Operations Evaluation Department

African Development Bank Group

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COMESA Public Procurement Reform and Capacity Building Projects

Project Performance Evaluation Report

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Project Performance Evaluation Report

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List of Abbreviations

AfDB	African Development Bank
ADF	African Development Fund
AGO	Auditor General's Office
COMESA	Common Market for Eastern and Southern Africa
CTD	Central Tender Board
CPAR	Country Procurement Assessment Report
CPI	Corruption Perception Index
CSPs	Country Strategy Papers
CPIS	COMESA Procurement Information System
DFID	Department for International Development
DRC	Democratic Republic of Congo
EAC	East African Community
EPRCP	Enhancing Procurement Reforms and Capacity Project
FTA	Free Trade Area
GDP	Gross Domestic Product
HIPC	Highly Indebted Poor Countries
ICB	International Competitive Bidding
IDA	International Development Association
IDF	Institutional Development Fund
IFMIS	Integrated Financial Management Information System
IMF	International Monetary Fund
IGG	Inspector General of Government
NTB	National Tender Board
OPEV	Operations Evaluation Department
OSGE	Governance, Economic & Financial Reforms Department
PIU	Project Implementation Unit
PCR	Project Completion Report
PFMA	Public Finance Management and Accountability
PROMIS	Procurement Management Information System
PPRP	Public Procurement Reform Project
PPAA	Procurement and Property Administration (Ethiopia)
PPARB	Public Procurement Administrative Review Board (Kenya)
PECAP	Public Sector Capacity Building Programme
PPDA	Public Procurement Disposal Act
PPDAA	Public Procurement and Disposal of Assets Authority (Uganda)
PPOA	Public Procurement Oversight Authority (Kenya)
PTA	Preferential Trade Area (for Eastern and Southern Africa)
PTA Bank	Eastern and Southern African Trade and Development Bank
REC	Regional Economic Community
RMC	Regional Member Country (of the AfDB)
RPPA	Rwanda Public Procurement Agency
SADC	Southern African Development Community
SIDA	Swedish International Development Cooperation Agency
SMEs	Small and Medium Enterprises
STD	Standard Bidding Documents
TCPE	Technical Committee of Procurement Experts
TOT	Training of Trainers
UA	Unit of Account of the African Development Bank Group
UNDP	United Nations Development Programme
UNCITRAL	United Nations Commission on International Trade Law
USAID	United States Agency for International Development
ZPPA	Zambia Public Procurement Authority

Preface

This document presents the Project Performance Evaluation Report (PPER) of the COMESA Public Procurement Reform Project (PPRP) approved in 2001 and completed in 2004, supplemented by the progress review to follow up the COMESA Enhancing Procurement Reforms and Capacity Project (EPRCP) approved in 2006 and planned for completion by December 2011. These initiatives are institutional capacity building projects that were financed through ADF grants. The grant amount for PPRP and EPRCP stood at UA 1.17 million and UA 5.66 million, respectively.

The PPER is an independent evaluation of the projects in terms of implementation performance, achievement of outcomes and sustainability as well as performance effectiveness in delivering the projects on the part of the Bank and COMESA. The evaluation has used a before-and-after approach to assess project outcomes. The outcomes were rated against the benchmarks established at project start-up through diagnostic studies on the status of procurement reforms in the COMESA region (see Annex 2 for project performance ratings).

To generate relevant data and information, the evaluation relied on desk reviews, discussions with management, country case studies and an electronic survey (covering the government, private sector and civil society in COMESA member states). All project-related documents, including the appraisal reports, project supervision reports and aide-memoires, progress reports, audit reports, the PCRs prepared by the Bank and COMESA, and the PCR Review Note prepared by OPEV, were reviewed. Other sources of information included the country governance profiles, various public procurement laws in COMESA member countries and the available governance-related indices. Consultations were held with key stakeholders in five selected COMESA member states: Ethiopia, Kenya, Rwanda, Uganda and Zambia. The country case studies are documented in the Technical Report and a summary is placed in Annex 6 of this report. Comments on the draft report were received from COMESA as well as the Bank's Governance Department (OSGE) and were taken into account in the final report.

A comprehensive assessment of the outcomes of the procurement reforms was restricted by a general lack of compiled data at the country level due to the largely unorganised information systems. Moreover, the electronic perception survey enlisted only limited responses from civil society organisations and the private sector of member states, most likely due to inadequate access to IT facilities.

Comesa Project Financing Data

BASIC PROJECT DATA: Public Procurement Reform Project

Preliminary Data	
Country	Multinational
Project	COMESA Public Procurement Reform Project
Grant Number	2100155000474
Borrower	COMESA
Guarantor	
Beneficiary	COMESA
Executing Agency	COMESA Secretariat

A. Grant Data

	Appraisal Estimate	*Actual*
Grant Amount (UA million)	1.17	1.166
Grant Approval Date	April 2001	18 April 2001
Grant Signature Date		30 May 2001
Grant Effectiveness Date	June 2001	05 Nov 2001

B. Project Data

Financing Plan (UA million equivalents)								
	Appraisal Estimate						*ACTUAL*	
Source	*F.E*	*L.C*	*Total*	*Percent*	*F.E*	*L.C*	*Total*	*Percent*
ADF	1.050	0.122	1.172	86.0			1.166	91.6
COMESA	0.058	0.133	0.191	14.0			0.107	9.4
Total	**81.3%**	**18.7%**	**1.363**	**100%**			**1.273**	**100%**

	Projected	*Actual*
Date of first disbursement	-	29 May 2002
Date of last disbursement	-	23 Nov 2004

C. Implementation Performance Indicators

Cost under-run:	UA 0.004 million	(0.34%)
Time overrun:	7 months	(23.3%)
Slippage on effectiveness:	4 months	
Slippage on 1st disbursement:	Nil	
No. of extensions of last disbursement date:	Nil	
Project implementation status:	Completed	

D. Missions

Types of Mission	*No. of Missions*	*Date*	*No. of persons*	*Person-days*
Identification				
Preparation	1	June, 2000	3	33
Appraisal	1	September-October 2000	3	30
Launching, supervision and follow-up	5	October 2001, July 2002, December 2002 and August 2004	6	30
Completion	1	02-11 March 2005		

E. Disbursements (UA '000)

Yearly disbursement	*Projected*	*Actual*
2001	236.1	
2002	641.1	444.6
2003	294.6	466.0
2004		255.0
Total	*1,171.8*	*1,165.6*

BASIC PROJECT DATA: Enhancing Procurement Reform and Capacity Project

Preliminary Data	
Country	Multinational COMESA
Project	Enhancing Procurement Reforms And Capacity Project
Grant Number	2100155007378
Borrower	COMESA
Guarantor	
Beneficiary	COMESA
Executing Agency	COMESA Secretariat

A. Grant Data

	Appraisal Estimate	*Actual (as of 31 December 2009)*
Grant Amount (UA million):	5.66	2.74
Grant Approval Date:	June 2006	21 July 2006
Grant Signature Date:	-	14 August 2006
Grant Effectiveness Date:	-	14 August 2006

B. Project Data

Financing Plan (UA million equivalents)

	Appraisal Estimate				*ACTUAL (as of 31 December 2009)*			
Source	*F.E*	*L.C*	*Total*	*Percent*	*F.E*	*L.C*	*Total*	*Percent*
ADF	5.66		5.66	89%	2.742		2.742	92.5%
COMESA		0.70	0.70	11%		0.223	0.223	7.5%
Total	**89%**	**11%**	**6.36**	**100%**	**92.5%**	**7.5%**	**2.965**	**100%**

	Projected	*Actual*
Date of first disbursement	-	January 2007
Date of last disbursement	-	Not applicable

C. Implementation Performance Indicators

Cost Overrun/under-run	NA
Time Overrun/Under-run	NA
Slippage on effectiveness	Nil
Slippage on 1st Disbursement	Nil
No of extensions of last disbursement date	NA
Project Implementation Status	Ongoing

D. Missions

Types of Mission	*No. of Missions*	*Date*	*No. of persons*	*Person days*
Identification	-	-		
Preparation	1	3-10 March 2005	2	16
Appraisal	2	20-30 June 2005 14-22 March 2006	4	40
Launching, supervisions, follow-up and mid-term review	5	2-6 October 2006 18-24 October 2007 28-31 July 2008 10-11 December 2008 15-18 June 2009	9	30

E. Disbursements (UA '000)

Year	*Disbursement projected*	*Actual disbursement (as of 31 December 2009)*
2006	1,130	--
2007	1,700	634
2008	1,700	1,024
2009	1,130	1,084
Total	5,660	2,742

OTHER PROJECTS FINANCED BY THE BANK GROUP FOR COMESA SECRETARIAT

Sector		*Agriculture & Rural Development*	*Communica-tions*	*Social*	*Multi-sector*
Number of operations by lending instruments	(a) Project lending	2	2	1	1
	(b) Institutional capacity building	1			1
Cumulative loans, grants, equity participations (US$)		6,171,200	1,325,000	139,880	7,280,500
Completed projects	Number	3	2		1
	Loan amount (US$)	6,171,200	1,325,000	139,880	7,280,500

Note: There has not been any financing yet in the sectors of: a) Industry, Mining and Quarrying (including Lines of Credit); b) Environment; c) Transport; d) Water Supply and Sanitation; e) Power; f) Finance; and g) Urban Development.

Evaluation Summary

1 This evaluation report covers the Bank's financial support to COMESA for public procurement reform capacity building during 2001-2009 through two projects: (i) the COMESA Public Procurement Reform Project (PPRP) approved in 2001 and completed in 2004; and (ii) the COMESA Enhancing Procurement Reforms and Capacity Project (EPRCP) approved in 2006, which is currently ongoing. The two projects were designed for implementation in the 19 COMESA member states by the COMESA Secretariat based in Lusaka, Zambia.

2 The key objectives of the PPRP were to: (a) harmonise public procurement rules, regulations and procedures in COMESA; (b) improve national procurement systems and strengthen the capacity of COMESA member states in public procurement; and (c) enhance awareness of procurement opportunities in COMESA. The subsequent EPRCP aimed at further enhancing the public procurement systems of COMESA member states by modernising and harmonising the laws, regulations and procedures by strengthening their capacity to manage modern public procurement systems. The evaluation aimed to assess the results of the completed project and those of the ongoing project, as well as Bank and COMESA performance in designing and delivering the two projects.

3 *Relevance and quality at entry.* The two Bank interventions to support COMESA public procurement reforms are in line with the Bank's policy to promote regional integration, good governance, capacity building and private sector development. The projects also corresponded to the priorities of COMESA member states. The objectives and approach of the project have been relevant, although a few design-related issues were identified by the evaluation. Overall, both projects were found to be relevant and of satisfactory quality at entry.

4 *Effectiveness.* The results of PPRP towards achieving the objective of harmonising public procurement rules, regulations and procedures in the COMESA region, were deemed satisfactory. The COMESA Directive on Public Procurement, the major project output, was delivered satisfactorily following broad-based consultations with stakeholders, and was adopted by the member states in 2003. By the end of 2005, five countries out of the nineteen aligned their procurement laws to the Directive and nine were in the process of preparing corresponding laws, regulations and procedures. With support from EPRCP, the number of countries that aligned their procurement systems to the Directive rose to fourteen. Further, under the EPRCP support, the COMESA Public Procurement Regulations were prepared and adopted by the member states in June 2009. In relation to the adopted Regulations, COMESA member states will have a harmonised non-discriminatory regional procurement system in place by 2014.

5 In terms of the objective of improving the national procurement systems and strengthening the capacity of member states to manage modern public procurement, PPRP provided a framework for reform, trained procurement personnel and developed an IT-based procurement information system. With respect to this objective, the outputs were delivered satisfactorily. The EPRCP further focussed on capacity building issues and as part of this project, and over 1,800 professionals associated with procurement entities in the region were trained. The performance of PPRP towards enhancing awareness of modern public procurement and procurement opportunities in the COMESA region had limited coverage and the results are rated as unsatisfactory. However, under the EPRCP, the awareness and sensitisation workshops were conducted more widely, and covered government

officials, private sector personnel and representatives of regional training institutions.

