

Use of Country Procurement Systems  
Consultation with Albania and Macedonia  
November 27, 2007

The World Bank country office in Ankara organized consultations on November 27, 2007 with members of the Government, Implementing agencies, Private Sector and Other interested associations in Albania and Macedonia via video. Director OPCPR and RPM, ECA presented the draft paper on detailed methodology for the use of Country Procurement Systems (UCS) to seek their views and proposals. There was active interaction and a great deal of interest in the use of country systems. Discussions were focused and constructive and a number of useful comments were made as summarized below. The list of participants is attached.

- 1. Both Countries would support the program but not ready as yet:** Deputy Minister of Finance, Albania found the initiative to start piloting the Country Systems in procurement as a very good idea and assured that the government would support the piloting program. He stated that this would avoid the delays created in procurement activities in Bank-financed projects both from Government and Bank side. Albania has a lot of challenges and understands that they may not be ready yet. However, he stressed that before taking any immediate step in this respect, the Bank should provide capacity building activities to boost the capacities of Government staff in procurement which is among others the weak point in Government procurement. Similarly, Macedonia is also going through a major procurement reform at the moment, the new Public Procurement Law has just started being implemented and a number of bylaws need to be produced so they are not ready to contemplate it yet, but hope to later.
- 2. Both Countries are committed to Reforms but the Bar is Very High:** The minimum requirements in terms of BLI scores proposed by the Bank in the methodology are very high for low income and developing countries like there country which are making a lot of efforts to have a complete legislation and alignment with EU. Only developed countries could probably meet the specified minimum scores to be achieved. They are familiar with OECD/DAC diagnostic tool for the use of country procurement systems. However, they find this tool (OECD/DAC) somewhat mechanistic.
- 3. Both countries wanted to ensure that UCS does not pose contradictions for aspiring EU membership:** Both Countries are aiming to Join EU and would not want contradiction with EU procedures. As a pre-condition, countries aiming to join EU would have to align their procurement legislation with the EU Directives. Given that there are some differences between the Bank procurement rules and the EU Directive they wanted to know how the use of country systems is affected by this alignment. Bank assured that it had been discussing procurement issues with the EC for the past few years and have reached certain understanding and believes that UCS will not contradict

with provisions under EU Directives and aspiring countries will not be asked to go against EU procedures.

- 4. Use of Country Systems should be Pre-Empted by considerable capacity building activities:** The current Bank policy is to mainstream the project implementation into the existing government structures. However, Bank should conduct a “skills and capacity inventory of project implementers” and then rely on application of country systems. Staff turnover is high; capacity is low and limited training. Thus it is crucial that before selecting pilot country or sector, the capacity assessment from the Bank should identify the appropriate staff, build capacity and then make the project effective.
- 5. UCS Should Exclude Selection of Consultant:** Some participants suggested that in consideration of limited provisions under EU procurement legislation to which their countries are making efforts to align, the local legislation may not be appropriate for selection of Consultants and hence procurement of Consultants may follow Bank Guidelines.
- 6. Phased approach would be appropriate:** The application of local procurement systems in their countries should be phased. Initially the Bank should allow for a full-fledged NCB and not restrict the NCB by stipulating a large number of exceptions. Currently, there is difficulty to integrate the PPL provisions with NCB exceptions and a lot of questions are raised by Supreme State Audits from time to time on the legitimacy of the procedure used. After a year or two of NCB being properly implemented and Bank finding it satisfactory, may agree to allow local PPL for ICBs.

**Conclusion:** The Bank thanked all participants for their useful suggestions and active participation. Bank assured that we would arrange “Capacity Development Support” by the World Bank or by other donors as needed and requested by Governments. In some countries this exercise may well be a capacity building support. They were further informed that Bank would welcome in case they want to make some more comments in the future, which may be provided on our web-site.

**List of Participants in Albania on Use of Country Systems  
Video on November 27, 2007**

1. Mr. Sherefedin Shehu- Deputy Minister of Finance
2. Ms. Klodiana Cankja- Head of Public Procurement Agency
3. Mr. Rezar Turdiu- Head of Planning and Monitoring Department in the Immovable Property Registration Office (implementing a WB project)
4. Ms. Liljana Cano- Central Financing and Contracting Unit
5. Mr. Agron Tyli - Head of procurement sector in Ministry of Public Works,Transport and Telecommunications
6. Ms. Mimoza Balla- Specialist of procurement sector in the Ministry of Public Works,Transport and Telecommunications
7. Mr. Edi Vesho- Head of procurement sector in the Ministry of Health
8. Mr. Genti Kerri- Procurement Specialist in the Land Administration and Management Project (WB financed project)
9. Ms. Suzana Papadhopulli- Head of Coordination for Education SWap Project in the Ministry of Education and Science
10. Mr. Gafurr Luga - Civil Society
11. Ms. Migena Biba- Procurement Unit in the Ministry of Agriculture, Food and Consumer's Protection
12. Ms. Belita Manka World Bank Office in Tirana

**List of Participants in Macedonia on Use of Country Procurement Systems  
Video on November 27, 2007**

1. Ms. Mare Bogeva-Micovska, Director, Public Procurement Bureau
2. Mr. Aleksandar Argirovski, Public Procurement Bureau
3. Ms. Marija Jovanovska, Public Procurement Bureau
4. Ms. Ljubica Patlidzankovska, Ministry of Finance
5. Ms. Milica Hadzievska, MEPSO (Power Utility Company)
6. Ms. Gordana Andonovska, MEPSO (Power Utility Company)  
Both Ms. Hadzievska and Ms. Andonovska are active in the procurement process, in both
7. WB project and regular procurement activities
8. Ms. Draginja Apostolova, State Audit Office (in charge of procurement revisions)
9. Mr. Zoran Cali, Head of economic department of Foundation Open Society Institute  
Macedonia
10. Markus Repnik, World Bank office in Skopje
11. Denis Boskovski World Bank office in Skopje