its results would enable procurement-related issues to be fed therein.

66. In the same vein, in Sierra Leone, an analysis of performance of public procurement contracts was not made under the assessment, because of constraints associated with record keeping, and, at times, non-availability of records in the entities. Tanzania noted that, in most cases, procurement documents were available but scattered in different files, thus taking a lot of time to locate and reassemble for verification. In Uganda, although it had been stipulated that records were to be kept by procuring entities, for at least seven years, there were, however, no clearly-established security protocols for protection thereof, either physically, or electronically. Other countries stated that there were no administrative systems on recording and documentation of procurement and contract transactions at the contracting entity level.

67. Equally, Niger chose 15 procurement cases to conduct a compliance test. The existence of proper documentation was defined as “entry point”, and the completeness of the existing files was classified into 3 categories (good, acceptable, poor). As a result, 40% of the selected cases were considered auditable, 27% were auditable, with reservations, and 33% were not considered auditable.

68. Some pilot countries noted that, in certain cases, where a review of procurement files was undertaken in collaboration with procurement officers, some important documents [considered key sources for gathering data under relevant CPIs], were missing, or were kept separately at another department, thus making the CPI tables incomplete. The said documents included bid evaluation reports, final signed contracts, contract administration reports, completion reports, or payment-related documents. Such countries summarised the lack of complete CPI information meant there was no way of demonstrating performance, since the problem was one of incomplete information, and not necessarily of performance.
69. Often misconstrued as a purely administrative burden, *poor record keeping* could indeed engender a multitude of negative impacts, namely:

- *Procurement Staff* [Lack of accountability; Staff performance evaluation affected];

- *Procurement Operations* [High risks for errors in procurement process/award decisions; Poor contract administration (delays, failure to fulfil obligations, unjustified or late payments)];

- *Management Information* [Compliance/performance measurement difficult; National procurement statistics affected];

- *Transparency and Anti-Corruption* [Increased risk for corruption; Law enforcement difficult]; and

- Internal and External Audits [Sanctions difficult].

70. On the contrary, *good record-keeping* should be characterised by the following:

a. The *Legal/Regulatory Framework* should stipulate a list of procurement records that must be kept at the *Operational Level*.

b. Records should include:
   
   - public notices of bidding opportunities;
   - bidding documents and addenda;
   - bid opening records and bids;
   - bid evaluation reports;
   - formal appeals by bidders and outcomes;
   - final signed contract documents and addenda and amendments;
   - claims and dispute resolution;
   - completion certificates; and
   - disbursement data, including final payment.

c. A document retention policy would exist, compatible with the statue of limitations in the country, for investigating and prosecuting cases of fraud and corruption and with the audit cycles.

d. Established security protocols would exist to protect records, either physically or electronically.
Interpretation of Data

71. In the interpretation process, it was important to analyse and determine the validity and reliability of the results. Weaknesses in terms of sampling, data collection and/or methodology needed to be discussed. Once preliminary results were available, a verification seminar was to be organised, involving stakeholders such as suppliers, civil society and donors. The objective would be to discuss whether the preliminary results reflected the reality.

72. In a good example of ownership and donor co-operation, the government of Ghana and the multi-donor budget support group agreed to have the country’s self-assessment independently reviewed, to validate the usefulness of the PPME tool in monitoring public procurement practices at the Entity Level. After finalising the assessment, the Ghana lessons learned were as presented hereunder:

i. Key lesson learned: Developing a sound strategy for performance measurement and paying high attention to quality assurance to ensure reliability of data [CPIs, Part II of the Methodology]

ii. In Ghana, the self-assessment covering 213 procurement entities was conducted to collect compliance and performance data. The Public Procurement Model of Excellence (PPME) was developed for this purpose. It contained quantitative performance criteria and qualitative performance measurement indicators, which were rated by assessors. In general the tool offered a good platform for tracking compliance and performance of the national procurement system; some areas needed further attention to ensure the reliability of compliance and performance data:

- improving representativeness of sampling [to cover goods, services and works];
- strengthening qualification of assessors;
- providing more comprehensive instructions for assessors;
- allowing for sufficient time for the assessment [considering the size of the procurement entity];
- implementing quality control measures [double-checks];
- adjusting formulae for accuracy and relevancy;
- disclosing the average rating of each key performance criteria and improve linkages to the OECD/DAC

- BLIs;
prioritizing key procurement entities [e.g. annual value of procurement operations] to achieve value-for-money and risk mitigation; and

sequencing assessments with capacity development initiatives.

73. The usefulness of the CPIs in measuring compliance and performance of national procurement systems was broadly recognised during the pilot exercise. The assessment results highlighted weaknesses in records management, data collection and analysis. Consequently, reform programmes should focus on correcting these gaps. Once legal and institutional systems have been properly established, there were challenges to be addressed at the implementation and performance level, especially, in highly decentralised systems.

