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PUBLIC PROCUREMENT REFORM: ASSESSING INTERVENTIONS AIMED AT IMPROVING TRANSPARENCY

RAPID EVIDENCE ASSESSMENT, NOVEMBER 2016

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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
Capex	Capital expenditure
DAC	Development Assistance Committee
DFID	Department for International Development
EU	European Union
MENA	Middle East and North Africa
OECD	Organisation for Economic Co-operation and Development
Opex	Operational expenditure
PFM	Public Financial Management
PPOA	Public Procurement Oversight Authority (Kenya)
REA	Rapid Evidence Assessment

KEY TO CITATIONS IN THIS REPORT

Citations of studies in this report include codes that describe characteristics of the study, as prescribed by DFID in its guidance note on *Assessing the Strength of Evidence**. The codes describe the type of study, the research design used, and the quality of the study, and can be interpreted as shown below.

Type of study		Research design		Method	Quality	
P	Primary research	EXP	Experimental	<i>Describe method</i>	↑	High
		QEX	Quasi-experimental	<i>Describe method</i>	→	Moderate
		OBS	Observational	<i>Describe method</i>	↓	Low
S	Secondary research	SR	Systematic review			
		OR	Other review			
TC	Theoretical or conceptual research					

For example, a study cited as: (Lackert, 2009 [P; OBS; case study; ↑]) is described as a primary research study [P] that uses an observational design [OBS] and a case study method, and has been assessed as high quality [↑].

The criteria used for these descriptions are explained in section 2.3 of this report. In this report, only primary and secondary studies were referred to; no theoretical or conceptual studies are included.

It is important to note that a low or moderate 'quality' rating does not imply that a study was poorly designed or executed, and does not suggest that its conclusions are incorrect or unreliable. It can simply mean that the report of the study did not fully explain its design or methods.

* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/291982/HTN-strength-evidence-march2014.pdf

EXECUTIVE SUMMARY

This Rapid Evidence Assessment (REA) examines evidence on the impact of public procurement reform and interventions. The research question for this REA is:

What is the effectiveness of different interventions that aim to improve the transparency of public procurement?

The accompanying sub-questions are:

1. What is the impact of improved procurement on accountability, anti-corruption and service delivery?
2. Is it possible to produce key success criteria?

An evidence base consisting of 48 studies, of high (11), medium (30) and low (7) quality, was used for the analysis. The geographic scope of the studies included the Middle East and North Africa (MENA) (3), South Asia (27), Sub-Saharan Africa (16) and developing countries in general (2).

The studies in the evidence base show why countries change their public procurement functions, which may be a result of external pressure and/or stem from governments' own initiatives. External pressure may come from developments in international standards, governments' international commitments (including commitments to donors), and from local firms' and citizens' demands for and expectations of better quality service. A government's desire to solve problems related to existing public procurement functions is the main reason for starting a procurement reform. The studies reveal three main problems that governments want to solve: 1) lack of procurement capacity and knowledge; 2) lack of procurement plans and procedures; and 3) malpractice and corruption.

The 48 studies included in this review rarely use the terms accountability, anti-corruption and service delivery that are listed in the first sub-question. It is also important to note that none of the studies claims to have hard evidence for the direct (positive) effects of different types of interventions. There are three underlying reasons for this: 1) no comparable data are available from before and after interventions; 2) an intervention is usually part of a bigger set of interventions or a large reform package, and as a consequence it seems impossible to measure which specific intervention has had which effect; and 3) various constructs, such as transparency and compliance, related to the performance of the public procurement sector are very hard to measure and/or make quantitative. These three factors demand a nuanced view on reported outcomes of public procurement interventions.

However, it is possible to identify five areas where the evidence implies positive results of public procurement interventions. These are grouped under output, outcome and impact below.

Table ES-1: Positive results of public procurement interventions

Positive results	Consistency of findings	Number of studies
Output		
Procurement courses developed	Consistent	20
Outcome		
Improved public-private relationships	Consistent	6
Impact		
Better compliance with rules and regulations	Mixed	7
Increased transparency and fairness	Consistent	15
Reduced costs	Consistent	6

These positive results need to be viewed in the context of barriers to effective interventions, post-reform challenges and institutional conditions, which are listed in the following three tables.

The studies included in the evidence base of this REA demonstrate six barriers to effective reform. Shortage of staff and lack of capability of procurement (and procurement-related) staff are the most commonly experienced barriers. Resistance to change and a low sense of urgency combined with little local support are also barriers that emerge in the evidence. Other barriers identified are the complexity of the reform itself, the need for additional, non-procurement reforms to sustain procurement interventions and a lack of readiness of the private sector.

Table ES-2: Barriers to effective reform

Barriers to effective reform	Consistency of findings	Number of studies
Shortage of staff and lack of capability	Consistent	21
Complexity of the reform	Consistent	6
Resistance to change	Consistent	12
Low sense of urgency and/or limited local support	Consistent	11
Private sector not ready	Consistent	9
Complementary reforms needed	Consistent	9

The studies paint a consistent picture of challenges that may arise in the post-reform period. These challenges are a direct result of reform and are most likely related to lack of preparation and monitoring of the implementation of the reform measures.

Table ES-3: Post-reform challenges

Post-reform challenges	Consistency of findings	Number of studies
Insufficient mandate and conflict of interests in authorities	Consistent	10
Lack of clarity about rules, procedures and documents	Consistent	13
Dysfunctional complaint mechanisms	Consistent	6
Inefficiencies due to unclear, lengthy tender procedures	Consistent	8

Two institutional conditions described in the studies as being supportive of reform are the provision of appropriate rewards for procurement staff (including an appropriate financial reward system and a career path) and implementation of a procurement code of conduct or code of ethics. These are both important anti-corruption instruments. Appropriate rewards help attract and retain quality staff and make staff less susceptible to bribery, and a code of conduct provides guidance in situations of conflicts of interest.

Table ES-4: Institutional conditions

Institutional conditions	Consistency of findings	Number of studies
Reward for procurement staff	Consistent	8
Procurement code of conduct	Consistent	12

To answer the second research sub-question, we have identified a set of success criteria, listed in the table below and following on from the barriers to effective reform, post-reform challenges and institutional conditions. These success criteria are derived from the data with a direct connection to one or more barriers, challenges or conditions, but not all success criteria are explicit in the 48 studies, nor was the exact wording taken from the evidence base.

Table ES-5: Success criteria that follow from barriers, challenges and conditions

Success criteria	Derived from	Type
Ensure sufficient and sufficiently trained staff at procuring entities and procurement-related bodies	Shortage of staff and lack of capability	Barrier
Pay sufficient attention to designing and preparing the reform, include stakeholders in the process and assess the public system beyond procurement responsibilities	Complexity of the reform	Barrier
	Complementary reforms needed	Barrier
	Resistance to change	Barrier
Build local support and avoid reforms that are primarily donor-driven	Misfit with local context	Barrier
	Low sense of urgency/local support	Barrier
Ensure that the oversight body (procurement authority) has a clear and executable mandate without any conflicts of interest built into its set of tasks	Insufficient mandate and conflicts of interest	Challenge
Educate not only government staff but also the private sector on how to work with the new and changed procurement practices, such as rules, procedures and documents	Lack of clarity about rules, procedures and documents	Challenge
	Private sector not ready	Barrier
Properly prepare the new way of working: develop unambiguous, standardised procedures and documentation, including a procurement code of conduct	Inefficiencies due to unclear, lengthy tender procedures	Challenge
	Dysfunctional complaint mechanisms	Challenge
	Procurement code of conduct	Condition
Provide appropriate salaries and a career path for procurement staff	Reward for procurement staff	Condition

The evidence base consists of studies with mainly qualitative data. The studies do not provide enough insight to assess the effect size (effectiveness) of public procurement interventions. The research question that is answered in this report is, thus, *what are the effects of different interventions that aim to improve transparency of public procurement?* The evidence base shows that the effects consist of positive results and post-reform challenges as listed in the tables above.

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1.0 INTRODUCTION

This Rapid Evidence Assessment (REA) was carried out as part of a wider assignment for the UK Department for International Development (DFID) with the overall objective of providing an assessment and rigorous synthesis of three subsets of the evidence on Public Financial Management (PFM). The three subsets cover legislative oversight, procurement structures and decentralisation of financing. This REA relates to the second subset, with the main research question: *What is the effectiveness of different interventions that aim to improve the transparency of public procurement?*

This introduction provides some background information (Section 1.1) on what public procurement is and why countries change their public procurement function (i.e. the motivation for an intervention or reform). Section 1.2 explains different types of reform and Section 1.3 elaborates on the research question. Finally, Section 1.4 details the structure of the report. The information in this chapter is based on the studies selected through the REA process, which is explained in Section 2 (Methods).

1.1 PUBLIC PROCUREMENT AND PUBLIC PROCUREMENT REFORM

Public procurement is about public entities using public funds to purchase goods and services from the private sector (Lackert, 2009 [P; OBS; case study; ↑]). About 50–70% of the national budget in developing countries is procurement-related (Lackert, 2009 [P; OBS; case study; ↑]; Ameyaw et al., 2012 [S; project evaluation; →]). Examples of annual procurement spend figures for specific countries are \$600 million for Ghana, \$46 billion for China and \$1 billion for Mozambique (Anvuur et al., 2006 [S; case study; ↓]; ADB & OECD, 2006–China, 2008 [S; project evaluation; ↓]; Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]).

With governments often among the largest buyers in a country, public procurement may be of crucial importance for certain supplier groups. In Morocco, for example, public procurement accounts for 70% of the business of construction firms (OECD, 2009a [S; project evaluation; →]). Similarly, contractors in Mozambique identify the government as their main client, with, in many cases, 80–100% of their business depending on government contracts (Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]).

The design of the public procurement function, including rules and procedures, differs by country. Procurement reform, according to the studies in this REA, refers to major changes in existing procurement functions. Most countries define objectives before executing such reforms, but the studies reviewed show that these objectives are not formulated in specific or concrete terms, but rather using somewhat abstract and vague terms. As a result, it is very difficult to assess whether or not these objectives have been achieved. Public procurement reform objectives are usually described in terms of increased transparency, reduction of corruption, achieving value for money and professionalising the procurement function as a whole. Table 1 lists three examples.

Table 1: Examples of reform objectives

Country	Reform	Objectives
Morocco	Implement 2007 Decree on Public Procurement	Address shortcomings and loopholes of existing decree, update and modernise public spending management tools, align with developments in international standards, and provide better service to firms and citizens (OECD, 2009b [S; project evaluation; →]).
Indonesia	Strengthening the Public Procurement Programme	Improve efficiency, transparency and accountability of the national public procurement system (Attström & Ismail, 2010 [S; project evaluation; →]).
Rwanda	PFM Reform Strategy	Improve competition, value for money, controls and transparency in public procurement (Ecorys, 2012 [S; project evaluation; ↑]).

The evidence base demonstrates why countries change their current public procurement function. We distinguish between external pressures and governments’ own initiatives to address problems stemming from a poorly performing or non-existing procurement function.

