



# Public Procurement Capacity Development Guide

- ✓ *Engaging Stakeholders*
- ✓ *Establishing a Capacity Baseline*
- ✓ *Identifying Capacity Assets and Gaps*
- ✓ *Developing a Capacity Plan*
- ✓ *Measuring Capacity*
- ✓ *Integrating OECD-DAC MAPS*

**Procurement Capacity Development Centre  
Capacity Development Group  
Bureau for Development Policy  
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## ACRONYMS AND ABBREVIATIONS

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BLI	Baseline Indicator
CD	Capacity Development
CPI	Compliance and Performance Indicators
DAC	Development Assistance Committee
MAPS	Methodology for Assessment of National Procurement Systems
OECD	Organisation for Economic Co-operation and Development
PFM	Public Financial Management
UNDP	United Nations Development Programme
UNPCDC	United Nations Procurement Capacity Development Centre

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## **SECTION I: INTRODUCTION**

### **1. Overview of the UNDP Procurement Capacity Development Guide**

The UNDP Procurement Capacity Development Guide (hereafter ‘the Capacity Development Guide’) gives a detailed step-by-step guide to conducting a procurement capacity assessment using the UNDP Capacity Assessment Methodology. The Capacity Development Guide is an adaptation of the UNDP Capacity Assessment Methodology User’s Guide<sup>1</sup> and is meant to be used in conjunction with the UNDP Practice Notes on Capacity Development, Capacity Assessment and Measuring Capacity which provide explanations of the terms and concepts referenced here.<sup>2</sup> It is intended to provide a step-by-step guide for those mobilising, designing or conducting a procurement capacity assessment at the national or sub-national level including government officials, UNDP country offices, development partners, consultants and capacity development advisors.

This introductory section covers the key role that a procurement capacity assessment plays within the UNDP approach to supporting procurement capacity development. It also introduces the UNDP capacity assessment framework, the capacity assessment process and the capacity development results framework. The following three sections respectively provide instructions for engaging stakeholders, conducting a procurement capacity assessment and for formulating a procurement capacity development response or strategy. Section V offers guidelines for adapting the UNDP Capacity Assessment Framework for specific procurement related contexts and the final section includes answers to some Frequently Asked questions. The Annexes provide additional resources and examples.

### **2. The UNDP approach to supporting capacity development**

UNDP defines capacity development as: the process through which individuals, organisations and societies obtain, strengthen and maintain the capabilities to set and achieve their own development objectives over time. Capacity Development helps strengthen institutions to perform better and more consistently over time and to respond to and manage shocks and changes.

There are a number of complimentary definitions of capacity development, the OECD DAC definition that has been accepted by the UNDG is; The process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time.

It is not a one-off intervention but an iterative process of design-application-learning-adjustment. UNDP captures this in a five-step process cycle (see Figure 1). These steps broadly coincide with the steps of a planning or programming cycle. Approaching capacity development through this process lens makes for a rigorous and systematic way of supporting it, without using a blueprint and improves the consistency, coherence and impact of efforts. It also helps promote a common frame of reference for a programmatic response to capacity development including for procurement.

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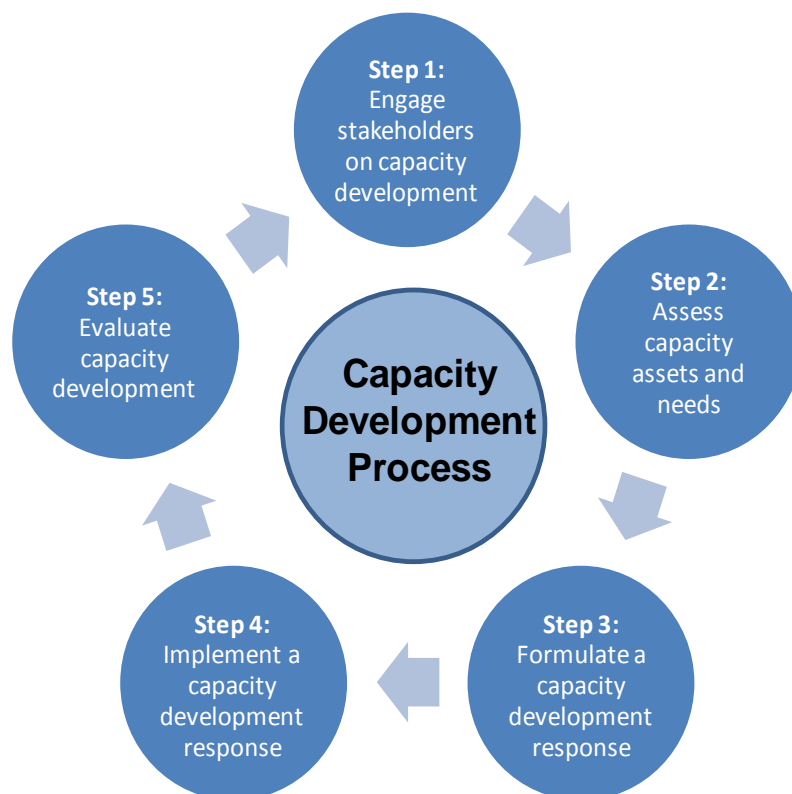
<sup>1</sup> The Capacity Assessment Methodology User’s Guide (UNDP, 2008) gives a detailed step-by-step guide to conducting a capacity assessment using the UNDP Capacity Assessment Methodology which consists of the UNDP Capacity Assessment Framework, a three-step process and supporting tools.

<sup>2</sup> The Practice Note on Capacity Development (UNDP, 2008) introduces the UNDP approach to supporting capacity development and the basic principles underlying it, as well as the five steps of the capacity development process. The Practice Note on Capacity Assessment (UNDP, 2008) focuses on two steps of the capacity development process: to assess capacity assets and needs and to formulate a capacity development response. It explains the concept of capacity assessments, introduces the UNDP Capacity Assessment Methodology and how it can be used, and addresses operational implications. The Measuring Capacity Position Paper presents a framework for defining, capturing and communicating capacity development results. All three documents, and many other relevant documents are available from [www.capacity.undp.org](http://www.capacity.undp.org)

The five steps of the UNDP capacity development process are:

1. Engage stakeholders on capacity development;
2. Assess capacity assets and needs;
3. Formulate a capacity development response;
4. Implement a capacity development response;
5. Evaluate capacity development.

**Figure 1 The UNDP capacity development process**



### **3. Procurement and Capacity Development**

Procurement is the overall process of acquiring goods, civil works and services which includes all functions from the identification of needs, selection and solicitation of sources, preparation and award of contract, and all phases of contract administration through to the end of a services' contract or the useful life of an asset.

**Public Procurement** is procurement falling under the jurisdiction of a Government or other public sector organisation.

In recent years it has been increasingly recognised that strengthening and using national procurement systems is a key factor in scaling up for more effective aid. The Paris Declaration and the Accra Agenda for Action have reaffirmed commitments to carry out diagnostics, develop sustainable reforms and monitor implementation, as well as commit sufficient resources to support and sustain medium and long-term procurement reforms and capacity development.

However, the benefits of strengthened national public procurement are not restricted to arguments relating to aid delivery. Public procurement of goods, services and works accounts for a significant amount of national expenditures (domestically generated as well as received from ODA). Globally, public procurement is estimated at about 15% of the world's GDP, but in some developing countries, it may account for as much as 70%. This is particularly the case in Least Developed Countries (LDCs) and post conflict countries, where underdeveloped private sectors require public sectors to play a major role in the delivery of services and the provision of much needed economic infrastructure.

Improved public procurement capacity also impacts on economic and social results. When the fundamental procurement principles of open competition and transparency are combined with operational efficiency, reduced corruption and increased professionalism, the result is greater value for money and increased public service delivery. Public procurement is also a stimulus for growth in the domestic and/or regional private sector as the government is one of the main investors in the private sector and thus hugely influences the way that business processes evolve within the country.

#### 4. Procurement Capacity Assessments

Effective support of the procurement capacity development process begins with identifying what key capacities already exist and what additional capacities may be needed to reach objectives. A capacity assessment is an analysis of desired capacities against existing capacities, which generates an understanding of capacity assets, gaps and needs that can serve as input for formulating a capacity development response or strategy. The capacity response should address those capacities that are a priority to strengthen and optimises existing capacities that are already strong and well founded. It sets the baseline for continuous monitoring and evaluation of progress against relevant indicators and helps create a solid foundation for long-term planning, implementation and sustainable results in public procurement.

Procurement capacity assessments can be conducted as a response to a variety of different triggers. Often they are conducted as a response to a felt and expressed need for procurement capacity development, for example, at the level of the government as a whole, a specific sector, or a procuring entity (ministry, district or municipality). Such assessments are conducted to determine or clarify what types of capacity need to be addressed and how. If a capacity assessment was not conducted during formulation of a procurement capacity development strategy or reform programme it can be initiated during the implementation and/or as part of an evaluation process.

In the context of any of these situations, a capacity assessment can serve a variety of purposes. It can provide the starting point for formulating a capacity development response; measure progress from earlier diagnostic exercises and confirm and adjust direction; act as a catalyst for action; confirm priorities for action; build political support for an agenda; offer a platform for dialogue among stakeholders; and provide insight into operational hurdles in order to unblock a programme or project.

#### 5. The UNDP Capacity Assessment Methodology

UNDP has developed a methodology that provides a structure for discussion about the scale, scope and process of a capacity assessment exercise and about the capacity development agenda more generally. It consists of:

- The UNDP Capacity Assessment Framework
- A process for conducting a capacity assessment
- Supporting tools

##### 5.1 The UNDP Capacity Assessment Framework

The UNDP Capacity Assessment Framework has three dimensions:

- **Points of entry:** UNDP recognises that capacity resides on different levels; 1) the enabling environment; 2) the organisational; and 3) the individual. Each of these levels can be the point of entry for a capacity assessment. However, in most cases an assessment focused on one of these points of entry will also need to take into consideration capacity issues at the other points of entry. For example an assessment looking at the national public procurement system may be primarily focused at the enabling environment, but would need to zoom in to look at capacity in organisations such as the national public procurement oversight body and/or procuring entities. Likewise, an assessment of the capacity of an organisation to undertake procurement will in most cases need to consider some issues at the enabling environment level such as public procurement policy and legislation. The Framework does not specifically address capacities at the individual level which are the purview of organisations.

- **Core issues:** These are the four capacity issues that UNDP's empirical evidence suggest to be the most commonly encountered across sectors, including procurement, and levels of capacity: 1) institutional arrangements; 2) leadership; 3) knowledge; and 4) accountability. Not every assessment needs to cover all four, but a capacity assessment team should at least consider all of them as it defines the scope of an assessment. They can be amended based on the needs of the client and the situation. Institutional arrangements for public procurement could include; a) an integrated procurement plan developed in response to the national budget and a results framework; b) where all expressions of interest, bid submissions, evaluations, negotiations, decisions and final contracts are publicly available and accessible over the internet and other media; c) working in partnership to strengthen procurement in line ministries; d) proactively engaging with potential bidders to maximize competition, value for money and quality; e) simplifying business processes such as downloadable standard bidding documents; and f) increasing accountability by enabling civil society to monitor, bid opening, procurement contracts and the goods services and infrastructure procured.
- **Functional and technical capacities:** These are the capacities necessary for the successful creation and management of policies, legislations, strategies and/or programmes. They will be adapted depending on the scope of each assessment.

## 5.2 The process for conducting a procurement capacity assessment

UNDP suggests following a three-stage process to conduct a procurement capacity assessment. The activities in each stage aim at deepening engagement of national partners and promoting dialogue among key stakeholders around the capacity assessment process.

- **Mobilise and design:** Engaged stakeholders and a clear design are key to a successful capacity assessment. The design is driven by three guiding questions: 1) capacity for why? 2) capacity for whom? and 3) capacity for what?<sup>3</sup>. These questions will be discussed in more detail in Section III;
- **Conduct the capacity assessment:** During the capacity assessment data and information are collected on desired and existing capacity. This data and information can be gathered by a variety of means, including self-assessment, interviews and focus groups;
- **Summarise and interpret results:** The comparison of desired capacities against existing capacities determines the level of effort required to bridge the gap between them and provides the basis for the formulation of a capacity development response.

## 5.3 Supporting tools

A number of supporting tools are available as resources for a procurement capacity assessment. These include sample terms of reference for scoping missions, data collection worksheets, interview guides etc. These are attached as annexes.

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<sup>3</sup> The phrasing of the questions in this way has proved to be appealing and intuitive to people working on capacity development.

## SECTION II: ENGAGE STAKEHOLDERS ON PROCUREMENT CAPACITY DEVELOPMENT

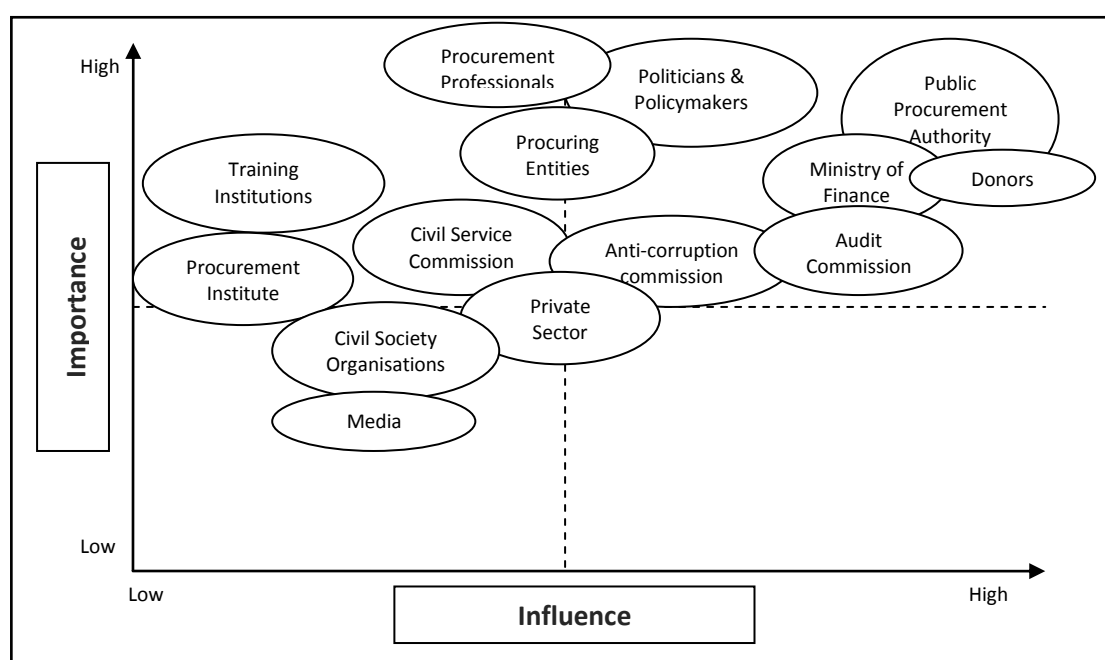
This section focuses on Step 1 of the capacity development process: 'Engage Stakeholders on Capacity Development'. Active stakeholder engagement is important at every stage of the capacity development cycle.

Procurement capacity development involves a wide range of stakeholders that have different levels of interest and influence on capacity development. These will vary from situation to situation but may include: national institutions such as the public procurement oversight organisation; ministry of finance; civil service commission; anti-corruption commission; audit commission; training and education institutions; political, social and economic leaders; procuring entities (ministries, districts, municipalities); individual procurement staff and other officials engaged in the procurement process (accountants, engineers, project managers etc); professional procurement institutes; the business community; civil society organisations; citizens; the media; donors and development partners.

These stakeholders will play different roles at different stages of the procurement capacity development process and these will be discussed in more detail in the following sections on Assessing Capacity Assets and Needs, and Formulating a Procurement Capacity Development Response. However, it is recommended that a systematic approach be taken to identifying and mapping stakeholders prior to commencing a procurement capacity development process, so that an appropriate stakeholder communication and engagement strategy can be applied throughout.

One approach may be to identify the stakeholders and map them according to their relative influence and importance, bearing in mind that this may vary at different stages of the process. An example of such a stakeholder mapping is shown in Figure 2. In addition, stakeholders respond differently in terms of techniques and messages, so a differentiated approach needs to be taken.

Figure 2 Example Stakeholder Mapping



The stakeholder mapping can also be conducted to identify current importance and influence in public procurement, as well as the desired stakeholder importance and influence. This might help determine where institutional changes are needed for example; where roles and responsibilities might need clarifying; introducing participatory processes to bring key stakeholders together; and making information more accessible to important stakeholders.

