



## Policy and Evaluation Committee **For discussion**

Subsequently to the Committee of the Whole

GN-2538-35  
17 November 2020  
Original: Spanish  
**Confidential**  
**For Internal Use**  
**Public Upon Approval**

**To:** The Executive Directors

**From:** The Secretary

**Subject:** Guide for Acceptance of the Use of Country Procurement Systems

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**Classification:** For purposes of the Access to Information Policy, the attached document is confidential in its entirety.

**Supersedes:** GN-2538-13(11/13)

**Reference:** GN-2494(10/08), GN-2538(10/09), GN-2538-31(7/19), GN-2349-15(8/19), GN-2350-15(8/19)





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## **Guide for Acceptance of the Use of Country Procurement Systems**

November 2020

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**ABBREVIATIONS**

CPD	Country Program Document
e-GP	Electronic government procurement
EVP	Office of the Executive Vice President
FMP	Operations Financial Management and Procurement Services Office
GPN	General Procurement Notice
ICB	International competitive bidding
ICS	Innovation in Citizen Services Division
MAPS	Methodology for Assessing Procurement Systems
OPC	Operations Policy Committee
PPC	Project Procurement Committee
QRR	Quality and risk review
SPN	Specific Procurement Notice
UNCITRAL	United Nations Commission on International Trade Law
UNDB	United Nations Development Business
VPC	Vice Presidency for Countries
VPS	Vice Presidency for Sectors and Knowledge

## I. INTRODUCTION

- 1.1 The Strategy for Strengthening and Use of Country Systems (document GN-2538), approved in 2009-2010, established the Bank's principles and lines of action for strengthening the country system of client countries so as to enable these systems to be used in the design, execution, and evaluation of Bank-financed operations.<sup>1</sup>
- 1.2 In fulfillment of the commitments undertaken in the Paris Declaration and the Accra Agenda for Action, the New Operational Framework (document [GN-2494](#)) and the Update to the Strategy for Strengthening and Use of Country Systems (document [GN-2538-31](#)) confirm the Bank's decision to reinforce and use the country systems in line with the following premises: (i) analysis, strengthening, and gradual use of country systems; (ii) reduction of transaction costs for the Bank and for client countries; and (iii) need to have a broad strategy, aligned with the international commitments undertaken by the Bank and focused on the countries.
- 1.3 The purpose of this guide is to update the Guide for Acceptance of the Use of Country Procurement Systems (document [GN-2538-13](#)) so as to align that document with the Update to the Strategy for Strengthening and Use of Country Systems (document [GN-2538-31](#)) approved by the Bank's Board of Executive Directors in July 2019.
- 1.4 This guide establishes the requirements that must be met by a country procurement system<sup>2</sup> for the Bank to accept its use in Bank-financed operations,<sup>3</sup> as well as the methodology to determine whether such system complies with these requirements. The following systems are subject to validation: (i) electronic procurement system; (ii) procurement system, encompassing the following subsystems: shopping, national competitive bidding, consulting, and any other procurement method covered by the Bank's procurement policies (documents [GN-2349-15](#) and [GN-2350-15](#)). In addition, methods involving open competition but not described in the policies may be accepted, provided they satisfy the principles of economy, efficiency, transparency, nondiscrimination, value for money, equality, and integrity established in section I of the Bank's policies.
- 1.5 Once it is approved, the use of country procurement systems will have the following scope:
  - Authorization for the use of a procurement system or its subsystems will be limited to procedures for which the amount is below the international competitive bidding (ICB) threshold<sup>4</sup> in effect for each country in the case of procurement of works, goods, and

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<sup>1</sup> This refers to sovereign-guaranteed operations.

<sup>2</sup> The procurement systems include the operating rules (laws, regulations, manuals, guidelines); policy directives and official decisions; and management and market operation tools that govern the procurement of goods, works, and consulting and nonconsulting services required by public-sector institutions.

