



The World Bank

## Procurement Policy Review Feedback Summary

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**Date: November 18<sup>th</sup> 2014**

**Location (City, Country): The Hague, Netherlands**

**Total Number of Participants: 15**

### **Overview and General Reactions:**

Stakeholders were well pleased to see that the new version of the procurement framework has captured comments and recommendations shared with the Bank in June 2012. Such comments included, among others, addressing issues related to the current rigid evaluation criteria (lowest evaluated bidder) introducing VfM and sustainable procurement. In addition, they welcomed the proposals to strategically strengthening client's institutional capacity, and to develop a fit-for purpose framework taking into consideration the context of the operation and associated risks. Moreover, they agreed with the proposal for early contractor involvement, risk-market analysis, enhancing Bank contract administration and complaints.

- The participants had a general positive perception of the procurement reform and considered it to be an important and ambitious attempt to modernise the policies and procedures.
- Participants from the public sector asked for more clarity on the transparency of the bid evaluation criteria and the award. Specifically, more information on the bid process, the bidders and the reasons for choosing the winner over the other bidders.
- Participants asked about the implications of the Bank's Global Practice Reform to the Procurement reform's timelines and implementation.

<b>Specific Feedback from Stakeholders</b>
<b>1. How should the Bank implement support to borrower procurement capacity building and institutional strengthening?</b>
<ul style="list-style-type: none"> <li>• The public sector participants suggested considering an evolution in terms of learning from experiences. In this effort the public and private sector should be involved.</li> <li>• Stakeholders found capacity building of the countries and of the Bank staff supporting it to be the most important topic in order to implement any reform successfully and in specific Value for Money and sustainable procurement. Therefore, strategies to carry this out are required. Moreover, stakeholders also emphasized on training staff and procurement specialists in the country to carry out market analysis and supply chain.</li> <li>• It was suggested by the public and private sectors to organize trainings, forums and spaces to allow knowledge sharing between countries and sectors.</li> <li>• As a general remark there was a call for higher involvement of the Bank in projects of low capacity countries. This is a main concern for the private and public sectors.</li> </ul>
<b>2. How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?</b>
<ul style="list-style-type: none"> <li>• Stakeholders are concerned on the implementation of Value for Money</li> </ul>
<b>3. How should the World Bank target its procurement staff resources to get the best results?</b>
<b>4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?</b>
<ul style="list-style-type: none"> <li>• Participants asked for more information on the evaluation of Alternative Procurement Arrangements and asked if there was a way to test it before worldwide implementation to determine if it will work.</li> <li>• The use of agencies arrangement systems or Bank prior review should be based on a comprehensive risk analysis (methodology) to identify and address possible issues that may dilute of transparency, competition in WB procurement processes.</li> </ul>
<b>5. How should sustainable procurement matters be addressed in Bank-financed contracts?</b>
<ul style="list-style-type: none"> <li>• Participants from the public sector mentioned that the implementation of sustainable procurement in countries might be more difficult when there is no national sustainable policy.</li> <li>• Stakeholders from the public sector suggested learning from the experience of countries that have succeeded in holding conversations with the private sector to introduce sustainable procurement.</li> </ul>

<ul style="list-style-type: none"> <li>Participants suggested to align to international standard in sustainable procurement and to contact them for any assistance.</li> </ul>
<b>6. How should the World Bank manage fraud and corruption issues in the procurements it finances?</b>
<ul style="list-style-type: none"> <li>A more strategic reaction from the World Bank was suggested in projects from countries with high corruption rates in their institutions.</li> </ul>
<b>7. What would be suitable procurement metrics that the Bank should use to improve performance?</b>
<b>8. What role should the Bank have with regard to complaints monitoring?</b>
<ul style="list-style-type: none"> <li>Stakeholders welcomed the proposal of a higher involvement of the Bank in dispute resolution.</li> <li>Stakeholders are concerned as to how to guarantee independence of the complaints' organism.</li> <li>Participants suggested considering how to deal with retaliation problems in the complaints system.</li> </ul>
<b>9. What should be the Bank's role in contract management, and with regard to improving performance of suppliers?</b>
<ul style="list-style-type: none"> <li>Participants suggested considering staff that could reply to questions regarding contract management specifications and that would follow up project contract management.</li> </ul>
<b>10. General comments on other issues emanating from the Bank's proposals?</b>
<ul style="list-style-type: none"> <li>Regarding the proposal of Strategy for development, the proposal was welcomed by participants, but the required capacity and specification was questioned.</li> <li>Participants suggested to keep in mind the objective of the organization when finalizing the policy and procedures.</li> <li>Stakeholders from public sector suggested looking for natural allies that may have more capacity to get more hands on support for trainings and knowledge sharing.</li> <li>Stakeholders mentioned that early involvement from the procurement specialist was a considered a good idea, especially when the sector in the country has low capacity. Also considering the involvement of expertise from the private sector was suggested.</li> <li>The private and public sector have had experience in Public Private Partnerships and offered help in including smart solutions in public tendering and request for proposals.</li> <li>Participants agreed with the proposal for early contractor involvement, risk-market analysis, enhancing Bank contract administration and complaints.</li> </ul>