



SUSTAINABLE PROCUREMENT

Implementation stage:
Putting the sustainable procurement
strategy into action

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Common Abbreviations and Defined Terms

The below table sets out common abbreviations and defined terms (those starting with capital letters) that are used in this Guidance.

Glossary of Commonly Used Terms

Abbreviation/Term	Full Terminology/Definition
Alternative Procurement Arrangement (APA)	An approved procurement arrangement, typically based on rules, procedures, regulations, or policies of other development banks, agencies, and organizations, including client implementing agencies. APAs can be applied to procurement arrangements under the Bank's Investment Project Financing (IPF) if they meet the Bank's assessed standard.
Applicant	A firm, joint venture, or Consultant that submits an Application in response to an invitation for Prequalification, Initial Selection, or Shortlisting.
Associated Facilities	Facilities or activities that are not funded as part of the project and, in the judgment of the Bank, are: (a) directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist.
Bank	IBRD and/or IDA (whether acting on its own account or in its capacity as administrator of trust funds provided by other donors).
Bid	An offer, by a firm or joint venture, in response to a Request for Bids, to provide the required Goods, Works or Non-consulting Services.
Bidder	A firm or joint venture that submits a Bid for Goods, Works or Non-consulting Services in response to a Request for Bids. In this Guidance, 'Bidder' is more broadly used to refer to a firm or joint venture responding to any competitive Bank-financed procurement activity, including a Request for Proposal.
Borrower	A borrower or recipient of Investment Project Financing (IPF) and any other entity involved in the implementation of a project financed by IPF.
Contractor	A business that undertakes a contract to deliver all or a proportion of a project. Can be referred to as a 'Main Contractor' where they are responsible for managing the deliverables of other Contractors. Defined by the International Federation of Consulting Engineers (FIDIC) as 'the person(s) named as contractor in the Letter of Tender accepted by the Employer . . .'
Consultant	A variety of private and public entities, joint ventures, or individuals that provide services of an advisory or professional nature. Where the Consultant is an individual they are not engaged by the Borrower as an employee.

Abbreviation/Term	Full Terminology/Definition
Core Procurement Principles	The Bank's Core Procurement Principles (value for money, economy, integrity, fit for purpose, efficiency, transparency, and fairness) are set out in detail in Section III.C of the Bank Policy: Procurement in IPF and Other Operational Procurement Matters.
ESA	The process of environmental and social assessment as defined in ESS1
ESCP	Environmental and Social Commitment Plan.
Environmental and Social Framework (ESF)	Environmental and Social Framework of the Bank, as may be amended from time to time, which consists of a Vision for Sustainable Development, the World Bank Environmental and Social Policy for Investment Project Financing and the ten Environmental and Social Standards.
Environmental and Social Standards (ESS)	The ten ESSs, contained in the ESF, set requirements to identify, avoid, minimize, reduce or mitigate the adverse environmental and social risks and impacts of investment projects.
Goods	A category of procurement that includes commodities, raw material, machinery, equipment, vehicles, Plant, and related services such as transportation, insurance, installation, commissioning, training, and initial maintenance.
Green, Resilient and Inclusive Development (GRID)	The Bank's strategy for responding to global economic and climate impacts by promoting economic growth that goes hand in hand with environmental goals and social inclusion.
IBRD	International Bank for Reconstruction and Development.
IDA	International Development Association.
IISD	International Institute for Sustainable Development.
Initial Selection (IS)	The shortlisting process used prior to inviting Request for Proposals in the procurement of Goods, Works, or Non-consulting Services.
Investment Project Financing (IPF)	The Bank's financing of investment projects that aims to promote poverty reduction and sustainable development. IPF supports projects with defined development objectives, activities, and results, and disburses the proceeds of Bank financing against specific eligible expenditures.
KPI	Key Performance Indicator.
Most Advantageous Bid/Proposal	As defined in the Procurement Regulations, Annex X, Evaluation Criteria.
NGO	Non-governmental Organization.
Non-consulting Services	Services that are not Consulting Services. Non-consulting Services are normally bid and contracted on the basis of performance of measurable outputs, and for which performance standards can be clearly identified and consistently applied. Examples include drilling, aerial photography, satellite imagery, mapping, and similar operations.
Prequalification	The shortlisting process which can be used prior to inviting Request for Bids in the procurement of Goods, Works, or Non-consulting Services.
Primary Suppliers	Defined in the ESF as 'those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project. Core functions of a project constitute those production and/or service processes essential for a specific project activity without which the project cannot continue.'

Abbreviation/Term	Full Terminology/Definition
Probity Assurance Provider	An independent third party that provides specialist probity services for concurrent monitoring of the procurement process.
Procurement Documents	A generic term used in the Procurement Regulations to cover all Procurement Documents issued by the Borrower. This includes GPN, SPN, EOI, REOI, Prequalification document, Initial Selection document, Request for Bids document, Request for Proposal documents, forms of contracts and any addenda.
Procurement Plan	The Borrower’s Procurement Plan for IPF projects, as referred to in the Procurement Regulations, Paragraphs 4.4 and 4.5, and incorporated by reference in the Legal Agreement.
Procurement Process	The process that starts with the identification of a need and continues through planning, preparation of specifications/requirements, budget considerations, selection, and contract.
Project Development Objectives (PDOs)	The development objectives that a project intends to achieve.
Project Procurement Strategy for Development (PPSD)	A project-level strategy document, prepared by the Borrower, that describes how procurement in IPF operations will support the PDOs and deliver Value for Money.
RFB	Request for Bids as a selection method.
RFP	Request for Proposals as a selection method.
RFQ	Request for Quotations as a selection method.
Small and Medium-Sized Enterprises (SMEs)	Small and Medium-Sized Enterprises is a term used to classify businesses according to their size, which is typically determined according to staff headcount and/or annual turnover.
Subcontractor	Defined by FIDIC as ‘any person (or business) named in the Contract as a subcontractor, or any person appointed by the Contractor as a subcontractor . . . for a part of the Works.’
Supervising Engineer	Defined in the industry standard form contract developed by the International Federation of Consulting Engineers (FIDIC) as the ‘Engineer’ who is ‘appointed by the Employer to act as the Engineer for the purposes of the Contract’
Supplier	Businesses that are contracted to provide physical supplies such as goods, materials, plant, and so on, either directly to the Borrower/Employer or to the Contractor or Subcontractors.
Sustainability	For purposes of this guidance, “sustainability” is used interchangeably with “environmental and social” when referring to an approach that protects or enhances the environmental and social aspects of a project and considers longer-term, qualitative and non-financial benefits, often to wider society.
Sustainable Procurement	Sustainable Procurement refers to the use of procurement to achieve benefits that fall within three sustainable development categories: economic, environmental, and social.
Sustainable Public Procurement (SPP)	Sustainable Procurement activity carried out by public authorities or government agencies / bodies / institutions.

Abbreviation/Term	Full Terminology/Definition
Task Team	The team assembled within the World Bank made up of a collection of number of skillsets/professions and lead by the Task Team Leader with the objective of supporting the Borrower to deliver the project and achieve the Project Development Objectives.
Value for Money (VfM)	VfM means the effective, efficient, and economic use of resources, which requires the evaluation of relevant costs and benefits, along with an assessment of risks, and of non-price attributes and/or lifecycle costs, as appropriate.
Works	A category of procurement that includes new construction of structures of all kinds (buildings, highways, bridges, etc), renovations, extensions, and repairs. This category can also include water and sanitation, transportation and energy-related infrastructure.
World Bank Group	Represents IBRD, IDA, IFC, MIGA, and ICSID.

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Negotiation/Approval Stage

Stage Overview—Negotiation/Approval

During this stage, the Bank and Borrower negotiate the Legal Agreement. The Bank Task Team reviews the PPSD and approves the Procurement Plan. The Bank should reach agreement with the Borrower on the final Procurement Plan no later than completion of loan negotiations.¹⁴¹ This will confirm a number of key details about the procurement approach, including the extent of procurement support that the Bank will provide to the Borrower, such as HEIS. The Borrower provides a summary of the procurement support they require from the Bank in the PPSD. These arrangements may be discussed and agreed during negotiations and disclosed in the Procurement Plan.¹⁴²

The finalized Procurement Plan will set out the following (inter alia):

- **Oversight:** The procurement risk rating, as well as the financial value of the procurement, will determine the governance arrangements that will be put in place, including whether the procurement will be subject to prior review. A project that is adopting a unique approach to deliver SPP benefits may be more likely to be subject to prior review.¹⁴³
- **Procurement approach:** The approach set out in the Procurement Plan will confirm the selection method and market approach, including whether the procurement opportunity will be advertised internationally, and whether the procurement will use Bank SPDs.

As procurement risks and mitigations are added to PRAMS, it presents an opportunity for the Bank's E&S Specialist and Procurement Specialist to work together to ensure the classifications of E&S risks that can be addressed through procurement are consistent and informed by procurement and E&S expertise. It will also be important to ensure both the Task Team's E&S Specialist and Procurement Specialist agree on proposed mitigations, to avoid confusing the Borrower with inconsistent advice. The TTL plays an important role in resolving any differences of opinion in these situations.

During this stage, the Bank and the Borrower also negotiate the ESCP, which sets out the material measures and actions that the Borrower is required to take for the project to meet the ESSs over a specified timeframe. Once finalized, the ESCP will be referenced in the Legal Agreement.

Bidders will need to provide a set of Management Strategies and Implementation Plans (MSIPs) setting out how they will deliver the project, with a focus on managing E&S risks. The successful Bidder's MSIPs will then become the Contractor's Environmental and Social Management Plan (C-ESMP), which

will be incorporated into the contract, making the Contractor accountable for mitigating relevant E&S risks.¹⁴⁴

Once all project details are negotiated and accepted by the Borrower and the Bank, the Bank Task Team finalizes the PAD, along with other financial and legal documents, for submission to the Bank's Board of Executive Directors for consideration and approval.¹⁴⁵ Following approval, the project Legal Agreement is signed.

Once financing is approved by the Bank's Board, information is added to the Projects & Operations website,¹⁴⁶ which is a searchable and publicly accessible database that contains profiles of every Bank development project. Each project profile provides key information, including inter alia the "Total Project Cost"¹⁴⁷ and the E&S risk classification.

Implementation Stage

Stage Summary

Key stage activities:	<ul style="list-style-type: none"> ■ PIU/IA delivers the activities set out in the Procurement Plan for each of the procurements/ contracts required to implement the project, making any updates required to Procurement Documents if E&S risk status has changed ■ Confirm responsibilities of Supervising Engineer by developing a Terms of Reference, incorporating relevant obligations for identifying and helping to mitigate E&S risks ■ Once contracts are signed, Contract Management Plan activities are implemented by the PIU/IA, with support on site from the Supervising Engineer, and any other verification or audit services that have been engaged ■ Borrower provides regular reporting to the Bank on project progress, including immediate reporting in the event of incidents or serious accidents ■ Bank provides project implementation support to the Borrower
In this section, you will learn:	<ul style="list-style-type: none"> ■ The seven stages of operations procurement, how they fit alongside the World Bank's project cycle ■ How the Procurement Documents need to be brought together, including the various E&S provisions contained in Bank SPDs ■ How E&S matters cascade from the ESF through to Procurement Documents ■ Use of the Bank's Operations Portal (for internal Bank staff) and STEP ■ Good practice for evaluating Bids in a way that saves Bidders time and improves communication with the market ■ How value can be lost by neglecting or under-resourcing the contract management phase ■ The various roles and responsibilities among key parties for managing the contract

(continues)

Key Things to Consider

Bank Procurement Specialist

- Provide Borrower access to Bank support requested in PPSD
- Support Borrower in identifying and sourcing Supervising Engineer with appropriate experience, skills and knowledge
- For contracts that are subject to prior review by the Bank, review Procurement Documents that are prepared by the Borrower, engaging E&S Specialist to review sections relevant to E&S
- Monitor developments in relevant local and international markets to identify trends or disruptions that might affect project implementation such as increases in material costs or delays in the supply of materials
- Implement fit-for-purpose monitoring of procurement activity throughout implementation to identify any issues that might affect implementation
- Ensure monitoring is able to identify any deficiencies in contract management practice

Bank E&S Specialist

- Conduct detailed reviews of E&S requirements included in Procurement Documents, with a particular focus on:
 - Contractor qualification and experience requirements including of key E&S personnel
 - Works requirements and specifications related to E&S issues
 - Contractors' Code of Conduct
 - Contract clauses (if SPDs are not used)
 - Costing of E&S requirements
 - Rated criteria for evaluating E&S responses
 - E&S performance metrics and KPIs
- Review Borrower's approach to evaluating E&S aspects of the Bid focusing on above issues
- Ensure contract management and monitoring controls are adequate for E&S risks, including Primary Suppliers

Borrower Procurement Specialist

- Review PPSD and Procurement Plan following Board Approval to ensure it is fit-for-purpose and context or market conditions have not changed
- Continue to update Procurement Plan as the project progresses, submitting updates for Bank prior review in STEP
- Implement activities outlined in the Procurement Plan, engaging any Bank support (such as HEIS) and complying with oversight measures (prior review) when required
- Prepare key documents for each procurement, including:
 - Pre-qualification/initial selection document (if required)
 - Bidding/proposal document (RFP/RFB)
 - Bid/Proposal Evaluation Report
 - Contract negotiation plan
 - Contract Management Plan

Borrower E&S Specialist

- Work closely with PIU/IA procurement colleagues and project manager to get adequate access to project meetings and documents at the right time, including all relevant Procurement Documents
- Work with Bank E&S Specialist to ensure mitigations included in Procurement Documents align with good practice and achieve the ESSs
- Discuss with Bank E&S Specialist the monitoring and other controls that need to be put in place for different procurements/contracts according to risk exposure

Stage Overview—Implementation

Following Bank approval, the project Legal Agreement is declared effective in the months after signing; and then implementation gets underway. Implementation is led by the Borrower, with the Bank Task Team providing implementation support and monitoring to confirm if the project is implemented in accordance with the Legal Agreement, including the ESCP.¹⁴⁸

The PIU/IA reports regularly on project progress and results to the Bank Task Team. Every six months, the Bank Task Team prepares an Implementation Status and Results Report (published on the Bank website) to report on project performance.

As discussed in *Project Stage Four: Negotiation/Approval*, key project information will now be publicly available in the Project & Operations website. The project will also be established in a number of the Bank’s internal systems, including the procurement system “Systematic Tracking of Exchanges in Procurement” (STEP),¹⁴⁹ which is an online system to help the World Bank and Borrowers plan and track procurement activities under Bank-financed projects. It records important activities and exchanges between the Bank and the Borrower and is used to transmit and store key Procurement Documents.

