



Bank Directive

Procurement in IPF and Other Operational Procurement Matters

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Content

Sets out the operational rules and general roles related to procurement activities financed by IPF operations, the Bank's support to Borrowers in the area of building procurement capacity, and other operational procurement matters

Applicable to

IBRD,IDA

Issuer

Vice President, Operations Policy and Country Services Vice Presidency

Sponsor

Chief Procurement Officer, OPSPR

SECTION I – PURPOSE AND APPLICATION

1. This Directive sets out the operational rules and general roles related to: (a) the procurement of goods, works, non-consulting services, and consulting services financed by the Bank (in whole or in part) through IPF operations, excluding procurement under Bank guarantees and under Bank-financed loans made by eligible financial intermediaries, for which the final recipient of loan funds is a private borrower; (b) the Bank's support to Borrowers in the area of building procurement capacity; and (c) other operational procurement matters.
2. This Directive applies to the Bank.

SECTION II – DEFINITIONS AND ACRONYMS

As used in this Directive, the capitalized terms and acronyms have the meanings set out (a) in Section II of the Procurement Policy, or (b) below.

1. **ADM:** accountability and decision-making roles set out in the "Guidance on the Accountability and Decision Making Framework."
2. **APM:** Accredited Practice Manager (Procurement) in each region.
3. **Bank-Facilitated Procurement (BFP):** a form of procurement implementation support as provided under the Procurement Policy, Section III.A. BFP that enables the Bank to facilitate the procurement process for borrower/s by harnessing its convening power and aggregating demand (across countries, regions, sectors). The Bank establishes a BFP on a global or regional basis as the most appropriate procurement arrangement for borrowers to critically address a BFP Triggering Event. Once established, in accordance with the Procurement Procedure ("Established BFP"), BFP could be used at the project level.
4. **BFP Triggering Event:** an actual or emerging event characterized by compounding factors that may include but are not limited to a greatly heightened market demand outstripping supply, significant disruption to supply chains, or other abnormal market conditions, and requiring a rapid, measured, strategic response, which in the Bank's determination is beyond the capacity of the borrower/s to address. A BFP Triggering Event may also arise from an Emergency Situation as defined in the Procurement Regulations for borrowers or as determined by the MDO.
5. **Concept Review:** a review through which a management decision is made on whether to proceed with the preparation of the IPF operation described in paragraph 9 of Section III of the IPF Directive.
6. **Hands-on Expanded Implementation Support (HEIS):** a form of procurement implementation support as provided under the Procurement Policy, Section III.A. Such support may include, but is not limited to, (a) drafting procurement documents; (b) identifying strengths and weaknesses of bids/proposals; (c) observing dialogues and negotiations with bidders/consultants; and (d) drafting procurement reports and contract award documentation.
7. **INT:** Integrity Vice Presidency.

8. **IPF Directive:** Bank Directive, “Investment Project Financing.”
9. **LEG:** Legal Vice Presidency.
10. **OPRC:** Operations Procurement Review Committee.
11. **OPSPF:** Standards, Procurement, and Financial Management, OPCS.
12. **Procurement Guidance:** Bank Guidance, “Procurement in IPF and Other Operational Procurement Matters.”
13. **Procurement Guidelines:** World Bank Guidelines for the Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, and World Bank Guidelines for the Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers.
14. **Procurement Policy:** Bank Policy, “Procurement in IPF and Other Operational Procurement Matters.”
15. **Procurement Procedure:** Bank Procedure, “Procurement in IPF and Other Operational Procurement Matters.”
16. **Procurement Regulations for Borrowers:** “World Bank Procurement Regulations for IPF Borrowers.”
17. **Professional Accreditation and Standards Panel for Procurement (PASP):** a panel carrying out the functions set out in the Procurement Procedure.
18. **RD:** Regional Director, Equitable Growth, Finance and Institutions.
19. **Staff:** Persons holding an appointment under Staff Rule 4.01, “Appointment.”
20. **STEP:** Systematic Tracking of Exchanges in Procurement.
21. **Team Leader (TL):** Bank Staff assigned to lead IPF task teams.
22. **WBG Institutions:** IBRD, IDA, IFC, or MIGA.

