



The World Bank

Procurement Policy Review Feedback Summary

Date: July 26, 2012

Venue: Ottawa, Canada

Total Number of Participants: 17

Overview and General Reactions

A multi-stakeholder consultation on the Procurement Policy Review was held in Ottawa, Ontario, on July 26, 2012. The session was hosted by Export Development Canada and participants included a range of stakeholders—civil society, business, development think tanks, development partners, and academia. On the Bank side, Bernard Becq, Chief Procurement Officer, joined the discussion via audio while Myrna Alexander, member of the Bank's Procurement Review team, made the presentation. The list of participants is provided.

The Overview to the Review, provided on the Bank's Procurement Consultations webpage, was the basis for an introduction to the review, its rationale, the approach and the challenges. The meeting then proceeded with a series of comments, questions and answers. Participants also made suggestions on what the Bank should consider as it reviews its set of policies and procedures.

General Points Raised by Participants

- Capacity building has to be the overarching goal, going well beyond the promises made by the World Bank and donors in the past. The Bank's rationale for this should be the public good dimension of building a country's national procurement system. This is

lagging, it is the real challenge, processes have to adapt and to cover the full cycle, through to execution.

- Weak capacities hamper the reliance on country systems and the ability of contracting agencies to grasp and utilize more innovative procurement methods, such as performance based contracts and design and build methods.
- Generally, there was skepticism about the Bank’s policies when compared to experiences under other donor programs. The objectivity of the evaluation process seems to be at the heart of the problem: the Bank is not part of that process and seems to ‘rubber stamp’ what is presented. On the other hand, the contracting agency, by definition, may lack the capacity to undertake the evaluation of the assistance that they are to receive. For consultancies, the scoring of quality and costs seems to end with costs being the determining factor. There was a call for the Bank to be present at the evaluation table.
- The complaints handling system is another critical area. The statistics show that there are many incentives for bidders not to use the present system and also raise the question of definitions. Overall, there should be a safe place for complaints to be heard without fear of reprisal.
- Transparency is essential. Not only should there be more information available to bidders, there should be more and better ways to get separate feedback from customers and users.
- The Bank should look for ways to simplify and to deal with high volume/low value transactions in a different way. There should be much greater differentiation of what to do with the large value contracts (the 80%) as compared to the large number of small value contracts (the 20%).

Further elaboration is provided below under each of the guiding questions.

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?

- As noted above, capacity building and skills development presents a significant challenge.
- Enhance the complaints mechanism as highlighted above. The idea of an independent ombudsman should be considered.
- Review the selection and contract award processes for consultancies, the balance of quality and costs, and when only quality is used, also the packaging of assignments and possibilities for developing long term partnerships.
- Provide more clarity and definition on the use of subjective and objective criteria.

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?

	<ul style="list-style-type: none"> • There should be a better positioning of public procurement in the context of overall public sector management and another look at the current tools such as MAPS to assess procurement capacity. • This should be done systematically with closer integration to the PEFA ratings and more emphasis on the use of such assessments as a seal of “good housekeeping”. • Do more collection of relevant data with such data readily available.
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?	
	<ul style="list-style-type: none"> • Rethink the role of the Bank in bid evaluation, the composition of evaluation committees, the criteria used, and more transparency. • Take another look at the complaints handling mechanisms. The Bank should reassess its role in the process, with more discrimination and more options. There should be an independent ombudsman, non-vested in the decision making process. • Increase the level of transparency and feedback on procurement transactions.
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"> • The Bank needs to be more discriminating among its borrowers (and less “nice”) and more transparent on the situation on the ground. • While needing to be more discriminating among borrowers, the Bank should nevertheless establish a minimum set of requirements to apply to all.
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"> • The Bank should definitely get on with simplification and the use of e-procurement. There are many avenues that can be pursued. The use of e-procurement can lower bidding costs. • On simplification, the greater differentiation between small and large contracts as noted above should be part of it. • There is a need to simplify appropriately RFPs and to allow limited proposals. Standing offers should also be considered. • The Bank should go to the next level of the use of e-consultant, while keeping the number of firms short listed to a reasonable level. This would entail more transparency in the evaluation and selection process, tracking milestones and delays, and debriefing of bidders.
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"> • The Bank needs to deal with the dual issues of use of country systems and capacity building at the same time.
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"> • The Bank should track feedback/customer satisfaction and bidder costs: a baseline for these needs to be established. • It is essential that projects deliver results. What is the experience, such as jobs created? • Does the new policy have the right elements? Namely, does it: <ul style="list-style-type: none"> ○ Link past contractor performance to current opportunities/evaluation ○ Contain a quality assurance system ○ Promote new entrants ○ Contain a real-time complaint resolution system.
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"> • The Bank needs to show demonstrable progress in capacity building, increasing the number of countries with better capacity over time. • It should think through the implications of variations of country policy and institutional capacity, as measured by tools such as the CPIA. There needs to be more consistency and transparency in such measures.