

SECTOR FACILITY PROFILE

BARBADOS

MAY 1, 2007

Project name:	Modernization of the Barbados National Procurement System		
Project number:	BA-L1004		
Project team:	Leader: Marcio Cracel (RE3/SC3); other members: Magda Theodate (DEV/PRM); Desmond Thomas (RE3/OD6); Sharon Miller (COF/CBA); Juan Carlos Pérez-Segnini (LEG/OPR3); Hagop Angaladian (consultant); and Valeria Wedolowski (RE3/SC3)		
Borrower:	Government of Barbados (GOB)		
Executing agency:	Ministry of Finance (MOF)		
Financing plan:	IDB (OC):	US\$	4,070,000
	Local:	US\$	1,000,000
	Total:	US\$	5,070,000
Tentative dates:	Analysis Mission:	August 2007	
	Project Report to EVP:	September 2007	
	Approval:	October, 2007	

I. CURRENT SITUATION

A. Procurement aspects¹

- 1.1 Government procurement in Barbados is conducted under two sub-systems, central government and statutory bodies. The central government sub-system includes: (i) the centralized purchasing system; (ii) the centralized tendering system; (iii) the Barbados Drug Service; and (iv) the line Ministries and Departments. The central system is subject to the following rules and regulations: (i) the Financial Administration and Audit (Financial) Rules, 1971; (ii) the Financial Administration and Audit (Supplies) Rules, 1971; and (iii) the Financial Administration and Audit (Drug Service) Rules, 1980. Government procurement in Barbados, in its present stage of regulation is considered a subset of financial management rather than a separate function (although linked to financial management) but with specific purposes and needs.
- 1.2 The existing procurement rules allow the system to function but fail to cover key aspects of modern procurement. They are inherently biased towards financial management and funds control (expenditures and revenues), providing only a framework for the conduct of procurement activities. They do not provide detailed procedural guidelines, and thus, the system is highly dependent on the practical

¹ The main sources for project preparation were: the 2004 Country Procurement Assessment Report (CPAR) for Barbados; IDB logical framework seminar carried out in 2005; and additional meetings held with stakeholders in 2007.

experience and knowledge of its key operatives. For instance, they do not provide for a regulating body or for a mechanism for the settlement of disputes. There is no monitoring or feedback mechanism to support the development of procurement policy, legislation and regulations. Rather than being organized around the procurement process and stress essential stages of the process such as planning, the existing regulation is merely a collection of procedures, and in that respect, more closely resembles a manual. Competitive bidding is not the default procurement method and modern forms of procurement such as framework contracts (indefinite delivery agreements) are not considered.

- 1.3 There is no consideration concerning the use of electronic means and responsibilities and accountability in the entire procurement process are not clearly defined. As for the statutory bodies, they are regulated by a number of statutes and regulations. In cases where such statutes and regulations are silent about procurement, it is not clear whether the provisions of the Financial Administration Audit (Financial) Rules, 1971 are always applied.

B. Institutional Aspects

- 1.4 Government procurement is organized on the basis of a centralized model with the Central Purchasing Department (CPD) at the core of the system. There is also a Tenders Committee and the Drugs Purchasing Services, which also has its own Tenders Committee. The CPD is the government's purchasing agent; it is responsible for the purchasing of common use goods and services from approved suppliers and their distribution to government's entities.
- 1.5 The Chief Supply Officer heads the CPD and is the chairperson of the Tenders Committee. Up to Barbadian \$20,000 (US\$10,000) purchases are made through Purchase Orders (PO) without formal contracts. For purchases between Barbadian \$20,000 (US\$10,000) and Barbadian \$100,000 (US\$50,000) purchases are made through shopping with the use of a formal contract. Above the sum of Barbadian \$100,000 (US\$50,000) a tendering process is conducted by the Tenders Committee. All purchases above Barbadian \$100,000 (US\$50,000) are supposed to be made through CPD. Despite these limits, the MOF can authorize line Ministries to by-pass CPD and carry out their own purchasing. As explained by CPD, this practice is fairly common. However, as there are no procurement statistics available, it is difficult to estimate what volume of purchasing takes place outside CPD.
- 1.6 Procurement of drugs is carried out by the Barbados Drugs Services. The Drug Service Rules stipulate the terms, conditions and manner in which drugs and related supplies are procured. This procurement function is managed within the Ministry of Health by the Drug tenders Committee, chaired by the Director, Barbados Drug Service. Four staffs work on procurement related activities within the Barbados Drugs Service. Drugs are procured on the basis of a tendering process or through reimbursements to public pharmacies, apparently more or less in equal proportions. When a bidding process takes place, tenders are invited from approved suppliers for a one-year period. To be approved, suppliers must have a

local representation. Concerning the procurement done by statutory bodies, as indicated above, they generally have their own procurement procedures included in their own statutes.