External pressure may come from developments in international standards and governments’ international commitments (e.g. from the EU, the World Bank, or the Free Trade Association), and from local firms’ and citizens’ demands for and expectations of better quality service (e.g. OECD, 2009a [S; project evaluation; →]). Donors may exert external pressure regarding governments’ international commitments, (Wittig and Jeng, 2005 [S; project evaluation; →]; Fölscher et al., 2012 [P; OBS; project evaluation; ↑]; Lawson, 2012 [S; case study; ↓]). This can potentially result in changes aligned with needs expressed by donors that may not fit the local context (see Section 3.3).

WHY REFORM?

- External pressure
- Address current public procurement problems
 - Lack of capacity and knowledge
 - Limited plans and procedures
 - Malpractice and corruption

However, governments’ own desires to solve existing problems within their public procurement function is the main reason for initiating procurement reform. The studies reviewed show three main problems that arise regarding the existing public procurement function:

1. Lack of capacity and knowledge;
2. Lack of procurement plans and procedures; and
3. Malpractice and corruption.

LACK OF CAPACITY AND KNOWLEDGE

Almost all studies indicate serious issues related to capacity and knowledge. Studies are consistent on what these issues are (Wittig and Jeng, 2005 [S; project evaluation; →]; World Bank, 2008 [S; project evaluation; ↑]; Banda et al., 2010 [P; OBS; case study; ↑]; Fölscher et al., 2012 [P; OBS; project evaluation; ↑]; Adu Sarfo & Baah-Mintah, 2013 [P; OBS; case study; →]):

- Weak and/or ineffective procurement organisation;
- Insufficient numbers of competent and dedicated procurement staff; and
- Lack of understanding of existing procurement law at all levels of staff in the government.

A general lack of capacity and knowledge regarding public procurement results in inefficient and ineffective procurement processes leading to long cycles (e.g. Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]), higher risks for donors whose funds are not being treated correctly (e.g. Fölscher et al., 2012 [P; OBS; project evaluation; ↑]) and failure to buy products in the

right quantities and at the right specifications and prices (e.g. Hui et al., 2011 [S; project evaluation; →]).

Lack of capacity and knowledge are also closely related to potential malpractice and corruption (discussed below). Governments do not always have staff in place to monitor the quality of contractors' work and may have to appoint consultants to do this. This creates a risk of consultants exploiting the situation, as illustrated by a study in Malaysia which found that contractors felt that consultants took advantage of government projects by fixing the price that needed to be paid by contractors for the consultants' 'services' (Hui et al., 2011 [S; project evaluation; →]).

LACK OF PROCUREMENT PLANS AND PROCEDURES

Lack of procurement plans and procedures is related to the lack of capacity and knowledge described above. Again, countries face three distinct issues:

- No public procurement policy in place;
- No or limited procedures available to conduct proper public procurement (including complaints and evaluation mechanisms, contract and record management, etc.); and
- No or limited procurement plans drawn up.

Below we describe issues related to a lack of procurement plans and procedures, looking respectively at the consequences of poorly conducted contract management and limited record management.

Contract management is important after a contract is signed. It entails responsibilities such as supervision of works and service delivery, goods reception, completion approval for payments, contract amendments and dispute resolution. The Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) point out that efficient contract management improves procurement outcomes, and conversely the World Bank (2008 [S; project evaluation; ↑]) found that contract management would benefit from 'greater professionalism in the procurement function'. Eight studies find low contract management capacity (e.g. Anvuur et al., 2006 [S; case study; ↓]) and no clearly defined procedures for undertaking contract management responsibilities. In one example in South Sudan, the World Bank found that 'contract supervision and administration are assigned on a case-by-case basis, capabilities are lacking if not inexistent [sic], and cases of mismanagement are frequent' (2012, p. 3 [S; project evaluation; ↑]). The consequences of poor contract management include project delays, use of low-quality materials, additional work or increasing quantities of materials, no reimbursement claims of advance payments to contractors who fail to deliver and payment delays (World Bank, 2008 [S; project evaluation; ↑]; Banda et al., 2010 [P; OBS; case study; ↑]; Hui et al., 2011 [S; project evaluation; →]; Ameyaw et al., 2012 [S; project evaluation; →]; and World Bank, 2012 [S; project evaluation; ↑]). Poor contract management eventually leads to higher costs.

Record-keeping is part of the entire procurement process and makes auditing possible. The Public Procurement Oversight Authority (PPOA, 2007 [S; project evaluation; ↑]) reports that in Kenya, record-keeping practices remain poor, with low levels of compliance with the legal framework and norms. The Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) show that in Mozambique, the quality of file management varies significantly from agency to agency, with file management mostly in the early stages of development. Without proper record-keeping, results and performance are impossible to monitor.

The Organisation for Economic Co-operation and Development and the PPOA argue that post-contract award activities, including contract management and record-keeping, should be included in

procurement reforms, but the studies show that this is not always the case (OECD, 2009b [S; project evaluation; →]; PPOA, 2007 [S; project evaluation; ↑]).

MALPRACTICE AND CORRUPTION

The third, and often most worrisome, problem, is that of malpractice and corruption (e.g. Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]; Lackert, 2009 [P; OBS; case study; ↑]; World Bank, 2012 [S; project evaluation; ↑]; ADB and OECD-transparency, 2006 [S; project evaluation; →]; OECD, 2009a [S; project evaluation; →]; OECD, 2009b [S; project evaluation; →]; Hui et al., 2011 [S; project evaluation; →]; Ameyaw et al., 2012 [S; project evaluation; →]).

The studies reviewed show that the vast scale of malpractice and corruption means serious amounts of money go to waste. Ameyaw et al. (2012 [S; project evaluation; →]) note that ‘the quantum of money changing hands through corruption in public procurement is estimated between \$390-400 billion per annum all over the world’ (p.57). They found that corruption in Sub-Saharan Africa existed in about 70% of public contracts and resulted in a 20-30% increase in the cost of contracts. The cost of corruption in Africa is estimated at around \$148 billion a year. Lackert, 2009 ([P; OBS; case study; ↑]) notes that public procurement is one of the activities most prone to corruption. The estimated damage of corruption lies between 10% and 25%, and sometimes constitutes up to 50% of the contract value. Such high amounts and percentages signal the urgency of procurement reform.

From the evidence base, the following three issues present themselves:

- A perception of public procurement being an area of waste and corruption;
- Various sorts of less explicit malpractice such as ‘urgent purchases’ at the end of the fiscal year, use of non-standardised bidding documents and deliberate flaws in specifications; and
- More explicit corrupt practices like illegal payments, biased evaluations, single-source procurement and selection of bribe-paying suppliers.

The perception of public procurement being an area of waste and corruption results in a lack of trust from the public and suppliers, reducing levels of competition and creating dissatisfaction among the public with the procurement function (e.g. Wittig and Jeng, 2005 [S; project evaluation; →]; Ameyaw et al., 2012 [S; project evaluation; →]).

Malpractice by procurement practitioners can be more subtle than outright corruption but produce similar outcomes in terms of unfair public procurement. For example, Hui et al. (2011 [S; project evaluation; →]) show that direct negotiation is used for urgent purchases that could have been avoided. The Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) find that procurement decisions are made on an emergency basis with an excessive use of direct contracting. In the Ministry of Health in Mozambique, for example, 74% of hospital consumables are purchased through direct contracting, and standard bidding documents and contracts are not always used or may have some clauses removed (e.g. penalties for delayed payments).

The use of single-source procurement* when open tendering would have been the right procedure to follow, is an example of a corrupt practice. For example, a compliance and performance indicator survey in Kenya showed that less than 2% of more than 11,000 procurements were open tenders. Just

* Single-sourcing means that a procuring entity awards a contract directly to a supplier without inviting any others. Single-sourcing impedes transparency, open competition, ensuring a fair price and avoiding bribery, and is especially undesirable for contracts exceeding certain financial thresholds. The same goes to a certain extent for the use of quotations, when the procuring entity invites several suppliers to make an offer. Compared with open tenders, the use of quotations is less transparent and therefore more sensitive to bribery and less effective in ensuring best value for money.

under 90% of these were quotations (PPOA, 2007 [S; project evaluation; ↑]). The World Bank (2012 [S; project evaluation; ↑]) discovered a strong tendency by user departments to free themselves from thresholds for selecting the proper tender procedure and to ‘argue by all possible means the necessity to proceed with single-source procurement’. Anvuur et al. (2006 [S; case study; ↓]) and Martínez and Kukutschka (2013 [S; project evaluation; →]) also point out a reliance on single-sourcing.

1.2 TYPES OF REFORM

A reform strategy or programme consists of different, sometimes separate, interventions. Most prevalent in the data is the implementation of a new or strongly revised procurement law and the establishment of a procurement authority that oversees and monitors public procurement.

Most countries in Sub-Saharan Africa and in the Middle East and North Africa region have implemented laws specifically addressed at public procurement, and many have also established a procurement authority. For example, Ghana has a Public Procurement Act and a Public Procurement Board (Ameyaw et al., 2012 [S; project evaluation; →]); Kenya has its PPOA and a Public Procurement and Disposal Act (PPOA, 2007 [S; project evaluation; ↑]). The situation is similar in Yemen, the West Bank and Gaza and Lebanon (Beschel & Ahern, 2012 [S; case study; ↑]).

Many countries in South Asia have multiple laws regulating public procurement; the evidence base does not make it clear why this is the case. The Asian Development Bank and OECD (ADB & OECD, 2006-China, 2006 [S; project evaluation; →]), for example, notes that China adheres to the Law on Bid Invitation and Bidding (which came into force in 2000) and the Government Procurement Law (which took effect in 2003). Similarly, Indonesia, Thailand, Cambodia, India and Malaysia adhere to various decrees that lay out their public procurement frameworks (ADB and OECD 2006-Indonesia/Thailand/Cambodia/India/Malaysia [S; project evaluation; →]). The Philippines, Pakistan, Bangladesh and Nepal have both authorities and laws or acts to regulate public procurement (ADB and OECD, 2006-Philippines [S; project evaluation; →]; ADB and OECD, 2006-Pakistan [S; project evaluation; →]; ADB and OECD, 2008-Bangladesh [S; project evaluation; ↓]; Tamang & Malena, 2011 [P; OBS; S; project evaluation; →]).

In addition to major reforms such as setting up a new public procurement authority, many countries have intervened in smaller ways to improve their public procurement function. This may include issuing national procurement standards and standardised bidding documents (e.g. Fölscher et al., 2012 [P; OBS; project evaluation; ↑]), training of staff and evaluation teams (e.g. Ecorys, 2012 [S; project evaluation; ↑]) and implementing a code of ethics (e.g. World Bank, 2008 [S; project evaluation; ↑]). E-procurement is also mentioned as a form of intervention because it potentially reduces non-compliance and corruption, but accompanying challenges related to inadequate IT infrastructure and knowledge remain (Neupane et al., 2012 [S; project evaluation; →]).

