

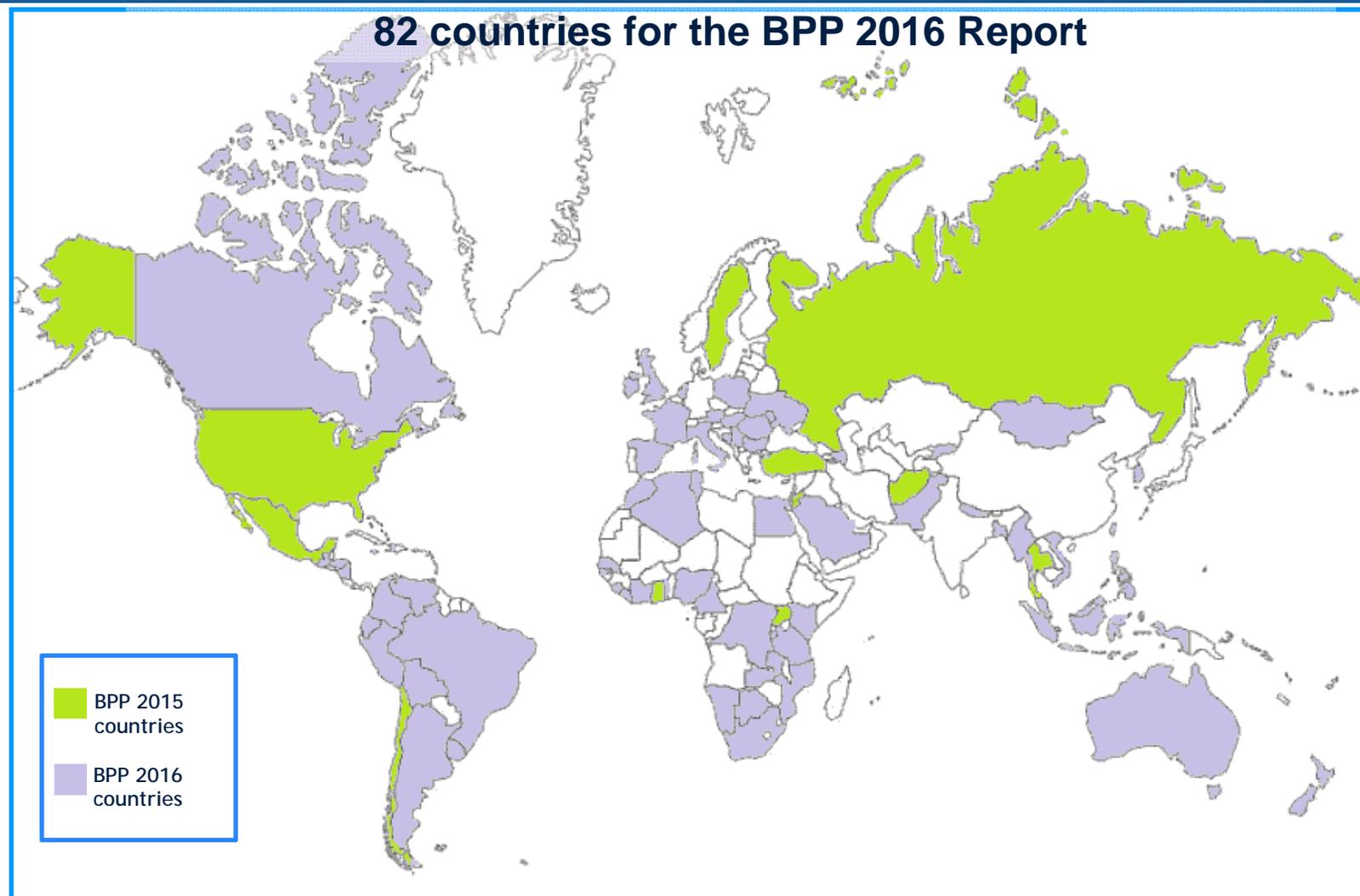


Benchmarking Public Procurement 2015

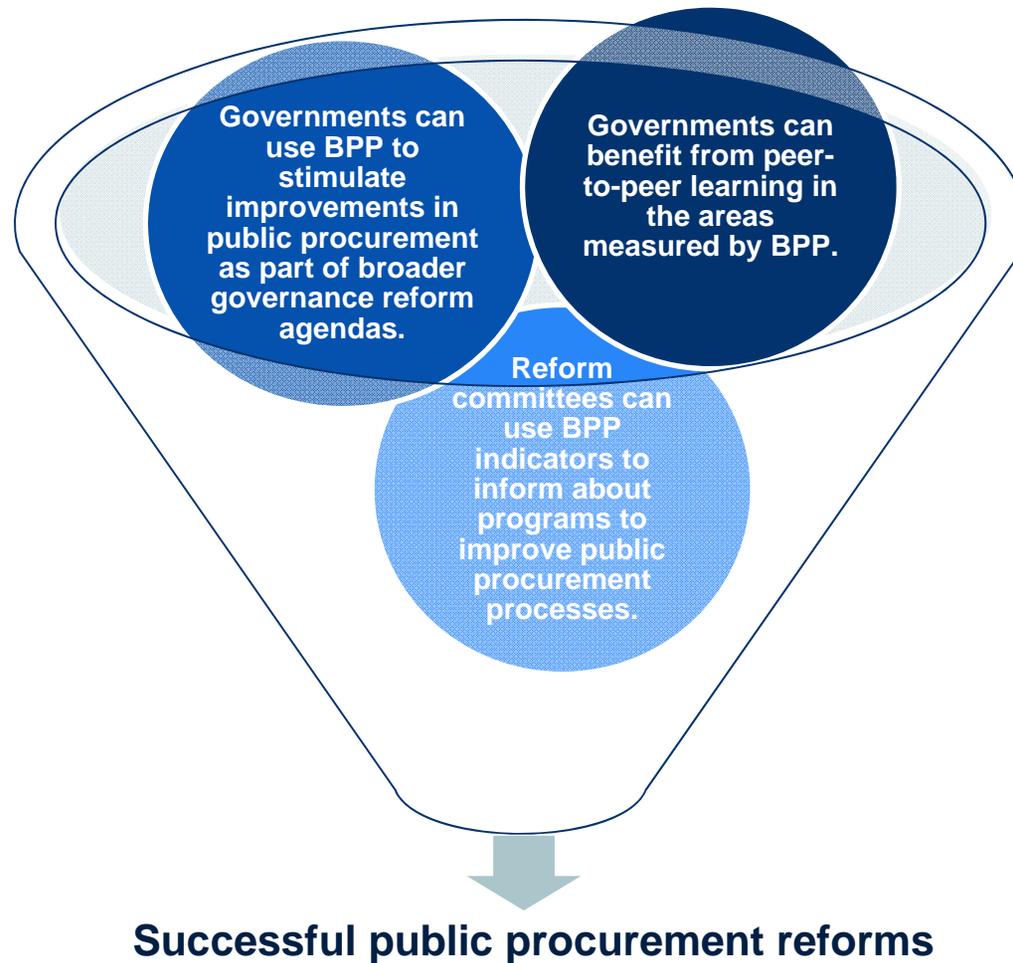
Benchmarking Public Procurement is a World Bank Group initiative launched in 2013 ...

- Initial demand for the project came from the G20 Anti-Corruption Working Group in 2012. Partnership WBG, US Agency for International Development (USAID) and Government of Australia.
- Benchmarking Public Procurement focuses on the **doing business dimension of public procurement** and it is part of the World Bank Group's effort in measuring public procurement performance.
- By providing cross-country measurements, Benchmarking Public Procurement aims to help identify areas for reform and promote more **transparent, competitive** and **efficient** public procurement systems.

Benchmarking Public Procurement is a global benchmarking project → 189 countries covered by 2017



Benchmarking Public Procurement replicates the WBG Doing Business Report methodology that has fostered over 2000 reforms ...



Benchmarking Public Procurement focuses on three key aspects of doing business with the government ...

1. Ease of bidding for a public procurement tender

Evaluates the accessibility and clarity of public procurement regulations.
Measures the ease of bidding for a procurement tender (procedures, time and cost)

2. Integrity in public procurement process

Assesses oversight mechanisms, conflict of interest, consultation with the private sector, bid opening, bid evaluation and contract management

3. Complaint system

Analyzes the process to challenge a procurement tender through a complaint system (procedures, time and cost) focusing on autonomy, transparency and efficiency

Benchmarking Public Procurement focuses on the doing business dimension of public procurement ...