6 The procurement system strengthening process includes adoption of best practice procurement laws, regulations and procedures, decentralisation of the procurement function and capacity building, establishment of apex regulatory authorities and institutions for ensuring integrity. These have gradually improved the capacity of governments to manage the public procurement process. Procurement professionals trained under the COMESA project are contributing towards further strengthening of the system by training procurement personnel at the entity level. The COMESA procurement management information system (PROMIS), which is in the final preparatory stage before launching was not delivered on time as expected. It is worth noting that the realisation of efficiency gains from the procurement process should be considered as long-term results that will foster enhanced competition and participation at the regional level.

7 In addition to the results discussed above as part of the project, the COMESA Secretariat benefited from capacity building through training in public procurement laws and procedures, and exposure to the experience of managing public procurement reforms. The projects have also contributed indirectly to creating and strengthening institutions that would improve public sector management. This includes the establishment of Inter-Ministerial Task Forces by member states to implement procurement reforms and draft legislation. This is reported to have enhanced government capacity for change management. Similarly, with support from different development partners, steps are taken to align the procurement cycle with the budget cycle and strengthen fiduciary institutions such as the Office of the Auditor General, Appeals and Complaints Review Boards for dispute resolution and decentralisation of public procurement. Even though there are several challenges in achieving sustainable outcomes in public procurement, the direction of change has been very positive.

8 *Efficiency*. Project activities under the PPRP were completed within the available budget although there was a brief delay of seven months. Two major stakeholder forums, four capacity building workshops and the first Technical Committee of Procurement Experts were funded under the PPRP. All these activities were implemented within the prescribed financial allocation. Overall, the above achievements show that the project was implemented efficiently; however, execution of EPRCP has been delayed for one year.

9 *Sustainability*. The results of the procurement reforms are likely to be sustained by the high level commitment and political will of COMESA member states, establishment of the Technical Committee on Public Procurement by COMESA that would function beyond the project period, the overall reform agenda that is currently being undertaken in public sector management in Africa, the priority given by the development partners, the momentum generated by the ongoing public procurement reforms, and the emerging strength of civil society organisations engaged in governance issues. However, there are a range of challenges, including inadequate political will for law enforcement, capacity gaps aggravated by high staff turnover, and vested national political and economic interests that can slow down procurement reform.

Key Lessons Learnt

10 Public procurement reforms aimed at regional integration and good governance will be more effective when addressed with a long-term perspective through the coordinated actions of key stakeholders (governments, political parties, electorate, media, civil society organisations, private sector and donor partners), and fine-tuned to the specific country contexts and challenges.

11 While it is essential to focus on capacity building for public procurement systems, it is also imperative to build capacity for the private sector across the region to enable it to effectively participate in the public procurement process. Strong private sector organisations are required to provide overall support to private sector development to catalyse competitiveness.

12 The complexity of the public procurement reform process at the regional level can only be addressed through long-term engagement and partnership with the governments in terms of continuous dialogue and capacity building. Complex policy reform issues cannot be fully addressed through short-term projects or technical assistance. Even when using a project approach, it is essential to have additional instruments and resource support for follow-up activities to ensure sustainability.

Main Recommendations to COMESA

13 Ensure that the public procurement reforms initiated and enhanced through the PPRP and EPRCP will be strengthened and expanded further to member states that are lagging behind by using the same approach that has succeeded elsewhere, but with enhanced resources. Existing deficiencies must also be addressed. In addition to funding from the Bank, COMESA should mobilise resources from other development partners to finance the reform programme.

14 Build capacity within the COMESA Secretariat to carry forward the procurement reforms to enable the Organisation to continue dialogue with member states, take necessary follow-up measures and monitor procurement reforms in the region.

15 Assist member states to develop a country-level harmonised monitoring and evaluation system that would capture the progress made in implementing and achieving the outcomes of procurement reforms. COMESA should devise its own M&E system at the regional level.

Main Recommendation to the Bank

16 Provide sustained and enhanced support for COMESA public procurement reforms with a long-term perspective to consolidate the gains from PPRP and EPRCP and take forward the Bank's leadership agenda in this specific reform area and approach. Accelerated programme planning and funding support is required to address the shortfalls within the participating countries and to expand the programme to countries that are lagging behind in public procurement reforms, with special focus on developing appropriate capacity building strategies for both the public and private sectors.

17 Engage the Bank's Field Offices in reform projects through policy dialogue and supervision. Considering that the PIU, charged with supervising 19 countries, was managed with limited resources, this support and follow-up would enhance the reform process.

18 COMESA procurement reform capacity building efforts should be coordinated with the capacity building and public sector financial management reform efforts initiated by the countries and other development partners, for greater synergy. The Bank's direct assistance to member states should be designed by building synergy with the regional public procurement reform programme.

19 Support capacity building for M&E for procurement reforms at the country and regional levels. Most of the Oversight Authorities neither have the methodology nor the systems to generate data for assessing procurement reforms.

1. Bank Support to COMESA

1.1 Economic Context of Procurement Reforms in COMESA

1.1.1 The Common Market for Eastern and Southern Africa (COMESA) consisting of 19 member states[1] was established in 1994 to replace the Preferential Trade Area (PTA) which had been in existence since 1981. Building on their earlier experience as a PTA for almost 13 years, member states decided to move the target to a Common Market, which was launched in October 2000. Fifteen member states have already ratified the common market treaty.

1.1.2. COMESA is the largest economic zone in Africa with a total population of 440 million and a combined GDP of about US$ 432 billion. This population size represents a potentially huge market for any domestic manufacturing industries that emerge in the region. The region is also endowed with large deposits of mineral resources, including phosphates, iron ore, uranium, nickel and crude oil.

1.1.3 Economic reform programmes have been implemented in the COMESA region for the past 20 years, with the support of the African Development Bank, the World Bank, the IMF, and bilateral donors. Most of the reform-oriented countries in COMESA are registering a reasonable and continuous GDP growth and have moved away from an import substitution industrialisation strategy to an export-led growth strategy. Many of these countries now follow a more liberalised and less restrictive currency exchange policies, monetary policies based on market interest rates, less bureaucratic investment regimes, privatisation of public enterprises and promotion of the private sector as the engine of growth.

1.1.4 COMESA policies aim to achieve self-sustaining economic growth through collective action in all fields of economic activity and create a fully integrated and internationally competitive region where goods and services, capital, labour and persons can move freely. In pursuit of these goals, COMESA programmes have focussed on the removal of trade and investment barriers. Some of the specialised institutions and schemes established by COMESA and its predecessor PTA to implement these policies include: PTA Development Bank in 1985, Yellow Card Third Party Insurance in 1987, COMESA Reinsurance Company in 1990, Regional Custom Bond Guarantee Scheme in 1997, COMESA Free Trade Area (FTA) in October 2000, and Africa Trade and Insurance Agency (ATIA) in 2001.

1.1.5 All the above facilities and policies created for the promotion of regional integration and trade have resulted in substantial increase in intra-COMESA trade. The trade figures rose from a humble US$ 845 million in 1985 to US$ 15.2 billion in 2008. In addition, cross border investments among COMESA countries have also risen. Thus far, intra-COMESA trade is dominated by primary agricultural products, with a small percentage of manufactured products. COMESA is encouraging policies and strategies for the development of industrial clusters in member states for agro-processing, textile industries, and leather products. In the agricultural sector, the COMESA strategy is to improve productivity and enhance farmers' income.

1.1.6 Building on its earlier success in various initiatives that promoted regional integration, trade and investment, COMESA recognised the need

1 The COMESA member countries are: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe. Angola ceased to be a member of COMESA.

to open up public procurement opportunities in member states to all COMESA private sector players. The public procurement sector is often the largest domestic market in developing countries. Apart from civil servants' salaries, the bulk of the government budget is used for the procurement of works, goods and services. The public procurement system establishes the legal and institutional framework for regulating this huge business market for private sector competition. In the COMESA region, annual public procurement has been estimated at about US$ 50 billion. A transparent and efficient procurement system aiming at value-for-money contracts can easily lead to a substantial saving for government budgets. A saving of 10% as a result of good procurement practice is estimated to yield approximately US$ 5 billion per year for COMESA member states.

1.1.7 COMESA seeks to attain the goal of creating the necessary policy conditions in which all country procurement systems in the region are harmonised, and ensuring that regulations are put in place to allow contractors, consultants and suppliers in the region's countries to access opportunities in public procurement on an equal footing with nationals of the given country. The building blocks for attaining this objective are the March 2003 issuance by COMESA Heads of State and Government of the COMESA Directive for the Harmonisation of Procurement Systems and the June 2009 approval of the COMESA Regulations by the Council of Ministers for implementation. Under COMESA Regulations, member states are given the option to set a threshold for domestic preference beyond which bidders in all member states will be on par with nationals. This was primarily to accommodate the diversity in the levels of economic development under the principle of 'variable geometry,' which enables a group of member states to move faster in the regional economic integration process than some other member states. The long term objective is to remove the threshold for domestic preference. The two public procurement reform projects supported by the Bank—the Public Procurement Reform Project approved in 2001 and completed in 2004, and the Enhancing Procurement Reform and Capacity Project approved in 2006 and currently ongoing—were supportive of achieving these goals. The early results of these projects are very positive.

1.1.8 The Bank's support for COMESA started in the early 1990's. Prior to the procurement reform projects, the Bank had supported COMESA through six projects – three in Agriculture and Rural Development, two in Communication, and one each in Social and Multi-sector, together amounting to US$ 14.9 million.

1.2 Bank Assistance to COMESA for Procurement Reform

(a) Public Procurement Reform Project (PPRP)

1.2.1 The origin of the project is rooted in the study and survey undertaken by COMESA in 1998, which covered 10 countries. The findings of this study illustrated major shortcomings in COMESA member states' procurement systems including: deficiencies in procurement practices, weak institutional capacity, discriminatory practices, restrictions against fair competition, lack of information on public procurement opportunities, and revenue loss through non-transparent practices.

1.2.2 In addition to the above study, COMESA sponsored the Abidjan Conference on Public Procurement Reform in Africa (1998) with the AfDB, the World Bank, WAEMU, ACBF and the OECD. The conference was attended by 30 African governments and many international development partners. It succeeded in setting the agenda for public procurement reforms in Africa by highlighting the following key areas: (a) the need for the modernisation of public procurement in Africa to meet international

standards and best practices; (b) the need to forge a consensus among all stakeholders on the urgency of engaging in public procurement reforms; and (c) the need to promote national reform programmes with a common strategic framework focusing on accountability, transparency and efficiency.

1.2.3 Immediately after the Abidjan conference, many African countries embarked on procurement reform programmes with the support of the World Bank and other development partners. Sub-regional organisations such as COMESA and WAEMU also initiated procurement reforms at regional level. The main features of the procurement reform programmes were: (a) adoption of a comprehensive procurement Act based on the UNCITRAL Model, COMESA and WAEMU Directives; (b) separation of procurement policy from procurement operations by establishing oversight authorities; (c) strengthening operational efficiency, transparency and accountability; and (d) ensuring that a procurement information system is integrated into national financial systems.

1.2.4 The COMESA proposal was conceptualised to address the above weaknesses to facilitate more liberalised trade in COMESA countries. On receipt of the official request for financing the project, an AfDB preparation mission was fielded from 16 to 26 June 2000. This was followed by an appraisal team that visited Zambia from 25 September to 4 October 2000. Subsequently, a grant of UA 1.17 million to the COMESA Public Procurement Reform Project was approved in April 2001.

1.2.5 The project aimed at promoting good governance through public procurement reform that would bring in greater efficiency gains from the procurement process, leading to enhanced economic development. The specific and immediate objectives were to: (i) harmonise public procurement rules and regulations in COMESA; (ii) improve national procurement systems and strengthen the capacity of COMESA member states in public procurement; and (iii) enhance awareness of public procurement opportunities in COMESA.

1.2.6 The main project outputs as envisaged during appraisal were: (i) the COMESA Directive on Public Procurement; (ii) information technology and human capacity for collecting and disseminating procurement information at national and COMESA level; and (iii) capacity for monitoring compliance with good procurement practices. The appraisal report did not present specific project outcomes (see Annex 1 for a retrospective logical framework for this project).

