



Making Procurement Work Better

EVALUATION OF THE WORLD BANK PROCUREMENT SYSTEM

IEG assessed the World Bank procurement reform's progress from fiscal years 2017–23



Key Findings

THE REFORM IS BASED ON SOUND LOGIC AND HAS SHOWN PROMISING RESULTS.



IEG HAS IDENTIFIED AREAS FOR POTENTIAL IMPROVEMENT IN THE REFORM GOING FORWARD.

The reform, when applied as intended, led to higher value for money and enhanced project implementation.

To reach the reform's full potential, implementation needs to be carried out at scale and across all regions.

The reform sped up procurement with simpler and more agile approaches.

Addressing persistent challenges that delay processing of open market procurement can further improve efficiency.

The reform introduced international good practices and took a forward-looking approach.

Leveraging non-cost factors like quality, sustainability, and innovation will enhance outcomes.

The reform enabled some good practices for early implementation and strategizing procurement, contributing to results.

More could be done by procurement and technical staff to collaboratively help clients strategize procurement and sign key procurements early in a project.

The reform used hands-on support to improve procurement performance in low-capacity contexts.

Capacity strengthening should address repeat procurement problems affecting performance and adopt a more sustainable approach to strengthening human resources.

The reform takes a broad approach to procurement risks, which when applied improves project performance.

Procurement can be improved by consistently addressing risks beyond cost, like those related to human capacity, markets, and innovations.

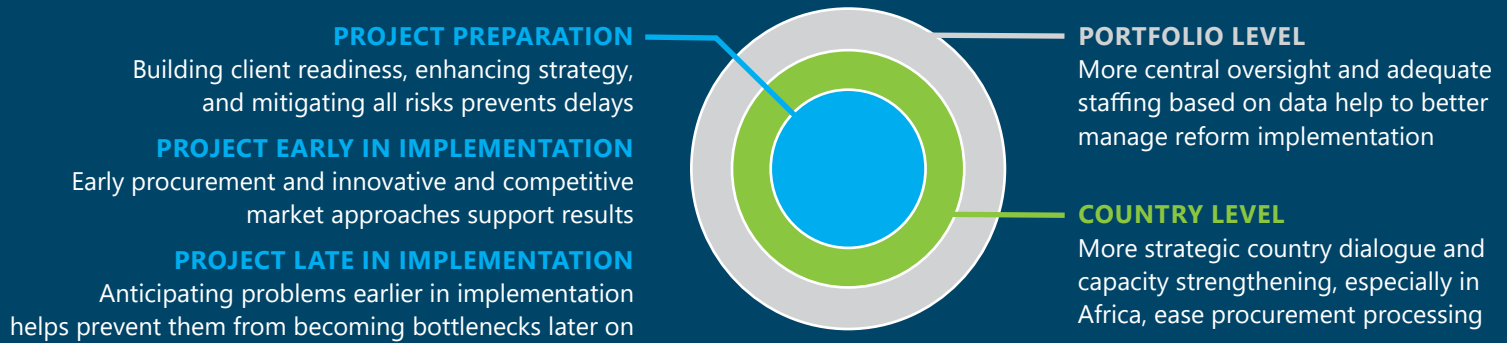
The reform enhanced data availability and transparency.

Procurement implementation can be improved by adopting a more strategic, data-driven approach to decisions and comprehensively measuring procurement outcomes.

Methodology

The assessment used a mixed methods analysis at the project, procurement, country, and global levels. Methods included case studies, data analysis, interviews, and staff surveys. The analysis led to a robust understanding of the reform's progress and ways to improve project performance and strengthen procurement capacity.

Summary of Findings by Portfolio, Country, and Project Levels



PROJECT PREPARATION

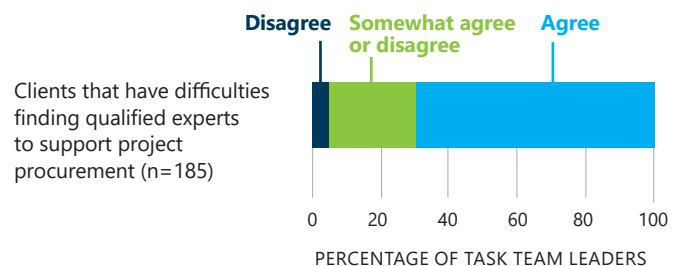
Project procurement strategies are not being used to their full potential, with lack of client ownership a key factor.

Coaching helps client countries strategize, innovate, and speed up preparation of technical specifications.

Using the project's full risk profile beyond cost, including client experience, to make decisions supports outcomes.

Incentivizing procurement and technical staff to support teams earlier and more collaboratively prevents issues and delays.

Client countries struggle to find qualified procurement experts to support projects, which causes delays in starting procurement activities



PROJECT EARLY IN IMPLEMENTATION

Procurement is slow to start, especially in IDA countries: median **8 months** in IDA vs **5 months** in IBRD countries.

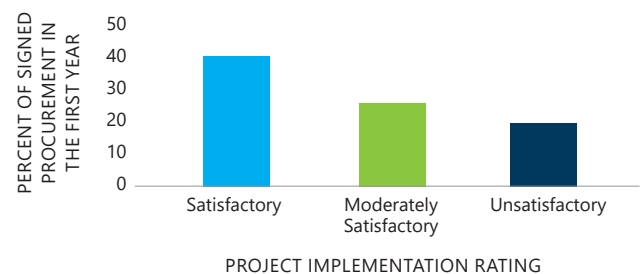
Early processing of procurement activities elicits fewer issues and better performance.

Projects in all regions have procurement processing issues, such as delays in the bid evaluation stage of competitive procurements. These issues are most common in Africa.

Quality and sustainability approaches require coaching, dialogue, and incentives to reduce risk.

Open market approaches promote procurement quality, however, attracting qualified suppliers is difficult.

Projects with satisfactory implementation often had ~40% of contracts signed by the end of the first year

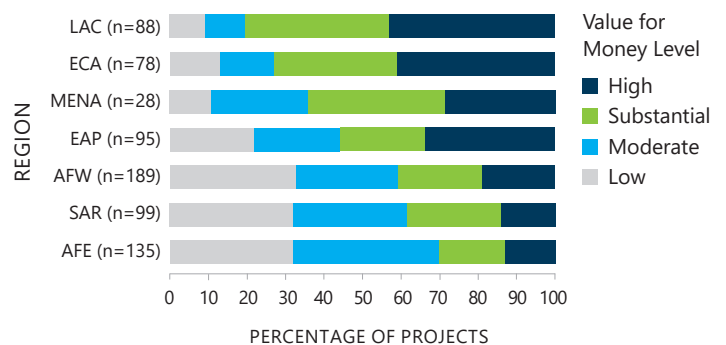


PROJECT LATE IN IMPLEMENTATION

Hands-on support helps clients but is not currently designed to leave capacity in countries or enhance innovation.

~50 percent of contracts are signed in the last years of project implementation, limiting what can be achieved.

Projects with a higher value for money implemented the reform features and saw satisfactory implementation



AFE = Eastern and Southern Africa; AFW = Western and Central Africa; EAP = East Asia and Pacific; ECA = Europe and Central Asia; LAC = Latin America and the Caribbean; MENA = Middle East and North Africa; SAR = South Asia.