It is important that the Borrower continues to update project procurement data in STEP, as key details flow through to the Project & Operations website. Changing circumstances, project delays and unexpected events can sometimes require adjustments to the project design, such as implementation arrangements or even objectives. Monitoring of procurement activities in STEP also creates an auditable record of interactions and turns procurement data into actionable information, which helps increase transparency and speed up procurement processing. Financial management and Procurement Specialists on the Bank’s Task Team confirm that adequate fiduciary controls on the use of project funds are in place.

During project implementation, as each procurement is delivered it will follow a standard procurement cycle known as Operations Procurement. All procurement is led by the Borrower, known under Works contracts as the Employer.¹⁵⁰ This stage is about putting the planning activity that took place during the Preparation stage into action, once the Procurement Plan is verified to ensure it is up-to-date and still fit-for-purpose. Executing the bidding process typically involves following a prescribed process, however Borrowers should consider how to maximize the chances of well-qualified and appropriately experienced Bidders taking part, while trying to avoid wasting unqualified Bidders’ time. This can be done by breaking the evaluation of complex procurements into phases, with the first phase (initial selection) assessing a Bidder’s qualifications, experience, and company values, and the second phase involving a more detailed and rigorous assessment of the proposals of a smaller group of suppliers (see Bank SPD for “single stage after initial selection”¹⁵¹).

The Borrower may decide to use a two-stage bidding process for several reasons, for example if they wish to narrow down what they anticipate will be a large number of Bids, or if they wish to quickly eliminate Bidders who do not hold essential skills, qualifications or experience. Key to the success of

the second phase of a two-stage bidding process will be the use of non-price rated criteria. Historically, the vast majority of the Bank's procurements of Works, Goods, and Non-consulting services have been assessed using a methodology that awards the contract to the lowest-priced, evaluated Bid that satisfies the minimum qualifying criteria. The Bank now requires the use of non-price rated criteria in all international competitive procurements, which will allow Bids to be assessed using qualitative criteria, including sustainability, alongside price.

Even if a capable and experience Supplier is selected, a great deal of the value negotiated with the Contractor and set out in the contract can be eroded if the contract is not managed effectively. Leading practice will involve adopting Supplier relationship management approaches for the most critical contracts. Standard practice should involve Borrowers using contractual and working relationship levers to check the Contractor's progress against their contractual obligations to identify risks and performance issues. Developing productive working relationships with Suppliers over the lifetime of a contract is critical for successful project implementation. A positive working relationship can be productive and collaborative, while avoiding any inappropriate or fraudulent behavior (see the Bank's Guidance on contract management for further information¹⁵²).

The Bank's role in relation to monitoring project implementation is set out in the Bank's Operational Policy 10.00: *"During Project implementation, the Bank monitors borrower compliance with the borrower's obligations as set out in the legal agreements and provides implementation support to the borrower by reviewing the borrower's information on Project implementation progress, progress toward achievement of the Project's development objectives and related results, and updates the risks and related management measures. Implementation support and monitoring carried out by the Bank during the implementation period ends at the completion of the Project."*

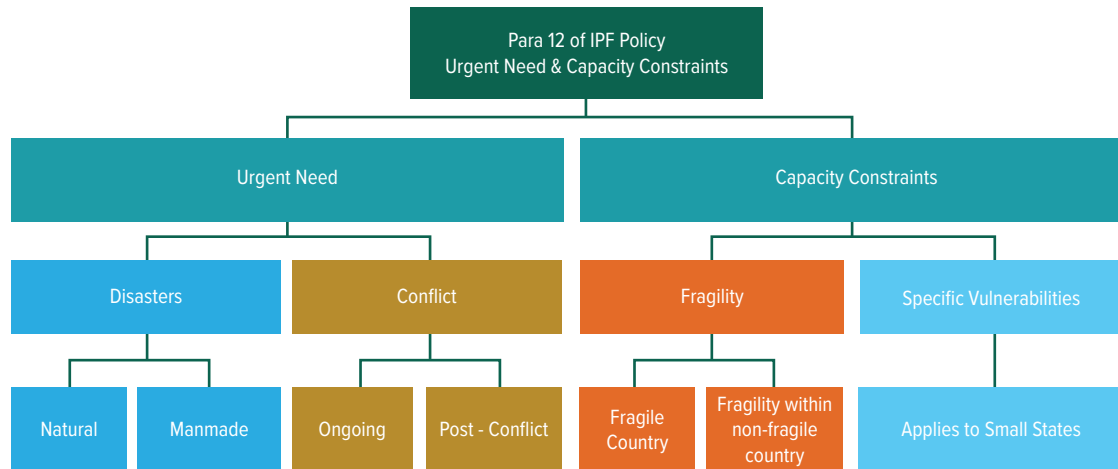
FCV, Emergency Situations, and/or Capacity Constraints/Specific Vulnerabilities

Some Bank-financed projects will be categorized as FCV (also discussed in Section II: Principles of SPP). Such projects will benefit from special treatment to help Borrowers to implement the project while navigating challenges related to the context in which the project is operating.¹⁵³ As illustrated in Figure 63, projects taking place within a Borrower country experiencing urgent need or capacity constraints may trigger paragraph 12 of the Bank's IPF Policy,¹⁵⁴ which seeks to identify:

- Borrowers in urgent need of assistance because of a natural or man-made disaster or conflict ("*Urgent Need*"); and
- Borrowers with capacity constraints because of fragility or specific vulnerabilities (including for small states) ("*Capacity Constraints*").

Bank policy provides a number of flexibilities in terms of project processes and implementation arrangements to support Borrowers in these situations.

FIGURE 63 Projects triggering paragraph 12 of Bank’s IPF Policy on urgent need & capacity constraints

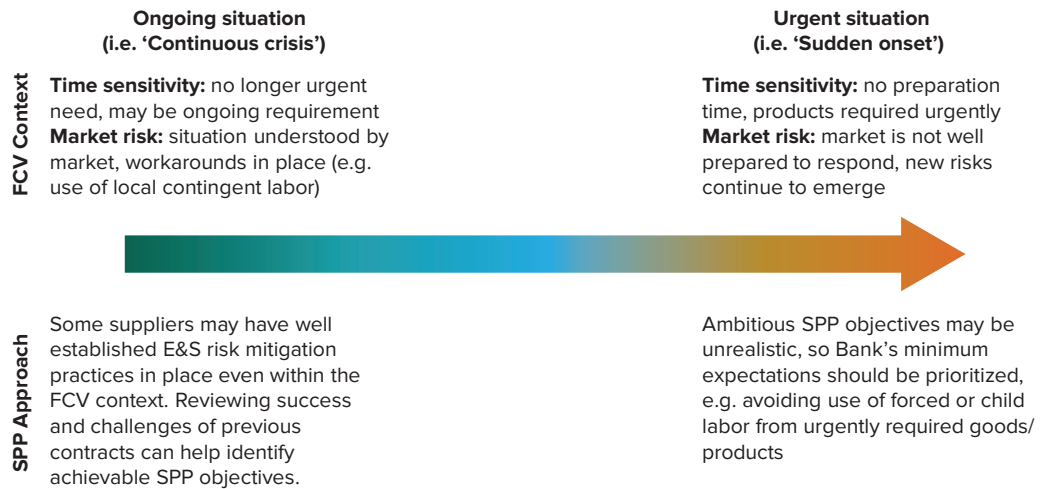


The procurement approach in an FCV situation is set out in the Procurement Plan, which is appended to the PAD. When financing is approved by the Board, the Legal Agreement, PPSD, and Procurement Plan give the Borrower the authority to pursue a procurement approach that might differ from standard approaches detailed in the Procurement Regulations. The operating context may warrant more flexibility in the application of the Procurement Regulations, though the approach should still be consistent with the Bank’s Procurement Policy including its Core Procurement Principles.¹⁵⁵ For example, if the procurement meets the definition of an Emergency Situation,¹⁵⁶ a simplified Procurement Plan may be completed later during the implementation stage.¹⁵⁷

The Procurement Regulations permit the use of Direct Selection (approaching and negotiating with only one firm), “*in exceptional cases, for example, in response to Emergency Situations.*”¹⁵⁸ The Borrower’s national procedures may also be used where international procurement is considered to be inappropriate or too complex due to weak Borrower implementation capacity, or where there is clearly no international market appetite to participate in the Borrower’s procurement process.

In order to meet the Borrower’s needs in responding to the urgent situation and/or meet the project’s development objectives, the procurement approach will need to be tailored according to the FCV situation and the requirements of the project phase. However, it may still be possible to achieve SPP objectives in an FCV procurement, provided the approach is realistic given the constraints under which the project (and potentially the market) is operating. The Task Team should consider the FCV context and the project phase when determining the extent to which SPP outcomes might be achievable. As illustrated in Figure 64, gradual onset or continuous crisis FCV situations may allow more preparation time than what is required when responding at short notice to a “sudden onset” situation.

FIGURE 64 Aligning SPP approach to FCV context



The Seven Stages of Operations Procurement

Each project will have different procurement needs, ranging from relatively small and simple procurement activity (for example, purchasing goods or the services of a Consultant) to large and complex arrangements involving multiple procurements at different phases of implementation. While each procurement is unique, they broadly follow a similar process, which can be split into seven key stages.¹⁵⁹ Figure 65 provides a simplified representation of the common stages of the procurement process and the typical sequence.

FIGURE 65 Summary of the Bank's procurement process



Stages One and Two: Develop Strategy and Plan the Procurement

Up to this point, the Borrower has developed a procurement strategy for the project contained in the PPSD, and a Procurement Plan detailing the procurement activity required to implement the project. The Procurement Plan should provide a blueprint for how the procurement activity will be conducted, as it sets out details such as the sequence of procurement activity, the selection methods and Procurement Documents that will be used (including SPDs), the evaluation process that will be followed and the Bank's prior/post review requirements.¹⁶⁰

The project's operating context may have changed since the development of the PAD. As each individual procurement is initiated, the Borrower must verify that the recommended approach, which was based on analysis and planning conducted as part of the PPSD, is still valid and up to date. In relation to SPP, the Borrower's Procurement and E&S Specialists should work together to validate the initial assessment of E&S risks and proposed mitigations.

Prior Review

By now, the Borrower should know whether each procurement activity is subject to prior review, as this will have been outlined in the Procurement Plan. Prior review involves (inter alia) the Bank's Task Team reviewing documents at relevant stages in the process. The review will include:

- Procurement notices
- Prequalification documents
- Request for Bids/Proposals and any subsequent amendments
- Changes to the standard terms and conditions of contract
- Bid/proposal Evaluation Reports
- Contract Management Plan (if requested by the Bank)

To proceed at each stage, the Borrower must receive a "no objection" from the Bank.

Post Review

The Bank may also conduct post reviews of Borrower procurements to determine whether they have complied with the requirements of the Legal Agreement, as well as to check if the Borrower has complied with agreed procurement arrangements, including timely and effective implementation of the Contract Management Plan. This will also involve a review of the Borrower's mitigation of identified E&S-related procurement risks.

Given post review is carried out once a procurement has been completed and the Contractor has executed or is still executing their obligations under the contract, it will be able to assess the effectiveness of activities throughout the procurement cycle. The Borrower's contract management activity

will be critical to the achievement of project objectives, and the identification and management of E&S risks throughout the project (see *Stage Seven: Manage Contract* section for further information).

Stage Three: Invite Offers

This stage of the procurement process is about ensuring an appropriate level of competition for the nature and complexity of the contract by attracting qualified and capable Bidders to participate in the bidding process. It can be expensive and time-consuming for Bidders to participate in a bidding process. Larger organizations are likely to employ teams that are solely responsible for responding to business opportunities, whereas SMEs find it particularly challenging to find or employ resources to prepare Bids. The cost of bidding is also likely to increase with the size and complexity of the project. Therefore, particularly for larger projects, the bidding process should be designed to ensure that only qualified Bidders incur the cost of bidding. At the same time, the process can be designed to include SMEs or other types of target businesses as much as possible, particularly where the project or procurement objectives seek to support local economic growth or the SME market.

This may mean that a two-stage process (commonly referred to as “single stage after initial selection”) is appropriate under certain circumstances (see section *Preparing the PPSD*), such as large complex procurements where a large number of Bidders are expected. In which case, it will be important to ensure the first stage uses qualifying criteria that only allow suitably qualified Bidders to progress. However, it will be important that the criteria are realistic, so that a sufficient amount of Bidders progress to optimize effective competition in the second stage. Market analysis undertaken during the development of the PPSD, particularly the Supplier Preferencing¹⁶¹ exercise (see section *Preparing the PPSD*), will help to determine how attractive the procurement opportunity will be to the market, and the amount of interest that it is likely to generate. Market analysis will also help the Borrower to set a realistic bar that ensures a sufficient number of well qualified and experienced Bidders progress through each stage of the evaluation process.

When the Bank’s SPDs are not used (for example, when national bidding documents are used instead), the Borrower should consider how E&S considerations can be incorporated into Procurement Documents in a way that supports the Borrower’s obligations to the Bank under the ESF. The process to invite offers and prepare Procurement Documents will vary depending on the selection method that is chosen. This section provides an overview of how SPP considerations may change depending on the selection method and Procurement Documents that are used. When used, the Bank’s SPDs are set out to help Bidders understand the capabilities required from the Contractor, and the standards that they must meet during implementation.

Request for Quotations (RFQ)

According to the Bank Procurement Regulations, an “RFQ is a competitive method that is based on comparing price quotations from firms.”¹⁶² This method is expected to be used for “procuring limited quantities of readily available off-the-shelf Goods or Non-consulting Services, standard specification commodities, or simple civil Works of small value.” This type of routine procurement should typically present limited E&S risks.

However, when preparing the PPSD, the Borrower should have assessed E&S risks in relation to each procurement. In the PPSD, the Borrower’s Procurement Specialist should have identified key E&S risks that will need to be mitigated during the course of the procurement, and any agreed

mitigations.¹⁶³ The specifications included in the RfQ can, for example, be targeted at mitigating specific E&S risks.

National Procurement Procedures

The Borrower may choose, subject to the Bank’s agreement and to the requirements of Sections 5.3–5.6 of the Procurement Regulations,¹⁶⁴ to conduct a procurement process that only involves an approach to the domestic market. This may be because the procurement is unlikely to attract foreign competition because of its size, value (for example, it is below the country threshold for international competition¹⁶⁵), or it involves activities that are commercially unattractive for other reasons, or because the advantages of approaching the international market are clearly outweighed by the administrative or financial burden.¹⁶⁶ The procurement will be advertised openly to the national market and will also be open to eligible firms from any country that may wish to participate.

A number of stipulations apply to national procurement procedures, including that the bidding documents include sufficient provisions to adequately mitigate against environmental and social risks and impacts. For example, projects with “substantial” or “high” risk of SEA/SH should consider integrating the SPD requirements for addressing SEA/SH risks into national bidding documents.¹⁶⁷ As with RFQs, provisions in national bidding documents (including specifications and contract terms) should be targeted at SPP risks identified in the PPSD.