SECTION III – SCOPE

A. Procurement Assessment

1. During project preparation, the Bank assesses procurement-related risks (in addition to non-procurement risks) that may affect the project and Bank financing and considers any procurement arrangements that may be appropriate for the project, including the Bank’s implementation support and monitoring of the project, and the Borrower procurement support requirements.
2. In addition to the exception stated in paragraph 12(a) of Section III of the IPF Policy, to facilitate the Bank’s response to situations of urgent need of assistance or capacity constraints described in paragraph 12 of Section III of the IPF Policy, the Bank: (a) may accept a simplified PPSD; (b) may accept streamlined procurement arrangements taking into account the context and the risk, value, and complexity of the procurement; and (c) may accept the use of Borrowers’ national

procurement arrangements pursuing the Procurement Regulations for Borrowers.

B. Procurement Rules and Procedures Applicable to the Borrower

1. The terms and conditions governing the procurement of goods, works, non-consulting services and consulting services financed under the project are set out in the legal agreement between the Bank and the Borrower. These terms and conditions include, except when APA apply, the requirements set out in the Procurement Regulations for Borrowers.

C. Monitoring of Procurement-related Compliance and Implementation Support

1. Pursuant to paragraph 20 of Section III of the IPF Policy, the Bank carries out its procurement-related implementation support and monitoring through a risk-based approach, adjusted to reflect project-/portfolio-related circumstances. The approach may include the use of prior and post reviews, as well as independent procurement reviews and other fiduciary mechanisms appropriate to the underlying level of risk of a specific project or portfolio.
2. **Prior review.** Generally, the Bank carries out prior review (an ex-ante review of the Borrower's planned procurement actions) of high-value and/or high-risk procurement activities financed by the Bank. The Bank sets monetary thresholds for prior review based on procurement risk ratings. In exceptional cases, the Bank may (a) require prior review below specified monetary thresholds if it determines that there is a substantially increased risk associated with the planned procurement activities; and (b) may agree that high-value procurement activities that otherwise would be subject to prior review may be subject to post review if it determines that such procurement activities present low or moderate procurement risk.
3. **Post reviews** examine procurement activities after they are completed by the Borrower. The Bank may rely on third parties, such as supreme audit institutions, individuals and firms acceptable to the Bank, to carry out post reviews.
4. At the Borrower's request, the Bank may provide implementation support under the Procurement Policy, Section III.A at a given procurement stage if the Bank determines that this support is useful to help the Borrower achieve the development objectives and outcomes of an IPF operation. Such support can take the form of HEIS, BFP, or any other form that Management may decide. Project execution remains the Borrower's responsibility, and, except in projects for which the Bank has agreed to execute start-up activities under paragraph 12 (c) of Section III of the IPF Policy, hands-on expanded implementation support does not result in the Bank's executing procurement on behalf of the Borrower.

D. Alternative Procurement Arrangements

1. The justification for APA, including risks and benefits, is identified and assessed as early as possible during project preparation, and is described in the relevant project documents. The APA justification describes, among other things: (a) why the APA would be the most appropriate procurement arrangement to support the Borrower in achieving the project's development objectives; and (b) how the APA would (i) provide adequate assurance that the proceeds of Bank financing will be used only for the purposes for which the financing would be granted, and (ii) meet the requirements set out in Section III.F.2 of the Procurement Policy.
2. When the Bank approves APA, the terms and conditions of the APA are set out in the legal

agreement with the Borrower and other relevant parties.

3. If the terms and conditions of the APA are not complied with, the Bank has the right (in addition to its other contractual rights) to revoke or modify its agreement allowing the use of the APA.