The studies in the evidence base do not show why countries have chosen specific types of reforms or interventions and have rejected certain alternatives. It is, therefore, not possible based on the available studies to link types of reforms to existing problems and draw conclusions on their specific impact in terms of a possibly improved public procurement function.

1.3 UNDERSTANDING THE RESEARCH QUESTION

The main research question formulated by DFID that underlies this report is:

What is the effectiveness of different interventions that aim to improve the transparency of public procurement?

The accompanying sub-questions are:

1. What is the impact of improved procurement on accountability, anti-corruption and service delivery?
2. Is it possible to produce key success criteria?

We have used the following definitions in our analysis of the studies:

- ‘Effectiveness’ is the extent to which interventions contribute to the improvement of transparency.
- ‘Interventions’ are the measures taken with the objective of improving the procurement function. The complete set of interventions in a country makes up a reform.
- ‘Improved procurement’ refers to the post-intervention situation in a country, regardless of the effect of the interventions.
- ‘Transparency’ is regarded as openness along the procurement chain, including being open about an upcoming tender, the way the selection and evaluation process is designed and executed, contract award decisions and the implementation of all public contracts.
- ‘Accountability’ is the obligation of government to account for its activities, disclose results in a transparent way and accept responsibility for their activities and resulting outcomes.
- ‘Anti-corruption’ refers to corruption between government procuring entities and the private sector and also to corruption further down the chain between contractors and sub-contractors.
- ‘Service delivery’ relates to services delivered to citizens on behalf of the government, for example health care and public road maintenance.

This REA was also supposed to make explicit any differences between capital and current expenditure procurement and to point out any specific outcomes of interest, such as transparency, accountability, anti-corruption or impacts on economic growth. However, the evidence base proved inadequate to address this question, as discussed in Section 3.1.

1.4 REPORT STRUCTURE

In Section 2 we describe how we conducted the REA and how this produced the evidence base. It outlines the search procedures, the inclusion and exclusion criteria, the classification of studies, quality assessment and the strength of the body of evidence, and the method used to analyse the studies. The appendix to this report presents details on the final evidence base.

In Section 3 we explain how the nature of the available data determines the extent to which we have been able to give clear and detailed answers and cause-and-effect overviews. The section also presents what the studies say with respect to the positive results of public procurement reforms and interventions, barriers to effective reforms, post-reform challenges and institutional conditions to take into account. The answers to the research questions are provided in Section 4, followed by some concluding remarks.

2.0 METHODS

This REA was conducted in two phases. The first phase, a systematic literature search and assessment of the quality of the studies, was conducted by Marta Riveira Cazorla from Coffey International Development and resulted in the evidence base. Sections 2.1 to 2.5 describe the steps taken during the first phase, and the appendix lists all studies that make up the evidence base. The second phase was carried out by Jan Telgen, Jonna van der Krift and Astrid Wake, and consists of the analysis of the evidence base and the preparation of the analytical report. The analysis is discussed in Section 2.6 and the main results of the second phase are described in Section 3.

2.1 SEARCH

An existing evidence base resulting from an earlier evidence mapping study that identified empirical evidence on PFM was used as starting point for building the evidence base for this REA. An additional search was done in order to further build and strengthen the evidence base, for the purpose of this REA on the effectiveness of procurement interventions.

The additional searches were carried out using Web of Science, Google Scholar, the World Bank publications database and the Development Assistance Committee (DAC) Evaluation Resource Centre. These were aimed at specific terms of interest within this appraisal and were not constrained (as was the case with the earlier evidence mapping search) by generic qualifying terms related to PFM.

Search items for searches conducted in Web of Science and Google Scholar were:

- “public procurement”;
- “public procurement reforms”; and
- “public procurement” AND (“interventions” OR “transparency” OR “accountability” OR “anti-corruption” OR “service” OR “delivery” OR “reform” OR “effectiveness” OR “laws” OR “capacity improvement” OR “economic growth”).

Search terms for the World Bank publications database and DAC Evaluation Resource Centre were:

- “procurement”;
- “public procurement”;
- “procurement reform”;
- “public procurement reform”;
- “procurement effectiveness”;
- “procurement accountability”; and
- “procurement transparency”.

The reference lists of many related publications were also skimmed to find further relevant material. This produced over 100 studies for consideration, of which 48 studies are included in the final evidence database. The main reason for excluding studies from the final database was a lack of evidence on outcomes.

2.2 INCLUSION AND EXCLUSION CRITERIA

The following inclusion and exclusion criteria were used:

Inclusion criteria:

1. Geographic focus: Low- and middle-income countries;
2. Language: Only studies available in English;

3. Research design: Primary, empirical research or evaluation (quantitative or qualitative) or secondary reviews; theoretical and conceptual papers are excluded;
4. Date of publication: Materials published from 2005 onwards;
5. Relevance: Studies exploring the relationship between a given set of PFM interventions and a given set of outcomes;
6. Types of publication: Academic journals, peer-reviewed materials, working papers, grey literature, books and book chapters that are available online. Books and book chapters are included where the text is available electronically directly from the publisher in PDF full text format. This excludes scanned copies and Google Book previews. Policy statements, guidance notes and advocacy-oriented materials are not included;
7. Cost of access: Materials included irrespective of whether fees are charged for access.

Exclusion criteria:

1. Lack of empirical evidence;
2. Studies with a focus on rich countries;
3. Studies focusing on countries in Latin America and Central and East Asia;
4. Evaluations by lenders/donors that focus on organisational aspects as opposed to PFM aspects;
5. Studies published in another language than English.

2.3 CLASSIFICATION OF STUDIES

The identified studies were classified according to the following characteristics:

- Geographical coverage: Developing countries, Sub-Saharan Africa, Middle East and North Africa and South Asia;
- Type of intervention covered: Studies were reviewed to identify which elements of procurement-related PFM interventions they address. This would range from, for example, legislative interventions to budgeting and planning systems, organisational restructuring and capacity-building of people and human resource management;
- Type of study: Primary Studies (P) and Secondary Studies (S);
- Study design: The nature of the study (experimental (EXP), quasi-experimental (QEX), observational (OBS), systematic review (SR), or other review (OR)); and
- Research approach: The research method used (e.g. case study, project evaluation, meta review).

2.4 QUALITY ASSESSMENT OF INDIVIDUAL STUDIES

The quality of the individual studies was assessed based on six principles derived from DFID guidance (Table 2).

Table 2: Criteria used to assess individual studies

Principles of quality	Associated questions
Conceptual framing	Does the study acknowledge existing research?
	Does the study construct a conceptual framework?
	Does the study pose a research question or outline a hypothesis?
Transparency	Does the study present or link to the raw data it analyses?
	What is the geography/context in which the study was conducted?
	Does the study declare sources of support/funding?

Appropriateness	Does the study identify a research design?
	Does the study identify a research method?
	Does the study demonstrate why the chosen design and method are well suited to the research question?
Cultural sensitivity	Does the study explicitly consider any context-specific cultural factors that may bias the analysis/findings?
Validity	To what extent does the study demonstrate measurement validity?
	To what extent is the study internally valid?
	To what extent is the study externally valid?
	To what extent is the study ecologically valid?
	To what extent are the measures used in the study internally reliable?
Cogency	To what extent are the findings likely to be sensitive/changeable depending on the analytical technique used?
	Does the author 'signpost' the reader throughout?
	To what extent does the author consider the study's limitations and/or alternative interpretations of the analysis?
	Are the conclusions clearly based on the study's results?
	Is the study dealing with an on-going or completed intervention?
	Is it part of a wider initiative or is it self-contained?

Source: DFID (2014).

The criterion of reliability, which describes how robust results are in the sense of being able to replicate stable results, has not been used as it was found not to be assessable for most of the studies. Relevance was taken into account in the literature search process that produced the evidence base, and is not included as a factor in the quality assessment.

The studies in the evidence base were scored on all six criteria on a three-point scale reflecting the extent to which the studies followed good research practice:

- 3 = no concerns;
- 2 = some minor concerns;
- 1 = major concerns.

This results in a score ranging from 6 to 18 for each study. Studies were then assigned a quality category based on their score (Table 3).

Table 3: Quality abbreviations

Quality score	Symbol	Definition
High (14–18)	↑	Comprehensively addresses the majority of the principles of quality
Moderate (10–13)	→	Some deficiencies in attention to the principles of quality
Low (6–9)	↓	Major deficiencies in attention to the principles of quality

All studies referred to in this REA were scored according to these criteria. References in this report provide abbreviations indicating the scores achieved. For example, Jones (2005 [P; EXP; →]) would indicate 'a primary research paper by Jones from the year 2005, using an experimental research design, with the paper being of moderate quality'.

Table 4 summarises the evidence base found for this REA in terms of types of study and quality.

Table 4: Quality of individual studies

Study quality	Symbol	Type of study	#	Total #	% of all studies
High (14–18)	↑	Primary	3	11	23%
		Secondary	8		
Moderate (10–13)	→	Primary	2	30	62.5%
		Secondary	28		
Low (6–9)	↓	Primary	0	7	14.5%
		Secondary	7		
Total:				48	100%

It is important to note that a low or moderate ‘quality’ rating does not imply that a study was poorly designed or executed, and does not suggest that its conclusions are incorrect or unreliable. It can simply mean that the report of the study did not fully explain its design or methods.

In this report, the analysis and arguments are based only on studies of high and moderate quality, but studies rated ‘low’ are used at some points to illustrate arguments made. The appendix lists all studies from the evidence base including their geographical region, coded reference, type of expenditure and country.

2.5 STRENGTH OF THE BODY OF EVIDENCE

The final step in the process of evidence assessment is to consider the overall body of evidence and how it addresses the research question. This includes an assessment of its quality, size, context and consistency (DFID, 2014).

QUALITY OF THE STUDIES CONSTITUTING THE BODY OF EVIDENCE

The quality of a body of evidence is determined by the quality of the studies that constitute it (see tables in Section 2.4). The following categories are distinguished for the quality of a body of evidence:

- High quality: many or a large majority of the studies reviewed are considered to demonstrate adherence to the principles of research quality.
- Moderate quality: approximately half of the studies reviewed demonstrate the principles of research quality.
- Low quality: many or a large majority of the studies reviewed show significant deficiencies in adherence to the principles of quality.

Based on the assessment of the individual studies as described in Section 2.4 we conclude that the available body of evidence is of moderate quality, with 63% of the individual studies being of moderate quality.

SIZE OF THE BODY OF EVIDENCE

DFID’s (2014) guidelines note that there is no objective standard to determine the number of studies that denote adequacy, and that describing the size of the body of evidence is a matter of professional judgement. Considering the relatively large geographical scope of the literature search, the overlap between the countries covered by the studies which strengthens empirical findings through corroboration, and the relatively broad range of themes/topics within public procurement, we describe the size of the body of evidence, consisting of 48 studies, as ‘medium’.

CONTEXT OF THE BODY OF EVIDENCE

The geographical scope specified for this evidence assessment covered four regions of the world. The evidence base, broken down by region, is described in table 5.