1.2.7 This project was completed in 2004 and the Bank prepared a completion report in 2006. The project helped to kick-start the procurement reform in COMESA member states. The PPRP resulted in the adoption of the COMESA Directive which urged member states to: (i) upgrade their procurement systems to international standards; (ii) harmonise their procurement policies and procedures; and (iii) build capacity for efficient management of public procurement systems.

(b) Enhancing **Procurement Reform and Capacity Project (EPRCP)**

1.2.8 EPRCP was conceived with the aim of deepening the reform process initiated under the PPRP. While PPRP drew attention to the instrumentality of procurement reforms for regional economic integration and the reform goals to be achieved by COMESA member states, the resources were inadequate to fully undertake that mandate. The objective of the ongoing EPRCP grant is to enhance the public procurement systems of COMESA member states by modernising and harmonising the laws, regulations and procedures, and by strengthening the capacity of countries to manage modern public procurement systems.

1.2.9 Through the second grant to COMESA for procurement reforms amounting to UA 5.66 million,

EPRCP was approved by the Board on 21 July 2006. The grant enabled COMESA to enhance its capacity and fund activities to: (i) build awareness and sensitivity of the modern public procurement framework; (ii) support national legislative process; and (iii) support development of procurement training systems (see Annex 1 for the logical framework at appraisal for the expected outputs and outcomes). It is clear from the above that PPRP and EPRCP have common final outcomes contributing to a mutual goal. The project is scheduled for completion in December 2011.

1.3 Financial Resources for Procurement Reform

1.3.1 Bank support for the procurement reform programme through the two projects amounted to UA 7.83 million. The first project for UA 1.17 million was fully disbursed and about 50% of the second project (total cost: UA 5.66 million) was disbursed by the March 2010 mid-term review[2]. During appraisal, it was envisaged that this initial injection to the continuous procurement reform programme would be a catalyst for mobilising additional resources by member states from development partners. In fact, during this period, each member state received about US$ 6 million on average for procurement reform-related activities. In many countries, public sector capacity building as well as public finance management projects included provisions for procurement reforms.

1.3.2 COMESA has not received any major funding from other sources for these regional public procurement reform and capacity development projects[3]. This could be partly because support for procurement reform at the regional scale facilitated by a Regional Economic Community was not an approach subscribed to by many development partners, whose main focus was usually on the national level. The regional orientation of public procurement reform was unique in many respects and, for the Bank, it was essentially an experiment. However, this approach is gradually receiving enhanced support from some development partners who have expressed willingness to finance regional procurement reforms in future.

1.4 Evaluation Methodology and Limitations

1.4.1 The evaluation relied on desk reviews, discussions with management, field visits and an electronic survey to generate relevant data and information. To collect information from key stakeholders, five COMESA member states were purposely selected for field missions, namely: Ethiopia, Kenya, Rwanda, Uganda and Zambia. A note on the evaluation methodology, approach and limitations are presented in Annex 3.

2 The disbursement rate as of May 2011 stands at 71.2%.

3 It may be noted here that COMESA Secretariat provided capacity building and legislative review support to Zambia by using funding from the World Bank during EPRCP. In addition to this, the World Bank provided US$ 38,180 towards conducting a training programme in public procurement administration in Rwanda and Zambia in 2009.

2. Implementation Performance

2.1 Grant Effectiveness, Start up and Implementation

(a) Public Procurement Reform Project (PPRP)

2.1.1 The PPRP grant was approved in April 2001 and entered into force on 30 May 2001, the date the grant was signed. The grant had a number of conditions precedent to first disbursement and they were all fulfilled by 5 November 2001, that is within the stipulated period after grant signature. The conditions were reasonable and COMESA fulfilled all conditions. In fact, the Bank had undertaken a launching mission to assist COMESA fulfil the conditions. On the start-up phase, COMESA prepared a shortlist for the recruitment of the Project Manager during the second half of 2001. It also started the procurement process for the consulting firm early enough and issued the General Procurement Notice in May 2001. This facilitated the recruitment of the Project Manager by May 2002 and the Consulting Firm by April 2001. The Project Management Team performed well with regard to project implementation from start-up to effectiveness, work planning, recruitment of consultants, reporting requirements, and compliance with Bank rules and procedures. Hence, project effectiveness, start-up and implementation performance are deemed satisfactory.

(b) Enhancing Procurement Reforms and Capacity Project (EPRCP)

2.1.2 The EPRCP grant was approved in July 2006. After the signing and effectiveness in August 2006, and in the wake of COMESA fulfilling all conditions precedent to first disbursement, the grant was ready for disbursement the same month. Despite being five times larger than the previous operation, conditions under this grant were softer. This reflected the confidence level of the appraisal team, which felt that COMESA had managed the first project (PPRP) very well. Apart from the procedural conditions related to opening of bank accounts, the only other condition in EPRCP was that the COMESA Secretariat should constitute a PSC.

2.1.3 Two consulting firms were recruited for the project: (i) one to develop training material and build capacity; and (ii) the other to develop the Procurement Management Information System (PROMIS). Recruitment of the latter had experienced some delay. Although it was scheduled for completion in April 2007, the process was only completed in December 2007. This partly accounted for the shifting of the completion target date from December 2010 to December 2011. The recruitment of both consulting firms and individual consultants followed Bank procedures.

2.2 Compliance with Cost and Disbursement Procedures

2.2.1 On the financial management of the PPRP, it should be noted that all project activities were completed as planned and the project records show 99.6% disbursement. The ADF disbursement procedures were applied and disbursement applications submitted offered 45 days to allow sufficient time for processing. All disbursement applications were accepted as they conformed to Bank procedures. Hence, compliance with cost and disbursement procedures is rated as satisfactory.

2.2.2 On the financial management of the EPRCP, the Bank's records show a disbursement rate of 50.3% against a physical implementation rate of 60%. The project components are expected to be completed within the prescribed budget. The Bank approved one amendment to expenditure categories and reallocated funds accordingly.

2.3 Project Management, Reporting, Monitoring and Evaluation

2.3.1 The COMESA Secretariat was the Executing Agency for the PPRP. COMESA's Director of Legal Affairs also served as the Project Coordinator. Project day-to-day activities were carried out through a PIU headed by the Project Manager. The Project Manager was supported by a consulting firm, responsible for undertaking the baseline study, organising stakeholder meetings and developing the COMESA Directive. Strategic guidance and oversight was provided by the PSC and the TCPE.

2.3.2 The Project Management Unit and the PSC were constituted as envisaged at appraisal. The performance of the PSC in giving guidance and direction to the project management team was well appreciated by the governments. In April 2004, the PSC oversaw the formation of the TCPE, which brings together Heads of Procurement Agencies from COMESA member states.

2.3.3 Project management was complex due to its regional nature (involving 19 member states with procurement systems at different levels of advancement). Involvement of all member states was essential for project success. In addition to the COMESA Secretariat, the Steering Committee and Technical Committee meetings were regularly organised, and biannual reports submitted to the COMESA Council of Ministers. Each committee had a clear mandate. Overall, both committees performed well.

2.3.4 Through the PSC, the COMESA Secretariat was responsible for project monitoring and evaluation. It was expected to submit quarterly progress reports and yearly reports on public procurement activities in COMESA. During the three years of project implementation, the PPRP complied with all Bank reporting requirements. A project completion report was submitted to the Bank in June 2005. In light of the above, the project management, reporting, monitoring and evaluation are deemed satisfactory.

2.3.5 The PPRP Project Management Team was re-engaged to manage the EPRCP and came on Board in September 2006. This made early project start-up possible. The procurement expert who was hired to strengthen the management team commenced work in April 2007. The Bank has so far undertaken six (6) missions, comprising a launching mission, four supervision missions and a mid-term review. In addition, the Management Team was reinforced during the second project by the appointment of a procurement specialist and additional accounting support. The PSC regularly guided the Project Management Team, monitoring the implementation to ensure that Management followed the agreed schedules and reviewing the Consultants' Interim Report. The TCPE met once yearly to provide strategic guidance to the reforms. These meetings also served as the main forum for sharing country experiences. So far, the project has held four TCPE meetings, including two in Lusaka and one each in Nairobi and Harare.

2.3.6 As far as compliance with Bank reporting time and format are concerned, the project was in line with the KPIs for reporting, which require four quarterly progress reports, an annual audit report, a mid-term review and a project completion report. Project management, reporting, monitoring and evaluation functions at mid-term are rated as satisfactory.

3. Performance Evaluation and Rating

3.1 Relevance and Quality at Entry

3.1.1 The PPRP and EPRCP are in line with Bank policy to promote regional integration, build capacity and support good governance. They also align with the policy priorities of COMESA and its member states. During the ADF-IX (2002-2004) replenishment, State participants urged the Bank to significantly enhance its work on governance, and earmarked 10% of ADF-IX resources to multinational projects to promote regional integration. The CSPs for the 19 COMESA member states prepared during 2001–2009 included strategies geared towards: (i) reforms and institutional capacity building for good governance; (ii) improvement of public resource management and the business climate; (iii) the fight against corruption; (iv) the promotion of competition and transparency in public procurement; and (v) the promotion of regional integration.

3.1.2 In line with the Bank's public sector governance policies, the PPRP aimed at preparing the COMESA Directive to enable the establishment of the legal and regulatory framework for public procurement. The institutional structures mandated included dispute resolution and appeals mechanisms in line with international standards to ensure fair and transparent competition. The Directive was envisaged as an instrument for harmonising procurement in COMESA member states. Along with the Regional Procurement Regulations, this would lead to the opening up of the national procurement market to the private sectors of all COMESA member countries. This expected outcome is in line with Bank policy on regional integration. The project is also in conformity with the Bank's priority to build capacity in public sector institutions, with focus on consolidating institutional and management capacity for procurement systems in member states.

3.1.3 With regard to quality at entry, the Bank has followed a highly relevant approach. Supporting the Regional Economic Community (REC) to initiate procurement reform at the regional level in order to contribute to regional economic integration has proven effective. This will also help to deal with various challenges that may arise along the way. The 'platform approach,' and the step-by-step advancement in reforms followed by these projects, based on the variable geometry principle, has enabled the creation of consensus and commitment to procurement reform at regional level by countries at different levels of development.

3.1.4 A notable feature of the PPRP design is its grounding in the knowledge generated by the diagnostic study and survey conducted by COMESA in ten member states. While preparing the subsequent EPRCP, the lessons learnt during the implementation of the PPRP were taken into account. Increases in the level of grants, greater emphasis on procurement capacity building, involvement of institutions of higher learning for procurement training, and increased engagement with the private sector in the EPRCP provide evidence of the lessons drawn from PPRP.

3.1.5 Despite the high relevance of the project, at the design level it overlooked certain critical elements for implementing a regional-level reform programme. These include:

a) *Inadequate resources in relation to the objectives*: Considering the need to initiate and implement procurement reforms at the scale of 19 COMESA member states, the resources allocated for the PPRP were inadequate. This was later reflected in the inadequacy of legislative advice given

to member states and limited training and institutional support.

b) *No role for Bank Field Offices (FOs)*: The Bank has FOs in 10 of the 19 COMESA member states, but the EPRCP design did not envisage a role for them. The FOs could have played a facilitative role in these regional policy reform projects that require persistent dialogue and legislative support to governments.

c) *Timeframe for the reform*: As expressed by most of the stakeholders interviewed, the complexity of public procurement reform at the regional scale should be addressed through long-term and continuous engagement and partnership with governments, rather than only through short-term technical assistance projects.

3.1.6 In light of the above, despite a few design issues, the two projects are well in line with Bank policies for promotion of good governance, regional integration, and public sector capacity building and are hence rated as **relevant**.