- 1.7 According to Rule 126 of the Financial Administration and Audit (Financial) Rules, 1971, preparation of all procurement contracts above Barbadian \$20,000 (US\$10,000) must be done by the Solicitor General or another legal officer in the public service nominated by him. However, Rule 4 of the Financial Administration and Audit (Supplies) Rules, 1971, stipulates that the provisions of Rules 126 do not apply when suppliers are subject to warranties or guarantees or where supplies are to be received and examined for defects before payment is made.

C. Challenges for the Future

- 1.8 The main challenge to be faced by the GOB is the fact that the national procurement system presents inefficiencies that do not allow effective use of government resources. These inefficiencies are the consequence of the following direct and indirect causes: (a) the legal framework lacks the essentials of a well-functioning procurement system; (b) insufficient procurement operations framework; (c) lack of institutional framework and capacity; and (d) inadequate technological infrastructure.
- 1.9 *The procurement legal framework lacks:* (i) clarity regarding the responsibility of different actors; (ii) consideration regarding regional and international trade obligations; (iii) specific penalties/sanctions for non-compliance with procurement rules; (iv) support for the decentralization of procurement activities; (v) consideration related to the use of standard bidding documents; (vi) public accessibility to procurement information, including qualification requirements for suppliers and contractors, methods of procurement, and conditions for their use; lastly, (vii) green procurement considerations in procurement activities.
- 1.10 *The procurement operation framework and marketplace presents insufficiencies in that:* (i) there is no functional and normative unit to monitor and follow-up on public procurement in the country; (ii) there is no established framework for the collection and maintenance of procurement statistics; (iii) the CPD and the Tenders Committee procurement operations, methods, and knowledge are inefficient due to lack of appropriate modern tools and methodologies; (iv) the ministries and departments often procure common goods and services directly from suppliers, bypassing the CPD; (v) in general ministries and departments present little or no procurement capacity; and (vi) some enabling statutes for Statutory Bodies seek to broadly govern the procurement function and others do not address this issue, consequently, there is a variance of practice across these bodies.
- 1.11 *The procurement institutional framework lacks:* (i) organizational structure and job descriptions to carry out the procurement functions; the existing ones are inadequate; (ii) specific career stream in procurement; (ii) regular civil servants execute the functions, most of them without a background in procurement; (iii) a professional code of conduct specific to public procurement staff and activities;

(iv) focus on training and development of procurement professionals; and (v) a sustainable training program for public procurement process.

- 1.12 *The technological infrastructure is inadequate because the absence of:* (i) an updated strategic plan providing guidance on how to deal with the transitioning of personnel into the new functions and procedures; (ii) an IT procurement strategic plan, lack of instruments to process, report and disseminate information, and obsolete and insufficient computer equipment to support the procurement functions and procedures; ; (iii) public information about the name of the winning bidder or the amount of contract award; and (iv) standardization and automation, which creates bottlenecks in the purchasing process. Also, information with respect to some procurement opportunities is not readily accessible, and private letters are used to notify winning bidders.

II. COUNTRY AND BANK STRATEGY

A. National strategy

- 2.1 Barbados has set high priority on making the transition to a more competitive economy, and the government has declared itself to be permanently in a reform mode.² The main issues driving medium-term priorities are: (i) the need to raise competitiveness in order to reverse the balance of payments deterioration and associated international reserve loss; (ii) the extensive changes in international economic environment which Barbados faces following the WTO changes and other impending changes in trade relations; and (iii) the need to achieve full readiness to implement the Caricom Single Market & Economy including the harmonization of Government Procurement regime.
- 2.2 In this context, it is widely recognized by the GOB and other agencies that slow project implementation is a major weakness of public administration in Barbados that inhibits the full achievement of development goals; procurement delays are a significant factor affecting project implementation. Consequently, the modernization of public procurement in Barbados can make a substantial contribution to improved efficiency in public sector management and the better overall development performance.

B. Bank strategy

- 2.3 The focus of the Bank strategy³ is on addressing institutional and capacity weaknesses that inhibit the efficient and competitive functioning of the public and private sectors. Consequently, it proposes a program that concentrates on small operations and facilities aimed at addressing such weaknesses through targeted interventions in areas such as procurement modernization. The proposed program will contribute to the improvement on the quality and efficiency of policies and

² *Economic and Financial Policies of the Government of Barbados* presented by the Minister of Finance, p. 10 and the *National Strategic Plan of Barbados, 2005-2010* (NSP).

³ IDB Country Strategy with Barbados (Document GN-2305).

public management, in line with the Modernization of the State Strategy (OP-1004).

