



Procurement Agents- their effective role in Project implementation

Why do we appoint Procurement Agents ? There is usually a sole objective – to get the job done efficiently and effectively. However, the motivations may be many. Sometimes there is a need for a transitory function, maybe following a natural disaster or conflict or the emergence of a new country where capacity gaps exist. Often Procurement Agents are regarded as a purely administrative function, a necessary process that can delay implementation. Development partners may look to appoint a Procurement Agent as a ‘policeman’, notably where there are concerns about fraud and corruption. Conversely, through the devolution of responsibilities the Procurement Agent is authorised to act in the name of the partner Government and therefore this provides them with a degree of distance from the process. Then, and is this is the case for many bi-lateral development partners, a default position; MCC, DFID, and on occasion Danida and AusAID.

The benefits can be swift and defined. But the appointment of a Procurement Agent is often seen as ‘quick fix’, with often little consideration given to a more strategic implementation. It is not unusual that there can be some degree of resentment on the part of the partner Government if they feel the proposed appointment is being imposed. So, do we as partner Governments, development partners and individual tax payers achieve best value for money in the use of Procurement Agents ?

Often a quick, maybe low cost solution, is what is required but increasingly we are seeing the role of the Procurement Agent being applied in more strategic environments. As part of project preparation development partners invest considerably in strategies that will achieve the desired project outcomes. But the longer term benefits of the effective use of Procurement Agents are often overlooked. Project design will often consider the ‘Exit Strategy’. This may include a capacity building initiative or a second phase to the project. However, how procurement fits within this is not always debated further.

From the motivations outlined earlier it is not unexpected that a Procurement Agent is rarely considered as a ‘Partner’ to Government.

Procurement needs are cyclical, experience has shown us that wherever you may be in the cycle you will move through as needs are monitored and re-assessed, capacity builds and reforms are implemented. Given the typical scenario of the appointment of a Procurement Agent where there is limited capacity within the Government, the current implementation of such a role finished there. This limitation is to some extent self-imposed by the historical interpretation of the role.

In reality the potential is far greater. The Procurement Agent can successfully support Government as capacity builds and adopt more of a mentoring role. Often in parallel Government looks at its own procurement systems and procedures. In this respect there are no shortcuts on legislative change, centralised versus decentralised solutions etc, but again the Procurement Agent can support Government whilst it focusses its energies on the critical decisions, and ensure that momentum achieved through the already precious capacity is not lost.

So, how can you extract the benefits ?

In addressing capacity gaps a broader response can be considered. Not only in respect of location ie embedded or remote, but also in providing sectoral specialists particularly important in health, but still very relevant in other high spending Ministry portfolios.

Capacity building can be a very broad label and sometimes Government loses out on the potential transfer of skills from experience procurement practitioners. Of course there are benefits from formal training courses and mini sessions, but the ingrained practice invariably comes from mentoring and sharing experiences.

Equally whilst we can be taught how to improve transparency and build anti-corruption strategies it is often the practical examples learnt 'day' to 'day' that achieve longer term results. Allied to this is how the private sector is engaged, with, over a prolonged period of time, and what comfort is given through transparent and accountable practices.

In considering procurement solutions as part of the ADB Project cycle and development of Country Partnership Strategies we consider more sustainable achievements for Governments can be delivered through a more strategic engagement with Procurement Agents.

Crown Agents

Regional Seminar on the Use of Procurement Agents, Beijing September 2012