Table 5: Geographical context of the body of evidence

Region	Total number of studies	Number of studies per quality category		
		High	Moderate	Low
Developing countries in general	2	-	2	-
Sub-Saharan Africa	16	9	5	2
Middle East and North Africa	3	1	2	-
South Asia	27	1	21	5
Total	48	11	30	7

CONSISTENCY OF THE FINDINGS OF STUDY

Terminology for describing the consistency of a body of evidence is defined by DFID (2014), as shown in Table 6.

Table 6: Consistency categories

Consistency	Definition
Consistent	A range of studies point to identical or similar conclusions.
Inconsistent	One study or more directly refutes or contests the findings of another study or studies carried out in the same context or under the same conditions.
Mixed	Studies based on a variety of different designs or methods, applied in a range of contexts, have produced results that contrast with those of another study.

Source: DFID (2014).

The 48 studies paint a consistent picture regarding findings and conclusions. There is major overlap between why countries initiate public procurement reform, the positive results, barriers to effective reform and post-reform challenges, as explained in Section 3. Studies describe comparable struggles per country, even across different regions. Further, the research methods used are mostly similar: primary studies based on interview data and secondary studies also based on qualitative data.

SUMMARISING THE CHARACTERISTICS OF THE BODY OF EVIDENCE

The body of evidence identified in this report is medium-sized, consisting of 48 studies, and of moderate quality. The evidence consistently shows comparable findings regarding the effect of interventions and the barriers and challenges during and after public procurement reform. Section 3.1 goes into further detail concerning the nature of the data and the consequences for the results reported here.

2.6 ANALYSIS AND REPORT WRITE-UP

In order to systematically analyse the evidence base, we coded all studies using NVivo software for qualitative data analysis. All studies were coded based on an initial provisional code list that was supplemented with codes that emerged during the coding process (i.e. an open coding process). Codes such as 'reform objectives', 'procurement expenditure' and 'positive outcomes' were used. After a first round of coding, we generated lists of quotes per code to discover patterns in the studies

before supplementing our list with codes such as 'challenges during reform', 'challenges after reform' and 'conditions for successful interventions'. The new, more complete, list of codes was checked and approved by DFID, and subsequently used for a second round of coding. The final, adjusted, code list shaped the structure of this report. During the write-up of the report the accompanying 'quotes' (pieces of texts with codes) were placed back in the context of the studies for proper interpretation.

3.0 ASSESSMENT OF THE EVIDENCE

The research question underlying this REA zooms in on the effects of reform in the public procurement sector in developing countries. Before going into the positive results of, and the barriers to, reform, we first briefly discuss the studies that were analysed and their limitations. This is crucial because the sections that follow are strongly influenced by the nature of the available data. The results of this chapter inform the answers to the research question and sub-questions as presented in Section 4.

3.1 NATURE OF THE AVAILABLE DATA

Evenett and Hoekman wrote in 2005 that the existing literature on public procurement reform in developing countries was in an embryonic state (2005 [S; project evaluation; →]), and eleven years later, this still seems to be the case. Many articles and reports are available, but the studies used for this REA show once again that studies are mainly descriptive and qualitative in nature. They are very useful in describing reform initiatives and highlighting the potential of new laws and practices, but are based mainly on a limited number of interviews with procurement staff or focus on less high-end political issues related to public procurement.

It is also important to note that none of the studies claims to have hard evidence for the direct (positive) effects of different types of interventions. There are three underlying reasons for this: 1) no comparable data are available from before and after interventions; 2) an intervention is usually part of a bigger set of interventions or a large reform package, and as a consequence it seems impossible to measure which specific intervention has had which effect; and 3) various constructs, such as transparency and compliance, related to the performance of the public procurement sector are very hard to measure and/or make quantitative. These three factors demand a nuanced view on reported outcomes of public procurement interventions. When the World Bank (2008 [S; project evaluation; ↑]) reports, for example, in Ghana that substantial progress has been achieved in strengthening public procurement, this refers to the enactment of a new law or a newly established complaints panel, rather than showing demonstrable increases in transparency or efficiency. Ameyaw et al. (2012 [S; project evaluation; →]) also argue 'there is no evidence that the passage of the Public Procurement Law and its implementation has made any significant impact in curbing corruption in public procurement in Ghana' (p.58).

Finally, the original research question for this REA required identifying differences in outcomes between operational and capital expenditure. Operational expenditure (opex) refers to the costs of running the system (day-to-day costs), such as salaries of civil servants and utilities, while capital expenditure (capex) refers to expenses incurred in developing or providing non-consumable system parts, such as buildings, roads and equipment. Of the 48 studies that are part of the evidence base, only two are explicitly limited to capex. The other 46 discuss public procurement interventions in general (capex and opex). Consequently, we found no distinct results between capex and opex expenditure regarding procurement reform effects.

These characteristics of the available data mean that hardly any cause-effect relationships can be reported, that factual proof of actual progress or improvement is mostly lacking and that capex/opex distinctions are not made.

The next sections include tables that show the number of studies that discuss the occurrence of positive results, challenges, barriers, and institutional issues. Counting the studies where a positive result is mentioned, however, does not in itself provide valuable information. When six studies note,

for example, that the relationship between government and the private sector has improved through public procurement reform, this does not mean this is not the case in more instances, regions, or countries. It could be that the other 42 studies simply do not go into the issue, perhaps because they have looked at positive outcomes for governments only or because they merely describe what public procurement reform intended to achieve. Numbers of studies are listed only to indicate that what we present in this report is soundly grounded in the studies from the evidence base.

3.2 POSITIVE RESULTS OF PROCUREMENT REFORM

The studies reviewed here do not provide quantitative insights, either with regard to type, target group or scale of the interventions, or in terms of the intended effects or the problems the interventions were designed to solve. The studies also do not relate all results to the concepts ‘accountability’, ‘anti-corruption’ and ‘service delivery’ (the terms used in the first research sub-question). In line with the findings presented in the studies, we therefore categorise the identified positive results in a descriptive way. The first two items are outputs and outcomes more than impacts. Table 7 lists the positive results, which are discussed below.

Table 7: Positive results of procurement reform

Positive results		Consistency of findings	Number of studies
Output			
Procurement courses developed		Consistent	20
Outcome			
Improved public–private relationships		Consistent	6
Impact			
Better compliance with rules and regulations	Likely impact Positive	Mixed	7
Increased transparency and fairness	Positive	Consistent	15
Reduced costs	Positive	Consistent	6

PROCUREMENT COURSES DEVELOPED

Many different interventions or parts of a reform package are aimed at developing a professional procurement workforce. All studies report on some sort of training as being provided, developed or planned or as a prerequisite for successful reform. Training ranges from Master’s degree programmes in (public) procurement to short courses to quickly train large numbers of staff. Some examples are described below.

The Public Procurement Oversight Authority (PPOA, 2007 [S; project evaluation; ↑]) reports for Kenya that procurement training programmes at BSc and MSc levels—primarily targeting public sector recruitment—are offered by a number of public and private institutions. In Rwanda, procurement officers have been admitted for a Masters programme in public procurement offered by the School of Finance and Banking in association with the University of Turin (Ecorys, 2012 [S; project evaluation; ↑]). Malawi has established formal training capacity at the Masters level and a pre-graduate course for procurement professionals as well as short training courses (Fölscher et al., 2012 [P; OBS; project evaluation; ↑]). In Liberia the government has focused on upgrading the skills of existing procurement employees and on training new procurement personnel (Martínez & Kukutschka, 2013 [S; project evaluation; →]).

IMPROVED PUBLIC–PRIVATE RELATIONSHIPS

Six studies report examples of interventions that have led to improvements in public-private relationships. In Kenya, the PPOA (2007 [S; project evaluation; ↑]) reports that the dialogue between government and the private sector is considered open and constructive, partly because of public procurement reform. Rwanda has actively involved suppliers in drafting procurement regulations, among other things, and private sector representatives express satisfaction with the ongoing dialogue on procurement issues (Ecorys, 2012 [S; project evaluation; ↑]). In Mozambique the government tries to pursue input from the business sector on procurement practices in a systematic fashion through surveys and communication with business associations (Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]). The OECD (2009b [S; project evaluation; →]) reports that in Morocco the private sector was closely involved in preparing the new procurement regulations, and proposals for new regulations were broadly accepted and reflected in the 2007 decree on procurement. The procurement law in Morocco has resulted in better cooperation with the private sector ‘by simplifying administrative procedures and introducing forms of recourse’ (p.14). In the Philippines, the procurement authority puts extra effort into maintaining very close ties with the private sector. One intervention addressed the mandatory requirement for procuring entities to work with observers, and ensured that companies interested in fielding observers could get appropriate training and help. In return, private professional organisations help the procurement authority pinpoint agencies that encounter problems in their procurement activities. This shows that the benefits of an improved relationship between government and the private sector can work both ways (ADB and OECD, 2008-Philippines [S; project evaluation; ↓]).

BETTER COMPLIANCE WITH RULES AND REGULATIONS

When a public procurement law is first introduced, procuring entities may struggle to comply with the new rules. Hardly any studies present facts regarding increased compliance through reform. The study by Ecorys (2012 [S; project evaluation; ↑]) is an exception and claims that the decentralised approach in Rwanda, with the procurement authority acting in a central role of control and monitoring the decentralised service, has directly contributed to improvements in compliance, with various indicators rising from 50% to 72% over the course of two years. Other studies also describe increased compliance after public procurement interventions, although without presenting hard figures. ADB and OECD (2008-Indonesia [S; project evaluation; ↓]) report that the new procurement system in Indonesia has deterred unqualified people from being involved in procurement, which has, according to the study, led to better compliance with the law. Neupane et al. (2012 [S; project evaluation; →]) report increased compliance in Ghana since establishment of the public procurement act in 2003, and Martínez and Kukutschka (2013 [S; project evaluation; →]) claim that compliance with rules and regulations improved in Liberia after reform.

While the studies above provide evidence on the positive results of public procurement reform regarding better compliance with rules and regulations, Lawson (2012 [S; case study; ↓]), for example, provides a dissenting opinion. He reports for Malawi that ‘the significant shortages of trained staff within the civil service, combined with the persistence of hierarchical modes of working, limited accountability and a culture of frequent disregard of rules had made it impossible to implement the “best practice” model of decentralised procurement’ (p.57).

INCREASED TRANSPARENCY AND FAIRNESS

The objectives of public procurement reform almost always refer to increased transparency of tender procedures, of results and/or of the procurement function in general. Similarly to compliance, however, transparency is hard to quantify and measure. Ecorys (2012* [S; project evaluation; ↑]) and ADB and OECD (2008-EGP Indonesia [S; project evaluation; →]), report percentages and numbers regarding public complaints and submission of procurement plans, while other studies offer qualitative indicators for increased transparency.