Direct Selection

According to the Procurement Regulations, approaching and negotiation with only one firm (“Direct selection”) may be appropriate when “*only one firm is qualified, a firm has experience of exceptional worth for the assignment, or there is justification to use a preferred firm.*”¹⁶⁸ It may be appropriate, to use Direct Selection if the procurement is of both very low value and low risk (as agreed in the Procurement Plan).

The Regulations give a further example of re-engaging a business that has “*previously completed a contract with the Borrower to perform a similar type of Consulting Service. The justification shows that the firm performed satisfactorily under the previous contract, no advantage may be obtained by competition, and the prices are reasonable.*”¹⁶⁹ This may be a useful solution where there are no other firms able to perform the work that have specific skills required to assess or manage an E&S risk.

Similarly, in previous phases of the project, a Consultant may have developed productive working relationships with a stakeholder group that is important to the project, such as an affected indigenous group. The Procurement Regulations permit the Borrower to select a Consultant using direct selection “*where continuity in the technical approach, experience acquired, and continued professional liability of the same Consultant may make continuation with the initial Consultant preferable to a new competition.*”¹⁷⁰ This allows the Borrower to weigh the importance of retaining the Consultant to manage this important relationship for the project against the benefits of undertaking a competitive process.

However, even in cases of direct selection, the Borrower should still assess if the Contractor, Consultant or Supplier is sufficiently qualified to perform the contract, including managing sustainability risks and meeting any related criteria or requirements.

The Use of SPDs in Different Project Types to Address E&S Issues

When used, the Bank’s SPDs help give Borrowers legal protection from common E&S risks that their Contractors/Consultants/Suppliers are likely to be confronted with. The Bank has published a range

of different SPDs (in English, French and Spanish) to consider the specific procurement needs of different project types, most notably:

- Works (including Design & Build, underground works, roads, plant, and many with options for one-and two-stage processes)
- Consulting services
- Non-consulting services
- Goods
- Health (for example, pharmaceutical products and vaccines)
- Information systems

Each E&S issue included in the ESF has been assessed according to whether it is most effectively dealt with as a contract term or a specification. Figure 66 sets out the procurement-related E&S issues that have been identified as relevant for each of the Bank's SPDs, the location of that issue within the ESF, and whether that issue has been included as a contract term, or whether it should be addressed by inclusion in the specification by the Borrower.

The matrix in Figure 66 above should help Borrowers to discern which E&S issues are addressed in each SPD and which will need to be dealt with as a specification. As shown in Figure 66, to address project-specific E&S issues in different types of procurements (Works, Goods, Consultants, and so on), Borrowers will need to add appropriate provisions in the works requirements/specification.

It is also important to note that many of the E&S issues addressed as contract clauses also require additional requirements to be added as specifications. For example, the SPD contract clause on Rates of Wages requires Contractors to notify personnel about deductions *'in accordance with the applicable Laws or as stated in the Employer's Requirements'*. In cases where national law does not clearly set this out, the Borrower will be required to include further clarification in the Specifications/Requirements.

SPD Provisions on E&S Matters

In addition to contract clauses and works requirements/specifications, the Bank's SPDs also include a number of other provisions that can contribute to the Borrower's process to identify the most qualified Bidder to implement the contract. The SPD provisions below are all useful tools to help Borrowers to clarify a Contractor's obligations and hold them accountable during implementation, noting that some of these provisions are more suitable to Works-related procurements:

- **Ascertaining E&S credentials:** Bidders are requested to provide examples of past performance in managing E&S risks while implementing projects, as well as information about any E&S experts that will form part of their project team, and their proposed approach for managing the specific E&S risks of the project.
- **Clarifying E&S requirements:** The Borrower uses the SPD to describe the E&S activities, obligations and performance standards that the Contractor must adhere to, which also become legally binding as they are included in the contract.

FIGURE 66 Illustrative treatment of different E&S issues in various bank SPDs

	ESF Page Number (Printed copy © 2017)	P21, 22	P23	P23	P23	P28	P29	P32	P33	P33	P33	P34	P34	P34, 35	P35
	ESF Paragraph Number	45	5b	5c	5e	6	Anx3	10-12	13-15	16	17-19	20	21-23	24-30	31-33
	Environmental & Social Standard Applicable	ESS1	ESS1	ESS1	ESS1	ESS1	ESS1	ESS2	ESS2	ESS2	ESS2	ESS2	ESS2	ESS2	ESS2
SBD Type/ Arrangement	Procurement Action to be applied/SBD (or arrangement)	Contract Condition	Specification	Specification	Specification	Contract Condition, with details in specification	Specification	Contract Condition	Contract Condition	Contract Condition	Contract Condition	Contract Condition	Contract Condition	Contract Condition	Contract Condition
Works	Prequalification - Works	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO
Works	Request for Bids - Works (after prequalification)	YES	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Request for Bids - Works (without prequalification)	YES	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Request for Bids - Roads (output & performance based road contracting)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Request for Bids - Works (French civil law)	YES	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Request for Bids - Small Works (1 envelope process)	YES	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Request for Bids - Small Works (2 envelope process)	YES	NO	NO	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Initial Selection - Design & Build	NO	NO	NO	NO	YES	YES	NO	NO	NO	NO	NO	NO	NO	NO
Works	RfP - Design & Build - RfP	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Works	Design, Build & Operate - Water	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Plant	Request for Bids - Plant (after prequalification)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Plant	Request for Bids - Plant (without prequalification)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Plant	Initial Selection Document - Plant	NO	NO	NO	NO	YES	YES	NO	NO	NO	NO	NO	NO	NO	NO
Plant	RfP - Plant	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Services	Prequalification - Management Services	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Services	Request for Bids - Management Services	YES	YES	NO	YES	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES
Services	Request for Bids - Non-consulting services	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Services	RfP - Consulting Services	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
IT	Initial Selection Document - Information Systems	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
IT	Request for Bids - Information Systems	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
IT	RfP - Information Systems	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Goods	Request for Bids Goods (1 envelope)	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Goods	Request for Bids Goods (2 envelope)	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Goods	Request for Bids Goods (Framework)	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Goods	Prequalification Document - Health Sector (Pharma, Condoms etc)	NO	NO	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Goods	Request for Bids - Health Sector (Pharma, Condoms etc).	YES	YES	YES	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO
Goods	Request for Bids - Text Books	YES	YES	NO	NO	NO	YES	NO	NO	NO	NO	NO	NO	NO	NO

(continues)

- **Setting E&S performance standards:** Bidders are made aware of a number of standards that the Contractor must meet, including (for applicable projects) the Code of Conduct that will apply to its personnel, training that must be given to personnel on E&S obligations, and KPIs that will be used to monitor Contractor performance.
- **Monitoring E&S performance:** Reporting and contract management obligations included in the Procurement Documents stipulate what needs to be monitored throughout implementation, including regular E&S progress reports, immediate reporting of serious E&S incidents, review and update every 6 months of the Contractor’s Environmental and Social Management Plan (C-ESMP), and the requirement to formally vary the contract in the event additional measures need to be undertaken based on new or emerging E&S issues during implementation.
- **Remedying E&S breaches:** The contract provides remedies in the event of an E&S breach (such as removal of personnel from site and withholding Contractor payments), as well as an E&S performance security which can be called in to compensate for an E&S breach; and
- **E&S provisional sum** which will be withheld if the Contractor fails to deliver a specified E&S activity.

Table 22 summarizes key E&S features of the Bank’s SPDs (with a specific focus on works’ SPDs), explaining how each of them works and why they are important.

Cascade of Issues from ESF to SPD

Table 22 outlines how different SPD provisions can support Borrowers to address E&S risks in different ways. Once an E&S risk is identified that will be managed by a party contracted under the project (i.e. a Contractor, Subcontractor, Consultant or (Primary) Supplier), it should trigger a sequence of events which are intended to result in the mitigation of that risk being clearly assigned to an owner, and then effectively managed and mitigated by that owner.

To illustrate how these different provisions can be used to address a specific E&S issue, Figure 67 sets out an illustrative example of how the obligations to manage child labor risks can be traced from a requirement in the ESF through the project phases until its inclusion across a number of elements in the SPD.

For projects using national procurement documents, some of these provisions may differ. In cases where significant E&S risks (such as forced labor) have been identified, the Borrower should evaluate the extent to which appropriate E&S provisions should be added to national bidding documents given the project’s risks and impacts. For example, in cases where risk of forced labor in the project’s Primary Suppliers has been identified, Borrowers should check if national laws address forced labor issues and decide if the contract requires an explicit provision against forced labor under national law.

Retaining SME Interest in Bidding for Bank Projects

The Bank’s SPDs are necessarily thorough and can set a high bar for some Bidders to achieve, which may make it challenging for certain SMEs to effectively respond to the requirements set out in the SPDs. However, for many Borrowers, involving SMEs in public procurement is a key economic enabler. Borrowers will be able to adapt their procurement approach to provide participation opportunities for SMEs or disadvantaged businesses in Bank-financed projects, for example by directing main Contractors to work with local suppliers to implement the contract. Borrowers can also run sessions for local SMEs on how to respond to bidding processes, taking time to explain contract provisions and requirements and listen to concerns about the aspects of the bidding process that they find to be the most challenging.

TABLE 22 Purpose of key E&S features of Bank SPDs

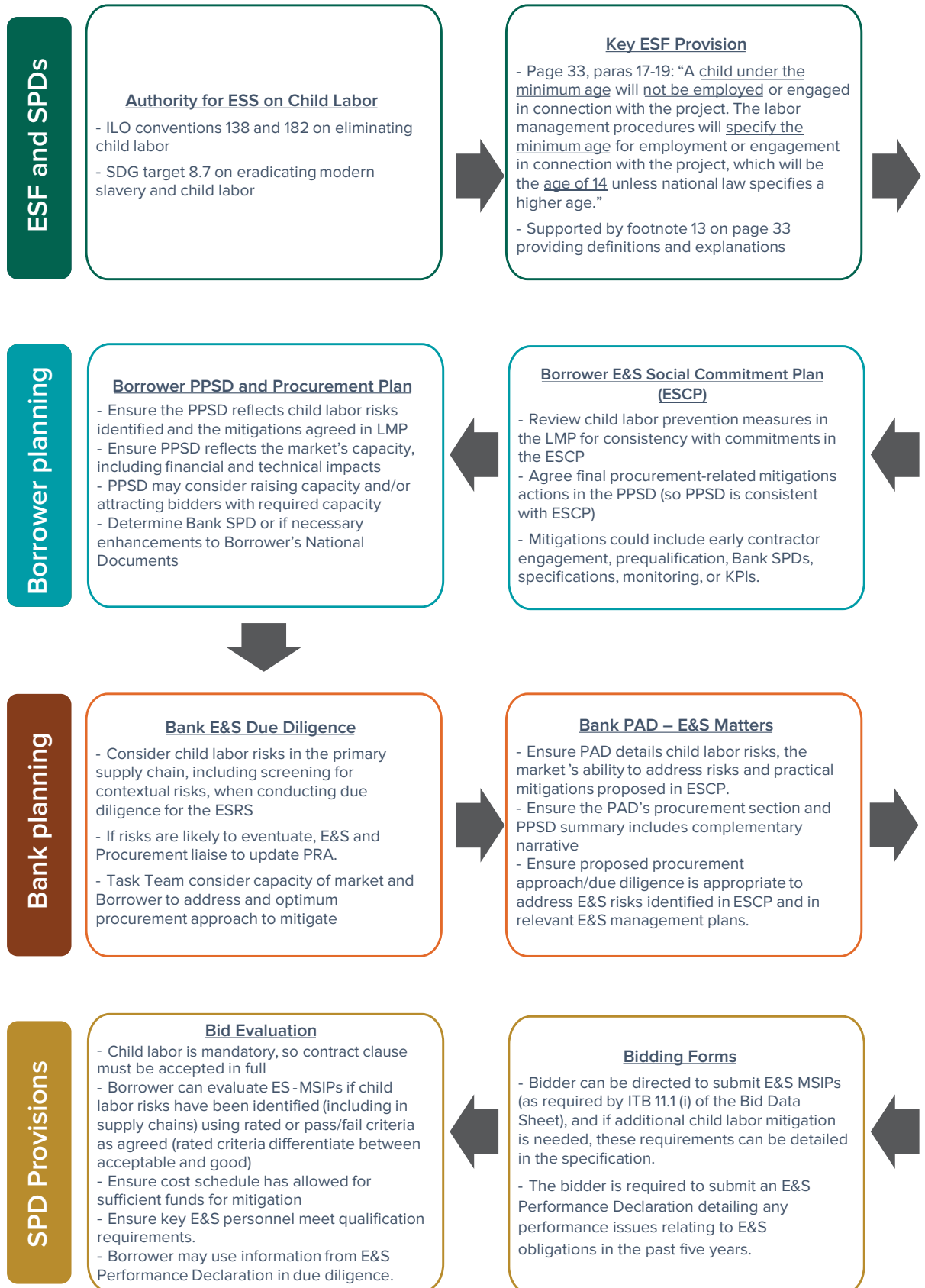
E&S Feature in the SPD	Why the Feature is Important
Declaration of past E&S performance	<p>Bidders must submit a formal declaration disclosing their past performance in relation to E&S. This will tell the Borrower whether the Bidder has been associated with mismanagement of E&S risks in the past, identifying any organizations with poor practices and directing the Borrower to undertake due diligence to find out whether improvements have been made.</p> <p>The declaration relates to any breach of E&S requirements resulting in a:</p> <ul style="list-style-type: none"> ■ Civil works contract being suspended or terminated ■ Performance security being called-in <p>The Borrower can use this information to inform further due diligence. If a Bidder misrepresents the facts or misses out an important fact, they can be disqualified from the bidding process and may be subject to the Bank’s sanctions regime.</p>
Specification	<p>Part 2 of the SPD (Works’ Requirements) describes all of the activities and obligations that the Contractor will be responsible for. Contract clauses cannot consider every scenario, therefore the specification is where a Borrower can include specific provisions relating to the E&S risks of a specific project.</p> <p>Project-specific E&S requirements are described in the Work’s Requirements – in the Specification section under E&S Requirements. The E&S specification must include full descriptions of the specific:</p> <ul style="list-style-type: none"> ■ E&S actions to be undertaken by the Contractor ■ E&S risks to be managed by the Contractor ■ Any other E&S responsibilities and obligations ■ E&S key performance indicators
E&S MSIPs	<p>Each Bidder prepares draft MSIPs, which describe in detail the actions, materials, equipment, management processes, and so on that will be used/applied to manage specific E&S risks. Each Bidder should consider, while developing their draft MSIPs, the E&S provisions described in the specification and any other material provided by the Borrower. This is an opportunity for the Borrower to assess whether the Bidder has understood the E&S risks detailed in the specification, and how appropriate their proposed mitigations appear to be.</p> <p>The draft MSIPs will be:</p> <ul style="list-style-type: none"> ■ Evaluated as part of the Bid (as long as the Bidder meets the qualification requirements); ■ If the Bidder is successful, checked and approved by the Supervising Engineer; and ■ Applied during contract mobilization, along with any other activities required by the Supervising Engineer. <p>The Contractor cannot start on site unless the Supervising Engineer consents that appropriate measures are in place to address E&S risks and impacts. Together, all MSIPs form the Contractor’s Environmental and Social Management Plan (C-ESMP), which must be reviewed and updated at least every 6 months (failure to do so represents a breach of contract).</p>

