



The World Bank

## Procurement Policy Review Feedback Summary

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**Date: November 18<sup>th</sup> 2014**

**Location (City, Country): The Hague, Netherlands**

**Total Number of Participants: 18**

### **Overview and General Reactions:**

Stakeholders were well pleased to see that the new version of the procurement framework has captured comments and recommendations shared with the Bank in June 2012. Such comments included, among others, addressing issues related to the current rigid evaluation criteria (lowest evaluated bidder) introducing VfM and sustainable procurement. In addition, they welcomed the proposals to strategically strengthening client's institutional capacity, and to develop a fit-for purpose framework taking into consideration the context of the operation and associated risks. Moreover, they agreed with the proposal for early contractor involvement, risk-market analysis, enhancing Bank contract administration and complaints.

- The participants had a general positive perception of the procurement reform and considered it to be an important and ambitious attempt to modernise the policies and procedures.
- Stakeholders from the private sector mentioned the importance of strengthening the place of contract execution and World Bank role in monitoring its implementation.
- Participants asked about the implications of the Bank's Global Practice Reform to the Procurement reform's timelines and implementation.
- Participants suggested that the Standard Bidding Documents should have a space to refer proposal basis of acceptance of project.
- Participants suggested taking advantage of private's sector expertise and to include in the reform more involvement with the private sector.
- Participants from the private sector asked if specific procedures for Fragile and Conflict Situation (FCS) countries would be included in the reform; in particular, they emphasized that the involvement in high risk countries takes place mostly because the WB is involved.

<b>Specific Feedback from Stakeholders</b>	
<b>1. How should the Bank implement support to borrower procurement capacity building and institutional strengthening?</b>	<ul style="list-style-type: none"> <li>Stakeholders found capacity building of the countries and of the Bank staff supporting it to be the most important topic in order to implement any reform successfully and in specific Value for Money and sustainable procurement. Therefore, strategies to carry this out are required.</li> <li>It was suggested by the public and private sectors to organize trainings, forums and spaces to allow knowledge sharing between countries and sectors.</li> <li>As a general remark there was a call for higher involvement of the Bank in projects of low capacity countries. This is a main concern for the private and public sectors.</li> </ul>
<b>2. How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?</b>	<ul style="list-style-type: none"> <li>Stakeholders are concerned on the implementation of Value for Money and asked specifically if the borrower will be responsible of implementing VfM after the policy and procedures are approved.</li> </ul>
<b>3. How should the World Bank target its procurement staff resources to get the best results?</b>	
<b>4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?</b>	<ul style="list-style-type: none"> <li>The use of agencies arrangement systems or Bank prior review should be based on a comprehensive risk analysis (methodology) to identify and address possible issues that may dilute of transparency, competition in WB procurement processes.</li> </ul>
<b>5. How should sustainable procurement matters be addressed in Bank-financed contracts?</b>	<ul style="list-style-type: none"> <li>Participants suggested to align to international standard in sustainable procurement and to contact them for any assistance.</li> </ul>
<b>6. How should the World Bank manage fraud and corruption issues in the procurements it finances?</b>	<ul style="list-style-type: none"> <li>A more strategic reaction from the World Bank was suggested in projects from countries with high corruption rates in their institutions.</li> <li>Private sector stakeholders mentioned payment delays in FCS countries and called for a closer attention and support in those</li> </ul>

situations from the Bank side. . In addition, participants mentioned that country like Congo does not allow the private sector to use the option of being paid directly by the WB , even when there is a limited institutional capacity and perception of corruption has captured the public sector.

- Participants from the private sector also suggested considering different contract models in FCS countries. For example, the contract triangulation in Zimbabwe. This should take into account the country's fragility level.

**7. What would be suitable procurement metrics that the Bank should use to improve performance?**

**8. What role should the Bank have with regard to complaints monitoring?**

- Participants questioned the quality of the responses given by the WB to complaints and mentioned the implications in finding good consultants for WB contracts.
- Stakeholders welcomed the proposal of a higher involvement of the Bank in dispute resolution.
- Stakeholders are concerned as to how to guarantee independence of the complaints' organism.
- Participants suggested considering how to deal with retaliation problems in the complaints system.
- A specific case was shared where local legislation and local arbitration was used to solve disputes in an FCS country.

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

- Participants from the private sector mentioned that some contractual obligations were not feasible considering country context. Therefore, it was advised to look into the contracts used specifically in FCS countries.

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

- Regarding the proposal of Strategy for development, the proposal was welcomed by participants, but the required capacity and specification was questioned.
- Stakeholders mentioned that early involvement from the procurement specialist was a considered a good idea, especially when the sector in the country has low capacity. Also considering the involvement of expertise from the private sector was suggested.
- Participants agreed with the proposal for early contractor involvement, risk-market analysis, enhancing Bank contract administration and complaints.