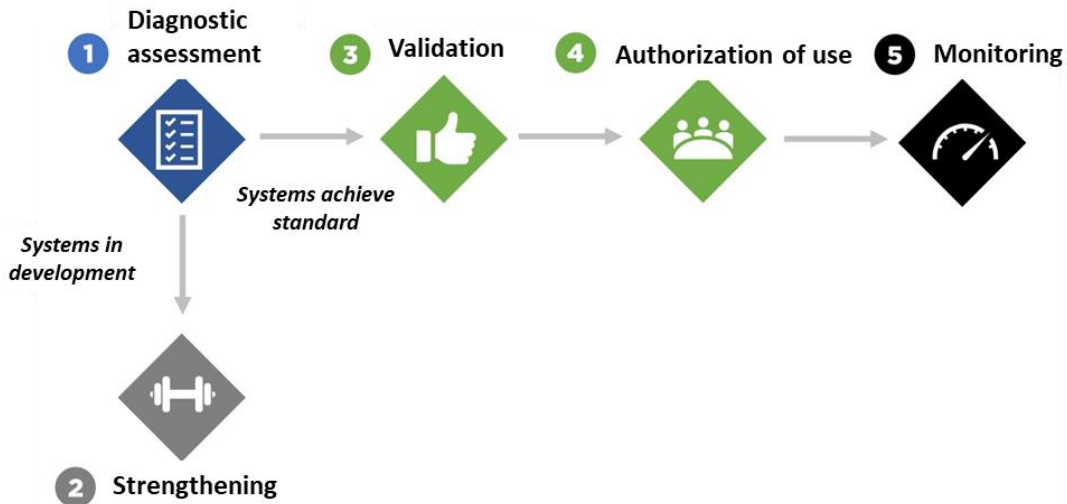
<sup>3</sup> Paragraph 3.2 of the Policies for the Procurement of Works and Goods Financed by the IDB (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15) indicates that "At the Borrower request, the Bank may rely on and apply the procurement rules, procedures and systems of the Borrower at national or subnational level, or agency of the Borrower if these are consistent with the Core Procurement Principles, and have been satisfactorily assessed and, deemed acceptable by the Bank."

<sup>4</sup> The Bank sets thresholds on the basis of which an international competitive bidding (ICB) process or the contracting of consulting firms using an international short list are to be carried out, for the purpose of ensuring that in procurement processes covered by IDB-financed operations, all eligible prospective bidders are given both equal opportunity and timely and adequate notification of the borrower's requirements with respect to the goods, services, works, or consulting services needed to execute a project.

nonconsulting services, and the threshold for the international short list requirement in the case of contracting of consulting firms.

- Authorization for the use of a procurement system at the executing agency / project level in specific projects financed by the Bank will not be limited to any type of threshold and will encompass the procurement of goods, works, and nonconsulting services as well as the contracting of consulting services.
- Authorization for the use of electronic procurement systems in Bank-financed operations will not be limited to any type of threshold.

The process of strengthening and use will be implemented through the following stages:



1.6 This Guide establishes the procedure to:

- Determine the acceptability of country procurement systems in Bank-financed operations;
- Determine the conditions for implementing the systems in operations;
- Identify the actions needed to strengthen the systems in the event they have yet to meet the required standards; and
- Monitor the use of the approved systems.

1.7 The following sections describe the organization of the analysis and decision-making process that the Bank will follow for acceptance and authorization of the use of country procurement systems.

## II. ORGANIZATION OF THE PROCUREMENT SYSTEM ACCEPTANCE PROCESS

- 2.1 The Bank will internally organize analysis and decision-making processes to accept the use of procurement systems, as summarized below:

**Table 1**

Process	Who approves?	Threshold amount
1. First-time full or partial use	Board of Executive Directors	Below the threshold for ICB for goods, services, and public works Below the threshold for international short list for consulting firms
2. Incremental use <sup>5</sup>	Management	Below the thresholds for ICB for goods, services, and public works Below the threshold for international short list for consulting firms
3. Use by executing agencies in specific projects <sup>6</sup>	Board of Executive Directors	No threshold amount
4. Use of electronic procurement systems	Management	No threshold amount

- 2.2 Below are the stages describing the required implementation activities and the respective responsible parties.

