



The World Bank

Procurement Policy Review Feedback Summary

Date: July 19, 2012

Venue: Washington, DC, USA

Total Number of Participants: 28

Overview and General Reactions

A first round of consultations on the Procurement Policy Review was held in Washington, DC, on July 19, 2012, with a group comprising of participants representing a range of stakeholders—development partners, civil society, business, development think tanks, and academia. On the Bank side, the meeting was attended by Bernard Becq, Chief Procurement Officer, Myrna Alexander, member of the Bank's Procurement Review team, and Marcelo Donolo, Procurement Specialist in the Bank's central Procurement unit. The list of participants is provided.

The Overview to the Review, provided on the Bank's Procurement Consultations webpage, was presented by the Bank team. The meeting then proceeded with a series of questions and answers about the Review and its approach and suggestions offered by participants on what the Bank might do.

Key Points Raised by Participants

- A comprehensive approach to policy review, not solely a revision of the guidelines, is welcome, so is the intention to challenge

existing perceptions and assumptions. This may entail building a new business model for the Bank.

- Generally, there was support for the World Bank’s plan to revamp its procurement framework, linking it to public sector management and broader project execution complex. Special attention will need to be paid to implementation and change management strategies. It will be important to invest in a comprehensive communication strategy.
- Procurement cannot be effective at the development level unless one ensures a fair process. Procurement framework should be addressed in a more holistic comprehensive way within the governance agenda. Governments should build capacity to develop their own sustainable institutions, responsive to the needs of their own citizens.
- Procurement is often not at the core of general country reforms. There may be competing goals. Moreover, it needs to be recognized that a functioning, basic procurement systems is not the same as building capacity. Procurement policy review should be accompanied by more strategic efforts by borrowers to strengthen their country systems.
- In the context of physical infrastructure design industry, it could be useful to use qualification-based selection for design services to develop a long-term quality engagement.

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?

- Possible tracking of past performance.
- Look at qualification based selection, the role of partnerships, and the opportunity for alliance building between contracting agencies and suppliers, which may entail a different definition of “competition”.
- Would like to see more clarity in complaints handling mechanism, such the definition of a complaint (for example, as opposed to a clarification), and also in identifying, labeling and recording complaints, the interface among the Bank, the borrower and the bidder and the role of civil society, and complaints during implementation.
- Take into account future trends, such as global warming/environment impact on procurement without making the procurement process a “repository” of all broad issues, or such policies mandatory for implementing agencies.
- In fraud and corruption investigations on tracking and investigations, more emphasis needs to be put on contract execution/management.
- Review national procurement capacity more closely and propose specific measures during the project preparation phase.
- Appreciate that the review process recognizes binding international structures, such as the WTO’s GPA, aimed at increasing government procurement capacity, but would like to see more incentives for countries’ own efforts, not undermine, to adopt such structures. For example, consider adding a procurement indicator in Doing Business Report.

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"> • Collaborate with public sector management from the very beginning on to ensure a comprehensive approach and the approaches are aligned. • Consider open, transparent initiatives, such as “myth busters” and talk openly about problematic cases. • The World Bank has a huge opportunity to professionalize the public sector procurement function.
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"> • Link to the issue of incentives. Borrowing countries need to have “more skin in the game.” • Explore the role of civil society in procurement processes and oversight. • From a borrowing country perspective, there is a lack of clarity of the World Bank’s approving vs. no objection roles and the role of the TTLs. The process needs to be made more transparent. • There may be need for more independence and separation of these functions between who authorizes (or evaluates) and who follows up on complaints, etc. • Improve the quality of supervision. • Define success in such a way that all the players, including procurement staff, are onboard upfront.
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"> • It is important to address the challenge of making the policy work for the wide range of the Bank’s clients and their needs, but at the same time, if the rules become too diverse, expectations would be too difficult to meet. • How to <i>frame</i> a procurement policy that works for various clients is a major challenge. • In fragile and conflict affected countries, have staff on the ground (a procurement SWAT team) who can be prepared to respond to situations when standard Bank policies cannot be applied. Such team should be able to select the most applicable policies. • The World Bank should not be prescriptive and have one preferred method of procurement and make countries comply with it, because it may not necessarily be the best method for the country. Therefore, Bank policies should allow teams in countries to select procurement methods best applicable to country situations.
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"> • Getting bidding documents online and free of charge will increase the size of competitive pool.

	<ul style="list-style-type: none"> • Streamline the number of certifications. • Approach it in the order of (1) simplify, (2) streamline, and (3) computerize.
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"> • Compile and make publicly available reports and best practices on how to balance the use of country systems and, at the same time, harmonize standards. The goal would be to define, educate and proceed to developing improved systems. • Capacity building is key. Assess what drives countries to want to increase capacity. Revisit the Accra and Busan commitments and address the lack of capacity. Adequate funding for capacity building efforts has to be addressed by the international community. A capacity building strategy is needed. So is advocacy.
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"> • Consider the cycle time, the reduction of the number of tenders that get postponed or cancelled. Undertake an economic analysis of the life of a tender. Look at the cost of a failed tender. • Include client satisfaction. • Create a baseline now. • From physical infrastructure standpoint, is it cost-effective to maintain and operate once it is in place? • Track bid challenges. • Monitor the evidence of a diffusion of better procurement policies in a country outside Bank projects.
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"> • Prepare and make public an informational brief on the Procurement Risk Assessment Management Program. • Add an RSS feed to the consultation webpage so that interested parties can quickly see what is new.