



The World Bank
Procurement Policy Review
Feedback Summary: Consultation with Multi Stakeholders

Date: July 19, 2012

Venue: Dhaka, Bangladesh

Total Number of Participants: 36

Specific feedback:

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?

Policy Harmonization

- Harmonization of Procurement Policies of WB with the Borrowers’.
- Accommodate and promote increased harmonization with other development partners and convergence with emerging international standards as it is critical to aligning with the country system.

Guidelines for Procurement under Public Private Partnership

As private sector funding exists in PPP therefore its procurement nature is different from public funding. New procurement policies need to address the issue of PPP.

Trade off between conflicting policies

Clearly identifying the trade offs between key and sometimes conflicting principles of procurement, i.e. economy, efficiency, transparency, Fairness. Especially the term fairness needs to be defined and proportionate properly based on situation. At present it seems like fairness is the most important principle. To ensure fair treatment to all the bidders, most of the bank’s procurement methods are competitive in nature, which in many cases compromises with the quality of product/services.

Collaborative Relationship with Supplier

Relationship with the suppliers in the current policy is at arm's length to competition only, and development of long-term "Relationship" between the Supplier and the Purchaser is non-existent according to the nature of procurement. For example, a 'transactional relationship' for 'routine' purchase and a 'long-term relationship' for 'strategic' purchase may be suitable and beneficial for both parties. New policy should take into consideration the collaborative approaches of procurement especially for the strategic critical items. It will improve quality of products/works/services and eventually will reduce price.

Green Procurement

Procurement policy should encourage green procurement. Carbon foot print/energy consumption may be taken as one of the bid evaluation criteria in an appropriate and selective way with clearly laid out guidelines for its application. Through Green Procurement Policy WB can encourage reducing carbon emission globally.

Sustainable procurement

Sustainable procurement based on life cycle costing need to be introduced.

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?

	<p>Country System Increased use of country procurement system need to be encouraged by the new procurement policy. Procurement policy should be able to address specificity of a group of countries (e.g., low income countries, middle-income countries, fragile and conflict affected countries), regularly monitored by the Bank through a global database. Strengthening national capacity including improved ‘borrower internal control’ so that the Bank limits its ‘Prior review’ to Large Contracts only and over time eliminate prior review.</p> <p>Outsourcing Procurement Reviews and Supervision WB as lender needs to ensure that procurements undertaken through any contract, regardless of prior or post reviews, has observed the required standards of procurement per its guidelines. Since this will require enormous human resources which the WB cannot and should not do by itself; it needs to find a better way of managing risks by outsourcing most review and supervision functions to qualified firms/ NGOs.</p> <p>E-procurement -New policy should provide more emphasis on the e- procurement. - Design and deploy common tool to be used and develop knowledge data base accessible by general people. - Introducing e-monitoring mechanism as a default method with standardize key performance indicators.</p> <p>The most economically advantageous tender (MEAT) Experience shows that goods of inferior quality made in some country are quoted at a very low price to win the bid. The clients cannot technically ignore such lower offer. It compels them to go for goods of inferior quality accepting economic loss and efficiency crises. Introduction of a policy to accept tender evaluated on “The most economically advantageous tender (MEAT)” basis rather than the lowest responsive bidder for procurement can help address this problems.</p>
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"> • Involvement of the beneficiaries/citizens in the monitoring process. • Introducing output and outcome based monitoring system. Generating deviation report. • Increase post reviews and manage post review by third party; qualified firms from private sector. • Be more involved with the people of the borrowers’ countries via internet and social media.
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?	

	<p>Classification of Procurement Policies</p> <ul style="list-style-type: none"> - Preparing a set of overall procurement policies applicable for all kinds of procurements for all the regions. Then preparing specific procurement policies based on group of countries (developed country and fragile or low income country), sector context and capacity of the borrower. - Risk and Capacity based procurement policy classification. - Risk and Capacity based procurement system may raise misunderstanding as some borrowers may perceive it as discrimination. <p>Increased use of IT</p> <p>The use of information technology—e-procurement has feature of making procurement more transparent and cheaper and allowing improved management of procurement systems in response to the diverse needs.</p>
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"> • Capacity building regarding use of e-tools. Both for Suppliers and procuring entities. • Having e-procurement tools available to the public. Borrowers' will use those with their own wish. Incentivize using e-tools. Not forcing to adopt e-procurement system. • Bank can carry out necessary study to streamline its current policies to take advantage of e-procurement and IT-based tools in procurement. • Introducing technology carefully. It may introduce new kind of discrimination. It involves with computer ethics, issues of privacy, copy right etc.
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"> • Less compliance and more principles based policy. Harmonizing the broader procurement policies with the other development partners and borrower countries. • Best practice sharing through WB's vast data base. • Knowledge enhancement through open share and independent rated solutions against set criteria. • If a country has acceptable standard procurement acts, rules, docs; then Bank may allow them to follow the country system in all kinds of procurement.
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"> • Setting some Key Performance Indicators and bench marking with the best practices of private sector. • Develop awareness to all level of stake holders. • Making the data publicly available and encouraging feedback from the stakeholders through social medias, open poll, survey etc • Bank may introduce performance audit.
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"> • Respect and mutual benefit may be added as principle. • Based on output. Provide incentives and failure to do so allow suspensions. • Incentivize principles of procurement; if borrower follow it will get larger share.

	<ul style="list-style-type: none"> • Adopt approach based on results/ outcome, instead of compliance, with measured trade off between fighting corruption and achievement of development objective based on cost benefit analysis • Allow within the policy scope of adjustment with time. • Creating a platform to share experience through website.
Other Points:	<p>Transparency in Bank's own Procurement</p> <p>Apparently there is inadequate transparency in Bank's own procurement (selection of consultants) system, and needs improvement especially since the Bank is promoting for more transparency in procurement of client countries. For example, for the selection of consultants, it does not (i) inform the outcome of shortlisting process, (ii) publish the list of technically qualified firms when both technical and cost are factors in the selection, (iii) invite technically firms to be present at opening of financial proposals. These differences of procurement processes or policies are confusing for bidding and consulting community as the same bidder/consultant may be participating in bidding opportunities of the Bank and similar opportunities in Bank-funded projects implemented by borrowing countries.</p>