Draft Document

Annotated Outlines for drafting
A Bank country Procurement Assessment Report (BCPR)

March 2015

African Development Bank

Procurement and Fiduciary Services Department (ORPF)
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GENERAL REPORT

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ANNEXE

- Detailed assessment of the CPS against the 18 critical sub-indicators of the Bank Customized MAPS
- Detailed assessment of the CPS against the 30 sub-indicators of the Bank Customized MAPS for improving the performance of the CPS
- Detailed CDAP
The main objective of the report is twofold: (i) determining the readiness of the CPS for being used in Bank Operations; and (ii) identifying the weaknesses of the CPS with the view to developing an action plan for building a reliable and well-performing system. This report will normally be updated every three (3) years to align with the Bank’s Country Strategic Paper (CSP) for the concerned country. Ad-hoc updates may also be made if there have been significant changes in the legal, institutional and regulatory situation in the country.

Introduction

The objective of this part is to link the review with the procurement-related objectives of the Bank to contribute (i) to improve the performance of Bank-financed operations; and (ii) build reliable country-procurement systems (CPS) in its RMCs. This part will also serve to confirm the commitment of the government to jointly conduct with the Bank this assessment in order to improve the performance of the CPS. The other donors active in the country and who have shown an interest in this assessment will also be mentioned. Finally it will describe the composition of the Bank’s team leading this review to ensure that the report has received contributions from relevant departments of the Bank.

1. This paragraph will put the report into context (Revision of Bank Procurement Policy – Purpose and Requirements) and present the objectives of the report. It will also inform on the main methodology (Bank Customized MAPS) used by the team for assessing country procurement system.

2. This paragraph will describe the process used for informing and obtaining the commitment of the government for this review. It will refer to key partners at the country’s and donors’ community level who have played a critical role in providing feedback and assistance to the Bank during the review of the CPS.

3. This paragraph should briefly describe the Bank’s internal procedures to be followed by the team for validating the report (ORPF, Country Team, Regional Director and Director of ORPF) before being submitted to the country for endorsement and further dialogue. It should also present the team (Bank’s experts at the HQ’s and CO’s levels) who conducted (ORPF Task Manager and technical experts) the review of the CPS.

Methodology of Assessment

The objective of this part is to inform about the consultation process used by the Bank for assessing the CPS through engagement of the government and all the relevant stakeholders

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1 For the purpose of this report, “country” means any borrower of the Bank who has its own procurement system and procedures.
in the review. Setting up an inclusive and efficient assessment process is of paramount importance for better ownership of the recommendations aimed at modernizing the legal framework and strengthening the institutional framework for obtaining a reliable and well-performing CPS.

4. Description of the process followed (for example: letter to the Government, launching workshop, wrap-up and validation meeting, etc.) for engaging the government in the exercise and - depending of the country - involving various key partners (government, CSOs, Private sector, Donors) in the assessment; including the level of their involvement (technical, financial and political).

5. This paragraph will describe the methodology of the assessment; in particular it will refer to the Methodology for the Assessment of Procurement Systems (MAPS) developed under the aegis of OECD-DAC and the rationale of its customization by the Bank for implementing the new procurement framework. It will also put an emphasis on the 18 sub-indicators which will serve as the basis for engaging the Bank in using the country procurement system (UCS) for investment projects. Finally it will explain the rationale for selecting those indicators for developing a Country Procurement Development Action Plan (PDAP) with the view to strengthening the national institutions and improving the performance of the CPS for contributing to the achievement of the overall development objectives of the country.

6. This paragraph will explain the process used for the preparation of the BCPR. It will describe the strategic approach used in getting all the key partners involved, the documents used for assessing or updating the CPS (CPAR, PEMFA, PEFA, NCB reports, etc.) and the link with the CSP and other strategic papers guiding Bank Operations in the country. It will finally describe the various stages for drafting and finalizing the BCPR, including launching the review with the country, assessing the CPS with key actors and partners, getting the endorsement of the Bank (internal review) and sharing the outcome with the government.

Overview of the performance of Bank Portfolio

The objective of this part is to give an overview of the performance of the existing portfolio of the Bank. This chapter will briefly present the CSP, describe the sectors supported by the Bank, and highlight the main issues related to the management of the current portfolio. It will serve to identify some of the issues which, in addition to procurement, should be mutually addressed in the short and medium term, in order for the Bank to benefit from the implementation of the new procurement policy and the improvement of the CPS. It will also serve as the basis for any Government request for selecting on-going projects to be executed under the new procurement policy.

7. This paragraph will briefly present the CSP, the ongoing operations (number of projects and total amount) and sectors commitments, and the disbursement rate. It will make a quick analysis of systemic issues (based on project activities reports or Bank’s country portfolio performance reports - CPPRs) affecting implementation of projects and the trend of disbursement (figures or graphs will be useful).

