



Benchmarking Public Procurement

Global Indicators Group, World Bank Group
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Benchmarking Public Procurement

- New World Bank Group initiative launched in early 2013
- Initial demand came from the G20 Anti-Corruption Working Group
- Builds on the World Bank Group **Doing Business** program
- Focuses on public procurement from the angle of the **private sector**
- Overall objectives of initiative are to:
 - Fill a **knowledge gap** in the field of public procurement legal systems and related practices
 - Facilitate **policy dialogue** by identifying good practices and sharing of reform experiences
 - Stimulate **reforms**

An objective measurement of public procurement systems and a strong motivator for reform

At a national level

Identify areas of improvement

Motivate reforms through country benchmarking

Promotes a critical factor of a country's competitiveness

At a global level

Access to a repository of actionable, objective data

Good practices identified through the benchmarking exercise can be easily replicated

Regional and global cooperation

A universal tool used by various stakeholders for multiple purposes

Private sector

Immediate beneficiaries are private sector companies (notably small and medium enterprises) involved in public procurement and those that are not granted an opportunity to participate in tenders due to flaws in the public procurement systems.

Academics

The research will benefit the academic and research community looking for better tools and data on procurement systems as well as cross country analysis. The questions and methods designed will have high potential for replicability and widespread use given the global dimension of the research.

World Bank Operations

The upstream knowledge generated by the BPP data is expected to offer an assessment tool to World Bank Operations using the procurement systems in client countries' projects.

Methodology

Indicators covering
4 thematic areas

Legal indicators
(de jure indicators):

All public procurement regulations, other legal texts of general application, judicial decisions and administrative rulings

Time and motion indicators
(de facto indicators):

Procedure
Time
Cost

Standardized yearly assessment of the regulations and procedures, thus recording each reform and change of practice.

More than **200 individual data** points for each country

Respondents include:

- Public procurement lawyers
- Accounting and consulting firms
- Public procurement authorities (government officials)
- Private sector suppliers
- Law professors

Thematic coverage

BPP indicators measure the characteristics of laws and regulations (legal indicators) and their implementation in practice (time and motion indicators) in 4 thematic areas:

Accessibility of public procurement regulations

- Evaluates the accessibility and clarity of public procurement regulations (legal indicators)

Bidding for a public procurement tender

- Measures the ease of bidding for a procurement tender (time and motion indicators)

Filing a complaint

- Analyzes the process to challenge a public procurement tender through a complaint system (time and motion indicators)

*Accountability and oversight mechanisms**

- Assesses oversight mechanisms, reporting capacities and the extent of procuring official's accountability (legal indicators)

Accessibility of public procurement regulations

Accessibility of public procurement regulations *assesses the ease of access of public procurement regulations and transparency of the procurement process*

- Questions cover the pre-tendering and tendering phases and cover both accessibility of procurement-related information for the public and bidder's access to information throughout the bidding process, as the required by the legal framework.
- Regarding accessibility of procurement- related information, the questionnaire covers, among other topics, accessibility of the procurement plan.
- Regarding bidder's access to information throughout the bidding process , the questionnaire covers the legal requirement for publication of procurement opportunities; criteria for evaluation and bid results.

Bidding for a public procurement tender

Bidding for a public procurement tender assesses the ease of bidding for a procurement tender

Legal indicators assess specific steps of the bidding process :

- **In the pre-tendering phase:**
 - consultation with the private sector
 - potential restrictions
- **In the tendering phase:**
 - ease of obtaining information and accessibility of tender notices, possibility to request changes, etc.
 - ease of the bid submission

Topic also assesses the **procedures, time and cost** related to:

- Submitting a question to the procuring entity
- Obtaining the tender documents from the procuring entity
- Requesting changes to technical specifications
- Submitting a bid
- Obtaining feedback on the reasons why a bidder did not qualify or win a tender

Filing a complaint

Filing a complaint measures the process to challenge a public procurement tender through a complaint system

Legal indicators assessing the quality of complaint mechanism:

- Complaints filed before the conclusion of the procurement contract (e.g. methods; review bodies ; suspension of the procurement process)
- Complaints filed to challenge the award of the contract
- Complaints filed in case of a potential conflict of interest

Topic also assesses the **procedures, time and cost** related to:

- Notification of complaint to the procuring entity;
- Requirement to show standing;
- Process to file a complaint before the first-tier review body
- Process to appeal the decision before the second-tier review body
- Process to challenge the award of the contract
- In case of conflict of interest, removal of public official from the tender panel