One common feature of successful capacity development interventions is the role of transformational leaders. These leaders can be found at all levels of organisations and institutions, and play a key role in 'championing' the capacity development or reform programme. When considering stakeholder engagement it can be



worthwhile to identify who these champions will be – across the different stakeholder groups – and to play particular attention to their role throughout the process.

## SECTION III: ASSESS CAPACITY ASSETS AND NEEDS

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This section focuses on Step 2 of the capacity development process: ‘Assess Capacity Assets and Needs’. Step 3 of the capacity development process will be discussed in the next section of this guide.

### 1. The capacity assessment process – Stage 1: Mobilize and design

Stakeholder engagement is covered in detail in Section II above. However, there are specific aspects relating to the assessment process that are covered in more detail here. Engaged stakeholders and a clear design are key to a successful procurement capacity assessment. The design is driven by three guiding questions: capacity for why? capacity for whom? and capacity for what?

The first stage of the capacity assessment process – to mobilize and design – focuses on answering these questions. More specifically, it covers the following activities:

- Engage stakeholders in the procurement capacity assessment
- Clarify objectives and expectations with primary clients
- Adapt the Procurement Capacity Assessment Framework to national and/or sub-national needs
- Determine the data and information collection and analysis approach
- Determine how to conduct the assessment (team, location)
- Plan and cost the capacity assessment (based on team composition, design and duration)

#### 1.1 Engage stakeholders in the procurement capacity assessment

Active stakeholder engagement throughout a capacity assessment process is the key to success. An assessment can involve a range of stakeholders that can champion and drive the assessment process. Potential roles for stakeholders in the assessment exercise include:

- Provide political and administrative oversight;
- Assist in designing the assessment;
- Conduct research and participate in the assessment;
- Analyse, validate and disseminate the results and set priorities for follow-up action.

Involving partners and stakeholders is important in identifying why capacity is seen as being needed. Often this discussion focuses on the need to strengthen institutions to perform more effectively, efficiently and consistently over time, as well as to be able to be more resilient to shocks and manage change. This sets the stage for identifying what capacities need to be developed to fulfil that mandate and how these measures can be used to monitor success of capacity development interventions and progress more generally over time. Engaging stakeholders also helps ensure that the capacity assessment process is well adapted to the local context and local needs, so that its results are relevant and useful. It promotes ownership of the process, translates into a commitment to its results and offers opportunities to develop the capacities of partners and stakeholders. A capacity assessment that is driven from the inside offers participants an opportunity to learn from each other and from the process itself. Finally, engagement of partners and stakeholders helps determine how the procurement capacity assessment can support and be integrated with other capacity development processes.

#### Box 1: Overview of roles during a capacity assessment

This box provides a quick overview of the different roles played during a procurement capacity assessment. They are discussed in more detail in various sections of this guide and in the Practice Note on Capacity Assessment. The number and complexity of roles will depend on the scale and scope of the capacity assessment

- **Assessment owner** – The primary client will assign a person or unit to oversee the assessment process from the client’s side. The assessment owner is responsible for managing the assessment, facilitating dialogue around the findings and serving as a liaison between the capacity assessment team and key stakeholders. Often the assessment owner will also be responsible for formulating the capacity development response.

- **Capacity assessment team** – The capacity assessment team facilitates the assessment process from the ‘mobilize and design’ stage through to ‘summarizing and interpreting the assessment results’. It also plays a role in formulating a capacity development response. The team assists the client in scoping the assessment, develops supporting tools for the assessment and facilitates the data and information collection process.
- **International/regional consultants** – If there are insufficient local resources available, international or regional consultants can be included in the assessment team to support the assessment. It is recommended to pair them with internal staff and/or national consultants as a way of strengthening national expertise and deepening the international/regional consultant’s understanding of the context.
- **National consultants** – A capacity assessment team should ideally include one or more national experts familiar with the context and content of the capacity assessment. Pairing a national consultant with an international or regional consultant can lead to a mutually enriching exchange of knowledge and skills, and strengthen the capacity of the national consultant to conduct a capacity assessment.
- **Participants in the assessment** – Participants in the assessment are those engaging, for example, in focus group discussions, interviews with the assessment team, or self-assessments. They are the ones assessing the level of existing capacity and oftentimes, determining the level of desired capacity.
- **Primary client** – The primary client takes the initiative for the assessment and helps determine its scale and scope. The client is most often a government unit at central or local levels, but may also be a civil society organisation.
- **Capacity assessment secretariat** – The capacity assessment secretariat supervises the day-to-day management of the assessment and provides operational support to the capacity assessment team. Like the technical reference group and sponsors, a capacity assessment secretariat tends to be used primarily if an assessment is particularly complex, comprehensive or contentious.
- **Sponsors** – Sponsors are influential leaders who provide overall direction to the assessment. This group can i) rally support for the initiative; ii) ensure that the assessment and the broader capacity development agenda receive adequate attention and lead to actionable results; and iii) ensure that the results feed national planning and budgeting processes, policy dialogues, or programming processes. Sponsors who can mobilize political support are particularly important if the capacity assessment supports a reform agenda or is likely to cause shifts in power dynamics or changes in resource allocations.
- **Stakeholders** – For example, beneficiaries, those initiating the assessment, national institutions such as the procurement oversight organisation, civil service commission, anti-corruption commission, audit commission, training and education institutions, political, social and economic leaders, procuring entities (ministries, districts, municipalities), individual procurement staff, professional procurement institute, the business community, civil society organisations, the media and development partners can play various roles throughout a capacity assessment. They can help ensure that the capacity assessment process is well adapted to the local context and local needs and that its results are relevant and useful. Section II.1.1 of this Guide provides more information as well as Section III of the Practice Note on Capacity Assessment.
- **Technical reference group** – This is a group of stakeholders with expertise in the capacities and core issues under review during an assessment, and provides ‘quality assurance’ to the assessment.

## 1.2 Clarifying objectives and expectations with primary client(s)

### Capacity for why?

The capacity assessment process should start with an open discussion or dialogue with the primary clients of the assessment to answer ‘**capacity for why?**’ The initial dialogue with primary clients is particularly important when multiple, potentially conflicting objectives are under consideration or when the focus exceeds the realm of available expertise or resources.

The process often starts with conducting a ‘horizon scan’ to develop an understanding of the context. This scan generally covers information about the organisation under assessment, such as its mission, vision, organisational structure, activities, budget, human resources and operational procedures. The scan may also include relevant government policies, strategies and plans, laws and regulations and relevant international agreements and standards. It is also important to find out about recent or ongoing assessments and whether they have collected data and information relevant to the current exercise, to minimize the amount of

new and unnecessary research. Inputs for a horizon scan tend to be readily available in policy and legal documents, project files, organisational charts, statistics, procurement monitoring data, audit findings, procedure manuals, previous analyses, evaluations and surveys - and need not be collected anew.

The dialogue with the primary client is used to explore:

- What are priorities for the procurement capacity assessment, based on national or organisational priorities for procurement?
- What is the purpose of the assessment?
- What are expectations regarding its output?
- Are these expectations realistic?

These discussions typically focus around the need to strengthen the institution(s) to fulfil its/their mandate(s) by performing more effectively and efficiently and consistently over time and to sustain change and be more resilient to shocks. The dialogue is also used to identify who the assessment owner will be (see Box 1 above).

In some cases, the dialogue may also highlight that it would be more effective to conduct another type of exercise, such as a procurement profile analysis or a risk analysis that may in turn lead to a capacity assessment. However, in most cases, the dialogue will lead to agreement on the need for a capacity assessment.

#### **Box 2: Options for a 'quick' assessment**

A 'quick' assessment can be conducted in one of two ways: 1) addressing many topic areas at a high level; 2) targeting select areas. The process stages for each of the following approaches are the same but a compressed version of those described above, starting with mobilization and design through to interpretation of results.

This approach is generally used when it is not necessarily clear, or when there is no agreement on, which areas should be included in a procurement capacity assessment or should be prioritized for investment. The assessment is designed to touch broadly on many issues, without going into great detail on any. The result is a high-level view that allows the assessment team, and oftentimes more important key stakeholders, insights into relative capacity levels. It also enables them to make decisions regarding capacity areas that could be assessed in more detail. This approach may also be used to catalyze capacity development efforts, to build a coalition and consensus for change.

When the focus is already clear or when resources are limited, the assessment team and stakeholders may choose to assess only a small number of issues, and if time allows look at them more deeply. This is appropriate when there is broad agreement from the outset that a comprehensive, system-wide assessment is not feasible or required. It generates a view that may be more in-depth than the high-level view produced by looking at all cross sections, as well as an understanding of sources of capacity constraints and possibly insights into capacity development responses.

In both these cases the capacity assessment process may be compressed, in some instances including the capacity development response formulation and implementation. This may be particularly relevant in cases where capacity constraints are impacting the day to day functioning of the procurement system in a critical way and where 'quick wins' can be identified for immediate implementation to resolve bottlenecks. In most cases however this type of 'quick' assessment would ideally be conducted in parallel with a full assessment to address capacity issues more comprehensively.

### 1.3 Adapt the UNDP Procurement Capacity Assessment Framework to local needs

#### Available resources

- Sample ToR scoping mission (Annex 1)

Once the high-level objective of the assessment has been determined ('capacity for why?') the scale and scope of the assessment can be defined in more detail. This starts by asking 'capacity for whom?' and 'capacity for what?'.

#### Capacity for why?

Addressing '**capacity for whom?**' helps determine whose capacities need to be assessed. Will the assessment focus on the entire national procurement system, on one organisation or group of organisations, or on a sector? For example, the procurement capacity of a ministry, a municipality or district authority, an association of municipalities or district authorities, or an entire sector, such as the health sector.

Answering '**capacity for what?**' helps determine what capacities and core issues to assess. Continuing with the example of the entire national public procurement system above, the goal may be to assess the capacity to undertake public procurement according to international standards. In a ministry, municipality or district authority, it may be the capacity to undertake the full procurement process efficiently and effectively, in compliance with the legal framework and providing value for money for the government.

#### Capacity for what?

Capacity assessment teams tend to want to cover all core issues and capacities, but to ensure that an assessment can be completed using a reasonable amount of money, time and human resources, the focus of the assessment needs to be narrowed to meaningful and actionable topics. Addressing the questions 'capacity for whom?' and 'capacity for what?' helps sharpen this focus.

The assessment team then needs to specify which particular capacities it will look at for each combination of point of entry (e.g. a specific organisational unit or the national procurement system) and core issue (i.e. institutional arrangements, leadership, knowledge and accountability)<sup>4</sup>. The capacities needed for the future should be identified before the existing capacities, since some of those required later may not be in place today. (However, a capacity assessment should start from the assumption that existing capacities will be built upon. With this perspective it is easier to create a viable capacity development response that nurtures and reinforces existing capacities).

In some cases it can be appropriate to use a 'standard' as a basis for specifying the capacities that will be looked at. For example, the OECD-DAC Methodology for Assessment of National Procurement Systems ([MAPS](#)) provides a standard that can be used in assessing the capacity of a national public procurement system.

When looking at a specific organisation or a sector the assessment team may want to identify specific elements of the procurement process, or the entire procurement chain, in the context of some or all of the core issues – institutional arrangements, leadership, knowledge and accountability (see Section IV).

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<sup>4</sup> See para 4.1 in Section I above.

### Box 3: Conducting a Scoping Mission

Organising a scoping mission can be a cost-effective way to lay the groundwork for a procurement capacity assessment. This mission will be conducted by a scoping team that can consist of government officials, national, regional or global UNDP colleagues and/or national, regional or international consultants.

A scoping mission is used to prepare the capacity assessment. During the mission the scoping team will meet with the primary client and stakeholders to:

- Confirm/refine the answers to the questions Capacity for why? Capacity for whom? and Capacity for what?
- Based on the answers, adapt the UNDP Procurement Capacity Assessment Framework by selecting the point of entry, core issues and procurement capacities to include in the assessment
- Develop assessment indicators and worksheets, interview guides or other supporting tools and organise their translation, if needed
- Discuss how the capacity assessment will be conducted (where, when, with whom?)
- Develop a work plan that details what needs to be done, by whom, when and the resources needed

During the scoping mission, the team also organises a learning or familiarization session on capacity development and capacity assessment for stakeholders.

## 1.4 Determining the data and information collection and analysis approach

### Available resources

- Sample data collection worksheet (Annex 2)
- Sample interview guide/checklist (Annex 3)
- Example of integrated capacity diagnostic tool – public procurement (Annex 8)

When determining the scale and scope of the assessment, it is decided which capacities need to be included in the assessment. What also needs to be decided is *how* these capacities will be assessed. This includes deciding on the kinds of input to collect and appropriate collection techniques.

As discussed above, often the assessment team starts compiling materials before their first meeting with the primary client to discuss the purpose and scope of the assessment.

### *Quantitative versus qualitative data*

During the assessment, both quantitative and qualitative data can be collected. Since both have pros and cons, a capacity assessment should ideally include both. Quantitative data includes specific, measurable, numerical or statistical data such as spend data, or a measure of the frequency of an occurrence. Qualitative data is descriptive and provides breadth and depth and allows the underlying reasons and root causes of capacity deficits or constraints to be explored which is particularly important in all cases where an assessment is intended to be used to formulate a capacity development response. Otherwise there is a risk that wrong assumptions are made about the reasons for a gap, leading to an inappropriate capacity development response.

In practice the decision about what data is needed and how it will be collected should be driven by the capacities to be assessed, but will also be dependent on what is available. A simple worksheet can be developed listing the capacities to be assessed and the sources of data (qualitative and/or quantitative) that will inform the assessment team sufficiently. A sample data collection worksheet is attached in Annex 2.

### *Data collection techniques*

In practice, inputs will need to be collected from multiple sources and through a variety of collection techniques. These can include:

- Review of documents such as laws, regulations, procedures manuals, organisation charts, monitoring reports etc.
- Interviews
- Focus groups
- Questionnaires
- Client satisfaction surveys and scorecards
- Workshops
- Self-assessment instruments
- Review of case files and records

Each approach has advantages and disadvantages. For example, interviews can provide useful information on perceptions and underlying reasons, while case file review can reveal how things are in practice.

So that data can be collected in a consistent way (particularly if more than one assessment team is collecting data) and can be compiled, analysed and interpreted, it can be a good idea to develop guides and checklists for interviews and other data collection situations, such as document or case file review. This can be done by taking the data collection worksheet mentioned above and compiling all the data to be collected from each data source thus producing a checklist for each (type) of data source. A sample interview guide/checklist is attached as Annex 3.

Formulating precise questions is essential to ensure the data collected is meaningful, but also to reduce the amount of data and information to be collected. When deciding on the approach to collection and analysis, it is useful to reflect back on the purpose of the assessment and consider the following questions:

- How important is hard quantitative evidence, as opposed to softer qualitative information?
- How important is it to use data and information collection as a learning experience?
- What are the benefits of using a third party to collect data and information; for example, is objectivity important?
- To what extent is it necessary to compare data and information over time or across entities as a measure of change?
- Is the purpose of data and information collection to emphasize strengths and opportunities that can be built upon? Or is it to focus on gaps and constraints?
- If focusing on gaps and constraints, how is it possible to pinpoint the underlying reasons for the gaps and constraints?

### *Sampling*

Another key consideration is the sample size of data to be collected. Large amounts of data can be expensive to collect if it involves a number of different ministries, municipalities or provinces or reviewing a huge number of case files. In addition collecting a wealth of input is pointless if there is not enough capacity to analyze and interpret the findings or if it will not lead to actionable results. It is generally better to collect the smallest amount of input needed to draw valid conclusions; this will maximise cost effectiveness and avoid unnecessary complications when analyzing the findings.

Different strategies can be applied for sampling. For example, a random sample can be used which needs to be of a sufficient size, so as to ensure that the data collected can be seen as representative. Another alternative is representative sampling, for example, reviewing a certain percentage of cases within a category. Strategic sampling is also a possibility, such as selecting the biggest spending ministries or cases over a certain contract amount.

