



The World Bank

Procurement Policy Review Feedback Summary

Date: September 13, 2012

Venue: La Paz, Bolivia

Total Number of Participants: 57

Overview and General Reactions

The consultation on the Bank's procurement policy review took place in Bolivia on September 13, 2012 with representatives of the Government, the private sector, NGOs and of several aid development agencies operating in Bolivia. The discussion was moderated by Jean-Jacques Verdeaux, Bank's Procurement Coordinator for Andean Countries.

After the presentation to the audience of the reasons, challenges and expectations of the review conducted by the Bank, participants commented on the current Bank procurement policy and possible ideas for the future.

One of the recurrent issues in the discussion on Bank procurement policy was the lack of harmonization between donors, whether bilateral or multilateral, particularly for programs receiving funds from different donors. A number of participants complained also of the lack of consistency throughout the years in Bolivia between the Banks (WB-IDB) when it comes to procurement and that of substantial differences of interpretation which make implementation difficult and unpredictable.

Several participants expressed also their frustration about Banks' rules that are too much focused, according to them, on compliance rather than results. They insisted that measuring results in terms of efficiency, transparency and cost would be a better approach and concluded that procurement reviews by the Banks do not guarantee results, only compliance with our procedures.

Another important issue was the need for technical capacity in conducting projects, particularly at the local and regional level of government; one participant mentioned that several projects suffered from flaws in design, and supervision and that these problems could have been addressed if technical resources, available in the country, would not have been ignored. More generally, the lack of capacity has been mentioned by participants as a limitation for Bolivia to implement projects, particularly with municipalities and regional governments.

In that context, participants brought up the subject of the use of the national procurement system in Bank-financed projects; if some participants regretted that the national system was not more used in projects and known among implementing agencies, donors' representatives warned about the pitfalls of using the national system in projects; for those donors which use the national public procurement system in their projects, they have noticed an extremely low rate of implementation which led to cancellation of a substantial amount of funds for Bolivia. A participant proposed that the national system could be used only for contracts of relatively low amounts and to limit the use of donor procedures to large contracts. All agreed that assistance and support would be needed to improve the national procurement system and that a substantial and sustainable effort would be necessary in terms of capacity to improve the national procurement system to the point that it could be used in donors-financed projects.

All participants welcome the exercise and expressed their interest at following up with the outcomes of the review.

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?	
	<ul style="list-style-type: none"> • A greater integration of procurement rules between donors.
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"> • Focusing on results and less on prior reviews and compliance; • Transparency in Bank decisions in order to reduce inconsistencies.
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?	
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"> Using national procurement rules for low value contracts but maintaining specific procurement rules for large value contracts.
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?	
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"> Participants raised the problem of harmonization between donors as a substantial issue; although no specific suggestion was made, harmonization is expected to go beyond Multi-lateral Development Banks and to include bilateral donors.
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"> The Bank should concentrate its resources in contract management and post reviews (rather than prior reviews) with a better supervision of contract implementation.
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?	