74. Since the goal of establishing a baseline on performance was to monitor, over time, whether performance would improve or deteriorate, the need was articulated to put a system in place that would continuously measure performance. Kenya, for example, stressed at the JV [Copenhagen], that it would develop strategic priorities and plans around the results of its empirical analysis of data. Indicators were chosen for the most critical areas to provide information to management on how the procurement entities were performing. Kenya intended to focus on performance management and to stress its importance for procurement entities to ensure leadership support. For example, the problems of good record keeping/document management and retention policy would be addressed for both issues. The e-procurement system would be interlinked with the performance management indicator system and procurement entities would be encouraged to establish their own performance management systems.

75. Also, Malawi tailored its compliance and performance measurement strategy to explicitly serve as a basis for subsequent capacity development considerations. A scoring system developed for CPIs was used to compare BLIs and CPIs, by visualizing gaps between the way the procurement system was designed and the way it operated on the ground.

a. To facilitate the subsequent use of the assessment results in the broader capacity development process, the diagnostic approach of the Methodology was broadened to include an explanatory dimension. In this way, the focus of the data collection was not only on “which” systems were in place and “how” these worked in practice, but also on “why” this were so, hereby providing an important starting point when defining actual capacity development strategies later on in the capacity development process.

b. As a result of the explanatory focus, a qualitative data collection approach was chosen. In relation to this, a number of qualitative CPIs were developed. Furthermore [to illustrate the gap between BLIs and CPIs, and to allow for future benchmarking], a scoring system similar to the BLI scoring system was adopted for CPIs, based on the scoring system previously used in monitoring compliance at procuring entity level.
c. The findings, i.e., the gaps identified between the standard defined in the *Methodology* (maximum score) on one hand, and the assessed scores for the *BLIs* and *CPIs* on the other hand, were presented in the recommended illustration.

76. It was important to ensure that the *assessment* process remained *valid and credible*. The OECD Secretariat prepared a *guidance note* on validation of assessment results for the assessment pilot exercise. It presented a governance perspective on *validation* and provided reflection and suggestions on how the effectiveness of the process could be strengthened.

**So, why was Validation so critical to the Methodology?**

77. When validating the *assessment* process [from a governance perspective], the keywords were *transparency*, *credibility* and *accountability*. In other words, *transparency* throughout the process, *credibility* with respect to key stakeholders in the procurement reform process, and *accountability* before the constituencies of parliaments and citizens in both partner and donor countries.

78. Thus, involving *stakeholders* during a *validation* process had benefits:

- Stakeholders could provide valuable input and information to the assessment, including a different points of view, and more nuanced perspectives.
- They could confirm or challenge pre-established findings.
- They could identify and correct mistakes, or misunderstandings.
- Involving stakeholders in the validation of assessments became an important new management tool.
- Most importantly, involving stakeholders in the validation of *assessments* provided a valid mechanism for ensuring buy-in and commitment to the procurement reform agenda, thereby building a *coalition for change*.

**And, which Stakeholders should be included in the Validation?**

79. The identification and selection of *stakeholders for validation* would vary from country to country. However, they could often coincide with representatives of procurement entities and the group of stakeholders generally understood to support procurement reform, such as:

- government line ministries;
- local government authorities;
- oversight institutions [ombudsman, audit authority, anti-corruption agency];
- parliamentary committees;
- civil society including academics, NGOs and the media;
• the private sector; and
• the international donor community.

How to involve Stakeholders in the Validation?

80. An important consideration when inviting stakeholders to assist in the validation of the assessment process and results was to ensure the stakeholder group was well informed about the assessment, from the start, and its purpose within the wider procurement reform. Information on the assessment process and results could be posted on relevant web sites and through the mass media, community newsletters, etc. Depending on the previous level of involvement and the knowledge within the stakeholder group, the following mechanisms could be applied: public hearings; stakeholder meetings; and focus groups.

81. It was important to specify from the beginning why stakeholders’ involvement would be critical, and how stakeholders’ input would be used. Before involving different groups of stakeholders in the validation process, the appropriate approach for dealing with each group should be chosen and analysed, i.e. perhaps using face-to-face workshops with a particular group, e-mailed questionnaires or structured telephone interviews with others, etc.

82. Many pilot countries expressed the view that the validation of the assessment exercise and of the results of the assessment was a useful measurement of the transparency and credibility of the assessment exercise. Stakeholders of the procurement process, such as civil society organisations, the private sector, the development partner community, and both political and administrative government authorities were, in many cases, consulted when reviewing the results of the assessment and, to a lesser extent, at the planning stage.

83. A few countries expressed disappointment with regards to attendance at validation workshops. In some cases, only a few representatives of key ministries, public authorities, state-owned enterprises and the World Bank participated in the validation. However, professional organisations and private companies [who had been invited to provide views and comments on the assessment], did not attend.