### *Ranking*

A **ranking scheme** and/or indicators need to be designed to determine the level of desired capacity and assess the level of existing capacity. The difference between the level of desired capacity and the level of existing capacity will determine the amount of effort required to bridge the gap between them, and will inform the formulation of appropriate capacity development responses. It is up to the capacity assessment team to determine the scale of the ranking and the value assigned to each ranking. For example, a team may decide to construct a ranking from 1 – 5, with one being the highest and five the lowest, or it can construct a ranking from 1 – 10, with 1 being the highest and 10 the lowest. The wider the range, the more gradation the ranking

will provide. However, too wide a range may make it difficult to compare findings. In some cases it may be preferred to have a descriptive ranking without numerical ranking.

A possible ranking could be:

1. No evidence of relevant capacity
2. Anecdotal evidence of capacity
3. Partially developed capacity
4. Widespread, but not comprehensive, evidence of capacity
5. Fully developed capacity

Another option is to develop indicators with detailed descriptions of each level. This approach requires more work to prepare, but this often pays off in terms the learning achieved from the process.

When using a standard as a basis against which to measure capacity, the ranking scheme will usually be inherent in the standard. For example the OECD MAPS ranks each indicator on a scale of 0 to 3 and provides a detailed description of each level for each indicator. In such cases it is recommended to have a discussion about the desired level for each indicator before conducting the assessment, since it often will not be feasible (or desirable) to score the highest score on each indicator. By having this discussion in advance it avoids being swayed by the actual results.

#### *Integrated Approach*

The different approaches can be integrated into one tool. This could be based on; i) the benchmarks required for a particular sector to identify the capacity areas; ii) identifying and listing the types of evidence and or quantitative data; iii) scoring system using a sector norm if it exists; iv) developing actionable and measurable indicators; v) scoring the current capacity; vi) scoring the desired capacity together with a date; vii) prioritizing the capacity as high medium or low; viii) identifying capacity gaps; and ix) making recommendations.

### **1.5 Determine how to conduct the capacity assessment (team, location)**

When designing the assessment process, the following considerations should be addressed: Who should be a part of the assessment team? Who should participate in the assessment? Where and how will the assessment be conducted? Ideally, the team should include people who are familiar with the context, the content and the process of a capacity assessment:

#### Who should be part of the assessment team?

- **Context:** Context experts are expected to bring an understanding of the political and socio-economic landscape in which the assessment is conducted;
- **Content:** Content providers offer detailed procurement knowledge relevant for the specific assessment. This includes best practices and relevant examples that can be used as the basis for designing and implementing the capacity assessment, as well as knowledge of the specific capacities to be assessed. Depending on the focus of the assessment, this could include sector specific procurement expertise such as health sector or civil works procurement. In some cases it may be relevant to include experts in cross cutting issues such as legal or audit in the team;
- **Process:** In some cases it is helpful to have a facilitator manage the process. This person should be able to facilitate discussions on the scale, scope and design of the assessment, conduct of the assessment (including the appropriate techniques to collect data and information) and interpretation of assessment results.
- **Ownership:** It is important that the process, but even more the results, are 'owned' by the responsible government agency. It is not always possible, often due to issues of resources, for the assessment team to be entirely made up of government officials. In some cases it may not even be desirable due to issues relating to objectivity or conflicts of interest. However, in cases where the assessment team does not include a government focal point, care needs to be taken to plan a process that will ensure the required understanding, ownership and commitment.



The size of the assessment team will depend on the resources, scale and scope of the assessment itself. In a small assessment potentially one person could be a facilitator incorporating all the roles mentioned above. In other complex cases the team may need to be larger and potentially incorporate several sub-teams, particularly if data is to be collected from multiple provinces or districts. The capacity assessment team keeps in regular contact with the owner of the assessment to discuss progress and direction (see 1.2 above for a discussion of the role of the 'owner').

#### Who should participate in the assessment?

The data and information collection approach (see 1.4 above) determines who should participate in the exercise. Different perspectives are necessary to obtain a balanced view of the situation. This may require collecting input from people at different levels throughout an organisation, director and staff, central and field, line and staff professionals. In some cases information from an organisation's partners is also helpful.

#### Where and how will the assessment be conducted?

The data and information collection approach also determines where the exercise will be conducted, (in the field, or at a central level; at an offsite location to minimize distractions, or on-site to facilitate participation of a larger number of people) and how (with a full-scale team or a one-person 'pencil and paper' surveyor). If there are representatives from varying levels of an organisation, the assessment facilitator may want to separate them to foster a more candid dialogue.

### **1.6 Plan and cost the capacity assessment (based on team composition, design and duration)**

Based on the scale and scope of the capacity assessment and its duration, a work plan should be drawn up detailing the outputs to be achieved, activities, due dates and roles and responsibilities. This work plan provides the basis for estimating the costs of the assessment. Designing and costing a capacity assessment may evolve into an iterative process that balances design and budget. The primary client, the assessment owner and other relevant stakeholders should participate in any re-scoping of the assessment, since it will influence the outcome of the assessment.

Since every capacity assessment is unique, it is not possible to provide an estimate of how much an assessment will cost. Potential costs to include in the assessment budget are:

- Salaries of local and external experts that are part of the assessment team
- Consultant costs
- Renting a location for meetings & workshops
- Stationery
- Travel expenses
- Translation costs (if the assessment is conducted in a local language)
- Reproduction of materials
- Costs for surveying or data gathering

## **2. The capacity assessment process – Stage 2: Conduct the capacity assessment**

### **2.1 Determine the level/importance of desired capacity**

One of the first activities in conducting the assessment is identifying the capacities that are needed as well as what level they need to be and how important they would be.

People are often tempted to identify a wide and comprehensive range of capacities and to assign the highest score to the level of desired capacity, but this may be unrealistic since capacity is a function of the timeframe over which it is expected to develop. This can be just one year or several years. Generally, the shorter the timeframe, the more modest the likely change in capacity. Reaching 'perfect' capacity is usually not feasible in a couple of years, if at all. Agreement should therefore be reached beforehand on the timeframe over which desired capacities are to be achieved.

Being ambitious is good, but setting the level of desired capacity unrealistically high will quickly lead to disappointment and diminishing commitment to the capacity development agenda. Therefore a process of assigning the level of importance, for example, using a scale of High/Medium/Low, to each capacity can facilitate a prioritization. This is particularly important when using an international standard or norm such as the OECD-DAC MAPS where it may be unrealistic to achieve a 3 in all sub-indicators within a short-time period, if at all. In this case particular sub-indicators may be identified as higher priority within a particular time period.

Determining the level of desired capacity is typically done by the assessment team, in collaboration with those responsible for quality assurance (the technical reference group), the primary client and other stakeholders, or by those doing a self-assessment. When using a numerical ranking scheme, those conducting the assessment need to have a common understanding of the meaning of each indicator and/or ranking, for example, what does it mean to assign a score of 2 to a capacity instead of a score of 4? Including a measurable indicator for each score will result in greater consistency and objectivity in the scoring.

## 2.2 Assess the level of existing capacity

### Available resources

- Sample interview guide/checklist (Annex 3)
- Example of integrated capacity diagnostic tool – public procurement (Annex 8)

If interviews or focus group discussions will be held, appointments should be scheduled in advance so that key stakeholders can participate. The work plan should allow enough time to reschedule interviews and to translate or formulate worksheets in the primary language of the participants.

The assessment should begin with an explanation of how the results will be used - whether they are only to support internal improvements or if comparisons will be made across entities. Participants should also be reminded that the assessment is not an individual performance review or an audit. Whether or not the answers will be treated confidentially should also be clarified.

During interviews, questions should be asked as neutrally as possible to avoid guiding interviewees towards a certain response. An interview guide can help ensure that all questions are addressed (see 1.4 above). Usually it is better for the data collection to be conducted by an outsider who does not have a stake in the assessment or by a team of insiders and outsiders. As far as possible a combination of factual evidence and anecdotal evidence should be collected. Anecdotal evidence is important for uncovering the underlying reasons, or root causes, for capacity gaps/assets.

## 3. The Capacity Assessment Process – Stage 3: Summarize and interpret results

Once the necessary data and information has been collected, usually from multiple sources, the assessment team will compile, summarize and interpret the results. The assessment team may find that the data and information gathered from different sources is incomplete or provides conflicting insights, especially with self-assessments and qualitative data, since individual perceptions are influenced by many factors. It is therefore important, regardless of the type of data and information collected, to get a variety of perspectives and take into account different points of view when formulating the assessment summary. Sometimes further exploration of specific areas in question may be required, particularly those that have elicited differing or even conflicting responses, through additional assessments or informal discussions with key stakeholders.

Once the data is compiled, the level of desired capacity will be compared against the level of existing capacity, the understanding of this can be improved by presenting this visually in bar charts or a spider diagrams. This helps determine whether the level of existing capacity is sufficient or needs improvement. In both cases, but particularly where improvement is needed, it is important to also identify the underlying reasons for the weakness and it in turn helps the team identify where to focus the capacity development response in order to treat the cause and not just the symptom.

#### Box 4: Organise a validation workshop

In many cases it is a good idea to organise a validation workshop or meeting before finalizing the assessment results and preparing the report. As well as providing an opportunity to validate the findings and/or identify and correct mistakes and misunderstandings, more importantly it provides an opportunity to share information and ensure buy-in and commitment from stakeholders, which is important for the future implementation of the capacity development response.

Such a workshop should bring together all relevant stakeholders. In some cases it can be preferable to organise separate workshops for different stakeholder groups to ensure more open discussion. It generally starts with a presentation of the assessment results by the primary client or the assessment owner. This can be followed by a discussion of the results and the rationale for the scores assigned, and to build consensus on priorities in moving forward.

During the workshop all stakeholders should be given an opportunity express their views openly. This will increase trust among them and increase the credibility of the exercise, strengthening ownership over the results and laying a strong foundation for the way forward.

Having validated the findings and made any necessary adjustments the primary client or assessment owner would normally give formal approval of the findings of the assessment. The client is also responsible for disseminating the final assessment report to stakeholders and partners.

When communicating the findings of a capacity assessment, the way they are presented is important:

- Are they intelligible to and meaningful for most stakeholders?
- Are there opportunities for audience feedback?
- Is the focus relevant to the audience? For example, decision makers and interest-group representatives may be more concerned with the broad thrust leading to policy decisions, while technical staff and managers may want to focus on operational details.

Once there is broad agreement on the findings of the assessment, the final report can be prepared. This is usually done by the assessment team, but in close collaboration with the assessment owner and relevant stakeholders.

The report can include the following:

##### 1. Mobilize and Design

- a. Description of the context in which the assessment was conducted
- b. Description of the primary client(s) of the assessment
- c. The request for support
- d. Definition of the objective of the assessment and its scope
- e. How the UNDP Procurement Capacity Assessment Framework was adapted

##### 2. Conduct the Procurement Capacity Assessment

- a. Overview of the methodology (data sources)
- b. The tools used (assessment worksheets, questionnaires)

##### 3. Summarize and Interpret Results

- a. Presentation of the current capacity and desired capacity
- b. Where measurable indicators have been used a capacity baseline can be presented
- c. Summary analysis of the assessment findings, both for desired and for existing capacities

##### Annexes

- a. Terms of Reference of the capacity assessment team
- b. Capacity assessment work plan

- c. Overview of the different stakeholders consulted
- d. Detailed questionnaires or interview guides
- e. Detailed analysis of the assessment findings

## SECTION IV: FORMULATE A PROCUREMENT CAPACITY DEVELOPMENT RESPONSE

### 1. Define a procurement capacity development response

#### Available resources

- Sample Capacity Development Response Worksheet (Annex 4)
- Capacity development measurement framework – example results framework for public procurement (Annex 7)
- Example of integrated capacity diagnostic tool – public procurement (Annex 8)

The capacity assets and needs identified by a capacity assessment provide the starting point for the formulation of a capacity development response or plan. This is an integrated set of sequenced and prioritized activities or initiatives embedded in a programme or project to address the questions ‘capacity for why?’, ‘capacity for whom?’ and ‘capacity for what?’

The assessment results provide the basis for preparing the capacity development plan. In general it is recommended that a systematic approach be taken whereby the team go through the results and, focusing on the root causes or underlying reasons for the gaps, generate ideas for initiatives that will address those causes/reasons for these gaps. The capacity development responses (see Box 5 below), which are closely linked to the core issues discussed in Section 1 4.1, can provide inspiration, as can the experiences of other countries (see [www.unpcdc.org](http://www.unpcdc.org) for resources). However, there is no blueprint for capacity development and while the experiences of others can provide inspiration, they will always have to be adapted to the local situation and context.

#### Box 5: Capacity Development Responses

- **Institutional Arrangements:** e.g. support to functional reviews and the design of human resource management systems, monetary and non-monetary incentive mechanisms and results-based management.
- **Leadership:** e.g. support to visioning, systems thinking and strategic planning exercises; promotion of peer-to-peer mentoring; coalition building and negotiation skills development; design of career management systems.
- **Knowledge:** e.g. support to education reform strategies to incorporate human development needs into curriculum reform; facilitation of partnerships for investment in reforming post-secondary education; support to south-south learning solutions.
- **Accountability:** e.g. design and support to monitoring and evaluation systems and independent partner review mechanisms; promotion of public information disclosure policies and legislation; support to civic education; participatory planning and monitoring systems.

While the formulation of capacity development responses most likely will be lead by the assessment team, it can be a good idea to invite other stakeholders to participate, as different perspectives can contribute to innovative and creative solutions. It is particularly important to include stakeholders for cross-cutting areas such as audit, civil service, anti-corruption etc. to encourage buy-in which is important to ensure implementation.

There are a number of considerations pertaining to the sustainability of a capacity development response and its results:

- Because an assessment usually covers several core issues and because the core issues are mutually reinforcing, a capacity development response will be more effective if it combines actions to address more than one core issue. Similarly, a capacity development response should address more than one level of capacity. For example, an assessment of the procurement office of a ministry of health (organizational level) may need to be complemented by a revision of the government’s procurement guidelines (enabling environment).
- It may be less threatening for stakeholders to start from existing strengths rather than weaknesses. For example, it may be better to emphasize the existence of a salary policy rather than its obsolescence.
- A capacity development response should try to combine short- to medium-term initiatives (one year or longer) with quick-impact activities (less than one year). Together these can build the foundation for

continued capacity development. A capacity development response should include exit strategies, such as strengthening the base of local experts and consultants and involving regional, national and local educational and training institutes.

- A capacity development response should integrate with national budget structures to ensure continued funding.

## **2. Transform the Procurement Capacity Development Response into a coherent and implementable plan**

No matter how strong the design of the response, it will only deliver the desired results if effectively implemented. Therefore it is important that the Procurement Capacity Development Response is presented as a fully implementable plan, including assigning responsibility, priorities and timeframes, defining indicators of progress and costing. A sample Capacity Development Response Worksheet is attached in Annex 4.

### **2.1 Assign responsibility, priorities and timeframes**

The temptation is to assign all initiatives with high priority and aggressive timeframes, and while it is good to be somewhat ambitious, it is important that the assessment team go through the plan and make sure it is realistic in terms of what is truly achievable. A key factor is to look at the resources available, particularly time, for those who will be responsible for implementing the procurement capacity development response, especially where this will be an additional responsibility on top of a regular job. Likewise for others who need to be involved in initiatives, including as beneficiaries.

### **2.2 Define intended results and indicators to measure progress for a capacity development response<sup>5</sup>**

UNDP sees three levels of measurement of capacity:

- |             |   |
|-------------|---|
| 1. Impact:  | Change in people's well-being                                   |
| 2. Outcome: | Change in institutional performance, stability and adaptability |
| 3. Output:  | Product produced or service provided.                           |

Measuring change in capacity resulting from a procurement capacity development response takes place at two levels: at one level are capacities that enable a procurement system or institution to perform effectively and efficiently, repeat good performance over time, and manage change and shocks as they come; change in capacities at this level is reflected in **outcomes**. At another level are those drivers of capacity, or levers of change: institutional arrangements and incentives; strategic leadership; the knowledge and skills of human resources; and public interface or accountability mechanisms; the results of activities at this level are reflected in **outputs**.

Indicators for both outcomes and outputs are needed to monitor progress of a procurement capacity development response, and each indicator needs a baseline and target. The baseline data is used as the starting point for measuring progress; the targets may be either short-term or long-term with interim milestones. Progress monitoring should allow for refinement of a capacity development response and potentially the design of new initiatives to address evolving needs.