- 2.4 The proposed project qualifies as an Institutional Development Sector Facility (IDSF) since it complies with the criteria for this type of instrument.⁴ The activities financed under this operation fall into the institutional development and organizational support and restructuring areas described in the above referred document.

C. Program Strategy

- 2.5 This program is supported by four pillars: (i) Creation of a central regulatory and normative body, within the MOF, to monitor and access the procurement flow in accordance with international best practices, which will provide harmonization to the entire procurement system not only within the country but also within the CSME Government Procurement regime; (ii) centralization of the common goods and services procurement through the Central Purchasing Department, which will generate a considerable economy of scale; (iii) decentralization of the specific goods and services procurement carried out by Ministries and Departments, which will eliminate the system's bottlenecks; and (iv) standardization of the procurement process carried out by all public entities, including the Statutory Bodies, which will increase transparency and allow to capture all entities in the system.
- 2.6 In relation to the harmonization of the procurement procedures and the establishment of a regional regime for Government procurement, the GOB and the CARICOM are negotiating, but still there is no definitive agreement. By reforming the system in accordance with international best practice, the Program will be aligned with the objectives of the CARICOM and the CSME Government Procurement regime.

III. OBJECTIVES AND PROJECT DESCRIPTION

A. Objectives

- 3.1 The ultimate goal of this operation is to support the Government of Barbados in modernizing its national procurement system, by improving the effectiveness of the procurement system; saving time and money through competitive prices and reduced process time, while ensuring the transparency and integrity of the system.

B. Project description

- 3.2 In response to the identified problems, the program will carry out the following activities, organized in four components:

⁴ According to IDSF document (GN-2223) approved in November 2002 by the Board of Executive Directors

1. Component I – Public procurement regulatory framework Strengthened (US\$660,000)

- 3.3 This component would be directed at helping the GOB to identify best practices in public procurement. The process will start through adopting a Policy (which is in an advanced phase of preparation), with definitive definitions that will provide clear guidance to all procuring entities in Barbados, including Statutory Bodies, while implementing a system that captures both conventional and innovative (PPP/PPI) types of procurement. The policy will be supported by relevant regulations, which will be tested and fine tuned through implementation during the project life. In accordance with the thinking and customs of Common Law regime, dedicated legislation in public procurement will be drafted towards the end of the project, which will reflect the experiences acquired throughout the implementation of the regulations. This component of the project would therefore have an iterative self-directing design. There would be two sub-components:
- 3.4 *Procurement Regulations drafted and promulgated*, which will assist the GOB in drafting, testing and promulgating system wide procurement regulations, supported by a manual, standard bid documents covering goods and works, standard request for proposal documents covering traditional services and innovative investments with private sector, as well as various procurement tools that would increase the internal efficiency of the procurement operations; and
- 3.5 *Procurement legislation drafted, discussed and agreed with main stakeholders*, which will be implemented throughout the end of the project and which shall be based on the experiences drawn from the implementation of the project. The new draft legislation should incorporate international best practices consistent with Barbados' need for regional and global integration, and should reflect the lessons learned during the application of the mandates and regulations developed. The passage of the legislation is not a pre-condition for loan approval.
- 3.6 This component will finance the following resources: (i) consultancy expertise in procurement to draft the aforementioned law and regulations; (ii) two seminars in procurement subjects for the public and private procurement stakeholders; and (iii) training for approximately 300 stakeholders, including associated logistics.

2. Component II – Procurement operations and marketplace improved (US\$2,020,000)

- 3.7 This component would encompass the phased implementation of plans for the reform through the implementation of the adopted Policy and regulations of Component 1, by providing early, practical and on-going support to all stakeholders directly handling public procurement. This component is structured into three sub-components:
- 3.8 *Create and staff a Procurement Policy Unit (PPU) within the authority of the Ministry of Finance* as a normative and functional body with oversight responsibilities in public procurement. The PPU will also be responsible for

harmonizing the procurement activities with the national budget. During project execution, its functions will be limited to providing guidance and supervision for the project implementation team. At the end of the project, the PPU shall address a defined set of functions which will include, but are not limited to: the provision of advice to all procuring entities, drafting amendments to the legislative and regulatory framework and implementing regulations, providing procurement information and monitoring of public procurement, reporting on procurement to other parts of government, developing and supporting implementation of initiatives for improvements of the public procurement system; and providing implementing tools and documents to support capacity development of implementing staff;

- 3.9 *Strengthen Central Purchasing Department (CPD)* by supporting the CPD operations and the provision of new, modern techniques in public procurement;
- 3.10 *Strengthen the Ministries, Tenders and Special Tenders Committee, Statutory Bodies, supplier community and other related entities* by providing adequate support on the implementation of the instituted regulations and related tools. Besides public entities, some directed assistance would be provided to entities dealing at arm's length with public procurement,⁵ and the Barbadian supplier community.
- 3.11 This component will finance the following resources: (i) equipment and furniture for the physical establishment of the PPU; (ii) training for the PPU employees (the GOB will provide the employees to carry out the PPU activities and the Bank will accept the salaries of these employees, during program execution, as a financial counterpart); (iii) a consultancy in supply chain management planning; (iv) furniture and equipment for the CPD; (v) training in supply chain management for the CPD employees; and (vi) logistics for ministries and statutory bodies training, including material, location, and subsistence.

