



The World Bank

Procurement Policy Review Feedback Summary

Date: July 23, 2012

Venue: Islamabad, Pakistan

Total Number of Participants: 20

Overview and General Reactions

A number of workshops on the World Bank's procurement policy review were conducted in Pakistan in July and September 2012. The summary below integrates comments made during all workshops. Specific comments made at the meeting in Islamabad are listed in the second table in this document.

- In general, the idea of the procurement policy review was appreciated, although views varied with regard to the direction of the change. Some participants suggested that the Bank should be more involved in implementation support and participate proactively in procurements and procurement reviews; while another group was of the view that Bank should provide principles only.
- The Bank must set up separate 'Innovations Units' to undertake such major policy reviews. Drawing from examples of private sector, only an outside view can bring about effective change.
- There was a very active discussion on more reliance on country systems, with more support to developing systems including competencies and capacities.
- Clarity is required on how the Bank would address the current four pillars of procurement: (1) Economy and equal opportunity; (2) Efficiency; (3) Transparency; and (4) Development of domestic industry.

- How would the transition to a new procurement framework be handled while country systems are still rather weak?
- Participants strongly suggested that if the World Bank’s procurement guidelines should be reduced to a shorter version focused on principles only, there would be a need for a set of explanatory notes / a manual giving examples which can help in taking decisions at the implementation level.
- Are the guidelines to be followed in a compliance mode, or are they meant to be only for guidance? There have been instances where deviations were made from the guidelines in project design, which is welcome, but also leaves an avenue for varying interpretation of the guidelines within the Bank and the borrower.
- The Bank should support the government on overall governance and implementation regime.
- There should be a greater emphasis on contract management. This avenue is rather weak and the client focus (at least partially) fizzles out at contract award. The guidelines should have specific mentions of contract management.

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"> • While changes are implemented, the Bank should also recognize the need of a phased approach. Some projects are designed in such a way that abrupt changes would be disruptive. • There are some clients and some sectors where more hand holding is required. • Ensure that the guidance takes into account varying degrees of competencies.
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"> • More guidance should be provided on framework agreements on consultancies. • Securities from and penalties on consulting firms should be imposed. There is a perception that once a contract is signed, firms hold the client hostage to the commitments and are not penalized in monetary terms for non-performance. • The focus for procurement should be value of money; there should be specific guidance on taking lifecycle cost into account rather than the initial cost.
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"> • The focus of the Bank’s procurement policy should shift from compliance to performance, but the Bank should help develop capacity, especially for auditing. Internal auditing should be strengthened. • The competitive process of selecting individuals is bogus. Almost always one individual is identified and two CVs are submitted.

	<ul style="list-style-type: none"> • More guidance is needed on shopping; there are lots of dangers for unequal opportunity in this process. There should be more focus on wider competition and framework contracts. • More focus on contract management.
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"> • Clients should have the right to audit contracted firms. • A database should be developed that lists cost and competencies for goods, contractors, and consulting firms. • Link financing systems (e.g., PIFRA) with procurement planning and budgeting.
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"> • More support on e-procurement and such specific interventions in all projects. • Bank should help develop cheaper avenues for international arbitration; either regional offices or online participation.
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"> • Support for planning and budgeting across the public portfolio.
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"> •
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"> •