### A. Planning

**Applicable to the process of acceptance of first-time full or partial use, incremental use, and use by executing agencies in specific projects**

#### Dialogue

- 2.3 Both the Bank and the countries may take the initial steps toward implementing acceptance and authorization of the use of country or subnational procurement systems. These steps will need to be aligned with each country's development programs and priorities.
- 2.4 The Bank's Representatives in the countries, with support from the procurement specialists, will be responsible for furthering the dialogue with the national or subnational authorities on this subject, discussing the following: (i) the mutual interests and benefits of initiating a process of using and strengthening their procurement systems; (ii) the Bank's

<sup>5</sup> Refers to the gradual approval of any subsystem subsequent to a first-time partial approval, i.e. subsystem, type of procurement (goods, works, nonconsulting services, and consulting services), subnational level, etc.

<sup>6</sup> Use of the procurement system at the project/executing agency level requires prior evaluation of the executing agency's procurement system and authorization of its use by the Bank's Board of Executive Directors during the project approval process.



- strategy in this area; (iii) the possibility of a country requesting full acceptance of its system or one of its subsystems, or of a similar request from an executing agency for specific projects; (iv) the procedures and requirements for acceptance; (v) the government institutions and agencies that should participate; (vi) execution times; and (vii) the basic elements contained in the results report to be prepared.
- 2.5 To ensure that the process is effective, the following criteria should be considered prior to undertaking it:
- a. Agreement with the government to initiate the process, which is to be evidenced by an aide-mémoire as described in paragraph 2.18.
  - b. The existence of an updated diagnostic analysis of the country procurement system, or of the executing agency's procurement system, based on the Methodology for Assessing Procurement Systems (MAPS). These diagnostic analyses are to be performed periodically every five years, or sooner in the event of a significant amendment.
  - c. Government availability to implement actions to permit use of the country procurement systems as well as potential actions to strengthen them.
- 2.6 The government may request an analysis covering full or partial use of its country procurement system or an executing agency's system for use in a specific project.
- 2.7 When a government asks the Bank<sup>7</sup> to initiate a process for the strengthening or acceptance of its system or subsystems or an executing agency's system, the relevant Country Office, in coordination with the procurement specialist in the country and the Operations Financial Management and Procurement Services Office (VPC/FMP), will analyze the request and, if conditions are met, will confirm the feasibility of fully deploying the process.
- 2.8 It will ask the government to designate a counterpart (institution and official) to lead the process, with sufficient authority to: (i) arrange for support to obtain the information required during the exercise, with the requisite speed; (ii) act domestically and externally on the country's behalf as leader of the evaluation; and (iii) confirm the conclusions and recommendations of the analysis, for its subsequent approval by government and Bank authorities.

### Coordination of the process

- 2.9 VPC/FMP will coordinate the process of acceptance of the procurement systems. To that end, it will be responsible for carrying out the following activities:
- a. Designate a technical team to conduct the analysis of the system. The team will be responsible for coordinating all the stages of acceptance of the systems and/or formulation of recommendations to strengthen them.
  - b. Arrange for any financial resources that may be required for the evaluation.
  - c. For processes of acceptance of first-time full or partial use, submit the technical team's results and recommendations to the Project Procurement Committee (PPC) for quality

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<sup>7</sup> Normally through a note from the ministry responsible for public procurement policies to the Representative at the Bank's Country Office.

control and resolution and direct the subsequent processes of quality and risk review (QRR)<sup>8</sup> and approval by the Bank's Operations Policy Committee (OPC).

- d. Report the results of the analysis and recommendations to all country authorities involved.
- e. Include the results of the analysis in the Fiduciary Technical Note on the country for inclusion in the country strategy or its update.

### **Applicable to the process of acceptance of the use of electronic procurement systems**

- 2.10 Both the Bank and the countries may take the initial steps toward implementing acceptance and authorization of the use of the relevant country's electronic procurement systems in Bank-financed operations.
- 2.11 The procurement specialists will be responsible for initiating the dialogue with the national or subnational authorities or executing agencies on this subject, discussing the following: (i) the mutual interests and benefits of initiating a process of using and strengthening their electronic government procurement (e-GP) system; (ii) the Bank's strategy in this area; (iii) the procedures and requirements for acceptance; (iv) execution times; and (v) the basic elements contained in the results report to be prepared.
- 2.12 To determine the feasibility of using the electronic procurement system in Bank-financed procurement processes, a technical evaluation will be conducted.
- 2.13 VPC/FMP will coordinate the process of acceptance of the electronic procurement system in a country. To that end, it will be responsible for carrying out the following activities:
  - a. Designate a technical team to conduct the analysis and technical evaluation of the system.
  - b. Arrange for any financial resources that may be required for the evaluation.
  - c. Report the results of the evaluation and recommendations to all country areas involved.

