WORLD BANK GROUP

Capacity Development and Professionalization of procurement

Zafrul Islam

Lead Procurement Specialist and

Task Team Leader

ASIAN PP Conference, Bangkok

November 15-16, 2017

Key Session Parts

- Capacity development and professionalization (CDP)- what is it? why is it needed?
- How to develop and implement CDP?
- Experience of ASEAN/ other countries

WORLD BANK GROUP

National Development Goal

Service Delivery
leads to

Sectoral Result

Result
is all about

Systems &
Institutions

Systems & Institution
is all about

Governance
Structure

Better procurement
➔ Better governance
➔ "Better service delivery"

WORLD BANK GROUP

Capacity Development is about Systems and Institution Building

WORLD BANK GROUP

What is Capacity Development?

Capacity

- is the ability of individual, people, organizations/ institutions and society as a whole to successfully manage their affairs.

Capacity Development

- is to obtain, strengthen, and maintain the capabilities to achieve own development objectives.

WORLD BANK GROUP

Why Capacity Development?

Capacity Development

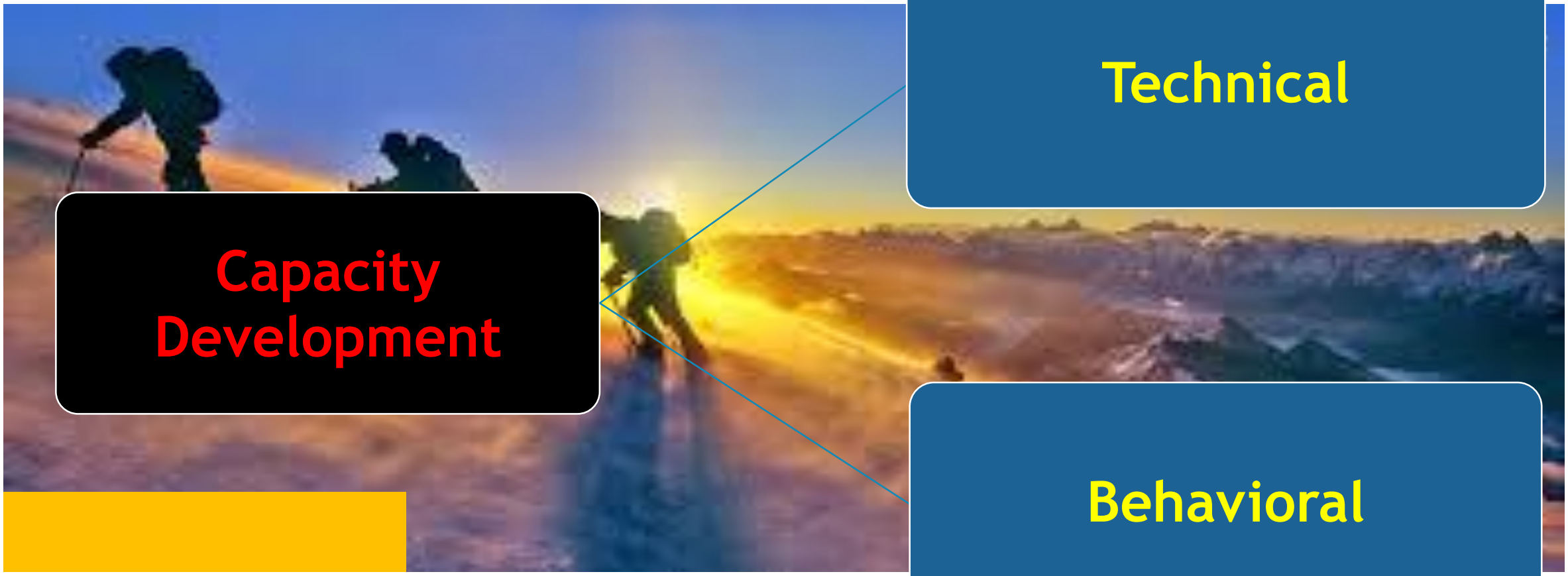
- An investment for the future sustainability of the financial and governance system of a country. For better performance of the public sector, all countries need staff with the requisite knowledge, skills, behaviors and competencies to enable them to fulfil their policies and goals. Therefore, it is of utmost importance to strengthen capacity in the context of emerging economies aiming to deliver satisfactory services under financial constraints.

Capacity Development

- is critical for staff and civil servants of any government engaged in improving public service delivery.