E. Roles, Responsibilities, and Accountabilities

1. Procurement-related functions in the Bank are carried out primarily by OPCS (OPSPF), RDs, APMs, procurement accredited Staff LEG Staff, and members of task teams.
2. **OPCS (CPO)** is responsible and accountable for the general oversight, coordination monitoring and consistency of the Procurement Framework, including the following functions:
 - a. interpreting, proposing or concurring with revisions to (i) the Procurement Policy, (ii) this Directive, and (iii) the Procurement Guidelines;
 - b. interpreting, and approving revisions to, (i) the Procurement Procedure, and (ii) the Procurement Regulations for Borrowers;
 - c. issuing, interpreting, and approving revisions of (i) the Bank's standard procurement documents, and, (ii) specific forms of agreements required for procurement (i.e. United Nations, public private partnership, etc.);
 - d. overseeing and monitoring the overall implementation of the Procurement Framework and the Procurement Guidelines within the Bank, coordinating across regions to ensure appropriate consistency;
 - e. reporting on status and progress of Procurement Framework implementation to Senior Management and the Board if and as needed;
 - f. clearing waiver proposals related to (i) the Procurement Policy, (ii) this Directive, and (iii) the Procurement Guidelines;
 - g. deciding waiver proposals related to, (i) the Procurement Procedure, and (ii) the Procurement Regulations for Borrowers;
 - h. deciding on procurement standards and procurement accreditation of Staff;
 - i. chairing the PASP for procurement and deciding on the accreditation requirements and acceptability of qualifications and experiences in relation to Staff recommended by APM for accreditation;
 - j. maintaining list of Procurement-Accredited Staff (active and inactive);
 - k. establishing thresholds parameters for prior review and other procurement-related processes;
 - l. deciding proposals to incorporate APA into the decision to appraise a project;
 - m. chairing OPRC and deciding on requests for procurement clearance of OPRC-threshold contracts;
 - n. providing central monitoring of procurement-related complaints;
 - o. collaborating with APMs to design training on the Procurement Framework, including the Procurement Regulations for Borrowers, leading and representing the Bank in operational procurement matters, both internally and externally, including global partnerships with standard-setters and their public interest bodies, the harmonization of Bank procurement rules and dialogue on Procurement Framework matters with other multilateral or bilateral

- organizations and development agencies;
- p. leading sectoral/industry engagement programs with providers;
 - q. designing and updating operations procurement information systems in collaboration with APMs;
 - r. leading operations risk management (procurement), including corporate risk reviews and portfolio monitoring, ensuring the Bank's Procurement work on managing operational risk is consistent with evolving corporate approaches and international practices, in coordination with RDs and APMs;
 - s. establishing the quality assurance framework and advising RDs and APMs on its application;
 - t. advising on fit-for-purpose procurement arrangements for complex, high-risk/innovative and/or non-standard operations;
 - u. advising on procurement capacity assessments of Borrower countries and any procurement-related reform programs to ensure consistency across regions; and
 - v. carrying out ADM functions specified in this Directive, the Procurement Procedure or other operational rules.
3. The **RD** is responsible and accountable for regional oversight, leading and monitoring implementation of the Procurement Framework as well as the following functions:
- a. ensuring through the respective region's APM effective project/program procurement preparation, implementation support and monitoring of procurement risk and performance;
 - b. advising on the level of resources (Staff and budget) needed to implement the Procurement Framework, overseeing operations procurement staffing decisions (recruitment, promotion, work allocation, etc.);
 - c. overseeing development and training of operations procurement Staff;
 - d. coordinating with the APM to ensure appropriate oversight of procurement work through adequate quality assurance arrangements; and
 - e. carrying out other project-specific ADM functions specified in this Directive, the Procurement Procedure, or other operational rules.
4. The **APM** is responsible and accountable within the APM's region for implementation of the Procurement Framework, including the following functions:
- a. allocating procurement accredited Staff to task teams, supervising them and using implementing/executing resources, including budget, in accordance Bank's policies and procedures;
 - b. providing project implementation support and monitoring, including (i) hands-on expanded implementation support, (ii) procurement risk management, oversight and monitoring, (iii) procurement and fiduciary assurance, (iv) ensuring procurement clearances are only given within Staff's accreditation levels, and (v) ensuring that appropriate quality assurance is undertaken;
 - c. overseeing regional portfolio operations risk management (procurement);
 - d. promoting the Procurement Framework and use of new procurement features;
 - e. making operational staffing decisions (recruitment, promotion, work allocation, etc.);
 - f. ensuring Staff development and provision of general procurement training;