## **B. Execution**

### **Applicable to the process of acceptance of first-time full or partial use, incremental use, and use by an executing agency in specific projects**

#### **Technical analysis**

- 2.14 In this stage, the work of the technical team consists of determining whether the procurement system complies with the requirements established in this guide and, if it does not, identifying the strengthening activities required to enable it to comply. These activities include those aimed at improving institutional capacity, closing gender equality

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<sup>8</sup> The quality and risk review will be carried out as provided in the procedures for sovereign guaranteed operations and distributed to the list indicated in paragraph 2.6.

and diversity gaps in the countries, climate change and environmental sustainability, transparency, and integrity.<sup>9</sup>

2.15 The following activities will be carried out for this purpose:

- a. **Establish a work plan, budget, and cooperation requirements.** Prepare a schedule of work with milestones and tentative timetables; estimate costs and request a budget from VPC/FMP for implementing the plan; and identify the information and cooperation required from the government.
- b. **Actively coordinate with development partners to promote leveraging.** Coordinate collaboration with multilateral development banks, international institutions, development agencies, and technical cooperation networks with a view to creating synergies and optimizing the use of resources to strengthen and use the country systems.
- c. **Coordinate with the government.** During the entire process, ongoing communications will be maintained with the government counterpart to ensure coordination, consistency, and ownership of the results. Initially, the government counterpart must be presented with the methodology and specific guidelines to be used to analyze acceptance of the system, together with the work schedule and information and cooperation requirements.
- d. **Perform the preliminary analysis of the country context.** Conduct a preliminary examination based on the information available from the MAPS assessment, identifying: (i) whether the country system or subsystems or executing agency system<sup>10</sup> comply with the majority of the required practices and there are no significant gaps in the highest-priority and most critical practices; (ii) the additional information required to complete the analysis; and (iii) the necessary conditions for improvement with a view to discussing the feasibility of implementing them with the government. This work will follow the guidelines indicated in section IV.
- e. **Request and process supplementary information.** In the event that the existing diagnostic analyses do not provide all the information required, it will be necessary to supplement the information through: (i) consultations with the different agents involved with the system or subsystems to deepen the analysis and verify the results; (ii) verifications of performance using on-site inspections, stratified measurements, and others; and (iii) new studies (either requested or conducted outright) on any of the practices analyzed for which sufficient information is not available.
- f. **Internal consultations:** Consult with Bank operating units such as the Fiscal Management Division (FMM) and the Innovation in Citizen Services Division (ICS), and fiduciary units such as the Office of Institutional Integrity (OII), to take into account lessons learned by the Bank in activities it has financed that are relevant for identifying

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<sup>9</sup> One of the basic principles of the Update of the Strategy for Strengthening and Use of Country Systems (document GN-2538-31) is to promote the adoption of good practices and international standards for strengthening country systems with a special focus on building institutional capacity and strengthening the rule of law, closing country gaps in gender equality and diversity, and supporting countries as they contend with the challenges of climate change and environmental sustainability. With respect to fiduciary systems, the Bank is also committed to continuing to support improvements in the mechanisms of good governance, in order to create an enabling environment for transparency, integrity, and accountability.

<sup>10</sup> Use of the procurement system at the project/executing agency level is subject to ensuring that this system is consistent with the Bank's basic procurement principles and the system has been assessed using the MAPS methodology at the agency level, with results that satisfy all required practices and standards and are therefore acceptable to the Bank. This evaluation will be conducted in coordination with the project team leaders.

strengths and planning institutional capacity-building actions aimed at closing gaps and adequately mitigating risks, including the integrity risk.

- g. **Prepare the evaluation report.** Using all the information obtained, prepare a draft evaluation report. The draft will at a minimum include the following: (i) results matrices on the analysis of the country procurement system (see Annex 2) with their supporting information; and (ii) proposals for strengthening activities (see Annex 3).
- 2.16 **Coordinate support for capacity-building.** The technical team will discuss the proposed strengthening activities with the pertinent Bank sectors or units. The objective is to prepare a potential plan to assist the government in implementing the strengthening initiatives that will be required. To this end, technical cooperation funds and other financial resources available will be identified.

