

The World Bank

Procurement Policy Review

**Feedback Summary**

**Date: Dec 2, 2014**

**Location (City, Country): Nairobi, Kenya**

**Total Number of Participants: 8 public & private sector**

**Overview and General Reactions:**

Participants fully endorse the proposed elements of the framework and there is consensus that capacity building and institutional strengthening are a priority in accomplishing objectives of the new procurement framework. They also welcome the proposal to streamline the Bank’s approach to prior review, seconding the idea that the Bank’s prior review should be aligned with risks, focused on high risk and/or high value projects.

Capacity building; more delegation to local specialists; up-front assessment of the operation; NCB utilizing the relevant national legislation of the borrower; and hands-on support from the Bank are all found to be part of what will help expedite implementation of projects.

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| **Specific Feedback from Stakeholders** |
| 1. **How should the Bank implement support to borrower procurement capacity building and institutional strengthening?** |
| * Stakeholders wish to clarify if capacity building means helping to form a robust country system (that can be used by other MDBs) or if countries will build their capacities to attain the level of Bank systems, i.e. abandoning UCS altogether. * Partcipants are concerned with previous training opportunities that followup is lacking. The reform should consider the need to followup with stakeholders post training. * Capacity building should take place in two stages: 1) at the strategic/institutional level 2) cascading procurement knowledge of practitioners. * There is a need to systematize the improvement and measurement of capacity building, the latter will help to identify if targets are being met. * Which stakeholders will the Bank be supporting and in what matter, i.e. is it merely a matter of retraining? * Professionalism of procurement practitioners should be considered as part of capacity building instruments. * Capacity building initiatives should also cover the private sector, in particular to prepare Kenyan companies to bid in innovate processes, such as VfM and sustainable procurement. |
| 1. **How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?** |
| * Participants suggested that the Bank’s SBDs refer to VfM and how to measure non-price attributes. * Further as regards measurement: given the dynamics of procedures and the possibility of them changing in the course of a project, how can VfM be measured and continuously capture these changes? * Will details of the proposal also guide suppliers on how to measure VfM? * Guidance on price references would be appreciated. |
| 1. **How should the World Bank target its procurement staff resources to get the best results?** |
| * Welcomed the proposal to streamline the Bank’s approach to prior review, seconding the idea that the Bank’s prior review should be aligned with risks, focused on high risk and/or high value projects. |
| 1. **How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?** |
| * Participants enquired if there are other options under APA, besides GPA, those of other MDBs and agency arrangements, are available and how the Bank will ensure that these are in accordance with national policies. In addition, they wanted to know if the delegation to other MDBs was optional or a requirement where the Bank was no t the majority financier. |
| 1. **How should sustainable procurement matters be addressed in Bank-financed contracts?** |
| * More delegation to local specialists; up-front assessment of the operation; and hands-on support from the Bank are all found to be part of what will help expedite implementation of projects. |
| 1. **How should the World Bank manage fraud and corruption issues in the procurements it finances?** |
| * Promoting integrity as a pro-governance proposal, building accountability in decision making processes, enhancing transparency, fairness in procurement, among others. |
| 1. **What would be suitable procurement metrics that the Bank should use to improve performance?** |
| * Welcomed the proposal to track performance of companies. |
| 1. **What role should the Bank have with regard to complaints monitoring?** |
| * Stakeholders wanted to know how the Bank will ensure effective whistleblower protection and be proactive in their due diligence. * As for cost of DRB, who will carry the cost of them? |
| 1. **What should be the Bank’s role in contract management, and with regard to improving performance of suppliers?** |
| * The Bank should be more proactive in this area and perform its due diligence to enhance integrity (i.e. not letting companies take advantage of badly defined technical specifications; and support an environment of good governance by limiting irregularities in procurement). * This proposal requires the application of CM throughout the procurement cycle, thus how will the Bank enhance procurement specialists’ capacity (incl. the subjectivity required by VfM, i.e. non price attributes) in order to achieve the objective? |
| 1. **General comments on other issues emanating from .the Bank's proposals?** |
| * As for the complex key issues, stakeholders found it critical that concepts (e.g. Vfm, SPP, etc) be clearly defined and are universally agreed upon by stakeholders and in sync with national definitions. * A practical concern is also related to the updating of the Bank policy/procedures, that needs to happen more regularly if it is going to be on par with the fast pace of the procurement field. The reform should address the need for regular updates including standard documents. * Stakeholders hope that the reform will address the delays caused by prior review and no-objection. * While there are benefits in having feasibility studies carried out, stakeholders are concerned with who will carry the cost. * Stakeholders wanted to know more about the Bank’s approach to FCS more specifically. |