(continues)

TABLE 22 Purpose of key E&S features of Bank SPDs (continued)

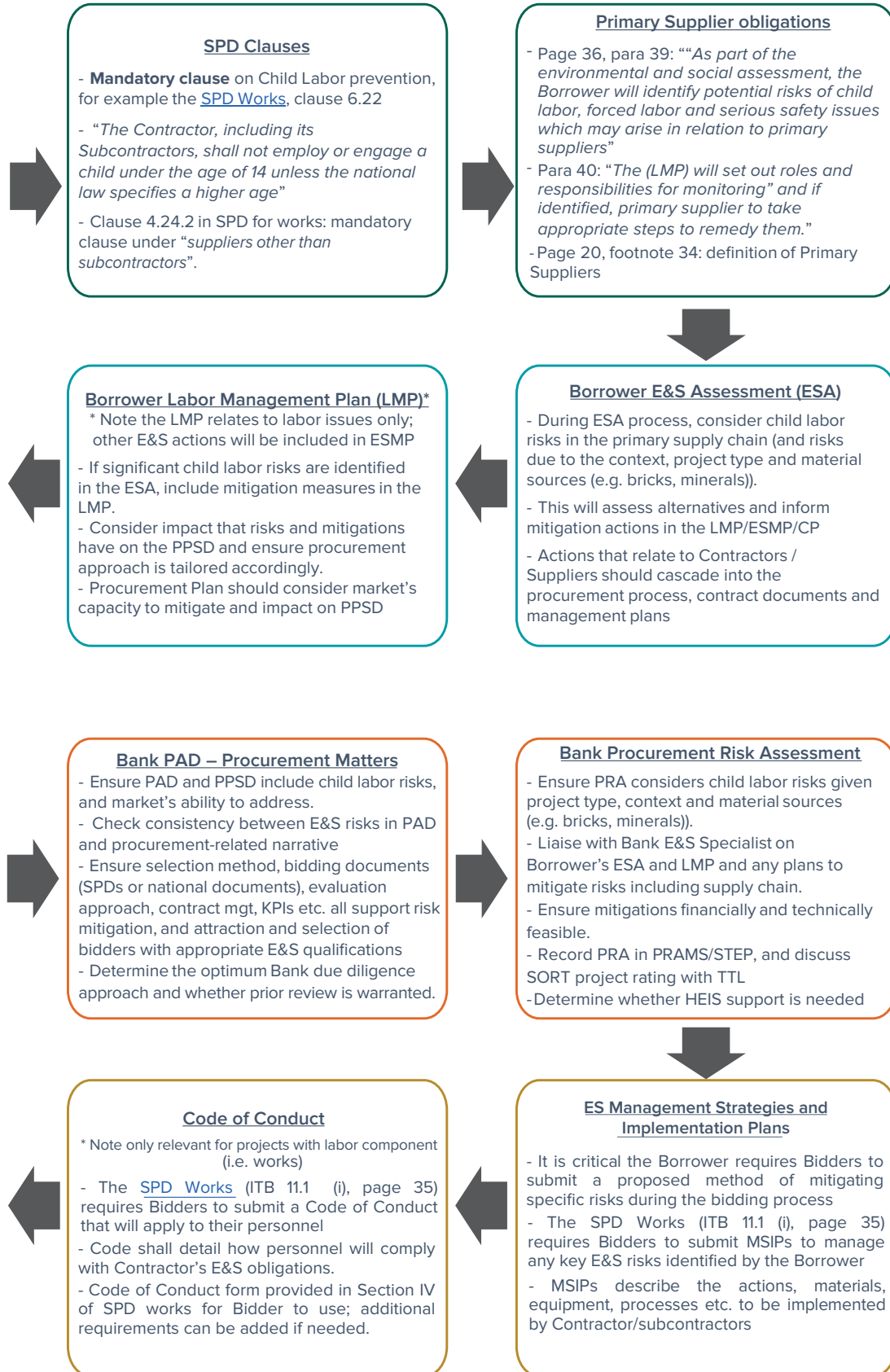
E&S Feature in the SPD	Why the Feature is Important
Code of Conduct	<p>Each Bidder must submit a Code of Conduct that will apply to the Contractor and their Personnel, including Subcontractors. The code is to be project-specific and designed to ensure the Contractor’s Personnel comply with the Contractor’s E&S obligations. Specifically, the code must address SEA/SH. The Borrower will get a sense, from reviewing the proposed code, of how a Bidder expects its personnel to behave during implementation, and the consequences they will put in place for breaches of the code.</p> <p>Bidders must use the Bank’s general Code of Conduct template when preparing their project-specific code. The successful Bidder’s code becomes part of the contract and compliance becomes a legal obligation.</p> <p>The Contractor must ensure that its Personnel are each given a copy of the code in a comprehensible language/form, and it must be visibly displayed on the site and in places accessible to local communities and project affected people. The Contractor is to seek acknowledgement of receipt of the code.</p>
Training personnel	<p>The training plan should demonstrate the time and resources the Bidder is willing to commit to developing their personnel’s E&S knowledge, improving their understanding of E&S issues and learning about relevant and appropriate behaviors. This will tell the Borrower how committed the Bidder is to ensuring staff take the identification and management of E&S risks seriously.</p>
E&S specialist(s)	<p>Demonstrates the qualifications and experience of the Contractor’s named E&S specialists. The Borrower should ensure that key roles will be occupied by suitably qualified individuals.</p>
E&S reporting	<p>Details the reporting that Contractors are required to provide on how effectively E&S risks are being managed, specifically:</p> <ul style="list-style-type: none"> ■ Provision of regular reports monitoring progress against pre-agreed E&S metrics (as detailed in the SPD’s particular conditions); and ■ Immediate reporting to the Supervising Engineer of “<i>any allegation, incident or accident, which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer’s Personnel or Contractor’s Personnel.</i>”
E&S performance security	<p>The SPD for Works includes an option for a Borrower to include an E&S performance security where E&S risks are deemed to be high. The E&S performance security will be in the form of a “demand guarantee” normally between 1% and 3% and not exceeding 10% of the total contract value. Tying E&S performance to financial incentives/penalties is a good way of ensuring that Bidders take it seriously. A contract form for the E&S performance security is included in the SPD for Works.</p>
E&S provisional sum	<p>The Borrower’s E&S and Procurement Specialists should consider how the Contractor will cost the delivery of E&S requirements. Typically, delivery of E&S requirements will be integrated in a larger sum for the delivery of services. For example, the cost of implementing safety systems, such as traffic and road safety systems, are included in the Bidder’s rates for the relevant Works. Alternatively, provisional sums could be set aside for E&S risk mitigation activities, which would give the Borrower comfort (along with assurances from the Contractor) that the activities would not be subject to the Contractor’s wider cost-reduction efforts. The Borrower may require some activities, such as an HIV counseling service or SEA/SH awareness and sensitization training, to be delivered as additional to the Contract with separate payment arrangements.</p>

FIGURE 67 Cascade from ESF to SPD provisions – Child labor worked example



(continues)

FIGURE 67 Cascade from ESF to SPD provisions – Child labor worked example (continued)



Supplier Briefings and Responding to Bidder Questions

Depending on the nature, size and complexity of the procurement, the Borrower may organize a prebid Supplier briefing. It can be used to give potential suppliers advance notice of the procurement opportunity, openly discuss key project risks, including E&S risks, and the implications for Bidders, and ideally motivates organizations to bid. If the project is seeking to deliver development objectives, such as local economic growth, job creation, training opportunities or other economic, social, and environmental benefits, the briefing is a good opportunity for the Borrower to outline those objectives and encourage Bidders to make it a key part of their response.

Virtual meeting technologies can facilitate engagement between procurers and businesses, meaning that briefing events do not need to be held in-person, particularly where it is anticipated that Bidders from other regions and countries will be attracted to participate. It may be possible to run hybrid events, where Bidders can participate both virtually and in-person.

Supplier engagement events can deliver a range of benefits, including a more engaged and informed Bidder community, with greater clarity of project purpose, objectives and understanding of E&S risk. They also give Bidders an opportunity to ask questions that may inform their response. They may also help the Borrower to learn different perspectives about their proposed approach to the project by providing a forum for additional concerns or ideas to be raised.

However, engagement events such as this can present risks that the Borrower will need to manage, such as:

- **Corruption risk:** Increased perception of corruption risk due to pre-tender interaction between Borrower and Bidders in an “uncontrolled environment.” This can be mitigated by controlling the engagement to the largest extent possible, such as by recording a virtual event and posting it publicly for transparency, and/or by inviting external witnesses/independent probity experts to observe.
- **Confidentiality:** Bidders may not be willing to share their thoughts or questions in an open forum in front of other potential Bidders. Borrowers can develop a (controlled and audited) channel where Bidders’ questions and perspectives can be submitted confidentially.
- **Unequal access and information flow:** Hybrid sessions, or sessions involving a combination of an open forum and one-on-one meetings between the Borrower and Bidders, can cause suspicion that some Bidders are getting supplementary information to help them with their Bid. Borrowers can manage this risk by recording a virtual event and posting it publicly for transparency and/or ensuring that an independent witness or probity expert is present for one-on-one interactions, and that where possible, responses that Borrowers give to Bidder questions are shared with the entire community of interested Bidders.

Borrowers may receive queries from Bidders throughout the bid process. It is important that Borrowers respond to those questions with as much information and clarity as possible, and that those responses are shared equally with the entire Bidder community.¹⁷¹ E-procurement platforms can also be useful tools for facilitating engagement between procurers and businesses in a transparent and auditable way.

FIGURE 68 Case Study: Simplifying procurement procedures to support family-owned agriculture in Paraguay

Case Study: Simplifying procurement procedures to support family-owned agriculture in Paraguay

Background

In 2013, the government of Paraguay launched the National Program for Poverty Alleviation, which included the Sowing Opportunities (Sembrando Oportunidades) initiative. The initiative aimed to increase income and access to social services for vulnerable families working in agriculture by giving them greater market access, including through the public procurement market.

Approach

The objective was codified in a decree that facilitated the procurement of healthy and fresh food from small family-owned farms for lunches and snacks at schools. Prior to these reforms, government procurement processes did not enable small-scale suppliers to participate, as they lacked the administrative and financial capacity to submit offers for public contracts. Decree 1056/13 and Resolution No. 178 reformed procurement processes to permit two simplified selection methods when procuring from family agriculture producers:

- (a) **Direct procurement:** The procuring agency can buy defined family agriculture products directly from the producer or organization of producers registered in the National Registry of Family Agriculture. Individual Suppliers must present a copy of their identity card, and producer organizations must present their incorporation documents (duly registered) with a list of their members. The Ministry of Agriculture and Livestock determines the price references per crop, which include transport and labor costs. When this procurement method is used, the Suppliers located closest to the client get priority. If demand cannot be fully met by local producers, Suppliers from nearby areas are given an opportunity to participate. Payment terms are set at 30 days from delivery. Despite not being mandatory, the simplified procurement processes are widely used.
- (b) **Indirect procurement:** The procuring agency obliges its Suppliers (for example, catering companies) to buy a minimum percentage of the contract value from family agriculture producers. In these circumstances, the family agriculture producer is the second-tier Supplier and does not directly contract with the procurement agency. Catering services delivering school feeding programs are obliged to prove that they have purchased stock from a family producer. This upstream supply chain requirement is included as a qualification criterion in tender documents. Each agency can establish the percentage that catering companies need to comply with in terms of sourcing supplies from family agriculture producers (depending on stock available from local producers). The Supplier must then choose producers from the Family Agriculture Registry and describe the products, zones and estimated quantities that will be procured.

Outcomes

“The success of the program led to its expansion to hospitals, penitentiaries and other local public agencies that buy food and could benefit from the program. Having started as optional criterion in tenders, the program’s success led to supply from family agriculture producers becoming mandatory for all public food procurement. In 2016, 16% of food procurement came from family agriculture producers. The Paraguayan government identified several multiplier benefits resulting from the procurement of family agriculture, including better market access to family agriculture producers, cheaper prices in comparison with the previous school catering service (USD 1.3/child versus USD 3/child) and the creation of job opportunities in local catering service companies. The family agriculture program shows that public procurement can lead to addressing a larger societal goal, like reducing poverty.”

Lessons Learned

In 2014, the government encountered irregularities in the new procurement processes. First, they found that intermediaries between the producers and public agencies were costly and hamper the economic benefits for producers, so new regulations were enacted to eliminate intermediaries. Producers now must register with the Family Agriculture Registry. The government also imposed a maximum quota of orders per producer, to avoid the concentration of business with a small number of producers (FAO, 2015). Producers have found that the publication of price references is often delayed, which makes it difficult for them to prepare Bids in a timely manner. Further, the producers have also been critical of the price references, as they do not reflect differences in the cost of production across the country.

Source: [Toward Strategic Public Procurement in Latin America and the Caribbean](#), International Institute for Sustainable Development (2020)

FIGURE 69 Case Study: eProcurement system increases access, efficiency and transparency in Bangladesh

Case Study: eProcurement system increases access, efficiency and transparency in Bangladesh

Background

The Bank's objective of helping Borrowers to achieve value for money with integrity in delivering sustainable development has meant supporting country procurement reforms in order to achieve sound procurement systems and institutions. As part of these efforts, the Bank is supporting the third phase of procurement reform in Bangladesh, which includes delivering technology enhancements in order to achieve a fully end-to-end eProcurement system.

Approach

eProcurement reforms were focused on supporting the achievement of other reform objectives, such as achieving data-driven procurement, improving monitoring of contract implementation, increasing citizen engagement, and achieving more inclusive procurement procedures by increasing participation by women-led businesses and SMEs, which were most negatively affected by the pandemic.

Outcome

The project enabled the entire procurement process to be brought online through eProcurement. In 2021, 70% of public procurement expenditure (USD\$17.5 billion) was processed through the eProcurement system, compared to 2% at the start of the project in 2017. Some of the project's most notable achievements include:

- An annual average saving of USD\$1.1 billion against an annual spend of USD\$70 million;
- Uninterrupted delivery of services throughout the pandemic, enabling over 1,300 public sector organizations to process all procurement activities online, with 32,000 procurement contracts processed during the lockdown in March to June 2020 compared to 37,000 procurement contracts processed during the same period in 2019;
- Improved market access and competitive bidding environment compared to manual bidding: the number of registered Bidders increased from 23,000 in 2017 to 91,000 on June 2021;
- Average procurement time decreased from 100 days in 2017 to 57 days in 2021;
- Increased transparency by publication of 100% of procurement notices and contract award information, as well as the launch of an online portal (Citizen Portal: <https://citizen.cptu.gov.bd>), which provides public access to national procurement and contract implementation data and allows users to carry out data analytics.

