



The World Bank

Procurement Policy Review Feedback Summary

Date: July 2, 2012

Multi-stakeholder Consultation Hosted by MEDEF

Venue: Paris, France

Total Number of Participants: 23

Overview and General Reactions

Some 20 participants, mostly from private sector companies and business organizations, participated in a consultations meeting at the invitation of MEDEF in Paris, on July 2. The goal of this consultation was to discuss the review of the World Bank operational procurement policy and procedures within the framework of a two-year consultation process. The meeting was chaired by Alain Bentejac, President of Syntec Ingénierie, and included presentations by Bernard Becq, World Bank Chief Procurement Policy Officer, Michel Demarre from Colas on the Well Prepared Project (WPP), Patrice Fonlladosa from Veolia Environment on Sustainable Procurement, and Marc Frilet from Frilet & Associés on PPP operations.

The objective of the most comprehensive review since the Bank procurement policy and procedures were established is to ensure that the Bank remains a setter of global standards in public procurement with a policy that is relevant to today's fast-evolving world and markets and continues to support development results.

The Bank initiative to review its procurement policy corresponds well to its role in supporting borrower countries to manage their long-term development agendas and programs, governance and establishment of sound legal and institutional frameworks, as well as pursuing economic and social efficiency to the benefit of local populations. It also comes at the right time to account for the evolving world of procurement (new partners and stakeholders, new sectors and eligibility, risk management requirements, corporate and social responsibility aspects etc...) and mirrors G20 calls to establish a transparent and reliable framework for infrastructure development in

developing countries.

The participants expressed their support to efficient, inclusive, responsible and long-term development policies and intent to contribute to the Bank initiative with their experience and good practices, including the elaboration of new procurement and contracting policies and methods that satisfy the principles of economy an deficiency, equity and access, transparency, and support to the development of local industries.

Elements highlighted as critical for consideration in the review include inter alia:

- Project-specific preparation, planning and close supervision, are critical to the efficiency of development aid and to sound contractual, financial, administrative and ethical relationships among all parties. In that sense the “Well Prepared Project” concept could constitute a basis for the Bank to prepare a new methodology to prepare bidding documents and contract forms. It also aims at ensuring the sustainability of the engineering industry in Developing countries which is essential to their development needs, with a view at delivering good-quality and value to the beneficiaries without privileging any of the three parties to the contracts (Employer, Engineer, and Contractor) but rather managing risks efficiently.
- Economy, efficiency, sustainability and value for money objectives of both donors and borrowers and incentives for developing countries to create their own systems entail to analyze offers and bids, not merely on the basis of price but also accounting for global and structural (economic, social, financial, environmental, and employment creation) advantages that they may locally entail.
- While Bank procurement rules constitute a well-established and recognized standard, evaluation and selection procedures should be considered in accordance with more appropriate and innovative approaches and the concept of “most economically advantageous offer” for the beneficiary country. This means to further define clear life-cycle and quality-based evaluation criteria, address the recurrent issue of abnormally-low bids, better adapt qualification criteria to each sector and its technical specificity, and revisit the handling of taxes in evaluation. Finally, accounting for long-term and qualitative criteria for partnerships and direct contracts appears essential to the good implementation of Bank-financed projects.
- The increase in the number of projects and the evolving needs of developing countries also requires innovative procurement methods (such as e-procurement and requests for proposals) and financing methods, but also a simplification of bidding documents and contract forms. In this regard, increasingly relying on functional specifications rather than technical specifications is an avenue to pursue.
- The Bank approach to public/private partnerships (PPP) such as concessions, services management etc... could be enhanced through a better use of the different forms they may take. In this regard, an ADETEF/CICA Working Group has developed standards and rules and prepared a vade-mecum (including topics and sub-topics, and criteria for success) to serve as a cohesive and comprehensive framework when preparing and financing PPP operations. Also a reference to Swiss challenges was made.
- The recent Bank piloting program to increase reliance on Country Systems for Procurement has amply demonstrated the need for improving institutional, legal and contractual frameworks of developing countries and strengthening their capacities. In addition, supporting enhancing the management capacity of local companies, helping building trust, being more proactive in dealing with delayed or lack of payments, and supporting innovations are critical to the development of local industries. This should entail a new approach to technical assistance and training.
- Finally, the Bank policy in regard to fraud and corruption is perceived as repressive and not effective as compared to what could be achieved through more support to prevention. Tools exist and should be considered, such as reliance on independent observers of the

bid evaluation process or increased transparency through a more comprehensive publication of award information.

A group of consulting firms will send to the Bank specific recommendations in regard to:

- The critical role of engineering in preparing and executing projects throughout their life cycle to allow for quality outcomes.
- Practical modalities for the consulting industry to ensure global and continuous management of projects;
- Support at both the project design and implementation stages to both donors and beneficiary countries; and.
- The elaboration of performance measurement methodologies and definition of reliable selection criteria to improve project quality.