### Validation with the government

- 2.17 The Bank's technical team will present the preliminary results of the analysis to its counterpart, asking for feedback and validation of the findings and conclusions that will be presented for acceptance by the Bank. If there are any disagreements with respect to the requirements set forth in this guide, further evidence will be sought until the different ratings, gaps, and solutions for improvement that have been identified are confirmed.
- 2.18 The team will prepare an aide-mémoire to be signed with the government's technical counterpart indicating the findings and conclusions they have reached on a preliminary basis. This document will at a minimum contain the following:
  - a. The country or executing agency systems or subsystems that could potentially be used and would constitute the scope of the approval.
  - b. The recommended strengthening measures.
  - c. The conditions that executing agencies are required to comply with to operate under this arrangement (corrective or risk mitigation measures).
  - d. The exclusions of use.
  - e. A statement indicating that the use of the country procurement systems is compatible with the international standards and consistent with the Bank's procurement policies.
  - f. Phased implementation where applicable.
  - g. The government's commitments to fill any identified gaps.
  - h. The assistance that the Bank could provide for the country to strengthen the country procurement system.
  - i. Frequency at which use of the systems or strengthening plans will be monitored.
  - j. The Bank's right to suspend use of the system in the event that the rules and practices on the basis of which acceptance was approved cease to be complied with. In the event of a suspension of use of the system/subsystem, the Bank's procurement policies would apply. Section I of the Bank's procurement policies will apply to all contracts (including on matters of eligibility and prohibited practices), regardless of amount and procurement method.

## Technical results report

- 2.19 After performing the analysis and confirming the results with the government, the Bank's technical team will write up its conclusions in a technical report indicating the feasibility of using the entire country procurement system, one or more of the subsystems, or the systems of an executing agency in Bank-financed operations, together with its recommendations for strengthening activities when required. The report will be submitted to the process of approval and authorization of use, as indicated in the following sections (Annex 4 contains guidelines for preparing this report).
- 2.20 In the event that use of the country systems is not recommended, work will be done on a support plan to strengthen these systems.

## Applicable to the process of acceptance of the use of electronic procurement systems

- 2.21 **Technical analysis.** The Bank's technical team will carry out a technical evaluation of the electronic procurement system to provide information on the suitability of the system, including accessibility, security, integrity, confidentiality, and audit considerations, with a view to ensuring compliance with the international standards in these areas. The evaluation will be based on the guidelines to be established and subsequently updated by the Bank for such purposes.
- 2.22 **Validation with the government.** The Bank's technical team will present the preliminary results of the analysis to its counterpart, asking for feedback and validation of the results.
- 2.23 **Technical results report.** After performing the analysis and technical evaluation and confirming the results with the government, the Bank's technical team will write up its conclusions in a technical report indicating the feasibility of using the electronic procurement system in Bank-financed operations, together with its recommendations for strengthening activities when required.

## C. Approval and authorization for use

### Applicable to the process of acceptance of first-time full or partial use

- 2.24 The PPC will issue a (mandatory) technical opinion on the technical results report described in paragraph 2.19, the pertinence of the recommendations, and the implementation of the process. This verification will include a peer review by at least one procurement specialist from another region or area who did not form part of the Bank's technical team that produced the analysis.
- 2.25 If any objections are made, the team will review its findings and supporting information for a new verification by the PPC. In the event that substantial modifications are made to the findings and recommendations for the strengthening and the use of country procurement systems, it will be necessary to confirm such changes with the government counterparts.
- 2.26 Once it has been approved by the PCC, the report will be subject to the following quality review procedures:
  - a. QRR. This mechanism is intended to review the quality and risk of the results of the exercise and may or may not confirm the technical conclusions and recommendations on the full or partial use of country procurement systems.