WORLD BANK GROUP

Strategic Approach



Capacity Development

Technical

Behavioral

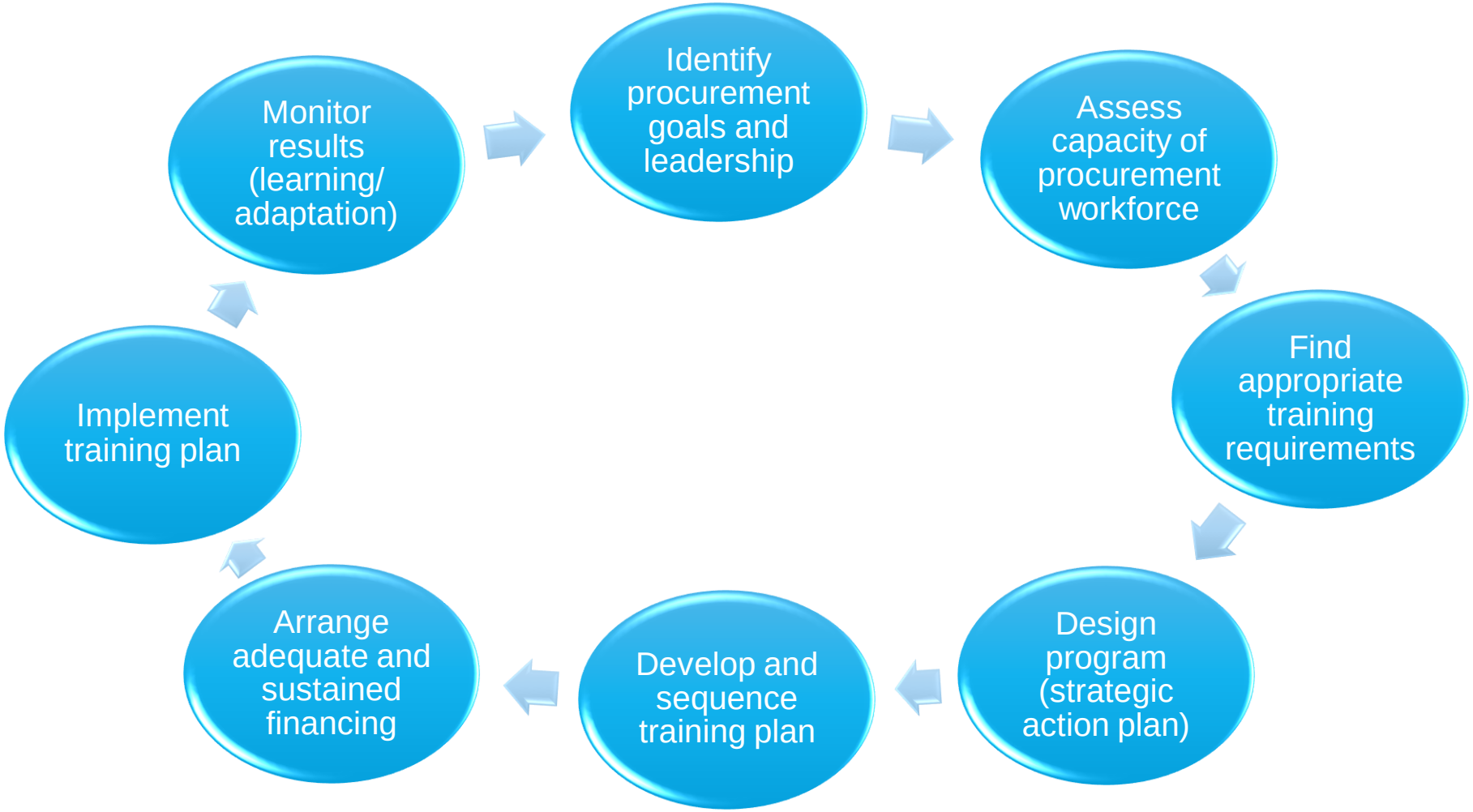
WORLD BANK GROUP

Critical Factors for CD

- **Country Ownership**: (political commitment to reform/ CD, DPs cannot substitute leadership)
- **Stakeholder involvement**: (national institutions- oversight/ control/ civil service, procurement prof. associations, business community, civil society, development partners)
- **Guiding principle**: (country ownership, open-eyed assessment- needs/ baseline/ gaps, strategic planning, flexible implementation, measuring capacity, monitoring results and adaptations)
- **Strategic plan**: (entrepreneurial opportunities, institutional focus, phased-long-term horizon, sequenced with public sector reforms, cost effective, outsourcing)

WORLD BANK GROUP

Design Capacity Development Program



No clear model systematically adopted by the international community. (OECD-2016 Roadmap: Procurement Capacity Strategy)

WORLD BANK GROUP

What is Professionalization?