8. This paragraph will propose appropriate measures being (or to be) taken by the Bank and the Government for mitigating identified risks for ongoing projects. In particular, for procurement-related risks, the paragraph will propose clear and realistic mitigation
measures discussed (or to be discussed) with the Government, to be implemented for (i) ongoing projects; (ii) future projects to be considered under the new procurement policy.

9. Whenever possible, the last paragraph should pave the way for future projects and sectors to be assessed in the context of the implementation of the new procurement policy.

Overall Public Financial Management System

The objective of this part is to ensure that the existing PFM system of the country is sufficiently effective (and does not pose undue risks) for the proper execution of Bank Operations. It also aims at ensuring that (i) counterpart funds necessary for co-financing with the Bank the project are available on time, (i) national institutions for internal and external financial controls are operational, and (iii) payment timelines are acceptable. This chapter will be prepared in close collaboration with ORPF.2 team in charge of the country.

Past Assessments and Knowledge of the System

10. This step will consist in reviewing the country’s public financial management system, based on available assessments done by the Bank or other donors (Country Financial Accountability Assessments (CFAAs), Public Expenditure and Financial Accountability (PEFA) reports and related PFM Performance Measurement Frameworks). While the Bank is considering the country PFM as the default method for projects execution, it is necessary to ensure that the overall PFM framework (budget preparation and execution, financial internal and external control, audit and timely implementation of related recommendations) does not have any major issues that will impede the good execution of Bank Operations.

The public procurement system is well integrated into the Country PFM system (4 paragraphs of 5 to 10 lines maximum)

11. This part will review the PFM system in line with the customized OECD/DAC MAPS prepared by the Bank. It will assess the main criteria of indicator 3 of the MAPS in order to ensure that (i) procurement planning and associated expenditures are part of the budget formulation process and contribute to multiyear planning; (ii) budget law and financial procedures support timely procurement, contract execution, and payment; (iii) no procurement actions are initiated without existing budget appropriations; and (iv) systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery with budget programming.

Summary of Weaknesses of Public Finance Management System, and recommendations / mitigation measures, as regards the Use of Country Procurement System in Bank-financed operations

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2 Since the Bank is considering the use of the CPS for part of contracts financed under projects, it is of paramount importance that the time taken by the national procurement institutional framework in reviewing bidding documents, clearing evaluation reports and signing the related contracts is not seriously compromising proper execution of Bank Operations.
12. It is expected that following on from the review, the team will identify those issues that will negatively impact or constitute major risks for a good implementation of Bank Operations. This analysis and conclusions should mainly focus on the key issues (availability of counterpart funds, operational institutions for internal and external financial controls, timely payment of contractors/suppliers).

**Assessment of the Country Procurement System**

The objective of this part is to identify the strengths and weaknesses of the country procurement system with the view of identifying the main issues and related mitigation measures for using the CPS in Bank Operations, and providing a way forward for the government to be engaged in improving the performance of the CPS, namely in making efforts for the successful implementation of the Procurement Development Action Plan (PDAP).

**Past Assessments and Knowledge of the Procurement System**

13. In line with Paragraph 6 above, this paragraph will consist in reviewing available assessments done by the Bank or other donors, including Country Procurement Assessment Reports (CPAR), Public Expenditure and Financial Accountability (PEFA) reports, National Competitive Bidding (NCB) Reports, and any other related CPS compliance and performance assessments. This Paragraph should be divided into two (Bank’s reports, and other donors’ reports).

**Assessment of the Country Procurement System for its use in Bank Operations**

14. This part should be divided into two (2) paragraphs. The first one will consist in assessing the CPS against the 18 critical sub-indicators provided in the Bank’s customized MAPS, and identify the main issues (the detailed assessment should be annexed to the report). The second one will present the main measures and actions to be taken by the Bank and the country for addressing these issues. While the report may identify issues that may affect the use of the CPS in Bank Operations, the report should also recommend a reassessment of these issues during the preparation/appraisal of an investment project in order to ascertain whether the CPS can be used for some transactions. As much as possible, the review should make a quick analysis of identified issues against the value of contracts (Shopping, NCB and ICB) for the concerned country.

**Assessment of the Country Procurement System for improving its performance**

15. This part is divided into two (2) paragraphs. The first will assess the CPS against the 30 sub-indicators provided in the Bank’s customized MAPS for developing the PDAP, and identify the main issues (the detailed assessment should be annexed to the report). The second paragraph will present the main measures and actions to be taken by the Bank and the country for addressing these issues. The PDAP will present, in addition to the detailed activities, the timeline (short, medium and long terms), responsible entity at the country level and, as far as possible, budget implication.
Conclusions and Recommendations on the assessment of the CPS

16. This Chapter will be divided into four (4) paragraphs. The first will give an opinion on the organization and the main outputs of the mission. The second will present the main conclusions and recommendations of the mission with respect to the Use of CPS in Bank Operations. The third will present the main conclusions and recommendations of the mission with respect to the PDAP and its implementation (timeline and required technical assistance, including tentative budget if possible) for improving the CPS, while the last paragraph will inform about the next steps, depending on the stage of the preparation of the report (from the initiation to the validation stage).