



Middle East And North Africa Network Of Public Procurement Experts

Recent events in the Middle East and North Africa region have opened unprecedented windows of opportunity to respond to citizens' demands to reform the public sector by making it more efficient, transparent, and accountable.



The Middle East and North Africa Network of Public Procurement Experts was formed, with World Bank assistance, to address the key challenges facing public procurement in the region. This unprecedented community of practice is led by its members who collectively work to address the actions they have identified.

Member-led

The Network and its agenda are both owned and executed by its members—high-level public officials responsible for public procurement and its reform in MENA countries.

Action-Driven

Network members selected their top three priorities and are working together to bring them to the forefront of regional attention. Small working groups are led by and comprised of national officials from the Network who have expertise or interest in these areas.

THE NETWORK'S PRIORITY AREAS



**Public Procurement
Capacity Building**



**Improving opportunities
for SMEs in government
contracting**



**Modernizing
procurement tools**

THE NETWORK'S RESULTS:

KNOWLEDGE & RESEARCH

- Launch of first phase of a regional electronic portal to share documentation, resources, and best practices
- Two regional surveys and reports on Capacity Building and SMEs

PUBLIC-PRIVATE DIALOGUE

- Comprehensive roundtable discussion with government officials and private sector stakeholders to discuss issues faced by SMEs in accessing businesses opportunities in government contracting

PARTNERSHIPS

- Arab Administrative Development Organization, League of Arab States
- European Bank of Reconstruction and Development
- African Development Bank National Training institutions

TRAINING

- First regional Training of Trainers: Sharjah, UAE, June 2014
- Regional approach to professional development, institutional strengthening and capacity building for public procurement

PARTNERS





Working Together to Deliver Results

Many governments have dedicated significant time and resources to deciding *what* to deliver, without tackling *how* to deliver.

MENA's procurement systems won't achieve results without a professional workforce able to execute and make the laws work in practice. Yet, MENA governments face similar obstacles in strengthening the skills of their procurement staff – resource and funding gaps, lack of training institutes, and fragmented approaches.

To create a sustainable solution to these capacity challenges, the Network, with the support of the World Bank:

- Partnered with the Arab Administrative Development Organization (ARADO), the capacity building arm of the Arab League
- Leveraged existing materials and local training institutions to deliver training and implement capacity building on the front line
- Taught delivery skills based on the experience of the most successful practitioners. The first training of trainers was delivered in Sharjah, UAE in June 2014

Training of Trainers Event— Enhancing Business Opportunities for the Region's SMEs

SHARJAH, UNITED ARAB EMIRATES, JUNE 10-12, 2014

Topics included:

- **Public Procurement as an Opportunity for Doing Business**
- **How to Participate in Public Procurement**
- **Ethics and Integrity in Public Procurement**
- **Pedagogy and Teaching Methods**

Trainers attended from nine countries in the region. Attendees included government officials and Network members from the region, as well as experienced lecturers/trainers from national training institutions, including Lebanon's and Tunisia's *Institutes of Finance*; Egypt's *General Authority of Government Services (GAGS)*; Djibouti's *Chamber of Commerce*; and Morocco's *National Agency for the Promotion of SMEs*.

The institutions in attendance agreed to customize the materials and offer a training program for SMEs in their own countries following the event.



The SME Sub-committee of the MENA Network of Public Procurement Experts, in close coordination and collaboration with the Capacity Building Sub-committee, invited training institutions from the region to participate in a pilot Training of Trainers (ToT) Event at the facilities of ARADO in Sharjah, United Arab Emirates.

Ethics and Integrity in Public Procurement

PUBLIC SECTOR

- Enact laws and regulations and create dedicated institutions focusing on the issues of Fraud & Corruption
- Publish a strong governmental policy favoring effective compliance and ethics programs as serving the public interest
- Establish an internal governmental official as compliance and ethics liaison.
- Publicize the actual benefits given to companies with good programs
- Allow government officials to participate in the compliance and ethics field, including conferences and seminars

PRIVATE SECTOR

- Pay more attention to ex-ante identification of risks and risk assessment
- Work with Chambers of Commerce, professional organizations, and trade unions to promote compliance programs as an integrity policy to prevent corruption
- Know the law and keep records when bidding on government contracts
- Implement due diligence of employees and business Partners



Promoting SME Access to Public Markets



Inadequate capacity to participate

Delayed payments

Legal fragmentation and gaps

Inadequate access to information

Difficulties in forming joint ventures

Burdensome guarantee requirements

Obstacles SMEs face in public procurement

Percent of survey respondents who identified a factor as being a major obstacle

Source: MENA Network Survey of Public Procurement Experts, 2014.