...to provide findings and recommendations to foster reforms and maintain competitiveness.

Benchmarking Public Procurement recommendations targeted on

----- how to enhance transparency and efficiency will lead to removing barriers that create inequality among participants which are especially discouraging to **small and medium enterprises (SMEs)**.

----- how to facilitate the procurement process by reducing transaction costs of complying with procurement regulations will lead to establishing greater equality among prospective suppliers and stimulate private sector participation.

----- reforms targeted at **opening up public procurement markets** to competition and ensuring **greater transparency** will lead to reinforce citizens' trust in governments' ability as custodians of public funds.

Findings and recommendations on the *ease of bidding* ...a few examples

Make information open and available to all

- Requirement for the procurement plan to be published online
- Publication and advertisement of procurement opportunities available through online platform
- Tender notices and outcome of tendering processes published online



Make the bidding process accessible to everyone

- Low fee to obtain tender documents
- Low fee for submitting the bid
- Bid security (e.g. bonds)
- Specific registration of bidders to participate in a bid



Increase transparency by facilitating the exchange of information

- Possibility for bidders to submit a question to determine its interest in bidding
- Communication between the procuring entity and potential bidders is fostered and made publicly available

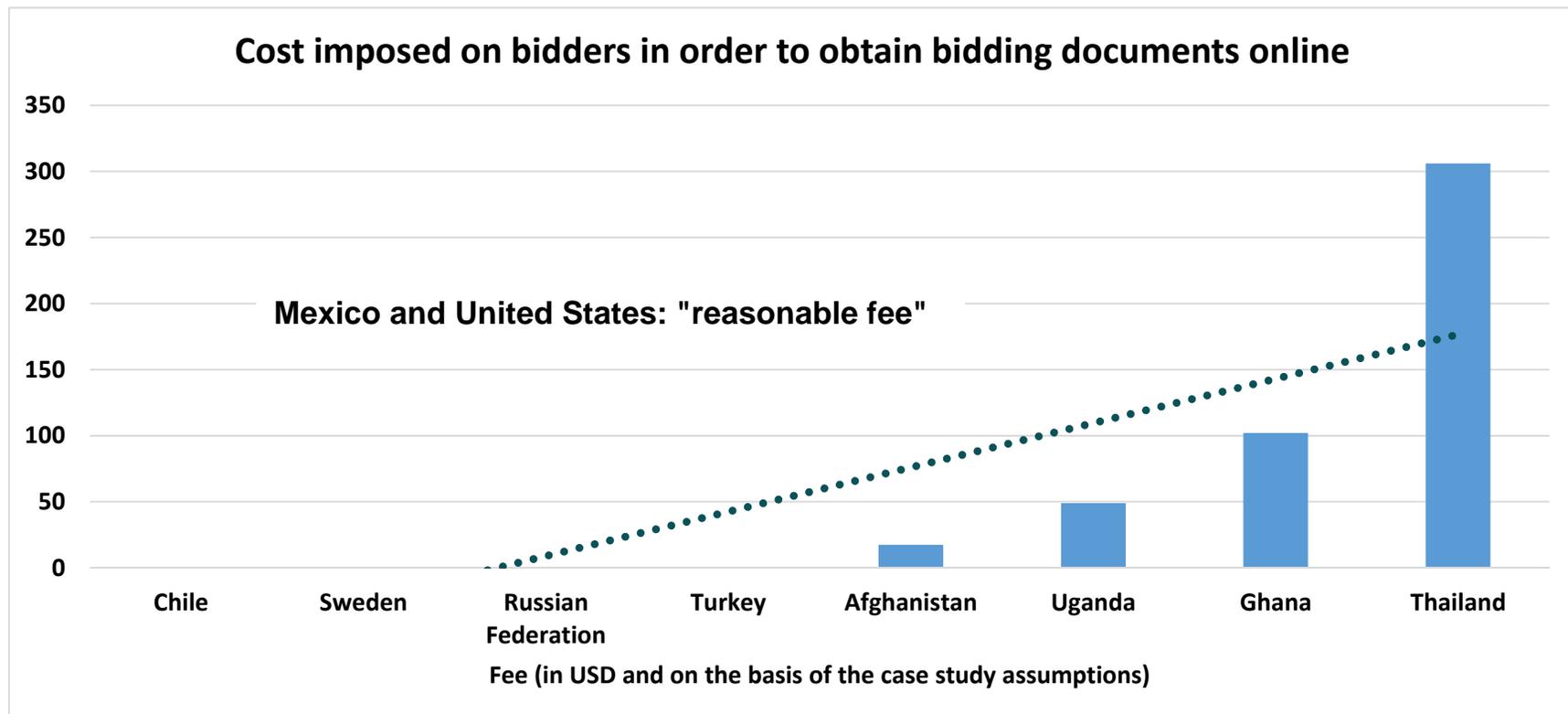


Findings and recommendations on the *ease of bidding* ... lessons from the pilot



Make the bidding process accessible to everyone: Fee imposed on bidders to obtain tender documents.

Results from the pilot show that bidders are able to access the bidding documents for free in Chile and Sweden, or in Turkey and the Russian Federation when e-procurement is used. In the other countries measured, a particular fee is imposed by the procuring entity.



Findings and recommendations on the *complaint system*...a few examples

... an autonomous, transparent and efficient complaint system with effective control and review mechanisms increases equality among prospective suppliers and stimulate private sector participation



General Considerations

- Autonomy of choice regarding the authority before which to file a complaint
- Availability of a two-tier (first instance + appeal) review mechanism



Competences of Review Bodies

- Requirement for the procuring entity to facilitate the review process
- Review periods and time limits predictable and set in the law
- Possibility to suspend the procurement process during the review period
- Variety of remedies granted to protesters



Other Mechanisms

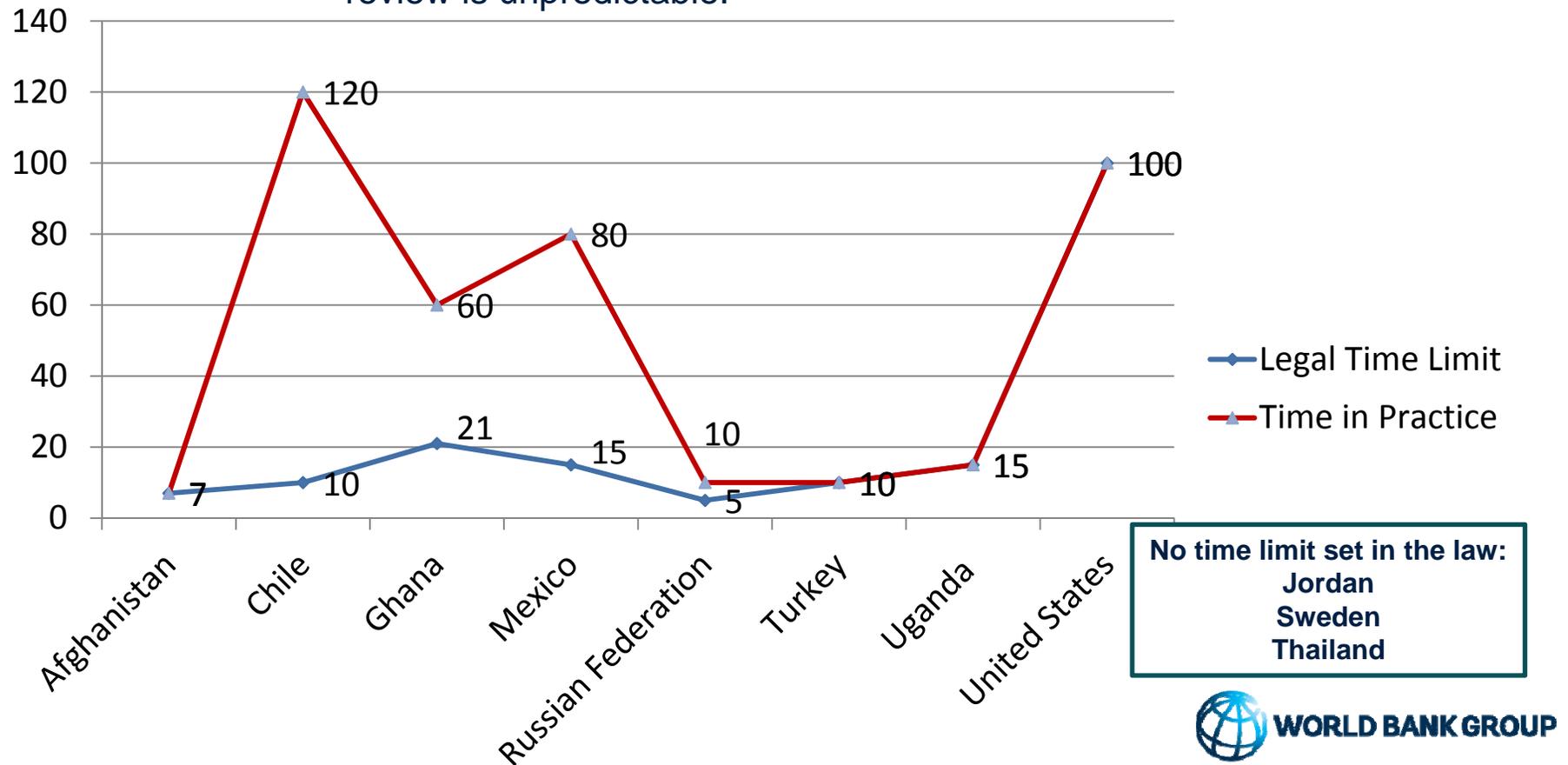
- Possibility to protest the award decision
- Possibility to ask for the removal of a public official from the tender panel in case of suspicion of conflict of interest

