



The World Bank
Procurement Policy Review
Feedback Summary

Date: July 3, 2012

Consultation with Confederation of International Contractors' Associations

Venue: Paris, France

Total Number of Participants: 6

Overview and General Reactions

The World Bank (WB) is embarking on a comprehensive review of the procurement policy and procedures used by the Bank and its borrowers (the first comprehensive and holistic review since the Bank's founding).

The review is supported by extensive worldwide consultations - including CICA - and by an evaluation of procurement by the Bank's Independent Evaluation Group. In addition, the WB has established an International Advisory Group on Procurement (IAGP) to advise them in this work and invited CICA (P. Lacoste) and EIC (U. Krenz) to join the Group which mandate will last about two years (to late 2013 or early 2014).

The results of the policy review will be made publicly available and discussed early 2013 with the Bank's Board of Executive Directors.

The content of the approach that the Bank is taking and how the review fits into the Bank's broader development agenda are described in the Bank's [Initiating Discussion Paper](#) and [Approach Paper](#) (already circulated to CICA Regional Federations). The review aims at identifying changes to the policy framework (including the current guidelines, policies and procedures both internal and applicable to borrowers) that will allow the WB to continue to be a global leader in procurement in development, while adapting to the Bank's modernization agenda¹, its [reform of investment lending](#), and new opportunities and challenges in a changing world.

¹ - [World Bank document "Modernizing the World Bank Group: An Update" \(April 4, 2011\)](#)

Discussion

To improve its good practices, B. Becq stressed that the WB is counting on a position paper (focusing on strategic issues and broad policy and procedural principles) from the professional organization representing the global construction industry, CICA (including FAC, FIEC/EIC, FIIC), as Contractors are some of the main users of WB policies and procedures, this to inform the preparation of the framework for changes that will be presented at the board at the first phase of the consultations.

Borrowers, in particular from middle-income and emerging countries, are increasingly seeing Public Procurement as a **strategic function** and a key element of their growth and development.

Besides **Risk Management** and **Development Effectiveness** which are among the major challenges, the participants agreed that the new policy should increasingly focus on:

- **Performance** (especially on contract management)
- Increased **value-for-money**: CICA believes in this regard that the “Well-Prepared Project” (WPP) concept detailed hereafter is a tool that can generate increased value-for-money.
- Less “one size fits” all and more “**fit for purpose**”: CICA shares the view of the WB that it must ensure that the growth of different forms of contract does not give rise to too much complexity and make sure to have simple features, operational and easily understandable by the different actors in the field.
- **Country systems & harmonization** The Bank should pay more attention to such areas such as the development of professional organizations, financial issues, or training. Shouldn't they be taken care of as part of the broader strengthening of country systems and capacity-building under Bank-financed operations, including DPL and PforR?
- Deeper engagement on **governance and anti-corruption**: The WPP, by meeting costs, time schedule and quality, allows the reduction of situations conducive to corruption.
- **Capacity building** of local institutions / procurement staff / companies / professional organizations. The development of local industries raises questions of ownership given the current evolution of global trade and has impact on such critical issues as preferences. Should the development of local industries be contemplated in the Bank procurement policy, and if yes, how? One suggestion was to include mandatory training as part of contract execution.

Other important issues pointed out by CICA were the **fairness of competition** (e.g., regarding qualification, abnormally low tenders, lots and packages, protectionism...), the **conditions of success for PPPs** (CICA is finalizing a Vademecum on this issue), and **the integration in the contract (and in what form if elsewhere) of green procurement², social requirements and training of local workers.**

The consideration of issues related to preference, local content, and social and environmental issues in standard bidding documents and contract forms is a key emerging topic raised by many stakeholders. CICA is expected to discuss such issues in its upcoming position paper and comment on whether bid evaluation criteria related to such issues should be included in the Bank's procurement evaluation procedures. The consideration of quality aspects in bid evaluation as well as greater Bank involvement in the control of quality were also mentioned as critical

It was mentioned that financial and legal security is critical for companies. While the WB is not a party to the contract, even if “soft power” of the Bank can be exercised during project implementation, it is important to discuss as part of the Procurement Review the possibility to develop strategic tools and options that are workable for the Bank. Greater involvement in the control of quality was also mentioned

- [Transformation through Infrastructure - World Bank Group Infrastructure Strategy Update FY2012-2015](#)

² CICA Sustainable Business Working Group will be consulted to make possible comments on Green Procurement.

Finally, to cope with the priority concern of MDBs to get efficient and timely execution of contracts, CICA presented an update of the **Well-Prepared Project (WPP)**, whose main objective is better: i) assessment & risk management, and ii) definition of the chains of responsibility in the projects. The involvement of and monitoring by the Bank in contract execution were also raised as a critical issue for the review; in particular as regards the control of the logistics chain after the supply of goods and the mobilization of contractors and respect of contractual provisions with regard to access to site, equipment etc...

The WPP Working Group, focusing initially on Road Projects (representing a significant portion of contracts financed by MDBs), is innovative by associating three main partners (Engineering/Contracting Authority/Contractor): FIDIC (discussion in progress), PIARC (approved the WPP Terms of Reference in April 2012) and CICA.

The WPP can allow an **improved aid and fiduciary obligations' effectiveness of World Bank** in its projects by:

- achievement of consistency
- meeting costs, time schedule and quality
- less disputes and corruption.

The WPP WG shall develop a **Guide of Good Practices** that can be disseminated to the all production line. The approach is also expected to be applicable to new issues such as sustainability, green procurement, social environment (including training) and ethics.

Whilst the WB itself cannot directly participate in such WG, there is great interest in the outcome of the WPP (already expressed by the MDBs Heads of Procurement (HOPs) at the CICA-HOPs meeting of October 7, 2011 in Paris) and its potential benefit to the WB procurement regulation and MDB clients.

To follow-up on HOP's past suggestion that key players from emerging countries should take part in the works of this WG, CICA reported that the China International Contractors Association (CHINCA) has already expressed its interest to participate in such WG and took the opportunity to inform that CHINCA has become officially "Friend of CICA" since July 2012.

The next objective of the WPP WG is to develop a **general outline by September 2012** in order to fit **the timeline of the WB Procurement Review**.