

Use of Country Procurement Systems
Consultation with US Private Sector - Los Angeles, CA.
December 12, 2007

The following provides a summary of the discussions that took place between the World Bank representatives and the participants from firms in the Los Angeles, California area.

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 comment concerning capacity building and the country office experience in providing capacity building was raised by a firm with a strong interest in this area.

The Bank responded that capacity building was a key component of the proposal on increasing the use of country procurement systems. It is addressed in many different ways including using the country office staff. However, much capacity building is contracted out to the private sector. The Bank intends to continue to use the many different avenues available to provide capacity development in countries. This will include working closely with donor partners to improve coordination and effectiveness of aid used to improve the quality of country procurement systems.

A question was asked concerning the use of other indices that might provide performance information on the countries.

The Bank stated that it intends to use all sources of information to develop a full understanding of the situation that exists at the country level. This would include additional indices. We encourage companies to provide the Bank with information on the situations they encounter at the country level.

A comment was made that the Bank needs to improve the quality of training done at the start up of new Bank-financed projects.

The Bank agreed that this is an area that will require careful attention for all of the pilots.

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 statement was made that rules and laws were only as good as the way they are implemented by the country. The benchmarking tool only measures what the system is intended to do and not how it performs.

The Bank agreed that the OECD/DAC tool only provides a piece of the information, but a very important piece. Information will be gathered from CPARs, from other diagnostic

reports and from relevant performance indices. In addition, the proposed methodology will track specific performance data throughout the life of the pilots.

- 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?**

No comments were raised in this area.

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

No comments were raised in this area.

- 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?**

See comment under 2 above that deals with using other indices.

- 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 concern was raised that countries often fail to honor the terms and conditions of contract. A concern was raised about the use of Letters of Credit and requirements by countries that these must be provided by local Banks.

The Bank stated that these were contract management concerns that deal with implementation which the Bank will continue to monitor and manage in much the same way as under any Bank financed project.

Overall Conclusion: None discussed. This group was not as experienced with Bank-financed procurement as many that participated in the consultations. There were many general questions on how the Bank does business in a normal non-pilot situation.