Findings and recommendations on the *complaint system*...lessons from the pilot



Review periods and time limits predictable and set in the law

In the majority of the 11 pilot countries, there is a **regulatory time limit** set in the **law** for the review body to issue a decision. **In practice**, however, the time limit is often not respected and therefore the period of review is unpredictable.



Findings and recommendations on the *integrity in public procurement process...a few examples*

.. Integrity in public procurement processes is necessary for an efficient public procurement system, to ensure funds are spent properly and to deter corruption.



General Legal Safeguards

- Financial disclosure obligations
- Protecting bidders from conflict of interest



Specific Legal safeguards

- Consultation with the private sector
- Bid opening
- Bid Evaluation



Other Mechanisms

- Management of the contract
- Payment of supplies

Findings and recommendations on the *integrity in public procurement process...lessons from the pilot*



Restrictions on bidding for companies consulted by procuring entities assessing their needs: Only five surveyed countries regulate the possibility for companies involved in the consultation phase to bid for the particular procurement tender that is the product of such consultation.

Russian Federation and Turkey:

Companies consulted for needs assessment are not allowed to bid

Mexico:

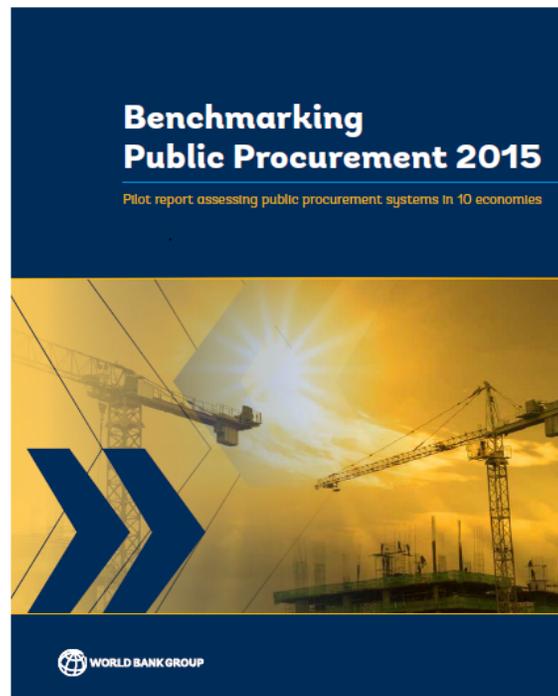
Companies prohibited to bid if they had access to privileged information during needs assessment

United States and Afghanistan:

Laws allow for more flexibility under certain circumstances

Benchmarking Public Procurement - Next steps

- **Ongoing data collection in 82** countries, with a goal to scale up to **189** countries. Scores are being developed.
- Benchmarking Public Procurement is complementary with other WBG and OECD exercises on measuring performance with a greater focus on outcomes
- Benchmarking Public Procurement 2015 Progress Report is publicly available on March 12th.



Thank you!

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