The Policy and Evaluation Committee met on 6 May 2010 to consider document GN-2538-4, which contained the Guide for Acceptance of the Use of Country Procurement Systems. According to the report (GN-2538-3) that the then Chairperson of the Committee had prepared based on the 18 February meeting, when the strategy for the strengthening and use of country systems was discussed (documents GN-2538 and GN-2538-2), the aforementioned guide was the last element of the strategy that still needed to be discussed and then approved by the Board of Executive Directors.

In its presentation to the Committee, Management noted that the guide described the process, criteria, and tools that would be used for acceptance of the use of country procurement systems. Management emphasized that it had already had discussions with various chairs in order to resolve doubts regarding the proposed guide, which respected general principles established in the strategy on the strengthening and use of country systems, previously considered by the Committee.

A broad majority of the Committee members expressed their support for the proposed guide, which, they indicated, followed the OECD/DAC methodology for evaluation of procurement systems and the guide for its application in the diagnostic assessment of such systems. Several Executive Directors stressed that the dialogue with the countries should fulfill a key role in the process of acceptance of the use of their procurement systems, ensuring that a constructive approach would be adopted for the assessment of such systems.

Committee members made suggestions regarding: (i) the need for some flexibility in terms of acceptance of the use of country systems, to make it possible to recognize the capacity of certain sectors or executing units in a specific country and project although acceptance of the systems is not made explicit in the respective country strategy; (ii) inclusion of a reference to potential risks that could stem from using the country systems and the mitigation measures that could be adopted in such a case; (iii) inclusion of a reference to the fact that the Board of Executive Directors could approve waivers with respect to fulfillment of certain requirements in the Bank’s procurement policies; and (iv) the need to specify how often the monitoring described in section III of the document would take place. Management expressed agreement with these suggestions and indicated that it would make the appropriate changes in the document.

As had been mentioned on previous occasions, the Director for the United States believed that it would be advisable to conduct a public consultation on the Guide for Acceptance of the Use of Country Procurement Systems. The other Committee members did not consider this necessary. The Director also asked Management to respond in writing to its concerns regarding the application of the Bank’s procurement policies after approval of the use of country systems in a specific country, an area that, in his opinion, was not covered clearly in the document.
The Committee agreed that Management would circulate a new version of document GN-2538-4, which would incorporate the changes reflecting the Directors’ comments, as detailed in the fourth paragraph of this report. The chair for the United States of America was asked to submit its questions to Management in writing regarding application of the Bank’s procurement policies, to which Management would also respond in writing.

On 4 June 2010, the revised version of the Guide for Acceptance of the Use of Country Procurement Systems (document GN-2538-6) was circulated and, in my opinion, it duly incorporates the adjustments requested by the Policy and Evaluation Committee. Similarly, the answers to the questions formulated by the chair for the United States were also circulated. In view of the above, in my capacity as Chairperson of the Policy and Evaluation Committee, I recommend that the Board approve the “Guide for Acceptance of the Use of Country Procurement Systems,” as it appears in document GN-2538-6.