

# PROJECT STATUS REPORT

JANUARY 2011 - JUNE 2011

## SECTION 1: PROJECT SUMMARY

**PROJECT NAME:** Regional Integration of Public Procurement

Project Number: RG-M1162 - Operation Number: ATN/ME-11510-RG

**Purpose:** To facilitate the completion and agreement on a regional procurement policy and associated Protocol to achieve common policies in government procurement consistent with the CARICOM Single Market Economy (CSME).

**Country Administrator**  
GUYANA

**Beneficiary Country**  
BARBADOS, BAHAMAS, GUYANA,  
JAMAICA, TRINIDAD AND TOBAGO

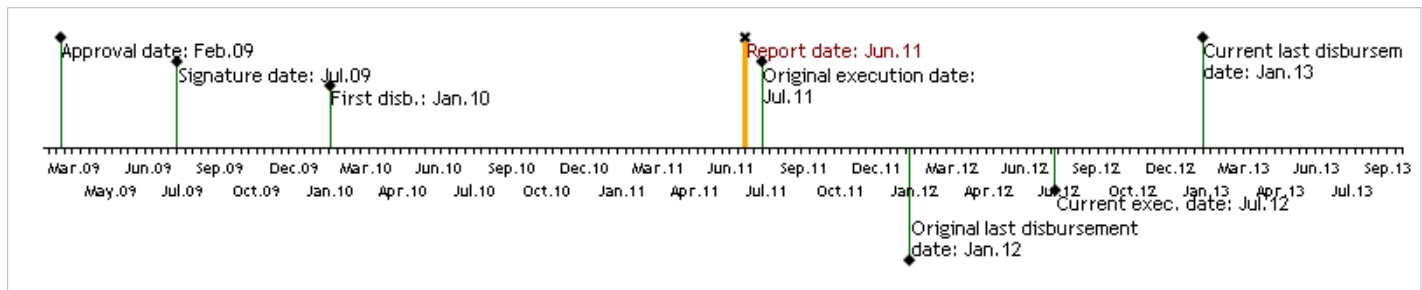
**Group**  
MDF - Market Development and  
Functioning

**Subgroup**  
PROC - Public Sector Procurement

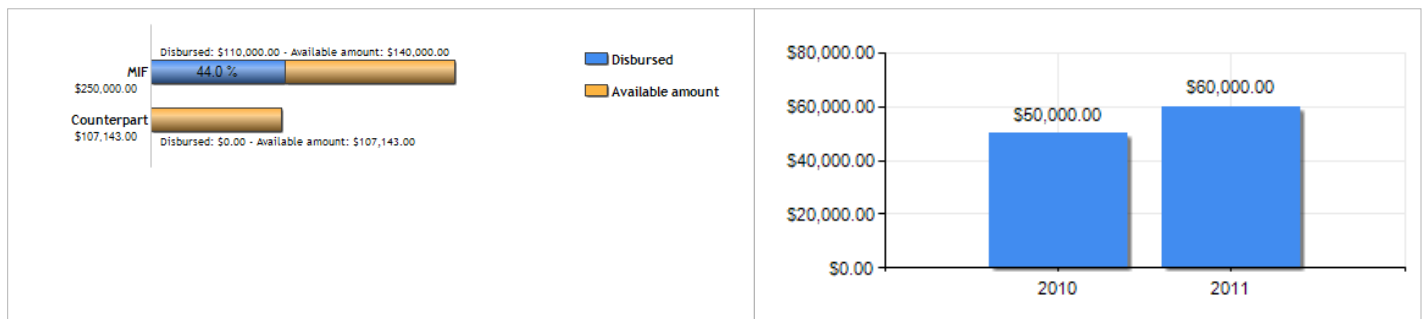
**Executing Agency:** CARIBBEAN COMMUNITY SECRETARIAT

