



**MAPS**

Methodology for Assessing  
Procurement Systems

# Guidance: Gap identification, risk assessment and red flags

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## INTRODUCTION

MAPS is the universal tool to diagnose public procurement systems and identify their strengths and weaknesses. In order to understand which are the most important topics for intervention, assessors need to select those weaknesses that present the highest risk. The methodology also uses the concept of red flags to raise attention to specific elements that may hinder actions to improve procurement.

## PURPOSE

The purpose of this document is to provide guidance and examples on: (i) how to identify and classify substantial gaps according to their level of risk; and (ii) the situations that require raising a red flag.

### I. How should gaps be classified?

MAPS is a tool to assess public procurement systems that informs decision-making and the establishment of action plans to reform procurement. Central to this idea is the identification of the weaknesses of the procurement system, and the evaluation of their severity. As the assessment is based on a set of objective indicators that all countries should aim to achieve, the weaknesses are expressed as gaps in relation to the indicators.

The identification of substantive gaps is the third step in the MAPS three-step approach for assessing sub-indicators<sup>1</sup>. Once quantitative and qualitative analysis of a sub-indicator has been done, to determine whether assessment criteria are met or not, the assessor must describe the gaps found in relation to each criterion in the indicator matrix template. This in turn provides the initial basis to propose recommendations at the criterion level, which should then be aggregated and streamlined to recommendations for the whole procurement system in the assessment report.

Some gaps can be considered as non-substantive. This happens when either (i) the assessed criterion does not have a gap as such, but assessors observe that there is nonetheless room for further improvement; or (ii) the assessed criterion has a gap that is relatively minor.

For example, when assessing criterion (b) of sub-indicator 4(b), the assessor may identify that: (i) procedures for processing invoices are clear and followed, but that there have been a few cases in which invoices have not been paid on time; or (ii) a section of the procedure can be slightly updated or tweaked. Depending on the case, the assessor could mark this criterion as having a minor gap (or even in some cases, no gap at all), describe this situation and provide a recommendation for further improvement.

The assessor must identify which gaps are substantive. The existence of these gaps indicate that the corresponding criterion cannot be marked as met.

The following table summarises the rules at the criterion level:

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<sup>1</sup> Refer to paragraphs 20 – 24 of the MAPS User's Guide.



If:	The criterion should be marked as:
No gaps are identified for the criterion	No gap
Only minor gaps are identified for the criterion	Minor gap
At least one substantive gap is identified for the criterion	Substantive gap

Consequently, if a substantive gap is found at the criterion level, a substantive gap should also be marked at the sub-indicator level. Substantive gaps trigger the need for the assessor to gauge the level of risk they pose to the public procurement system.

If:	The sub-indicator should be marked as:	Colour in the compliance overview matrix	Risk assessment
No criteria of the sub-indicator have gaps	No gap		No need to identify risks
Some criteria of the sub-indicator have minor gaps, but none have substantive gaps	Minor gap		No need to identify risks
At least one criterion of the sub-indicator has a substantive gap	Substantive gap		Risk should be determined (Low / medium / high), as well as the possible need for raising a red flag (see Section III of this document)

The diagram below shows the different possibilities that a sub-indicator can exhibit, following an increasing scale associated with risk to the public procurement system:



## II. How to assess the risk of each substantive gap?

To determine the level of risk of each substantive gap, the assessor must estimate the likelihood that the gap will result in a situation that affect the procurement system as a whole, as well as the severity of the consequences, that is, the impact of such a situation. All substantive gaps must be assessed as low, medium or high risk.<sup>2</sup>

<sup>2</sup> Alternatively, if more used in the country, a 4-level scale can be used (high, substantial, moderate or low).



For example, when assessing sub-indicator 2(b), if the assessor evidences the absence of model procurement documents, it would likely be the case that entities do not always follow the provisions set in legislation and regulation, leading to mistakes and inefficiencies. This means that this substantive gap ranks high in the scale of probability of likelihood. Furthermore, these mistakes and inefficiencies would translate into important issues for specific procurements and for the system as a whole. Thus, the impact of this situation would also be high. Combining the two dimensions of risk, this substantive gap is to be marked as a high-risk one.

### III. What are red flags?

Red flags are assigned to gaps that will probably obstruct efforts to improve the public procurement system, either by making these efforts less likely to happen or by preventing them from achieving their intended result.