For example, Adu Sarfo and Baah-Mintah (2013 [P; OBS; case study; →]) quote Ghanaian informants as reporting that 'to a very large extent the procurement act ensures transparency in the procedures' (p.96) and that contracts in Ghana are duly advertised and published to the general public through national media to ensure fairness and transparency. Wittig and Jeng (2005 [S; project evaluation; →]) report on the results of a survey sent out to 46 procuring organisations in The Gambia with a 50% response rate: 90% of the respondents agreed that the public now had more information about contracts awarded by the organisation, and 90% also agreed the new system had 'facilitated and enhanced transparency, accountability and fairness in conducting procurement procedures' (p.33). And in a report about public procurement in Indonesia (ADB and OECD, 2008-EGP Indonesia [S; project evaluation; →]), the authors claim e-procurement has increased transparency 'to the extent of online publication of tender documentation and award results, significant online engagement of suppliers with substantial numbers of tenders submitted online and documents downloaded, a reduction in complaints, and greater satisfaction of suppliers' (p.131). ADB and OECD (2008-Bangladesh [S; project evaluation; ↓]) quote a ministry secretary stating that transparency and accountability have been established, and that 'Fairness and competition in the processing of cases has improved. Previously, discretion and loopholes used to lead to corruption' (p.84).

Another positive effect that relates to transparency concerns increased fairness for suppliers. When public procurement procedures are non-transparent, or possibly obscure, suppliers do not feel fairly treated. Increased fairness for suppliers may be expressed in terms of existing complaints mechanisms, but also of publication of tender invitations and tender outcomes. Countries work hard to be open to suppliers about their procurement related data, such as upcoming tenders and awarded contracts. The procurement authority in Rwanda, for example, has developed the Procurement Publication System to help procuring entities work with an online system for management and advertising procurement related data (Ecorys, 2012 [S; project evaluation; ↑]). As much as such a system contributes to increased transparency in general, it specifically aims at informing suppliers.

The fact that suppliers can take steps to challenge the outcomes of tendering procedures also increases fairness for suppliers when appeals are taken seriously. In Morocco, for example, a tenderer may first complain to the contracting authority. If they are not satisfied with the response they may take the matter up with the minister concerned, and ultimately appeal to the secretary general of the public procurement review board (OECD, 2009a [S; project evaluation; →]). In Rwanda, Ecorys (2012 [S; project evaluation; ↑]) reports that transparency has improved, with public complaints increasing from 28 (in 2008/09) to 79 (in 2010/11) as a result of decentralising procurement with a central role of control and monitoring for the country's procurement authority.

* Ecorys (2012 [S; project evaluation; ↑]) derives increased transparency from a steep increase in public complaints. The increase in complaints may be a result of increased transparency but it could also mean simply that more issues with compliance have arisen.

REDUCED COSTS

The evidence base shows that public procurement reform may also lead to reducing costs—that is, spending less public money and/or spending it more efficiently. This suggests better service delivery to the public and increased value for money from the taxpayer’s perspective.

Strong competition from a vibrant supplier market generally delivers value for money and saves costs, but this requires following thorough procurement procedures (Adu Sarfo & Baah-Mintah, 2013 [P; OBS; case study; →]). Quantitative evidence on actual cost reductions through public procurement reform is scarce. To paint a picture of the magnitude of possible procurement savings, Beschel and Ahern (2012 [S; case study; ↑]) explain that a 1% efficiency gain in Egypt’s budget would yield enough resources to build 40,000 schools, pave 4,500 km of highway or recruit an additional 600,000 doctors. Evenett and Hoekman (2005 [S; project evaluation; →]) claim that in Pakistan, open and transparent bidding has resulted in savings of more than \$3.1 million for the Karachi Water and Sewerage Board, and that Colombia achieved a 47% saving in the procurement of military goods through improved procurement procedures. Similarly, Bangladesh was able to reduce electricity prices through improved procurement procedures. According to ADB and OECD (2008-China [S; project evaluation; ↓]), the Chinese government procurement system saves 10% in procurement funds every year. The same report discusses the regulation of funds and thus the protection of national and public interests. In China, the financial authorities have introduced a series of government procurement policies in favour of energy conservation and environment-friendly products, leading to more savings. Thus, it is possible to reduce costs through efficient procedures (where suppliers are encouraged to compete) but also by changing the way goods, services and works are purchased, such as through using smart technical specifications.

3.3 BARRIERS TO EFFECTIVE PUBLIC PROCUREMENT REFORM

The 48 studies in this review report on a large number of barriers that countries face while trying to reform their public procurement function. We find six types of barriers, listed in Table 8 and discussed in the following sections.

Table 8: Barriers to effective reform

Barriers to effective reform	Consistency of findings	Number of studies
Shortage of staff and lack of capability	Consistent	21
Complexity of the reform	Consistent	6
Resistance to change	Consistent	12
Low sense of urgency and/or limited local support	Consistent	11
Private sector is not ready	Consistent	9
Complementary reforms needed	Consistent	9

SHORTAGE OF STAFF AND LACK OF CAPABILITY

A challenge that prevails during times of reform and that also hinders progress afterwards concerns a lack of capacity (quantity) and capability (quality) of human resources in the public sector.

Most countries experience a dearth of qualified procurement staff. Mozambique is struggling with this (Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]): there is no systematic/sustainable government programme for the training/certification of staff who work in procurement. This also applies to South Sudan, according to World Bank (2012 [S; project evaluation; ↑]), where identified staff in procurement units often have very little, if any, actual procurement

experience. In Malawi, Fölscher et al. (2012 [P; OBS; project evaluation; ↑]) report a weak skills base for procurement in government and find that, although procurement officers have attended workshops, they do not put into practice what they learn; the institutional context within which procurement officers operate appears not to incentivise them to follow the changed rules. Wittig and Jeng (2005 [S; project evaluation; →]) report in the Gambia a low level of competency and that most government procurement staff are employed for a less challenging task.

Especially in the early stages of reform, civil servants may need to spend extra time on top of their regular tasks (Lackert, 2009 [P; OBS; case study; ↑]) and they may not be able to do so. Some reforms include measures to decentralise responsibilities, hence more procurement staff are needed. This aggravates the challenge existing before the reforms—namely, that of an unprofessional procurement workforce. This is illustrated by Ecorys (2012 [S; project evaluation; ↑]) in Rwanda: ‘The transfer of procurement responsibilities to individual organisations is creating work load problems, particularly at District Council level’ (p.15).

Moreover, many countries face the challenge of meeting their needs for specialised procurement knowledge. The PPOA (2007 [S; project evaluation; ↑]) explains that the development of a professional procurement workforce in Kenya is hindered by an overall lack of procurement knowledge; procurement entities are unable to find the expertise they need in-country. Hui et al. (2011 [S; project evaluation; →]) note that in Malaysia, procurement officers may be responsible for preserving the inefficiencies of procurement systems, due to inefficient management and incompetence in general. And Evenett and Hoekman (2005 [S; project evaluation; →]) state that a lack of technical knowledge and capacity impede public procurement reform. The PPOA (2007 [S; project evaluation; ↑]) reports that in Kenya some ministries have highly professional procurement units while others urgently need assistance. In Rwanda, Ecorys (2012 [S; project evaluation; ↑]) finds that ‘there is almost no procurement professional cadre in Rwanda and no procurement officers in the public sector who are qualified or certified’ (p.15). Lawson (2012 [S; case study; ↓]) confirms the picture for Malawi, where a significant shortage of trained staff within the civil service was found to be one of the four main reasons why it turned out to be impossible to implement a best practice model of decentralised procurement.

The challenge of an unprofessional workforce appears to persist even after reforms. The PPOA (2007 [S; project evaluation; ↑]) concludes that reforms in Kenya did not adequately address competence development needs, and that inadequate competence levels are often reported as the most important blocking issue for further procurement improvement. Similar findings are reported by Ameyaw et al. (2012 [S; project evaluation; →]), who state that the Country Procurement Assessment Report of Ghana revealed that most staff members responsible for procurement were not procurement-proficient, even though they had received training. Fölscher et al. (2012 [P; OBS; project evaluation; ↑]) and Lawson (2012 [S; case study; ↓]) find that reform models were not sufficiently adapted to the context ‘in which technical and managerial skills were scarce and difficult to recruit or retain when trained’ (p.63). Less sophisticated, simpler, reforms might have resulted in greater improvements.

A shortage of capable staff and lack of capability also exist among non-procurement staff. For example, the establishment of oversight bodies and the decision to start auditing the procurement function leads to an increased need for procurement-proficient auditors. According to the PPOA (2007 [S; project evaluation; ↑]), there is a lack of procurement proficiency among auditors in Kenya: audits are reportedly not always adequately sensitive to procurement-related issues. According to the World Bank (2012 [S; project evaluation; ↑]), there is a lack of qualified and experienced staff at the Mozambique Procurement Policy Unit with the capability to undertake responsibilities including

standing up to user ministries, departments and agencies when noncompliance is identified. Ameyaw et al. (2012 [S; project evaluation; →]) outline several challenges with regard to the operations of the National Public Procurement Authority of Sierra Leone, one of them being deficient staff capability. Hui et al. (2011 [S; project evaluation; →]) found that the established authority in Malaysia lacked sufficient personnel to independently monitor and audit progress and performance of the projects tendered. In the Philippines, the Government Procurement Policy Board core members are 12 high-level public officials. Their primary work already takes up more than their regular office hours, so it is hard to expect they will pay sufficient attention to the operational concerns of the office (ADB and OECD, 2008-Philippines [S; project evaluation; ↓]). Or, as ADB and OECD (2008-Oversight [S; project evaluation; →]), put it, 'while the kind of program described... will ultimately help address the problem of procurement quality at the transaction level, it will not correct the institutional weaknesses that exist in procuring entities across government, much less the weaknesses in the oversight body and the other agencies that are carrying out important procurement-related activities, such as audits' (p.103).

COMPLEXITY OF THE REFORM

In the context of discussing (un)successful procurement reform and the problems that may arise during the period of reform, six studies mention the complexity of the reform itself (including Evenett & Hoekman, 2005 [S; project evaluation; →] and Martínez & Kukutschka, 2013 [S; project evaluation; →]). Many substantive issues are involved, in the form of different interventions, that together shape the complete reform. Many stakeholders are involved in the process of reform, such as representatives from the government, civil society, development partners and the private sector, making it a process that is hard to control and monitor. ADB and OECD (2008-Philippines [S; project evaluation; ↓]) argue that a reform can succeed only with the full support of its stakeholders. Moreover, multiple environmental factors interfere with the public procurement function. These, as Ameyaw et al. (2012 [S; project evaluation; →]) indicate, include market conditions, the legal and political environment and organisational and socioeconomic factors. We discuss some of these in more detail later in this section. In addition to the complex interventions that need to be implemented in a usually sensitive context, continuous re-engineering and improvement are necessary (Hui et al., 2011 [S; project evaluation; →]) during and after the reform, making the period of reform (and shortly thereafter) even more complex.