To comply with this objective, the QRR will:

- Determine that due diligence has been applied with regard to compliance with the principles set forth in this guide and in the Update to the Strategy for Strengthening and Use of Country Systems.
  - Establish whether the conclusions are consistent with the work done.
  - Determine whether any vague or unclear aspects of the conclusions and/or recommendations must be complemented.
  - Determine whether the proposed supervision and strengthening actions are pertinent and viable given the identified risk levels.
- b. OPC. The Vice President for Countries will present the technical report and the minutes containing the technical analysis and recommendations of the QRR to the OPC. The OPC will approve the recommendations of the QRR on the partial or full use of the country procurement systems in Bank-financed operations, in accordance with the Bank's current procedures with regard to its composition and deliberations.
- 2.27 Management decisions on the use of procurement systems will be included in the respective Report for Acceptance of the Use of the Country System, which will have been presented for consideration and approval by the Bank's Board of Executive Directors through its programming committee. Once the report has been approved by the Board of Executive Directors, use of the country or subnational system or subsystem, as applicable, will be reflected in the following Country Programming Document and the subsequent country strategy. A subsystem may correspond to a different type of procurement, a component of the system, or a sector in the public administration.

#### **Applicable to the process of acceptance of incremental use and use of the electronic procurement system**

- 2.28 Quality control of the technical report will be performed through a peer review process that will include at least one procurement specialist from another region or area who was not part of the Bank's technical team that produced the analysis.
- 2.29 Management, acting through VPC/FMP, will approve the recommendations on incremental use of country procurement systems and use of the electronic procurement system in Bank-financed operations.
- 2.30 Once the report has been approved by VPC/FMP, use of the country or subnational system or subsystem, or e-GP system, as applicable, will be reflected in the following Country Programming Document and the subsequent country strategy.
- 2.31 VPC/FMP will convey the recommendations on use resulting from the evaluation process to the government counterpart.

#### **Applicable to the process of acceptance of use by executing agencies in specific projects**

- 2.32 The PPC will issue a (mandatory) technical opinion on the technical results report described in paragraph 2.19, the pertinence of the recommendations, and the implementation of the process. If necessary, it will issue the applicable comments and recommendations. The verification will include a peer review by at least one procurement specialist from another region or area who was not part of the Bank's technical team that produced the analysis.

- 2.33 If any objections are made, the team will review its findings and supporting information for a new verification by the PPC. In the event that substantial modifications are made to the findings and recommendations for the strengthening and the use of country procurement systems, it will be necessary to confirm such changes with the government counterparts.
- 2.34 The results of the technical report, as well as the recommendations on the use of executing agency systems or subsystems in specific projects, will be included in the project preparation documents as a complement to Annex III and will be submitted to the Bank's Board of Executive Directors for consideration and approval as part of the project approval process.

### **Applicable to all acceptance processes**

- 2.35 Once the use of a procurement system has been approved, it will begin to be implemented in Bank-financed operations following the guidelines described in section III of this guide.
- 2.36 Publication of the results report will follow its approval by the Board of Executive Directors in accordance with the provisions of the Bank's Access to Information Policy, with the exception of Annex 1, which includes the evaluation guidelines and the requirements for acceptance of procurement systems.

## **III. IMPLEMENTATION AND MONITORING**

### **A. Instructions for the use of procurement systems**

- 3.1 After the full, partial, or specific-project use of a country procurement system has been approved, VPC/FMP in conjunction with the Vice Presidency for Sectors and Knowledge (VPS) will be responsible for making the necessary arrangements to implement its use, in the context of Bank policies.

### **B. Monitoring systems**

- 3.2 VPC/FMP will establish a system for monitoring the use of procurement systems, particularly to verify whether the conditions under which the Bank accepted full or partial use, or specific-project use at the executing agency level, of a procurement system continue to exist. If the conditions under which full or partial use of the system was accepted no longer exist, the Bank will require that other methods provided for in its policies be applied until the conditions that led to acceptance of the use of such system are restored. To that end, VPC/FMP will apply the following measures:
- a. The Bank's designated procurement specialist in the country will be responsible for monitoring application of the use of the country procurement system and will formalize this activity in his/her work plan. The specialist will continuously monitor the system's performance and will report immediately to VPC/FMP on any significant changes that occur, particularly with regard to the practices that made its acceptance possible.
  - b. As part of his/her monitoring activities, the fiduciary specialist will establish an agreement with the government to prepare an annual report on the performance of the procurement systems and their use in Bank-financed projects. This report will verify the degree of progress on the agreed actions for proper implementation by the executing agencies.
  - c. If the conditions of the procurement system change and the practices required for its acceptance are not complied with, VPC/FMP and the Bank's Representative in the country will coordinate the dialogue with the government to assess the actions needed



to allow continued use of the system. Alternatively, it will issue instructions to provide for the use of other procedures established in the Bank's policies.

