



REVIEW OF THE WORLD BANK'S PROCUREMENT POLICY AND PROCEDURES

PHASE I UPDATE:
CONSULTATION FEEDBACK SUMMARY AND NEXT STEPS



Background: The Approach of the Review

- **Two phases in a two-year process** to allow for:
 - ✓ Ample consultations throughout, learning, and interaction on ideas
 - ✓ Additional analytical studies, benchmarking, and fact-finding
 - ✓ **Focus:**
 - ✓ First: on the development of an overarching policy framework before recommending specific changes
 - ✓ Second: on working out the details, policy changes and implementation arrangements
 - ✓ Present to Board (early 2014)

Milestones of Phase I and II

May
2012-
Feb
2013

Phase I

- ✓ Diagnostics
- ✓ Studies and benchmarking exercises
- ✓ International Advisory Group on Procurement
- ✓ Internal and External Consultations

→ Foundations of a new Framework
WE'RE HERE Internal review with staff
Drafting a new policy framework

April
12,
2013

World Bank Board

Discussion of Draft Framework

May-
Dec
2013

Phase II

- Details and implementation arrangements
- Results of IEG's Evaluation (May-June)
- Consultations (May-Sept)
- Drafting OP/BP 11.00
- Preparation of implementation plan

Early
2014

Board

July
2014

Launch

Feedback from Consultations

- Consultations with 2,000 stakeholders from 93 countries have been rich and insightful, providing input to the thinking about a new policy framework. These are the key recommendations:
 - ✓ Focus on a robust set of principles, reflecting new concepts and overarching importance of development effectiveness, value for money, integrity and sustainability
 - ✓ Focus on methods that are context specific, proportional, best-fit-for-purpose and that create room for innovation
 - ✓ Use of country systems, albeit not for everyone and not for all occasions, with due caution and management of risks
 - ✓ Special attention to the needs of fragile and conflict affected countries and small economies
 - ✓ Focus on capacity building and professionalization, especially for lower income countries, across a spectrum of institutions

Feedback from Consultations

- ✓ More upfront market-sector analysis, strategic thinking, and due diligence about the shape of markets, competition, quality, sector/industry practices, and impacts, especially on local industry
- ✓ Coverage of the full procurement cycle with less focus by the Bank on compliance and more on:
 - Results
 - Performance
- ✓ Broader incorporation of fiduciary-governance alternatives
- ✓ Thinking anew on fraud and corruption throughout the full procurement-contract execution cycle

Feedback from Consultations

- ✓ Renewed “push” on the global context for public procurement
 - Harmonization, Int’l Standards, Capacity Assessments, Public Procurement reform, common platforms, e-procurement and overall public sector management
- ✓ Reconsidering the Bank’s procurement policy means reconsidering the Bank’s role
 - Our clients
 - The Procurement work
 - Internal collaboration in the Bank
 - The Bank’s global partnerships
- ✓ Implementation will be long-term, results need to be monitored carefully

Central Foundations of a New Framework

Input from consultations, Independent Advisory Group, World Bank staff, and thematic background studies from Phase 1 of the review, suggests that a new framework should be guided by an approach to procurement that:

- ✓ reflects complexity and diversity
- ✓ takes into account proportionality
- ✓ supports country systems
- ✓ puts development effectiveness and institution building first
- ✓ treats procurement holistically
- ✓ treats procurement as a system and as a strategic function

Next Steps

- ✓ **April 12, 2013:** Presentation to World Bank Board of Executive Directors (Subject to Board approval, publication of proposed framework)
- ✓ **May-June 2013:** Online consultations for a period of two months to seek **comments** on the policy framework and **input** on how to translate the policy framework and guiding principles into specific revisions (Feedback summary posted July 2013)
- ✓ **July-Sept 2013:** Online consultations and selected workshops seeking input on the implementation arrangements and revisions to the current procurement guidelines (Feedback summary posted October 2013)
- ✓ **Early 2014:** Board of Executive Directors consideration of the specific revisions to the policy and procedures, guidelines and implementation arrangements



Thank you for your participation in the earlier consultations and for your input. We are looking forward to a continued engagement in Phase II.

If you have questions, please feel free to send them to:
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The World Bank Procurement Policy Review Team