



The World Bank
**Procurement Policy Review
Feedback Summary**

Date: September 17, 2014

Location (City, Country): Paris, France

Total Number of Participants: 37

Overview and General Reactions: A consultation session with multiple stakeholders from the private sector took place on September 17, 2014 in Paris, France. The general response to the reform was positive and participants offered to support the proposed procurement framework. Value for Money (VfM), capacity building, and corruption management were among the key issues that were addressed throughout the session. Suggestions for improvement were put forth for discussion, resulting in a positive overall procurement consultation session.

Specific Feedback from Stakeholders
1. How should the Bank implement support to borrower procurement capacity building and institutional strengthening?
<ul style="list-style-type: none">Looking to other international donors, participants suggested that the Bank should spend money on technical assistance and capacity building in ministries.The Bank should engage closely with the private sector to cooperate on capacity building efforts. It was considered necessary to better associate the private sector with development and make companies a part of institution-building strategies.
2. How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?

<ul style="list-style-type: none"> • Participants noted that the form of implementation of VfM varies across industries and requires a significant learning curve and knowledge capital. This is why many of the participants noted the Bank’s need to become a central knowledge organization on VfM prior to expecting positive results. • Non-price attributes should be mandatory for the Borrower. • Participants noted the importance of providing clear guidance on qualitative criteria for contract evaluation.
3. How should the World Bank target its procurement staff resources to get the best results?
4. How and when should alternative procurement arrangements be used for procurement in Bank projects and how should they be assessed?
<ul style="list-style-type: none"> • Participants expressed concern regarding the provision to use procurement arrangements of GPA member states, pointing to low performance of some of these members. GPA membership was seen as insufficient evidence for good procurement practice. • Participants suggested the Bank could consider using alternative procurement arrangements for PPP, noting that innovative approaches are central for the success of PPP.
5. How should sustainable procurement matters be addressed in Bank-financed contracts?
6. How should the World Bank manage fraud and corruption issues in the procurements it finances?
<ul style="list-style-type: none"> • Participants agreed that corporate and social responsibility is also about organizations (not just businesses), noting that borrowers need to live up to the standards issued by EIAC/FIDIC in an effort to more fully combat the issue of corruption and fraud. • As many issues with corruption arise after the contract has been awarded, participants suggested the Bank revises its ability to improve contract management occurs via auditing, sanctions, and/or review of its contractual conditions. • In order to improve ethical compliance it is suggested the Bank create reward systems for companies that fight corruption and are socially and ethically responsible.
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?

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

- Participants expressed the need for appropriate project preparation and project management, emphasizing the need to have a system where all additional project requirements, especially regarding project life cycle and its cost, are as precise and quantifiable as possible, stressing the importance that factors such as these can be precisely measured.

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

- Participants noted that while the Bank has one of the most advanced and professional procurement systems, it is important to continue to focus on ways to improve and innovate. The Bank has the opportunity to be a risk-taker in terms of innovation in sectors such as infrastructure, construction, and IT, which would help increase innovation and productivity in those sectors.
- Participants agreed that good preparation of projects is key to fulfilling the requirements that the reform puts forward. By increasing the quality of preparation and the quality of consultants, the WB would allow for the consultants to do better in project preparation and project execution.
- The WB should focus on increasing the budget for budget preparation, in an effort to move away from lowest price offered.
- Participants asked for clarification regarding the treatment on unsolicited bids.
- With regard to civil engineering, the Bank's procurement rules should have synergies with the policies of IFC.