3.2 Efficacy

3.2.1 Although the PPRP and EPRCP were initiated and implemented as distinct projects, these could be considered as two phases of the public procurement reform programme. While the first project (PPRP) produced the COMESA Directive, which provided the legislative framework for public procurement reform in the region, the second is addressing the issues related to the implementation of the Directive and capacity building. While assessing the outputs and outcomes of the PPRP, it is essential to acknowledge the fact that the more substantive project EPRCP is currently under implementation, and that the Bank carried out its mid-term review only in March 2010. Against this background, this section will look into the outputs delivered and the likelihood of achieving the expected outcomes contributing to the objectives set for the PPRP. The contributory achievements of the EPRCP are also discussed subsequently but not given evaluation ratings as the project is still ongoing.

(a) To harmonise public procurement rules, regulations and procedures in COMESA region.

3.2.2 The main output of the PPRP was the COMESA Directive on Public Procurement, which was prepared through a detailed diagnostic study and consultative processes, aimed at harmonising procurement rules, regulations and procedures of COMESA member countries. The COMESA Authority of Heads of State and Government adopted the Directive in March 2003. This Directive established the agenda for public procurement reforms in the COMESA region. COMESA member countries were expected to frame their national procurement laws, regulations and practices within the framework of the Directive. By end 2005, five countries – Kenya, Uganda, Ethiopia, Malawi and Madagascar – had aligned their procurement laws to the COMESA Directive, and nine were in the process of preparing corresponding laws, regulation and procedures.

3.2.3 The follow-up project, the EPRCP, had a component aimed at supporting the national legislative process for procurement reform, targeting the remaining 15 countries that were at the early stages of the reform. To date, seven of those countries – Burundi, DRC, Djibouti, Mauritius, Rwanda, Zambia and Seychelles – have enacted new procurement laws. Two other countries, Sudan and Swaziland, have drafted new legislation and are awaiting parliamentary approval. COMESA has also initiated consultations with Libya, Egypt, Eritrea and Zimbabwe towards harmonising their procurement laws in line with the COMESA Directive. In sum, 12 countries have currently enacted procurement laws in accordance with the COMESA Directive and two are awaiting parliamentary approval, while five have not yet begun the process. The COMESA Secretariat is planning to intensify negotiations with

the remaining countries and it is expected that the process will be completed by the end of the project, that is on 31 December 2011.

3.2.4 The expected outcomes of enhanced efficiency gains and accountability in public procurement of goods, works and services as a result of increased competition from intra-regional market operators can be fully realised only after completion of the harmonisation process, which is expected by 2014 in line with the COMESA Regulations. The indications from Rwanda, which welcomes regional competition in public procurement, show that a country can achieve efficiency gains from public procurement, and that accountability is strongly related to political commitment to fighting corruption in procurement (see Annex 4 for a summary of country case studies).

3.2.5 As part of the EPRCP, the COMESA Procurement Regulations for driving the regional procurement market was prepared, and the COMESA Council of Ministers adopted them in June 2009. Under the new regulations, all member states are expected to work towards the establishment of a common financial threshold for regional competitive bidding, within a period of five years from the date of adoption of the Regulations. However during the transition period of five years, each Member State is expected to fix its own threshold for allowing other COMESA countries to compete in the local procurement market on equal footing with nationals. Currently regional firms are allowed to compete only in International Competitive Bidding (ICB) opportunities.

3.2.6 As is clear from the above, the harmonisation of procurement rules, regulations and practices in the COMESA region in conformity with the COMESA Directive and Regulations is an ongoing process and moving in the right direction. Hence, the achievement of this PPRP objective is rated as satisfactory.

(b) To improve national procurement systems and strengthen capacity of the COMESA member states.

3.2.7 The PPRP aimed at reforming the national procurement systems and strengthening the capacity of the COMESA member states in managing modern public procurement by providing a framework for reform, training procurement personnel, and developing a procurement management information system with related training. The achievements of the PPRP in this area can be considered as satisfactory. While the PPRP was able to address the capacity issues only to a limited extent, EPRCP focussed substantially on this aspect with the results achieved as discussed below.

3.2.8 ***Reform in national procurement systems***. All sample countries are in the process of reforming their public procurement institutions by aligning them to the COMESA Directive (see Annex 4). While reforms in most countries were initiated by other development partners, mainly the World Bank, COMESA has contributed to this process through various project activities. Earlier, all the sample countries had a centralised National Tender Board to carry out public procurement functions, which are now being decentralised to procurement entities at various ministries, parastatal agencies, and local governments. Each country has established an apex procurement regulatory body vested with policy making, capacity building, monitoring and oversight responsibilities. According to the public procurement officials interviewed, the reorganisation has improved governments' capacity to manage public procurement. A key improvement of the national procurement systems is the adoption of procurement laws and procedures that are in line with international best practice that facilitates transparency, open competition and accountability. Dispute resolution mechanisms such as the Complaint Review Committee, Independent Appeals Committee, and the Administrative Tribunal have been introduced. A

procurement system strengthening process is in the early stages of implementation in most countries and the realisation of outcomes of efficiency gains in this context should be considered as a long-term objective.

3.2.9 ***Training in public procurement***. The capacity building activities under the PPRP were limited to four seminars. The first seminar was held in June 2003 for 29 participants from the COMESA Secretariat in Lusaka to familiarise them with good procurement policies. This was followed by the first two-week sub-regional seminar which was held in Uganda in July 2003. The total number of participants was 32, with 18 emanating from the host country and the reminder from six other COMESA countries. The second three-week sub-regional workshop was held in Madagascar with 33 participants, 21 of whom came from the host country. The final sub-regional three-week seminar was held in Lusaka for 27 participants, 16 of whom came from the host country. The feedback from the participants (see Annex 4) shows that the training was very useful to understanding best practice in public procurement. Though the majority of the participants in the sub-regional workshops was from the three host countries, the training has produced awareness on modern public procurement practices among the high level officials who participated in the seminars. An intermediate outcome from the Training of Trainers (TOT) workshops is that in some of the COMESA countries, the trained professionals are now working as resource persons for procurement capacity training.

3.2.10 ***Continued training in public procurement administration***. As stated above, the EPRCP is addressing the capacity needs for public procurement in the COMESA region. It aims to develop a dedicated cadre of professionals with strong technical know-how, which is a prerequisite for an open, competitive and transparent procurement system. The project has launched English and French versions of new training modules and reference materials for public procurement administration. The training modules were produced in two volumes. Volume I contains teaching materials covering Procurement Principles and Policies, and Contemporary and Emerging Procurement Policy issues. Volume II is a comprehensive set of case studies and reference manuals for the same topics. The training materials were peer reviewed by independent experts and discussed in detail in a regional review workshop to ensure the quality and suitability to the regional context. The initial assessment of the new training materials for its usefulness by a group of 22 training participants yielded a score of 3.83 out of a maximum score of 5.

3.2.11 Regarding the target of producing a well-trained critical mass of procurement professionals, EPRCP has already trained 371 professionals from 14 member states[4] based on the new training modules. The actual participation in the training programme has been higher than the targeted 15 participants per country. The excessive demand is indicative of the acute shortage of procurement professionals at country level. Although the usefulness of the training was recognised by the participants, they all stated that the one-week training was insufficient and expressed the need for further continuous and improved national procurement system training. The main participants of this training were from the regulatory and oversight authority for public procurement in the respective countries. Therefore, it is expected that they would transfer the new skills and knowledge to the decentralised procurement agencies.

3.2.12 As a result of the decentralisation process, COMESA member states are facing major challenges of staffing the newly created public procurement

4 These member states are Ethiopia, Rwanda, Zambia, Democratic Republic of Congo, Swaziland, Uganda, Malawi, Mauritius, Comoros, Burundi, Sudan, Zimbabwe, Seychelles and Kenya.

entities. Many development partners contributed to the financing of the procurement capacity-building in terms of assisting the countries to develop national capacity building strategies, sponsoring key procurement personnel for training outside Africa and on-the-job short-term training within Africa. However, all COMESA countries are facing acute shortages of trained procurement personnel, and many of them are yet to firm up a strategy to address this issue.

3.2.13 The capacity building focus of COMESA projects seeks to address the felt need of member countries. The COMESA projects would, by no means, remove all procurement capacity constraints but they are, undoubtedly, a significant step in that direction. The critical mass of qualified procurement professionals that the projects aimed to build is a prerequisite for the procurement system to function and to address the chronic capacity gaps. Greater investments by governments and development partners on a sustained basis are necessary to bridge the capacity gaps in the public procurement system. EPRCP has rightly placed the emphasis on capacity building by involving academic and other training institutions to address different procurement training needs. The institutionalisation of this involvement is expected to help provide a sustained supply of trained procurement professionals whose services can be accessed by the country's public procurement system.

3.2.14 ***Capacity building needs of the private sector.*** The private sector entrepreneurs in most countries do not have the required capacity to compete effectively for public procurement opportunities: many of them find it difficult to prepare a 'winning bid' as they have limited experience, human resources, equipment and capital. The private sector stakeholders consulted during this evaluation mission requested support to address their capacity constraints to enhance their competitiveness. However, the current focus of capacity building by development partners and governments remains mainly on the public sector.

3.2.15 ***Procurement Management Information System (PROMIS).*** Under PPRP, a website for the IT-based Procurement Information System (CPIS) was launched in 2004 to enhance the capability for disseminating and compiling information on procurement activities from each COMESA member state, including information on markets, procurement advertisements, and progress on procurement reforms. The system is not yet fully functional at the regional level partly due to the absence of a Regional Public Procurement Agreement and prevalence of poor IT infrastructure in member states. CPIS training was provided to 39 procurement experts from 16 member countries under PPRP. However, it cannot be safely inferred that the CPIS skills imparted through the training have been put to good use as the information system is not yet functional. The performance of this component is rated as unsatisfactory.

3.2.16 EPRCP had planned to upgrade the information system with latest cost-effective IT applications and with the capability to handle e-procurement at the regional level. The system, renamed PROMIS, is now in the final stage before launching and has considerably lagged behind schedule. Poor IT infrastructure and inadequate internet connectivity in member states still remain a constraint on the full implementation of this component. The training on PROMIS has been given to 147 procurement personnel from 12 member states along with at least 2 website administrators per country.

3.2.17 There is greater awareness about procurement reforms and opportunities among government functionaries and the private sector in COMESA states, thanks to efforts made under the two projects. Information on procurement opportunities are now more widely circulated through the electronic media, including the dgMarket website. Access to information will be greatly enhanced when PROMIS becomes fully functional and the corresponding systems are established at the member states' level.

(c) To enhance awareness of modern public procurement and procurement opportunities in COMESA

3.2.18 PPRP had a component for awareness raising and sensitisation about public procurement reforms among governments and the private sector. However, sensitisation was confined to a limited number of government officials, who participated in regional seminars and a few national workshops in which private sector operators were not included. A total of five countries, including Eritrea, Ethiopia, Kenya, Rwanda and Sudan, benefited from awareness and sensitisation programmes under the PPRP. Although advancements have been made under the ongoing EPRCP, the awareness and sensitisation component of the PPRP is rated as unsatisfactory.

3.2.19 Awareness and sensitisation workshops were conducted under the EPRCP in 12 COMESA member states and a total of 770 participants attended. On this occasion, participants included senior officials of government, private sector, and representatives of regional training institutions. In addition, 356 private sector participants from 13 countries benefited from Business Opportunity Seminars. Feedback from the participants shows that they benefited a great deal from the workshops. However, it is still necessary to hold workshops more frequently in each country to give opportunities to more people and stakeholders in the private sector. It should be noted here that the three-year delay between the two projects reduced the effectiveness of the awareness and sensitisation programme to some extent.

3.2.20 In addition to the results discussed above corresponding to the three main objectives of the PPRP, the capacity of the COMESA Secretariat has been built through training in public procurement laws and procedures, and experience in managing public procurement reforms. The projects have also contributed indirectly to the creation and strengthening of institutions, with a view to improving public sector management. This includes the establishment of Inter-Ministerial Task Forces by member states to implement procurement reforms and draft legislations. This is reported to have enhanced the capacity of governments to manage change. Similarly, with support from different development partners, steps are taken to align the procurement cycle with the budget cycle and strengthen such fiduciary institutions as the Office of the Auditor General, Appeals and Complaints Review Boards for dispute resolution and decentralisation of public procurement. Even though there are several challenges in achieving sustainable outcomes in public procurement, the direction of change is very positive.