3. Component III – Procurement institutional capacity strengthened (US\$900,000)

- 3.12 This component will assist the GOB to initiate and implement a career stream in public procurement within the civil service and to establish a sustainable, on-going training in public procurement. The component is to have three sub-components:
- 3.13 *PPU and CPD organizational structure and job descriptions developed* with a specific attention to the staffing of PPU in accordance with the profiles developed, and CPD strengthened in accordance with the newly developed profiles.
- 3.14 *Strategic plan in career-stream and relevant human resource manual developed* through which personnel handling public procurement shall be accredited and identified as procurement specialists within the civil service.

⁵ Such as: Auditor General, Accountant general, Judiciary, Parliamentarians, etc.

- 3.15 *Permanent training program implemented and related material prepared* which will train a minimum of 1.000 public officials of all levels in public procurement.
- 3.16 This component will finance the following resources: (i) consultancy in procurement with specialization in human resources; (ii) consultancy in strategic planning and human resource career path development; (iii) customized training program tools, including equipment; (iv) consultancy to implement the training program; and (v) consultancy in preparation and implementation of a change management strategic plan.

4. Component IV - Technological infrastructure modernized and updated (US\$1,490,000)

- 3.17 The component will establish an e-tendering system throughout all procurement sub-systems in Barbados. It will comprise three sub-components:
- 3.18 *Technological Infrastructure Plan developed and implemented*, which will map the requirements in terms of hardware and software throughout the public service in Barbados including the Statutory bodies;
- 3.19 *E-Tendering System developed and implemented*, which will execute an e-tendering system inclusive of training of procuring entity personnel for the full use of the system;
- 3.20 *Automation of the procurement process* from requisition to budget accounting information, which will assist the CPD and the Solicitor General's office to have a more efficient implementation of procurement operations, and help the Accountant General's office in obtaining necessary information related to the newly implemented accrual accounting system in the country.
- 3.21 This component will finance the following resources: (i) consultancy in IT with specialization in procurement; (ii) IT equipment to modernize the entities involved in the procurement system; and (iii) acquisition of an E-tendering and a purchasing automated package.

IV. EXECUTION PLAN AND INSTITUTIONAL ASPECTS

- 4.1 The borrower would be the Government of Barbados. The executing agency would be the Ministry of Finance.
- 4.2 For purposes of project execution, a Program Coordination Unit (PCU) will be created under the authority of the MOF. The PCU will be headed by a Program Coordinator (PC) who will be responsible for day-to-day program management and technical leadership, and will serve as the focal point for communication between the executing agency, the Bank and other participating public sector bodies. The PC will be supported by an Assistant Coordinator to help with implementation of the individual program components, and an Administrative/Financial Manager whose duties would include internal coordination, liaison with the Bank, and procurement.

- 4.3 A Program Steering Committee (PSC) comprising key government officials, as well as representatives of the private sector, will provide strategic direction, coordination and support for the project execution. The PSC will be responsible for monitoring progress against agreed benchmarks, assessing the continued viability of the program, facilitating inter-agency coordination (public and private sector), actively promoting high-level “buy in” to the program by participating agencies, and channeling policy and organizational issues requiring government decisions or international involvement.
- 4.4 The public sector will benefit from an efficient and effective procurement system, particularly: (i) the Central Purchasing Department; (ii) the line ministries and departments; and (iii) the Statutory Bodies. In the private sector, all potential government suppliers and multilateral development banks would also benefit, because opportunity, transparency, and competitiveness will increase.

V. SOCIAL AND ENVIRONMENTAL ISSUES

- 5.1 It is not anticipated that the activities to be financed in this program will have negative direct social or environmental effects; however, the development of the legal and procedural framework will comprise efforts towards the adoption of environmentally responsible procurement practices. Based on the afore-mentioned, and according to the CESI Safeguard Screening form, the operation has been classified as “C”.

VI. COSTS

- 6.1 The total cost of the program is estimated at US\$5.07 million. Of this amount, the Bank would finance US\$4.07 million as a reimbursable loan, while the GOB would provide US\$1 million as local counterpart. The operation does not qualify as a poverty-reduction loan. The program will have an execution period of 36 months and a disbursement period of 42 months.

