

Country and Sector Procurement Risk Assessment (CSPRA) - Asian Development Bank



Objective and features

1. Objective

CSPRA aims to

- identify the risks faced by the national or sector systems which could result in sub-optimal use of national and/or ADB resources, either through leakage or inefficiency, and assess the severity of the risk; and
- develop a practical risk management plan to address at a minimum, high or significant procurement risks at the country and sector level.

2. Institutional coverage

National and subnational governments, individual sector, and single institution or agency (of beneficiary countries).

3. Technical coverage

CSPRA assesses the following four areas/dimensions in public procurement:

1. Legislative and Regulatory Framework (containing five indicators/questions)
2. Institutional Framework and Management Capacity (containing six indicators/questions)
3. Procurement Operations and Market Practices (containing five indicators/questions)
4. Integrity and Transparency of the Public Procurement System (containing four indicators/questions).

4. Application method

Custodian.

Methodology

5. Methodology

Questions or indicators for the assessment are sourced from the MAPS (B17). The steps for conducting the CSPRA are as follows:

1. Validate or update the initial country assessment – primarily through consultation with government counterparts, development partners, and other relevant stakeholders using the CSPRA tool.
2. Assessment of sector/agency procurement performance – based on interviews with government counterparts, development partners, and relevant stakeholders supported by sampling of specific procurement transactions. The sector/agency tool should be completed for each of the key agencies within the sector; the average score for the sector is then computed.
3. Prepare a narrative description of the country and sector/agency procurement systems, including identification of strengths and weaknesses.
4. Identify and assess procurement risks, based on the degree of impact and likelihood of occurrence using the following scale: High – likely to occur, high impact if risk occurs; Substantial – unlikely to occur, high impact if risk occurs; Moderate – likely to occur, low impact if risk occurs; Low – unlikely to occur, low impact if risk occurs.
5. Propose risk mitigation/management strategies to address the identified risks: High – risk mitigation recommended, Substantial – risk mitigation/monitoring recommended, Moderate – risk monitoring recommended, Low – risk documentation/identification.
6. Determine overall country, and where applicable, sector/agency procurement risk rating.
7. Propose country, and where applicable, sector/agency procurement method thresholds and confirm prior review limits.
8. Propose changes, if necessary, to the National Procurement Annex.
9. Summarize findings in the country and sector/agency procurement risk assessment report, including the maturity of e-GP system in the country based on the outline provided.
10. Prepare country partnership strategy inputs (including procurement risk assessment and management plan).

6. Benchmarking system

Scoring system. A score of four levels (0 – 3) is given for each indicator/question according to a scoring guide defined for every indicator. The average score is provided for each of the four areas in procurement by computing the average of scores in all the questions in the area. An overall score for the country/sector is also calculated as the average of all the four area scores.

7. Linkage to PEFA framework

CSPRA broadly links with the PEFA performance indicator on procurement (PI-24), and PEFA is a part of the literature review reference in the methodology.

8. Complementarity with PEFA framework

The procurement risk assessments are fiduciary in nature, intended to inform ADB's own operations in each country and/or sector. CSPRAs can complement the PEFA framework by providing more information related to procurement practices.



Development and use

9. Development and coordination

ADB's Governance Framework, as described in [GACAP II](#), requires that country and sector procurement risks be assessed during the preparation of country partnership strategies (CPS). ADB's Procurement Governance Review, 2013 also recommended incorporating a risk-based approach to procurement and establishing procurement thresholds at the country level. Hence, ADB developed a guide meant to supplement the GACAP II Implementation Guidelines 2011 and provide the processes, frameworks, and tools for conducting country, sector/agency, and project procurement risk assessments.

CSPRA is mainly an internal tool of ADB. CSPRA reports are, however, shared with other development partners working in a country.

10. Assessment management

The assessments take a two-stage approach:

- Phase I is a planning phase which involves a literature desk review of existing country and ADB procurement assessments and experience, using a tool for initial country procurement assessment, which leads to development of terms of reference (TOR) for field work and the final assessment. An initial desk review is required to plan the assessment, determine the resources required, and assess the quality and timeliness of existing procurement assessments as well as ADB's procurement experience in the country and across key sectors.
- Phase II involves mission and discussions with government and other stakeholders (development partners, pertinent local industries, and civil society organizations [CSOs]), and validation of the initial country procurement assessment culminating in the CSPRA. The in-country assessment will update and verify the information gathered during the desk review and assess sector/agency procurement performance. CSPRA represents the final assessment of country and sector/agency procurement risks in the form of a report and informs the Procurement Risk Assessment and Management Plan (P-RAMP).

A country team (which may include Operations Services and Financial Management Department [OSFMD] staff) is responsible for CSPRA. The assessment may be conducted either by staff or a consultant(s) under the direction of the country team with input from OSFMD.

Custodian quality assurance procedures apply. After an external consultant drafts the report, the responsible procurement specialist from ADB conduct the initial review. The report is further sent to other ADB teams that have a relevant interest for peer review. Comments matrix received from the ADB resident country mission, regional ADB departments, as well as other procurement experts and directors are addressed before the report is finalized by ADB.

11. Uses by the government and members of the PFM community

CSPRA is mainly used internally by ADB. It forms part of the thematic and sector analysis undertaken to support the preparation of ADB's new CPS. Risks identified through CSPRA (and the identified mitigation measures for the risks) are the basis in preparing the Procurement Risk Assessment and Management Plan (P-RAMP). The P-RAMP is incorporated into the overall risk assessment and management plan in the CPS.

12. Sequencing with other tools

If there is a MAPS (B17) assessment completed in a country, they can form the baseline for CSPRAs. A full CSPRA can be avoided to focus more on sector/agency level assessments, which may not be provided by MAPS. CSPRA can complement the MAPS findings by analyzing the procurement practices in sectors such as transport, energy, water, education, and health.

13. PFM capacity building

Currently there are no direct capacity-building initiatives undertaken directly by ADB as part of CSPRA. However, ADB is considering formalizing capacity building as part of CSPRA in the future. Indirectly, weaknesses identified as part of CSPRA analysis may feed into capacity-building plans at the agency level. ADB may provide technical assistance to projects under the CPS or other individual projects depending on the issues.

14. Tracking of changes and frequency of assessments

There is no specific or required frequency. CSPRAs are undertaken at the CPS preparation stage. However, if significant changes have been identified in the procurement framework, which could materially impact the risk ratings, they may be updated at any time during the CPS period. For countries wherein CPS is not prepared, an abbreviated CSPRA may be conducted during project processing.



Transparency

16. Access to methodology

Methodology is [available](#). A describing the scope of CSPRA, the methodology to be followed, indicators, and questions, as well as a scoring guide for the questions, is available for use by ADB staff and external consultants.

17. Access to assessment results

ADB maintains an internal repository. Reports are published with approval from the government. A redacted version of the report is published if the government has issues with publishing certain information, otherwise a full publication is done.