A monitoring and evaluation plan based on these outcomes, outputs and indicators should be developed and include the following:

- How the data is to be collected
- The frequency of the measurement
- Who is responsible for collecting the data/reporting
- Resources required for the monitoring

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<sup>5</sup> The UNDP Paper Measuring Capacity unbundles the question "what is the measure of capacity?" and presents a framework for capturing changes in capacity at the outcome level (performance, stability and adaptability) and products and services focused on the levers of change at the output level (institutional arrangements, leadership, knowledge, and accountability.)

- Risks and assumptions for carrying out the monitoring

Regardless of the type of indicators selected, baseline and target metrics should be defined. The baseline may be as straightforward as the quantitative ranking determined during the assessment. The assessment team should strive to make all indicators SMART: **S**pecific, **M**easurable, **A**ttainable, **R**elevant and **T**imebound. The availability of indicator data, or lack thereof, as well as the cost of gathering it, may require the capacity assessment team to reconsider its indicators.

It is not necessary to create a separate monitoring system for a response; just as a capacity development response is incorporated into an overall action or work plan, so should indicators for the response be integrated into the ongoing monitoring framework for the action or work plan.

The process of defining progress indicators aids activities throughout the capacity development process. Specifically, it:

- Supports policy dialogue and strategy formulation as a part of the analytical work that precedes capacity development investments;
- Contributes to the design of a capacity development response;
- Enhances monitoring: by tracking process and progress over time, thus improving the design of a capacity development response;
- Enhances evaluation by tracking the change resulting from a capacity development response;
- Promotes organisational learning and empowerment because it is an internal learning exercise.

### 2.3 Cost a capacity development response

Costing a procurement capacity development response is critical, since it encourages stakeholders to realistically estimate the funding required for implementation and facilitates moving directly to the implementation stage. It is important to factor in the cost of independent sustainability of the response i.e. the cost of the one-time intervention plus the ongoing costs of maintaining and improving capacities. For example, if the response is to implement a procurement monitoring system, the cost of developing the system should be calculated, as well as the costs associated with the ongoing implementation of the monitoring system.

If the exercise reveals insufficient funds for all the proposed capacity development actions, alternative solutions are needed. These can include leveraging other programmes and resources or to prioritize the actions. This will build on the priorities set during the design of the capacity assessment (guided by ‘capacity for why?’, ‘capacity for whom?’ and ‘capacity for what?’) and the validation and interpretation of its findings. Since priority setting is inherently political, this process should be managed carefully and transparently, with the involvement of all relevant stakeholders; otherwise those that stand to lose out may withhold their support during implementation.

The costs for a shorter-term capacity development response can be determined through activity-based budgeting. This starts from actions planned, for example, ‘support to a functional review’ and budgets the estimated, quantifiable inputs (such as number of consultant days, transportation costs, translation days, number of training materials to be printed) needed to complete this action. Project costs for a longer-term capacity development response are more complicated. If these cannot be accurately projected (which often involves using econometric modelling techniques), the costing exercise should probably be limited to costing actual, planned activities to avoid questioning the credibility or legitimacy of the costs. Under some special circumstances, an element of imputed costs may be estimated a priori and built into programme/project design.

## **SECTION V: OPERATIONAL GUIDELINES**

### **1. Assessing the Capacity of a National Public Procurement System using OECD-DAC MAPS**

#### **Available resources**

- Sample data collection worksheet (Annex 2)
- Sample interview guide/checklist (Annex 3)
- Sample framework for qualitative assessment of compliance by MAPS sub-indicator (Annex 5)

Most countries are undergoing an ongoing and continuous process of capacity development of the national public procurement system. Regardless of whether a country is in the early stages of introducing a procurement reform program or whether it is in a state of ongoing continuing development, the approach described in this guide can be adapted to support the process.

The motivation for undertaking such an assessment varies and can include:

- Providing the starting point for a comprehensive national procurement capacity development programme;
- Measuring progress since earlier diagnostic exercises and providing future direction;
- Providing coherence by bringing a number of different capacity development initiatives under one umbrella;
- Engage stakeholder support for ongoing procurement capacity development activities.

For undertaking an assessment at the national level the UNDP procurement capacity assessment approach can be combined with Baseline Indicators (Section 2 Part 1) of the **OECD-DAC Methodology for Assessment of National Procurement Systems (MAPS)**.

MAPS provides a standard of good practice for a national public procurement system with a set of indicators against which a country can benchmark. MAPS is structured around 4 Pillars, subdivided into a total of 12 indicators and 54 sub-indicators. The 4 Pillars are:

- Pillar I: Legislative and Regulatory Framework – looks at the legal and regulatory instruments from the highest level (e.g. the national law) down to the detailed implementing regulations, procedures and bidding documents.
- Pillar II: Institutional Framework and Management Capacity – looks at how the procurement system is operating in practice through the institutions and management systems that are part of the overall public sector governance e.g. links to PFM; normative/regulator body; procurement monitoring; training strategy.
- Pillar III: Procurement Operations and Market Practices – looks at the operational effectiveness and efficiency of the procurement system at the level of the procuring entity and at the market e.g. Competence of government officials; adequacy of training programmes, record keeping, delegation of authority, private sector, including access to market, contract administration and dispute resolution.
- Pillar IV: Integrity and Transparency of the Public Procurement System – looks at the systems in place to ensure that the system operates with integrity and has appropriate controls in place e.g. audit and control; appeals and complaints; access to information, ethics and anti-corruption provisions.

Scoring using MAPS takes place at the sub-indicator level. Each sub-indicator has a short text explaining the sub-indicator and then describes 4 scenarios. The one that best describes the actual situation determines the score assigned on a rating of 0 to 3 where 3 is the highest.

When conducting a procurement capacity assessment using MAPS the process will follow the steps described in this guide. MAPS would be integrated during the adaptation of the framework (SECTION II paragraph 1.3) as well as in determining the ranking scheme (SECTION II paragraph 1.4) and determining the level of desired capacity (SECTION II paragraph 2.1).



Some specific issues to consider when integrating MAPS into the UNDP Procurement Capacity Assessment approach include:

- 1.1 Scope of the assessment:** When determining the scale and scope of the assessment, it should be considered whether there are issues regarding the public procurement system in the local situation that need to be included, but that are not covered by MAPS. If specific indicators could be added to assess these issues. On the other hand it is not recommended that existing MAPS be excluded even if they are not considered priority areas in that country, since this limits the benchmarking value of the exercise. Instead such indicators can be given lower priority when agreeing the level of desired capacity for each sub-indicator.
- 1.2 Compliance:** With a few exceptions, most of the MAPS sub-indicators assess the requirements of the public procurement system but not how it is actually being applied in practice. Part II of the OECD-DAC Methodology for Assessment of National Procurement Systems provides a suggested list of Compliance or Performance Indicators (CPIs) relating to each of the sub-indicators. However many procurement systems do not have available or reliable data to score adequately using these indicators. In such cases when using MAPS as part of a procurement capacity assessment, a qualitative approach can be taken to assessing the level of compliance relating to each sub-indicator. By assigning a rating scale similar to the 0-3 scale for the sub-indicators when assessing the level of compliance an interesting comparison can be made between the system itself and the level of compliance – important information for understanding capacity issues. (An example of a framework for a qualitative approach to assessing compliance for each sub-indicator is attached as annex 5).
- 1.3 Root Cause Analysis:** When undertaking a procurement capacity assessment using MAPS it is important to pay particular attention to collecting data on the root causes for capacity assets and gaps identified, as the scoring approach included in MAPS does not in itself provide this kind of information, which is necessary if appropriate capacity development actions are to be formulated.
- 1.4 Data collection approach:** When planning and conducting the data collection approach for a capacity assessment using MAPS it is therefore important to consider data sources relating not only to the sub-indicator itself, but also to the level of compliance and the root causes for any assets/gaps identified. It is recommended that the assessment team maps the data sources for each sub-indicator and associated compliance assessment, and then uses these to create interview guides and checklists.

## 2. Assessing Procurement Capacity of a Sector or Organisation

### Available resources

- Sample framework for procurement capacity assessment of an Organisation (Annex 6)
- Example of integrated capacity diagnostic tool – public procurement (Annex 8)

Unlike for National Procurement Systems, no widely accepted set of standards exist that can be used for assessing procurement capacity at the sectoral or organisational level. Therefore a capacity assessment targeted at this entry point will need to be specifically designed. However, lessons drawn from experiences of conducting assessments of this type can provide useful inspiration.

Normally the objective of public procurement at the sector or organisational level is to provide value for money to the sector/organisation, while at the same time complying with the relevant legal and regulatory framework. As a general rule the capacities involved are of a much more operational nature than an assessment at a national level. Experience has shown that the 4 Core Issues of Institutional Arrangements, Leadership, Knowledge and Accountability (see SECTION IV, Box 5) provide a relevant starting point for discussions about the scope of the capacity assessment, combined with the steps relating to the procurement process itself. These steps vary considerably from organisation to organisation and from sector to sector. For example, in some sectors, such as the health sector, it may be appropriate to focus on the entire supply chain, while for others, for example, Departments of Works, there may be a need to focus on the definition of requirements and contract management stages. Figure 2 gives an example of an assessment framework using the core issues on one axis and the stages of an example procurement process on the other that could be used as a starting point for the design of a procurement capacity assessment.

Figure 2: Illustrative Assessment Framework

Procurement Capacities	Core Issues			
	Institutional Arrangements	Leadership	Knowledge	Accountability
Procurement Planning				
Requirement Definition				
Requisitioning				
Selecting procurement method				
Sourcing				
Preparation and Solicitation Documents				
Issuance of Solicitation Documents				
Receipt and Opening of Offers				
Evaluation				
Contract Review and Award				
Contract Finalization and Issuance				
Contract Management				
Asset Disposal				
Payment of Invoices				

By starting with a framework like this, an assessment team could then identify the capacities to be assessed for each cross section (though not necessarily all cross sections would be included if not found appropriate). An example of such an assessment framework is included as Annex 6.

Some issues that should be considered when conducting capacity assessments at the sectoral or organisational level include:

- 2.1 Ensure all actors involved in procurement in the scope of an assessment are included. In an organisational context the conducting of procurement is not limited to the procurement function or to roles that include procurement in their job title. For example, procurement planning and requirement definition is often the responsibility of user departments – as is contract management, while invoice payment would often be an accounting responsibility. It is important that the assessment also includes these areas.
- 2.2 The capacities and the desired levels should be appropriate. Not all organisations need to have world class procurement capacities covering expertise in all types of procurement. The spend profile of the organisation should be considered when identifying the capacities to be assessed – and their desired levels. The capacities required to procure complex infrastructure projects are very different from those required to procure a small amount of routine administrative items.

### 3. Lessons Learned:

The UNDP Procurement Capacity Assessment Methodology has been applied in a range of contexts and for a variety of purposes. While each capacity assessment is different, some common lessons can be drawn from these experiences:

- **Adapt to the local context and needs.** While the UNDP Procurement Capacity Assessment Methodology can provide a useful starting point for discussion, it does not offer a blueprint. Don't feel intimidated by the framework. It is only meant to help structure your thoughts and think through actions systematically. The framework can be condensed or expanded as needed.
- **Build in enough time to mobilise stakeholders and design the assessment.** These are often the most time-consuming and most important activities since they include setting priorities. If well managed, this step leads to a well-designed assessment with all stakeholders on board.
- **Ensure sufficient time for the collection of data and information.** Sources may not always be readily available, so the assessment work plan should build in plenty of time for this activity. Other reviews or documents can support this effort. There is no need to 'reinvent the wheel' or duplicate what others have already done.
- **Ensure local ownership.** The findings of a capacity assessment will only be used if they and the process are locally owned. But facilitation by an external party, such as a national or an international consultant, can be useful to ensure objectivity.
- **Be creative.** Conducting an assessment may seem daunting at first, but it need not be complex. For example, a quick assessment can address many topic areas at a high level or target just a few specific areas. The first approach is useful when there is a lack of clarity or agreement on what to include in the assessment or to give priority for investment. The second is useful when the focus is already clear.
- **Wait until the end to prioritise a capacity development response and follow-up actions.** This will help prevent the process from being pre-empted by stakeholder interests.

### Tactical Considerations:

While capacity assessments are desirable and fulfil a key need, there are certain operational and attitudinal constraints that can emerge in the course of the assessment and may result in rejection of the findings or undesired results. These issues include:

- **Assessment fatigue** – Assessments are a common aspect of any organisational planning or programming process and so many people are likely to have participated in an assessment of one sort or another. When they are time consuming and seem to produce few concrete results, people lose enthusiasm for the process. This risk is even greater in situations where coordination among donors and development partners is limited. If this 'assessment fatigue' occurs consider conducting a focused assessment of the

issues that consistently block progress, rather than a comprehensive one. This helps ensure a close connection between the issues under assessment and the participants.

- **Scepticism about the value and validity of results** – To avoid scepticism and build consensus, it is important to keep clients, stakeholders and participants engaged from the outset. Encouraging openness and honesty, which includes communicating regularly about the findings, helps ensure fairness and acceptance of the procedures and rules.
- **Suspicion about the use of assessment results** – Capacity assessments should be considered a normal part of good management and of a strategy for improving capacities and performance, but sometimes they are perceived as a tool of senior management for re-profiling and retrenchment. Ensuring stakeholder engagement is one way to deal with this. It may also help to focus on the enabling environment rather than the organisation level of capacity. This puts some distance between the assessment and participants' direct context, which may help reduce suspicion. Addressing 'capacity for why?' helps clarify the purpose of the assessment and identify which stakeholders may have reservations about the process and why.
- **Disconnect between assessment findings and the capacity development response** – A capacity development response should not be designed on the basis of 'guesstimates' of capacity gaps but on the assessment's concrete findings. It is therefore important to pay close attention from the outset to the link between capacity assessment results and a potential capacity development response. It is also important to avoid sweeping generalizations that cannot be translated in to practical actions. This could undermine the credibility of the exercise and compromise the 'actionability' of results.
- **Facilitation level** – A balance is needed between too much and too little process facilitation: too much may lead to coached outcomes; too little may result in an unrealistic wish list of capacity development actions. Ensuring that the process is driven from the inside and owned by relevant stakeholders helps address this issue.

## **SECTION VI: FREQUENTLY ASKED QUESTIONS**

### **1. General questions**

#### **a. What are the benefits of a procurement capacity assessment?**

- A procurement capacity assessment brings rigour and a systematic yet adaptable method to:
  - Determine desired procurement capacities (capacity needs) and assess existing capacities (capacity assets)
  - Establish capacity development priorities
  - Prioritize procurement capacity development interventions (as opposed to wishful shopping lists)
- It provides the starting point for formulating a procurement capacity development response. It helps prioritise capacity needs at two levels: longer-term strategic initiatives and quick impact initiatives that demonstrate results to political constituencies and help win fast-track approval.
- It establishes capacity baselines for measuring, monitoring and evaluating progress in procurement capacity development.

#### **b. What is the difference between a procurement capacity assessment and a risk assessment?**

Donors often conduct assessments of partner institutions' procurement capacity as input for decision making on implementation arrangements for their funded projects/programmes. Much of the information gathered for a capacity assessment and a risk assessment will be the same and the two processes complement each other but there are some important differences:

	<b>Risk Assessment</b>	<b>Capacity Assessment</b>
Objective	Assess risk related to donor activities	Assess capacity in order to develop capacity
Scope	Donor funded projects and programmes	Institution/organisation (regardless of source of funds)
Input to:	Risk mitigation measures	Capacity development response
Desired level:	Set by donor	Set by national institution/organisation
Conducted by	Donor or its agent	National institution/organisation (sometimes with support)
Responses/priorities	Set by donor	Set by national institution/organisation

However, there is an increasing trend for procurement assessment processes to be conducted as self-assessment by a national institution, for example using the OECD-DAC MAPS, with validation by development partners. The results of such assessments can then be used by the national institution as input to a capacity development response and by donors as input to their risk assessment processes.

#### **c. What are the limitations of a capacity assessment?**

- A procurement capacity assessment is a tool, not a solution.
- It does not necessarily generate 'surprises', but rather provides a basis for confirmation and consensus.
- The 'desired' capacities (or capacity needs) do not emerge from the capacity assessment but are defined before the assessment is conducted. The assessment then helps analyze the gap between what is desired and what exists. The capacity assessment framework will be of limited use in designing a solution if the desired capacities are not properly defined.
- A procurement capacity assessment requires an understanding of the political and cultural context and a clear rationale for defining desired capacities.