**Design Team Leader:** Korn, Joel  
**Supervision Team Leader:** Korn, Joel

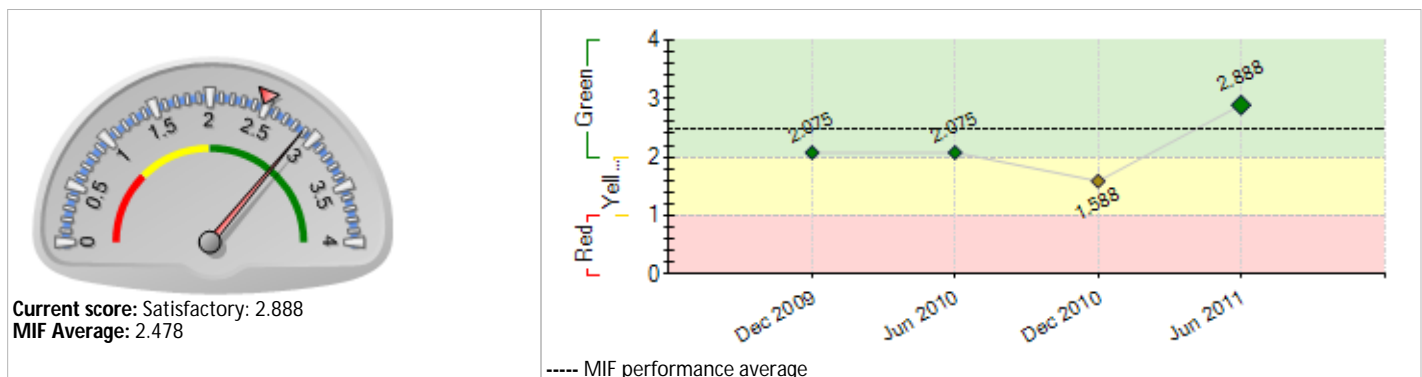
### TIMELINE



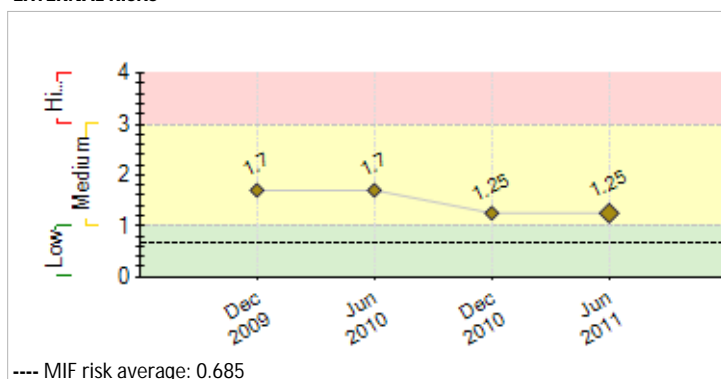
### FUNDS



### PERFORMANCE SCORE



### EXTERNAL RISKS



### INSTITUTIONAL CAPACITY

**Risk**  
**Financial Management:** Low  
**Procurement:** Low  
**Technical Capacity:** Low

## SECTION 2: PERFORMANCE

**Summary of project performance since inception**

On Friday 20th May, 2011, the Framework Regional Integration Policy on Public Procurement (FRIP) was approved by the Thirty Second Meeting of the Council for Trade and Economic Development (COTED). This is one of the most significant developments in the project lifecycle and the most significant development in the implementation of the CARICOM Single Market in the past 12 months. To date, the delays in the project related to diverging national policy issues resulting in significant difficulty of arriving at consensus on the contract value thresholds. Delays in the project continue to relate to national policy issues and capacity.

I believe that the chances of success of the project are moderate to high. This project is being executed in a period where significant developments and enhancements in public procurement are taking place throughout the Caribbean as a result of pressures by IDPs. Beyond this project, 9 other CARICOM countries have commenced modernisation and reform of public procurement systems. All other developments in the Region have taken account of the FRIP and are being drafted FRIP compliant.

The CSME Unit has conducted National consultations in Belize and in Jamaica. 7 other countries have confirmed dates. The first draft of the protocol should also be ready in the next 3 months. Already a draft of Part I - General Provisions has been submitted by the consultant. Part II - Substantive Provisions can be expected within the next two months.

**Comments from the Supervision Team Leader**

Agree with the Executing Agency comments

**Summary of project performance in the last six months**

On Friday 20th May, 2011, the Framework Regional Integration Policy on Public Procurement (FRIP) was approved by the Thirty Second Meeting of the Council for Trade and Economic Development (COTED). This is one of the most significant developments in the project lifecycle and the most significant development in the implementation of the CARICOM Single Market in the past 12 months. To date, the delays in the project related to diverging national policy issues resulting in significant difficulty of arriving at consensus on the contract value thresholds. Delays in the project continue to relate to national policy issues and capacity in Member countries.

I believe that the chances of success of the project are moderate to high. This project is being executed in a period where significant developments and enhancements in public procurement are taking place throughout the Caribbean as a result of significant pressures by international development partners. Beyond this project, 9 other CARICOM countries have commenced modernisation and reform of public procurement systems. All other developments in the Region have taken account of the FRIP and are being drafted FRIP compliant.

Following Policy approval in May, the CSME Unit conducted National consultations in Belize. Thirteen other consultations are now being programmed. This can be expected to take place over the next 3 months. The first draft of the protocol should also be ready in the next 3 months.