- g. developing and implementing a framework for building country procurement and integrity systems;
 - h. serving as member of the PASP and recommending Staff for accreditation and accreditation status (active or inactive);
 - i. coordinating with the CPO on technical procurement issues, complex procurement matters, high-risk/innovative approaches and application of fit for purpose approaches;
 - j. coordinating with the CPO on procurement capacity assessments of Borrower countries and any procurement-related reform programs;
 - k. implementing operations procurement information systems;
 - l. participating in regular briefing meetings convened between the region and INT; and
 - m. carrying out other project-specific ADM functions specified in this Directive, the Procurement Procedure, or other operational rules.
5. **LEG** provides advisory services on legal procurement matters, including the following functions:
- a. advising OPCS on procurement policy issues;
 - b. advising OPCS, RD, APMs and other Staff on legal procurement issues in operational activities;
 - c. representing LEG in the OPRC and providing legal advice to the CPO;
 - d. providing legal advice on responses to procurement-related complaints, and attending debriefings by the Bank for procurement-related complaints that raise legal issues;
 - e. advising on matters of procurement-related noncompliance, including misprocurement;
 - f. providing legal advice to APMs and other Staff on country legal and institutional assessments and capacity-building activities;
 - g. in coordination with the CPO, participating in the Bank's dialogues with the legal procurement community, professional associations and international organizations on legal procurement aspects of Bank procurement policy and international procurement standards; and
 - h. carrying out other project-specific functions as set forth in this Directive, the Procurement Procedure or other operational rules.
6. **Task teams** (headed by TLs, and including procurement-accredited Staff) are responsible and accountable for project-level procurement support and procurement monitoring activities, including the following functions:
- a. carrying out project procurement-related risk assessments and proposing appropriate procurement arrangements, and monitoring the implementation of risk mitigation measures;
 - b. assisting the Borrower in the preparation of the PPSD and Procurement Plan;
 - c. issuing Bank no-objections to a Borrower's decision that requires procurement clearance, subject to the procurement clearance;
 - d. reviewing procurement-related complaints;
 - e. monitoring contract management, including by carrying out physical inspections, and monitoring contractual disputes;
 - f. maintaining a filing system for all procurement matters related to the project; providing hands-

on expanded implementation support; and

- g. carrying out other project-specific ADM functions specified in this Directive, the Procurement Procedure or other operational rules.

F. Inter-institutional Operational Conflict of Interest

1. WBG Institutions other than the Bank may (a) have a financial interest in potential providers of goods, works, non-consulting services, and consulting services for contracts financed by the Bank; or (b) be engaged in advisory services for the Borrower related to the project. In such cases, actual, potential, or perceived conflict of interest is addressed in accordance with the Procurement Procedure, taking into account, as appropriate, the “Inter-institutional Operational Conflict of Interest Guidelines.”

G. Procurement-Related Complaints, Contract Disputes, and Other Communications

1. Timely resolution of procurement-related complaints is critical to avoid undue delay in and disruption to project implementation. The Bank requires Borrowers to make reasonable efforts to address such complaints fairly and transparently.
2. The Bank requires Borrowers to record all procurement-related complaints, contractual disputes, and other communications in the appropriate tracking system agreed with the Bank.

H. Support to Borrowers in Procurement Capacity Building

1. The Bank may support Borrowers in their effort to strengthen their procurement capacity. The Bank may provide support at the project level or as part of the country/sector dialogue, through a range of activities, funding, technical advice, and implementation support, taking into account country, sector, entity/agency, or project considerations.
2. On a project level, during project preparation and throughout its implementation, the Bank identifies Borrower’s procurement capacity-building needs, and the staffing, funding, consulting services, training, and other actions proposed to address those needs, as well as the technical advice and implementation support needed from the Bank at the project level.
3. On a country/sector level, the Bank may support the Borrower’s procurement institutional and regulatory reforms and procurement capacity-building efforts through assessments, technical assistance, and advisory services.