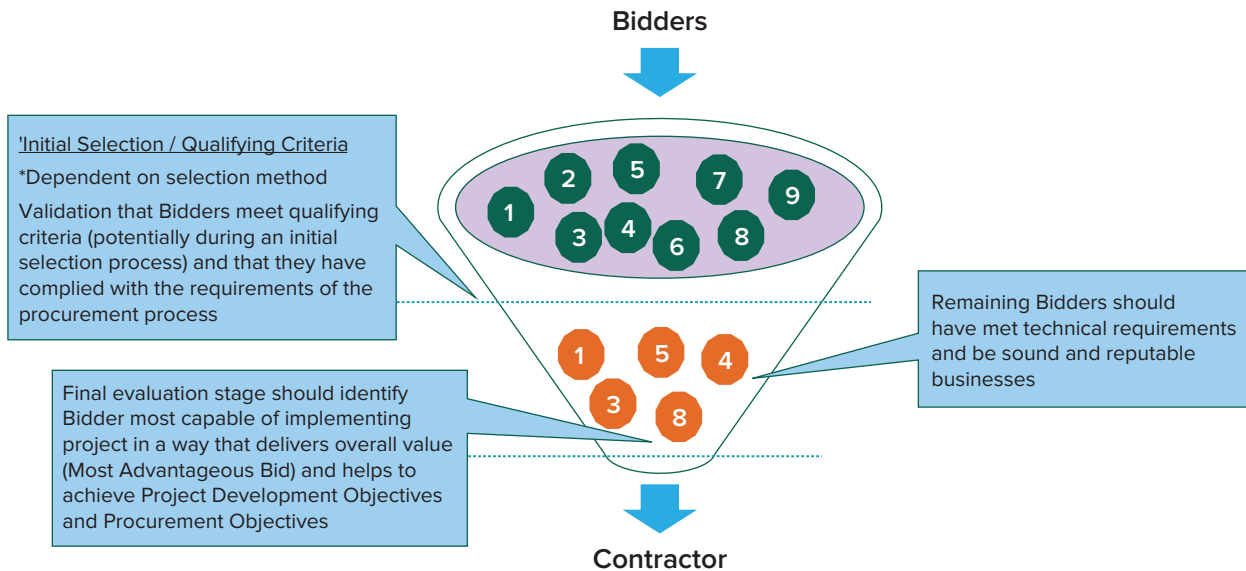
Source: WB case study repository

Stage Four: Receive Offers

It is important that the Borrower maintains the integrity of the bidding process by opening submitted bids in a transparent way, often in a public setting.¹⁷² Section V (5.40 – 5.48) of the Procurement Regulations¹⁷³ contain a detailed description of the process that should be followed when receiving offers, including important differences in process steps between the different selection methods.

Stage Five: Evaluate Offers

The Borrower will follow the evaluation approach set out in the PPSD and Procurement Plan, including the number of stages that the selection process will follow and the evaluation criteria that will be applied. A two-stage selection process (or “single stage after initial selection”) will require Bidders to pass initial technical or prequalifying criteria. The Procurement Regulations state that Borrowers should consider applying sustainability criteria in the prequalification/initial selection of firms, and as part of evaluation criteria.¹⁷⁴ Figure 70 demonstrates how, depending on the selection method

FIGURE 70 Illustration of bidding process structure to identify the right Bidder

that has been chosen, the evaluation process should be designed to identify the Bidder that can most effectively help the Borrower to achieve their objectives.¹⁷⁵

When applying the evaluation approach included in the PPSD and the Procurement Documents, Borrowers should look for signs that Bidders have not fully understood the project's E&S risks. Example "red flags" might include:

- Price, in combination with other elements of the Bid, appears so low that it raises material concerns as to the capacity of the Bidder to perform the contract for the offered price; the price can be assessed as low in comparison with the Borrower's estimate, the average of other bids, or the closest Bid;
- The price does not appear to provide sufficient margin for profit, indicating that the Bidder hopes to cut costs or increase revenue during the course of the project;
- There is little or no connection between the key E&S risks outlined in the Procurement Documents and the Bidder's cost submission or MSIPs;
- The Bidder has not provided sufficient detail on their proposed supply chains, or the Primary Suppliers who will provide goods or materials that are essential for the core functions of the project¹⁷⁶;
- The Bidder has not demonstrated any experience or understanding of the requirements for managing E&S risks in a similar project; or
- It appears that the Bidder has not fully disclosed previous performance on E&S, including material breaches or failed projects.

The Borrower can undertake further due diligence and request further information from the Bidder to address the concerns above. The Borrower may reject all Bids if the bidding process has not been

able to identify a suitably qualified Bidder or a Bid that is substantially responsive to the Borrower's requirements. This option is preferable to selecting a Bidder without sufficient capacity for managing the project's E&S risks.

Abnormally Low Bids (ALBs)

If a Bidder submits a bid price that is substantially below the majority of Bids and below the Borrower's own estimate, it should raise material concerns about their ability to deliver the contract for that price. There may have been a mistake in the submission (for example the Bidder omitted a portion of the project from the total Bid price), or the Bidder may hope to win the contract and find other means of making the contract profitable. Either way, it is unlikely that the Bid allows for sufficient resource to manage the project's E&S risks appropriately.

The Bank's Guidance on Abnormally Low Bids (ALBs) and Proposals¹⁷⁷ helps Borrowers to follow a structured process for identifying and addressing ALBs, beginning with the selection of an appropriate methodology for identifying ALBs based on the number of Bids received. According to the Procurement Regulations, once a Bid has been assessed as a potential ALB, *"the Borrower shall seek written clarifications from the Bidder/Proposer, including detailed price analyses of its Bid/Proposal price in relation to the subject matter of the contract, scope, proposed methodology, schedule, allocation of risks and responsibilities, and any other requirements of the request for bids/request for proposals document."*¹⁷⁸

The written clarifications provided by the Bidder should help the Borrower to identify the reason for the ALB, for example:

- (a) The Bidder omitted to price some items, either intentionally or accidentally;
- (b) Some items are priced significantly lower by the Bidder than estimated by the Borrower, either intentionally or due to an arithmetical error; or
- (c) Certain items/types of items are consistently underpriced (for example, cost per meter of laying pipes in a trench).

The response provided by the Bidder should indicate whether the low Bid price indicates potential E&S risks related to the Bidder's methodology for delivering the project. Table 23 provides Borrowers with some questions to consider when determining whether ALBs could present potential E&S risks.

Working across the PIU/IA or Bank Task Team to get answers to these questions will help the Borrower to determine whether the Bid should be accepted or rejected (noting that the Bid price cannot be changed).

Applying Non-Price Rated Criteria

Rated criteria are mandatory for international competitive procurement processes. They allow Borrowers to assess attributes among different Bids that are not easily quantifiable (or the evaluation criteria cannot be expressed) in monetary terms. Rated criteria can be used:

- a) in conjunction with pass/fail criteria in order to rank and initially select Bidders; and
- b) in the evaluation of proposals and bids to identify the most advantageous proposal (Bid).¹⁷⁹

TABLE 23 Considerations to help identify potential E&S risks in ALBs

ALB Issue	Questions to Ask Among the Project/Task Team to Identify Potential E&S Risks	Steps Taken to Resolve
Bidder omits item from the Bid	<ul style="list-style-type: none"> ■ Does it appear deliberate or a genuine/administrative error? ■ Could the omission directly or indirectly increase an E&S risk? ■ For example, is the item related to a service or deliverable that would support good E&S practice, such as supporting OHS compliance? ■ Does the omission relate to a service that would benefit workers, for example, onsite facilities? ■ Could the omission deliver a benefit, for example, identifying a requirement as unnecessary or wasteful, or re-using existing materials or assets? 	If the omission is material to the implementation of the contract, the Bid should be rejected.
Items priced lower than estimated by Borrower	<ul style="list-style-type: none"> ■ Is there a logical reason why? For example, is the Bidder concluding a construction near this site so can move resources and labor easily, significantly reducing their mobilization costs? ■ Is this down to economies of scale, or are there alternative products on the market that are of lower/ quality and/or produced in a way that compromises social or environmental standards? ■ Is the item in question independently verifiable in terms of quality and/or working conditions (for example, is it subject to an eco- or socio-label)? 	If the explanation by the Contractor does not demonstrate a legitimate reduction based on efficiency or innovation and does not eliminate fears that the contract cannot be delivered for the Bid price, the Bid should be rejected.
Items/types of items consistently underpriced	<ul style="list-style-type: none"> ■ If the lower price is the result of an innovative product or methodology, does the Bidder have previous experience of implementing the product/methodology in a previous project, and can they demonstrate that E&S performance was not negatively affected? ■ If the price reduction is due to a reduction in workforce, can the Bidder prove that workers' rights, including pay and hours of work, will not be negatively impacted? ■ If the reduction in workforce is triggered by use of a new technology, how will the technology affect site OHS and environmental performance (for example, will it be more damaging for the site if machinery were to be used rather than workers?) 	If the explanation by the Contractor does not demonstrate how the price reduction was achieved (for example, through Supplier relationships or economies of scale) and does not eliminate fears that the contract cannot be delivered for the bid price, the Bid should be rejected.

As discussed in *Preparing the PPSD*, a number of project elements could be evaluated when assessing a Bidder's capacity for managing E&S risks. It may also help the evaluation panel to apply the criteria if scoring guidance is provided. An example scoring guide is provided in Table 24, using elements that Borrowers should consider including in their sustainability evaluation (note a 1–5 scale has been used in this example):

TABLE 24 Example scoring guide to support sustainability evaluation

E&S Element	Score				
	1 (Poor)	2	3 (Acceptable/Good)	4	5 (Excellent)
MSIP	Generic plan with no specific mitigations to address contract E&S risks		Plan addresses main E&S risks, suggesting suitable mitigations. No evidence of innovation.		Comprehensive plan that comprehends and addresses all E&S risks, including understanding of root causes. Uses some innovation in mitigation measures.
Project team	Little evidence that project team has relevant qualifications, or experience of addressing similar E&S risks in past projects		Project team is suitably qualified, with adequate experience delivering a project with satisfactory reputation on E&S issues		Project team highly qualified, and can demonstrate involvement in a project that used best practice approaches that delivered positive results
Methodology	No evidence that methodology considers environmental protection or carbon reduction, and potentially presents some E&S risks (for example, reduce workforce numbers or unsafe practices)		Methodology demonstrates awareness of main E&S risks and incorporates mitigations into implementation practices (for example, plant movements and logistics are structured to reduce emissions)		Innovation incorporated into design and methodology in a way that eliminates major E&S risks (for example, proposal to use low carbon concrete, or innovative tunnel digging methodology that avoids OHS and environmental risks)
Code of Conduct	Few relevant additions to Code of Conduct in SPD template		Some additions to Code of Conduct template to address risks that Contractors see as material in a way that improves standards on site		Bidder incorporates their own company values onto Code of Conduct to demonstrate a positive, respectful and safe working culture

Rated criteria are most effective when the Borrower’s evaluation panel has the necessary technical knowledge to differentiate between Bids that represent a good versus a poor quality response to a specific criteria. Providing structured guidance on the attributes of a good (and a poor) response can help the evaluation panel to differentiate between Bids, which should help avoid the clustering of scores (for example, most Bids receiving a score of 3 out of 5).

Evaluating the MSIPs

In their bid submission, Bidders are required to include a set of Management Strategies and Implementation Plans (MSIPs) setting out how they will manage E&S risks. Collectively, once they are integrated into the contract, the MSIPs make up the Contractor’s Environmental and Social Management Plan (C-ESMP). Contractors should then be held to account against achievement of the C-ESMP throughout implementation, including providing updates every 6 months, which can be included as a milestone in the Contract Management Plan.

If Borrowers use rated criteria to effectively evaluate the MSIPs, it should increase the chances that a Bidder with good knowledge of, and experience in, managing the contract's E&S risks will be awarded the contract. Table 25 provides a checklist of items that Borrowers should look for when evaluating Bidders' MSIPs.

This list can be used to guide the evaluation panel on the features that need to be present for the MSIP to score highly. Not all items in the above checklist will need to be present in every Bid, and so the checklist should be modified to be consistent with the evaluation criteria defined in the Procurement Documents. For contracts with high E&S risk where effective understanding of the risks and an appropriate mitigation plan are critical, Borrowers should consider whether it would be appropriate to reject bids for non-conformance if the MSIP is assessed to be "Poor" (see Bank Guidance *Evaluating Bids and Proposals Using Rated Criteria* for an explanation on the use of minimum quality thresholds for setting a mandatory qualitative threshold for certain requirements).

TABLE 25 MSIP evaluation checklist

Items to Identify in MSIP	Present
<i>*Note not all items will be relevant for all contracts</i>	
Outlines approach for managing the project's Primary Suppliers, including an understanding of obligations that cascade to Primary Suppliers (such as forced labor, child labor, sustainable natural resource use, and serious safety concerns)	<input type="checkbox"/>
Includes the Contractor's SEA/SH Accountability and Response Framework, which demonstrates how the Contractor is able to meet the project's SEA/SH prevention and response requirements.	<input type="checkbox"/>
Clearly describes chain of contracts in supply chain, and any E&S risks that may need to be mitigated	<input type="checkbox"/>
Identifies products or materials that present increased E&S risk due to risks present in the geography/sector	<input type="checkbox"/>
Identifies relevant project stakeholders, how they might be affected by project activities, and effective plans to mitigate impacts	<input type="checkbox"/>
Clearly assigns owners to E&S mitigation activities	<input type="checkbox"/>
Demonstrates an understanding of relevant local and national regulations and legislation relating to E&S aspects of the contract	<input type="checkbox"/>
Identifies E&S training needs and a training plan targeting workers, Subcontractors and others as required (including mobilization, site induction, toolbox talks as well as formal or mandatory training programs)	<input type="checkbox"/>
Suggests a mechanism for worker and community grievances to be raised and addressed	<input type="checkbox"/>
Sets out a site/contract risk register and process for raising, assessing, and addressing E&S risks that emerge during implementation	<input type="checkbox"/>
Evidence that where required, Subcontractors have been made aware of relevant E&S risks, and that E&S deliverables such as risk mitigation activities are included in subcontracts	<input type="checkbox"/>
Bidder has included deliverables that exceed the minimum sustainability requirements	<input type="checkbox"/>
Bidder has identified additional, GRID-aligned E&S benefits that can be delivered through the project, which are outlined in the MSIP; for example:	
■ Creating opportunities for engaging local employees in the contract	<input type="checkbox"/>
■ Involving local or marginalized businesses in project implementation	<input type="checkbox"/>
■ Targeting ethnic, gender, or other types of diversity	<input type="checkbox"/>
■ Sets carbon reduction targets or identifies techniques for reducing emissions during implementation	<input type="checkbox"/>

Considering E&S Tradeoffs When Evaluating Bids

Borrowers may experience occasions where environmental and/or social goals seem to conflict within a Bid/proposal. In these cases, Borrowers should consider working with the Bank’s Task Team to consider answers to the following questions:

- Which of the risks can be mitigated? This may require market research around either product alternatives or alternative sources of supply.
- Could mitigation be strengthened through external support, such as HEIS or the engagement of an external audit/verification organization?
- Which of these objectives is most critical to the project/most closely linked to PDOs and/or national priorities?
- Can the project progress if both risks are avoided?