- d. All relevant aspects of the monitoring, such as progress on the strengthening initiatives, changes in the procurement systems, and effective or discontinued use of the systems in operations, will be reported in the Country Programming Document (CPD).

### **C. Strengthening initiatives**

- 3.3 VPC/FMP, together with VPS/IFD/FMM, will coordinate with the government on implementation of the strengthening activities identified during the diagnostic assessment of the system and analysis of its use. These activities may include loan operations as well as knowledge products such as: (i) advisory service; (ii) policy development and capacity-building; (iii) outreach and dissemination activities; and (iv) research and development activities.
- 3.4 In addition, the Bank will promote coordination and agreements with other donors to expedite joint strengthening initiatives. All these initiatives will be reflected in the Country Program Document (CPD), following its format and results matrix (document GN-2551).

## **IV. REQUIREMENTS FOR THE ACCEPTANCE OF COUNTRY PROCUREMENT SYSTEMS**

- 4.1 The Bank's requirements for accepting the use of a country procurement system will be based on:
  - a. Compliance with a substantial majority of the practices described in the Methodology for Assessing Procurement Systems (MAPS).
  - b. Verification that the system or the practices and standards governing its operation do not in any way violate the provisions of the Bank's procurement policies. Section I of the Bank's procurement policies will apply to all contracts (including on matters of eligibility and prohibited practices), regardless of amount and procurement method.
- 4.2 Annex 1 contains the specific guidelines that describe the requirements relating to the MAPS methodology indicators and the specific practices required by the Bank. When a country fulfills those requirements throughout its system or in any of its procurement subsystems, the Bank may accept their use in the operations it finances.
- 4.3 **Guidelines for the application of acceptance requirements.** The following are the main guidelines that the Bank's technical team will follow when analyzing whether to accept use of the procurement systems:
  - a. **Objective.** The central objective of the analysis is to determine whether the system is structurally sound and has no weaknesses that could pose risks for operations or that clearly contradict international practices. To that end, the basic information to be used is the same as was previously obtained in the assessment of the system using the MAPS methodology.
  - b. **Scope.** The analysis may be applied to the entire procurement system of a country, to a subnational system, or to any of their subsystems.

The following systems are subject to validation: (i) electronic procurement system; (ii) procurement system, encompassing the following subsystems: shopping, national competitive bidding, consulting, and any other procurement method covered by the Bank's procurement policies. In addition, methods involving open competition but not described in the policies may be accepted, provided they satisfy the principles of



economy, efficiency, transparency, nondiscrimination, value for money, equality, and integrity established in section I of the Bank's policies.

- c. **Procedure.** For each of the subindicators in the MAPS assessment, it will be determined whether or not the system or subsystem satisfies the respective requirements. The conclusions and suggested plans for improvement are based on this analysis, and the guidelines in Annexes 2, 3, and 4 may be used as models.
- d. **Coverage criteria.** Several indicators in the MAPS methodology combine structural considerations of the system with considerations of performance or level of compliance. This may mean that a procurement system contains a best practice but that it is not necessarily complied with in all levels or areas of the public administration. In that case, the system could be accepted but the acceptance coverage would only extend to the levels or areas that comply with the practice.

4.4 **Guidelines for preparing conclusions.** For the report on the results of the analysis and recommendations on the use of systems by the Bank's team, the following guidelines should be kept in mind:

- a. If the country procurement system as a whole does not comply with all required practices, the use of certain subsystems that follow best practices may be recommended. For example, use of one or more of a country's different procurement methods (national competitive bidding, electronic reverse auction, etc.) may be recommended in Bank-financed operations. Alternatively, use of the country system may be recommended for certain types of procurement (contracts for goods, services, consulting services, or public works).
- b. It is also feasible to make recommendations as to the use of the procurement system either at the national or subnational level or by an executing agency in particular when evidence is provided of compliance with the requirements established in this guide.
- c. In any event, the proposal must be functional and practical for the executing agencies of Bank-financed operations.
- d. In the event that the procurement system or subsystem complies with most of the practices and only minor adjustments are required, the Bank could be asked to accept it subject to verification of improvements in the short term. In this case, acceptance of the procurement system would come into effect once the corresponding adjustments have been made. The Bank could help the country to remedy such nonsubstantive deviations as part of the program to improve the system.

