



The World Bank

Procurement Policy Review Feedback Summary

Date: October 28, 2014

Location (City, Country): Wellington, New Zealand

Total Number of Participants: 8

Overview and General Reactions:

A half day consultation session with government stakeholders was conducted on October 28, 2014 in Wellington, New Zealand. Enzo de Laurentiis, Practice Manager in the Governance Global Practice, made an opening speech, emphasizing the importance of constructive and candid comments and suggestions for this first ever comprehensive review of the WB procurement policy and procedures. Inputs from the Phase 1 consultations have resulted in the preparation of a Proposed New Framework on Procurement in World Bank Investment Project Financing, setting the stage for Phase 2 consultation (September – December 2014).

Mr. de Laurentiis presented on the rationale of the Review, summary of feedbacks received from Clients through the first round of global consultation, the overall reform timeline, and the key proposed principles and changes to the Bank's procurement policy. The meeting was followed by open discussions and responses to the guiding questions posted for consultation.

Specific Feedback from Stakeholders

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

- Participants raised the question of how capacity building will actually occur, especially in small countries.
- Clarification is needed to understand if institutional strengthening will occur at the agency level or at the national level.
- The implementation of effective capacity building requires developing a long term relationship with the country or agency.
- If a pilot for institutional strengthening is conducted, it should include countries based in the Pacific Islands.
- If a trust fund is set up for capacity building and institutional strengthening it should mainly support low-income countries.
- Focus should also be given on attracting diaspora back into public projects through education and/or scholarship opportunities.

2. How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?

- The decision to use value-for-money or any other method should occur very early in the procurement process.
- Apart from reviewing the policy to include this and other methods, tools should also be developed to improve procurement.
- Sustainability can also be used as a determining factor in awarding a contract.

3. How should the World Bank target its procurement staff resources to get the best results?

- Giving way for discretion can lead to bad practice by both the World Bank staff and country staff. Actual implementation of the new policy needs to mitigate this risk.

4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?

-

5. How should sustainable procurement matters be addressed in Bank-financed contracts?

- Other than the environmental and social aspect of sustainability, the term sustainable can also refer to sustaining the results of an activity over time.
- Clarification is needed on how the new procurement policy takes into account sustainable aspects such as environment and climate change.
- Participants were concerned with why the World Bank is not leading the initiative towards sustainable procurement.

6. How should the World Bank manage fraud and corruption issues in the procurements it finances?

- The World Bank should bring in the resources of the client countries to review the procurement process, especially since it plans to lower the number of prior reviewed contracts.
- The World Bank should have in place a system for handling integrity and ethics, similar to many high-income countries.
- Supporting international organization focused on transparency and integrity to play active roles in countries can aid in deterring fraud and corruption in procurement.

7. What would be suitable procurement metrics that the Bank should use to improve performance?

- It is important to measure based on compliance, but also on improvement over time.

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?

- A suggestion to ensure effective outcomes and improved supplier performance would be to have a contract manager and support assigned to each contract from award to completion.

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

- Procurement capacity should be a major factor in determining if a loan can be given to a country or organization.