84. Also, challenges remained in addressing disagreement over scoring and understanding the significance of the score. The cases of Botswana and Zambia (among others) illustrated different approaches chosen to validate the process and the results. At the validation level, problems related to the procurement assessment exercise as a whole might become apparent and should be carefully considered. For example:

• If there were no validation process at all, the credibility of the assessment results would be affected. Action was to be taken to ensure stakeholder involvement.

• If civil society organisations or private sector institutions did not participate in either surveys or workshops, it was important to analyse and understand why.
• If procurement entities did not understand the purpose of the assessment [or even suspected so much that the exercise were an audit], the collection of data for CPIs could be affected. Thus, information sharing needed to be improved.

• If reliability or quality of data were to be challenged, high-level government officials or development partners may question the findings and recommendations. A quality assurance mechanism needed to be established.

85. In this respect, Botswana chose a three-step approach to assess the BLIs and validate the results, viz.:
   
i. scoring by Public Procurement and Asset Disposal Board (PPADB);
ii. scoring by stakeholders as a group;
iii. comparative analysis.

86. Stakeholders were given the Methodology, for independent assessment during Phase 1. The assessment took place in a workshop, where stakeholders were invited to share their results with others, for the purposes of validation. Participants were divided into groups. Each group was assigned a Pillar, with the objective of reaching consensus on the scores. The scores, as agreed by each group, were then presented to the plenary session that then endorsed them, or modified them, accordingly. After which the PPADB team shared its own results with the workshop. It was agreed to keep the two results separately, so that they could be compared and independent conclusions drawn thereon.

87. A comparative analysis was made of the results, which displayed a margin of variation and a conclusion was drawn with regard to the entire exercise. The margin of variation in the two results was merely 3%, which was negligible. However, there was a need to reconcile some differences between the PPADB and its stakeholders, given that they had scored different marks in different aspects as compared to what the sub-indicators attempted to assess.

88. In the case of Zambia, after finalizing the assessment of BLIs and CPIs, the Zambia National Tender Board (ZNTB) invited stakeholders to a validation workshop. Eight ministries, the Zambia National Farmers Union, Anti Corruption Commission, one supplier and one bilateral donor participated. The findings were as follows:
   
• Stakeholders endorsed the findings as a fair reflection of the procurement system.

• Concern was raised on the credibility of the sample for the CPIs, and whether it was representative. The stakeholders were told that the sample was selected on the basis of the size of the ministries, and that it included both large and small ministries and provinces.
• Some ministries would initially not provide information because they perceived the exercise as an audit. Such data was only given after the officers concerned were reassured that the information was to be used for purposes of the exercise only.

• Data verification could be a challenge because some of the invited representatives from civil society did not provide a feedback on some indicators, or participate in the validation process.

• The workshop provided a chance for feedback from participants, for example on how to make the role of the ZNTB more neutral, and on private sector problems in responding to tenders. Follow-up measures were agreed upon.

**Assessment Report**

89. One of the main objectives of carrying out the **assessment**, in accordance with the **Methodology**, was to provide partner countries with a tool that could be used to **formulate programmes** to improve their national procurement systems and align them with internationally-accepted **good practice**. The **assessment** also provided a unique learning and **capacity development** opportunity for government and donor participants, alike. A narrative analytical report, following the completion of the assessment, would be useful to both partner governments and donors interested in supporting and strengthening procurement reform programs. A report of this nature would provide the context to the **assessment**, as well as the assessor’s evaluation of the entire system, and of the status of progress of individual items assessed.

90. Paragraph 22 of the **User’s Guide** included a suggested outline for the report, to which relevant sections and chapters needed to be added, should an action plan or a reform strategy be proposed. Ideally, the report was to contain the following elements:

• An Executive Summary, providing an overview of the assessment results in the light of the four **Pillars**. The Executive Summary was to highlight the **strengths** and **weaknesses** of the system, their **relative importance**, the major **risks** identified and their likely **consequences** for the **efficiency** of the system.

• An introductory section that would present the background of the **assessment**, its **scope and nature**, any specific **problems** encountered, and any **other matters** that were essential to understanding the context and circumstances under which the **assessment** was undertaken.

• A section that described: a) the country **context**, including a brief **review** of the country’s **economic situation**; b) the **nature and scope of public expenditure**; c) the role of the **national government** and other **sub-national governments**; d) the **links** with the **budgetary and control mechanisms**; and e) the **procurement system** and its **links** with the rest of the **public sector**.
• A section describing the characteristics of the procurement system and the key actors and their roles in operating it.

• A section discussing the assessment’s findings in relation to each of the Pillars and indicators. This section would also describe any programmes or initiatives that government would implement or would seriously consider, including whether they merit possible support by the international donor community. Finally, the section would describe any progress made, the lack thereof, or the deterioration of the system since the last assessment was carried out.

• A section on the assessment of outstanding weaknesses in the procurement system. These were to be classified into high, medium and low categories, with regard to the risks such weaknesses could pose to the system and suggestions as to how to keep these risks at an acceptably low level. Such suggestions could form the basis for a prioritised reform strategy intended to address identified weaknesses.

