



The World Bank

Procurement Policy Review
Feedback Summary

Date: Dec 1st, 2014

Location (City, Country): Addis Ababa, Ethiopia

Total Number of Participants: 25

Overview and General Reactions:

Stakeholders appreciate the 'separation' of policy from procedure, effectively granting staff more decision-making power at the country level; the expanded methods of procurement available, e.g. different delivery systems for engineering projects as well as design competition works and designing procurement arrangements based on the country context (e.g. SoEs in Ethiopia); minimizing prior reviews; promoting/supporting the use of alternative procurement arrangements and focussing on capacity building (e.g. facilitating access to Trust Funds endowed for this purpose).

Specific Feedback from Stakeholders

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

- Having identified that all 'hot topics' can be related back to capacity building, or the need thereof; participants declared that the implementation of the new Policy will require a holistic approach and must be inclusive of all stakeholders.
- Needs identified ranged from addressing limitations in the public sector and implementing agencies; to building relationships between suppliers, buyers and financiers so these converge or have a minimum standard of expectations from each other; to supporting the private sector in building capacities that facilitate their interaction with the public sector but also tapping into their resources to close capacity gaps. Some stakeholders also support broader inclusion and raising awareness regarding procurement implementation and systems amongst the public/citizens as they are the ultimate beneficiaries.
- In addition, capacity building initiatives such as training should be inclusive of all partners in private sector, government and WB staff.

<p>Extending the working relationship between the Bank and clients, to include private sector is equally important in national capacity building.</p> <ul style="list-style-type: none"> • Supporting the professionalization of the procurement profession would not only generate recognition but help in standardizing knowledge on the matter and equivocating certificates globally. • Stakeholders are calling for support for the country's own reform review, ultimately supporting that reform activities in country should be focused on the Bank's proposals for the purpose of harmonization and raising the capacity of the country system. The Bank could do so through participation in a sector WG for Ethiopia for example. • A UN effort to facilitate a capacity building workshop was brought forward as an area of collaboration. However more clarity is needed on what is being done to formalize their partnership with the Bank. • Another mode, through which capacities may be built, would be through audits that identify the problems and thus create a learning effect.
<p>2. How should the Bank operationalize the potential broader use of value-for-money criteria in borrower contract award decisions?</p>
<ul style="list-style-type: none"> • Clear procedures defining the use of VfM, including evaluation criteria; and enhancing technical capacity of the public and private sectors for the use of VfM award criteria.
<p>3. How should the World Bank target its procurement staff resources to get the best results?</p>
<ul style="list-style-type: none"> • A way to bring more clarity amongst all stakeholders involved would be by holding consultative annual meetings to discuss and review issues, thus building confidence in staff and their ability to assist both private and public sector players.
<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"> • The focus on market maturity, requiring an analysis is appreciated; however it stakeholders suggest the Bank review it's framework in this regard in order to identify if it is appropriate for all countries. • Arguments were made in favor of operational procurement being delegated to a public authority where a country's legal framework for public procurement meets Bank requirements, rather than imposing a system (GPA or of other MDBs) that creates unobtainable conditions for a country to apply its own system. • Stakeholders find that the use of alternative procurement arrangements can support the effort to decentralize the way in which project procurement is conducted.
<p>5. How should sustainable procurement matters be addressed in Bank-financed contracts?</p>
<ul style="list-style-type: none"> • SPP should involve local stakeholders (private sector consultants and suppliers), simultaneously underlining the importance of domestic preference (especially in works) as the new policy does not make reference to this with regard to consultants. Hence the question: why doesn't the Bank introduce domestic preference/marginal preference for employment of consultants?
<p>6. How should the World Bank manage fraud and corruption issues in the procurements it finances?</p>

- While SAIs can bring transparency on the use of funds in public procurement, stakeholders are concerned about how some are qualified to undertake procurement audits beyond the financial aspect. It is suggested SAIs work with local procurement agencies and private sector.

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

- Supporting this proposal, stakeholders agree that the focus should be less on process but the result that the public benefits from.
- Stakeholders are interested in the details of evaluation methods for various types of procurement approaches and guidance on when the latter may be applied most appropriately.

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

- Stakeholders find the current policy on complaints handling to lack strength, in particular with regard to NCBs. Here feedback proposed that the procedure be more transparent and make Bank staff more accessible to the private sector.
- Ethiopia's public procurement framework having a central monitoring system for procurement in place should be permitted to use its own country system, which also provides for complaints handling.
- The procedure for complaints handling should not only support timely resolution but also outline how development objectives will be met.
- Stakeholders appreciate the proactive and preventive approach proposed regarding complaints handling; in particular the introduction of Disputes Resolution Boards. Do DRBs include national equivalents?

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

- Decentralizing the decision making process and effectively giving more responsibility to the CO and expediting decision-making, is something stakeholders support.

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

- The proposal to focus on high risk/high value projects for prior/post reviews is welcome, but stakeholders wish to understand how exactly these type of projects will be identified; i.e. the methodology behind the selection for P/P reviews
- Stakeholders have particular interest in how the new policy (and procedures to be drafted) will help expedite processes such as prior/post reviews, no objection issuance, etc.
- Stakeholders find the proposed policy does not demand/oblige the engagement of local firms with foreign ones through joint ventures in large projects especially not in ICB, making the point however that in some cases JV can be a useful tool to enhance abilities but in other cases they have lead to corruption in the past.
- Are there policy changes that may affect SoEs and their interaction with the Bank?.
- As a final matter, stakeholders hope that the new policy will support and facilitate rather than be applied to influence governments' policies.