SECTION IV – WAIVER

The provisions of this Directive may be waived in accordance with the Bank Policy, “Operational Policy Waivers”, and the Bank Procedure, “Operational Policy Waivers and Waivers of Operational Requirements.”

SECTION V – EFFECTIVE DATE

This Directive is effective as of the date on its cover page.

SECTION VI – TRANSITIONAL ARRANGEMENTS

1. Unless the Bank and the Borrower agree to use the Procurement Regulations for Borrowers, Procurement Guidelines apply to (a) IPF operations under implementation on July 1, 2016; and (b) IPF operations under preparation (i) with Concept Review decision prior to July 1, 2016; and (ii) with Management decision prior to July 1, 2016 to proceed with the preparation of a project for which there is no Concept Review.
2. In exceptional cases, with the CPO's approval, the Procurement Guidelines may apply to additional IPF operations when there is a financing gap, cost overrun or similar cases.

SECTION VII – ISSUER

The Issuer of this Directive is the OPSVP.

SECTION VIII – SPONSOR

The Sponsor of this Directive is the CPO, OPCS.

SECTION IX – RELATED DOCUMENTS

Bank Policy, "Investment Project Financing."

Bank Policy, "Operational Policy Waivers."

Bank Policy, "Procurement in IPF and Other Operational Procurement Matters."

Bank Directive, "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants."

Bank Directive, "Investment Project Financing."

Bank Directive, "Policy and Procedure Framework."

Bank Procedure, "Investment Project Financing."

Bank Procedure, "Procurement in IPF and Other Operational Procurement Matters."

Bank Procedure, "Operational Policy Waivers and Waivers of Operational Requirements."

Bank Procedure, "Working Arrangements among the Practice Groups, the Regions, INT and OPCS Concerning Fraud and Corruption."

“Guidance on the Accountability and Decision Making Framework.”

“Inter-Institutional Operational Conflict of Interest Guidelines.”

“World Bank Guidelines for the Procurement of Goods, Works and Non-Consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers”, and “World Bank Guidelines for the Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers.”

“World Bank Procurement Regulations for IPF Borrowers.”

WBG Sanctions Framework.

SECTION X – REVISION HISTORY

November 2017: This updates the Procurement Directive issued on June 28, 2016 to reflect a revision of paragraph 2, Section III.A, to facilitate the Bank’s response to situations of urgent need of assistance or capacity constraints described in paragraph 12 of Section III of the IPF Policy. In addition, it updates the new nomenclatures of (i) the IPF framework, retrofitted into the Bank Policy, Policy and Procedure Framework; and, (ii) SIP (formerly Public Integrity and Openness). Finally, it clarifies roles and responsibilities between OPCS and Governance Global Practice regarding the design, update and implementation of STEP.

February 2019: Changes to reflect (i) a revision of paragraph 4 of Section III.C enabling the Bank to provide hands-on expanded implementation support in IPF projects -beyond those situations described in paragraph 12 of Section III of the IPF Policy-, if the Bank determines that this support is useful to help the Borrower achieve the development objectives and outcomes of an IPF operation, and (ii) other editorials.

June 2021: Changes to reflect the Bank’s revised management structure including, (i) line management of regional APMs by RDs; (ii) removal of the Global Director (Procurement) role; (iii) the revised role of the CPO; (iv) new role of RD; (v) the revised role of the APMs in regions; and (vi) updated role of LEG.

March 2024: Changes to reflect a revision of paragraph 4 of Section III.C enabling the Bank to provide other forms of hands-on expanded implementation support in IPF projects besides HEIS. This revision defines BFP as a distinct form of hands-on expanded implementation support under the Procurement Policy, allowing the Bank to facilitate borrowers' procurement process in response to a BFP Triggering Event.

Questions about this Directive should be addressed to the CPO, OPCS.