



The World Bank

Procurement Policy Review Feedback Summary

Date: July 23, 2012

Venue: Washington, DC, USA

Total Number of Participants: 29

Overview and General Reactions

The second US consultation on the Procurement Policy Review was held in Washington, DC, on July 23, 2012. Participants represented a range of stakeholders—civil society, business, development think tanks, development partners, and academia. On the Bank side, the meeting was attended by Bernard Becq, Chief Procurement Officer, Myrna Alexander, member of the Bank’s Procurement Review team, and Marcelo Donolo, Procurement Specialist in the Bank’s central Procurement unit. The list of participants is provided.

The Overview to the Review, provided on the Bank’s Procurement Consultations webpage, was presented by the Bank team. The meeting then proceeded with a series of comments, questions and answers about the Review and its approach. Participants also made suggestions on what the Bank should consider as it reviews its set of policies and procedures.

General Points Raised by Participants

- Participants expressed general support for adopting more flexible procurement systems.
- They welcomed the attention the Bank is giving to transparency and the anti-corruption agenda, and acknowledged the need to shift from the current model, which focuses only on investigating procurement issues to a more comprehensive and preventative

approach.

- The Bank should analyze the impact of government procurement on jobs; it was suggested that the Bank address the impact of procurement in the next World Development Report.
- More information and research on successful and partially successful projects should be made publicly available.
- The Bank should draw out the lessons, and incorporate them into the review, of the experience in using the new Program for Results (PforR) financing instrument and the use of country systems.
- Technical staff working in projects should be involved at all stages of the project, from design all the way through to implementation, including contract management.

Further elaboration is provided below under each of the guiding questions.

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?

- Procurement monitoring needs to be more tightly aligned with tracking project development results.
- Capacity building and skills development presents a significant challenge. The procurement policy change will require an extensive training component.
- Consider a broader discussion with business community about contract management. Over the years, aspects facilitating bidding processes have been included in the revisions of procurement guidelines, but have not necessarily been realized in practice. For example, details of procurement plans are not readily available and difficult to find in Bank systems.
- Include number of awards for IFC and MIGA in contract awards database. Make contract awards sites more consistent with those from other MDBs.
- Enhance the complaints mechanism to ensure that a satisfactory answer is communicated at all times. Would like to see technical teams communicate more openly on tendering issues. If a request for specific information or a technical evaluation is rejected, it should be accompanied by a clear explanation for reasons

for rejection. The idea of an ombudsman should be considered.

- In Bank projects today, the concept of introducing innovation is at times at odds with the concept of cost control.
- Typically, under Bank-financed procurement, establishing a local procurement portion does not differentiate between someone who sub-contracts 10% for drivers and office maintenance and someone who offers 10% to technical content. It is important to differentiate building capacity through local contract management.
- Think about civil society not only in the monitoring capacity but as a bidder in some sectors, while being mindful that civil society has particular difficulties with issues, such as administrative burdens, access to financing, and showing value for money.

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?

- Position public procurement in the content of public administration and the overall value-added chain from initial authorization/budget approval through execution. The focus should be on supply chain management and would need additional efforts at data collection, attention to ‘red flags’, and management information systems of these processes.
- Connect public procurement to broader policy dialogue, such as employment standards, jobs and employment. Do more collection of relevant data. Consider pre-screening contractors at the national level, study impact of procurement on GDP and economic policy.
- Look behind the rules to understand their purpose, the incentives for compliance, how they are being implemented, and by whom, and what the value added is.

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?

- Acknowledge the role of CSOs in procurement management monitoring functions.
- In order to better monitor the use of funds, the Bank needs to engage more aggressively in the project implementation phase, based on its value-added. Consider more innovative implementation mechanisms based on the assessment of country capacity. Look at the paradigm for supervision and over-sight. Regard various ways of handling risks in different implementation modalities.
- Consider ways to increase the amount of quality feedback received from the private sector; establish clear

milestones; do “360 degree” feedback on processes and outcomes.

- Look at different paradigms, the incentives for compliance by the private sector, and different ways to deal with fraud and corruption, from project design through execution, including options such as integrity pacts.

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?

- This is a key challenge in devising a new procurement policy.
- Review other donors’ and NGOs’ policies and how they are implementing procurement systems. Consider core sets of requirements.
- Consider some nomenclature for ranking borrowers, such as scorecards.

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?

- No specific comments.

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?

- Track the balance between the benefits of MDB policies harmonization and prescriptive guidelines for country systems.

7. What suggestions do you have to monitor and evaluate the Bank’s Procurement policies and assess their impact and effectiveness?

- The essential is to have projects that deliver results. Look at measures such as ROI, financial, social returns, jobs created, and sustainable companies.
- Improve the way the Bank does evaluate results: World Bank staff rotate often and that reshapes the type and quality of evaluation.
- Nothing can replace review on the ground. Physically visit sites.
- Link this process to disbursement indicators for P4R.
- Utilize the results of audits.

	<ul style="list-style-type: none">• Monitor the number of complaints.• Increase efforts to collect information on performance of contractors over time, not just the number of jobs done, but more honest feedback.
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">• The Bank must find ways to be more adaptive, to add value to client services, and to be more efficient and effective in its monitoring role.