



The World Bank

## Procurement Policy Review Feedback Summary

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**Date:** September 6, 2012

**Venue:** Dili, Timor-Leste, connected by video conferencing with Sydney, Australia, and Port Moresby, Papua New Guinea

**Total Number of Participants:** 19

### Overview and General Reactions

Consultations for the World Bank's Procurement Policy Review took place on September 6, 2012, via video links in Sydney, Dili and Port Moresby, with a cross-section of stakeholders from government, project management units, civil society and private enterprise in Timor-Leste and Bank staff from the three locations. The list of participants is provided. Ms. Myrna Alexander, member of the Procurement Policy Review team, made the initial presentation which was followed by open discussion and responses to the guiding questions for the consultations.

#### General Recommendations

- The Bank's analysis is essentially right: there is a need to do something different than what is currently being done under Bank procurement policies. Capacity building is critical.
- The use of country systems ought to be the central policy for the Bank, accompanied by support and capacity building efforts suitably adapted to country conditions. At present, there are many issues in using the Bank's procurement guidelines because of their complexity.
- The main objectives of the procurement policy ought to be to achieve: (1) transparency; (2) quality of outcomes; and (3)

accountability. Achieving these goals would help to prevent corruption and improve the quality of services. The participation of beneficiaries and other stakeholders is vital, as is coordination between branches of government.

- Overall policies need to be better customized to country needs, especially for small and conflict affected countries. Countries such as Timor-Leste need to be given the opportunity to develop their capacities.

### Specific Feedback from Stakeholders

**1. The analysis presented in the Initiating Discussion Paper captures the key issues and concerns that should be addressed in the review. Are there other challenges which the review should try to address?**

- The Bank’s overall policy stance on matters such as privatization and the quality and accessibility of public services need to be covered. It is not just a matter of procurement.

**2. Taking into account the new concepts of public procurement and the broader context of public sector management best practices, what type of changes should the Bank take into consideration in modernizing its procurement policies?**

- As noted above, the focus needs to be squarely on transparency, quality and accountability, across all functions of the public sector.

**3. In light of various levels of risks and capacity among borrower agencies, how can the Bank best ensure that funds provided by the Bank are used for the purpose intended?**

- The main thrust ought to be proper monitoring and evaluation systems, accompanied by audits to verify spending. These systems should be in place across the board.
- What the Bank does should depend on the risks, particularly of corruption. Civil society should be involved in the oversight process and monitoring what is happening on the ground.
- Transparency is essential.
- It is also important for the Bank to talk and listen to persons such as the consultants engaged under projects, civil society, and others knowledgeable of what is happening.
- The Bank’s contribution to the technical aspects is very important too and perhaps there should be more emphasis on that dimension, as distinct to the Bank’s fiduciary role. The legal/judiciary aspects ought to be kept apart.

**4. The Initiating Discussion paper highlights the multiplicity of demands and contexts procurement is serving today –diverse sectors, instruments, delivery mechanisms and clients with varying institutional frameworks and governance conditions. What recommendations could help the Bank best tailor its procurement requirements to meet these diverse and varying demands and needs?**

	<ul style="list-style-type: none"> <li>• There are options. One is to develop more specific guidelines by sector, say for health, education, water supply, agriculture, etc, with more tailored policies depending on the needs of each sector.</li> <li>• The other is to concentrate on a harmonized set of broad policies that can be customized for each project's needs. Thus, more diverse procurement methods could be allowed.</li> </ul>
<b>5. What could the Bank do to simplify and streamline its current policies and to take advantage of the potential gains offered by e-procurement and IT-based tools?</b>	
	<ul style="list-style-type: none"> <li>• It is anticipated that the review would aim to simplify procedures which as noted above are too complex.</li> <li>• E-procurement can help in a variety of ways, but we have to remember that there is not universal internet access in Timor-Leste, especially in villages.</li> </ul>
<b>6. International consensus calls for use of country systems and harmonization among development partners. What can the Bank do to advance the use of country systems and harmonization among partners?</b>	
	<ul style="list-style-type: none"> <li>• As noted earlier, the Bank should move towards the use of country systems which in the case of Timor-Leste would mean the government's own guidelines. The Bank should help all departments to use those guidelines.</li> <li>• The Bank should work with organizations such as the anti-corruption agency on preventative measures, transparency and e-procurement.</li> <li>• All of this should be grounded in an evaluation by the Bank of the country's systems and work towards improvements.</li> </ul>
<b>7. What suggestions do you have to monitor and evaluate the Bank's Procurement policies and assess their impact and effectiveness?</b>	
	<ul style="list-style-type: none"> <li>• The key measure ought to be the number of countries/agencies which have adopted new public procurement policies and the extent to which donors and development partners have harmonized their respective policies.</li> </ul>
<b>8. Do you have other suggestions to help the Bank develop a proposal for a new policy framework and guiding principles for revisions to the Bank's procurement policies?</b>	
	<ul style="list-style-type: none"> <li>• No other suggestions were made due to the lack of time left on the two hour video connection.</li> </ul>