During (and also after) the reform process, public procurement meets other core public functions, such as audit, public financial management, human resource development and anti-corruption programmes (OECD/DAC, 2007 [S; case study; →]). In order to harmonise the interplay of these different public functions, the input and coordination of several stakeholders is required. Furthermore, public procurement reform is often only one part of a bigger reform, usually an overhaul of the wider PFM system. This ensures that procurement is properly managed throughout the process and, conversely, information from procurement is incorporated in the budget cycle, as found by Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]).

RESISTANCE TO CHANGE

In any reform initiative, resistance is often a natural reaction to change (e.g. OECD/DAC 2007 [S; case study; →]; ADB and OECD, 2008-Oversight [S; project evaluation; →]). Resistance to changing the public procurement function occurs among different stakeholder groups. When individuals and institutions benefit from an existing system they see little reason to comply to new rules. Beschel and Ahern (2012) [S; case study; ↑] give the example of Yemen and Syria, where public procurement

interventions have touched on areas of corruption, leading to strong incentives to delay or divert the reform process. The authors find that resistance to change can also come from auditors who are reluctant to be removed from the transaction control process when this is a source of corruption. Other difficulties stem from those who have only recently been involved in procurement processes. Having waited and worked up the political hierarchy for years to reap the benefits of power, they are reluctant to change existing systems and undermine the (corrupt) benefits that come with their newly gained positions (Tamang & Malena, 2011 [P; OBS; S; project evaluation; →]).

Besides public officers resisting change, the private sector may also be opposed to procurement reform. Wittig and Jeng (2005 [S; project evaluation; →]) explain that suppliers in The Gambia felt the new procurement rules could unduly restrain their performance now that they were subject to performance contracts. A general reluctance to tender was the result in the early days of the reform.

In general, individuals who are against change may put 'champions of change', who impose free and fair procurement, at risk (Attström & Ismail, 2010 [S; project evaluation; →]).

LOW SENSE OF URGENCY AND/OR LIMITED LOCAL SUPPORT

Some studies report a lack of urgency to public procurement reform, resulting in delayed or inadequate implementation of comprehensive reform plans. Beschel and Ahern (2012 [S; case study; ↑]) state that 'as has happened far too often in MENA, reform can become "business as usual" and lose any sense of priority or urgency' (p.14). This lack of urgency may find its origin at the governmental level. Sometimes, procurement reform is not given equal urgency compared with other interventions that take place at the same time (Fölscher et al., 2012 [P; OBS; project evaluation; ↑]).

In the case of Malawi, procurement reform did receive donor support but very little funding from the governmental development budget. Fölscher et al. (2012 [P; OBS; project evaluation; ↑]) raise questions about governmental commitment regarding planned changes in the Malawian procurement function. As a result of what seemed to look like reduced urgency, slow progress was made establishing and filling posts for a common procurement service across government.

Ameyaw et al. (2012 [S; project evaluation; →]) note that 'the principal challenge in assessing political will is the need to distinguish between reform approaches that are intentionally superficial and designed only to bolster the image of political leaders and substantive efforts that are based on strategies to create change' (p.57). In Indonesia, for example, political pressure resulted in a focus on two high profile components of the reform programme, the Procurement Law and e-procurement, while attention was not directed towards the professionalisation of the procurement agency (Lembaga Kebijakan Pengadaan Barang / Jasa Pemerintah) or monitoring and evaluating performance (Attström & Ismail, 2010 [S; project evaluation; →]).

Lack of local support can also result from a misfit with local context. Five studies report on countries strongly following the direction given by their development partners in terms of which reform options to choose. Lackert (2009 [P; OBS; case study; ↑]) notes that public procurement reforms are mostly influenced by donors and aid conditions, rather than being owned and led by partner countries. Fölscher et al. (2012 [P; OBS; project evaluation; ↑]) discuss the case of Malawi, where the drafting of the Public Procurement Act did not take adequate account of the weak skills base for government procurement. While decentralising procurement responsibilities to spending agencies was in line with international perceived practice, it is not clear that it was good practice for Malawi.

Similarly, Wittig and Jeng (2005 [S; project evaluation; →]) stress that donors should be careful when requiring that only their own rules and conditions are followed. Lawson (2012 [S; case study; ↓])

explains that this may have happened in Burkina Faso and Malawi: governments were presented with a limited range of options by development partners and ‘were not encouraged either to consult or to reflect more widely on the choice of reform models’ (p.68), with the result that the reformed system is not fully functional because of capacity shortfalls. Best practices being pushed on a country may not be appropriate to the institutional context, especially in the area of procurement. As a result, different types of interventions are insufficiently considered in light of the local context (e.g. Fölscher et al., 2012 [P; OBS; project evaluation; ↑]; Lawson, 2012 [S; case study; ↓]). This may lead to a range of problems that relate to the challenges described above, such as a lack of skilled procurement staff to carry out all the work laid out in the new rules. Also, reforms aim at an ultimate state (longer term), whereas donor-funded projects focus on the shorter term (e.g. Tamang & Malena, 2011 [P; OBS; S; project evaluation; →]).

PRIVATE SECTOR IS NOT READY

A different perspective on lack of capacity is found on the supplier side. To have a functional procurement system, the private sector must be capable and vibrant as a competent supplier as well as in terms of being a competent bidder (World Bank, 2012 [S; project evaluation; ↑]). Martínez and Kukutschka (2013 [S; project evaluation; →]) note that in Liberia a major obstacle to the full implementation of the country’s law on procurement is lack of capacity of local industry. Local suppliers are not capable of competing for major infrastructure projects because they are not very well organised, financially solid and/or technical capable. Suppliers’ own procurement capacities may also be low. This is the case in The Gambia, for example, (World Bank, 2005 [S; project evaluation; ↑]). The private sector may not be ready to go along with the new rules, and additional reforms specifically aimed at the private sector are needed to align supply and tender capability with the new situation.

COMPLEMENTARY REFORMS NEEDED

Other difficulties that increase the complexity of reform have to do with parallel reforms that take place or need to take place in order to support public procurement reform. ‘External’ reforms may be necessary to achieve the objectives of the public procurement reform, such as in The Gambia, where the World Bank emphasises that the private banking system needs to facilitate suppliers by issuing bid and performance securities at reasonable costs (World Bank, 2005 [S; project evaluation; ↑]). Similarly, Evenett and Hoekman (2005 [S; project evaluation; →]) find that, when countries consider the implementation of e-procurement, they need to realise that these innovations will entail additional costs related to infrastructure, training of procurement staff as well as suppliers, possible changes in telecommunications regulations, etc.

The studies show that, when a new procurement law aims to reduce levels of corruption, additional steps will have to be taken to combat corruption—country-wide and not only in the procurement sector. OECD (2009b [S; project evaluation; →]) describes how Morocco has created the Central Corruption Prevention Authority. This unit has an exclusively preventive function and is tasked with coordinating, supervising and monitoring implementation of government anti-corruption policies. It also gathers and disseminates necessary information in this field. Another example is described by ADB and OECD (2008-China [S; project evaluation; ↓]) and comes from China, which has established a report-and-inform system for bribery: the Ministry of Finance has set up a mailbox, telephone line, and fax line for reporting acts of bribery. India has a Central Vigilance Commission that looks into irregularities and misconduct committed by civil servants in the central government, public sector units and public sector banks (ADB and OECD, 2008-India [S; project evaluation; ↓]).

3.4 POST-REFORM CHALLENGES

In this section we describe the findings of the studies regarding insufficient preparation of reforms before they come into effect. The studies paint a consistent picture of challenges (see Table 9) that still exist after public procurement reform, either despite making changes, or as a consequence of making changes. Addressing these challenges could help create an improved context for public procurement reform to succeed.

Table 9: Post-reform challenges

Post-reform challenges	Consistency of findings	Number of studies
Insufficient mandate and conflicts of interest at authorities	Consistent	10
Lack of clarity about rules, procedures and documents	Consistent	13
Dysfunctional complaint mechanisms	Consistent	6
Inefficiencies due to unclear, lengthy tender procedures	Consistent	8

INSUFFICIENT MANDATE AND CONFLICTS OF INTEREST AT AUTHORITIES

Five studies indicate that procurement authorities and oversight bodies (hereafter: authorities) have an insufficient mandate, and five other studies point out that conflicts of interests arise. Authorities work on both implementation and policy (e.g. Attström & Ismail, 2010 [S; project evaluation; →]) or do not have adequate levels of independence and authority to exercise their functions and implement the defined procedures (e.g. World Bank, 2012 [S; project evaluation; ↑]). In South Sudan, for example, regulations on public procurement were approved by ministers but not passed as legislation by Parliament, making their legal status unclear (World Bank, 2012 [S; project evaluation; ↑]). Wittig and Jeng (2005 [S; project evaluation; →]) show that the authority in The Gambia fulfils the potentially conflicting roles of central tender board (approving high-value procurements) and of procurement supervisor (auditing the procurement process). This is in spite of the initial recommendations of the reform, which proposed only a supervisory role.

Conflicts of interest are also found by the World Bank (2012 [S; project evaluation; ↑]) in South Sudan, where the authority approves of some types of procurement but also reviews complaints. The Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) report that the Mozambique Functional Unit for Supervision of Procurement is also authorised to conduct some procurement. Ecorys (2012 [S; project evaluation; ↑]) finds that authorities exiting from conducting procurement activities is a good step to take and in line with best practice in public procurement. In the Philippines, a new procurement act requires the Policy Board, through its technical office, to monitor compliance with the law and assist procuring entities in improving their compliance, but does not grant it investigatory or prosecutorial powers, which weakens the Board's position (ADB and OECD, 2008-Philippines [S; project evaluation; ↓]).

LACK OF CLARITY ABOUT RULES, PROCEDURES AND DOCUMENTS

New and changed rules and documentation can be troublesome for both procuring entities and tenderers. The World Bank (2012 [S; project evaluation; ↑]) reports in South Sudan ambiguous rules on the fractioning of contracts (dividing contracts into smaller pieces to circumvent tender procedures) and the calculation of contract values. This is unfortunate because these rules specifically aim to move away from single-sourcing and working with quotations towards the transparency of open procedures. The issue of purposefully fractioning contracts to bypass procurement and authorisation thresholds is also mentioned as a common occurrence in Yemen, Mozambique, and The

Gambia (Beschel and Ahern, 2012 [S; case study; ↑]; Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]; World Bank, 2005 [S; project evaluation; ↑]). Another example, from Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]), is a lack of clarity about whether or not opening of bids takes place immediately after bid submission, which would actually feed confidence in the integrity of the bids.

Five studies show that standard documents are not always used and that using procurement documents requires training. The studies further elaborate on the experiences of tenderers, with documents being fairly complicated to handle, which frustrates good intentions in trying to comprehend the requirements of the tender process (e.g. Hui et al., 2011 [S; project evaluation; →] in Malaysia). Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) argue that good practice indicates that bidders should not be subject to unjustified requirements that are not essential to their capability to fulfil the contract. According to World Bank (2005 [S; project evaluation; ↑]), tenderers in The Gambia complain about the poor quality and lack of clarity of bidding documents. Procedures for pre-qualification lack clarity, according to the Kenyan PPOA (2007 [S; project evaluation; ↑]).