#### **d. When to conduct a procurement capacity assessment?**

A procurement capacity assessment may be conducted at different points of the planning or programming cycle. Often, capacity assessments are conducted in response to a felt and expressed need for procurement capacity development, for example, at the level of the government as a whole, a specific sector, an administrative unit (ministry, district or municipality) or a single organisation. Such assessments are conducted to determine or clarify what types of capacity need to be addressed and how. They can be prepared in advance or be made the first phase of a programme or project to establish or confirm its direction. If a capacity assessment was not conducted during formulation of a strategy, programme or project, it can be initiated during implementation or even during the review stage if there is to be a follow up on the programme.

#### **e. Why conduct a procurement capacity assessment?**

Procurement capacity assessments can serve a number of different purposes in the context of any of the situations discussed under question d. (above). They can: provide a starting point for formulating a capacity development response; act as a catalyst for action; confirm priorities for action; build political support for an agenda; offer a platform for dialogue among stakeholders; and provide insight into operational hurdles in order to unblock a programme or project.

#### **f. How can a capacity assessment feed the design of a programme or project?**

A capacity assessment can feed the design of a programme or project in two ways:

- A quick assessment can be conducted as part of the programme or project formulation stage; or
- A comprehensive and lengthy assessment can be conducted that is a project in itself. This would be a stand-alone effort, but within the context of a larger capacity development agenda. Its findings should eventually lead to the design of a new programme or project or the enhancement of an existing programme or project.

#### **g. What is the 'value added' of the UNDP Procurement Capacity Assessment Methodology?**

The UNDP Procurement Capacity Assessment Methodology provides:

- A **structure** for discussion about the scale and scope of a capacity assessment and more generally about a procurement capacity development agenda;
- A systematic **process** for assessing capacity assets and needs and formulating a procurement capacity development response;
- **Resources and tools** to support a procurement capacity assessment.

#### **h. How to address political will using the UNDP Capacity Assessment Methodology?**

The UNDP approach to capacity development places a lot of emphasis on the engagement of stakeholders, not just at the beginning of the process but throughout. Similarly, the first stage of the capacity assessment process focuses on the mobilization of relevant stakeholders. Conducting a procurement capacity assessment can help strengthen political will for supporting capacity development investments, by showing in a rigorous and systematic way what capacity gaps and assets need to be addressed.

#### **i. Where to learn more about the UNDP Capacity Assessment Methodology?**

If you would like to learn more about the UNDP Capacity Assessment Methodology you may wish to consult the UNDP Practice Note on Capacity Assessment that is available on [www.capacity.undp.org](http://www.capacity.undp.org)

## **2. The UNDP Capacity Assessment Framework**

#### **a. What is the link between the enabling environment and the organisational level? Where do institutions fit in?**

The organisational level of capacity comprises the internal policies, arrangements, procedures and frameworks that allow an organisation to operate and deliver on its mandate, and that enable the coming together of individual capacities to work together and achieve goals. The enabling environment describes the broader

system within which individuals and organisations function and that facilitates or hampers their existence and performance. This system comprises ‘institutions’. According to Douglas North, these “are made up of formal constraints (rules, laws and constitutions), informal constraints (norms of behaviour, conventions, and self imposed codes of conduct) and their enforcement characteristics.”

#### **b. What do the core issues represent?**

The core issues represent the capacity issues that UNDP’s empirical evidence suggests to be most commonly encountered within and across a variety of sectors and themes. Put differently, they are the four areas where capacity change happens most frequently. They provide a comprehensive set of issues from which an assessment team can choose as it defines the scope of an assessment and against which to check the issues already identified. They can also drive the formulation of a capacity development response. All four will not necessarily need to be analysed in any given assessment but the assessment team should at least consider all of them as it defines the scope of the assessment. They can be amended based on the needs of the client and the situation.

### **3. The process for conducting a capacity assessment**

#### **a. How long does a ‘typical’ capacity assessment take?**

The UNDP Procurement Capacity Assessment Methodology should always be adapted to local needs, so there is no ‘typical’ assessment. How long the assessment takes depends on its purpose, scale and scope. There are examples of assessments taking just a couple of days and others taking several months. Generally, the more core issues and capacities included, the longer the assessment. The length of the process also increases with the amount of operational detail covered and the number of actors included. For example, collecting inputs from all departments in a ministry will require more time than collecting inputs from just one department.

#### **b. How much does it cost to conduct a capacity assessment?**

Since every capacity assessment is unique, it is not possible to provide an estimate of how much an assessment will cost. The costs will depend on the scale and scope of the assessment, its geographic coverage, and the location. Potential costs to include in the assessment budget are: salaries of local and external experts that are part of the assessment team; renting a location for meetings & workshops; stationery; travel expenses; translation costs (if the assessment is conducted in a local language); reproduction of materials; costs for surveying or data gathering.

#### **c. How can a capacity assessment be conducted without access to certain data and information sources?**

The success of a capacity assessment depends in large part on the quality and availability of data and information. While a capacity assessment team should always try to build off the data and information that is already available, it should be creative in collecting additional inputs (conducting field-based interviews, leveraging representative samples, using observational techniques). The team can also design proxies for indicators for which limited or no data or information is available.

#### **d. What if there are no local human resources or capacities to conduct the capacity assessment?**

If at all possible, a capacity assessment exercise should be conducted by local experts, not international consultants. This strengthens ownership of the process, helps generate more insightful findings, builds commitment to results and along the way develops capacity for planning and programming. If local experts are not available, international support can be leveraged to conduct the exercise, but this should be carefully managed in terms of providing inputs and directing the outcomes. Local sponsors and stakeholders should always be involved from the outset. An ongoing dialogue between them and the international consultants should be built into the process. When using international consultants, it is recommended to pair them with national consultants as a way of strengthening national expertise and deepening the understanding of the context.

**e. How to interpret capacity assessment results?**

Once a capacity assessment has been completed for selected cross sections, the assessment team compares the level of desired capacity (capacity needs) against the level of existing capacity. This comparison helps the team determine whether the existing capacity level is sufficient or needs improvement, which in turn helps determine where to focus the capacity development response. When interpreting the assessment results, the team should try to discern patterns in capacity gaps to identify whether a gap is consistent across a core issue or across a specific capacity.

**f. How to move from the findings of a capacity assessment to the formulation of a capacity development response?**

The interpretation of capacity assessment results discussed in question 3e. (above) creates the bridge between assessment and response formulation.

**g. Who decides which capacity development responses to prioritize? Is this done before or after costing?**

It is the responsibility of the assessment team to conduct the assessment and make recommendations regarding capacity development responses, including a sense of indicators and costing. It should not, however, be the responsibility of the assessment team to prioritize recommendations. It is expected that the stakeholder/sponsor group will determine prioritization. It is suggested to keep this to the end to prevent the process from being hijacked by stakeholder interests and ensure that the responses are not based on assumptions, but on actual assessment findings. The prioritization of capacity development responses is often done in tandem with the costing exercise. If the costing exercise shows that the budget envelope for procurement capacity development is too small to cover all proposed actions, it may be necessary to re-prioritize, which may lead to another round of costing.



## **ANNEX 1: SAMPLE TERMS OF REFERENCE FOR A PROCUREMENT CAPACITY ASSESSMENT SCOPING MISSION**

### **Background:**

Appropriate background should be added including context and reason for initiating the mission.

### **Mission Objectives:**

The objectives of the mission are to support [name of primary client] in scoping a procurement capacity assessment. The scoping exercise includes the following activities:

- 1.1 Clarify objectives of and expectations from the assessment exercise with the primary client (capacity for why? capacity for whom? And capacity for what?).
- 1.2 Identify, engage and, where appropriate, clarify objectives of and expectations from the assessment exercise with other key stakeholders.
- 1.3 Familiarize primary client and other relevant key stakeholders with the Assessment Methodology.
- 1.4 Work with the primary client to adapt the UNDP Procurement Capacity Assessment Framework by selecting the point of entry, core issues and procurement capacities to be included in the assessment.
- 1.5 Develop assessment worksheets, interview guides or other supporting tools and organise their translation, if needed.
- 1.6 Discuss how the capacity assessment will be conducted (where, when, with whom?).
- 1.7 Develop a work plan that details what needs to be done, by whom, when and the resources needed.

### **Assessment Methodology & Approach**

The assessment will follow the UNDP approach to Procurement Capacity Assessment and the outcome of the exercise will be a procurement capacity development response. The stages involved in this process include:

1. Mobilise and design
  - Engage stakeholders
  - Clarify objectives and expectations with primary client(s)
  - Adapt the UNDP Procurement Capacity Assessment Framework to local needs
  - Determine the data and information collection and analysis approach
  - Determine how to conduct the capacity assessment (team, location)
  - Plan and cost the capacity assessment
2. Conduct procurement assessment
  - Determine the level of desired capacity
  - Assess the level of existing capacity
  - Summarise and interpret results
3. Formulate capacity development response
  - Define a capacity development response
  - Transform the procurement capacity development response into an implementable plan

This scoping mission contributes to the 'mobilise and design' stage.

### **Mission Scope and Activities:**

Activities to be undertaken during the mission include:

1. Initial briefing and planning session with the primary client.
2. Facilitate a one-day workshop to familiarize key stakeholders with procurement capacity development and capacity assessment and to discuss its application.
3. Meetings/interviews with key stakeholders. (The actual list of stakeholders should be fine-tuned prior to the mission).
4. Working sessions with the primary client to adapt the procurement capacity assessment framework to the local context and to plan the capacity assessment (including team, location, duration, depth, cost).

A tentative workplan for the mission could be:

Day 1: Briefing and planning sessions with primary client

Day 2: Workshop

Day 3-4: Meetings/interviews with key stakeholders.

Day 5: Working session with Primary Client to adapt the capacity assessment framework and plan the capacity assessment.

**Outputs:**

Mission report defining:

- Objectives of the procurement capacity assessment
- Overview of the scope and scale of the procurement capacity assessment including entry points, core issues and procurement capacities to be assessed
- Overview of the data collection approach including worksheets, interview guides and other supporting tools
- Workplan for the procurement capacity assessment including resources needed

## ANNEX 2: SAMPLE DATA COLLECTION WORKSHEET

Entry Point: Organisation			
Capacity	Core Issue	Indicator	Data sources
Procurement Planning	Institutional Arrangements	A well-defined recurring process is in place to ensure that annual procurement plans are prepared and approved on time	<ul style="list-style-type: none"> <li>• Interview with Organisational Head</li> <li>• Interview with procurement staff</li> <li>• Sample case file review: <ul style="list-style-type: none"> <li>○ Existence of approved procurement plan by deadline.</li> <li>○ Evidence that procurements follow the procurement plan.</li> </ul> </li> </ul>
	Leadership	Organisational Head actively encourages, participates in and approves procurement planning and monitors the implementation of the procurement plan.	<ul style="list-style-type: none"> <li>• Interview with Organisational Head</li> <li>• Interview with procurement staff</li> <li>• Evidence of publication of the Organisation's procurement plan on Notice board or website.</li> </ul>
	Knowledge	All staff involved with procurement is familiar with the requirements and processes for procurement planning.	<ul style="list-style-type: none"> <li>• Interviews with procurement officers and end-user department staff.</li> <li>• Sample case file review: <ul style="list-style-type: none"> <li>○ Evidence that procurement cases are included in procurement plan.</li> </ul> </li> </ul>
	Accountability	Action is taken if annual procurement plans are not developed or approved on time or are not in accordance with legal requirements.	<ul style="list-style-type: none"> <li>• Interviews with procurement staff.</li> <li>• Evidence of actions taken if annual procurement plans are not developed or approved on time, or not in accordance with legal requirements.</li> </ul>

### ANNEX 3: SAMPLE INTERVIEW GUIDE AND CASE FILE REVIEW CHECKLIST

Interview Guide: Procurement Officer in Organisation <sup>6</sup>	
Entry Point: Organisation	
Questions	Notes
<b>Background</b> <ul style="list-style-type: none"> <li>• Organisation Name</li> <li>• Name</li> <li>• Educational background</li> <li>• Professional background</li> <li>• Years of service (in organisation)</li> <li>• Key tasks and responsibilities</li> </ul>	
<b>Procurement Planning</b> <ul style="list-style-type: none"> <li>• Please describe the process for procurement planning in the organisation?</li> <li>• More specifically can you describe how the procurement plan was completed this year? <ul style="list-style-type: none"> <li>○ When deviations from proscribed practice: What are the reasons for the deviations?</li> </ul> </li> <li>• How do you use the procurement plan in your work?</li> <li>• What proportion of the procurement cases you have been working on over the last year followed the procurement plan? What were the reasons for any deviations?</li> <li>• What is the role of the Organisation Head in procurement planning?</li> <li>• Where can you find the legal requirements for procurement planning?</li> <li>• Can you briefly describe what those requirements are?</li> <li>• What happens if the procurement planning requirements are not met in your organisation? Can you describe any specific examples?</li> </ul>	

Case File Review Checklist: Procurement Planning		
Procurement Planning Records		Comments
Copy of approved procurement plan?	<input type="checkbox"/>	
Plan approved by required deadline?	<input type="checkbox"/>	
Plan follows required format?	<input type="checkbox"/>	
Record of actions taken when about non-compliance?	<input type="checkbox"/>	
Sample Case File(s) (one checklist per file)		
Case was included in procurement plan?	<input type="checkbox"/>	

<sup>6</sup> It is important to explain to the interviewee that the answers will not be shared with others than the assessment team and that information will be anonymous and compiled with other information before being shared with others.

#### **ANNEX 4: CAPACITY DEVELOPMENT (CD) RESPONSE WORKSHEET**

<b>Indicator # Capacity gap</b>	<b>Root causes</b>	<b>CD Actions/initiatives</b>	<b>Indicator/ baseline/target</b>	<b>Responsible</b>	<b>Stakeholders</b>	<b>Priority/ Timeframe</b>	<b>Costing</b>
Include reference to Indicator number from assessment plus brief description of capacity gaps detailed in the assessment report.	Brief description of the root causes or underlying reasons for each gap.	List one or more initiative to address the root causes for the gaps. This will be an iterative process as initiatives ideally will be identified that tackle more than one capacity gap/root cause.	For each initiative indicators should be identified along with baselines and targets.	The person responsible for implementing the initiative should be identified.	Other stakeholders involved in the initiative should be identified.	Indicate whether High/Medium/Low Priority plus timing (start/finish) of initiative.	Include the cost information for the <b>initiative</b> .

#### **Instructions for completing the Capacity Development Response Worksheet.**

1. Transfer summarised information from the Capacity Assessment Report into the first two columns i.e. Indicator reference, brief details of the capacity gap, plus a brief description of the root causes for that gap.
2. Identify potential initiatives to address the root causes. This will be an iterative process. Once initiatives have been identified for all gaps it will be a good idea to revisit since some initiatives are likely to address more than one gap.
3. Develop indicators with baselines and targets following the Procurement Capacity Assessment Guide.
4. Identify the person responsible for the implementation of the initiative, but also other stakeholders who will be involved.
5. Prioritise and set timeframes for the initiatives. This should take into consideration the time and resources available to the responsible persons/stakeholders.
6. Develop cost information for the initiatives following the Procurement Capacity Assessment Guide. Initiatives and their prioritisation/timing may need to be revisited in light of available financial resources.