• The final section was to describe other reform programmes that government would implement, or planned to implement, that could have an impact in the way the national procurement system operated.

D. MAKING USE OF THE ASSESSMENT RESULTS TO STRENGTHEN COUNTRY PROCUREMENT SYSTEMS

91. The Methodology had been conceived to provide a basis upon which a country could formulate a capacity development plan, with the view to improving its procurement system. Donors could then develop strategies to assist with the capacity development plan and to mitigate risks in the individual operations that they would decide to fund. In the long term, countries would improve their national procurement systems to meet internationally-recognised standards, thereby enabling greater effectiveness in the use of public funds to meet each country’s development goals.

Introduction to Capacity Development

92. In reviews of aid effectiveness, the development of capacity was invariably recognised as one of the most critical issues for both donors and partner countries. The Paris Declaration highlighted the need for significantly enhanced support for country efforts to strengthen governance and improve development performance. In this context, the Declaration called for capacity development to be an explicit objective of national development and poverty-reduction strategies. The reports of the UN Millennium Project and the Commission for Africa were among those challenging the world to treat capacity development with greater urgency. The OECD publication The Challenge of Capacity Development: Working Towards Good Practice offered a framework for thinking about capacity development, based on the main lessons of experience, both good and bad. It provided the following definitions of capacity and capacity development:
“Capacity” was defined as the ability of people, organisations and society as a whole to manage their affairs successfully.

“Capacity Development” meant the process whereby people, organisations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time.

93. At this juncture, two related observations could be made:

- Country capacity was the key to development performance and, thus, to efforts for accelerating economic growth, reducing poverty and achieving the MDGs. This applied to both generic capacities (e.g. the ability to plan and manage organisational changes and service improvements), and specific capacities in critical fields (e.g. public financial management or trade negotiation). Insufficient capacity in the public sector was a key bottleneck, among other reasons, because of the way it could impact on the enabling environment for private enterprise and private sector capacity development.

- The cornerstone of contemporary thinking about aid and development effectiveness was country ownership. Yet country ownership of policies and programmes was premised on the capacity to exercise it. Ownership would not begin to emerge in the absence of sufficient local capacity. The relevant capacities included those that would allow mediation among the plurality of interests and constituents within the country, so that compromises and shared commitments could be arrived at.

94. The discussion would tend to suggest the following as the most important lessons to learn concerning capacity development:

- Capacity [understood in terms of the ability of people and organisations to define and achieve their objectives] involved three levels: individual, organisational and the enabling environment. These levels were interdependent.

- Capacity development should go beyond “capacity building”. The stock of human capital and the supply of general and technical skills were important. However, a country’s ability to use skilled personnel to good effect depended on the incentives generated by organisations and the overall environment.

- Capacity development was necessarily an endogenous process of change.

- Appreciating the interactions between the three levels of the capacity development process, meant recognising the important role of systematic factors in enabling or blocking change.
E. PROCUREMENT CAPACITY DEVELOPMENT – INTERNATIONAL TARGETS AND GENERAL APPROACH

95. The Paris Declaration highlighted commitments made by donors and partner countries with regard to strengthening country systems and increasing donor reliance on the use of these strengthened systems. Targets for the indicators of progress had been set to reflect the idea that partner country systems would improve over time and that, as they improved, they would be progressively utilised by donors.

96. The Paris Declaration specified, under the heading “Strengthen national procurement systems”, the following:

i. Partner countries and donors jointly commit[ted] to:

- Use mutually agreed standards and processes to carry out diagnostics, develop sustainable reforms and monitor implementation.
- Commit sufficient resources to support and sustain medium and long-term procurement reforms and capacity development.
- Share feedback at the country level on recommended approaches so they can be improved over time.

ii. Partner countries commit[ted] to take leadership and implement the procurement reform process.

iii. Donors commit[ted] to:

- Progressively rely on partner country systems for procurement when the country has implemented mutually agreed standards and processes (Indicator 5).
- Adopt harmonised approaches when national systems do not meet mutually agreed levels of performance or donors do not use them.

97. In the specific case of procurement capacity development, the Paris Declaration made reference to the OECD “Good Practice paper on Procurement Capacity Development” (GPP), which reflected the insights of procurement experts from developing countries, as well as bilateral and multilateral donors. The GPP was structured into three parts, and addressed the issues hereunder.
The Capacity Development Context

98. The GPP discussed the context of the development of procurement capacities and, in particular, the relationship between a country’s overall development and procurement strategies and the capacity development programme that should logically flow from these. In brief:

i. The objective, focus and timing of any procurement capacity development programme were to be an integral part of a country’s overall procurement strategy. A clear policy was required on how a country wanted its procurement system to evolve over time, and the kind of specific capacity demands it would face. The government was to articulate a national procurement strategy that would specify what objectives it wished to achieve, assigning responsibilities, allocating a budget, identifying instruments and setting the time horizon for the reform process. This strategy needed to strengthen linkages to other public sector functions and reform programmes [in particular those relating to public financial management, auditing, anti-corruption, public administration and/or civil service reform].