In cases of Prior Review, the Borrower will require the Bank’s no objection to the Bid Evaluation Report before proceeding. Figure 71 provides a worked example of how these tradeoffs might be managed in a real-life scenario.

FIGURE 71 Illustrative example: Managing E&S tradeoffs in Bid evaluation

Scenario: A Contractor proposes a construction methodology where preconstructed elements are assembled at a facility close to the site. This approach represents a significant reduction in carbon emissions given this innovative construction methodology reduces waste and uses low-carbon materials. However, the assembly facility would need to border a nearby settlement and employ a local workforce, potentially presenting risks of labor exploitation as well as noise/traffic nuisance to the community.

Potential risk mitigations: Consider how carbon reduction can be achieved without the risk of exploitation and disruption to the local community, or whether the exploitation risk can be mitigated while still leveraging this new methodology.

External support: Engage local labor experts to work with local labor inspectorate on a process for identifying and employing the local population without undue risk of exploitation.

Alignment with project objectives: While using low-carbon and innovative construction technology would be a significant achievement for the project, there are other World Bank projects in the country that present similar opportunities without the risk of exploitation. However, local labor experts are confident that with sufficient mitigations in place, this methodology can still be used without undue risk to local population.

Risk avoidance: The exploitation risk can be mitigated without disrupting the project outcomes.

Evaluating E&S Mitigation Costs

As discussed in *Preparing the PPSD*, price will remain the critical element of the evaluation process, even as additional emphasis is placed on other factors through the use of rated criteria. Therefore, it is critical that the Bidder’s price proposal is assessed to ensure it adequately considers and incorporates the cost of appropriately managing the E&S aspects of the project. This should include costs associated with delivering SEA/SH mitigations for any Works contracts.¹⁸⁰

Through the development of the PPSD and the ESA process, the Borrower should have been able to identify the most significant E&S risks to the contract, in particular those that will need to be managed by a Contractor, Subcontractor, Consultant or (Primary) Supplier. During the bidding process, Procurement Documents will need to be as specific as possible about the risks that each party will be required to manage. Bidders can only be specific about mitigation costs if they the Borrower provides sufficient information on E&S risks in the Procurement Documents. Borrowers should also guide Bidders on their expectations about how E&S requirements should be priced and included within the Bid. See earlier section on “Costing of E&S Risk Mitigations” in *Preparing the PPSD* to better understand the three main options for costing E&S requirements and their potential advantages and drawbacks. The Borrower’s choice will also be dependent on the extent to which E&S requirements are clearly defined, as opposed to a more performance-based approach where the Borrower is looking for innovation from Bidders on how certain E&S risks will be addressed.

Evaluating Contract Costing Methodologies

The PPSD should have identified how Bids should be priced (for example, using fixed price or adjustable price), and Bidders will have been notified in the relevant section of the Procurement Documents (typically the Proposal Data Sheet). The Bank has developed Guidance to assist Borrowers to evaluate Bid prices, in particular combining the weighted technical score with the weighted financial score to give an overall total score.¹⁸¹

Where lifecycle costing (LCC) is used, Borrowers should be aware that it is primarily an economic tool, and, while it may have positive implications for sustainable procurement, it is not a panacea.

FIGURE 72 Scenario—Incorporating cost contingencies because risks have not been fully assessed

Scenario: Incorporating cost contingencies because risks have not been fully assessed

Proceeding to the implementation phase without E&S risks being assessed and quantified can lead to cost increases occurring throughout the project as the Contractor responds to new risks and requirements. It may result in the selection of a Contractor without the skills or experience to manage the E&S risks that have emerged. An effective procurement process will also be dependent on an understanding of the project’s risks, so that the best Contractor can be chosen based on their ability to manage those risks.

However, there may be exceptional cases (outside of FCV/small states) where a project must proceed to implementation without completing the ESA process. In these cases, Borrowers will be assessing responses from Bidders that are incomplete as a result of the lack of information provided on project risks. This will also mean that the Bidder has been unable to effectively price for the mitigation of those risks.

In these cases, the Borrower should consider the following:

1. Be transparent with Bidders about the limitations of the information provided, providing as much information as possible to support them to assess the risks; disclose information that you know you do not hold (for example, if a survey or assessment is required but has not yet been undertaken, inform the Bidders)
2. Include a provisional sum, estimated at an amount that would cover the cost for the Contractor of mitigating partially scoped or unanticipated risks
3. Review similar projects to understand potential E&S risks and costs, using that information to ensure the project budget has sufficient contingency available
4. Work with the E&S Specialist in the Bank Task Team to discuss potential risks that might emerge, and mitigations that have been successful in past projects

LCC can, however, help to overcome one of the main barriers for the implementation of sustainable procurement, which is the perception that greener products are more expensive than conventional products. LCC should demonstrate that the cost savings that occur during the product/service lifetime outweigh any potential upfront price premium that may be involved with sustainable options.¹⁸²

More complex methodologies that incorporate externalities into the financial assessment of Bids, in particular environmental impacts such as carbon emissions, or improvements in health care outcomes from reduced air pollution for example, are preferable as they enable a truly holistic economic assessment of project costs. They also enable a stronger connection between the evaluation methodology and PDOs or procurement objectives. Borrowers should consider arranging training for procurement staff that are considering applying these methodologies as they can be challenging to implement.

Stage Six: Award Contract

The evaluation process should have identified a preferred Bidder. The Borrower will develop a Bid Evaluation Report (BER) detailing the process undertaken so far, reasons for selecting the preferred Bidder, and any risks that will need to be managed through contract implementation. If the contract is subject to prior review, this will be shared with the Bank and decision-makers at the PIU/IA. Implementation Unit. If the contract is subject to prior review, the Borrower will require a “no objection” from the Bank before awarding the contract. Bank staff should review the BER to look for the elements set out in the checklist at Table 26, which will demonstrate that the Borrower has adequately considered sustainability as part of the evaluation.

TABLE 26 Checklist of sustainability elements to identify in BER

Sustainability-related Evaluation Factors that Borrower can Include in BER	
<i>*Note: not all items will be relevant for all contracts</i>	Present
The evaluation committee/panel listed in the BER has relevant experience and expertise in E&S matters	<input type="checkbox"/>
The evaluation methodology gives adequate weight to sustainability elements, including management of E&S risks and reduction of project emissions	<input type="checkbox"/>
Rated criteria have been applied to provide a qualitative assessment of the bids, including assessing the Bidder's understanding of the contract's E&S risks and proposed mitigations	<input type="checkbox"/>
The C-ESMP has been assessed to ensure it contains all relevant project E&S risks, with clear and appropriate mitigations	<input type="checkbox"/>
Contractor has been asked to demonstrate relevant experience and capacity for managing the project's E&S risks and a suitably qualified and experienced project team	<input type="checkbox"/>
The Contractor's project team was assessed to ensure relevant qualifications and experience	<input type="checkbox"/>
Bidders' methodologies were assessed to ensure they did not unduly increase E&S risks	<input type="checkbox"/>
The Borrower has shown an understanding of the preferred Bidder's likely supply chain, Primary Suppliers, and any E&S risks that are likely to arise within the supply chain	<input type="checkbox"/>
The pricing methodology considered the allocation of funds for managing E&S risks and implementing mitigations	<input type="checkbox"/>

Parts of the successful Bidder's response will be incorporated into the final contract; however, in some exceptional cases where the Bank agrees that it is appropriate for the Borrower to undertake negotiations, the implementation approach (including implementation schedule, C-ESMP, and commercial terms) can still be negotiated between the Borrower and successful Bidder before the contract is awarded. The justification for the use of negotiations should be set out in the PPSD. Negotiations will need to be aligned with requirements in the Procurement Documents (new sustainability requirements, for example, cannot be added during the negotiations process). Negotiations will be held in the presence of a Probity Assurance Provider, as agreed with the Bank.

The negotiation phase can set the tone for the relationship with the Contractor. An adversarial contract negotiation is likely to result in overly punitive or restrictive contractual terms, which may lead to an adversarial relationship. This type of relationship can often lead Contractors to conceal issues such as E&S risks, as opposed to collaborating with the PIU/IA to mitigate E&S risks once they have been identified.

A negotiation that focuses on creating a collaborative relationship and ensures both the Borrower and the Contractor are focused on the project outcomes, can create a much more trusting and amenable relationship. The Bank's Guidance on Negotiations and Best and Final Offer outline the attributes of an effective negotiation and the team that the Borrower needs in place to achieve it; for example,¹⁸³

- Negotiations are about identifying and resolving differences between the preferred Bidder and the Borrower, which is best achieved by taking a win-win approach. This means finding a solution that is acceptable to both parties and leaves both parties feeling that they've won in some way.
- Taking a win-lose approach (that is, trying to "win" the negotiation while the other party "loses") may work occasionally as part of a longer-term relationship with a Supplier, but it can also undermine trust and damage teamwork.
- Before entering negotiations, the Borrower should prepare a negotiation plan. Although not required by the Procurement Regulations, it is good practice for the plan to be sent to the Bank for review before entering formal negotiations. The plan should include the preparatory work that the Borrower should carry out, such as detailing the issues or concerns that need to be negotiated and their individual/collective importance.
- Successful and effective negotiators have a set of knowledge, experience and skills that help them navigate the negotiation process in a way that achieves mutually acceptable results. Good negotiators can do it in a warm manner that enhances the relationship they have with the Bidder, using skills such as active listening and empathy.

Borrowers must ensure that, while negotiations may discuss terms and conditions, price, and/or social, environmental, and innovative aspects, the minimum requirements of the Bid are not changed. Legal terms in the Bank's SPDs cannot be amended, and any additional requirements for managing E&S should be carefully considered before being added to the works requirements/specification.

If negotiations result in material deviations from the Bid submitted as part of the bidding process, the Borrower may be open to challenges from other Bidders about the fairness of the process.

Contractor Environmental and Social Management Plan (C-ESMP)

The C-ESMP is a key contractual document as it allows the Borrower to hold the Contractor to account for delivering the E&S mitigations that they have agreed to. It should contain the mitigations that the Bidder submitted as part of the MSIPs in their Bid. The C-ESMP may remain draft until it is approved by the Supervising Engineer to enable site mobilization (see *Role of the Supervising Engineer* section below).

The draft C-ESMP will detail:

- (a) The measures to be taken by the Contractor during the implementation and operation of a contract to eliminate or offset adverse E&S impacts, or to reduce them to acceptable levels; and
- (b) The actions needed to implement these measures.

The C-ESMP contains the Contractor's elements of a larger environmental management plan, the ESMP, which is owned by the Borrower. The ESMP gives the Bank assurance that the Borrower has identified all relevant E&S risks to the project and has applied the mitigation hierarchy to ensure risks are dealt with appropriately, including those owned by the Contractor. The Borrower's decision to proceed with a project, and the Bank's decision to support it, are predicated in part on the expectation that the ESMP will be executed effectively. Consequently, each of the measures and actions to be implemented need to be clearly specified, including the individual mitigation and monitoring measures and actions and the institutional responsibilities relating to each.

Both the Works SPD and the ESF make it clear that Subcontractors are responsible for complying with the E&S requirements that are relevant to the activities they are responsible for, and Primary Suppliers must also adhere to a certain set of standards. The Bank's Works-related SPDs, based on the FIDIC Red Book (2017),¹⁸⁴ hold the Contractor responsible for the actions of all related parties to the contract, including Subcontractors and Primary Suppliers. The Borrower is required under the ESF to manage these parties and should enquire with (either directly or through the Supervising Engineer) the Contractor whether terms and specifications have been included in contracts with Subcontractors and Primary Suppliers. This would represent a clear chain of responsibility whereby E&S obligations are passed down to all parties to the contract.

Role of the Supervising Engineer

The Supervising Engineer, referred to in the FIDIC Red Book¹⁸⁵ as the Engineer, plays a critical role as the Borrower/Employer's representative on site. Often working with a team of Engineer's Representatives, they supervise the works on behalf of the Borrower. A significant part of the role relates to the commercial management of the contract, reviewing the Contractor's requests for contract variations and technical deviations. As the Borrower's "eyes and ears" on site, the Engineer can also provide a

valuable monitoring service, identifying potential breaches of the E&S obligations in the contract and overseeing remedies and risk management activities.

The Bank's Works SPDs¹⁸⁶ identify a number of key activities that the Engineer performs in relation to E&S issues, such as:

- Monitoring the health, working conditions, and hours of work of the workforce;
- Attending the SEA/SH orientation conference along with the Contractor, its Subcontractors, DAAB members, and others;
- Agreeing to contract variations in an emergency situation, without requiring the consent of the Borrower;
- Instructing the Contractor to reduce any risk affecting the safety of life, of the Works or of an adjoining property;
- Giving consent to the Contractor's MSIPs/C-ESMP to allow commencement of site mobilization;
- Reviewing any additional MSIPs that are necessary to manage the E&S risks and impacts of ongoing Works;
- Reviewing the C-ESMP following the Contractor's periodic review, not less than every 6 months;
- Receiving declarations from Subcontractors in relation to SEA/SH (for instance, that they have not been subject to disqualification due to non-compliance)¹⁸⁷;
- Reviewing the health and safety manual specifically prepared for the Works;
- Agreeing to the Contractor's actions to remedy any damage to the environment, property and/or nuisance to people, on or off site as a result of the Contractor's operations;
- Receiving notifications of any allegation, incident or accident which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer's Personnel or Contractor's Personnel;
- Requiring the Contractor to remove anyone whose conduct risks damage to safety, health, or the protection of the environment, or who breaches the Code of Conduct;
- Consenting to the Contractor's risk assessment before children between the minimum age and the age of 18 are permitted to work on site; and
- Receiving a monthly summary from the Contractor of employment records of the workforce, including names, ages, genders, hours worked, and wages paid to all workers, and reviewing against applicable labor requirements under the contract.

