



The World Bank

Procurement Policy Review Feedback Summary

Date: October 4, 2012

Venue: Washington DC, USA (Consultation with Inter-American Development Bank)

Total Number of Participants: 6

Overview and General Reactions

A day-long meeting was held between the respective Procurement teams of the IABD and World Bank on October 4, 2012, to get feedback and inputs from the IABD on the Bank's Procurement Policy Review and to discuss common concerns. A list of participants is attached. This meeting complements regular contacts and earlier discussions with the IABD that took place at the Fiduciary Forum in May 2012 and the Heads of Procurement meeting for Multilateral Development Banks (MDB) in June 2012.

Updating and Status

The two teams shared and exchanged views on the respective approaches to procurement and the status of their ongoing efforts. The World Bank team presented an overview of the Review: the approach, status of ongoing studies, meetings with the Bank's Advisory Group (IAGP), and timetable. It also provided some early impressions from the largely complete process of external consultations with stakeholders from development partners, governments, industry, associations, civil society and other parties, from Part I countries and Part II countries in all regions.

No formal presentation was made. Among the points highlighted in this introduction were the emphasis placed by stakeholders on the issues of quality, life cycle, green/sustainable procurement, more responsive procurement methods, dispute resolution,

transparency, access to information, the need for less prescription and more flexibility, the use of country systems and most importantly capacity building.

In turn, the IADB team provided an update on the IADB's future strategy and its approach to procurement. It gave a briefing on progress in the use of country systems. The IADB team also outlined a number of studies that it has undertaken/underway on procurement, including one on decentralization and another on the application of the IADB's procurement guidelines, distinguishing between how staff handled mandatory requirements and best practices and advice.

The IADB team further expanded upon its modernization/reform strategy and how that affects procurement, its expertise in country systems/public procurement, and capacity assessments. Reforms were done from the ground up, not top down. The IADB team noted that they appeal to the use of professional judgment in carrying out the procurement function and that their practice does not include the issuance of a "no objection", as does the World Bank. The IADB operates with the expectation that its procurement specialists are knowledgeable in country public procurement policies. They noted that country strategies were already lay out a joint FM-Procurement fiduciary approach and options for undertaking procurement reforms.

Questions, Challenges and Issues to be Addressed

After this exchange, the discussion turned forward looking, anticipating some of the questions and challenges that the World Bank will likely have to be addressed as the review moves ahead.

1. Would there be a need for a different structure?

While the review is still at an early stage in synthesizing all of the inputs from the external consultations, it indeed looks as though a new structure would be necessary. The Bank has received interesting suggestions and references to other structures that might be very helpful when we get to that stage in framing a new architecture for the Bank's policies.

2. How important are questions of sustainability?

Thus far, this topic (however it is defined) has solicited considerable interest among stakeholders and will likely be an important aspect to address as we move ahead, especially with respect to qualitative factors such as merit points.

3. Would there be an impact on supervision?

Again, although still at an early stage, it appears likely that a new model for the way the World Bank supervises projects and provides implementation support would be vital. This would particularly come into play if the Bank's procurement policy addresses contract management more explicitly, in response to calls from stakeholders and evolving best practices that place more attention to that phase of the procurement cycle, results and performance. This new model will have to address the role of procurement specialists and the Bank more generally.

4. Would there be changes to thresholds?

No doubt, this will be on the table. Representatives of the private sector, experts in public procurement and many governments/borrowers have identified this as an important area for the new policy to address and have made recommendations on how to adapt. Moreover, it is clear that the increased use of e-procurement by borrowers will have an impact on methods such as shopping. In that vein, there may also need to be new thresholds on advertisement and transparency.

5. What has the feedback so far on the policies towards engaging consultants?

So far, there have not been too many specific recommendations forthcoming from the consultations on the procurement of consultant services, although many of borrowers have raised concerns about the transfer of knowledge and capacity building, and the disparities and displacement of local experts. Other concerns have been expressed on the approach to quality and the weighting between technical and price considerations, as well as the thresholds for short lists for local consultants. The World Bank will have to discuss these and other points.

6. What has been suggested on how to deal with protests and recourse mechanisms?

This is a key area, as many stakeholders have expressed concerns and offered suggestions that we will have to take a careful look at. Among these figure the role of an ombudsman, for example.

Conclusions

The exchange was helpful in updating both teams on their respective actions. In particular, several of the approaches already adopted by the IADB and the studies that it has launched/completed would be very helpful for the World Bank. Exchanges of information and experiences will continue.