ii. One of the core issues to be addressed in procurement capacity development was the need for better cooperation and co-ordination with other relevant public reform processes. For example, a country that was committed to decentralisation, consequently, needed to transfer autonomy for procurement decisions from the national to the provincial and district level.

iii. The national procurement strategy was to reflect the role of the private sector. For example, should private investment in the public sector be maximised? Should procurement be outsourced to private service providers? The private sector could provide valuable assistance in areas such as knowledge management, technical and commercial analysis and assessment, project preparation, project implementation and procurement monitoring and evaluation, as well as audits.

iv. Professional institutions/associations and academic bodies could play a key role in the development of procurement capacity by providing a framework for education and the sharing of good practice.

v. Another core issue to be addressed was corruption and bribery. Procurement was to be considered as an integral issue in governance and anti-corruption strategies. Accountable, transparent and ethical procurement practices and processes could help to reduce the environment within which inefficiencies, including corruption, thrived.

Principles for Capacity Development

99. The GPP presented UNDP’s 10 Default Principles for Capacity Development. It emphasised that the process or plan for capacity development was not to be considered as a blue print. An iterative process was proposed, aimed at creating a viable institutional framework. The principles on which this process
would be based were captured by the concepts of country ownership, broad stakeholder involvement, realistic needs assessment, strategic procurement capacity development planning, and closely monitored and flexibly managed implementation.

**Stakeholders**

100. The GPP argued that as many key stakeholders as possible were either to be involved in, or be consulted during the assessment, planning and implementation stages of any capacity development initiative. It listed some of such stakeholders and highlighted their respective roles in strengthening procurement capacities.

101. Another guide that broadly covered the field of procurement capacity development was UNDP’s Procurement Capacity Assessment User’s Guide. Capacity Assessment was defined as an analysis of current capacities against desired future capacities. This assessment would generate an understanding of capacity assets and needs, which, in turn, would lead to the formulation of capacity development strategies. In particular, a capacity assessment needed to explore “why” compliance and performance had not been satisfactory, in order to identify appropriate strategies.

**F. EXPERIENCES IN USING THE ASSESSMENT RESULTS FOR PROCUREMENT CAPACITY DEVELOPMENT**

102. In the pilot assessment exercise, most pilot countries performed best on the Legislative Framework Pillar. In the majority of cases, the legal framework was in place and could be elaborated upon. This reflected the fact that, traditionally, procurement reform focused on establishing a new national procurement legislation, guidelines, templates and manuals, as well as the training of procurement staff in applying the new rules.

103. Experiences from the assessment exercise [with regard to using the results to underpin capacity development, in a broad sense] covered areas such as: identifying strengths and weaknesses, prioritisation; developing a procurement strategy and making it an integral part of the country’s overall development strategy; establishing procurement as a profession; involving the private sector and civil society; and monitoring the outcome of capacity development initiatives.

**Strengths, Weaknesses, Prioritisation**

104. The Methodology was useful in identifying the strengths and weaknesses of an existing national procurement system. In many pilot countries [among which: Cameroon and Sierra Leone], the assessment results were used to establish a prioritised list of areas of weaknesses. As articulated in certain reports, what was important (and should be prioritised) did not only depend on a low indicator score. It also depended on the country context and funding.
105. Some countries [including Zambia] went a step further to assess the risks associated with identifiable weaknesses in the system. Others developed risk matrices, outlining the risks involved, the effect, the cause (and links to BLIs) and short-, medium- and long-term recommendations for risk mitigation.

106. In particular, Zambia used the list of assessed CPIs, highlighting high-risk areas. In the validation process, causes for unsatisfactory ratings were discussed. Actions were formulated within the context of the PEMFA programme, covering records management/norms for the safe keeping of records and (with specific regard to the private sector), facilitating access to credit [which was believed to inhibit participation in bidding processes]. Among the elements assessed as high-risk areas were [through linking BLI, CPI, and assessment score]:

- **1(c)**: Percentage of invitations for open tenders publicly advertised (36.67%);
- **1(e)**: Percentage of tenders rejected in each process (77%);
- **1(g)**: Percentage of open tenders opened publicly and recorded (66.66%); and
- **6(c)**: Percentage of contracts found with incomplete records as per the list given for this sub-indicator keeping (56.67%).

107. Meanwhile, other pilot countries summarised existing and proposed initiatives and recommendations to address areas for improvement, based upon the BLI assessment, and included other actions from earlier CPARs. High risk areas were then identified and prioritized.

