

	Malawi	7
	Burkina Faso	1
	Zambia	1
Total	28	671

Robust set of principles (new concepts, development effectiveness, value for money, integrity, sustainability)

- The development impact of procurement was brought up repeatedly in consultation meetings in the Africa region. Participants appealed to the World Bank to introduce mechanisms that monitor and measure the achievement of development objectives, development impact, and economic sustainability. Value for money was suggested as guiding principle for a revised procurement policy. Development effectiveness should be monitored by the World Bank directly, assessing improvements from a baseline.
- Part of the “value for money” concept is to select bidders according to their qualification and capacity, not only according to the lowest price. If capacity is low, costs are likely to escalate during project implementation.
- The World Bank should take responsibility for the impact of World Bank financed projects on the environment, communities, and other social and ethical factors. Goods produced by children or as result of human rights violations cannot be eligible for World Bank funding.
- The procurement procedures of the World Bank should reflect innovations and modernizations in the field.
- A well-functioning public sector management is necessary for procurement to be effective. Stakeholders therefore suggested that a procurement policy review should be approached in the context of broader public sector reform.

Context-specific methods, best fit for purpose, room for innovation

- Stakeholders called for a stronger fit for purpose of the World Bank’s procurement policy and guidelines. Traditionally the World Bank’s procurement policy has been geared toward large infrastructure project. Development needs are very different today and need to be reflected in the institution’s approach to procurement. The policy of “one size fits all” is outdated.
- Procurement procedures should be flexible according to context and purpose of a project. For instance, there should be simplified procedures for community-based projects. Procedures should be flexible to account for the specifics of a project, the operating

environment, market size, market capacity, and the capacity of the implementing agency. World Bank procurement conditions should not be cast in stone. Bidding documents should be amended to reflect country-specific needs.

- A specific example of adjusting policies to a specific context regards short listing procedures. Short listing should be driven by a focus on performance and the ratio between price and quality. Market conditions can limit the lead to only a short number of companies or several companies from one country being qualified for the short list. World Bank procurement should be flexible to account for market specifics and to allow for a stronger focus on quality and performance.

Use of country systems

- While most stakeholders strongly supported the use of country systems, some voiced caution about the loss of a unifying standard that all partners can be held to. There may be provisions that in some cases World Bank policy trumps national policy. World Bank standards can provide a check on national systems and assure that country systems are being used appropriately. A Code of Conduct for procurement, provided by the World Bank, was suggested.
- Many stakeholders agreed that the use of country systems would increase efficiency and enable a better utilization of funds. Discrepancies between World Bank procurement policies and procedures and national policies and procedures complicate and slow down the procurement process significantly and increases risk. Representatives of the private sector specifically called for a harmonization of systems, giving priority to country systems.
- When using country systems, the World Bank should help identify weaknesses in the system and provide guidance and support with regard to addressing those weaknesses. It was emphasized that in many countries, country systems must become more effective if they are to be the dominant system.
- When using country systems, the World Bank should work closely with national public procurement regulatory agencies. The relationship between the World Bank and country agency should be a partnership of trust, with country agencies having flexibility and independence.

E-procurement

- Most stakeholders would welcome the implementation of an e-procurement system. e-procurement is key in green procurement and should therefore be promoted by the World Bank. Private sector models can be used for implementation. However, some stakeholders pointed out that capacity for e-procurement is not uniform across the region and that regions with low capacity would need guidance and support from the World Bank.
- When establishing an e-procurement system, data security and legal frameworks need to be considered. E-mail based e-procurement systems have low integrity and may not satisfy existing data security laws.
- E-procurement systems should be country-based rather than centralized in one large platform.
- Information and communication technologies can also be used for project monitoring (such as GPS, text message feedback on contract execution).

Fragile and conflicted-affected states, emergencies

- Stakeholders from fragile and conflict affected states in the region appealed to the World Bank to institute procurement procedures specifically designed to be responsive to their situation. For instance, fragile and conflict-affected countries may be overwhelmed by bidders from stronger neighbors with better capacity. There should be a certain degree of protection for fragile and conflict affected states.
- Emergency projects need to be implemented much faster than other projects. Procurement rules need to provide possibilities to be flexible in urgent cases. Reliance on country systems would be a possible solution.

Capacity building

- Capacity building was identified as a major issue by all stakeholders. In some countries, procurement is not a profession and cannot be trained institutionally. Stakeholders encouraged the World Bank to establish procurement curricula for different groups (including public sector, implementing agencies, Judiciary, non-governmental organizations, community-based groups, local authorities, consultants, contractors). Capacity is often particularly low at the local level.

- As long as capacity is low, borrowers and implementers look to the World Bank to a) help build capacity, b) assist with managing the procurement process, and c) maintain a dialogue between national/regional/local procurement specialists and World Bank procurement specialists.
- Capacity building should be institutionalized in the country and not conducted project by project. Stakeholders appealed to the World Bank to develop the capacity of procurement oversight and implementing agencies. The establishment of national professional associations can help with building national capacity.
- Mandatory Joint Ventures between international firms with high capacity and local firms with low capacity can lead to skill transfer to the local level. This would improve the sustainability post-project and reduce the dependence of small local companies on large international ones.
- In addition to general procurement capacity, specialized sector procurement capacity is also necessary. Stakeholders named specifically the health sector as an example.

