



The World Bank

Procurement Policy Review Feedback Summary

Date: September 18, 2014

Location (City, Country): Brussels, Belgium

Total Number of Participants: 13

Overview and General Reactions: A consultation session with civil society organizations took place on September 18, 2014 in Brussels, Belgium. The overall reaction to the reform was positive, with many of the participants applauding the direction the Bank is taking its procurement policy. Sustainable procurement matters were among the central concerns of the consultation, with much of the discussion focusing on issues with outlying and identifying risks. The event concluded on a positive note, with valued suggestions being offered, questions addressed, and future strategies and goals outlined, resulting in an overall successful procurement policy review.

Specific Feedback from Stakeholders

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

- The implementation of the new procurement framework should be accompanied by capacity building so that the new rules would not create a new burden on procurement professionals.

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

- While the definition of VfM should be flexible, it should include sustainability aspects.
- Follow-up costs beyond the initial acquisition cost need to be considered in a VfM approach.

<p>3. How should the World Bank target its procurement staff resources to get the best results?</p>
<p>4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?</p>
<ul style="list-style-type: none"> • Regarding the proposal to use the procurement arrangements of GPA member states, participants suggested expanding the criteria to include a wider range of countries and expressed concern that considering only GPA countries is not pushing countries to join GPA, but rather is more a mechanism to simplify the Bank’s work. • Any diagnostic tools used to assess alternative procurement arrangements would need to be flexible and fit for purpose. • When assessing alternative procurement arrangements, companies may face an increased burden as they will need to understand procurement at the country- as well as the project-level.
<p>5. How should sustainable procurement matters be addressed in Bank-financed contracts?</p>
<ul style="list-style-type: none"> • Regarding sustainable procurement participants acknowledged that while not all Borrowers may want to implement sustainable procurement, the implementation of the VfM approach should allow for more sustainable opportunities and solutions to arise. • Participants suggested the Bank outline examples for social criteria, and also recommended using a sample auditing process to evaluate the risk of certain low value projects. • Implementing a Bank-wide performance metrics tracking system that includes sustainability factors (including social aspects) would further increase accountability. • While safeguards are accountability mechanisms, sustainable public procurement is a strategic opportunity for countries to put sustainability directly into their strategies to achieve outcomes (including social), and thus should be a tool to give countries new opportunities to achieve sustainable outcomes. • Procurement should be used as a strategic tool to achieve sustainability outcomes, including on climate change.
<p>6. How should the World Bank manage fraud and corruption issues in the procurements it finances?</p>
<ul style="list-style-type: none"> • When the topic of risk assessments arose, participants were interested in fully defining what type of risk we are attempting to combat, noting that even low value contracts can have significant environmental and social risk, and that it is important to have a set of risk-based criteria that allows for this risk to be monitored. • Instances of tax evasion by a bidding company should be part of the VfM assessment or reflected in the eligibility requirements of the bidding documents.
<p>7. What would be suitable procurement metrics that the Bank should use to improve performance?</p>
<p>8. What role should the Bank have with regard to complaints monitoring?</p>

9. What should be the Bank's role in contract management, and with regard to improving performance of suppliers?

- Participants noted that problems arise when borrowers spend all funding on the initial acquisition, thereby leaving less or no funding for training, maintenance, etc. It is possible to combat this issue by putting certain provisions into the initial agreement to ensure that funding is spent wisely.
- When engaging key suppliers, the Bank should be cognizant of any risks associated with singling out specific providers. Those risks would need to be managed.

10. General comments on other issues emanating from the Bank's proposals?

- Participants agreed that from a CSO perspective, this policy is much better than before, especially as it lines up procurement with development objectives, presenting new opportunities.
- Concern was expressed regarding the policy's community-based approach, which should spell out more clearly how certain marginalized groups (disability, gender, rural communities, etc.) would be targeted.
- Participants further expressed approval and positivity for the new policy, applauding the fact that an institution like the WB is moving in the direction of sustainable public procurement, and looked forward to the collaboration in the future.
- Participants noted that the Bank's procurement rules should not only apply to governments, but also to Financial Intermediaries.
- One participant asked about the role of the International Labor Organization core standards, which are currently part of the Standard Bidding Documents (and will remain so).