**ANNEX 5: QUALITATIVE ASSESSMENT OF COMPLIANCE BY MAPS SUB-INDICATOR**

(Refer to OECD-DAC Methodology of Assessment of National Procurement Systems (MAPS) for more information on each of these sub-indicators)

**Rating Scale:**

- 0: No compliance/performance
- 1: Partial compliance/performance
- 2: Substantial compliance/performance
- 3: Full compliance/performance

<b>Pillar I: Legislative and Regulatory Framework</b>	
<b>Indicator 1 Public Procurement legislative and regulatory framework achieves the agreed standards and complies with applicable obligations</b>	
<b>BLI Sub-Indicator</b>	<b>Qualitative assessment of compliance</b>
Sub-indicator 1(a) - Scope of application and coverage of the legislative and regulatory framework	<ul style="list-style-type: none"> <li>Do procuring entities in practice have copies of the documents that define the legislative and regulatory framework?</li> </ul>
Sub-indicator 1(b) - Procurement methods	<ul style="list-style-type: none"> <li>Is competitive tendering in practice the default method of public procurement in procuring entities?</li> </ul>
Sub-indicator 1(c) - Advertising rules and time limits	<ul style="list-style-type: none"> <li>Are the existing rules of advertisement (including type of opportunities published, timeframe, source of publication, content) complied with.</li> </ul>
Sub-indicator 1(d) - Rules on participation and qualitative selection	<ul style="list-style-type: none"> <li>Do procuring entities comply with the established rules on domestic price preferential?</li> </ul>
Sub-indicator 1(e) - Tender documentation and technical specifications	<ul style="list-style-type: none"> <li>Do the technical specifications issued by procuring entities in practice comply with the requirements of the legal framework, including the established minimum content and use of neutral specifications?</li> </ul>
Sub-indicator 1(f) - Tender evaluation and award criteria	<ul style="list-style-type: none"> <li>Are relevant evaluation criteria in practice specified in advance in the tender documents?</li> <li>Are decisions made solely based on the stated evaluation criteria?</li> </ul>
Sub-indicator 1(g) - Submission, receipt and opening of tenders	<ul style="list-style-type: none"> <li>Are tender openings carried out in accordance with the provisions of the legal framework?</li> <li>Are records of bid opening in practice retained and available for review?</li> <li>Is security and confidentiality of bids maintained prior to bid opening?</li> </ul>

Sub-indicator 1(h) – Complaints	<ul style="list-style-type: none"> <li>• <i>Are procuring entities aware of the procedure for review?</i></li> <li>• <i>Is the complaint review system in practice being used?</i></li> </ul>
<b>Indicator 2. Existence of Implementing Regulations and Documentation</b>	
Sub-indicator 2(a) - Implementing regulation that provides defined processes and procedures not included in higher-level legislation	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 2(b) - Model tender documents for goods, works, and services	<ul style="list-style-type: none"> <li>• <i>Are the developed Standard Bidding Documents being used consistently by procuring entities?</i></li> <li>• <i>Do the SBDs have an adequate format, level of detail and content?</i></li> </ul>
Sub-indicator 2(c) - Procedures for pre-qualification	<ul style="list-style-type: none"> <li>• <i>Are pre-qualification procedures being applied by procuring entities in accordance with the provisions in the legal framework?</i></li> </ul>
Sub-indicator 2(d) - Procedures suitable for contracting for services or other requirements in which technical capacity is a key criterion	<ul style="list-style-type: none"> <li>• <i>Is quality adequately reflected in the selection procedures applied by procuring entities for contracting for services?</i></li> </ul>
Sub-indicator 2(e) - User's guide or manual for contracting entities	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 2(f) - General Conditions of Contracts (GCC) for public sector contracts covering goods, works and services consistent with national requirements and, when applicable, international requirements	<ul style="list-style-type: none"> <li>• <i>Are the General Conditions of Contract being used consistently by procuring entities?</i></li> </ul>
<b>Pillar II: Institutional Framework and Management Capacity</b>	
<b>Indicator 3. The public procurement system is mainstreamed and well integrated into the public sector governance system</b>	
Sub-indicator 3(a) - Procurement planning and data on costing are part of the budget formulation process and contribute to multiyear planning	<ul style="list-style-type: none"> <li>• <i>Do procuring entities in practice have procurement plans?</i></li> <li>• <i>Are the procurements undertaken by procuring entities in accordance with the plan?</i></li> </ul>
Sub-indicator 3(b) - Budget law and financial procedures support timely procurement, contract execution, and payment	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 3(c) - No initiation of procurement actions without existing budget appropriations	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>

Sub-indicator 3(d) – Systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery within budget programming	<ul style="list-style-type: none"> <li>• <i>Are completion reports in practice made for major procurements?</i></li> </ul>
<b>Indicator 4. The country has a functional normative/regulatory body</b>	
Sub-indicator 4(a) - The status and basis for the normative/regulatory body is covered in the legislative and regulatory framework.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 4(b) - The body has a defined set of responsibilities that include but are not limited to the following (see list in methodology)	<ul style="list-style-type: none"> <li>• <i>In practice, are the defined functions and responsibilities carried out by the normative/regulatory body?</i></li> </ul>
Sub-indicator 4(c) - The body's organisation, funding, staffing, and level of independence and authority (formal power) to exercise its duties should be sufficient and consistent with the responsibilities	<ul style="list-style-type: none"> <li>• <i>Is the organisation, funding, staffing, level of independence and authority of the normative/regulatory body in practice sufficient to exercise its duties?</i></li> </ul>
Sub-indicator 4(d) - The responsibilities should also provide for separation and clarity so as to avoid conflict of interest and direct involvement in the execution of procurement transactions.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
<b>Indicator 5. Existence of institutional development capacity</b>	
Sub indicator 5(a) - The country has a system for collecting and disseminating procurement information, including tender invitations, requests for proposals, and contract award information.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub indicator 5(b) - The country has systems and procedures for collecting and monitoring national procurement statistics.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 5(c) - A sustainable strategy and training capacity exists to provide training, advice and assistance to develop the capacity of government and private sector participants to understand the rules and regulations and how they should be implemented	<ul style="list-style-type: none"> <li>• <i>Are the training and capacity development activities provided for in the training strategy implemented according to plan?</i></li> </ul>



Sub-indicator 5(d) - Quality control standards are disseminated and used to evaluate staff performance and address capacity development issues.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
<b>Pillar III. Procurement Operations and Market Practices</b>	
<b>Indicator 6. The Country's procurement operations and practices are efficient.</b>	
Sub-indicator 6(a) - The level of procurement competence among government officials within the entity is consistent with their procurement responsibilities	<ul style="list-style-type: none"> <li>• <i>Are the job descriptions for procurement jobs known to the procuring entities?</i></li> <li>• <i>Do the procuring entities make job descriptions available to the individual procurement officers?</i></li> </ul>
Sub-indicator 6(b) - The procurement training and information programmes for government officials and for private sector participants are consistent with demand.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 6(c) - There are established norms for the safekeeping of records and documents related to the transactions and contract management	<ul style="list-style-type: none"> <li>• <i>Do Procuring Entities comply with requirements with regard to which documents should be included in each procurement record?</i></li> <li>• <i>Are procurement files in Procuring Entities kept in a manner that makes them available for public inspection?</i></li> </ul>
Sub-indicator 6(d) - There are provisions for delegating authority to others who have the capacity to exercise responsibilities.	<ul style="list-style-type: none"> <li>• <i>Is delegation of procurement decision making authority in practice decentralised to the lowest competent levels consistent with the risks associated and the monetary sums involved?</i></li> </ul>
<b>Indicator 7. Functionality of the public procurement market.</b>	
Sub-indicator 7(a) - There are effective mechanisms for partnerships between the public and private sector.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 7(b) - Private sector institutions are well organised and able to facilitate access to the market.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 7(c) - There are no major systemic constraints (e.g. inadequate access to credit, contracting practices, etc.) inhibiting the private sector's capacity to access the procurement market.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
<b>Indicator 8. Existence of contract administration and dispute resolution provisions</b>	

Sub-indicator 8(a) - Procedures are clearly defined for undertaking contract administration responsibilities that include inspection and acceptance procedures, quality control procedures, and methods to review and issue contract amendments in a timely manner	<ul style="list-style-type: none"> <li>Do procuring entities in practice administer contracts in accordance with the requirements of the legal framework?</li> </ul>
Sub-indicator 8(b) - Contracts include dispute resolution procedures that provide for an efficient and fair process to resolve disputes arising during the performance of the contract.	SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.
Sub-indicator 8(c) - Procedures exist to enforce the outcome of the dispute resolution process.	SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.
<b>Pillar IV: Integrity and Transparency of the Public Procurement System</b>	
<b>Indicator 9. The country has effective control and audit systems</b>	
Sub-indicator 9(a) - A legal framework, organisation, policy, and procedures for internal and external control and audit of public procurement operations are in place to provide a functioning control framework	<ul style="list-style-type: none"> <li>Are the framework, organisation, policy and procedures for internal and external control and audit being applied in practice?</li> </ul>
Sub-indicator 9(b) - Enforcement and follow-up on findings and recommendations of the control framework provide an environment that fosters compliance	<ul style="list-style-type: none"> <li>Does management of Procuring Entities respond to findings and recommendations</li> <li>Are controlling officers of Procuring Entities held accountable for lack of compliance with audit requirements as well as general public financial management requirements?</li> </ul>
Sub-indicator 9(c) - The internal control system provides timely information on compliance to enable management action.	SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.
Sub-indicator 9(d) - The internal control systems are sufficiently defined to allow performance audits to be conducted.	<ul style="list-style-type: none"> <li>Are performance audits carried out?</li> </ul>
Sub-indicator 9(e) - Auditors are sufficiently informed about procurement requirements and control systems to conduct quality audits that contribute to compliance	<ul style="list-style-type: none"> <li>Do auditors in practice have the procurement knowledge required to conduct quality audits?</li> </ul>
<b>Indicator 10. Efficiency of appeals mechanism</b>	

Sub-indicator 10(a) - Decisions are deliberated on the basis of available information, and the final decision can be reviewed and ruled upon by a body (or authority) with enforcement capacity under the law.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 10(b) - The complaint review system has the capacity to handle complaints efficiently and a means to enforce the remedy imposed	<ul style="list-style-type: none"> <li>• <i>Are complaints processed within the time limits of the legal framework?</i></li> <li>• <i>Are the decisions taken enforced?</i></li> </ul>
Sub-indicator 10(c) - The system operates in a fair manner with outcomes of decisions balanced and justified on the basis of available information	<ul style="list-style-type: none"> <li>• <i>Does the complaint review system in practice operate in a fair manner, with outcomes of decisions balanced and justified on the basis of available information?</i></li> </ul>
Sub-indicator 10(d) - Decisions are published and made available to all interested parties and to the public.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 10(e) – The system ensures that the complaint review body has full authority and independence for resolution of complaints.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
<b>Indicator 11. Degree of access to information</b>	
Sub-indicator 11(a) - Information is published and distributed through available media with support from information technology when feasible.	<ul style="list-style-type: none"> <li>• <i>Are the stakeholders to the procurement system and the public in general well informed about the public procurement system and issues related to public procurement?</i></li> </ul>
<b>Indicator 12. The country has ethics and anticorruption measures in place</b>	
Sub-indicator 12(a) - The legal and regulatory framework for procurement, including tender and contract documents, includes provisions addressing corruption, fraud, conflict of interest, and unethical behaviour and sets out (either directly or by reference to other laws) the actions that can be taken with regard to such behaviour.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>

Sub-indicator 12(b) - The legal system defines responsibilities, accountabilities, and penalties for individuals and firms found to have engaged in fraudulent or corrupt practices.	<ul style="list-style-type: none"> <li>• <i>Are the responsibilities, accountabilities and penalties carried out/enforced in practice?</i></li> </ul>
Sub-indicator 12(c) – Evidence of enforcement of rulings and penalties exists.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 12(d) - Special measures exist to prevent and detect fraud and corruption in public procurement	<ul style="list-style-type: none"> <li>• <i>Are measures in place perceived as credible by public institutions, private sector, civil society, and the public?</i></li> <li>• <i>Is there any evidence that the measures in place contribute to shape and improve the integrity of public procurement?</i></li> <li>• <i>If a mechanism is in place to prevent and detect fraud and corruption is in place, is there any evidence of the impact of the mechanism?</i></li> </ul>
Sub-indicator 12(e) - Stakeholders (private sector, civil society, and ultimate beneficiaries of procurement/end-users) support the creation of a procurement market known for its integrity and ethical behaviours.	<i>SUB-INDICATOR INCLUDES COMPLIANCE ASPECT.</i>
Sub-indicator 12(f) - The country should have in place a secure mechanism for reporting fraudulent, corrupt, or unethical behaviour	<ul style="list-style-type: none"> <li>• <i>Is the reporting mechanism in place being used to report fraudulent, corrupt, or unethical behaviour?</i></li> </ul>
Sub-indicator 12(g) – Existence of Codes of Conduct/Codes of Ethics for participants that are involved in aspects of the public financial management systems that also provide for disclosure for those in decision making positions	<ul style="list-style-type: none"> <li>• <i>Do public officials involved in the procurement function have a copy of the Code of Conduct/Code of Ethics?</i></li> <li>• <i>Is there any evidence that the Codes of Conduct/Ethics influence the behaviour of those covered by it?</i></li> </ul>

# **ANNEX 6: SAMPLE FRAMEWORK FOR PROCUREMENT ASSESSMENT AT THE ORGANISATION ENTRY POINT**

Procurement capacity	Institutional arrangements	Leadership	Knowledge	Accountability and transparency (including record keeping)
Procurement planning	<u>Indicator:</u> A well-defined recurring process is in place to ensure that annual procurement plans are prepared and approved on time.	<u>Indicator:</u> Organisation Head actively encourages, participates and approves procurement planning, and monitors the implementation of the procurement plan.	<u>Indicator:</u> All staff involved in procurement is familiar with the procurement planning requirements.	<u>Indicator:</u> Adequate action is taken if annual procurement plans are not developed, approved on time, or in accordance with legal requirements.
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with staff</li> <li>- Existence of approved procurement plan by timeline</li> <li>- Review of sample files to check whether procurements follow the procurement plan</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interview with Organisation Head</li> <li>- Interview with other staff</li> <li>- Review Notice Board and website of Organisation for publication</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with procurement officers and users</li> <li>- Review of sample files to check whether procurements follow the procurement plan</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with staff</li> <li>- Evidence of actions taken if annual procurement plans are not developed, approved on time, or in accordance with legal requirements</li> </ul>
Requirement definition	<u>Indicator:</u> Well defined specification/ToR are prepared adhering to the regulations, in particular: <ul style="list-style-type: none"> <li>- correct, complete</li> <li>- required quality</li> <li>- non-restrictive</li> <li>- appropriate packaging, if relevant</li> <li>- includes cost estimate</li> <li>- developed timely</li> </ul>	<u>Indicator:</u> Organisation Head encourages and supervises the timely development of specifications and cost estimates.	<u>Indicator:</u> All staff involved in drafting specifications or ToR have the required technical know how.	<u>Indicator:</u> No re-procurements due to restrictive specifications. Clear responsibilities exist for drafting specifications-ToR including cost estimates.
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with the staff</li> <li>- Interviews with private</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with Organisation Head</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with staff</li> <li>- Review of sample files</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Review of sample files</li> <li>- Interviews with staff</li> </ul>

	sector - Review of sample files	- Interviews with other staff		- Existence of appropriate job descriptions
Choice of procurement method	<u>Indicator:</u> A well defined recurring process is in practice to ensure that appropriate method is applied depending on the size, nature, time, and complexity of procurement objective.	<u>Indicator:</u> The Organisation Head approves all non-preferred procurement methods.	<u>Indicator:</u> All staff involved in choosing the procurement method are familiar with the Regulations.	<u>Indicator:</u> The use of any non-preferred method of procurement is justified and documented.
	<u>Data Sources:</u> - Review of sample files	<u>Data Sources:</u> - Interview with Organisation Head	<u>Data Sources:</u> - Interview with staff - Evidence of training - Audit findings, if any	<u>Data Sources:</u> - Review of sample files
Advertisement	<u>Indicator:</u> Advertisements are prepared and published according to the Regulations.	<u>Indicator:</u> Organisation Head supervises that advertisements are prepared and published according to requirements.	<u>Indicator:</u> All staff involved are aware of requirements and can complete properly.	<u>Indicator:</u> Publication of all prequalification, tenders and requests for expressions of interest following the specified timeline.
	<u>Data Sources:</u> - Evidence of advertisements placed in widely circulated newspapers and posted on notice board - Publications on web-site if applicable	<u>Data Sources:</u> - Interviews with staff - Review copies of advertisements - Review of website	<u>Data Sources:</u> - Review of copies of advertisement - Review of website - Evidence of training - Interviews with Organisation Head of and staff	<u>Data Sources:</u> - Review of sample files