### Establishing a Capacity Development Plan

108. Many pilot countries used the assessment results to draft a capacity development plan. Recommended actions addressed the individual level, the organisational level and the enabling environment. Presented below was the exemplary list of capacity building measures corresponding to the different levels as highlighted in the individual assessment reports:

i. **Individual Level:**

- Certification programmes for procurement professionals – Computerized Procurement practitioner’s proficiency certificate [Ghana, among others].
- Leadership Code which requires ministers and senior officials to make periodic financial disclosures [Uganda].
- Code of Ethical Conduct in Business must be signed by public officers engaged in procurement [Uganda].
• Training for procurement officials at all levels and stakeholders [Botswana, Cameroon, Ghana, Rwanda, Sierra Leone, Tanzania, etc.].

• Training of local trainers.

• Job descriptions [Malawi, etc.].

• Staff performance evaluation [Rwanda].

• Issue rules to encourage stability among key policy personnel of normative/regulatory body and prevent their removal, demotion or suspension for reasons not related to their professional performance or ethical questions.

ii. Organisational Level:

• Creating country-wide training facilities for diploma and degree programs [Uganda].

• Conduct of training needs assessment and development of a training program with 25 modules for stakeholders [Ghana].

• Instructions on recruitment procedures for procurement officers [Malawi].

• Provision of e-procurement tools and equipment and web-sites to improve publication of information [Rwanda, Uganda, Malawi, Sierra Leone, Tanzania, etc.].

• Norms for record keeping [Zambia, Sierra Leone, Tanzania, Uganda, Malawi, etc.].

• Establishment of procurement units [Ghana, Rwanda].

• System for Checking and Monitoring [Tanzania].

• Making direct payments to suppliers from Treasury to reduce payment times.

• Establishing/enforcing a procurement information system for collecting and monitoring national procurement statistics [Zambia, Ghana, Uganda, Botswana, Cameroon, Rwanda, etc.].

• Creating/Transforming Procurement Board to a purely regulatory body [Zambia].

• Establishing an independent body for administrative review of complaints.
• Providing an international language version of the procurement bulletin and web site.

• Specialized workshops/seminars and manuals on procurement monitoring and audit for external monitoring agencies including National Audit Office, State Inspection Department, Anti-Corruption Agency and civil society organisations [Ghana, Malawi, etc].

• Systematic monitoring of areas identified as critical in assessment [Malawi].

iii. Enabling Environment:

• Establishing/reviewing procurement legislation, regulations, manuals, standard bidding documents, etc. [Togo, Ghana, Malawi, Rwanda, Tanzania, etc].

• Involving civil society in procurement reform [Benin, etc].

• Donor co-ordination on reform program [Ghana, Zambia].

• Definition of a career path for procurement professionals [Ghana].

• Reviewing salary structure.

• Involving private sector in procurement reform, offer training [Ghana, Malawi, etc].

• Facilitating access to credits for private sector to enhance competition.

• Engaging banks in a dialogue to secure bid bonds without creating high risks [Sierra Leone].

• Encouraging partnerships with private sector [Sierra Leone].

• Abolishing anti-competitive pre-qualification system for bidders which created market segmentation without fair and equal opportunities for all.

• Linking the procurement process with the budget formulation and budget execution process [Ghana, Zambia, Botswana, Malawi, Sierra Leone, Uganda, etc].

• Introducing specialised procurement audits, including risk assessment and procurement performance audits, ensure follow-up [Uganda, Rwanda, etc].

• Developing Anti-corruption strategy [Uganda, Tanzania].
- Developing Standards of Ethics, Incorporate procurement provisions in Code of Conduct [Malawi, Rwanda, Sierra Leone, etc.].
- Involving media in anti-corruption initiatives [South Africa].
- Considering a Whistleblower Act to encourage more reports on corruption [Uganda].
- Providing for alternative dispute resolution to increase foreign investments.

109. The implementation of a capacity development plan needed to be monitored closely and managed flexibly. The process was to be iterative, i.e. one to be monitored and adjusted repeatedly. The goal at each step would be to sharpen the focus of the programme and improve its chances of success.

110. Monitoring required a solid reporting mechanism. Thus, it was important to agree on and introduce a set of meaningful performance indicators. Early successes were to be broadcasted widely and celebrated. The ripple effect of even minor victories in capacity development could have a major long-term impact on the success of future bigger reforms. Word-of-mouth reports shared by a broad group of key stakeholders could often be more persuasive than the results of elaborate and costly communication strategies.

111. A case in point was that of Malawi, which systematically used the Methodology as an input to the country’s capacity development strategy. With the assistance of UNDP, and for each of the strategies defined, indicators were identified against which to measure progress. These measures were quantifiable, distinct and well-defined to measure both the implementation of the capacity development strategies (i.e. output) as well as the impact on capacity (i.e. outcome). In addition, for each indicator the assessment determined baselines and set targets. The total cost was calculated in order to realistically determine the extent of funding required for implementation. The Malawi process is presented here, as an example.

