

Use of Country Procurement Systems  
Consultation organized by CIDA  
October 29, 2007

CIDA, the Canadian aid agency, organized a meeting with CIDA staff to discuss the World Bank's proposed piloting methodology for increased reliance on country procurement systems. The question and answer period followed a brief presentation by the World Bank on the proposed methodology. The consultation summary is organized around the following six key questions:

**1. The World Bank has proposed a detailed methodology for a procurement country system piloting program in 8-10 countries. What remaining questions need to be addressed or clarified about this program?**

A question was asked concerning the potential impact of the Bank's country systems initiative on countries that have on-going programs and strong donor coordination.

*The Bank responded that the criterion for determining candidate countries involves both a request from the country and from the Bank's country director/management team. It is felt that both will be well informed as to what is on-going at the country level and will not jeopardize these activities. The selection of the pilot countries will take place following consideration of many criteria, only a few of which were suggested in the detailed methodology for procurement.*

**2. The OECD/DAC benchmarking index provides for scoring of 54 sub-indicators on a 0-3 scale with a score of 3 representing best practice. 30 of 54 sub-indicators in the OECD/DAC tool have been identified as critical and require achieving the highest score of 3 for 22 of the sub-indicators or a score of 2 with an agreed action plan for 8 of the sub-indicators. Is this achievement level appropriate and if not, why?**

A question was asked if the Bank would apply the "equivalence" test if a country did not "pass" the requirements stated for the OECD/DAC benchmarking. This was asked specifically in the context of the OECD/DAC pilots.

*The Bank responded that the OECD/DAC pilots were being conducted under a separate and distinct program and while the Bank is a participant, through the JV for Procurement, it is not the same process as the Bank's proposed methodology. The Bank noted that it, like any donor organization, has to meet fiduciary risk assessment requirements. The OECD/DAC tool helps provide information for such an assessment, but it does not attempt to satisfy all donor organizations requirements as these are determined by each organization. The use of the OECD/DAC tool and how it will use the information generated is an individual organizational decision. With regard to "equivalence", this is very specifically based on the WB's Guidelines and we will do such an assessment for those countries that have cleared the initial considerations for remaining in the pool of candidate countries.*

**3. Under this proposal, not all procurement would be included in these pilots. Should the Bank include complex, high value procurement such as those [e.g. highway construction, power generation equipment, information technology] now cleared by**

**the Operations Procurement Review Committee (OPRC) in the use of pilot country procurement systems?**

There was a general discussion on international competitive bidding. It was noted that in some countries, the Bank recommends to others to rely on country systems, but is unable to do so itself due to policy constraints. We also discussed the use of budget support mechanisms, and sector wide approaches. The Bank pointed out that this proposal will facilitate its ability to participate in sector wide approaches.

**4. Is the proposed handling of the Selection of Consultants in the pilots satisfactory? If not, how can this be strengthened?**

This was not discussed.

**5. Are the proposed performance based measures sufficient to address transparency, access to information and governance and anticorruption issues (GAC) that have been raised with regard to the pilots of country systems in procurement?**

A question was asked if the assessments would be made public.

*The Bank responded that it intends to disclose and make public as much as it can under the pilots. Some disclosure requires the agreement of the country itself, but overall, disclosure will be a key element of the pilots. We discussed a number of areas where information would be disclosed and would be available for others to monitor along with the Bank. The Bank also noted its external website created for collecting comments from those interested in the proposed methodology. This website, or something similar, is like to remain available throughout the life of the pilots.*

**6. Do you have other suggestions that will strengthen the World Bank Group's efforts to help countries improve their procurement systems and help us learn from these pilots?**

A question was asked about capacity constraints, especially with regard to lower income countries. CIDA was concerned about who would finance capacity development efforts envisioned under the proposal.

*The Bank responded that we would hope to have a coordinated donor approach to capacity development that would build on good practices already seen in many countries. For the most part, donors would finance the cost of such country based capacity development activities. However, most Bank projects provide for capacity development within the context of the implementation of the project and this would be a source of funds for the selected pilot projects or sectors.*

**Overall Conclusion:** It was clear that the participants had many comments to make regarding the Bank's proposed methodology. The group represented a donor organization and they have particular questions and issues that differ from those of the private sector.