



The World Bank

Procurement Policy Review Feedback Summary

Date: September 15, 2014 - 10:00

Location (City, Country): Berlin, Germany - BMZ

Total Number of Participants:

Overview and General Reactions: Overall, participants were content with the proposed reform, especially considering the focus on Value for Money (VfM) and building sustainable results. Participants expressed thanks for the consultative process and commended the team for having come up with a proposal that balances the different shareholder and stakeholder views received so far. They agreed in many ways with the proposed framework as it currently stands – including its structure, Vision statement and core principles. Despite having come a long way and having reached a “good middle ground,” there are still some clarification points and input on aspects that could be improved, such as more clearly defining the link between VfM and the principle of economy. Participants specifically appreciated the inclusion of sustainable procurement, the intended stronger focus on strengthening capacity of borrower procurement systems and increased use of alternative procurement arrangements, the envisaged fit for purpose, and risk based approach, and expressed hopes that further consultations and deliberations would not dilute what is currently on the table.

Specific Feedback from Stakeholders

1. How should the Bank implement support to borrower procurement capacity building and institutional strengthening?

- Participants suggested that the Bank work together to identify countries to support through colleagues working on public procurement on the ground. In addition, participants asked that the Bank provide the means to identify countries that are conducive to capacity building.
- The participants were especially interested in collaboration with the Bank to improve capacity building and system strengthening.

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| <ul style="list-style-type: none"> • In a similar vein, having a way of determining how much support a fragile state will get for developing a procurement strategy was a concern expressed throughout the meeting; this is in an effort to have a joint approach to fragile countries across World Bank. |
| <p>2. How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?</p> |
| <ul style="list-style-type: none"> • Some participants struggled to understand how the Bank is going to apply a VfM when the Bank is dealing with countries that still favor lowest price. Participants asked The Bank to set out a set of principles that ensures that VfM is the deciding factor in the assignment of procurement contract. • In addition, it was suggested that including a set of incentives for quality criteria may further help promote fair assessments of procurement contracts. |
| <p>3. How should the World Bank target its procurement staff resources to get the best results?</p> |
| <ul style="list-style-type: none"> • Participants asked the Bank to provide a timeline on the procurement reform process, while also illustrating how the Bank is planning to link project support to capacity building. • In another comment, participants agreed that the Bank should focus on this reform and prioritize its goals, adding that a pragmatic and long-term approach is important to its success. • In assessing the larger context, a participant mentioned the importance that the Bank determines a procurement approach that is systematic for the entire country. • In order for sustainable procurement to work, the Bank should define a new assessment tool, such as MAPS or a revision of MAPS. • The Bank should determine the scope of sustainability, whether the Bank is hoping to promote broader sustainability goals beyond safeguards, and if this is the case, then the Bank should have an understanding of how it will address risks once they are identified. |
| <p>4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?</p> |
| <ul style="list-style-type: none"> • Participants welcomed to proposal to utilize procurement arrangements of members of the Government Procurement Agreement (GPA), but would like to see the use of these arrangements extended beyond GPA members. |
| <p>5. How should sustainable procurement matters be addressed in Bank-financed contracts?</p> |
| <ul style="list-style-type: none"> • Sustainable procurement is particularly important for those contracts that are both high risk and high value. |
| <p>6. How should the World Bank manage fraud and corruption issues in the procurements it finances?</p> |
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7. What would be suitable procurement metrics that the Bank should use to improve performance?

8. What role should the Bank have with regard to complaints monitoring?

9. What should be the Bank's role in contract management, and with regard to improving performance of suppliers?

- Participants agreed with the Bank's statement that transparency and participation is key to success, and further mentioned the possibility of an open contracting partnership to enhance transparency and participation throughout the supply chain.
- Participants additionally suggested that the procurement review process address some of the ideas of an open contracting partnership.
- In a later comment interested in enhancing civil society involvement and transparency, a participant expressed interest in giving other stakeholder groups – those not directly involved in procurement process – a voice, suggesting they be allowed to make complaints.

10. General comments on other issues emanating from the Bank's proposals?

- Participants noted the difficulty some procurement contracts may have in certain political environments, and suggested it would be helpful to account for these "soft factors" on the ground through an assessor.