Pre-qualification / Sourcing	<p><u>Indicator:</u> Prequalification used when applicable according to the rules. Roster of qualified potential suppliers reviewed annually and does not restrict competition.</p>	<p><u>Indicator:</u> Organisation Head approves prequalification reports.</p>	<p><u>Indicator:</u> Staff and members of evaluation committees are familiar with the regulations.</p>	<p><u>Indicator:</u> The Organisation informs applicants in writing of the reasons for the rejection of prequalification application (upon request).</p>
	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Evidence of evaluation of prequalifications using pre-disclosed evaluation criteria</li> <li>- Review of roster of qualified Potential Suppliers</li> <li>- Interviews with Procurement staff</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Evidence of prequalification reports</li> <li>- Evidence of notification to applicants</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Evidence of training</li> <li>- Interviews with Organisation Head, staff and members of evaluation committees (sample)</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Interviews with suppliers</li> </ul>
Preparation and issuance of tender documents	<p><u>Indicator:</u> The appropriate standard bidding documents are applied and include appropriate evaluation criteria and bidding documents are readily available to the potential suppliers.</p>	<p><u>Indicator:</u> n/a</p>	<p><u>Indicator:</u> Procurement staff are familiar with the Standard Bidding Documents and the rules.</p>	<p><u>Indicator:</u> All suppliers have equal access to information and are treated fairly.</p>
	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Interviews with procurement staff</li> <li>- Review of sample files</li> <li>- Register of issuance of bidding documents</li> <li>- Review of complaints.</li> <li>- Interviews with suppliers</li> </ul>	<p><u>Data Sources:</u></p>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Interviews with procurement staff</li> <li>- Review of sample files</li> </ul>	<p><u>Data Sources:</u></p> <ul style="list-style-type: none"> <li>- Evidence that bidding documents are posted</li> <li>- Review of complaints</li> </ul>

Receipt and opening of tenders (by tender opening committee)	<u>Indicator:</u> Bids received before the deadline are securely stored. Public bid openings are held within the required time limit by the Bid opening committee according to the rules. Opening follows the guidelines for the procurement method.	<u>Indicator:</u> The Chairperson of the Bid Opening Committee is qualified and conducts Bid Openings according to the rules and regulations.	<u>Indicator:</u> The Chairperson and other members serving on Bid Opening Committees are conversant with the rules and regulations regarding bid opening.	<u>Indicator:</u> Tender Opening Sheet and other required formalities are properly completed and documented.
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Review of sample files (Tender Opening Sheet).</li> <li>- Interviews with Chairperson of the Bid Opening Committee</li> <li>- Interviews procurement staff</li> <li>- Interviews with suppliers</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interview with the Chairperson of the Bid Opening Committee</li> <li>- Interviews with procurement staff</li> <li>- Review of Sample Files (Tender Opening Sheet)</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interview with Chairperson</li> <li>- Review of Sample Files (Tender Opening Sheet)</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Review of Sample Files</li> </ul>
Evaluation	<u>Indicator:</u> The evaluation process is carried out in a way that ensures fair and efficient outcomes and according to required deadlines.	<u>Indicator:</u> <ul style="list-style-type: none"> <li>- Decision making on appointment of evaluation committee members is done by Organisation Head or other appropriate authority</li> <li>- The tender evaluation report is approved/rejected by appropriate approval authority</li> </ul>	<u>Indicator:</u> All evaluation committee members and procurement officers are fully familiar with the evaluation requirements set out in the regulations.	<u>Indicator:</u> The evaluation is properly documented
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Evidence exists that the evaluation committees are constituted as per requirements</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Review of sample files</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with procurement officers</li> <li>- Evaluation Report</li> <li>- Evidence of training or</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Existence of all records of the evaluation and negotiation process as required by the regulations</li> </ul>



	<ul style="list-style-type: none"> <li>- Evidence exists that evaluation criteria are relevant and known to bidders in advance and applied</li> <li>- Evidence exists that evaluation time limits prescribed by the regulations are complied with</li> </ul>		qualifications	<ul style="list-style-type: none"> <li>- Number of complaints relating to evaluations</li> </ul>
Award	<u>Indicator:</u> The process of notification of award is carried out as required by the Regulations.	<u>Indicator:</u> Approval is given according to required deadline.	<u>Indicator:</u> All procurement officers are fully familiar with the award requirements.	<u>Indicator:</u> Successful and unsuccessful tenderers are informed about the award decision as required by the PPA.
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Review of sample files</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Review of procurement files</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with procurement officers</li> <li>- Evidence that award decisions are published as required</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Evidence that award decisions are published as required</li> <li>- Evidence of unsuccessful bidders requesting for the grounds for non-acceptance of the tender</li> <li>- Number of complaints</li> </ul>
Complaints	<u>Indicator:</u> The complaint system is respected and time limits kept.	<u>Indicator:</u> The Organisation Head actively encourages proper handling of complaints.	<u>Indicator:</u> Organisation Head, procurement officers, bidders, and suppliers are fully familiar with the rules of the complaint system.	<u>Indicator:</u> <ul style="list-style-type: none"> <li>- The complaint system is being used by aggrieved bidders and suppliers</li> <li>- Valid complaints are sustained</li> </ul>
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interview with National Procurement Regulatory Authority</li> <li>- Interviews with Suppliers</li> <li>- Review of complaints</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interview with procurement officers and Organisation Head</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with Head of PE, procurement officers, bidders, and suppliers</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Evidence of complaints received by PEs</li> <li>- Evidence of corrective actions</li> </ul>

	register			
Contract finalization, issuance, signature	<u>Indicator:</u> Contracts are signed in accordance with appropriate delegation of and include all relevant supporting documents within the specified deadline. Performance security received where applicable.	<u>Indicator:</u> Delegation of authority is applied according to requirements and contracts signed in line with specified deadlines.	<u>Indicator:</u> Procurement officers are aware of the rules and procedures for contract signature.	<u>Indicator:</u> Contracts are included in the procurement file.
	<u>Data Sources:</u> - Review of sample files	<u>Data Sources:</u> Evidence that authority has been delegated appropriately.	<u>Data Sources:</u> - Interview with procurement officers	<u>Data Sources:</u> - Availability of appropriate contract records
Contract administration	<u>Indicator:</u> The contract administration process allows the relevant managers to check if supplies are on time, on spec, on budget.	<u>Indicator:</u> The Organisation Head is actively monitoring the progress and performance of contracts and takes appropriate action as required.	<u>Indicator:</u> Managers are aware of the rules and procedures for contract administration.	<u>Indicator:</u> Any disputes are dealt with according to the legal framework.
	<u>Data Sources:</u> - Interview with users and procurement officers - Evidence in sample procurement files that supplied according to delivery schedule	<u>Data Sources:</u> - Evidence of progress reports and completion reports	<u>Data Sources:</u> - Interview with managers	<u>Data Sources:</u> - Evidence of dispute settlement
Payment of invoices	<u>Indicator:</u> The payment process of the Organisation ensures that payments are made in accordance with requirements.	<u>Indicator:</u> The Organisation Head is aware of overdue payments.	<u>Indicator:</u> The managers and financial accountant are fully familiar with the rules and procedures for making payments.	<u>Indicator:</u> Records of payments are kept in accordance with regulations.
	<u>Data Sources:</u> - Evidence from receipts and reports	<u>Data Sources:</u> - Review of management reports - Interview with Organisation	<u>Data Sources:</u> - Interviews with managers and financial accountants	<u>Data Sources:</u> - Evidence from receipts and reports

		Head		
Other Capacities:	<u>Indicator:</u> <ul style="list-style-type: none"> <li>- Performance at the individual level is defined and rewarded</li> <li>- Incentives (monetary and non-monetary) encourage compliance and performance</li> <li>- Procurement function is adequately resourced in terms of financial, human and physical resources</li> </ul>	<u>Indicator:</u> <ul style="list-style-type: none"> <li>- Leadership in procurement is seen as a critical management function that includes: developing and communicating a vision and common goals; in inspiring and creating commitment to implement these vision and goals; in creating trust and motivating people and manage for results.</li> </ul>	<u>Indicator:</u> <ul style="list-style-type: none"> <li>- Procurement staff have appropriate education and professional qualifications</li> <li>- Recruitment of procurement staff and appointments to procurement related functions is based on qualifications and competencies</li> </ul>	<u>Indicator:</u> <ul style="list-style-type: none"> <li>- Sanctions are applied for non-compliance and non-performance</li> <li>- Transparency and good record-keeping facilitates access to information</li> <li>- Internal and external procurement review and controls conducted on regular basis and recommendations are acted upon in a timely manner</li> </ul>
	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with Organisation Head</li> <li>- Interviews with procurement staff</li> <li>- Evidence of supporting tools and instruments</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Evidence of documented procurement strategy</li> <li>- Evidence of action plans to strengthen procurement function e.g. training plans</li> <li>- Evidence of Management Information System that covers procurement</li> <li>- Interviews with Organisation Head</li> <li>- Interviews with procurement staff</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Evidence of job descriptions, org. charts, 'establishment' etc.</li> <li>- Interviews with Organisation Head.</li> <li>- Interviews with procurement staff</li> <li>- Evidence of supporting tools and instruments</li> </ul>	<u>Data Sources:</u> <ul style="list-style-type: none"> <li>- Interviews with Organisation Head</li> <li>- Interviews with Procurement staff</li> <li>- Evidence of record keeping</li> <li>- Evidence of review findings and implementation of recommendations</li> <li>- Evidence of information published or reported to National Procurement Authority for publication</li> </ul>

## ANNEX 7: CAPACITY DEVELOPMENT MEASUREMENT FRAMEWORK – EXAMPLE RESULTS FRAMEWORK FOR PUBLIC PROCUREMENT

National Development Goals (IMPACT)							
Improved access of vulnerable people to essential items. (e.g. People Living with HIV/AIDS who need access to ARVs, Under 5 Children who need access to vaccines, etc.)							
National Institutions (OUTCOMES)							
Stability		Performance		Adaptability			
Outcomes	Indicators	Outcomes	Indicators	Outcomes	Indicators		
Public procurement entity/ relevant ministries or depts. have institutionalised standardised procedures	<ul style="list-style-type: none"><li>% of items procured/ procurements that utilized standard bidding documents  - <i>institutionalization</i></li><li>Incidences and scale of non-compliance/mis-procurement  - <i>risk mitigation</i></li></ul>	Public procurement entity/relevant ministries or depts. have improved effectiveness and efficiency in public procurement.	<ul style="list-style-type: none"><li>% of items procured/ procurements that did not meet requirements/ specification standards. - <i>effectiveness</i></li><li>Average time taken from purchase order to product delivery. - <i>efficiency</i></li></ul>	Public procurement entity/relevant ministries or depts. implement systematic improvements in procurement regulations and procedures.	<ul style="list-style-type: none"><li># of initiatives implemented to generate new process/procedures for procurement – <i>investment for innovation</i></li><li># of relevant govt institutions with regular process reviews conducted (and recommendations implemented). - <i>continuous improvement</i></li></ul>		
Levers of Change: Capacity Development Core Issues / Responses (OUTPUTS)							
Institutional Arrangements		Leadership		Knowledge		Accountability	
Outputs	Indicators	Outputs	Indicators	Outputs	Indicators	Outputs	Indicators
public procurement regulations developed	- existence of public procurement regulation that meets int’l standards	clear vision & strategy to improve public procurement articulated and shared	- existence of strategy - % of senior procurement mgrs who understand the strategy	learning / training plan in place for management and staff	- existence of pan for mgt and staff - no. of procurement staff who have passed the training course	Procurement audit system in place to monitor compliance	- no. and type of audit regulations / policies - no. and frequency of audits conducted
incentive / reward systems for adherence to laws & regulations established	- incentive / reward system incorporated into HR - performance management system	‘champion’ for improving procurement in each entity identified and peer group formed	- list of ‘champions’ - peer group meets regularly to discuss challenges and solutions	guidelines and manuals produced and disseminated	- no. and type of guidelines and training manuals produced - % of staff who utilise the guidelines and manuals on a regular basis	mechanism for citizen monitoring of public procurement established	- existence of citizen monitoring system - no. of meetings/ opportunities provided for citizen participation - no. of citizen/ citizen groups who have participated

**ANNEX 8: EXAMPLE OF INTEGRATED CAPACITY DIAGNOSTIC TOOL – PUBLIC PROCUREMENT**

AREA	Program Management Capacities	Sub-recipient (SR) Management Capacities	Financial Management & Systems (FMS) Capacities	Public Procurement and Supply Chain Management (PSM) Capacities	Monitoring and Evaluation (M&E) Capacities
Management	Capacity to effectively plan, manage, monitor, and forecast GF unit operations with clear roles & responsibilities and transparent decision-making	Capacity to effectively manage, monitor, and integrate SR plans to facilitate effective and timely program implementation and resource use	Capacity to effectively plan, manage, monitor, and forecast FMS operations with clear structures, roles, and responsibilities	Capacity to effectively plan, manage, monitor, and forecast PSM operations with clear structures, roles, and responsibilities	Capacity to effectively plan, manage, monitor, and forecast M&E operations with clear structures, roles, and responsibilities
Accountability	Capacity to maintain and use adequate GF unit management accountability, partnership, audit, and oversight mechanisms	Capacity to maintain and use adequate SR management accountability and oversight mechanisms	Capacity to maintain and use adequate FMS accountability, audit, and oversight mechanisms	Capacity to maintain and use adequate PSM accountability, audit, and oversight mechanisms	Capacity to maintain and use adequate M&E accountability and oversight mechanisms
Policies & Procedures	Capacity to follow GF management requirements through MoH management policies and procedures		Capacity to follow GF FMS requirements as well as MoH financial policies and procedures	Capacity to follow Ministry PSM requirements as well as national procurement policies and procedures	Capacity to follow GF M&E requirements as well as MoH M&E policies and procedures
Knowledge & Skills	Capacity to recruit, maintain, and develop knowledge of staff to manage operations (HQ, Province, & District)		Capacity to recruit, maintain, and develop knowledge of staff to implement FMS operations (HQ, Province, & District)	Capacity to recruit, maintain, and develop knowledge of staff to implement PSM operations (HQ, Province, & District)	Capacity to recruit, maintain, and develop knowledge of staff to implement M&E operations (HQ, Province, & District)
Global Fund or Function Specific	Legal capacity, status and authority to enter into the grant agreement with the Global Fund	Capacity to conduct SR capacity assessments and provide support as needed to ensure that SRs have the required capacities to implement program activities	Capacity to accurately and promptly record all transactions, disbursements, and balances	Capacity to competitively and transparently solicit and select products and services to achieve the best value for money	Capacity to collect and record programmatic data with appropriate quality control measures
	Capacity to maintain adequate infrastructure and information systems to support grant implementation in a timely and accountable manner		Capacity to disburse funds to SRs, procurement agents, and suppliers in a timely, transparent, and accountable manner	Capacity to effectively and securely receive, store, distribute, control and account for the inventory of products	Capacity to support the preparation of regular and reliable programmatic reports

	Capacity to recruit, maintain, and develop adequate health expertise to implement program activities		Capacity to maintain an adequate internal control system	Capacity to enter into and manage contracts and sub-contractor relationships	Capacity to make data available for the purpose of evaluations and other studies
			Capacity to support the prompt preparation of regular and reliable financial statements and reports	Capacity to maintain and follow necessary quality assurance and quality control procedures	
			Capacity to safeguard financial and physical assets		

### ***Capacity Diagnosis by Functional Area***

This tool captures capacity assets, gaps, and levels of capacity for each capacity defined by functional area. A diagnosis tool is used to capture information by each specific capacity, and information captured is used to create the summary capacity diagnosis and recommendations for a capacity assessment report.

This diagnosis tool has been designed specifically to assess the current and desired capacity levels for organisations Public Procurement and Supply Chain Management.

### ***The Diagnosis Framework***

The diagnosis tool consists of a framework to be filled in for each capacity defined by functional area. An example framework is shown below.

Public Procurement and Supply Chain Management						
Capacity to effectively plan, manage, monitor, and forecast PSM operations with clear structures, roles, and responsibilities						
<b>Types of evidence required:</b> Organigram showing PSM unit structure and reporting lines at HQ, Provinces and Districts; documented roles and responsibilities; integrated work plans with time-bound measurable results; measurable results frameworks; regular development and review of procurement plans; procurement planning is integrated into the budgeting process; tracking of plan vs. actual results and financials; evidence of forecasting; minutes of PSM management meetings with actions, timelines and responsibilities; management reviews of PSM operations; evidence of management action based on monitoring information and analysis						
<b>Evidence found (documented):</b> • •						
<b>Evidence found (discussed):</b> • •						
Capacity Indicators						
Capacity Levels	Procurement and Supply Chain functions to deliver Grants					Ministry level
	C2 Capacity gaps pose major risks	C1 Capacity gaps pose risks which cannot be addressed in 3-6 months	B2 Capacity gaps pose some minor risks that must be completed prior to implementation	B1 Capacity gaps pose minor risks and strengthened concurrently with implementation	A2 Capacities and systems fully satisfy minimum requirements	A1 Capacities and systems exceed the minimum requirements
	Weak PSM management and alignment with implementation of GF grants	Unclear PSM management structures and reporting lines; ad-hoc plans and reports	PSM management structures in place but work plans not fully integrated and results difficult to measure	PSM organisation and work plans integrated and aligned to GF requirements, with time-bound and measurable result targets	Integrated PSM organisation, work plans and systems, linking plans to actuals, with accurate and timely reporting	PSM work plans and systems integrate across Ministry programs and operations, providing a holistic view of financial plans and results
Current ("X")						
Desired ("date")						
Capacity Gaps: •						
Recommendations: •						
Comments: •						

### Using the Diagnosis Tool

The diagnosis tool should be considered as a dynamic tool to be customised for each specific diagnosis exercise. In particular, the *specific capacities*, *types of evidence*, and *specific capacity indicators* should be carefully reviewed and adapted to the organisation in question before the diagnosis is conducted.