G. FORMULATING CAPACITY DEVELOPMENT STRATEGIES: MALAWI

112. The Malawi exercise was divided into two distinct components: the actual assessment of the procurement system, followed by the formulation of capacity development strategies, based on the assessment findings.

113. To facilitate a smooth transformation of assessment findings into capacity development strategies in Malawi, the UNDP Approach to Procurement Capacity Assessment was tested. While not directly linked to the Methodology, the UNDP tool offered a concrete guideline to identify and formulate capacity development strategies, based on procurement assessments. As the two tools were found to complement each other well, they were applied in conjunction.
Preparing the Ground for Capacity Development

114. One of the measures taken in Malawi was to focus not only on identifying the weaknesses of the procurement system, but also on uncovering the root causes underlying them. The root causes were later to form a starting point for formulating capacity development strategies. The assessment and strategy formulation process roughly followed five steps: The 54 sub-indicators of the Methodology provided a useful framework for establishing the desired procurement capacities (Step 1). Using these indicators, the actual capacity could be assessed (Step 2). In a gap analysis, actual capacities were measured against desired capacity (Step 3). Next, root causes for each gap were identified (Step 4). This was done by exploring possible reasons for identified weaknesses among relevant stakeholder groups, and by confronting stakeholders with contrasting explanations, in order to uncover as many contributing factors as possible. Often capacity gaps appeared to have several root causes, which pointed to a need for multi-pronged capacity development strategies (Step 5).

115. In Malawi, the strategy formulation covered three main stages:

i. Identifying capacity development strategies;

ii. Defining progress indicators; and

iii. Transforming strategies into a coherent plan.

116. The presentation of each strategy in the Capacity Development Plan included a detailed description of the strategy, the root causes and gaps addressed, and a proposal for its implementation; a clearly assigned lead institution and list of stakeholders for the implementation process; implementation timeframes; implementation priority (high, medium, low); progress indicators (output indicator, outcome indicator, baseline, and target).

Lessons Learned

117. The Malawi exercise highlighted the following lessons:

i. Expanding the assessment focus from “what” to “why”;

ii. Ensuring active participation of the procurement authority;

iii. Mobilising stakeholders from the outset of the process;

iv. Internalising the process in existing fora;

v. Taking a systematic approach to formulating capacity development strategies;

vi. Co-ordinating strategies that went beyond the control of the procurement authority;

vii. Maintaining a strong focus on funding; and
viii. Acknowledging that capacity development was a process of change.

118. Following the pilot and other country assessment exercises, a more in-depth examination of changes to country capacity was carried out for discussion by the OECD/DAC Global Cluster on Country Systems: Task Force on Procurement. While only a snapshot, these case studies provided insight into how country procurement capacities have changed over time. Below are brief accounts of four African countries [among others], demonstrating the wide range of procurement capacities and circumstances among borrowers.

119. **Ghana** formed an example of a country consolidating reform of its procurement system. Reforms had begun in 1996, as part of a wider program to improve public sector management. The 2003 CPAR helped to orient reforms that were enacted in a new Procurement law. That law established new structures, rules, and procedures; it set up a new central Procurement authority and an Appeals and Complaints Panel, issued standard bidding documents, and developed training modules. However, there remained much to be done, especially to align regulations with the new law, create incentives for procurement staff, operationalize the new structures, add transparency, and increase efficiency.

120. **Mauritius**, one of the Africa Region’s best performers across a number of dimensions, moved considerably from its UK-inspired procurement system [dating before independence in 1968], to a modern one, based on the UNCITRAL Model Law, and adopted in 2006. This new legal framework paved the way for a new central Procurement Board (overseeing policy), a set of standard procurement documents, an active program to build a local procurement profession, a forum for interacting with the private sector on common interests, a challenge and appeal system, and a multi-institutional oversight structure, which ensured compliance and reviews performance. Mauritius actively benchmarked its system with international good practices, including those of **WTO**, and recognized that this was a dynamic process, requiring continuous improvement.

121. **Rwanda** was making up ground [from the internal strife that occurred in 1994] and overcoming long-standing deficiencies in its procurement system. As of 2004, when a CPAR was conducted, Rwanda was still operating under a pre-independence 1959 Belgian Royal Decree, although it had set up a new procurement Tender Board in 1997, under the Ministry of Finance. That Board operated well but soon became overwhelmed with processing all high-value contracts. The recommendations made in the 2004 CPAR were adopted, following which Rwanda made considerable progress. It approved a new procurement law in 2007, developed standard bidding documents, reformed the tender board, added transparency, created a credible complaints mechanism, and increased outreach and staff training. A number of items were still pressing, including staff capacity. Nevertheless, Rwanda’s achievements as highlighted in the 2008 PEFA remained impressive, especially for post-conflict state.