A red flag, then, is warning sign that indicates an element that:

- (i) can significantly impede achieving the objectives sought through public procurement
- (ii) cannot be immediately mitigated through actions in the public procurement system

Thus, a red flag is always related to a substantive gap that ranks high on the impact dimension and usually also high in the likelihood dimension (or cannot be mitigated if it materialises).

Red flags usually arise in practice from situations that are outside the procurement sphere and thus not completely controllable when undertaking efforts to improve procurement.

For all high-risk gaps, the assessor must determine whether there are red flags associated with them. In addition to this, assessors must raise a red flag if there is an irreconcilable disagreement about a substantive gap between the assessment team and the government.

The identification of red flags is fundamental when establishing an action plan and achieving support from local and international stakeholders, because it allows decision-makers to determine the feasibility of reform efforts. Furthermore, it shows where coordination with other institutions, especially within government and outside of the procurement system, would be required for a successful reform.

For every identified red flag, the reasons for assigning the red flag must be described in the assessment report. Additionally, when developing recommendations in the report, assessors should explicitly take into consideration any relevant red flags.

The following table presents situations that assessors could encounter when carrying out a MAPS assessment, with a conclusion of whether these gaps that in most cases would be classified as high risk, would in general constitute red flags or not. At any rate, these are just examples provided as guidance. Assessors must determine the use of red flags based on all the available information they have gathered during the assessment process.



Sub-indicator	Substantive gap	Conclusion
1(a) – Scope of application and coverage of the legal and regulatory framework	The procurement law is outdated. However, the procurement agency, which is the only responsible for proposing changes to it, does not want to present a new bill because Parliament has rejected the past bills and it sees no space soon to propose a reform.	<b>A red flag should be raised</b> , because any effort to update the procurement law would not be materialised soon.
2(b) – Model procurement documents for goods, works and services	While model procurement documents exist, they are not up to date with the latest regulation. This has caused errors and reprocesses for major procurements.	Red flags need not necessarily be raised, because actions to update the documents are feasible and would solve the situation.
4(b) – Financial procedures and the procurement cycle	Suppliers complain that they are not paid on time. The government states that this is not an issue. Although there is information collected per procurement process on the time taken to pay invoices, the government has instructed that this information should not be shared with the assessing team.	<b>A red flag should be raised</b> , because there is an irreconcilable disagreement between the assessors and the government. Furthermore, the assessors were not able to review all available data to properly substantiate this sub-indicator.
7(b) – Use of e-procurement	The country has a deployed a new e-procurement platform some years ago, but uptake is very low, and few suppliers have registered. Suppliers express difficulties using the system because of the unreliable internet connectivity in most of the country.	<b>A red flag should be raised</b> , because even if necessary measures to improve the uptake of e-procurement are implemented from the procurement authorities, the lack of proper internet connectivity would impede the actions to increase the uptake of e-procurement.
8(a) – Training, advice and assistance	Training in French is provided by government, but many officers at the local level only speak local languages. There is no staff nor funds to provide training in other languages.	<b>A red flag should be raised</b> , because the language barrier presents a situation which significantly impedes the objectives of procurement at the local level, and cannot be easily mitigated.
9(b) – Selection and contracting	The use of e-procurement is mandatory for all procuring entities. However, the e-procurement platform does not allow the use of all procurement methods established in legislation. This means that in practice, procurement methods are not always chosen in accordance with purpose and in compliance with the legal framework.	Red flags need not necessarily be raised, because this situation could be mitigated by means of aligning the e-procurement platform with legislation.



<p>10(b) – Private’s sector organisation and access to the public procurement market</p>	<p>While there are no explicit restrictions in procurement regulations to participation, few international suppliers ever bid for contracts. Trade regulations establish that companies that intend to sell goods and services in the country must create a branch and open a bank account in the country. The Ministry of Trade, which is responsible for this regulation, opposes to changing this provision.</p>	<p><b>A red flag should be raised,</b> because the identified provision lies within the regulation for which another government institution is responsible, and this institution is reluctant to change it.</p>
<p>14(e) – Stakeholder support to strengthen integrity in procurement</p>	<p>There are several strong and credible civil society organisations that have gained experience exercising social audit of procurement in the country. However, recent security issues across the country have impeded them from gathering information in many cities. They have also been threatened for disclosing corruption and inefficiency, and have stopped their work in most of the country for this reason.</p>	<p><b>A red flag should be raised,</b> because the civil society organisations cannot carry out their social audit work properly because of the poor security conditions in the country.</p>