A social process which transforms an occupation into a true profession of highest integrity and competence

Key attributes:

- Minimum qualifications- education, apprenticeship, practical experience
- professional standards- standards to be maintained and level of professionalization
- Professional authority- to regulate/ oversight the profession
- Ethical codes- determine client-professional relations, professional-professional relations
- Community sanctions- powers and privileges enforced through

Professionals must be motivated less by self interest and more by quality as defined by the needs and interests of profession ➔ ➔ Distinction between qualified and unqualified staff

WORLD BANK GROUP

Professionalization of Public Procurement

Shift from clerical functions ➔ Professional functions in government with highly skilled staff

Key Considerations

- Who is the oversight/ regulatory body?
- Who will accredit professionalization?
- What is the accreditation process?
- Who will undertake professionalization?
- What is the content?
- How much will professionalization cost?
- What benefits will be achieved?

WORLD BANK GROUP

Who is the oversight body?

- Is professionalization mandated by law?
- Is there a central body/institution to regulate?
- How professionalization is defined by the body?
- What are the levels of professionalization?
- Is there continuity of professionalization?

WORLD BANK GROUP

Who will accredit professionalization and provide training?

Accreditation- Oversight/ regulatory body OR Other Institutions?

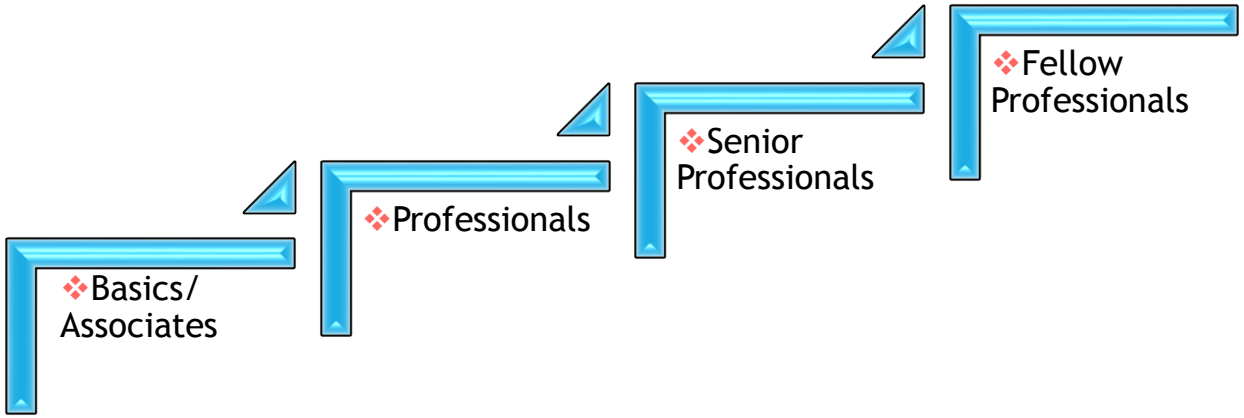
Training:

- Professional associations
- Training institutions
- Public sector agencies
- Universities
- International organizations

WORLD BANK GROUP

What is the accreditation process?

Level of professionalization/ accreditation



Specialized Professionals (Data Specialist)

WORLD BANK GROUP

Who is eligible for professionalization?

- Procurement/Contracting officers
- Support staff
- Public sector officials
- Attorneys/ Judges
- Procurement Monitoring personnel/ auditors

WORLD BANK GROUP

What is the content?

Procurement legal compliance	Technical compliance
Procurement Act	Procurement planning
Procurement principles	Technical specifications/ bidder provisions
Procurement rules/ regulations	Value for money- economy, efficiency, effectiveness, equity
Procurement procedures	Sustainable procurement (economic, social, environment)
Ethics of procurement	e-GP and IT
Contract management	

WORLD BANK GROUP

How much will professionalization cost?

- Challenge: Availability of funds
- Benefits/ cost savings after professionalization outweighs initial
- cost- how to measure?