VII. PREPARATION STATUS, OPERATING PLAN AND PRELIMINARY INDICATORS

- 7.1 In November 2005 a Bank identification mission visited Bridgetown, Barbados to start the activities for the preparation of the program. The mission carried out a two-day logical framework seminar for approximately 30 public and private sector procurement stakeholders, and developed: (i) a detailed problem’s tree outlining the main issues faced by the Barbados procurement system; (ii) the corresponding solutions to address the general problems; and (iii) the goal and purpose of the project, including the corresponding indicators, means of verification, and assumptions. In addition, the mission prepared, together with the GOB authorities, a preliminary, however detailed, Operating Plan comprised of the corresponding activities to carry out the execution of the solutions identified in the Logical Framework, as well as their corresponding costs. The Problem Matrix, Logical Framework, and Operating Plan documents are attached to this profile, providing detailed outcome and output indicators.

- 7.2 In light of the important role played by the Solicitor's General in the public procurement process in Barbados, the team will undertake all the necessary measures to ensure its active participation in the design of the project.
- 7.3 In the preparation of the program, the project team proposes to keep the following tentative schedule: (i) Analysis Mission: August 2007; (ii) Project Report to EVP: September 2007; and (iii) Approval PRE: October 2007.

Approved by:



Christian Gómez Fabling, RE3/DEP

Date:

5/22/07

PROBLEMS MATRIX
REFORM AND MODERNIZATION OF GOVERNMENT'S PROCUREMENT SYSTEM
BA-L1004

MAIN PROBLEM

The national procurement system presents inefficiencies that do not allow effective use of government resources.

MAIN CAUSES	SPECIFIC PROBLEMS	SOLUTIONS
<p>The legal framework lacks the essential elements as a well-functioning procurement system, e.g., transparency, openness and due process principal.</p>	<p>Current procurement law and regulations lack: (i) clarity regarding the responsibility of different actors; (ii) consideration regarding international obligations; (iii) imposition of specific penalties/sanctions for non-compliance with procurement rules; (iv) support for the decentralization of procurement activities; (v) consideration related to the use of standard bidding documents; (vi) public accessibility to procurement information, including qualification requirements for suppliers and contractors, and methods of procurement and conditions for their use; and (vii) of green procurement considerations in procurement activities.</p>	<p>Draft the new procurement law and the corresponding regulations, including the development of detailed procedural guidelines setting out clear responsibilities and accountabilities in all procurement phases, and the development of standard bidding documents for use throughout the public sector addressing the procurement of goods, services and works. The development of the legal and procedural framework will take into consideration a specific set of green procurement criteria.</p>
<p>Insufficient procurement operation framework and marketplace.</p>	<p>Absence of a functional and normative unit to follow-up on public procurement in the country, and there is no established framework for the collection and maintenance of procurement statistics, the content of procurement records vary from entity to entity.</p>	<p>Create and establish a Public Procurement Policy Unit (PPU) within the Ministry of Finance, with power to regulate the conduct of procurement, monitor and audit procuring entities to ensure compliance with governing frameworks, and to report on procurement management, performance and outcomes, thereby informing the continued improvement of the procurement system. The PPU will also serve as a central database for the record and maintenance of government procurement statistics, through which information on contract awards is made accessible to the general public through publication e.g., via the internet, on a periodic basis, e.g., monthly or quarterly</p>

PROBLEMS MATRIX
REFORM AND MODERNIZATION OF GOVERNMENT'S PROCUREMENT SYSTEM
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MAIN CAUSES	SPECIFIC PROBLEMS	SOLUTIONS
	CPD and the Tender Committee (TC) procurement operations methods and knowledge are inefficient due to lack of appropriate modern tools and methodologies. As a result the ministries and departments procure common goods and services directly from suppliers, bypassing the CPD and using only the dependencies of the TC to carry out their tenders.	To strengthen the CPD procurement capacity in order that all ministries and departments common good and services can be carried out by CPD, resulting in an important economy of scale. In addition, to provide the TC with a more balanced membership representing all stakeholder interests, and reviewing and updating the TC terms of reference.
	In general ministries and departments present little or no procurement capacity. Some enabling statutes for Statutory Bodies seek to broadly govern the procurement function and others do not address this issue. Consequently, there is a variance of practice across these bodies.	To strengthen the ministries and department procurement capacity to provide them with the competence in carrying out their own procurement in specific goods and services. In addition to standardize the procurement processes carried out by the statutory bodies.
Lack of institutional framework and capacity	Inadequate organizational structure and job descriptions to carry out the procurement functions.	Develop and implement the new organizational structure of PPU. Adjust the structure and functions of the CPD. Develop job descriptions of the personnel for these two organizations.
	There is no specific career in procurement. The functions are executed by regular civil servants most of them without a background in procurement, and lack of professional code of conduct specific to public procurement staff and activities	Design and implement a new career-stream in public procurement, comprising the corresponding human resources manuals, including personnel selection, development, retirement, training, and a code of ethics and performance.
	Lack of sustainable training programs for procurement subjects.	Develop and implement a comprehensive training program to entrench recommended changes, implement new procedures, engender improved confidence in the system, and attract and retain a skilled cadre of procurement professionals.
	Lack of an updated strategic plan providing guidance on how to deal with the transitioning of personnel into the new functions and procedures.	Develop and implement a strategic plan, to be carried out by PPU, providing guidance on how to transition the personnel into the new functions and procedures.

