



The World Bank

Procurement Policy Review Feedback Summary

Date: June 27, 2012

Venue: Kabul, Afghanistan

Total Number of Participants: 7

Overview and General Reactions

- Generally appreciative of the effort and positively engaged.
- There was some apprehension that Afghanistan's particular circumstance (FCS) may be overlooked.
- A lot of times the procurement staff use the Bank as a shield to push away influencing factors.
- Wanted more clarity on what would happen to the guidelines, SBDs etc.
- This was more policy making, so less specific comments.

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?

- Balance between rules and pragmatism on the context of FCS countries.
- Bank involvement in procurement can be thought of differently by more relying on country systems. Review of Bank provides safeguard for officials from undue influences.

	<ul style="list-style-type: none"> • New policy should give flexibility for country systems that are recognized. There should be a system where countries should be able to incrementally graduate to the use of country systems instead of an “all-or-nothing” approach. • Confusion among procurement procedures of country and WB. Example: threshold of procurement.
<p>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?</p>	
	<ul style="list-style-type: none"> • Application of e-procurement would be a definite dividend of any new policy. • Registration and categorization of contractors through pre-qualification, use of vendor lists. • Recognition of the Borrower’s countries classification and pre registration of contractors. This could shorten evaluation times and reduce burden of paperwork both from the Bidders and Borrowers. • Umbrella bid security, insurance, and performance guarantee through government treasury - FCA context. Currently, getting acceptable bid or performance securities is a real challenge in Afghanistan. • Qualification requirements for contractors need to be practical. • Services: database of consultants. • Centralized procurement is not helpful. Does not provide flexibility timely completion of procurement for line ministries.
<p>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?</p>	
	<ul style="list-style-type: none"> • Prior review threshold should be revisited. It creates delay. • Increase frequency of the assessment of capacity and risk (quarterly). • Performance reporting. Clear set of rules to be applied consistently. • Less or no procurement supervision on day to day procurement but overall supervision. • Output based disbursement. • Performance evaluation by third party instead of supervision by NOLs. • Help countries set up M&E system to measure effectiveness of procurement regime. • Risk assessment tools through real time procurement data. • Transparency of procurement information. • Sustainable capacity building. • Use of the report provided by the government.
<p>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?</p>	
	<ul style="list-style-type: none"> • Everything should be in the menu (more options of procurement methods) considering the applicability of method, and provided the method complies with the overall consideration of compliance.

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?	
	<ul style="list-style-type: none"> • Capacity of bidders and the environment for e-procurement needs to be improved. • Both e-procurement and conventional procurement should be available as options given the conditions in Afghanistan.
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?	
	<ul style="list-style-type: none"> • Harmonization is difficult to achieve. Even if multilaterals harmonize, bilateral providing assistance, both on and off budget would not give up their rules. • If country systems are used, harmonization becomes irrelevant. • Gradual migration to UCS. • Less compliance, more principles based regime. • All donors agree to a minimum acceptable standard of principles. • More data sharing among donors. Several donors do the same capacity and risk assessment but do not share with each other. Example, pre-award assessments by USAID.
7. What suggestions do you have to monitor and evaluate the Bank's Procurement policies and assess their impact and effectiveness?	
	<ul style="list-style-type: none"> • Quarterly meeting on monitoring and evaluating Bank's Procurement Policies. • Set some indicators and benchmarks and make the data publicly available. • Cost of procurement regime and outside.
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?	
	<ul style="list-style-type: none"> • More clarity on Bank processes. • Clarity on when to get an NOL and when not. • Clarity on minor and major deviations, more flexibility. • What to do when Bank staff are mandating processes that are not in the guidelines.