WORLD BANK GROUP

What benefits professionalization will provide?

Risks of low/ no professionalization

- Incidence fraud and corruption undetected
- Prolonged bureaucratic/ administrative burden
- Inefficient procedures
- Procurement delays
- Cost ineffectiveness

Benefits of professionalization

- Better skills ➔ better responsibilities allocation
- Uniform standards for all actors
- More efficient procurement procedures
- Incentives for procurement staff- career path advancement

WORLD BANK GROUP

Example: Bangladesh- System Developments

Bank Initiatives:

- 2002: CPAR
- 2002-07: Public Procurement Reform Project- PPRP ($5 M)
- 2007-13: PPRPII ($24 M)
- 2013-16: PPRPII AF ($35 M)
- 2016-17:PPRPII AF2 ($10 M)
- 2017-22: DIMAPPP ($55 M)
- 2007-10: 4 ASAs (civic engage.; cap. dev; e-GP assess; M&E; rules)

Highlights:

Complete package of reforms covering nodal agency, legislations, capacity development, E-GP, on-line performance measurement, citizen engagement and behavioral change communication

2002: Procurement nodal agency (**CPTU**)
2003: Public Procurement Regulations
2006: Public Procurement Act (PPA)
2008: Public Procurement Rules (PPR 2008)
2009-11: On-line performance measurement
2004-17: Capacity development program
2008-17: CE and behavioral change
2012-17: Comprehensive eGP System

WORLD BANK GROUP

Comprehensive CD Model

Country procurement issues: protracted bureaucratic procedures; procurement delays; lack/inadequate procurement capacity; incidence of fraudulent/ collusive practice; no monitoring.

2003: PPRP includes capacity development component

↓

2004: Developed core procurement professionals through training and rigorous selection process

↓

2006: Assessed capacity- key sector agencies- KSA

↓

2007: Developed training courses of short and long duration to cover wide range of stakeholders

↓

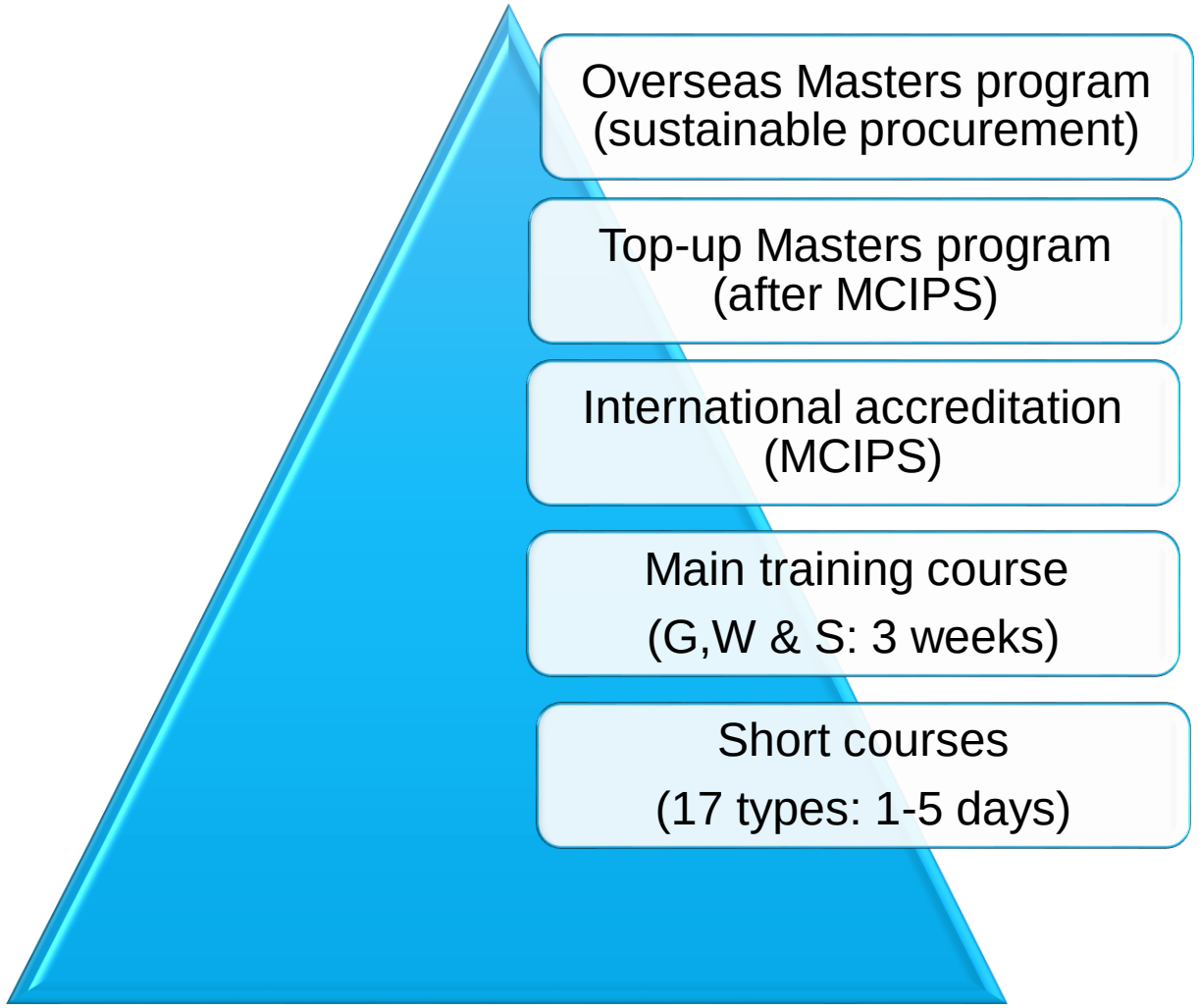
Designed incentive mechanism for top-performers as going up ladder from basic procurement to Masters