3.2.21 The forgoing discussions on the results of PPRP and EPRCP show that these projects have helped to strengthen the main pillars of the public procurement system (through the legal and regulatory framework; the institutional framework and management capacity; procurement operations and market practices; and the integrity and transparency of the system) at the national and regional levels, within a regional integration and good governance framework (see Annex 4). Regarding project efficacy, the outputs and intermediate outcomes of the PPRP, along with the results of EPRCP will contribute towards the realisation of final outcomes and attainment of project objectives. In view of the above, the efficacy of PPRP is rated as **satisfactory**.

3.3 Efficiency

3.3.1 All PPRP project outputs were delivered within the available budget, albeit after incurring a delay of seven (7) months. The project records show 99.6% disbursement of the grant on the completion date[5]. Two major Stakeholder Forums, four capacity building workshops and the first TCPE were funded under the PPRP; all of them were implemented within

5 Of the UA 1.17 million TA approved, UA 1.166 million was disbursed as on completion, leaving a balance of UA 0.004 million which was cancelled.

the prescribed financial allocation. There were some variances in expenditure regarding the cost of the consultancy to develop the COMESA Procurement Information System (CPIS) and the Capacity Building Programme. However, there was no amendment to the expenditure categories. In light of the results achieved with respect to key performance indicators and output targets, the project implementation is rated as **efficient**.

3.3.2 For the EPRCP, the overall physical implementation by mid-term is about 60%, while the disbursement rate is at 50.3%.[6] Two project components have been fully implemented by mid-term, namely: (a) a well-developed training system for use in the training of trainers programme and at training institutions; and (b) COMESA Regulations to operationalise the COMESA Directive and support the regional procurement market. The development of web-based information system (PROMIS) to facilitate the regional procurement market is about 90% complete. However, the IT rollout to member states is delayed and only 30% is completed.

3.4 Sustainability

3.4.1 The key achievements of the public procurement reforms projects are the enactment of harmonised public procurement laws in 14 of the 19 COMESA member states and the subsequent capacity building initiatives. The factors that would sustain the results of the procurement reform projects are: (a) the high level commitment and political will of member states to implement procurement reforms; (b) the overall reform agenda and orientation that is being actively pursued in the public sector management in Africa and the momentum generated by the ongoing reforms; (c) the growing commitment and financial support from development partners and governments towards the Paris Declaration on Aid Effectiveness which necessitates the strengthening of country systems and hence expanding the availability of expected resources for further strengthening of the public procurement system; and (d) the emerging strength and engagement of civil society organisations that are intervening in governance issues.

3.4.2 An important step taken by the PPRP in the direction of ensuring the sustainability of the reform process was the establishment of the TCPE, which is entrusted with overseeing and providing high level support to the reform process in COMESA. The committee comprises the heads of national procurement agencies of COMESA member states and is mandated to continue to function beyond the implementation period of the procurement reform projects. However, there are several challenges to the sustainability of reform achievements, prominent of which are inadequate political will and law enforcement, inadequate institutions for capacity building in public procurement, and high staff turnover of procurement entities (see the technical report for this evaluation).

3.4.3 Although the magnitude of challenges facing the public procurement reform in COMESA member states is considerable, the sustainability of results achieved through the project is rated as **likely** due to the contributory factors discussed above. It is clear that the advances made in reforms are not reversible even though the risk factors can potentially slow down the reform process.

3.5 Performance of COMESA

3.5.1 The PPRP was prepared systematically by COMESA, based on a survey conducted in 1998 on the status of public procurement in member countries. The project proposal was also a follow up of the recommendations of the Abidjan Conference on Public Procurement Reforms in Africa, which highlighted the importance of public procurement in economic development.

6 Disbursement rate as at May 2011 stands at 71.2%.

3.5.2 COMESA was familiar with Bank rules and procedures, as it had already obtained five grants from the Bank and implemented the related projects. This familiarity has helped in the smooth implementation of the procurement reform projects. COMESA fulfilled all Bank rules and conditions for grant signature, effectiveness and disbursement within the stipulated timeframe. There has been full compliance with Bank procedures on procurement, disbursement and reporting. All project components were completed and there was no request for any amendment to the list of goods and services, or reallocation of funding.

3.5.3 A competent project management team was put in place with adequate back-up support from the COMESA Secretariat. The management team was well organised and regularly prepared detailed work plans in consultation with the Task Manager at the Bank and generally adhered to the implementation schedule of the agreed activities and estimated cost. The team also regularly prepared quarterly progress reports, which were comprehensive and informative. Various COMESA meetings were used for follow-up on the status of reform implementation at country level. These meetings include the COMESA Biannual Council of Ministers' Meeting. The organisation of meetings of the TCPE and the Project Steering Committee were well coordinated, and the minutes of all meetings recorded. Hence, for the PPRP, COMESA's performance is rated as **satisfactory**.

3.5.4 At mid-term, COMESA's performance is rated as **satisfactory** for the EPRCP. The EPRCP benefited from the lessons learnt from PPRP and presented a more realistic appreciation of the resource requirements. The EPRCP was managed by the same team responsible for implementing the PPRP. This time, the project management team became more familiar with the Bank's procedures and has fully complied with the covenants.

3.6 Performance of the Bank

3.6.1 The Bank succeeded in ensuring fairly satisfactory quality at entry for the projects. During the appraisal phase of the two projects, a few issues were not well-addressed, including the adequacy of resources commensurate to the set objectives, the long term nature of the reforms, and coordination among various development partners funding the procurement reform programmes at the national level.

3.6.2 The number of supervisions for PPRP was adequate and in line with the norms. For this project, the Bank conducted five field missions including launching and supervision over nearly 3.5 years. However, a major lapse on the part of the Bank was that the mid-term review was not conducted for PPRP due to organisational changes within the Bank. The change of task managers also caused disruption in the sense that the Bank was unable to provide timely advice to COMESA during the interim period. However, the new manager who took over the project provided adequate advice that was appreciated by COMESA.

3.6.3 For the ongoing EPRCP, the number of missions is adequate and in line with Bank norms. However, all these missions were fielded to Lusaka, the COMESA headquarters, while no specific follow-up missions were conducted to other member states of COMESA to see how the reform programme was progressing at the country level. Although this is consistent with the current practice in the Bank for the administration of technical assistance grants for RECs, it would have been more effective had the Bank involved its Country Offices in this regional programme to address the policy dialogue and supervision issues at the country level. Performance of Bank missions was satisfactory as evidenced by the aide- memoires and feedback from COMESA.

3.6.4 Regarding the financial management of the projects, there were no delays in payments upon disbursement applications. For PPRP, 99.6% of the grant was disbursed on project completion. The disbursement rate at mid-term for the ongoing EPRCP was 50.3%[7], which is in line with the expected payment at this stage of the project's physical implementation (over 60%).

3.6.5 After project completion on 31 December 2004, COMESA submitted its PCR by May 2005. However, the Bank's PCR was delayed beyond 6 months after project completion. Eventually the Bank's PCR was prepared in June 2006.

3.6.6 Barring a few managerial issues, the Bank's approach to facilitating regional economic integration through supporting regional public procurement reforms initiated by COMESA has proved to be effective and it steered the projects well in the right direction. This is also evidenced by the acknowledgement by other development partners such as the World Bank, which has voiced its readiness to support specific activities in future. COMESA has expressed overall satisfaction with the partnership with the Bank through PPRP and EPRCP.[8] In light of the above considerations, the Bank's performance is rated as **satisfactory**.

7 Disbursement rate as at May 2011 stands at 71.2%.
8 http://about.comesa.int/attachments/080_e-comesa_newsletter_240.pdf

4. Conclusions, Lessons and Recommendations

4.1 Conclusions

4.1.1. The COMESA public procurement reform and capacity building projects supported by the Bank are pioneering experiments with considerable potential to contribute to regional economic integration and good governance objectives. The most significant achievement of the two projects was the adoption by member states of the COMESA Procurement Directive in 2003 and the Regulations in 2009. This has demonstrated the high level of commitment to procurement reforms at the regional level, with about 14 of the 19 member states aligning their procurement rules to the COMESA Directive. The COMESA projects have followed a systematic and practical approach to procurement reform, guided by the variable geometry principle that allows member states at different levels of development to be part of the regional reform process while also paying attention to their country-specific priorities.

4.1.2 Although on a limited scale, the projects put together most of the supporting elements of the regional procurement reform, including the legislative and regulatory framework, human resources and institutional capacity development, awareness generation among stakeholders on good practices in modern public procurement, and management and dissemination of procurement information by using IT platforms. The two COMESA projects were in fact catalytic interventions, which would subsequently help to mobilise greater commitment and effort from development partners as well as member states for addressing the various challenges more effectively and comprehensively.

4.1.3 This evaluation finds that the project objectives and approach were highly relevant, even though a few design-related issues emerged. The expected outputs of the completed project were achieved efficiently. The project achievements are mostly at the output and short-term outcome levels, and it is too early to anticipate the realisation of the medium-term outcomes and impacts. The available evidence and indications show that the project results will be sustainable and will contribute to the achievement of the regional integration and good governance objectives. The overall outcome performance of the completed project is satisfactory. The Bank and COMESA performed satisfactorily in delivering the project.

4.1.4 The procurement reform projects had sought to strengthen the pillars of the modern procurement system. Experience of the sample countries shows that while the improvement in the two upstream pillars (legal and institutional frameworks) are relatively easy to achieve, changes in the two downstream pillars (market practice and integrity) will take time. This is because procurement reform is, by nature, a challenging and protracted process, with diverse interest groups exerting influence.

4.1.5 It must be acknowledged that the observed improvements in the procurement systems of COMESA member states are the result of the combined efforts of the governments and several development partners who were involved in governance reform initiatives at the national level for over a decade. The Bank's support to COMESA for public procurement reform has been strategic, with its focus on directing and facilitating procurement reforms leading to regional economic integration and good governance. The Bank's continued support for regional procurement reform through building

synergy with other development partners and the countries' own initiatives should accelerate the achievement of the final outcomes.

4.2 Lessons Learnt

4.2.1 Public procurement reforms aimed at regional integration and good governance will be more effective when addressed with a long term perspective through the co-ordinated actions of key stakeholders (governments, political parties, the electorate, the media, civil society organisations, the private sector and donor partners), and fine-tuned to the specific country contexts and challenges.

4.2.2 For effective implementation of complex regional reform projects like the COMESA public procurement reforms which cover a wide geographic area, it is necessary to mobilise adequate financial resources commensurate with the established objectives. Thinly spread limited resources are unlikely to result in lasting institutional and capacity improvements.

4.2.3 Strong political will and continued commitment to reform from all participating member states is a prerequisite for successful implementation of regional procurement reforms. This, coupled with sustained facilitation by a higher level institution with an appropriate mandate like COMESA, is necessary to reconcile the differences and disparities among the participating member states and provide advisory and practical support to implement procurement reforms.

4.2.4 The achievement of procurement reform objectives at the regional level necessitates effective implementation at the national level. At the design stage and during implementation, it is important to build synergy with the ongoing and proposed governance and budget support projects of the Bank and with other development partners with complementary objectives.

4.2.5 While it is essential to focus on capacity building for the public procurement system, it is also imperative to build capacity for the private sector in member states to enable them to effectively participate in the public procurement process. Strong private sector organisations are required to provide overall support to the private sector to catalyse competitiveness.

4.2.6 Progressive career paths, attractive compensation and professional recognition are essential to effectively address the chronic human resource constraints that are aggravated by high staff turnover in the public procurement institutions.

4.2.7 The complexity of the public procurement reform process at the regional scale can be addressed only through a long term engagement and partnership with the governments in terms of continuous dialogue and capacity building. Complex policy reform issues cannot be fully addressed solely through short-term projects or technical assistance. Even within a project approach, it is essential to have additional instruments and mobilise resource support for follow-up activities to ensure sustainability.

4.3 Recommendations

Recommendations to **COMESA**

4.3.1 *Ensure that COMESA public procurement reforms initiated and enhanced through the PPRP and EPRCP will be further strengthened and expanded to member states that are lagging behind* (namely; Egypt, Libya, Eritrea and Zimbabwe). In addition to the funding support from the Bank, COMESA should endeavour to mobilise resources from other development partners for financing the reform programme.