Accountability and Oversight Mechanisms

Accountability and Oversight Mechanisms assesses oversight mechanisms, reporting capacities and the extent of procuring official's accountability

- **General reporting obligations** within local government entities:
 - whether public officials are required to report suspicions of fraud, misconduct or maladministration;
 - how public officials can report misconduct and if it can be done anonymously.
- **General recording obligations** (through notably the protection of files on record through limited access, and regular and specific updates)
- **Internal control and management procedures** and the monitoring performance of the internal control system (for instance, through internal audits on the internal control system's performance)
- **Routine external control and ad hoc external controls.**

Geographical coverage

11 pilot economies

- **East Asia and the Pacific:** Thailand
- **Eastern Europe and Central Asia*:** Turkey and the Russian Federation.
- **High-income OECD:** Sweden, United States
- **Latin America and the Caribbean:** Chile, Mexico
- **Middle East and North Africa:** Jordan
- **South Asia:** Afghanistan
- **Sub-Saharan Africa:** Ghana, Uganda

Selection criteria

- Economies with **high capital expenditure** and public procurement budgets
- Economies representing all **7 regions** globally
- **“Good comparators”** from the high-income OECD list of economies
- Economies where the Global Indicators Group (GIG) has active **working programs** (e.g. Sweden).

Status and next steps

- Status:
 - Data collected and analyzed in 10 pilot countries
 - Ongoing data collection the Russian Federation
- On the basis of the data collected in 2013:
 - **an analytical report** is currently being finalized;
 - the project's approach will be refined and the indicators and their methodology will be reassessed accordingly through **consultation** with the Experts Consultative Group.
- **Thematic expansion** planned to address various recent procurement topics, e.g. sustainable and e-procurement; data on the operation stage as well as the contract management phase.
- The team plans on presenting the pilot's main findings at various **dissemination** events.
- Finally the team is in the process of **fundraising** in order to scale up the project to reach a total coverage of about 189 countries.

Thank you!

rru.worldbank.org/bpp

<http://doingbusiness.org/about-us/global-indicators>

Email: bppindicators@worldbank.org

Annex

Organizations with representation on the Expert Consultative Group (ECG)

An extensive consultation was organized with a roster of public procurement experts over 9 months in order to refine the methodology, the thematic coverage and the final objectives of the initiative.

Internal experts

Within the WBG, the team consulted with :

- Public Sector Governance Unit
- Operations Risk Management Department (OPSOR)
- Regional Vice-Presidencies for Africa; Eastern Europe and Central Asia and East Asia and the Pacific Regions;
- Investment Climate Department (FIAS)
- Independent Evaluation Group (IEG)
- Global Manufacturing and Services Department (in IFC)

External experts

Outside of the WBG, the team worked in close collaboration with:

- Public procurement law academics at the George Washington University Law School
- Leading private sector companies (e.g. GE) to learn more about their experience dealing with public procurement processes
- International organizations such as EBRD; EU; OECD and UNCITRAL.

Project cycle

Survey design

- Identification of key areas to be covered based on background research

Consultation and validation by experts

- Extensive internal and external consultation process with members of the ECG regarding the design of the survey, the areas measured and respondents identified

Data collection

- Simultaneous survey roll-out in the countries covered

Launch, dissemination and fundraising

- Coordination with communications team on an outreach plan
- Organization of BBLs as well as internal presentations and briefings to present the pilot findings
- Fundraising efforts to ensure continuity of the exercise on an annual basis



Data coding, verification and validation

- More than 200 data points across four topics (for subsequent years, identification of reforms)
- Identification of key areas for follow-up
- Conference calls/written correspondence with contributors
- Sharing of preliminary findings with WB regional teams (CMUs) and governments for validation

Writing and publication

- Writing of analytical report based on final findings
- Validation of key messages by experts from the ECG

Limitations of BPP

Methodological limitations

BPP is not a survey of company or suppliers' **perceptions**.

Though they aim to measure the typical experience of a company involved in public tender, the BPP indicators are **not representative** of all tenders.

BPP data on the efficiency of administrative processes are specific to the country's largest business city and not necessarily representative of common practices in other cities in each economy (not a sub-national study).

Interpretation of data

For the pilot year, BPP's thematic coverage is **limited to 4 areas** and does not provide comprehensive measures of countries' legal and regulatory frameworks for public procurement.

BPP does not measure the **full range of factors, policies and institutions** that affect the public procurement systems in an economy or its national competitiveness.

The indicators are based on **hypothetical case study assumptions** which allow for global comparison but limit the interpretation of the data to one scenario.