PROBLEMS MATRIX
REFORM AND MODERNIZATION OF GOVERNMENT'S PROCUREMENT SYSTEM
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MAIN CAUSES	SPECIFIC PROBLEMS	SOLUTIONS
Inadequate physical and technological infrastructure	Lack of an IT procurement strategic plan, lack of instruments to process, report and disseminate information, and obsolete and insufficient computer equipment to support the procurement functions and procedures.	Develop and implement a technological plan to modernize the national procurement system and e- tendering.
	The purchasing process is fragmented and presents bottlenecks resulting in undue delays and increasing costs, because of absence of standardized procedures and automated tools	Develop and implement a Web based purchasing application system, including the automation of: (i) procurement planning; (ii) procurement scheduling; (ii) disbursement plan; (iv) procurement data; (v) purchase requisitions; (vi) contracts validations, generation, and extensions; (vii) information for budget purpose; and (viii) report generator.

LOGICAL FRAMEWORK

MODERNIZATION OF THE BARBADOS NATIONAL PROCUREMENT SYSTEM

BA-L1004

Narrative Summary	Indicator	Means of Verification	Assumptions
<p><u>GOAL</u></p> <p>To support the Government of Barbados in modernizing its national procurement system.</p>	<p>Two years after the end of the Project:</p> <ul style="list-style-type: none"> Public procurement system in Barbados meets international procurement best standards and inter-regional applicability within the context of Caribbean Single Market Economy (CSME). 	<ul style="list-style-type: none"> Consultant comparative analysis based on United Nations Commission on International Trade Law (UNCITRAL) procurement standards. 	<ul style="list-style-type: none"> Government continues supporting the modernization program.
<p><u>PURPOSE</u></p> <p>Improving the effectiveness of the procurement system; saving time and money through competitive prices and reduced process time, while ensuring the transparency and integrity of the system.</p>	<p>Two years after the end of the project:</p> <ul style="list-style-type: none"> The average number of bidders per bid is doubled from xx to yy. (Increase competition). 100% contracts awards achieved within bid validity period. (Increase efficiency). The average unit price of selected basket price index of goods and works decrease from xx to yy. (Increase cost saving). <p>By the end of the Project:</p> <ul style="list-style-type: none"> Regulatory Environment: 100% of procuring entities: (i) Ministries; (ii) Central Purchasing Department (CPD); (iii) statutory bodies, are complying with the adopted regulations. Procurement Performance: 100% of procurement entities: (i) Ministries; (ii) CPD; (iii) statutory bodies, are using standard bid documents. Institutional Capacity: Image of procurement system increases from xx to yy. Technological Coverage: 100% of bid opportunities above xxx B\$20,000 threshold are announced electronically. 	<ul style="list-style-type: none"> Ministry of Finance - Budget execution reports. Line ministries Project Reports to the Planning and priorities Committee (PPC). Annual PPU reports. Annual PPU and Auditor General reports. Annual PPU and Auditor General reports. Corporate image Survey. PPU reports 	<ul style="list-style-type: none"> Country's Macro economic scenario maintains at the same levels. No major exogenous events impact unit prices.