↓

Followed a phased approach (4 KSA ➔ 20 OSA ➔ Most SA)

WORLD BANK GROUP

Ladder of Capacity Development



WORLD BANK GROUP

Type of Short Courses

i. Junior level officers in Procuring Entity (5 days)
ii. Policy makers in Ministry and Agencies(1/2 day)
iii. Entry-level Civil Servants (2 days)
iv. Junior-level Civil Servants (2 days)
v. Mid-level Civil Servants (1 day)
vi. Senior-level Civil Servants (1 day)
vii. Planning Cadre Officers (5 days)
viii. Administrative Cadre Officers (2 days)
ix. Local Govt. Elected Chairman, Members, Officials of Municipalities
x. Income Tax, VAT, and Customs Officials
xi. Public Auditors and Accountants
xii. Project Directors/ Deputy Project Directors and Project managers
xiii. Judicial Staffs
xiv. Journalists
xv. Anti-Corruption officers
xvi. Parliament Officials
xvii. Bidding/ Business Community
xviii. Refreshers

WORLD BANK GROUP

Professionalization Model

- Each procurement professional with unique identifier #
- Be tracked on-line as pool of public resources available to support simple to very complex procurement, depending on the level of professionalization
- Operate under a procurement accreditation board

➢Tier-1: Public Procurement Associates

➢Tier-2: Public Procurement Professional

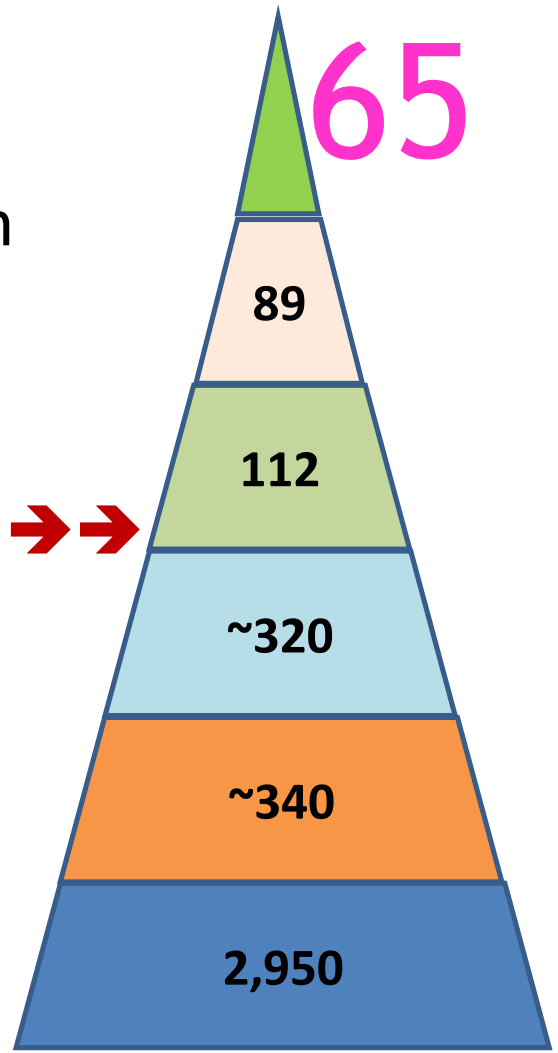
➢Tier-3: Advanced Public Procurement Professional