The role of an Engineer is extremely valuable to the Borrower given the breadth of activities on site in which they are involved or have visibility. Projects with a "substantial" or "high" SEA/SH risk rating

should consider adding a social/environmental specialist to the Supervising Engineer’s team with GBV (including against children) specific skills to supervise issues related to SEA/SH (for example, supervise signing of Codes of Conduct, verify the suitability of the grievance mechanism, refer cases where needed).¹⁸⁸

FIGURE 73 The role of the Supervising Engineer in incident reporting

The role of the Supervising Engineer in incident reporting

The Supervising Engineer should provide an ongoing presence at the project site, which means they typically report to the PIU/IA about any issues that may arise and provide advice to the Contractor on possible improvements to site safety management practices. This however DOES NOT remove the Contractor’s obligations in relation to health and safety, such as the requirement to implement adequate safety measures, and the reporting of any incidents.

There have been historic cases of Bank projects experiencing health and safety incidents without the PIU/IA being notified because the Supervising Engineer was not on site. This represents a failure to meet their obligations by both parties, in particular:

- The Supervising Engineer for a failure to have a permanent supervisor on the site leading to weak management of the incident; and
- The Contractor for poor site management leading to the issue and a failure to report the incident to the PIU/IA.

Not all projects will be large or complex enough to justify the engagement of an Engineer. In these cases, the Borrower may need to consider alternative means of achieving the same outcomes through both regular and unplanned site visits by their own personnel. For small works projects, the Borrower may appoint a Project Manager, who can fulfil a similar function to the Engineer on site. According to the Bank’s SPD for small works, the Project Manager “*is responsible for supervising the execution of the Works and administering the Contract.*”¹⁸⁹

A sample Terms of Reference for engaging a Supervising Engineer has been included in Annex II.

Developing the Contract Management Plan

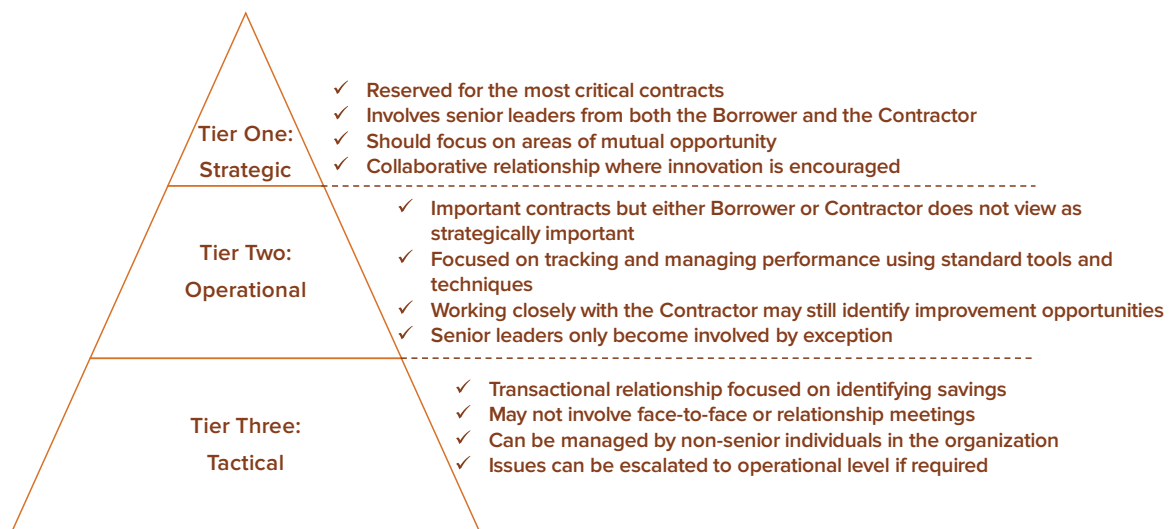
Without effective contract management, the E&S commitments that have been secured through the bidding process and included in the contract might not be achieved, meaning E&S risks might not be effectively managed and project objectives may not be achieved. A Contract Management Plan (CMP) helps to ensure that fit-for-purpose oversight is implemented, and that both the PIU and the Contractor put in place sufficient resources to manage the contract.

The CMP is developed during contract creation and should be completed at the time the contract is signed.¹⁹⁰ The Borrower may involve the Contractor in the development of the CMP, which will give the Contractor an opportunity to suggest amendments depending on the resources they have available to administrate their side of the contract. The CMP will determine the amount of resource and effort that the Borrower and the Bidder apply to managing the contract. This should be determined based on both the amount of implementation risk and/or additional value that is available from the

contract. For example, there is greater need for the Borrower to apply resources to manage a contract where the Contractor has extensive E&S risks to mitigate and/or potential benefits to deliver, such as delivering jobs or training opportunities to the local community.

Much of the information collected during the development of the PPSD and the resulting analysis, such as Supplier preferencing and Supplier positioning, will help the Borrower to understand the relative importance of the contract to both the Borrower and the preferred Bidder. This can then be used to determine the “tier” that the contract should be put in, as shown in Figure 74.

FIGURE 74 Illustrative categorization of Supplier relationships



Guidance on developing a fit-for-purpose CMP is provided in the Bank’s Guidance on Contract Management Practice,¹⁹¹ which also provides a template CMP in Annex III. The Guidance suggests that the “*level of detail and length of the document should be proportionate to the scope, value, risk, complexity and duration of the contract,*” and it follows that these factors should also determine the degree of rigor applied to managing the contract. For example, the CMP will detail requirements around reporting and governance. Contracts with severe, high, or substantial E&S risks are likely to have more intensive governance arrangements, and requirements for frequent, detailed reporting.

Stage Seven: Manage Contract

The contract has now been awarded, and the commitments that are included in the contract must now be delivered. The CMP provides a valuable vehicle for ensuring that all parties are committed to managing the contract properly. However, the contract cannot account for every eventuality, and new E&S risks and issues will arise as the contract is implemented. Therefore, the contract and the relationship between the PIU/IA and the Contractor must be able to adapt to meet the project’s changing circumstances.

Immediately after contract signing, the project enters a transition phase between contract award and the start of contract implementation, while the Contractor prepares to mobilize the project. The Borrower and the Contractor can now finalize the CMP.

This section will discuss successful approaches for planning sustainability-focused contract management activities, and for ensuring effective management of E&S risks during project implementation. For general contract management guidance, Borrowers should review Section 8.7 of the [PPSD](#) on Contract Management, as well as the Bank's Guidance on [Contract Management Principles](#) and [Contract Management Practice](#).

Roles and Responsibilities

Successful implementation of a contract requires a number of parties to deliver on their obligations and work together effectively. Knowledge and expertise of how to manage a project's E&S risks and the ability to mitigate them will probably reside with different people. Table 27 outlines the main responsibilities of the project's key roles: the Borrower, the Bank, the Contractor, and the Supervising Engineer.

Establishing a clear understanding of roles and responsibilities across the project team will make it easier for activities in the contract mobilization plan and CMP to be assigned to owners and effectively executed.

Mobilization

Mobilization, also known as preconstruction, is the phase where the site is prepared for construction. It is an important stage for managing E&S risks as it establishes the physical environment for the project (for example, worker accommodation, site access, utilities, and waste) and brings project workers on site together for the first time.

The Bank's Guidance on Contract Management: Practice¹⁹² describes the importance of this stage, given it *"can include major activities such as land clearance, excavation, building access roads to the site, work site establishment and construction of Contractor's personnel accommodations. This is often an overlooked period of (E&S) impacts, and therefore it is critical that the correct documents, training, procedures, and systems are in place to ensure that all (E&S) impacts are identified and managed appropriately."* This includes establishing important procedures for affected members of the community to raise grievances.

Borrowers should use the mobilization phase to confirm that the Contractor, key Subcontractors and their personnel understand relevant E&S risks and their commitments in the contract. This period should also be used to develop relationships (if appropriate) with the local labor inspectorate to discuss the Contractor's approach to labor management. It can also be worthwhile for the Contractor to engage with local authorities on issues such as disaster response and emergency preparedness, given the Contractor may require access to local amenities during a major event, and local authorities will need to respond to a major event taking place at the project site.

The Borrower and Contractor should also discuss roles and responsibilities in relation to relationships with the local community. Relationships with some community groups may be particularly sensitive, and in these cases the Borrower may wish to take the lead. For stakeholder relationships to be

TABLE 27 Contract management roles and responsibilities between Borrower and Bank

Borrower	Bank	Contractor	Supervising Engineer
<ul style="list-style-type: none"> ■ Holds contractual relationship with the Contractor ■ Overall responsibility for project implementation, including overall owner of ESCP and E&S risk management ■ Holds Contractor to account for managing E&S risk as set out in C-ESMP ■ Uses monitoring to identify necessary corrective and preventive actions ■ Appoints staff/Consultants/Supervising Engineer/project manager to manage the contract ■ Provides site access, permits, etc. as required by the contract ■ Makes payments on time - normally based on milestones ■ Carries out contractual actions such as notices, remedies, in accordance with the contract ■ Sets KPIs and uses them to monitor Contractor performance ■ Informs the Bank of serious incidents such as accidents resulting in death or serious injury 	<ul style="list-style-type: none"> ■ Fiduciary role - ensure funds are used for the purpose intended ■ Requires Borrowers to use SPDs for international procurements ■ Conducts prior review of material amendments to major contracts ■ Exercises audit and inspection rights when needed ■ Monitors implementation to ensure Legal Agreement is adhered to, including compliance with ESF, and avoidance of fraud and corruption ■ Supervision and monitoring including: <ul style="list-style-type: none"> ▪ The use of third party monitoring ▪ E&S audits ■ Carries out end of project evaluation 	<ul style="list-style-type: none"> ■ Provides regular reporting on E&S risks and mitigation progress ■ Provides immediate reporting to the Supervising Engineer in event of an incident ■ Delivers E&S mitigations as agreed in C-ESMP ■ Administers the contract as agreed in CMP ■ Ensures Subcontractors and Suppliers have appropriate E&S responsibilities in their specifications/contracts ■ Provide a grievance mechanism, process, or procedure to receive and facilitate resolution of concerns and grievances from project-affected parties 	<ul style="list-style-type: none"> ■ Borrower's representative on site, monitoring site operations, making day to day decisions in delegated areas ■ Interlocutor between the Borrower, the Contractor(s) and local stakeholders ■ Monitors the site, Contractor(s) and personnel to make sure the contract is followed ■ Makes decisions on behalf of the Borrower in areas delegated for day-to-day control ■ Escalates issues to the Borrower and expedites Borrower's decisions ■ Supervises and monitors E&S risks and impacts, reviews E&S reporting and conducts follow-up as required ■ Considers E&S impacts in relation to contract variations ■ Measures Contractor's achievement against KPIs, completion stages and authorizes payments ■ Invokes appropriate contract remedies

managed effectively, there needs to be a common understanding about ownership and approach for stakeholder management across all project parties.

An example contract mobilization plan is provided in Annex IV of the Bank's Guidance on Contract Management Practice.¹⁹³ It provides a range of example mobilization actions, and suggests that each one is assigned a timeline, owner and a reference to the relevant contract clause or specification. When developing a contract mobilization plan, Borrowers should consider including the following E&S requirements:

- A training program for workers on relevant E&S topics, including more informal, regular interactions with workers (for example, toolbox talks) on emerging issues, OHS risks, etc;
- Inductions for workers and supervisors on E&S matters;
- Establishing a Code of Conduct (where required by the contract), which all workers should be required to commit to before the commencement of works, potentially as part of site induction;
- Community liaison/engagement plan;
- Ensuring OHS measures are in place, including for activities required to mobilize and prepare the project site; and
- Establishment of grievance mechanism and plan to raise awareness of the mechanism among affected members of the community.

The Bank's Works SPD states that *"the Contractor shall not carry out mobilization to Site . . . unless the Engineer gives consent . . . to the measures the Contractor proposes to manage the environmental and social risks and impacts, which at a minimum shall include applicable . . . (MSIPs) and applying the Code of Conduct for Contractor's Personnel"* (the role of the Supervising Engineer is discussed in more detail below). The Contractor may wish to include the contract mobilization plan in the Project Operations Manual, if one exists for the project.

Project Operations Manual

The project operations manual (POM) is developed by the Borrower to set out detailed arrangements, procedures and processes for project implementation. The POM is referenced in the project Legal Agreement, typically stating that:

- The POM must be completed, approved by the Bank, and adopted by the PIU/IA, typically within 3 months of the Legal Agreement being signed;
- The Borrower will maintain an up-to-date POM throughout implementation; and
- The Borrower can amend the POM from time to time, but is required to seek Bank approval for amendments.

The POM should include the key E&S arrangements for the project. For example, if E&S plans or studies should be prepared by the PIU/IA and approved by the Bank before a specific activity begins, the POM should detail the process that should be followed. In some projects, Borrowers are asked to develop

a detailed action plan on a specific issue (for example, a Gender Action Plan) as part of the process of preparing the POM.

There are several significant differences between the POM and other key E&S documents that might be prepared throughout the project (such as the ESIA, the ESMP, Resettlement Plans, and so on):

- The POM describes processes that will be followed, as opposed to a study of potential impacts; and
- The POM is not subject to public disclosure, while there are explicit public disclosure requirements for several E&S documents, both under national laws and under Bank policy.

Managing Contracts with High Risk of SEA/SH

Mobilization is also a key stage for putting in place mitigation measures to respond to SEA/SH risk. IPF-financed Works contracts should include measures specifically designed to address these risks, including:

- An SEA/SH orientation conference, training workers on SEA requirements, organized to take place prior to commencement of Works;
- A Code of Conduct that outlines expected behaviors from workers and actions the Contractor will take to address breaches;
- An SEA/SH Response mechanism for receiving, investigating and addressing allegations of SEA and/or SH, and measures to prevent reprisals;
- Ongoing training and staff induction on SEA/SH;
- A contractual requirement that Subcontractors comply with SEA/SH prevention and response obligations; and
- Engagement of an SEA/SH expert/s for the duration of the contract.

Projects identified as being at high risk of SEA/SH will apply an additional mechanism requiring Bidders to submit a declaration accepting disqualification from winning a Bank-financed contract for 2 years in the event of a breach of their SEA/SH obligations. These strengthened remedies hold Contractors (and any non-compliant Subcontractors) accountable for fulfilling their SEA-SH obligations during contract implementation.

Dispute Avoidance /Adjudication Board (DAAB)

The disqualification mechanism requires a determination from a Dispute Avoidance/Adjudication Board (a requirement established in the FIDIC Red Book¹⁹⁴) comprised of independent expert(s). This makes the Board a critical element for applying serious remedies in Bank projects.

The DAAB is a standard feature in Bank SPDs for Works that apply FIDIC General Conditions. It is made up of independent and impartial individuals selected by the parties. Members are appointed at the

commencement of a project, and are typically involved throughout the project, undertaking regular visits to the site to gain an understanding of the project's context. The DAAB helps parties avoid or overcome any disagreements or disputes that may arise during the implementation of the contract by providing a determination on a matter of disagreement.