Market analysis (shape of markets, competition, impacts, especially on local industry)

- Stakeholders raised concern about the vulnerability of weak economies with lower overall capacity and suggested that foreign firms should be required to partner with local firms. The World Bank's procurement approach should promote local firms, for instance by increasing the threshold for simplified forms of bidding and for short listing companies. Local preference was supported by some stakeholders as means to promote local industries, but was criticized by others as restricting the bidding process and increasing the risk that there is insufficient capacity to deliver the required goods and services.
- In some countries and some sectors, several of the World Bank's procurement requirements are impractical. For instance, in sectors with a small number of experienced firms there should be no restrictions on firms that have previously worked with the client on related assignments. Furthermore, short lists should not be required to include more companies than actually have the capacity to provide the required goods or services.
- A large number of participants suggested that bidding documents and contracts should be tailored for specific risk profiles and country/industry contexts. Local markets would be greatly helped if bidding documents were simplified and available in the local language.

- When assessing markets and competition, past performance of bidders should be taken into account. Stakeholders proposed a database with ratings for all companies that have participated in World Bank bidding processes.

Coverage of the full procurement cycle

- Most stakeholders identified contract management as area where the current World Bank procurement policy could be significantly improved. Focusing on contract execution and administration would greatly improve project impact and sustainability and would also lower the risk of misconduct and abuse of funds.
- It was highly recommended that the World Bank extend its focus beyond compliance to include outcomes, impact, and value added. Procurement should include the entire supply chain. Procurement should be integrated from the conceptual stage of the project cycle.
- Procurement needs a strong Monitoring & Evaluation element, for which institutional frameworks are lacking. The World Bank should develop performance indicators, which should include evaluations from project beneficiaries.
- It was also suggested that the World Bank shift its focus from risk assessment to risk management. Risks are unavoidable in implementation.

Transparency, access to information, civil society, audits, dispute resolution

- The debarment process of the World Bank should be more transparent, including a clarification of the implications of debarment for the affected company. The World Bank should review and clarify its process for handling complaints as well as redress mechanisms.
- The capacity of oversight bodies needs to be strengthened. The auditing function should be centralized (not project specific) and independent. Stakeholders felt strongly that civil society organizations and other non-state actors should be involved in the auditing, but that national oversight bodies should also be utilized to undertake audits. Audit results should be published.
- Procurement policy and procedures as well as ongoing procurement processes should be published to increase transparency. Evaluations of past performance of bidders should also be publicly available.

Fraud and corruption

- Stakeholders acknowledged that fraud and corruption are major threats to the development impact of procurement. The revised policy needs to present a clear definition of fraud and corruption and needs to clarify how these are distinguished from related issues, such as anti-competitive behavior. Provisions to prevent fraud and corruption should not be in the way of innovation and flexibility.
- Country systems need to be strengthened in order to improve governance of procurement in the country. In some countries, this includes strengthening the Judiciary and the mechanisms to fight corruption in public procurement. National and local oversight institutions must be independent and need to be strengthened. Procurement procedures and national fiscal reforms should be harmonized to provide provisions against fraud and corruption.
- Stakeholder noted that provisions against fraud and corruption alone are not sufficient to combat the problem. Additional measures, such as Codes of Conduct, are needed to improve the implementation of mechanisms designed to prevent fraud and corruption. The establishment of accreditation bodies for procurement professionals was also suggested.

Harmonization

- Stakeholders agreed strongly that procurement policies and procedures should be harmonized across development partners. The World Bank should learn from other institutions that have undergone similar policy reviews and incorporate the results of those assessments. No donor agency needs to “reinvent the wheel.”
- Harmonization of procurement policies and procedures across development partners and borrowers would eliminate confusing and contradictory provisions that may hinder project implementation. It would also facilitate the capacity building of borrower staff instead of dissipating resources and energy into adopting different procurement procedures of different donors.

Bank’s role (internal organization, roles and responsibilities, staffing, professionalization, efficiency, fiduciary, reviews, value-added, processes and disputes)

- The World Bank should be a partner in procurement, it should not dictate rules and procedures top-down.

- The World Bank's efficiency should be improved. Approval processes need to be speedier and better coordinated internally. Currently, the World Bank is involved in too many stages of the procurement process, slowing the process down. Decision making and the granting of no-objections should be faster and more flexible. The World Bank could incorporate best practices from the private sector to improve the internal process.
- The World Bank should build procurement capacity in specialized fields and sectors. Procurement procedures should be decentralized in the World Bank.
- Implementing agencies should be given the opportunity to evaluate the performance of Task Team Leaders and other Bank staff with regard to project implementation.