4.3.2 *Build capacity within the COMESA Secretariat to carry forward the procurement reforms* so that the organisation will be able to continue dialogue with member states, take necessary follow-up measures and monitor procurement reforms in the region.

4.3.3 *Accelerate the implementation rate of the ongoing EPRCP,* especially in the final launching of the COMESA Procurement Management Information System (PROMIS) and the training of two website administrators for each country as envisaged in the project.

4.3.4 *Assist member states to develop a country level harmonised monitoring and evaluation system that would capture the progress made in the implementation and achievement of outcomes of procurement reforms; help COMESA to devise its own M&E system at the regional level.* The countries are in the process of institutionalising modern public procurement systems and capacity building, but currently there are no monitoring and evaluation systems in place to adequately measure the operational practice, the degree of compliance with enshrined rules and procedures, and the outcomes of the reform.

Recommendations to **the Bank**

4.3.5 *Provide sustained and enhanced support for public procurement reforms with a long-term perspective* in order to consolidate gains from the PPRP and EPRCP and take forward the Bank's leadership in this reform area and approach. A combination of financing instruments can be used by integrating the 'regional' and 'national' reform approaches. Now that the regional public procurement framework is in place, accelerated programme planning and funding support are required to address the shortfall within participating countries and to expand the programme to member countries that are lagging behind in reforms, with focus on developing capacity for the public as well as private sectors.

4.3.6 *Engage the Bank's Field Offices in reform projects in terms of policy dialogue and supervision.* For such regional reform projects as the PPRP and the EPRCP, the Field Offices can play a significant role in policy dialogue and supervision. This support and follow up would enhance the reform process, taking into account the fact that the PIU supervised 19 countries using limited resources.

4.3.7 *Coordinate country procurement reform interventions for synergy.* The COMESA procurement reform capacity building process should be coordinated with efforts initiated by the country and other development partners in this regard, for greater synergy. Projects of this nature should mutually benefit from the Bank's programmes and those of other development partners with similar objectives as in Public Sector Financial Management Reforms. The Bank's direct assistance to COMESA member states should be designed to build synergy with the regional public procurement reform programme.

4.3.8 *Support capacity building for M&E for procurement reforms.* Most of COMESA member states' oversight authorities neither have an established methodology nor systems to generate data for assessing procurement reforms. A few countries have received assistance from development partners to establish monitoring and evaluation methodology. The Bank should support the creation of a regional level monitoring and evaluation system which would draw from national M&E systems.

Annex 1: Project Matrices

Retrospective Project Matrix: COMESA Public Procurement Reform Project (PPRP)

Hierarchy of Objectives	Expected Results	Reach	Performance Indicators	Indicative Targets / Timeframe	Assumption / Risks
Sector Goal	**Impact**	**Beneficiaries**	**Impact indicators**		**Assumption statement**
To promote good governance through transparency and accountability in public procurement.	Improved Governance within the framework of Public Financial Management. Increased transparency in business transactions in the COMESA region through improved procurement practices.	Government Private sector operators All stakeholders	Published procurement information conforms to internationally acceptable standards for good governance. Increase in the number of consultants contractors and suppliers that operate at regional level		Continued political will of COMESA member states
Project Purpose	**Outcomes**	**Beneficiaries**	**Outcome indicators**		**Assumption statement/ Risks**
1. To harmonise public procurement rules and regulations in COMESA.	Efficiency and accountability in the public procurement of goods and services increased.	Private sector in the COMESA countries COMESA member states	Timeliness of award of contract Reduction in unit cost of major contracts	2-3 years after project completion	Absence of a dynamic private sector that wants to operate at regional level; Keeping unfair competition clauses in the new regulation Lack of institutions capable of conducting the training; Inadequate performance evaluation and reward mechanisms of procurement office within the civil service; High turnover of trained procurement staff; Lack of political will to implement the rules and regulations adopted; Inefficient mechanisms fro oversight role for the civil society and media to act as major stakeholder
2. To improve national procurement systems and strengthen the capacity of COMESA member states in public procurement.	Institutional capacity of public procurement entities strengthened.	COMESA state governments Public procurement units / entities	Number of staff trained Number of training programmes conducted Number of training programmes conducted Number of institutions giving training	3-5 years	
3. To establish mechanisms to improve transparency in procurement of goods and services.	Transparency in procurement of goods and services improved.	National procurement units (COMESA states) Civil society Media International donors	Reduction in the cases of inappropriate procurement Decline in number of litigation Increased number of reports in which government gets favourable rating by civil society organisations, media, transparency international, MDBs, UNDP, Bilateral donors	1 year	

Hierarchy of Objectives	Expected Results	Reach	Performance Indicators	Indicative Targets / Timeframe	Assumption / Risks
4. To create awareness about procurement opportunities in COMESA.	Participation and competition in the procurement of goods and services within the COMESA free trade area enhanced. Increased international awareness of procurement opportunities in COMESA Legislative reforms enacted in member countries.	Private sector	Competitive bidding process Increase in the number of consultants and contractors that bid on advertisement for government procurement	1 year	Inadequate resources to finance awareness campaigns, stakeholder workshops, IT technology and systems. Sustainability of maintenance of IT.
Activities	**Outputs**	**Beneficiaries**	**Output indicators**		**Assumption statement**
1. Conduct a diagnostic study on the procurement rules, regulations and practices of the COMESA countries and prepare an outline for the comprehensive COMESA Public Procurement Directive.	Diagnostic report and recommendations produced.	COMESA member countries	The report	1-2 years	The assumption for the input activities is that it will be carried out in accordance with the Appraisal requirements namely: allocations for categories of expenditure, procurement method indicated and implementation schedule proposed.
2. Establish a stakeholders' forum to develop elements of the COMESA Public Procurement Directive	Stakeholders' forum established and workshops for validation conducted.	COMESA	Number of workshops Number of participants	1-2 years	
3. Prepare the COMESA Public Procurement Directive.	A comprehensive set of COMESA public procurement directives developed and available for adoption by the Authority.	COMESA Governing Authority to facilitate decision	Issuance of COMESA Directive	1-2 years	
4. Establish a procurement information system.	COMESA Procurement Information System (CPIS) developed.	COMESA Secretariat and member states	Web-based procurement information system	1-2 years	
5. Campaign for awareness about public procurement reform.	Seminars / Workshops on public procurement reform conducted.	Participants representing stakeholders COMESA member states	Number of seminars Number of participants		

Hierarchy of Objectives	Expected Results	Reach	Performance Indicators	Indicative Targets / Timeframe	Assumption / Risks
6. Build capacity of COMESA staff.	COMESA staff trained Capacity at COMESA level for monitoring compliance to good procurement practices in member states.	Executing agency COMESA	Number of staff trained	During the 3 years of project implementation	
7. Procure consultants, project manager, vehicle and equipment for the project.	Recruitment of PIU staff and purchase of equipment	Executing agency COMESA	The list of staff recruited The consulting firm hired The list of equipment purchased		

Project Matrix at Appraisal: Enhancing Procurement Reforms and Capacity Project (EPRCP)

Hierarchy of Objectives	Expected Results	Reach	Performance Indicators	Indicative Targets / Timeframe	Assumption / Risks
Sector Goal/Theme To enhance governance and regional integration in COMESA through modern public procurement systems.	**Long-term Outcomes** Improved governance (legal framework, transparency and accountability) in procurement.	Public and private sectors.	Public procurement systems of COMESA member states that conform to internationally acceptable standards for good governance.	Modern procurement systems of at least 70% of COMESA member states published on the COMESA website by December 2009.	Member states remain committed to COMESA objectives and to promoting good governance.
Objective To enhance the public procurement systems of COMESA member states by modernising and harmonising the laws, regulations and procedures and by strengthening the countries' capacities to manage modern public procurement.	**Medium-term Outcomes** 1. Public and private sectors that are fully aware of the principles and working of the national and regional public procurement systems.	**Beneficiaries** Private sector, public sector, government officials, COMESA Secretariat.	1. Number of participants in national and regional tenders by private sector players.	1. Increased participation in national and regional tenders by local private sector players from average of 0-3 to at least 6 bids per tender by December 2008.	1. Human capacity in member states will be enhanced adequately to sustain procurement reforms. 2. Higher institutions of learning accept to include procurement courses in their syllabuses. 3. COMESA member states remain individually committed to public procurement reforms at national levels.
	2. National procurement systems that are consistent with the COMESA procurement Directive managed by skilled procurement experts.		2. Member states that have published procurement laws and regulations.	2. Promulgation of national legislation on public procurement in at least 60% of the remaining 15 member states by end of June 2009 and on the website by December 2009.	
	3. Procurement training systems that are available within the region.		3. Training modules and case studies in public procurement systems prepared.	3. Training modules in public procurement systems and training materials tested to internationally acceptable standards and utilised by 2008.	
	4. Enhanced IT and human capacity for collection and dissemination of procurement information at national and COMESA levels.		4. Rate of utilisation of COMESA website and number of countries that utilise the website.	4. Utilisation of the COMESA website at minimum rate of 200 hits per week by all member states by December 2010.	

Hierarchy of Objectives	Expected Results	Reach	Performance Indicators	Indicative Targets / Timeframe	Assumption / Risks
Activities/Inputs 1. Enhancing Procurement Reforms (awareness and sensitisation workshops, drafting procurement bills and regulations, and development of training systems. Cost: UA 2.30 million.	**Short-term Outputs** 1.1 Public and private sector participants attend workshop in each member state.	1. Public sector 2. Private sector 3. COMESA Secretariat Staff	1.1 Number of participants at awareness/sensitisation workshops.	1.1 10 Participants per member state by December 2008.	1. Government committed to reforms and willing to implement the project.
	1.2 Draft procurement laws and procedures produced in member states.		1.2 Number of legislation drafted.	1.2 At least nine national legislations on public procurement drafted by December 2009.	
	1.3 Training modules and case studies produced.		1.3 Modules and case studies drafted.	1.3 Training modules in public procurement systems and training materials drafted by December 2009.	
2. Capacity building (training workshops in member states and with COMESA Secretariat). Cost: UA 2.22 million.	2.1 A well trained critical mass of procurement professionals, capable of managing the modern procurement systems.		2.1 Number of course participants.	2.1 Ten course participants attend procurement courses in each member state.	
3. Review and upgrading of the COMESA Procurement Information System; Evaluation of existing website; Upgrading capacity for e-procurement. Cost: UA 0.52 million.	3.1 COMESA Procurement Information System on the website is upgraded and at least two webmasters / site administrators in each country trained.		3.1 Number of countries with upgraded COMESA website.	3.1 At least 14 member states utilise COMESA Information System by December 2009.	
4. Project management (recruitment and maintaining personnel and acquisition of logistics). Cost: UA 1.32 million.	4.1 Project management team and logistics available during project implementation.		4.1 Number of staff and logistics in place.	4.1 Project Manager, Procurement Expert, counterpart staff and support staff. IT system available by January 2007.	