The diagnosis tool is ideally completed through facilitated meetings with appropriate management and technical teams, either individually or in groups. The ideal approach should be determined based on the culture and dynamics of the organisation itself.

When completed, the diagnosis frameworks are used as inputs to develop the capacity development plan. These inputs consist of detailed and summarised capacity diagnoses, as well as detailed and summarised capacity gaps and desired levels of capacity.

The focus of the diagnosis is not to assess risk, but to determine capacity gaps and provide recommendations towards priorities and areas of improvement to be addressed in a capacity development plan.

The findings from the PMS capacity diagnosis tool can be integrated in a framework with other functional areas (Program Management, Financial Management Systems, etc.) to identify key gaps, recommendations, and supporting evidence.

## Public Procurement and Supply Chain Management Capacity

### Overview & Conclusions

#### Key Capacity Gaps & Recommendations

Key Capacity Gaps + Worked Example	Focus	Priority	Issues & Risks	Recommendations	Timeline	Capacity Refs.
1. Limited coordination	?	High	Lack of effectiveness and efficiency	Define appropriate coordination management structure, roles and responsibilities	Jun 2011	1
2. Lack of integrated system to manage procurement cycle	Ministry	High	Limited efficiency and difficult to track procurement processes	Continue plans to deploy PSM system	Jun 2011	1, 5, 7
3. Gaps in effective oversight	Ministry	High	Lack of input and review of procurement activities and priorities	Restructure and restart Procurement TWG	Jun 2011	2
				Coordinate Gov oversight mechanisms	Jun 2011	2
				Consider “embedding” external reviews	Jun 2011	2
4. Standard procurement rules, regulations, and procedures	Ministry	High	Non-standard procedures followed	Rollout new rules and regulations	Jan 2011	3
				Specific SOPs	Jun 2011	3
5. Skills and understanding of procurement requirements; especially reporting	Ministry	Medium	Limited effectiveness and efficiency in Ministry reporting	Ensure Ministry procurement staff receive orientation and training	Dec 2011	3, 4
6. No standard bidding or evaluation report formats	Ministry	High	Non-standard documents and procedures, lower efficiency	Design and deploy standard bidding documents and evaluation report templates	Jun 2011	5
7. Suppliers have limited knowledge of procurement cycles and procedures	Ministry	Medium	Limited competition; lower value for money	Plan and conduct appropriate training for suppliers on Min. procurement policies and procedures	Dec 2011	5
8. Information flow gap from District to Health Centre delivery points	Ministry	High	Lower accuracy and timeliness of delivery reporting	Identify and follow approach for better information capture at delivery points	?	6
9.						



## Capacity Diagnosis

Public Procurement and Supply Chain Management Capacities + Worked Example	Capacity Level		
	Current	Desired	Date
1. Capacity to effectively plan, manage, monitor, and forecast PMS operations with clear structures, roles, and responsibilities	A2	A1	Jun 2011
2. Capacity to maintain and use adequate PMS accountability, audit, and oversight mechanisms	B1	A2	Jun 2011
3. Capacity to follow Grant PMS requirements as well as Ministry procurement policies and procedures	B1	A2 A1	Jan 2011 Dec 2011
4. Capacity to recruit, maintain, and develop knowledge of staff to implement PMS operations (HQ, Province, & District)	A2	A1	Jun 2011
5. Capacity to competitively and transparently solicit and select products and services to achieve the best value for money	B1	A2	Jun 2011
6. Capacity to effectively and securely receive, store, distribute, control and account for the inventory of products	A2		
7. Capacity to enter into and manage contracts and sub-contractor relationships	A2	A1	Jun 2011
8. Capacity to maintain and follow necessary quality assurance and quality control procedures	B2	A2	Feb 2011

## Public Procurement and Supply Chain Management (PSM)

Public Procurement and Supply Chain Management						
Capacity to effectively plan, manage, monitor, and forecast PSM operations with clear structures, roles, and responsibilities						
<b>Types of evidence required:</b> Organigram showing PSM unit structure and reporting lines at HQ, Provinces and Districts; documented roles and responsibilities; integrated work plans with time-bound measurable results; measurable results frameworks; regular development and review of procurement plans; procurement planning is integrated into the budgeting process; tracking of plan vs. actual results and financials; evidence of forecasting; minutes of PSM management meetings with actions, timelines and responsibilities; management reviews of PSM operations; evidence of management action based on monitoring information and analysis.						
<b>Evidence found (documented):</b> <ul style="list-style-type: none"> <li></li> <li></li> </ul>						
<b>Evidence found (discussed):</b> <ul style="list-style-type: none"> <li></li> <li></li> </ul>						
Capacity Indicators						
Capacity Levels	Procurement and Supply Chain Management functions to secure grants					Ministry
	C2 Capacity gaps pose major risks	C1 Capacity gaps pose risks which cannot be addressed in 3-6 months	B2 Capacity gaps pose some minor risks that must be completed prior to implementation	B1 Capacity gaps pose minor risks and strengthened concurrently with implementation	A2 Capacities and systems fully satisfy minimum requirements	A1 Capacities and systems exceed the minimum requirements
	Weak PSM management and alignment with implementation of GF grants	Unclear PSM management structures and reporting lines; ad-hoc plans and reports	PSM management structures in place but work plans not fully integrated and results difficult to measure	PSM organisation and work plans integrated and aligned to grant requirements, with time-bound and measurable result targets	Integrated PSM organisation, work plans and systems, linking plans to actuals, with accurate and timely reporting	PSM work plans and systems integrate across Ministry programs and operations, providing a holistic view of financial plans and results
	Current ("X")					
Desired ("date")						
<b>Capacity Gaps:</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Recommendations:</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Comments:</b> <ul style="list-style-type: none"> <li></li> </ul>						

<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to maintain and use adequate PSM accountability, audit, and oversight mechanisms</u>						
<b>Types of evidence required:</b> ToRs and procedures for PSM accountability systems and arrangements; minutes, recommendations and actions from procurement committees; effective Procurement Technical Working Groups; procurement regulatory agencies and bodies; independent and objective financial audit arrangements; following audit standards; internal financial audit arrangements and independence/objectivity; evidence of review and action to follow audit recommendations.						
<b>Evidence found (documented):</b> •						
<b>Evidence found (discussed):</b> •						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	No effective PSM accountability or oversight mechanisms in place	Ad-hoc and ineffective PSM accountability and oversight mechanisms	Oversight is not yet operational, but has clear TOR, appropriate membership, and procedures to provide oversight	Oversight is to some degree operational and effective, and appropriate recommendations are acted upon	Oversight is fully operational and effective, and appropriate recommendations are acted upon	Ministry and cross-Gov PSM mechanisms work cooperatively to provide active and effective PSM oversight
	<b>Current</b> ("X")					
	<b>Desired</b> ("date")					
<b>Capacity Gaps:</b> •						
<b>Recommendations:</b> •						
<b>Comments:</b> •						

<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to follow Grant PSM requirements as well as Ministry procurement policies and procedures</u>						
<b>Types of evidence required:</b> Track record of compliance with PSM aspects of grant agreements; documented policies and procedures (SOPs); procedures incorporated into manual or electronic systems; evidence of following policies and procedures; integrating Grant procurement schedules with Ministry plans; evidence of effective procurement and supply cycle management of Ministry programs						
<b>Evidence found (documented):</b> •						
<b>Evidence found (discussed):</b> •						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	No documented PSM policies and procedures	PSM policies and procedures are out-of-date, not followed, and not comprehensive	PSM policies and procedures are comprehensive, but not typically followed and Grant requirements are unknown	PSM policies and procedures are comprehensive, but need to better understand Grant reporting requirements	PSM policies and procedures are comprehensive, up-to-date, and always followed to support known Grant requirements	Ministry procurement policies and procedures are comprehensive, up-to-date, followed, and integrate grant and other program requirements
<b>Current</b> <b>("X")</b>						
<b>Desired</b> <b>("date")</b>						
<b>Capacity Gaps:</b> •						
<b>Recommendations:</b> •						
<b>Comments:</b> •						

<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to recruit, maintain, and develop knowledge of staff to implement PSM operations (HQ, Province, &amp; District)</u>						
<b>Types of evidence required:</b> Data on numbers, responsibilities, and skill set to implement PSM program activities at HQ, Province, and District; organigram showing PSM structures and reporting lines from HQ to Province to District; HR policies and procedures; HR planning identifying levels and numbers of PSM staff and % of positions unfilled; salary scales based on level of responsibility and market conditions; number of staff with TORs aligned to department mandate; degree that the staff appraisal system is aligned to program results; staff retention and turnover rates; staff surveys to identify key issues; staff financial and non-financial incentives; system to provide staff knowledge and skills update (e.g. off-site training, on-the-job training, coaching and mentoring); opportunities for professionalization and obtaining recognised qualifications.						
<b>Evidence found (documented):</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Evidence found (discussed):</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	Weak PSM capabilities and knowledge of Grant requirements	Limited PSM capabilities and knowledge of Grant requirements	Some effective PSM capabilities but gaps across HQ, Provinces, and Districts, and limited coordination and knowledge of Grant requirements	Effective PSM capabilities and coordination, with gaps in necessary knowledge of Grant requirements	Effective and efficient PSM and coordination, with knowledge of Grant requirements	Effective and efficient PSM capabilities, retention, and coordination across Grant and other Ministry programs and initiatives, with performance appraisals
	<b>Current</b> <b>("X")</b>					
	<b>Desired</b> <b>("date")</b>					
<b>Capacity Gaps:</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Recommendations:</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Comments:</b> <ul style="list-style-type: none"> <li></li> </ul>						

<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to competitively and transparently solicit and select products and services to achieve the best value for money</u>						
<b>Types of evidence required:</b> Industry standard and up-to-date procurement guidelines and procedures; standard bidding and contract documents; metrics of procurement cycle performance; consistency in following procurement procedures; benchmarks for competitive pricing; secure and complete bidding and procurement documents, reports, and minutes.						
<b>Evidence found (documented):</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Evidence found (discussed):</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	Procurement system for Grants is inefficient, not transparent, nor measured for efficiency or competitiveness	Procurement system for Grants transparency is limited and competitiveness and efficiency measures are low	Procurement system for Grant is relatively efficient transparent, but lacks competitiveness and metrics	Procurement system for Grants is transparent, monitored and shows efficiency and competitiveness in most cases	Procurement system for Grants is effective, tracks efficiency measures and value for money is regularly benchmarked	Ministry procurement system is driven by efficiency and value for money, with time series monitoring and projections
	<b>Current ("X")</b>					
	<b>Desired ("date")</b>					
<b>Capacity Gaps:</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Recommendations:</b> <ul style="list-style-type: none"> <li></li> </ul>						
<b>Comments:</b> <ul style="list-style-type: none"> <li></li> </ul>						

<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to effectively and securely receive, store, distribute and control inventory of products</u>						
<b>Types of evidence required:</b> Inventory receipt reports; inventory confirmations; QC reports; inventory control procedures; inventory management systems; expiry procedures and reports; Logistics reports; tracking of stock and distribution against plan; consumption and outages by province and district; distribution reports; delivery reports tied to distribution; trends and projections; confirmation to point of delivery.						
<b>Evidence found (documented):</b> •						
<b>Evidence found (discussed):</b> •						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	Ineffective security and control of inventory	Limited security and control of Grant inventory	Effective security and control of Grant products, with some areas requiring improvements	Effective security and control of Grant products all along the supply chain, by limited information to manage stocks	Effective security and control of Grant products as well as management information to drive decisions	Strong security, control, and distribution of Ministry products, with product decisions based on management information
	<b>Current ("X")</b>					
	<b>Desired ("date")</b>					
<b>Capacity Gaps:</b> •						
<b>Recommendations:</b> •						
<b>Comments:</b> •						

<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to enter into and manage contracts</u>						
<b>Types of evidence required:</b> Experience in writing and managing contracts; legal review of contracts; standard contract documents; contract management systems; contract review reports and minutes.						
<b>Evidence found (documented):</b> •						
<b>Evidence found (discussed):</b> •						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	No clear contracting or contract management system	Ad-hoc contracting and contract management systems	Contracting system and management for Grant contractors is somewhat effective but not efficient	Contracting system is in place and effective, though Grant requirements not integrated	Contracting system is in place and effective to support Grant requirements	Ministry contract management and oversight system is in place and effective to support Ministry requirements
<b>Current ("X")</b>						
<b>Desired ("date")</b>						
<b>Capacity Gaps:</b> •						
<b>Recommendations:</b> •						
<b>Comments:</b> •						



<b>Public Procurement and Supply Chain Management</b>						
<u>Capacity to maintain and follow necessary quality assurance and quality control procedures</u>						
<b>Types of evidence required:</b> Quality control of procurement through complete supply chain; effective security and control of documents; oversight and verification mechanisms; QC and QA reports and procedures.						
<b>Evidence found (documented):</b> •						
<b>Evidence found (discussed):</b> •						
<b>Capacity Indicators</b>						
<b>Capacity Levels</b>	<b>Procurement and Supply Chain Management functions to secure grants</b>					<b>Ministry</b>
	<b>C2</b> <i>Capacity gaps pose major risks</i>	<b>C1</b> <i>Capacity gaps pose risks which cannot be addressed in 3-6 months</i>	<b>B2</b> <i>Capacity gaps pose some minor risks that must be completed prior to implementation</i>	<b>B1</b> <i>Capacity gaps pose minor risks and strengthened concurrently with implementation</i>	<b>A2</b> <i>Capacities and systems fully satisfy minimum requirements</i>	<b>A1</b> <i>Capacities and systems exceed the minimum requirements</i>
	No QC or QA policies or measures for PSM exist	Limited and ad hoc QC and QA measures for Grant PSM are in place	QC and QA measures for Grant PSM are documented and complete, yet are not effectively followed	QC and QA measures for Grant PSM are followed in most cases, though gaps exist	QC and QA measures for Grant PSM are in place and effectively ensure high quality product and processes	QC and QA measures for Ministry procurement are used to drive effective procurement and distribution
	<b>Current</b> ("X")					
	<b>Desired</b> ("date")					
<b>Capacity Gaps:</b> •						
<b>Recommendations:</b> •						
<b>Comments:</b> •						

## Resource Documents

Primary Resource

Additional Resources

## **ANNEX 9: USEFUL LINKS AND DOCUMENTS**

### **UNDP Resources**

Procurement Capacity Development Centre: <http://www.unpcdc.org>

UNDP Capacity Development: <http://www.undp.org/capacity>

UNDP Capacity Assessment Methodology: <http://content.undp.org/go/cms-service/download/publication/?version=live&id=1670209>

UNDP Capacity Assessment Practice Note: <http://content.undp.org/go/cms-service/download/publication/?version=live&id=1448681>

UNDP Capacity Development Practice Note: <http://content.undp.org/go/cms-service/download/publication/?version=live&id=1449053>

UNDP Paper on Measuring Capacity: <http://content.undp.org/go/cms-service/download/publication/?version=live&id=2679640>

### **Other UN Resources**

UNDG Capacity Development: <http://www.undg.org/index.cfm?P=225>

### **OECD-DAC Task Force for Procurement**

Website: [http://www.oecd.org/document/59/0,3343,en\\_2649\\_3236398\\_43440827\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/59/0,3343,en_2649_3236398_43440827_1_1_1_1,00.html)

Methodology for Assessment of National Procurement Systems (MAPS): <http://www.unpcdc.org/key-resources/searchlib.aspx?docid=9942>