Narrative Summary	Indicator	Means of Verification	Assumptions
OUTPUTS Public procurement regulatory framework strengthened	By the end of the Project: <ul style="list-style-type: none"> Procurement regulations drafted and promulgated <i>Draft of procurement regulations, procedures manual, and standard bidding documents approved by the Ministry of Finance</i> 	<ul style="list-style-type: none"> Letter from the Ministry of Finance expressing the agreement with the new legal instruments 	
	<ul style="list-style-type: none"> Procurement legislation drafted, discussed, and agreed with main stakeholders <i>Draft of procurement laws approved by the Ministry of Finance</i> 	<ul style="list-style-type: none"> Letter from the Ministry of Finance expressing the agreement with the new legal instrument. Procedures manuals and standard bid document and procurement tools proliferated. 	
Procurement operations and marketplace improved	By the end of the Project: <ul style="list-style-type: none"> Procurement Policy Unit (PPU) within the Ministry of Finance created and staffed <i>100% positions advertised, personnel selected and hired.</i> Central Purchasing Department (CPD) operations strengthened <i>CPD complying 100% with the new regulations, maintaining control of the schedule of procurement actions. The timing schedule will be outlined in the regulation.</i> Ministries, Tenders and Special Tenders Committee, Statutory Bodies, supplier community, and other related entities strengthened <i>All Ministries and statutory bodies complying 100% with the new regulations, maintaining control of the schedule of procurement actions. The timing schedule will be outlined in the regulation.</i> 	<ul style="list-style-type: none"> Independent evaluation report. PPU and Ministry of Finance reports. Auditor General reports. PPU and Ministry of Finance reports. Auditor General reports. 	
Procurement institutional capacity strengthened	By the end of the Project: <ul style="list-style-type: none"> PPU and CPD organizational structure and job descriptions developed <i>100% of the job description defined and developed</i> Strategic plan in career-stream and relevant human resource manual developed and implemented <i>Career path levels in procurement designed, and human resource manuals and career training tools developed</i> 	<ul style="list-style-type: none"> Written job description Written tools, manuals, and plan 	

Narrative Summary	Indicator	Means of Verification	Assumptions
	<ul style="list-style-type: none"> • Permanent training program implemented and related material prepared <i>xxx personnel from PPU, CPD, Ministries and statutory bodies has been trained and accredited.</i> 	<ul style="list-style-type: none"> • PPU report 	
	<ul style="list-style-type: none"> • Strategic plan to setup personnel in new procurement positions developed and executed <i>100% of the plan developed</i> 	<ul style="list-style-type: none"> • Written plan 	
Technological infrastructure modernized and updated	<p>By End of Project:</p> <ul style="list-style-type: none"> • Technological infrastructure plan developed and implemented <i>100% of the procurement entities modernized</i> • E-Tendering System developed and implemented <i>100% of the procurement entities advertising procurement opportunities under the new e-tendering system.</i> • Automation of the procurement process (from requisition to budget accounting information) <i>100% of the public procurement entities captured in the system</i> 	<ul style="list-style-type: none"> • Consultancy report • PPU reports • PPU report 	

BA-L1004 REFORM AND MODERNIZATION OF GOVERNMENT'S PROCUREMENT SYSTEM
Program Components, Subcomponents, Activities and Resources

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DESCRIPTION	Contracting Method	Start Date	Duration	BID	PAIS	TOTAL	%
1 - Strengthen public procurement regulatory framework				660,000	0	660,000	13.02
1.1 - Procurement regulations drafted and promulgated, including manuals, standard bid documents and		15/01/2008	6 months	570,000	0	570,000	86.36
1.1.1 - Identify and draft the procurement legislation, including manuals, stand. bid doc., relevant		15/01/2008	6 months	150,000	0	150,000	-
1.1.1.1 - Consultant firm specialized in public procurement	LPI	15/04/2008	6 months	150,000	0	150,000	-
1.1.2 - Seminars to discuss and disseminate the developed documentation tools and to incorporate com		01/07/2008	6 months	90,000	0	90,000	-
1.1.2.1 - Seminars	CP	01/07/2008	6 months	90,000	0	90,000	-
1.1.3 - Support to the implementation of the new regulations including training		01/08/2008	12 months	330,000	0	330,000	-
1.1.3.1 - Support the implementation	LPI	01/08/2008	12 months	300,000	0	300,000	-
1.1.3.2 - 1 Logistic for training for 300 persons	CP	01/08/2008		30,000	0	30,000	-
1.2 - Procurement law drafted, discussed, and agreed with main stakeholders		15/06/2010	12 months	90,000	0	90,000	13.64
1.2.1 - Draft and discuss the procurement law		15/06/2010	12 months	90,000	0	90,000	-
1.2.1.1 - Consulting firm specialized in public procurement, including tickets and per diem	LPI	15/06/2010	3 months	90,000	0	90,000	-
2 - Improve procurement operations and marketplace				1,020,000	1,000,000	2,020,000	39.84
2.1 - Create and staff a Procurement Policy Unit (PPU) in the Ministry of Finance		15/02/2008	48 months	200,000	1,000,000	1,200,000	59.41
2.1.1 - Select and staff PPU personnel		15/05/2008	6 months	200,000	1,000,000	1,200,000	-
2.1.1.1 - Salaries of PPU staff for the duration of the project (4 years)	CP	01/05/2008	1 días	0	1,000,000	1,000,000	-
2.1.1.2 - 1 Logistic support, including furniture and office equipment	CP	15/05/2008		100,000	0	100,000	-
2.1.1.3 - 1 Directed training for the new PPU personnel	CD	15/05/2008		100,000	0	100,000	-
2.2 - Strengthen Central Purchasing Department operations		15/07/2008	12 months	470,000	0	470,000	23.27
2.2.1 - Develop and implement a modernization plan for CPD supply chain management warehouse		15/07/2008	12 months	470,000	0	470,000	-