Annex 2: Evaluation Ratings

Evaluation Ratings: Public Procurement Reform Project (PPRP)

Component Indicators	Score (1 to 4)	Remarks
Relevance and quality-at-entry	**3**	The project is expected to contribute to good governance and value for money of Government public expenditure, promotion of the private sector under fair competition and finally leading to greater regional integration. The project preparation was based on a comprehensive study undertaken by COMESA.
i.Consistency with country overall development strategy	4	CSPs of all the 19 COMESA member countries give priority to reforms in governance and Public Sector Financial Management of which Procurement Reforms are an integral part.
ii.Consistency with Bank Assistance Strategy	4	The project is in line with Bank policies for the promotion of governance, regional integration, private sector development and capacity building at the country level.
iii.Macroeconomic Policy	4	The project expects that modernisation and harmonisation of national procurement systems will lead to efficiency in public expenditure and promotion of regional trade after economic integration.
iv.Sector Policy	4	The project is central to efforts to improve Public Sector Financial Management.
v.Public Policy Reform	4	The project is designed to strengthen the pillars of the public sector reforms at the regional level by fostering transparency and accountability in public procurement.
vi.Poverty Reduction	3	Better utilisation of Government budgets and the achievement of value for money of the government procurement of works, goods and services can potentially lead to efficiency gains which can be used to support poverty reduction.
vii.Social and Gender Equality	3	The Procurement Law is potentially a good policy instrument for assisting the disadvantaged sections of society by including provisions for small business run by women and other vulnerable groups aimed at their empowerment.
viii.Environmental Concerns	--	The project is classified as Category III and has no negative environmental impacts foreseen.
ix.Human Resources Development	3	Training for COMESA Secretariat and procurement agency staff of the Member States good practice public procurement and on the use of the IT based procurement management information system.
x.Institutional Development	4	COMESA Directive was expected to lead to the restructuring of government institutions, strengthening decentralisation and capacity building which are all essential features of institutional development.
xi.Private Sector Development	4	Private sector development is integral to the public procurement reform. The project envisages involvement or private sector representatives in the Project Steering Committee and their inclusion in training of procurement information system. The reformed public procurement system will be fair and facilitate competition among contractors, consultants and suppliers in the region for government business opportunities. This is expected to promote private sector development, trade and industrialisation in the region.
xii.Regional Economic Integration	4	This project aims to contribute to regional economic integration through modernising and harmonising public procurement laws, regulations and practices in COMESA member states.
xiii.Risk assessment and Mitigation	3	The PPRP was based on a study commissioned by COMESA which identified all the major risk factors that need to be addressed under a public procurement reform. It also very clearly illustrated the diversity in the level of development and government structures and raised alerts about the potential lack of political will as the major risk to be addressed during the implementation of the project. The project has planned mitigating measures for the risk factors identified.

Component Indicators	Score (1 to 4)	Remarks
Achievement of Objectives and Outcomes ("Efficacy")	**3**	With the issuance and adoption by the member states of the COMESA Directive, the project is likely to achieve its major objective of harmonising public procurement rules, regulations and procedures in COMESA member states. With the project, initial steps were taken towards improving national procurement systems and strengthening the capacity of the member states though there was limited progress in enhancing awareness of modern public procurement and procurement opportunities in COMESA. The IT based procurement management information system is yet to be operationalised.
Policy Goals [Public investments and expenditure; Private Sector Regulation; Procurement Policies]	3	The policy goals to which the project will contribute include management of public investment and expenditure by improving the national procurement system and promotion of the private sector. The project intends to directly influence the procurement policies of the member states and this is likely to be achieved in the medium term, that is by 2014 by which period member states have resolved to fully implement the Directive and the Regulations.
Physical Objectives (Outputs)	3	The main outputs of the PPRP were the COMESA Directive, improvement in human capacity, and IT for dissemination of the procurement information and strengthening the capacity of COMESA. The project almost fully delivered on the outputs with some shortfalls in engagement with and involvement of the private sector.
Efficiency	**3**	The project activities under the PPRP were completed with only minor delay and within the available budget. The records show 99.6% disbursement of the grant on the completion date. Two major Stakeholder forums, four capacity building workshops and the first TCPE were funded under the PPRP, all of which were implemented within the prescribed financial allocation.
Institutional Development	**3**	The projects contributed to the creation and/or strengthening of various institutions. The restructuring in some countries of the public sector organs responsible for public procurement, resulted in the creation, strengthening and expansion of institutions. The COMESA Directive recommended an apex oversight authority, which is responsible for the management of the procurement. In addition, under the decentralisation programme for the procurement process, hundreds of public procurement entities have been established in each country and Appeals and Complaints Review Boards were also created. All these were also supported and consolidated by programmes for capacity building funded by various donors.
Sustainability	**3**	The results of these procurement reform programmes shall be sustained through the commitment and political will of the member states, the overall reform agenda that is currently being undertaken in the public sector management across the whole of Africa, and the fact that this type of reform is a priority area of support for most development partners, including the momentum generated by the ongoing reforms in public procurement. In addition, the project has established a permanent TCPE drawn from the heads of Procurement Agencies of member states and the body meets once a year to share experience on the reform programme.
Overall Project Performance	**3**	**Satisfactory**

COMESA Performance

Component Indicators	Score (1 to 4)	Remarks
Preparation Quality [Ownership, beneficiaries' participation; Government commitment; Macroeconomic and Sector policies; Institutional Arrangements (counterpart funding)]	**4**	COMESA had undertaken a study to identify the status of the procurement system in the region and then submitted a comprehensive project proposal to the Bank. There was strong Government commitment as the Council of Ministers of COMESA tasked the Secretariat to undertake the first study. This was also in line with the agenda for regional integration. Institutional arrangements for implementation of the project were satisfactory with the provision of counterpart funding when required.
Implementation Quality [Assignment of Key Staff; Managerial Performance of Executing Agency; Use of Technical Assistance; Mid-course Adjustments; Adherence to time schedule and costs]	**3**	The project was implemented while adhering to cost and time. All the components of the project were completed. There was no request for amendments to the list of goods and services or reallocation of funding. The Project Management was put in place and they had adequate back up support from the COMESA Secretariat.
Compliance with Covenants	**4**	The Bank rules for grant signature, grant effectiveness for disbursement were all fulfilled within the stipulated period. There was also full compliance with Bank Procedures on procurement, disbursement and reporting.
Adequacy of Monitoring and Evaluation and Reporting	**3**	The project reporting system was good and the borrower submitted all required reports in time. However, the COMESA project Monitoring and Evaluation System needs to be oriented to track outcomes.
COMESA Overall Performance	**3**	**Satisfactory**

Bank Performance

Component Indicators	Score (1 to 4)	Remarks
At Identification [Project consistency with government development strategy; Project consistency with Bank strategy for country; Involvement of government/beneficiaries; Project Innovativeness]	4	There was no specific identification mission for the project (PPRP). A comprehensive proposal was received from COMESA and a preparation mission was launched. The project was consistent with the Bank's Regional Integration Policy and Governance Policy. The project was innovative as it was the first Bank project addressing procurement reform on a regional scale. Most of the Bank's policy-based interventions are country-specific. The two projects were consistent with the Bank's policy of supporting governance reforms and regional integration. The stakeholders were fully involved through the Abidjan conference on procurement reforms in Africa and the studies carried out by COMESA tasked by the COMESA Council of Ministers.
At Preparation of Project [Relevance of Bank support; Timely support]	**4**	The Bank launched a preparation mission with a reasonable skills-mix. The COMESA project proposal was comprehensive as it was based on the study commissioned by the COMESA Council of Ministers. The study gave an overview of the national procurement system in COMESA member states. The support was timely as it immediately followed the Abidjan Conference.
At appraisal [Quality of technical, economic, financial, institutional, social, environmental analyses; Relevance of conditions and covenants; Adequacy of lending instrument; Financial package adequacy; Quality of co-ordination with other donors/ partners; Implementation and Supervision plans (incl. performance indicators, M&E)]	**3**	An Appraisal mission with the right skill-mix was undertaken in October, 2000 and the project was approved in April, 2001. The conditions were relevant as they were mainly directed at strengthening the Management Structure of the project. Considering the magnitude of the problem that the project wanted to address in 19 countries, the funding was inadequate. Donors were mostly supporting procurement reforms at the national level while the Bank was introducing a "regional" approach. In retrospect, a combination of lending instruments might have yielded better results. The financial package was definitely inadequate in relation to the objectives set for the project.
At Supervision [Adequacy of Bank staff (skills, time and continuity); Problem solving; Responsiveness to changing conditions; Adequacy of Follow up on recommendations/ decisions; Realistic ratings at CPPR/APPR' Attention to likely social development impact; Attention to sustainability]	**3**	For the PPRP, the Bank had undertaken 5 supervision missions and one project completion mission. The Bank KPI for supervision was attained as five missions were undertaken in three years. However one major constraint on Bank missions was that they were focusing only on the Executing Agency and no field mission was planned for the member states. The adequacy of follow-up was good as reflected in the Aide Memoires prepared by supervision and subsequent progress reports. The ratings given by CPPR were reasonable. The Bank however, did not carry out a mid-term review for the project. The fact that a proposal was prepared by COMESA for the Bank to provide a second grant to consolidate the gains of PPRP ensured some continuity of support for reform, though there was a gap of three years between the two projects.
Overall Bank Performance	**3**	**Satisfactory**

Mid-Term Evaluation Ratings: Enhancing Procurement Reform and Capacity Project (EPRCP)

Component Indicators	Score (1 to 4)	Remarks
Relevance and quality-at-entry	**3**	Contributing to good governance and value for money of Government public expenditure, promotion of the private sector under fair competition and finally leading to greater regional integration. The project took into account the lessons leant from the previous project PPRP of which this project is a substantive continuation.
i. Consistency with country overall development strategy	4	CSPs of all the 19 COMESA member countries give priority to reforms in governance and Public Sector Financial Management of which Procurement Reforms are an integral part.
ii. Consistency with Bank Assistance Strategy	4	The project is in line with the Bank policies for the promotion of governance, regional integration, private sector development and capacity building at the country level.
iii. Macroeconomic Policy	3	The project expects that modernisation, harmonisation and capacity building of national procurement systems will lead to efficiency in public expenditure and promotion of economic integration and regional trade.
iv. Sector Policy	4	The project is central to the efforts to improve Public Sector Financial Management.
v. Public Policy Reform	4	The project is designed to strengthen the pillars of public sector reforms at the regional level by fostering transparency and accountability in public procurement.
vi. Poverty Reduction	3	Better utilisation of Government budgets and the achievement of value for money of the government procurement of works, goods and services can potentially lead to reduction in the wastage of resources which can be used for poverty reduction programmes.
vii. Social and Gender Equality	3	The project will address gender issues in selecting trainees from the national procurement agencies and the private sector to participate in procurement workshops and training seminars. The private sector seminar sub-component is expected to help increase the awareness of women in business in the Member States.
viii. Environmental Concerns	4	The COMESA Directive and the COMESA training modules included provisions for the promotion of Green procurement to address environmental concerns in the long run. The project has no direct negative impacts on environment and classified as Category III.
ix. Human Resources Development	3	The project is designed to develop a cadre of well-trained public procurement professionals and to strengthen the procurement knowledge of the responsible COMESA officials as well as the private sector.
x. Institutional Development	4	Implementation of the COMESA Directive will lead to the creation and/or restructuring of government institutions, decentralisation and capacity building.
xi. Private Sector Development	4	Private sector development is integral to the procurement reforms. The projects have designed Business Opportunity Seminars for the private sector and the development of a transparent and fair system to facilitate competition among contractors, consultants and suppliers in the region for government business opportunities. This is expected to promote private sector development, trade and industrialisation in the region.
xii. Regional Economic Integration	4	This project aims to contribute to regional economic integration through modernising and harmonising public procurement laws, regulations and practices in COMESA member states.
xiii. Risk assessment and Mitigation	3	The project has identified all the major risk factors that need to be addressed under a public procurement reform. The project has identified the diversity in levels of development of member states and the potential lack of political will as the major risks to be addressed during the implementation, and risk mitigating measures are part of the design.
Achievement of Objectives and Outcomes ("Efficacy") at Mid-Term	3	The EPRCP is currently under implementation and the mid-term review has been conducted. The project is expected to be completed by December 2011 with delivery of all outputs planned. The trend so far shows that that project is likely to achieve its objectives.

