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Step-by-Step Guide to Procurement Capacity Assessment in Malawi

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This Step-by-Step Guide to Procurement Capacity Assessment in Malawi is a product of the 2007 experience of conducting a Procurement Capacity Assessment (PCA) using the OECD-DAC Methodology for Assessment of National Procurement Systems in combination with the UNDP Approach to Procurement Capacity Assessment.

Based on the specific lessons learnt during the Malawian PCA process, this document provides an operational Step-by-Step Guide to conducting future PCAs in Malawi. The purpose of the Guide is to provide future assessment teams with hands-on instructions to all stages of the PCA process, hereby facilitating a smooth implementation and avoiding common pitfalls.

The Guide does not go in details with the rationales behind conducting PCAs. For more background information on this approach, refer to the list of Resources towards the end of this document.

The PCA process described in this Guide has six key steps:

- Step 1: Preparation
- Step 2: Data collection
- Step 3: Data analysis and reporting
- Step 4: Validation
- Step 5: Final assessment report
- Step 6: Capacity Development Strategies

The next sections describe key actions and considerations for each of the six steps. Addressing in turn:

Step 1: Preparation

a. Selection of Procurement Capacity Assessment team:

- Make sure that the team members have sufficient resources (in terms of work days, means of transportation, and funding) to carry out the assessment properly.
- If the assessment is carried out with external assistance, the external assessor should work closely with the ODPP throughout the process to ensure that valuable ODPP knowledge is fully utilised throughout the assessment.
- The selected assessment team should be led by an ODPP representative with sufficient authority and impact within the organisation and with a good network among PEs.

b. Select the core focus of the assessment:

- Review previous assessments and available compliance and performance statistics (e.g. from Institution Compliance Assessments and Quarterly Procurement Reports) with a view to identifying core systemic, compliance and performance issues that need to be addressed in the assessment.
- Based on the review, consider which OECD-DAC indicators shall be the core focus of the assessment.
- Based on the review, consider whether any new indicators not reflected in the OECD-DAC framework should be included be part of the assessment.

Example: The PCA 2007 assessment team identified political interference as a potential weakness of the procurement system. Hence an indicator in political interference was included, and the issue was addressed in the CD strategies subsequently developed.

c. Stakeholder mapping:

- The stakeholder mapping should reflect the focus of the assessment.
Example: If the core focus of the assessment is on the level of procurement competence among procurement officers, it is important to interview a relatively large sample of training institutions and procurement officers for the PCA.
- It is recommended that extra efforts are put into identifying relevant NGOs, media and private sectors associations to participate in the assessment as these stakeholder groups may be difficult to identify, yet have a vital role in the assessment.
- If the private sector associations identified do not sufficiently cover goods, works and services as well as SMEs, it is recommended that a sample of private sector representatives be interviewed, e.g. in focus groups.

d. Early sensitisation of all stakeholders:

- To ensure stakeholder buy-in and commitment, conduct a kick-off capacity assessment workshop for all mapped stakeholders to introduce the forthcoming PCA process and provide a first opportunity to discuss the core focus of the assessment.
- Based on the workshop, adjust the core focus.

Step 2: Data collection

a. Develop an overview of data to be collected:

- Develop an overview of which types of data (interviews, statistics, legal document reviews, etc.) and stakeholders should be consulted to address each of the agreed indicators.
See Annex 5 of the Procurement Capacity Assessment Report 2007 for an example of how an overview of data types and stakeholders may be structured.

b. Develop interview guides:

- An interview guide should be developed for each main type of interviews:
 - i. Interview guide for PEs
 - ii. Interview guide for training institutions
 - iii. Interview guide for NGOs and media
 - iv. Interview guide for private sector representatives and associations
- Based on the overview of data (cf. Step 2, item a), develop complete interview guides structured according to the selected OECD-DAC indicators (and new indicators) in order to ease the subsequent preparation of minutes.
See example of how an interview guide may be structured in Annex 6 of the Procurement Capacity Assessment Report 2007.

c. Make interview appointments:

- Based on the overview of the stakeholders to be consulted (see Step 2, item a), prepare a list clearly outlining the key subjects to be covered by each interview.
- Make use of the list when setting up interview appointments in order to ensure that interviews are arranged with relevant staff members from each stakeholder institution.
- Minimise the number of intermediaries when booking interview appointments to avoid miscommunication.

d. Conduct interviews:

- When conducting the interviews, make sure that all interview subjects are covered (although not necessarily in the sequence listed in the interview guide).
- Make sure that the interview style does not give rise to confusion about ODPP's intentions during the interview. It should be made clear – and be reflected in the style of questioning - that the interview is part of a monitoring activity, and does form part of an audit. This is particularly relevant for ODPP assessment team members conducting interviews with procurement officers in PEs.

e. Report minutes of each interview:

- Minutes should be drafted for each conducted interview.
- The format of the minutes should follow the format of the interview guides, thus making it easy to track data related to certain indicators when analysing the collected data.

