



The World Bank

Procurement Policy Review Feedback Summary

Date: June 29, 2012

Venue: Brussels, Belgium

Total Number of Participants: 12

Overview and General Reactions

Multistakeholder consultations were held at the World Bank office in Brussels, Belgium, on June 29, 2012. Participants from the World Bank included Mr. Bernard Becq, Chief Procurement Policy Officer; Mr. Devesh Mishra, Regional Procurement Manager for the Eastern Europe and Central Asia; Mr. Marcelo Donolo, Procurement Specialist of the Procurement Anchor unit, and Ms. Elisabetta Piselli, Senior Counsel in the Procurement Legal Department.

Mr. Becq presented the rationale for the review and its main objectives. He explained how the Bank's procurement policies have changed over time and how the Bank has adjusted to changes in its lending portfolio and client demands. Mr. Becq also acknowledged that many of today's clients have evolved as borrowers and have come to expect a more nimble, adaptive Bank that can respond to their needs more effectively. As a result, the Bank is undertaking a comprehensive review of its procurement policies. The review will assist the Bank in developing a new set of policies that are better suited to address today's clients. A key objective of this review is to find ways to better position the Bank's fiduciary mandate in the broader context of development effectiveness.

Stakeholders largely welcomed the Bank's review. A participant voiced a concern that civil society was being underrepresented in the consultation, and that the Bank should make sure civil society is given an opportunity to participate in the process and be

heard. The Bank noted this request and clarified that representatives of the civil society have been invited to participate in the public consultation meetings, and suggested that organizations make sure to participate where the Bank would be consulting across the world. In addition, civil society could use the Bank's public consultation website to raise its concerns. The Bank stressed that all consultations were public and all stakeholders were welcomed to voice their opinions and ideas. Nonetheless, it will address the issue by enhancing its call for participation of civil society representatives and identify potential participants.

The following points were discussed during the consultation:

Anti-Corruption. Participants proposed that the Bank further consider in its policies new anti-corruption approaches and initiatives that have been proven effective on the ground. These include collective action initiatives to fight corruption, the use of integrity pacts between employer and contractor/supplier/service provider, and the concept of self-cleaning programs. Participants also cited several countries where transparency in the publication of contract documents and awards has resulted in lower levels of corruption. The National integrity systems were cited as effective solutions the Bank may want to adopt using a similar framework to that contemplated in the new EU Directives position paper and Integrity Assessment Report. Participants also proposed that the Bank conduct a more robust analysis of blacklisting practices and debarment effectiveness in its client countries.

Capacity Building. Participants noted the importance for the Bank of improving the way it delivers services to its clients and provide effective capacity building to countries, although a question was asked as to whether the WB was best placed to provide technical assistance. It should also help clients modernize their country systems by promoting procurement practices that are environmentally and socially sound, supporting innovations and applying life-cycle accounting, and make the use of e-procurement mandatory. To help countries move to fully electronic bidding platforms, the Bank should follow the lead of the country and help close the gaps in those areas where Bank support would be needed, such as development of e-GP systems, connectivity, interface design, etc... Finally, some participants suggested better accounting of green procurement, and domestic preferences as well as social policies.

Simplification. Some participants stressed the importance for the Bank to develop harmonized procedures in collaboration with development partners. They can simplify the overwhelming amount of requirements that service providers, suppliers and contractors have to follow to comply with the Bank's requirements and those of other multilateral development banks. Simplification of procedures is also needed so that all parties can better understand what is expected of them when bidding, when signing contracts, and when being paid by the employer or directly from the Bank.

Contract Award Information. Representatives from the private sector noted that the Bank should do more to publish additional details on contract awards under Bank-financed projects and to disaggregate the data so that contractors and their subcontractors

may identify them more easily. The Bank clarified that forces like globalization and open trade agreements have made it increasingly more difficult to identify the true origin of a supplier given the many forms of possible affiliation, or the true source of the original manufacturer of the goods. The Bank added that there is a complex underlying balance between transparency and confidentiality, and that contractual disclosure needs to be preserved to protect firms from disclosing their proprietary information.

Support to the local industry. It was also noted that the current policy was deemed not to be supportive enough of local industries as illustrated by the fact that the Bank's datasets show that Part I countries are winning most contracts. The Bank clarified that most ICB contracts won by local firms are now awarded to firms from Part II countries, and that virtually 100% of all NCBs are won by local suppliers. The Bank stated that the development of local industries is a key principle of the current policy but that the review will revisit the approach to make it more effective in practice.

Competition. Concerns were raised about the Bank's approach to competition and what it would do to ensure a more level playing field for all suppliers. Participants cited the Bank's corporate procurement practices to be cumbersome and lacking in transparency. Another concern brought up by participants was the lack of customer support when bidders for corporate contracts asked the Bank for clarifications. It was also noted that the award criteria use by the Bank's corporate procurement office should only apply to the product. The Bank stated that it will convey those comments to the unit responsible for corporate procurement and clarified that this initiative was covering operational procurement carried out by borrowers under Bank-financed operations.

Country Systems. Participants noted that the concepts of democratic ownership and accountability are critical to a successful approach to using country systems. It was suggested that the Bank integrate these concepts in some form so that it can apply a framework that effectively addresses procurement in the context of country systems. Questions regarding the use of a borrower's language in the new policy were also raised out of concern that many clients see English as an impediment to the conduct of business and would prefer documentation in their local language.

Benchmarking. The benchmarking study the Bank will be conducting on existing international instruments (WTO GPA, EU Directives, MDB procedures) raised considerable interest among participants. They noted that they would be keen on reading these studies. They asked if the Bank would be encouraging countries to incorporate these practices in their own procedures. The Bank clarified that the aim of the study is only to capture what are the differences of principles and provisions among instruments and which are consistently contemplated with a view at establishing common grounds for procedures and methods and render the policy more flexible and adapted to different situations.

The meeting was adjourned.