Component Indicators	Score (1 to 4)	Remarks
Policy Goals [Public investments and expenditure; Private sector regulation; Procurement policies]	3	The project aims to enhance good governance and regional integration in COMESA through modern and harmonised public procurement systems. The project is likely to contribute towards management of public investment and expenditure by improving the national procurement system and promotion of the private sector.
Physical Objectives (Outputs)	3	Under the EPRCP, the COMESA Regulations were approved and adopted by the Council of Ministers; the training materials were prepared and over 1800 personnel have been trained. Procurement systems of 14 out of the 19 member states are on the way to modernisation. However, the launching of the COMESA procurement management information system is delayed.
Efficiency	**NA**	The project completion date has been extended for one year mainly due to delays in delivery of some of the project components.
Institutional Development	**NA**	The institutional development impacts noted for PPRP remain valid for the EPRCP as most of those indirect effects are realised as part of the continued reforms.
Sustainability	**3**	The project sustainability factors remain relevant as recorded under the PPRP (see above).
Overall Project Performance	**NA**	Not ascertained

COMESA Mid-Term Performance

Component Indicators	Score (1 to 4)	Remarks
Preparation Quality [Ownership, beneficiaries' participation; Government commitment; Macroeconomic and Sector policies; Institutional Arrangements (counterpart funding)]	**3**	The quality of preparation of EPRCP was better than PPRP as it was a second consolidation phase of the reforms initiated by first project. The member states' commitment to the project is evident from the high level commitment from the COMESA Council of Ministers who endorsed the second phase of the project.
Implementation Quality [Assignment of Key Staff; Managerial Performance of Executing Agency; Use of Technical Assistance; Mid-course Adjustments; Adherence to time schedule and costs]	**3**	The EPRCP is managed by the same team which was responsible for the implementation of the PPRP. This time the Project Management Team became more familiar with the AfDB rules and procedures.
Compliance with Covenants	**4**	The project has been in full compliance with the covenants at Mid-Term.
Adequacy of Monitoring and Evaluation and Reporting	**3**	The COMESA project reporting system has been adequate and the borrower submitted all Bank reports in time. However, the COMESA project M&E System needs outcome orientation.
COMESA Overall Performance	**3**	**Satisfactory**

Bank's Mid-Term Performance

Component Indicators	Score (1 to 4)	Remarks
At Identification [Project consistency with government development strategy; Project consistency with Bank strategy for country; Involvement of government/beneficiaries; Project Innovativeness]	**3**	The project is consistent with Bank policy for supporting governance reforms and regional integration as well as the development strategy of COMESA member countries. However, considering the significance of ensuring continuity of reforms initiated during PPRP, it would have been more effective had the EPRCP been initiated by the Bank as well as COMESA. In effect, the second phase started only after three years after the completion of the first phase. This reduced the momentum for reform achieved during the first phase.
At Preparation of Project [Relevance of Bank support; Timely support]	**4**	The Bank launched a preparation mission with the required skills-mix. After receiving a request from COMESA for the grant for the follow up project, the subsequent Bank processes were carried out without delays.
At appraisal [Quality of technical, economic, financial, institutional, social, environmental analyses; Relevance of conditions and covenants; Adequacy of lending instrument; Financial package adequacy; Quality of co-ordination with other donors/partners; Implementation and Supervision plans (incl. performance indicators, M&E requirements)]	**3**	Overall, the Bank has ensured satisfactory quality at entry for the project with respect to the technical, financial, institutional, social and environmental analysis. The project has taken into account the lessons learnt from the PPRP while designing the follow-up EPRCP. The financial package is commensurate with the activities planned. However, the scale of activities, especially training, is inadequate in relation to the requirements to deepen procurement reform of 19 countries. The financial contribution of the projects is less than 10% of the total resources which member states have received for the national procurement reforms during this period.
At Supervision [Adequacy of Bank staff (skills, time and continuity); Problem solving; Responsiveness to changing conditions; Adequacy of follow-up on recommendations/decisions; Realistic ratings at CPPR/APPR; Attention to likely social development impact; Attention to sustainability issues]	**3**	The Bank has maintained the required number of supervisions for the project and the quality of supervision as reflected in the advice given and the follow-up are satisfactory.
Overall Assessment of Bank Performance	**3**	**Satisfactory**

Annex 3: Methodology, Approach and Limitations

Methodology and approach

The evaluation methodology used included desk review, discussions with the management, field visits and an electronic survey to generate relevant data and information. In order to collect information from key stakeholders, five COMESA member states were purposively selected for field mission: Ethiopia, Kenya, Rwanda, Uganda and Zambia. The stakeholder groups included: a) government departments and parastatal agencies; b) private sector representative institutions; c) civil society organisations; d) development partners; e) COMESA Secretariat; and f) The International Law Institute, Uganda.

The key rationale for the selection of the sample countries for field mission is as given below:

An online perception survey was carried out to collect information from various stakeholders in the COMESA member states which were not covered under the field visits. Representative responses from the governments were received from eight countries (Burundi, Djibouti, Madagascar, Malawi, Mauritius, Seychelles, Swaziland and Zimbabwe).

The evaluation used a before-and-after approach comparing the findings of the diagnostic survey carried out by COMESA with the current status of the procurement reforms systems in COMESA member states. In this regard, the World Bank's Country Procurement Assessment Reports (CPARs) were used in particular when they coincided with the period of the COMESA reforms. Perceptions of the stakeholders and development partners were essential to obtain a qualitative judgment of reform issues. In addition, international governance related surveys including the Corruption Perception Index, Doing Business surveys, Governance Profiles and Mo Ibrahim Index were used for qualitative assessment of change over time.

Finally, the standard OPEV evaluation criteria namely relevance and quality at entry, efficacy, efficiency, institutional development impacts, sustainability, performance of the Bank, and performance of the Borrower, were used for the assessment of results and delivery of the projects.

Country	Key selection rationale
1. Ethiopia	i) Considerable progress made in the implementation of public procurement reform projects, according to the project executing agency; ii) Federal governance structure within which to implement public procurement reforms.
2. Kenya	i) The largest beneficiary of interregional trade in COMESA region; ii) Vibrant private sector that has regional trade ambitions and capacity; iii) Prevalence of a dynamic civil society.
3. Rwanda	i) Post-conflict country with substantial governance reforms implemented in a relatively short period of time; ii) One of the few Francophone countries in COMESA though now becoming bilingual; Considerable progress made in implementation of public procurement reforms.
4. Uganda	i) Highly liberalised economy with fewer restrictions for trade; ii) Substantial progress made under the public procurement reforms projects; ii) Location of the International Law Institute (ILI), consultant for both the projects.
5. Zambia	i) Slow progress in implementation of public procurement reforms; ii) Location of COMESA secretariat, which is the project executing agency.

Limitations

a) The Francophone countries in the COMESA region are not adequately represented in the case study country sample even though the sample represents diverse development contexts and implementation experiences.

b) The electronic perception survey evoked limited response from civil society organisations and private sector; likely due to inadequate access to ICT facilities in member states.

c) There is a general absence of compiled data on the changes as a result of the procurement reforms. The largely unorganised information system at country level does not yield data on important variables such as changes in the level of participation and competition by the private sector over the years both nationally and regionally in the procurement process. While compilation of such data would require greater resources and time, the conclusions drawn in this report in such instances are based on qualitative information shared by different stakeholder groups.

Annex 4: Summary of Findings from Country Case Studies

Key findings from the five country case studies—Ethiopia, Kenya, Rwanda, Uganda and Zambia—are arranged in accordance with the four main pillars of a modern public procurement system, viz. legal and regulatory framework, institutional framework and management capacity, procurement operations and market practices, and integrity and transparency of the system. Detailed Country Case Studies are available in the technical report to this evaluation.

Legal and Regulatory Framework

Most of the case study countries have public procurement laws which are largely compliant with the COMESA Directive. Of the case study countries, only Zambia has not yet prepared corresponding regulations. The World Bank and other development partners have been engaged with country governments to reform the public procurement system in line with international best practice standards. This, coupled with the support from COMESA, helped in the preparation and enactment of improved procurement laws based on the principles of economy, efficiency, transparency and accountability leading to value for money. The member countries that enacted procurement laws prior to the Directive are revising the laws to make it compliant with the Directive. Standard Bidding Documents are used by Kenya, Rwanda and Uganda. Ethiopia and Zambia also use bidding documents but these are not standardised.

Institutional Framework and Management Capacity

All case study countries have by now established the apex oversight and regulatory authority for public procurement, mandated with policy development, capacity building and management of the system, as per the COMESA Directive. The regulatory authorities are in the early stages of consolidation with implications for their levels of independence and the resources they can command. Most of the regulatory authorities are constituted with broader stakeholder—government, private sector and civil society—representation while others are moving in that direction. The capacity of the apex authority is inadequate in some countries as is the case with public procurement capacity in general.

Most of the case study countries have capacity building strategies for public procurement, prepared with the assistance of development partners. Public procurement systems are haunted by serious capacity constraints which are an impediment to the meaningful decentralisation of the procurement function. While most of the procurement capacity development activities are focussed on the public sector, there is an increasing recognition that private sector capacity building should be adequately addressed to ensure their effective participation. Governments are taking steps to use the academic institutions as well as their own training centres towards building procurement capacity. The problem of high turnover of qualified procurement staff is faced by all case study countries.

Efforts to integrate public procurement into public sector governance are ongoing. Procurement planning is enshrined in all legislation, but their integration to and synchronisation with the budgetary processes has been difficult.

Procurement Operations and Market Practices

Procurement systems in all case study countries are decentralised from the erstwhile national tender

boards to various departments, parastatal organisations and in some cases to the sub-national government entities. However, the procurement responsibilities are not yet effectively transferred to the decentralised procurement entities in some countries, partly due to capacity constraints. Greater decentralisation is expected to bring in efficiency gains in the public procurement system. In line with the COMESA commitments, there has been an improvement in the dissemination of procurement information now accessible to larger numbers of potential bidders. All governments are considering e-procurement with the help of development partners but it is not yet a reality primarily due to infrastructure constraints. The procurement management information system (PROMIS), envisaged under the procurement reform and capacity projects, is yet to be launched. There is in fact a need for harmonisation of various ongoing IT initiatives in public procurement to avoid redundancy. The governments have found the training provided under COMESA projects as very useful but considering the magnitude of the problem, greater efforts towards capacity building are necessary.

Integrity and Transparency of Procurement System

All case study countries have established appeals mechanisms to address grievances related to the procurement process, specifically the awarding of contracts. There are several complementary institutions such as Anticorruption Commissions and Parliamentary Accounts Committees, which are expected to ensure integrity in the procurement process. Judicial Review is the highest level of appeal in most countries. Prominent among the non-governmental organisations are the national chapters of Transparency International and other non-governmental organisations, such as the Anticorruption Coalition in Uganda. The stakeholders have reported that these institutions have in recent years helped improve the integrity of the public procurement system.

Corruption is deep-rooted in all case study countries although the strongest response has come from Rwanda which maintains "zero tolerance for corruption." The Corruption Perception Indices of Transparency International and Doing Business Index of IFC and the World Bank have reported improvement in Zambia, Rwanda and Ethiopia but shows deterioration in the cases of Kenya and Uganda. The Accountability and Corruption Scores of Mo Ibrahim Index report a similar trend except in the case of Ethiopia which has registered a decline in 2008-09 after a steady improvement since 2005.

Conclusion

The changes observed in the public procurement system in recent years are a result of the combined effect of interventions by governments, the civil society and other development partners who particularly focussed on various elements of public procurement reforms or public financial management reforms. This was at the national and regional levels as initiated to by the COMESA public procurement reform and capacity projects. Most of the case study countries now have legal and institutional frameworks in line with international best practice. Market operations are showing signs of improvement with greater access to procurement information and increased competition. Political interference in the procurement process and inadequate political will to enforce procurement laws and regulations are a major hurdle to ensuring transparency, accountability and efficiency in the system. COMESA projects have been well-received by the case study countries though there are marked variations in commitment to this regional initiative due to disparities in the levels of development, historical factors and pressure from various domestic political and economic constituencies which slow down the process of harmonisation and regional integration.

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COMESA Public Procurement Reform and Capacity Building Projects

Project Performance Evaluation Report (PPER)

Relatively Small Investment with Potential for High Impact at Regional Level:
OPEV's independent evaluation found that the project met its key objectives, which were to (a) Harmonize public procurement rules, regulations and procedures in COMESA; (b) Improve national procurement systems and strengthen the capacity of COMESA member states in public procurement; and (c) Enhance awareness of procurement opportunities in COMESA. The subsequent Enhanced Procurement Reform and Capacity Project (EPRCP), 2006–2011, further enhanced the public procurement systems and management capacity of COMESA member states. Key lessons: Long-term engagement, partnership and coordinated actions of key stakeholders are essential for effective regional capacity building on procurement systems.

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