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INSME Insights

The World Bank Procurement Reform

INSME recently took part in the event **“World Bank Procurement Policy Review: Phase Two – Consultation Meeting”** organized by the [Italian Trade Agency](#) (*INSME Member*) on the 23rd of September 2014 in Rome, Italy, an initiative that forms part of a global consultation process that the [World Bank](#) kicked off in 2012 with the final aim of reviewing its policies and procedures for procurement. The network actively participated as stakeholder in the event and will continue to follow closely the development of the World Bank Procurement Reform including by welcoming any comment and input from your side.

New trends and practices are emerging in the public procurement environment such as environmentally and socially responsible procurement and technologies to make procurement more efficient. An increasing number of countries recognize the important role played by public procurement as a strategic tool rather than a mere administrative process. The World Bank’s borrowing member countries are making progress with regard to their institutional capacities and efforts to reform their procurement systems that inevitably led to a gap among countries and obliged the WB to move from a “one-size-fits-all” approach. Furthermore over the years the World Bank has adopted a wide range of delivery mechanisms, public-private partnerships, conditional transfers and grants to meet the needs of its diverse clients.

This fragmented scenario propelled the World Bank to undertake an analysis of the Bank procurement policies and create a new framework that would work in the future.

The World Bank is conducting an important **review of its policy and procedures for Procurement**, as part of its modernization agenda. Taking the diverse and evolving needs of clients and the increasing demands from a changing global context into consideration, the World Bank identified the necessity for a Modern Procurement Framework that would respond better to client needs by adopting a tailored, risk-based and fit for purpose approach. To fulfill this goal, the WB began a consultation divided in two phases involving shareholders and stakeholders in order to receive inputs and feedback to better review its procedures for Procurement.

The feedback analysis carried out during the first phase revealed an increasing need for:

- **Principles**, that reflect new concepts in public procurement, including value for money, integrity, efficiency and sustainability;
- **New Procurement Methods**, allowing for innovation and reflecting modern, international good practice;
- A strategic **Market Analysis**;
- Support for **Capacity Building**, in particular in lower income countries and across all the actors;
- Greater support to **Country Procurement Capacity**;
- A special attention to **FCSs & Small Economies**;
- A direct involvement of the Bank in largest and most **Complex High Risk** and innovative contracts.

The second stage of the consultation will be closed in December 2014 and in this phase shareholders and stakeholders’ feedback will be incorporated into a new draft procurement policy, procedures and directives, which will be presented to the Executive Directors.