DYSFUNCTIONAL COMPLAINT MECHANISMS

Complaint mechanisms provide tenderers and other parties with a way to oppose decisions and actions by procuring entities. Well-functioning complaint mechanisms are key to ensuring confidence in procurement systems (World Bank, 2012 [S; project evaluation; ↑]). Such mechanisms are supposed to enhance transparency and objectivism but may also be a risk factor if not well designed. The Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) found that Mozambique does not have an independent forum at which to appeal the decision of the procurement entity, which raises doubts about the impartiality of the complaints mechanism. The right to complain is furthermore inhibited by the requirement to pay a fee to lodge procurement complaints. This defeats the principles of fairness and transparency. South Sudan, as explained by World Bank (2012 [S; project evaluation; ↑]), has a weak complaint mechanism. Complaints may be submitted only to the country's procurement authority, which cannot be considered truly independent from the government. Further, the authority is actually strongly involved in determining which procurement processes must be used—decisions that may be reasons for suppliers to complain. Lackert (2009 [P; OBS; case study; ↑]) notes that private sector companies can be reluctant to launch complaints for fear of being blacklisted from future procurements. A similar finding emerges in World Bank (2012 [S; project evaluation; ↑]): it is evident that private suppliers lack both awareness of and trust in the complaints handling system.

INEFFICIENCIES DUE TO UNCLEAR, LENGTHY TENDER PROCEDURES

The studies show that public procurement reform usually includes the implementation of open tender procedures to ensure competition, instead of the use of single-sourcing and quotations. Unfortunately, these tender procedures more often than not turn out to be unclear and quite onerous. A study in Kenya (PPOA, 2007 [S; project evaluation; ↑]) describes several problems with current procedures: a procurement manual is not in place, procedures for pre-qualification and registration of contractors are unclear, no procedure for using technical capacity as a key criterion during bid evaluation is available and excessive thresholds are used to give preferential treatment to local suppliers. Eight studies show that due to the implementation of standard procedures, use of document templates and formal approval steps, the tender process has become very bureaucratic. This causes long lead times resulting in 'low productivity, inefficiency and loss of money and

detrimental effect on government budget' (Adu Sarfo & Baah-Mintah, 2013 [P; OBS; case study; →], p.92). It also leads to situations in which financial offers from suppliers are no longer sustainable due to upward market price developments (e.g. Hui et al., 2011 [S; project evaluation; →]; Adu Sarfo & Baah-Mintah, 2013 [P; OBS; case study; →]).

Another issue is the requirement to register with the authority each time a contractor applies for a tender. Bureaucratic procedures that come with registration take up a great deal of time, as reported by Hui et al. (2011 [S; project evaluation; →]). The Republic of Mozambique and World Bank (2008 [S; project evaluation; ↑]) explain that in Mozambique in practice, the registry does not simplify the process from the bidder's perspective because the Supreme Audit Institution still requires the full set of documents, even for registered firms.

3.5 INSTITUTIONAL CONDITIONS

In addition to the technical procurement-related aspects, two other conditions of a more institutional nature apply. These are mentioned several times in the 48 studies of the evidence base, not as challenges but as conditions that may contribute to better results from public procurement reform. The conditions are listed in Table 10 and discussed below.

Table 10: Institutional conditions for public procurement reform

Institutional conditions	Consistency of findings	Number of studies
Reward for procurement staff	Consistent	8
Procurement code of conduct	Consistent	12

REWARD FOR PROCUREMENT STAFF

The first condition is the reward for procurement staff. Low salaries and limited career paths make it harder to attract capable staff and, at the same time, constitute a risk as procurement officials, by virtue of their position, are susceptible to bribery (e.g. World Bank, 2005 [S; project evaluation; ↑]; Ameyaw et al., 2012 [S; project evaluation; →]). Low salaries may even force staff to have secondary jobs in the private sector with the risk of conflict of interest (OECD, 2009b [S; project evaluation; →]). World Bank (2005 [S; project evaluation; ↑]) and OECD (2009b [S; project evaluation; →]) point out that significant differences in pay level between public and private sector is an issue.

PROCUREMENT CODE OF CONDUCT

A second condition that follows from the analysed studies concerns a procurement code of conduct. The Kenyan PPOA (2007 [S; project evaluation; ↑]) and Hui et al. (2011 [S; project evaluation; →]), for example, explicitly stress the importance of a procurement-specific code of conduct. Hui et al. (2011 [S; project evaluation; →]) argue that this is a positive way to stimulate good behaviour rather than just penalise misbehaviour.

4.0 CONCLUSIONS

The research question, ‘What is the effectiveness of different interventions that aim to improve the transparency of public procurement?’ does not have a straightforward answer. The evidence base consists of studies with qualitative data that do not provide sufficient insight to make it possible to assess the specific magnitude of public procurement interventions. As such, ‘effectiveness’—which implies a quantitative assessment—is a challenging construct. Nevertheless, the evidence base does give valuable insight into the potential contribution of reforms to improved procurement functions in the public sector.

In order to identify these results, it has been necessary to provide a more comprehensive story of public procurement reform, including elaboration on relevant challenges during and after periods of reform (Section 3). The question that we can more realistically answer through the analysis is, ‘What are the *effects* of different interventions that aim to improve transparency of public procurement?’

4.1 EFFECTS OF PUBLIC PROCUREMENT INTERVENTIONS

As discussed in Section 3, it is not feasible, based on the available evidence, to assess which interventions have exactly which effects. It is, however, possible to describe the results of public procurement reform in general. The studies show that a number of problematic issues still exist after reform, implying at least partly unsuccessful implementation and causing difficulties for countries trying to improve their public procurement function. Table 11 summarises the effects of interventions or reforms in general.

Table 11: Effects of public procurement interventions

Result	Type of result
Procurement courses developed	Positive output
Improved public–private relationships	Positive outcome
Better compliance with rules and regulations	Positive impact
Increased transparency and fairness	Positive impact
Reduced costs	Positive impact
Insufficient mandate and conflicts of interest at authorities	Post-reform challenge
Lack of clarity about rules, procedures and documents	Post-reform challenge
Dysfunctional complaint mechanisms	Post-reform challenge
Inefficiencies due to unclear, lengthy tender procedures	Post-reform challenge

Besides differences regarding what the reformed public procurement function looks like (separate authority or not, multiple procurement laws or one act, etc.), we have not identified any appreciable differences between geographical areas. Differences in effects concerning operational and capital expenditures, or differences in effects between countries that did establish an oversight body (procurement authority) and those that did not, could not be derived from the available evidence.

Addressing the formulated sub-questions, the studies have informed us as follows.

Sub-question 1: What is the impact of improved procurement on accountability, anti-corruption and service delivery?

None of the 48 studies link individual interventions directly to effects on the public procurement function. Consequently, it is not possible for us to make a cause-effect diagram or to prescribe effective interventions and their specific conditions in relation to specific problems or objectives. This is true of all types of interventions examined, even training, which is both a very widespread output (see Section 3.2) and theoretically might contribute to each of the three core constructs of accountability, anti-corruption and service delivery.

In order to answer the first sub-question, we have made an effort to link positive results (described in Section 3.2) to the three given constructs: accountability, anti-corruption and service delivery.* The first two results (improved public-private relationships and procurement courses) are outputs and outcomes, while the other three are impacts of public procurement reform. It is important to note that the studies do not link the positive results directly to improvements in the three constructs used in the research sub-question. Table 12 is thus based on our understanding of the link between the positive results (identified from the evidence base) and improvements in accountability, anti-corruptions and service delivery in general.

Table 12: Linking positive results to concepts in the research question

	Accountability	Anti-corruption	Service delivery
Procurement courses developed	☐	☐	☐
Improved public-private relationships		☐	
Better compliance with rules and regulations	☐	☐	
Increased transparency and fairness	☐	☐	
Reduced costs			☐

‘Accountability’ is the obligation of government to account for its activities, disclose results in a transparent way and accept responsibility for its activities and resulting outcomes (see Section 1). As Table 12 shows, accountability seems to improve when procurement courses are developed (procurement staff who take courses have more knowledge on how to account for procurement activities, etc.), † compliance gets better (rules and regulations are adhered to) and transparency and fairness improve (stakeholders have better insight and fairer chances in the procurement process).

‘Anti-corruption’ refers primarily to corruption between government procuring entities and the private sector, but also to corruption further down the chain between contractors and sub-contractors. When relationships between government and the private sector improve, perceptions of public procurement being a corrupt area may reduce. Better compliance, increased transparency, and procurement training also contribute to reducing corruption.

* These links are not based on evidence directly from the studies; plotting the positive results in the categories of improved procurement as defined in sub-question 1 is conducted based on the authors’ public procurement expertise.

† With training initiatives in place, one might expect that the quality of the outcome of tender procedures has improved through better requirement-setting and improved evaluation methods. This is not supported by the evidence, however.

‘Service delivery’ is about services delivered to citizens on behalf of the government. The studies in this review show reduced costs, which implies more value for taxpayers’ money. The examples included in the evidence base, however do not show any evidence of structural and hence sustainable improvements in the spending of public funds. With a more capable workforce (through following procurement courses), one would expect the needs of the public to be better met. When compliance, transparency and fairness increase, however, this does not necessarily contribute to better service delivery to citizens, although these increases do offer benefits for suppliers.

With the current evidence base, we are not able to draw conclusions on the size of the impact of improved procurement on the given constructs of accountability, anti-corruption and service delivery.

Sub-question 2: Is it possible to produce key success criteria?

We have distilled a set of success criteria, following from the identified barriers for effective reform, post-reform challenges and conditions to take into account. These are listed in Table 13.

Table 13: Success criteria that follow from barriers, challenges and conditions

Success criteria	Derived from	Type
Ensure sufficient and sufficiently trained staff at procuring entities and procurement-related bodies	Shortage of staff and lack of capability	Barrier
Pay sufficient attention to designing and preparing the reform, include stakeholders in the process and assess the public system beyond procurement responsibilities	Complexity of the reform	Barrier
	Complementary reforms needed	Barrier
	Resistance to change	Barrier
Build local support and avoid reforms that are primarily donor-driven	Misfit with local context	Barrier
	Low sense of urgency/local support	Barrier
Ensure that the oversight body (procurement authority) has a clear and executable mandate without any conflicts of interest built into its set of tasks	Insufficient mandate and conflicts of interest	Challenge
Educate not only government staff but also the private sector on how to work with the new and changed procurement practices, such as rules, procedures and documents	Lack of clarity about rules, procedures and documents	Challenge
	Private sector not ready	Barrier
Properly prepare the new way of working: develop unambiguous, standardised procedures and documentation, including a procurement code of conduct	Inefficiencies due to unclear, lengthy tender procedures	Challenge
	Dysfunctional complaint mechanisms	Challenge
	Procurement code of conduct	Condition
Provide appropriate salaries and a career path for procurement staff	Reward for procurement staff	Condition

These issues can be seen as success criteria for public procurement reform, even though they do not provide guarantee for success. What remains is the formulation of an answer to the overall, adjusted, research question.