BA-L1004 REFORM AND MODERNIZATION OF GOVERNMENT'S PROCUREMENT SYSTEM
Program Components, Subcomponents, Activities and Resources

PAG. 2/3

DESCRIPTION	Contracting Method	Start Date	Duration	BID	PAIS	TOTAL	%
2.2.1.1 - Consultancy in supply chain management planning and implementation	LPI	15/07/2008	4 months	120,000	0	120,000	-
2.2.1.2 - 1 Logistic support for CPD supply chain management, including furniture, IT equipment and	CP	01/09/2006		300,000	0	300,000	-
2.2.1.3 - 1 Training the CPD personel for the supply chain management	CD	15/09/2008		50,000	0	50,000	-
2.3 - Strengthen ministries, statutory bodies, supplier community, and other entities		15/02/2009	24 months	350,000	0	350,000	17.33
2.3.1 - Training in procurement planing and operationsin accordance with the new regulations		15/02/2009	24 months	350,000	0	350,000	-
2.3.1.1 - 1 Logistics for training to be provided by PPU, including material, location, and subsist	CD	15/05/2009		350,000	0	350,000	-
3 - Procurement institutional capacity strengthened				900,000	0	900,000	17.75
3.1 - PPU and CPD organizational structure and job descriptions developed		15/05/2008	1 months	30,000	0	30,000	3.33
3.1.1 - Design the new organization structure and de corresponding job description		15/05/2008	1 months	30,000	0	30,000	-
3.1.1.1 - Consultancy Procurement - Human resources	LPI	01/09/2006	1 months	30,000	0	30,000	-
3.2 - New career-stream and relevant human resource manual developed and implemented		15/09/2008	3 months	90,000	0	90,000	10.00
3.2.1 - Develop a proposal for a new carrier-stream comprising the corresponding human resource tool		15/09/2008	3 months	90,000	0	90,000	-
3.2.1.1 - Consultancy in strategic plan and human resource career path development	CP	15/09/2008	3 días	90,000	0	90,000	-
3.3 - Permanent training program implemented and related material prepared		15/03/2009	24 months	430,000	0	430,000	47.78
3.3.1 - Development and implementation of a training program		15/03/2009	24 months	430,000	0	430,000	-
3.3.1.1 - 1 Customized training program, including equipment	LPI	15/03/2009		250,000	0	250,000	-
3.3.1.2 - Implementation of the training Program	LPI	15/05/2009	6 días	180,000	0	180,000	-
3.4 - Strategic plan to setup personnel in new procurement		01/09/2006	3 months	350,000	0	350,000	38.89

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Program Components, Subcomponents, Activities and Resources

PAG. 3/3

DESCRIPTION	Contracting Method	Start Date	Duration	BID	PAIS	TOTAL	%
positions developed and executed							
3.4.1 - Preparation and execution of the strategic plan		01/09/2006	3 months	350,000	0	350,000	-
3.4.1.1 - Consultancy in strategic plan	LPN	01/09/2006	1 días	350,000	0	350,000	-
4 - Technological infrastructure modernized and updated.				1,490,000	0	1,490,000	29.39
4.1 - Technological infrastructure plan developed and implemented		15/07/2009	12 months	840,000	0	840,000	56.38
4.1.1 - Development and implement an IT strategic plan		01/07/2009	6 months	90,000	0	90,000	-
4.1.1.1 - Consultancy IT with procurement experience	LPI	01/09/2006	3 months	90,000	0	90,000	-
4.1.2 - Update the technological infrastructure		15/09/2009	6 months	750,000	0	750,000	-
4.1.2.1 - 1 Acquisition of IT equipment	LPI	15/09/2009		750,000	0	750,000	-
4.2 - E-Tendering System developed and implemented		01/09/2009	12 months	300,000	0	300,000	20.13
4.2.1 - Acquisition and implementation of a E-Tendering package		01/09/2009	12 months	300,000	0	300,000	-
4.2.1.2 - 1 Acquisition and implementation of a E-Tendering package	LPI	01/09/2009		300,000	0	300,000	-
4.3 - Automation of the procurement process (form requisition to budget accounting information)		15/02/2009	6 months	350,000	0	350,000	23.49
4.3.1 - Identify, purchase and install an application software		15/02/2009	6 months	350,000	0	350,000	-
4.3.1.2 - 1 Purchasing application, including installation training	LPI	15/02/2009		350,000	0	350,000	-
TOTAL	---	---	---	4,070,000	1,000,000	5,070,000	100,00