

# **Raising Public Procurement Standards**

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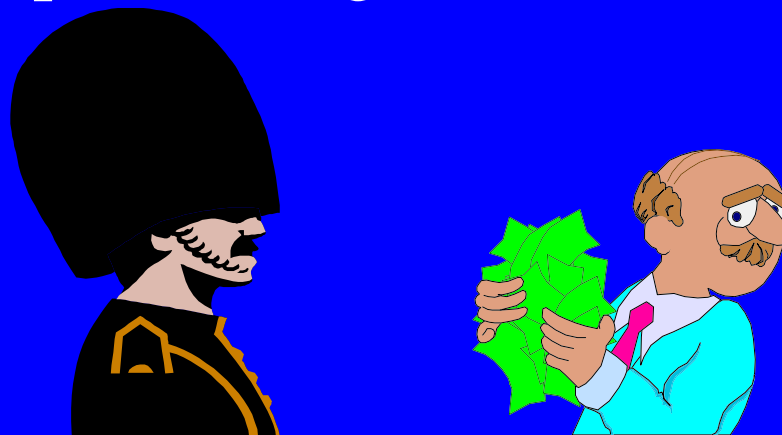


# IFI Progress to Date

- Since 1997, WB focus on **country-level** procurement systems
- CPAR instrument strengthened
- In Central Europe/FSU12 “CPARs“ completed, 6 still in progress (1 joint World Bank/EBRD assessment ongoing in Yugoslavia)

# Results

- Need for broad public sector reform highlighted
- Problems with *enforcement, capacity, sustainability* identified
- But some reform programmes launched and issue of corruption brought into country dialogue



# Criticisms

- Some CPARs superficial, of inconsistent quality
- Important areas outside of WB lending programme ignored
- Allegations that some final reports “watered down” to gain Government buy-in
- WB carrying out reassessment

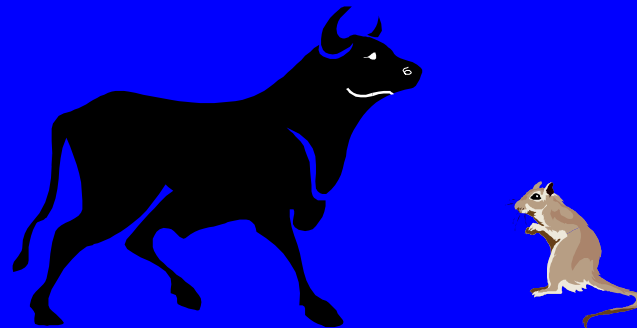
# What has EBRD done?

- Traditional EBRD focus at project-level, projects becoming increasingly complex
- At due diligence/appraisal, check client capacity (using *Sound Business Standards & Corporate Practices: A Set of Guidelines*) (and “integrity” if warranted)
- Insist on corrective measures to mitigate risk (or refuse to lend)

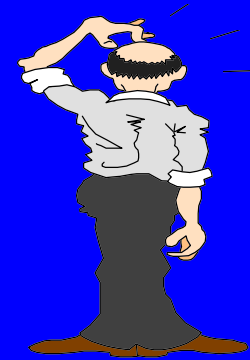


# Criticisms

- Impact on projects good, but “fleeting”
- Requires EBRD “policing”, lacks positive incentives
- Doesn’t attack flaws at macro level (EBRD too small to wield proper leverage)



# Questions



- Is a different IFI approach needed? If so, what? (Is there a “carrot” somewhere?)
- How to broaden process, bring in civil society and the business community?
- Most solutions resource intensive. Where can other sources of finance be found?
- ???