**Annex 1. Requirements for the acceptance of procurement systems**

**Annex 2. Results Matrix**

Pillar - Indicators	Results	Conditions for the use of the systems/ Government commitments
<b>Pillar I – Legal and regulatory framework</b>		
1 The public procurement legal framework achieves the agreed principles and complies with applicable obligations.		
2 Implementing regulations and tools support the legal framework.		
3 The legal and policy frameworks support the sustainable development of the country and the implementation of international obligations.		
<b>Pillar II – Institutional framework and management capacity</b>		
4 The public procurement system is mainstreamed and well integrated with the public financial management system.		
5 The country has an institution in charge of the normative/regulatory function.		
6 Procuring entities and their mandates are clearly defined.		
7 Public procurement is embedded in an effective information system.		
8 The public procurement system has a strong capacity to develop and improve.		
<b>Pillar III – Public procurement operations and market practices</b>		
9 Public procurement practices achieve stated objectives.		
10 The public procurement market is fully functional.		
<b>Pillar IV – Accountability, integrity, and transparency of the public procurement system</b>		
11 Transparency and civil society engagement strengthen integrity in public procurement.		
12 The country has effective control and audit systems.		
13 Procurement appeals mechanisms are effective and efficient.		
14 The country has ethics and anticorruption measures in place.		
Scope of application of the country system: c) Levels of administration: d) Types of contracts: e) System components:		
Exclusions:		
Indications to be included in contracts:		

### Annex 3. Improvement plan

Reference to practice	Opportunity for improvement or strengthening	Severity of risk	Recommended actions	Priority [1] (A, B, C)	Activities for the actions	Budget (US\$000)	Date	Responsible unit or official	Indicator/ Result	Link to the supporting documentation or comments
<b>Total</b>						0				

## Annex 4. Contents of the report

The following guidelines will be kept in mind for preparing the report:

- a. Include an executive summary that states the objectives, scope, and results in terms of: (i) a general conclusion on feasibility and a recommendation as to the use of the procurement systems; (ii) justification of the recommendation and separate conclusions for each of the pillars analyzed; (iii) risks related to the results obtained; (iv) progress made in terms of the strengths of the country procurement systems, (v) account of the strengthening opportunities identified and agreed on with the government; and (vi) reference to the strengthening or improvement plan that sets out actions, inputs, and the tentative execution schedule.
- b. A detailed report that will include the following sections:
  - (i) **Introduction.** This section will present the background of the process, its scope and nature, level of reliability of the results, the limitations encountered where applicable, and any other aspect essential to understanding the context and circumstances in which the analysis was performed.
  - (ii) **Country background.** This section will include: (i) the country context, with brief reference to the political and economic situation; (ii) the organizational structure of the State, role of the national government, subnational governments, and other levels; (iii) the nature and scope of public spending; and (iv) contextual conditions or known limitations that influence the country systems.
  - (iii) **General aspects of the procurement systems.** This section will present a description of the country procurement systems as they exist at present, explaining their background, the role of lead agencies and other agents, progress made, and other considerations to understand the context in which they perform. The sources of information used will be indicated and their reliability will be documented.
  - (iv) **Results and recommendations.** This section will explain the recommendations as to the use of the country procurement systems, with a justification of their acceptability based on use of the various standards and best practices established in the pillars on which each system rests. To that end, reference will be made to the detailed results reported in the results matrix and the strengthening plan, both of which are attached to the results report.
  - (v) **Risks and strengthening initiatives.** This section will describe the strengthening opportunities and risk areas that still exist, mentioning any program or initiative that the government is implementing, the progress made, and its linkage to the opportunities identified in the results matrix. It will also describe the financing for such programs, the form of participation or intervention by the partners in development, and the duration and additional requirements of such programs. Complementarily, other reform programs that the government is implementing or planning to implement in the near future and that could have an impact on the operation of the procurement systems will be identified and briefly described.
  - (vi) **Updating.** If the report is an update of an earlier report, this section will describe the progress made, limitations on expected progress, and/or deterioration of the system since the last assessment.