



The World Bank

## Procurement Policy Review Feedback Summary

**Date:** September 17, 2012

**Venue:** Lahore, Pakistan

**Total Number of Participants:** 38

<b>Specific Feedback from Stakeholders</b>	
<b>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?</b>	
	<ul style="list-style-type: none"> <li>• There is a need to account for continued political commitment or a reversal of political commitment.</li> <li>• The capacities and demands of clients as well as the market is changing. The Bank must consider these changes.</li> <li>• Guidelines should establish a concept of partnership in (non-PPP) contracts. In most cases the two parties have a hostile attitude towards each other. There is a lack of trust. Improved capacity could help here, but there is a need for guidelines developing a concept of common goals and partnership in contracts.</li> <li>• The Bank does not intervene when project covenants are not met. If covenants are there, these should be monitored. Furthermore, some monitoring indicators are not taken very seriously. There is a need to have practical focus on results and on meeting the agreed upon targets.</li> <li>• For the provision of goods and services, preference should be given to the local industry. Guidelines should specifically differentiate between rules and guidance notes to clarify the required degree of compliance.</li> </ul>
<b>2. Taking into account the new concepts of public procurement and the broader context of public sector management best practices, what</b>	

<b>type of changes should the Bank take into consideration in modernizing its procurement policies?</b>	
	<ul style="list-style-type: none"> <li>• Guidelines are to be complied with and performance should be emphasized.</li> <li>• Focus on good procurement systems (cost comparisons, market research etc) as well as contract management.</li> <li>• There should be clearer guidance on PPP. Value for money and life cycle cost should be highlighted in the guidelines. IFC is engaged with several initiatives in advising the Government of Punjab: how does this situation address conflicts of interests if Bank funds are used in follow up PPP initiatives. For PPPs, continuous political support and assurances are necessary.</li> <li>• There should be guidance on timely LC opening procedures.</li> <li>• There should be a sample format for PQ evaluation reports.</li> <li>• Specific guidelines on EPC are needed.</li> <li>• Review thresholds for the country's economy for application of the domestic preference.</li> <li>• Penalties on consulting firms should be in monetary terms rather than only professional liability.</li> <li>• More technical and implementation support to higher risk projects.</li> <li>• Efficiency in the system through more crisp decision making mechanisms of the client.</li> <li>• Transparency of procurements through e-procurement.</li> <li>• Bring efficiency into the process; add value to post performance, reduce procedural requirements.</li> </ul>
<b>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?</b>	
	<ul style="list-style-type: none"> <li>• A good procurement management database should be developed for use across sectors. This should help develop efficient systems by tracking various cost comparisons, assisting in market research, performance data, etc.</li> <li>• There has to be emphasis on the right price, despite the provision in SBDs, because often there is an inclination towards the lowest price instead of responsiveness, qualification, and evaluation of bidders. Audit should be made more formal thorough independent audit firms.</li> <li>• “Know Your Customer” to prevent terrorism and anti money laundering.</li> <li>• Independent reviews, third party validation, and whistle blowingshould be widely advertised by the media.</li> </ul>
<b>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?</b>	
	<ul style="list-style-type: none"> <li>• Support good practices in the public sector on linkages of procurement plans with budgets.</li> <li>• M&amp;E should be stronger and the public should be aware of avenues for complaint redress.</li> <li>• The World Bank should bring together international good practices and access to various databases that provide overviews over costs, performances, efficiencies etc.</li> <li>• Support to government in developing more efficient planning procedures (PC-I).</li> </ul>

<b>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?</b>	
	<ul style="list-style-type: none"> <li>• Focus on good procurement systems (cost comparisons, market research etc) as well as contract management.</li> <li>• The revised policy should state that IT based tools can /shall be used for procurement process.</li> <li>• Database of all procurements should be available on the web, with comparative analysis.</li> </ul>
<b>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?</b>	
	<ul style="list-style-type: none"> <li>• Overall technical and managerial capacity building is needed.</li> <li>• The World Bank should use integrated government set up /mechanisms.</li> </ul>
<b>7. What suggestions do you have to monitor and evaluate the Bank's Procurement policies and assess their impact and effectiveness?</b>	
	<ul style="list-style-type: none"> <li>• There should be an evaluation of implementation time of the procurement process and the timelines of various milestones, including completion.</li> </ul>
<b>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?</b>	
	<ul style="list-style-type: none"> <li>•</li> </ul>