Small and Medium Enterprises make up 80-90% of enterprises, 70% of employment, and 40% of GDP in MENA countries. But are they winning public contracts?

The expansion of business opportunities for SMEs was endorsed by the Network as a regional priority in Tunis in November, 2013. A subcommittee comprising the Governments of Morocco, Tunisia, and Yemen is actively working with the World Bank and public and private sector stakeholders to expand the access of SMEs to public procurement in the MENA region.

Their activities have included:

The establishment of a capacity building program for SMEs in the region to teach them how to competitively participate in government contracting.

Roundtable discussion in November 2013 in Tunis with representatives of SMEs from different industries and countries in the region to discuss the main challenges in accessing public procurement markets

A comprehensive review of the public procurement legal frameworks and practices across the region as they pertain to SMEs.

- Survey of eight countries in the region, led by the High Authority of Tender Control of Yemen.
- Initial findings from draft report presented in June 2014.
- Complete results and analysis to be published in an upcoming volume in Summer 2014.

Crafting a proposal for a common definition for SMEs with respect to public procurement in the region.

- Examination of current and possible criteria and methodologies to harmonize the definition from a public procurement standpoint, led by the Government of Morocco.
- Report prepared by Morocco's National Agency for the Promotion of SMEs and presented to the Network in Sharjah

Building SMEs Capacity to Participate in Public Procurement

Governments and Public Agencies in the region...

- spend a large percentage of their budgets in public procurement activities (up to 70%), which accounts for up to 30% of GDP in some countries.
- procure goods/works/services offered by SMEs (e.g., furniture, supply of food products, repair work, various types of works, maintenance, cleaning services, etc.).

SMEs can participate in public procurement opportunities in two main ways:

1. As a Bidder, participating alone or in association (joint venture) in response to an Invitation for Bids issued by a Procuring Entity, or
2. as a sub-contractor to a Bidder, to provide quality goods, works or services which the SME can offer at a competitive price.

SMES must be engaged in the policy making process as well, by engaging in a dialogue with the Government and raising the issues which impede their participation.

Governments, too, have responsibilities to involve SMEs in procurement processes. To facilitate contracting with SMEs, governments can level the playing field for SMEs by decreasing the costs associated with preparing and submitting a bid, changing how they structure contracts so they can be fulfilled by SMEs where possible, setting feasible requirements, and making quick payments to contractors.



Regional Electronic Portal for Public Procurement

Modernizing public procurement tools presents a major opportunity to

- promote transparency
- fight corruption
- simplify the procurement process
- lower barriers to entry
- encourage competition

However, this area is also a major challenge facing the MENA region, with uneven progress across countries.

As a response, the Network is developing a regional e-Portal to serve as an electronic tool for their governments to modernize and improve their national systems.

An inter-governmental subcommittee, led by representatives from the Government of Morocco, is spearheading the portal's development process.



Phase 1: Online Workspace for MENA Procurement Experts

- Pilot phase began June 2014
- Allows Network to share news and documents, engage in online conversations, find public procurement experts
- Available in 3 main languages of the region (English, French, Arabic)

Phase 2: Regional Platform to Share Tender Opportunities from All MENA Countries (ongoing)

- Enables searching for bidding opportunities in one place for participating countries in the region
- Aims to increase competition and collaboration among firms
- Started system design based on basic assessments/capabilities of country e-Procurement systems to share information
- Securing authorization from governments by Network members to share country tender information

Contract Management and Public Procurement

To ensure better results in public procurement, the Network worked with a International Federation of Consulting Engineers (FIDIC) accredited trainer to improve contract management techniques in their countries. Contract management is a crucial component to ensure efficient completion of important national projects, and to the long-term development of the MENA region.

Two key takeaways:

- The way a contract package is set up will impact the bid price, and that the way the contract is managed will have a lasting impact on reputation, and therefore, on bid prices for future projects.
- The main objective for the government should be to complete the project, at the right quality, on time, and on budget.

Measuring Public Procurement Performance

An innovative Regional Study conducted by the World Bank in 2014 examined the factors affecting the implementation of public procurement reforms in MENA countries. The findings were shared with the Network in Sharjah.

One of the common themes found across countries was that while needed formal rules may exist on paper, the real challenge is to make them work in practice to produce the expected results. To do that, procurement systems need to be capable of collecting, processing and maintaining information to monitor performance and outcomes. Countries in the MENA region lack the real data they need to track whether and how progress is being made.

Potential procurement performance indicators for development include:

- the time required to process bids
- projects or contracts implemented within the estimated time and budget
- number of proposals per bid
- percentage of bids rejected classified by cause of rejection