

## World Bank New Procurement Framework

JULY 23, 2015

On 21 July 2015 the World Bank's Board of Executive Directors approved a comprehensive reform of procurement in World Bank financed projects. Managers at the Bank conducted 61 consultations in 37 countries to produce a new Procurement Framework aimed at improving the transparency and flexibility of the procurement process. For more information on the review and its recommendations please see this [WilmerHale W.I.R.E. UK post](#))

Many of the changes will be welcomed by contractors and bidders on Bank projects. It will be hoped that increased support for Borrowers by Bank staff will allow a more consistent and efficient procurement process across different agencies and countries, as well as allowing for an increased variety in the processes used. Any improvements in the production of bidding documents and the time to conduct procurement processes will no doubt be welcomed by all parties. Allowing Borrowers to use sustainable procurement criteria rather than focussing solely on lowest price bidding may also be welcomed by smaller and more specialist firms that target specific development outcomes and that may have previously struggled to compete on large projects.

There are also changes to the integrity provisions in the procurement process, commencing with the removal of the slight inconsistency in definitions between the Procurement Guidelines and Consultant Guidelines, and the Anti-Corruption Guidelines. The Procurement Guidelines themselves are set to be replaced by the Procurement Regulations for Borrowers. Further changes to the Anti-Corruption Guidelines are also expected but have been described as "technical and editorial (non-substantive)"<sup>1</sup> in nature.

Further integrity changes may have impacts upon the bidding processes at firms. The Bank intends to examine options to collect and make available the beneficial ownership information of legal entities participating in Bank-financed procurements. As a means of ensuring transparency within the procurement process this is an important step but it may place an additional burden upon bidders to produce the necessary supporting documentation and may present an additional reputational risk to large organisations that have subsidiaries providing services in this sector. The Procurement Regulations for Borrowers also make provision for tailoring integrity measures to the procurement method and to the particular procurement chosen. It has been suggested that this might include Bank staff providing expanded supervision or independent third-party monitors (such as Transparency International) reviewing the process. Bidders will have to adapt their proposal or

bid processes to each project and may need to devote further resources to this critical area.

The World Bank's New Procurement Framework [can be found here](#).

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<sup>1</sup> Procurement in World Bank Investment Project Financing: Phase II: The New Procurement Framework, page 18 paragraph 24.