122. **Morocco** started early to modernize its public procurement system, amending the main legislation in 1998, and significantly aligning policies with international best practices. Following that, Morocco took steps to incorporate features needed to comply with its international commitments [with the **EU**], and under its
US bilateral free trade agreement]. It also progressed in the use of SBDs, in making procurement information public, and in linking procurement with its public expenditure management systems. Morocco worked to ensure that its public procurement rules were consistently applied across the public sector, and reformed its Central Procurement Board. Issues of governance and anti-corruption were addressed, with Morocco collaborating closely with the OECD. There remained more to do on strengthening complaints handling, enhancing human resources devoted to procurement, and developing internal controls and audit systems as part of a comprehensive program dedicated to fraud and corruption.

123. Consequently, the picture that emerged from these syntheses of country procurement capacities was one of wide differences that varied by political economy, local conditions, size, income level, and even by region. Thus, certain borrowing countries, especially high and upper middle-income countries, could advance rapidly towards reforming their procurement systems, adopting new concepts such as value-for-money for high-impact, high-value, and complex procurement. For others, the path might be modest and could take longer. Some could first work towards using e-procurement, in order to simplify procurement processes making them more transparent for high-volume, low-value transactions. Still, other countries may have to focus on putting in place the underlying legal and institutional foundations.

124. Fragile and conflict-affected states could likely face particular challenges in reforming their procurement systems, and small countries could face capacity and market constraints. Moreover, as shown in the results of piloting the use of country systems, client capacity was not uniform across all dimensions of the procurement function; i.e., particular borrowers may be quite good at certain things, but not others. The bottom line could be that WB and other MDB approach to procurement would need to be tailored to these increasingly differentiated capacities, and to respond to the wide range of opportunities that exist, with the view to helping countries to improve their procurement systems. The proposed policy reviews may have to examine ways in which these multi-pronged objectives could be achieved.

III. APPLICABLE LESSONS

125. Harmonization of procurement policies among MDBs has been part of the larger agenda to strengthen country ownership and management of development programs, formalized under the Rome Declaration on Harmonization [2003]. Participants to that meeting recognized the high transactional costs that donor-driven demands placed on countries, and thence agreed to integrate, wherever possible, development assistance into the financial management and accountability frameworks of partner countries. In the case of procurement, this built on earlier Round Tables [2002], organized by WB and OECD/DAC, as a sub-group of the Working Party on Aid Effectiveness, and the strengthening of country procurement capacities set out in the Johannesburg Declaration [2003].
126. The *Johannesburg Declaration* laid out the broad framework towards *strengthening country procurement capacities and greater reliance on country systems*, endorsed at the *High Level Forum on Aid Effectiveness, in Paris* [2005]. The *Paris Declaration* articulated five main goals, one of which was the *use of country systems* increasingly, over time. The *Accra Agenda* [2008], in turn, defined the actions, including those by WB/MDBs, needed to put the *Paris Declaration* into practice. Recently, the *Procurement Task Force*, operating under the *Use of Country Systems* cluster of the OECD/DAC and co-chaired by the WB, issued a declaration at its meeting in Cuzco [May 2011], to recommend further *innovative orientations*. These were presented at the November 2011 *Fourth High-Level Forum on Aid Effectiveness* (HLF4) in Busan, Republic of Korea, where the *use of country systems* was recognized as the *default approach* for development cooperation.

127. As a follow-up to the Paris Declaration, the Procurement Joint Venture of the OECD/DAC, under WB leadership, took on the task of developing the tools and mechanisms for effecting measurable improvement in local procurement systems and encouraging the *use of national systems*, as those systems improved. One of the results of this work was the development of the *Methodology for Assessment of National Procurement Systems (MAPS)*.

128. The next step was the *piloting of the use of country procurement systems* in MDB-financed operations. After extensive discussion and consultation with key stakeholders on the approach, the WB launched the piloting program in FY09. Unfortunately, the program proved to be time-consuming and was ultimately not successful in reaching the final stage of actually *using country systems* in a project. Nevertheless, at the end of the *piloting program*, four countries were conditionally cleared to be able use their respective country systems. But, so far, none has chosen to do so.

129. The key lesson from this experience was that expecting countries to have *national procurement systems* that would be *unequivocally equivalent* to the WB/MDB policies [the “*all or nothing*” proposition], was an unrealistic expectation. It could more likely be the case that *country systems* would have *strengths and weaknesses*, and that *some national agencies would be more capable than others*. Moreover, the piloting program demonstrated that *procurement reform was a complex and lengthy process* that would require *progressivity* and *gradualism*. On the other hand, the piloting program was successful in demonstrating how to benchmark *national procurement capacities*, and *stimulating interest in procurement reform*. As a result, there exist great interest and synergy among donors and countries alike in *improving local procurement capacities*.

130. Finally, the Bank may wish to coordinate closely with WB on follow-on action concerning the assessment exercises. In this regard, ORPF may wish to share its own study with regard to comparisons between RMC policies for *ICB* and *NCB* and those of AfDB, in addition to the prescribed financial thresholds for such methods of procurement.
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