



The World Bank

Procurement Policy Review Feedback Summary

Date: September 15, 2014 - 14:00

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

Total Number of Participants: 19

Overview and General Reactions: A consultation session with multiple stakeholders took place on September 15, 2014 at the invitation of Bundesverband der Deutschen Industrie (BDI) in Berlin, Germany. The general response to the reform was positive, with most concerns expressed by these stakeholders in the first consultation phase being covered. Value for Money (VfM) and sustainable results further detailed that the reform was continuing in the right direction. Some of the main concerns included worry about defining acceptable procurement standards, especially when considering the need to ensure quality and integrity, with a high importance placed on sustainable criteria, or the quality of life cycle evaluation. Overall, the consultations were successful for the parties involved, though it was expressed that stakeholders would like to see more sustainability, and more transparency as we continue forward.

Specific Feedback from Stakeholders

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

- Participants suggested offering more choices and more guidance to the borrower to enable the borrower to make as informed a decision as possible.
- It was also noted that the procurement plan should be signed off by the Bank, while high risk/high value contracts should be signed off by Chief Procurement Officer (CPO).
- The Bank should to design a sustainable capacity-training program that is more efficient on a lower budget.
- The Bank needs to maintain leadership in procurement with high capacity and institution building.

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

decisions?
<ul style="list-style-type: none"> • Alternative procurement arrangements can have significant consequences; therefore the Bank needs to ensure the procurement process is thoroughly monitored. • The Bank needs to provide full transparency on the point of pre-defined non-price attributes.
3. How should the World Bank target its procurement staff resources to get the best results?
<ul style="list-style-type: none"> • Participants expressed concern that cost-cutting measures at the Bank will have an effect on the way the Bank does procurement, and suggested how the Bank will eventually need to become a solutions Bank.
4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?
<ul style="list-style-type: none"> • The participants expressed having had negative experiences with some countries who have not achieved high procurement standards, such as those set by the Bank. They suggested that if countries' national procurement arrangements are going to be used for World Bank projects, the Bank should only allow this for full Government Procurement Agreement (GPA) members, not associated members. • For large complex projects, International Competitive Bidding (ICB) should be applicable in any case, even for GPA members.
5. How should sustainable procurement matters be addressed in Bank-financed contracts?
<ul style="list-style-type: none"> •
6. How should the World Bank manage fraud and corruption issues in the procurements it finances?
<ul style="list-style-type: none"> • Participants suggested strengthening the Bank's sanction policy by allowing the Bank to take legal action against corrupt clients/borrowers or their legal representatives to help combat fraud and corruption issues.
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?
10. General comments on other issues emanating from the Bank's proposals?
<ul style="list-style-type: none"> • It was welcomed that ICB remains the preferred procurement arrangement, but participants would need more information about the proposed thresholds for market segments. • The Bank needs to define who the strategic key suppliers are and which market segments are considered out of the key markets. • Permanent international advisory should be composed of a broad range of experts from donors and borrowers and their private sectors and civil society organizations. • With more flexibility on procurement strategy and contract forms, the Bank should fully define the role of third party stakeholders in the procurement process. • If the Bank can more clearly define who decides what is appropriate in a reliable manner, Borrowers will be better able to make informed procurement decisions. • For the largest contracts, participants suggested that the Bank incorporate elements of the construction sector's transparency initiative (which is in turn, funded by the Bank). • Additionally, a recommendation from the meeting was to more fully define the role of engineers, project managers, procurement officers, etc. in order to create a more informed staff/consultant base.