Tier-4: Fellow Public Procurement Professional

WORLD BANK GROUP

Capacity Development Highlights

- Procurement faculty at ESCB
- Intl.-local institute/university collaboration
- 3-week training: Over 7,500
- 17 type short courses: Over 13,000
- Certified national trainers: 65
- International accreditation(MCIPSUK): 128 ➔➔
- Masters in procurement: 132
- e-GP training: 4,000

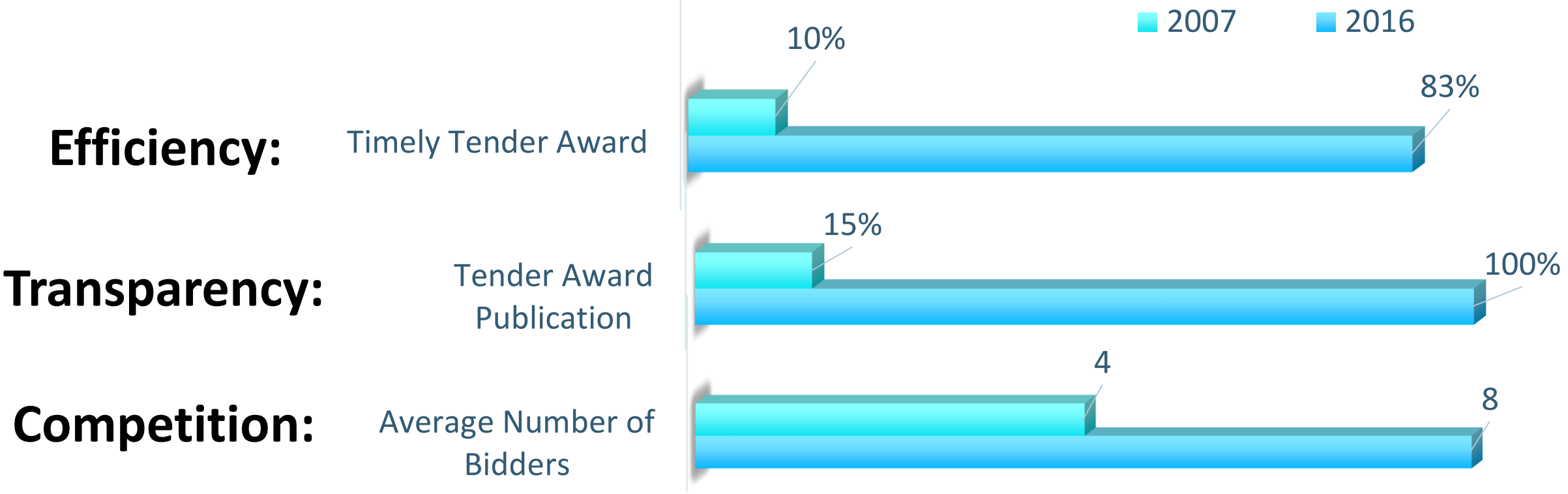


20,000

Trained Professionals

WORLD BANK GROUP

Reform and Innovation Results

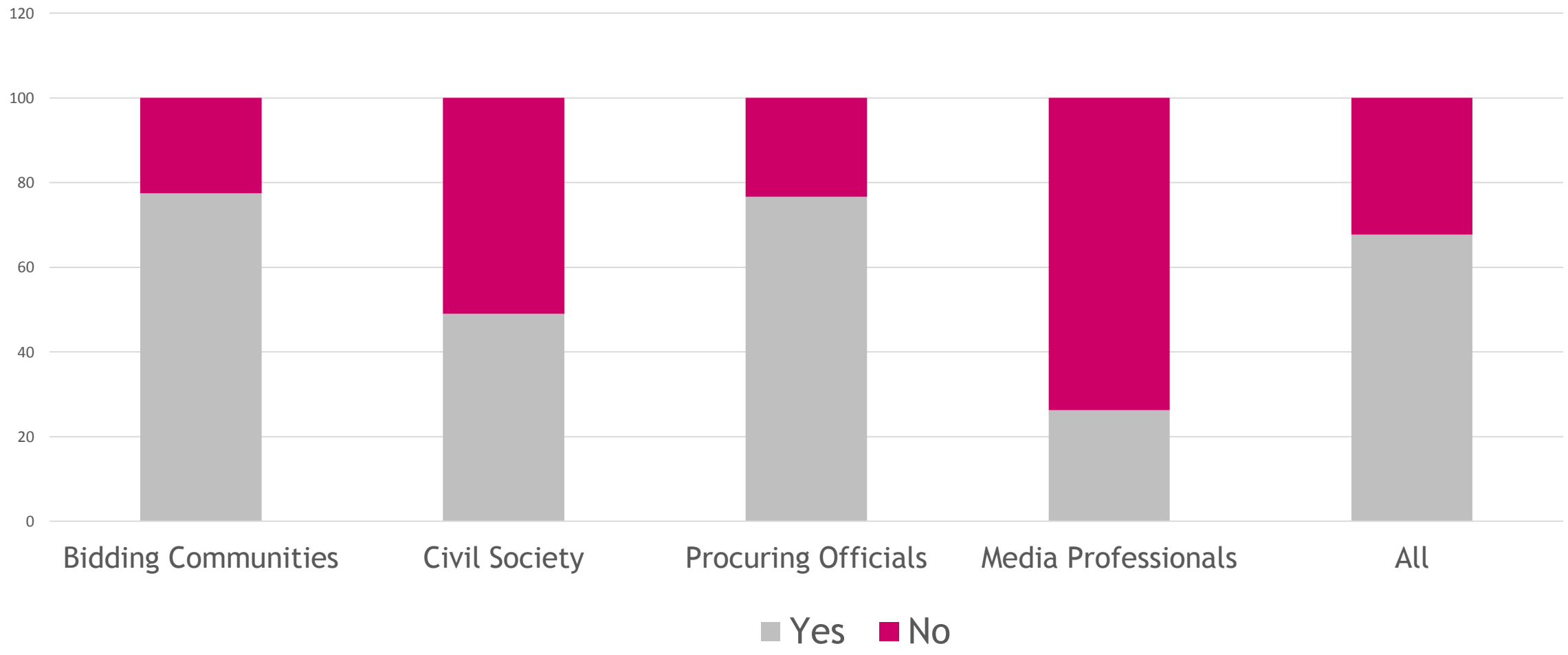


Cost savings: Introduction of e-GP has saved cost by at least 13% and, in most robust estimation, by **20% (US$ 500 million)**.

Nepal Sri Lanka Bhutan Uganda Zambia Burkino Faso

WORLD BANK GROUP

Satisfaction: Use of Public Funds



WORLD BANK GROUP

Learning Pathway

- Political economy: high-level commitment
- Lens of users/beneficiaries
- Complete reform package
- Empowering the country to lead
- Communication: Pivotal for behavior change
- Sustained engagement & funding
- Fit-for-purpose … localizing global knowledge

WORLD BANK GROUP

Example: Other SA Countries

India

- No procurement cadre exists. Few states have proc laws.
- Procurement Observatory: Indian Institute of Management, Uttar Pradesh for public procurement monitoring/observation of historical data, trend analysis.
- Administrative Staff College of India: Provides procurement training (goods/ works/ services)

Bhutan

- Nodal procurement agency and PPA exist .
- Procurement cadre exist

Nepal

- Nodal procurement agency and PPA exist.
- Public procurement strategic framework 2014
- Public Proc Improvement Project under preparation- MDTF

WORLD BANK GROUP

Example of Professionalization- USA

One Regulatory agency	• Office of Federal procurement Policy
Centralized training bodies	• Federal Acquisition Institute (Civilian) • Defense Acquisition University (Defense)
Two types of acquisition staff trained	• Contracting officers • Contracting officer's representatives
Different methods used	• Certifications requirements (experience, education) are different following the type of staff • Three levels of certification for Contracting officers • Three levels of certification for Contracting officer's representatives • Continuous training requirements to maintain certification • Face-to-face lectures and use of online classes
Cost Management	• Each agency must allocate a percentage of contract spending to a training fund

WORLD BANK GROUP

WORLD BANK GROUP

Thank You