4.2 CLOSING REMARKS

Even though the research question about the *effectiveness* of public procurement reform cannot be answered using the current evidence base, this report provides valuable insights into the *effects* of public procurement reform. The studies reviewed are consistent in identifying several positive results from public procurement reform and also shed light on challenges that still exist after reform. Governments and other stakeholders currently involved in making changes to public procurement functions may find it useful to review the success criteria listed in Table 13, which may serve as a

checklist of issues that, according to the evidence base, contribute in some ways to more successful public procurement reform.

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APPENDIX: STUDIES INCLUDED IN THE EVIDENCE BASE

The table below lists all studies from the evidence base, including their geographical region, coded reference, type of expenditure and country.

Region	Study	Coded reference	Type of expenditure	Country
Sub-Saharan Africa	Adu Sarfo, P. & Baah-Mintah, R. (2013). 'Assessing the effect of the Procurement Act (663) on the public financial management in Ashanti region'. <i>American Journal of Rural Development</i> , 1(4), 91–98.	Adu Sarfo & Baah-Mintah, 2013 [P; OBS; case study; →]	Current/capital	Ghana
	Ameyaw, C., Mensah, S., & Osei-Tutu, E. (2012). Public procurement in Ghana: The implementation challenges to the public procurement law 2003 (Act 663). <i>International Journal of Construction Supply Chain Management</i> , 2(2), 55–65.	Ameyaw et al., 2012 [S; project evaluation; →]	Current/capital	Ghana
	Anvuur, A., Kumaraswamy, M., & Male, S. (2006). <i>Taking forward public procurement reforms in Ghana</i> . Santiago: CIB.	Anvuur et al., 2006 [S; case study; ↓]	Capital	Ghana
	Banda, H., Makwiza, C. & Gama, L. (2010). 'Baseline study for the construction sector transparency (CoST) Initiative in Malawi'. Lilongwe: DFID.	Banda et al., 2010 [P; OBS; case study; ↑]	Capital	Malawi
	Ecorys. (2012). 'Rwanda: Independent evaluation of the implementation of the PFM Reform Strategy 2008–2012'. Rotterdam: Ecorys Nederland BV.	Ecorys, 2012 [S; project evaluation; ↑]	Current/capital	Rwanda
	Fölscher, A., Mkandawire, A., & Faragher, R. (2012). 'Evaluation of public financial management reform in Malawi 2001–2010' (Country Case Study). Paris: OECD.	Fölscher et al., 2012 [P; OBS; project evaluation; ↑]	Current/capital	Malawi
	Lackert, S. (2009). 'Paris declaration on aid effectiveness. Public procurement reforms in African Sub-Saharan countries'. MSc Thesis.	Lackert, 2009 [P; OBS; case study; ↑]	Current/capital	Region
	Lawson, A. (2012). 'Evaluation of public financial management reform'. Commissioned by Sida, Danida and AfDB.	Lawson, 2012 [S; case study; ↓]	Current/capital	Burkina Faso, Ghana, Malawi
	Martínez, R., & Kukutschka, B. (2013). 'Liberia: Overview of public procurement'.	Martínez & Kukutschka, 2013 [S; project evaluation; →]	Current/capital	Liberia

Region	Study	Coded reference	Type of expenditure	Country	
	OECD (Organisation for Economic Co-operation and Development) Development Assistance Committee. (2007). 'Procurement capacity assessment and strategy formulation in Malawi. A case study'. Paris: OECD.	OECD/DAC, 2007 [S; case study; →]	Current/capital	Malawi	
	PPOA (Public Procurement Oversight Authority). (2007). 'Assessment of the procurement system in Kenya'. Nairobi: PPOA.	PPOA, 2007 [S; project evaluation; ↑]	Current/capital	Kenya	
	Republic of Mozambique and World Bank. (2008). 'Mozambique CPAR 2008 and the application of the OECD methodology to government public procurement'. Joint report.	Republic of Mozambique and World Bank, 2008 [S; project evaluation; ↑]	Current/capital	Mozambique	
	Wittig, W. A., & Jeng, H. (2005). Challenges in public procurement: Comparative views of public procurement reform in Gambia. In A, Araujo et al. (eds) <i>Challenges in public procurement: An international perspective</i> . Highland Beach, FL: PRacademics Press.	Wittig & Jeng, 2005 [S; project evaluation; →]	Current/capital	Gambia	
	World Bank. (2005). 'The Gambia' (Country Procurement Issues Paper. Washington, DC: World Bank.	World Bank, 2005 [S; project evaluation; ↑]	Current/capital	Gambia	
	World Bank. (2008). 'Public procurement assessment report' (Public Expenditure Review). Washington, DC: World Bank.	World Bank, 2008 [S; project evaluation; ↑]	Current/capital	Ghana	
	World Bank. (2012). 'Republic of South Sudan: Country Integrated Fiduciary Assessment Southern Sudan, Volume 3' (South Sudan Procurement Assessment Report). Washington, DC: World Bank.	World Bank, 2012 [S; project evaluation; ↑]	Current/capital	South Sudan	
South Asia	ADB (Asian Development Bank) & OECD (Organisation for Economic Co-operation and Development). (2006). <i>Curbing corruption in public procurement in Asia and the Pacific: Progress and challenges in 25 countries</i> . Manila and Paris: ADB and OECD.	pp. 11-13. Regulations.	ADB & OECD, 2006-Regulations [S; project evaluation; →]	Current/capital	Region
		pp. 14-19. Transparency.	ADB & OECD, 2006-Transparency [S; project evaluation; →]	Current/capital	Region
		pp. 20-23. Integrity.	ADB & OECD, 2006-Integrity [S; project evaluation; →]	Current/capital	Region
		pp. 23-25. Verification.	ADB & OECD, 2006-Verification [S; project evaluation; →]	Current/capital	Region
		pp. 31-32. Bangladesh.	ADB & OECD, 2006-Bangladesh [S; project evaluation; →]	Current/capital	Bangladesh
		pp. 33-34. Cambodia.	ADB & OECD, 2006-Cambodia [S; project evaluation; →]	Current/capital	Cambodia

Region	Study	Coded reference	Type of expenditure	Country	
	pp. 35-37. China.	ADB & OECD, 2006-China [S; project evaluation; →]	Current/capital	China	
	pp. 46-47. India.	ADB & OECD, 2006-India [S; project evaluation; →]	Current/capital	India	
	pp. 48-49. Indonesia.	ADB & OECD, 2006-Indonesia [S; project evaluation; →]	Current/capital	Indonesia	
	pp. 59-60. Malaysia.	ADB & OECD, 2006-Malaysia [S; project evaluation; →]	Current/capital	Malaysia	
	pp. 63-64. Nepal.	ADB & OECD, 2006-Nepal [S; project evaluation; →]	Current/capital	Nepal	
	pp. 65-66. Pakistan.	ADB & OECD, 2006-Pakistan [S; project evaluation; →]	Current/capital	Pakistan	
	pp. 69-70. Philippines.	ADB & OECD, 2006-Philippines [S; project evaluation; →]	Current/capital	Philippines	
	pp. 76-78. Thailand.	ADB & OECD, 2006-Thailand [S; project evaluation; →]	Current/capital	Thailand	
	pp. 79-80. Vietnam.	ADB & OECD, 2006-Vietnam [S; project evaluation; →]	Current/capital	Vietnam	
	Attström, K., & Ismail, R. (2010). 'Indonesia strengthening public procurement program ISP3 INH521'. Independent Completion Report.	Attström & Ismail, 2010 [S; project evaluation; →]	Current/capital	Indonesia	
	Hui, W. S., Othman, R., Hj Omar, N., Abdul Rahman, R., & Husna Haron, N. (2011). 'Procurement issues in Malaysia'. <i>International Journal of Public Sector Management</i> , 24(6), 567–93.	Hui et al., 2011 [S; project evaluation; →]	Current/capital	Malaysia	
	OECD (Organisation for Economic Co-operation and Development) & ADB (Asian Development Bank). (2008). <i>Fighting bribery in public procurement in Asia and the Pacific</i> . Paris: OECD/OECD/ADB. (2008). Fighting Bribery in Public	pp. 113-127. E-Procurement.	ADB/ & OECD, 2008-E-procurement [S; project evaluation; ↑]	Current/capital	Region
		pp. 129-135. EGP Indonesia.	ADB/ & OECD, 2008-EGP Indonesia [S; project evaluation; →]	Current/capital	Indonesia
		pp. 138-141. India.	ADB & /OECD, 2008-India [S; project evaluation; ↓]	Current/capital	India
		pp. 207-213. Pakistan.	ADB/ & OECD, 2008-Pakistan [S; project evaluation; →]	Current/capital	Pakistan

Region	Study	Coded reference	Type of expenditure	Country
	Procurement in Asia and the Pacific, OECD Publishing, Paris. pp. 71-74. Indonesia.	ADB/ & OECD, 2008-Indonesia [S; project evaluation; ↓]	Current/capital	Indonesia
	pp. 75-78. China.	ADB/ & OECD, 2008-China [S; project evaluation; ↓]	Current/capital	China
	pp. 81-85. Bangladesh.	ADB/ & OECD, 2008-Bangladesh [S; project evaluation; ↓]	Current/capital	Bangladesh
	pp. 87-94. Philippines.	ADB/ & OECD, 2008-Philippines [S; project evaluation; ↓]	Current/capital	Philippines
	pp. 95-109. Oversight.	ADB/ & OECD, 2008-Oversight [S; project evaluation; →]	Current/capital	Region
	Tamang, S., & Malena, C. (2011). 'The political economy of social accountability in Nepal'. Kathmandu: PRAN Unpublished Report.	Tamang & Malena, 2011 [P; OBS; S; project evaluation; →]	Current/capital	Nepal
MENA	Beschel, R., & Ahern, M. (2012). <i>Public financial management reform in the Middle East and North Africa: An overview of regional experience</i> . Washington, DC: World Bank.	Beschel & Ahern, 2012 [S; case study; ↑]	Current/capital	Region
	OECD (Organisation for Economic Co-operation and Development). (2009a). 'A Pilot Application of the Principles in Morocco', in <i>OECD Principles for Integrity in Public Procurement</i> , Paris: OECD.	OECD 2009a [S; project evaluation; →]	Current/capital	Morocco
	OECD (Organisation for Economic Co-operation and Development). (2009b). 'Enhancing integrity in public procurement'. Joint Learning Study on Morocco. Paris: OECD.	OECD, 2009b [S; project evaluation; →]	Current/capital	Morocco
Developing countries in general	Evenett, S. J., & Hoekman, B. (2005). <i>International cooperation and the reform of public procurement policies</i> (Policy Research Working Paper 3720). Washington, DC: World Bank.	Evenett & Hoekman, 2005 [S; project evaluation; →]	Current/capital	General
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