Step 3: Data analysis and reporting

a. Analyse collected data:

- The collected data should be analysed indicator by indicator (or sub-indicator by sub-indicator if possible) based on the minutes drafted for each interview as well as other sources of data considered relevant according to the overview of data sources and stakeholders to be consulted (cf. Step 2, item a).

b. Prepare the Procurement Capacity Assessment Report:

- Once analysed, the data can be fed directly into the report structure.
- It is recommended that the PCA Report follows the core structure of the four OECD-DAC pillars.
For an example of how a PCA Report may be structured, please refer to the Procurement Capacity Assessment Report 2007.

Step 4: Validation

a. Conduct a validation workshop for all stakeholders:

- Invite all stakeholders interviewed to a workshop with the purpose of validating the PCA results.
- Preceding the workshop, disseminate the PCA Report to all stakeholders.
- During the workshop, present in brief the results of the PCA to all stakeholders. Next, divide the stakeholders into groups which each discuss one core area of the assess-

ment (e.g. one pillar per group) to make sure that all core areas of the assessment are discussed in details. Allow at least 2-3 hours for discussion in groups. Following the group discussions, each group presents their findings. Ensure that all stakeholders get an opportunity to discuss in details the findings of the other groups.

- It is recommended that ODPP's role during the workshop is limited to present the PCA findings, facilitate and stimulate open discussion, and takes notes of the inputs received from the groups – not to correct, comment and conclude on the inputs received.
- It is recommended that the group discussions are conducted without ODPP participation in order to ensure an open and honest debate among stakeholders.

Step 5: Final assessment report

- a. Adjust the PCA findings based on the results of the validation process:
 - After the workshop, adjust the PCA report to reflect the comments and inputs from the stakeholders.
 - All adjustments must be based on the professional judgment of the assessment team.

Step 6: Capacity Development Strategies

- a. Develop Capacity Development Strategies:
 - To support the drafting of capacity development (CD) strategies it is recommended to use as a tool the Capacity Development Strategies Worksheet.
See example of how to use a Capacity Development Strategies Worksheet in Annex 2 of the Capacity Development and System Strengthening Plan 2007.
 - By filling in the Worksheet from left to right, starting from the individual capacity gaps identified in the PCA, define CD strategies, output indicators, outcome indicators, baselines, targets, responsible body, stakeholders and priority and timeframe.
- b. Transform CD strategies into a coherent Capacity Development and System Strengthening Plan:
 - When the Worksheet has been completed, review the strategies listed and group them into coherent CD strategies.
 - Elaborate on the content of each CD strategy in the Capacity Development and System Strengthening Plan.
For an example of how a Capacity Development and System Strengthening Plan may be structured, see the 2007 Capacity Development and System Strengthening Plan.

- Setup face-to-face dialogue with relevant institutions to develop coordinated strategies in areas requiring other institutions than ODPP to take lead (such as DHRMD, Ministry of Finance, Ministry of Planning and Economic Development, ACB, NAO, Internal Audit Unit, etc.)
- Present the Capacity Development and System Strengthening Plan to all stakeholders in a joint validation workshop.

c. Cost Capacity Development Strategies

- Cost all short-term CD strategies (detailed budget estimates based on estimated number of internal man-days, external consultant days, transportation costs, translation costs, printing costs etc.)
- Cost all medium-term CD strategies (overall estimate of total costs)
- Based on the costing exercise and the available funds, revisit the CD strategy priorities.

Resources

If you wish to read more about UNDP's approach to Procurement Capacity Assessment or the methodology applied when carrying out the Malawi Procurement Capacity Assessment in 2007, please consult the following resources:

- UNDP Capacity Development Group: *Procurement Capacity Assessment - User's guide*, November 2006.
- OECD-DAC: *Methodology for Assessment of National Procurement Systems*, Version 4, July 17, 2006.
- Office of the Director of Public Procurement: *Procurement Capacity Assessment*, Malawi, November 2007.
- Office of the Director of Public Procurement: *Procurement Capacity Development and System Strengthening Plan*, Malawi, November 2007.