**Comments from the Supervision Team Leader**

Agree with the Executing Agency comments

## SECTION 3: INDICATORS AND MILESTONES

Indicators		Baseline	Intermediate 1	Intermediate 2	Intermediate 3	Planned	Achieved	Status
<b>Purpose:</b>  To facilitate the completion and agreement on a regional procurement policy and associated Protocol to achieve common policies in government procurement consistent with the CARICOM Single Market Economy (CSME).	<b>P.11</b> Final Protocol ratified by the Community Council and signed by the Heads of Government amending the revised Treaty of Chaguaramas	0				1 Jul 2012	0	
<b>Component 1:</b> Development of Policy Document on public procurement  <b>Weight:</b> 40%  <b>Classification:</b> Satisfactory	<b>C1.11</b> Agreement on Public Procurement Policy, including Thresholds, by Joint Meeting of the Council of Trade and Development, comprising CARICOM ministers responsible for trade and economic development (COTED)	0				1 Jul 2010		Delayed
	<b>C1.12</b> Public Procurement Policy Document consulted nationally	0				1 Jul 2010		Delayed
<b>Component 2:</b> Complete drafting and consultations on Final Protocol  <b>Weight:</b> 60%  <b>Classification:</b> Satisfactory	<b>C2.11</b> 2nd Draft Protocol by the Chief Parliamentary Councils reviewed	0				1 Jul 2011		
	<b>C2.12</b> Final Draft Protocol prepared and consulted nationally	0				1 Jul 2011		

Milestones	Planned	Due Date	Achieved	Date achieved	Status
<b>M0</b> Procurement expert prepares recommendations on thresholds for Final Policy Document	1	Oct 2009	1	Apr 2010	Achieved late
<b>M1</b> Regional meeting of Member States to determine threshold methodology; Joint Meeting of COTED and COFAP to review draft Final Policy Document	1	Jan 2010	1	Jun 2010	Achieved late
<b>M2</b> Conditions Prior - Mobilize project	6	Jan 2010	6	Jan 2010	Achieved
<b>M3</b> [*] National consultations on Final Policy Document	1	Dec 2011			
<b>M4</b> [*] Procurement legal expert prepares draft text and Final Protocol	1	Mar 2012			
<b>M5</b> [*] Meeting of the Chief Parliamentary Councils to review the Draft Protocol	1	May 2012			
<b>M6</b> [*] National consultations on Final Draft Protocol	1	Jul 2012			

[\*] Indicate that the milestone has been reformulated

**CRITICAL ISSUES THAT HAVE AFFECTED PERFORMANCE**  
*[None reported in this period]*

**SECTION 4: RISKS**

**MOST IMPORTANT RISKS AFFECTING FUTURE PERFORMANCE**

	Level	Mitigation action	Responsible
1. Opposition of domestic private sector in the respective countries to lower thresholds (market access level of entry by non-host country companies for Community companies' participation in individual country procurement)	Medium	Involvement of key private sector stakeholders throughout the process, especially in the stakeholder consultations.	CCS Project Coordinator
2. Continued political commitment of CARICOM member states to common public procurement policy.	Medium	Active effort to inform and involve key actors in the process through a series of national and regional meetings.	CSME Unit
3. Lack of leadership, government buy-in to achieve common policies in government procurement consistent with the CSME.	Medium	Include key stakeholders in the process and widely disseminate the results of the stakeholder consultations.	CCS Project Coordinator
4. Many factors influence economic growth and in a more significant than increased efficiency in public procurement - i.e. global economic recession, natural disasters	Low	Nothing can be done through the project to mitigate such factors.	CCS Project Coordinator

**PROJECT RISK LEVEL:** Medium **TOTAL NUMBER OF RISKS:** 4 **IN EFFECT RISKS:** 4 **NOT IN EFFECT RISKS:** 0 **MITIGATED RISKS:** 0

**SECTION 5: SUSTAINABILITY**

**Likelihood of project sustainability after project completion:** P - Probable

**CRITICAL ISSUES THAT MAY AFFECT PROJECT SUSTAINABILITY**

Issue	Comments
[X] Lack of <b>commitment</b> from the executing agency to continue or expand the project's services and/or activities	CARICOM has been somewhat inflexible in terms of the work arrangement of the project coordinator which is likely to result in her departure which would be a setback for the project
[X] Relevant actor's <b>opposition or lack of interest</b> to continue with the project's activities or services	some governments in the Region are not placing high priority on procurement matters
[X] Lack of organizational, managerial and financial management capacity to <b>continue</b> and sustain the program once the execution phase is finalized.	project coordinator has weak back-up
<b>Actions related to sustainability which will be or have been implemented:</b>	
N/A	

**SECTION 6: PRACTICAL LESSONS**

*[No lessons learned added yet.]*