The Bank requires that three members are appointed for Works contracts with estimated costs higher than US\$50 million. In the interest of proportionality, contracts with estimated costs between US\$20M and US\$50M may comprise three DAAB members or a sole member, and for contracts with estimated costs less than US\$20M, the Bank recommends a sole member. Terms related to the appointment of the DAAB are included in the Bank's Works SPDs.¹⁹⁵

The DAAB has both an informal role in assisting parties to avoid disputes, and a binding adjudication role where it decides on non-compliance of either party. The Borrower or the Contractor may appeal a DAAB decision if they are dissatisfied with the determination.

While the DAAB does not review every potential case of contractual non-compliance, the new SEA/SH-related remedy requires the DAAB to intervene in cases of potential non-compliance with SEA/SH obligations. Allegations of SEA/SH are put to the Engineer, who issues a Notice to Correct to the Contractor. If the Contractor fails to comply with this notice, the matter is referred to the DAAB. The DAAB does not get involved in determining the factual aspects or assessing the merits of any underlying allegation of SEA-SH, but instead it determines whether the Contractor has complied with their SEA/SH prevention and response obligations under the contract.

If the DAAB determines that the Contractor or Subcontractor has not complied with their obligations, the Task Team Leader prepares a memorandum to the Bank's Chief Procurement Officer (CPO) recommending that the Bank's Operational Procurement Review Committee (OPRC) undertakes a procedural review of the DAAB decision. If the review is cleared by the CPO, a recommendation to disqualify the Contractor and/or Subcontractor is given to the Vice President of OPCS (within the Bank), who makes the final decision.¹⁹⁶ A disqualification period of 2 years applies to any Contractor or Subcontractor found to be non-compliant, unless they receive an arbitration award in their favor within that period. Decisions shall take a maximum of four months, while ensuring fairness and application of due process for Contractors.

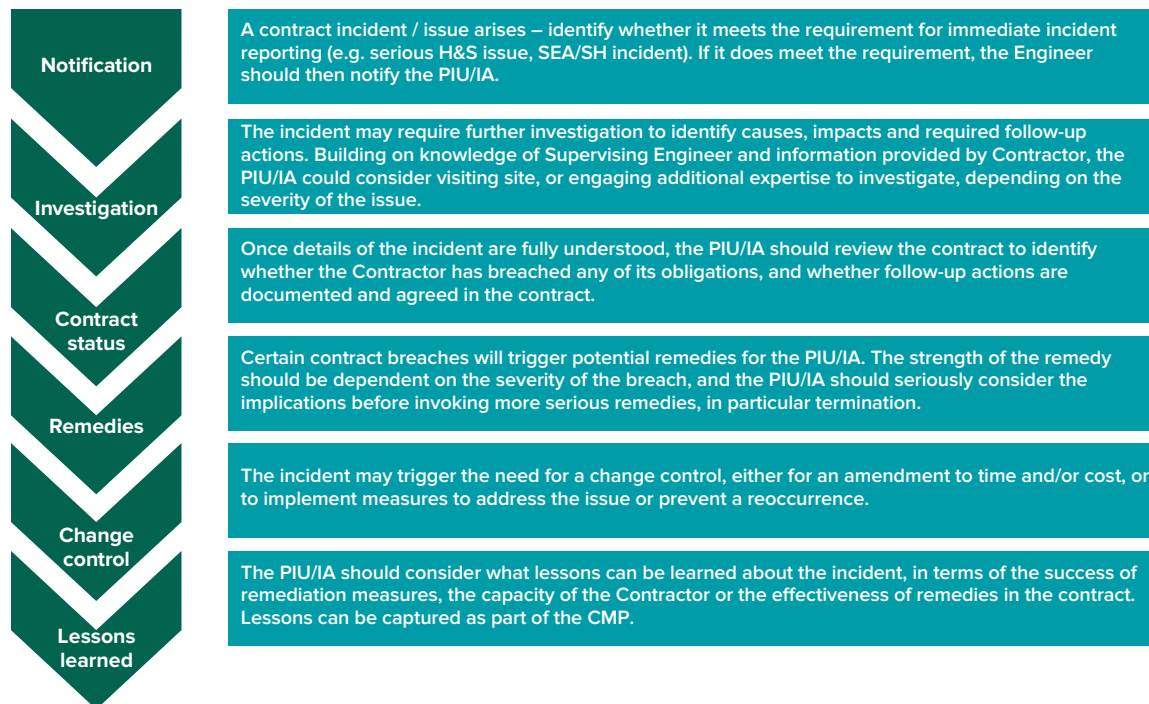
Implementing the Contract Management Plan

As discussed in the section *Contract Management (Preparing the PPSD – Appraisal)*, the approach to contract management should be proportionate to the value, risk, length, type, and complexity of the contract and the type of market/Suppliers who will be fulfilling the contract.¹⁹⁷ The Procurement Plan will have identified the estimated level of effort required for managing each contract. Now that the contract has been awarded and obligations and responsibilities are clear, the Borrower should have a much clearer idea of responsibilities for themselves and the Contractor.

The Contract Management Plan (CMP) cannot be prepared to cater for every eventuality, given the dynamic nature of project implementation. The CMP should instead ensure that mechanisms are in place to effectively manage issues that arise, and also for identifying early warning signs. Effective contract management means identifying the small issues that can be symptomatic of a bigger issue and dealing

with them early. Good practice contract management involves risk identification, mitigation, and management across all aspects of the contract, in particular E&S risks which are often overlooked as all parties focus on implementing the project within time and budget constraints. Figure 75 outlines the steps that the contract manager (that is an individual assigned responsibility for leading the relationship with the Contractor) within the PIU/IA can take when an incident or issue arises.

FIGURE 75 Common steps for resolving contractual incidents and issues



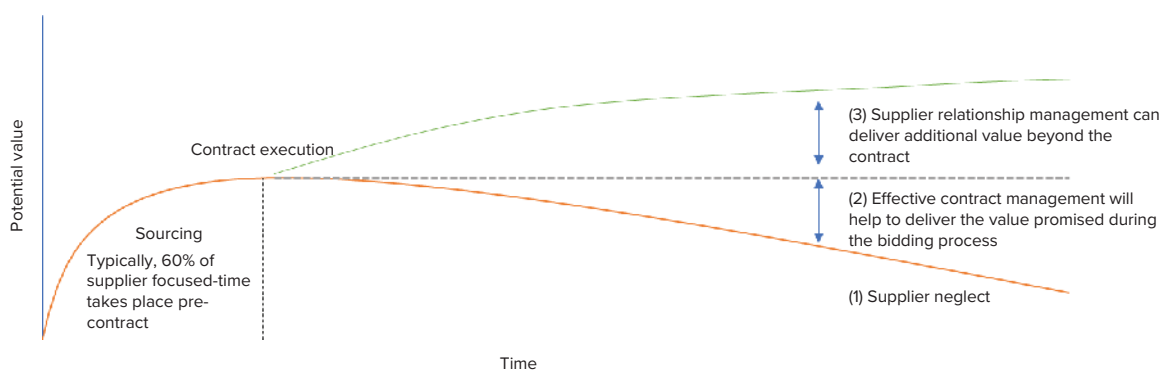
Where a CMP is required, it should include the following¹⁹⁸:

- Capacity and capability assessment of Borrower’s contract management (including dealing with E&S issues), and actions required to deal with capacity deficits;
- Risk management and mitigation plan, for all contract related risks including E&S (which may already be set out in C-ESMP);
- Contract milestones;
- Contract variation/change control mechanisms;
- Roles and responsibilities in relation to administering the contract and implementing the project, including Borrower, Contractor, Consultant, and Supervising Engineer;
- Governance arrangements, including communication and reporting procedures;

- Use of dispute review mechanisms/DAAB;
- Key contractual terms and conditions such as Code of Conduct;
- KPIs; and
- Reporting requirements.

Ineffective contract management can jeopardize implementation and reduce the amount of value achieved from the contract. Figure 76 demonstrates how effective contract management can help ensure Contractors deliver on their commitments, while developing collaborative relationships with Suppliers (for example by applying Supplier relationship management tools and principles) can deliver additional value beyond the contract.

FIGURE 76 Value lost through insufficient contract management approaches



Managing the relationship with the Supplier involves setting clear expectations (through the contract and KPIs) and working together to resolve any issues that arise in a professional and timely manner. The quality of the Supplier relationship can be strengthened and enhanced through a combination of practices, including (inter alia):

- Ensuring the Supplier fully understands their contractual commitments and how they will be delivered, including the sustainability priorities;
- Agreeing a contract that has a fair balance of risk between the Borrower/Employer and the Supplier;
- Ensuring that Suppliers who have fully delivered are paid on time as per contractual terms and legal requirements;
- Improving issue resolution through fair, transparent, professional and timely dialog; and
- Paying particular attention to the needs of Suppliers based on their categorization, for example, strategic, SMEs, suppliers from small or fragile states, and so on.

Borrowers can use the contract management Module of STEP to help manage their contracts. STEP includes a number of features that can help to guide Borrowers through the most important aspects of the contract lifecycle, as illustrated in Figure 77.

FIGURE 77 STEP contract management features



The system is able to support Borrowers when undertaking the most critical contract management activities, including:

- Consolidated records of contract management records across the entire contract implementation cycle, from contract signing to completion;
- Development of the Contract Management Plan to track progress during implementation, including:
 - key contract deliverables and their expected dates
 - planned payments and their due dates
 - KPIs where applicable, and
 - planned dates for major milestones and progress against them
- Automated alerts/reminders to Borrowers and Task Teams of upcoming or overdue milestones;
- Tracking of contract variations, claims, and contractual disputes including their resolution; and
- Dashboards and contract- and project-level reports on progress against contract implementation.

Managing Obligations of Primary Suppliers

As well as managing E&S risks at the project site, the ESF requires Borrowers to identify and mitigate certain risks that arise in the project's supply chain. Projects may require products and materials that will be sourced from Suppliers and manufacturers from around the world. Some products (for example, a wind turbine) are made up of different components that are sourced from a number of different Suppliers. The chain of contractual relationships that connects raw materials to a finished product is

called a supply chain. Some supply chains present significant E&S risks because of the nature of the manufacturing process or the way in which materials are sourced or produced.

Primary Suppliers are “those suppliers who, on an ongoing basis, provide directly to the project goods or materials essential for the core functions of the project”. Primary Suppliers are required to comply with specific standards in ESS2 (paragraphs 39 to 42) and ESS6 (paragraphs 38 to 40).

Should any of these risks materialize, the Contractor is required to take measures to require the Primary Supplier to take appropriate steps to remedy them. In some cases, the Borrower and/or Contractor will not have sufficient influence over the Supplier to enable remedies to be implemented. In cases where issues are not remedied, the Contractor will need to substitute the Supplier with one able to manage these risks.

To proactively manage these risks, the Borrower should discuss with the Contractor how monitoring and verification procedures could be used within the relevant supply chain (see section on *Monitoring*). The labor management procedures, which should be established by the Borrower during the Appraisal stage, will set out roles and responsibilities for monitoring Primary Suppliers. The procedures and mitigation measures that are put in place to address risks associated with Primary Suppliers should be reviewed periodically to ascertain their effectiveness.

Additionally, in projects where solar panels/components are “essential to the core functions of a project,” the Suppliers of those panels/components are considered Primary Suppliers, and the mitigations put in place by the Bank will apply¹⁹⁹.

Contractor Reporting Obligations

Contractor reporting is an important tool for Borrowers to understand implementation progress and the success of E&S mitigation measures. Reporting obligations have been included in Bank SPDs to help Borrowers to meet the ESF requirement²⁰⁰ to “conduct monitoring and reporting on the environmental and social performance of the project against the ESSs.” The Contractor’s project reporting obligations fall into two buckets: immediate notification to the Supervising Engineer, and regular progress reports, as described further in Table 28.

The Contractor is also required to comply with specific E&S reporting requirements, as detailed in the Bank’s Works SPD, such as:

- Updating the Borrower in the event of any change to the Contractor’s disqualification status resulting from breaches of SEA/SH provisions;
- Periodic (maximum 6 monthly) review of the C-ESMP and updates as required to ensure it remains appropriate for the contract; and
- Periodic review of the health and safety manual.

Both the C-ESMP and health and safety manual shall be submitted to the Supervising Engineer for their review.

TABLE 28 Contractor E&S reporting obligations

Immediate Notification (to the Supervising Engineer) ²⁰¹	Regular Progress Reports ²⁰²
<p>The contract describes the incidents which must be immediately notified to the Supervising Engineer. These include:</p> <ul style="list-style-type: none"> ■ Any accident causing serious injury or death ■ Any incident likely to have a significant adverse effect on the: <ul style="list-style-type: none"> ▪ environment ▪ affected communities or the public ▪ the Employer’s personnel or Contractor’s personnel ▪ SEA/SH incidents ▪ damage to private property ■ Any similar accident or incident on the Subcontractor’s premises 	<p>The requirements and metrics for regular E&S reporting are described in the RFB/RFP and contract.</p> <p>The Contractor’s regular reporting is usually monthly.</p> <p>Possible E&S reporting metrics include:</p> <ul style="list-style-type: none"> ■ Environmental incidents of pollution, damage to ground water, and so on. ■ Supervision of health & safety ■ Worker accommodation ■ Gender statistics in the workforce ■ Training ■ Grievances ■ GBV/SEA incidents

Monitoring

The Borrower will monitor the environmental and social performance of the project in accordance with the Legal Agreement, including the ESCP.²⁰³ Monitoring will normally involve activities such as:

- Recording information to track the contract’s performance and establishing relevant operational controls to verify and compare compliance and progress;
- Reviewing the regular reports submitted by the Engineer on the Contractor’s E&S performance;
- Assessing the Engineer’s performance in relation to managing E&S risks and issues and quality of reporting; and
- Validating Engineer’s reporting on E&S compliance through other means such as site visits, independent audit and verification, reviewing Contractor performance reports, in particular E&S metrics and incident reporting.

The Borrower should decide upon the mode and extent of monitoring, and gain agreement from the Bank. Monitoring arrangements should be proportionate to the nature of the project, the project’s E&S risks and impacts, and compliance requirements.²⁰⁴ The ESF requires the Borrower to “ensure that adequate institutional arrangements, systems, resources and personnel are in place to carry out monitoring.”²⁰⁵ Different E&S risks are likely to exhibit different attributes that Borrowers might look out for to understand whether deeper issues exist. For example, Table 29 illustrates the things that might be evidenced on site or at a Supplier’s facility that could indicate the existence of forced labor, as well as the proactive steps that Borrowers could take to improve monitoring and verification practices.

TABLE 29 Example of identification and prevention measures for forced labor

Common Indicators of Forced Labor to Support Monitoring Activities	Useful Practices for Mitigating Forced Labor
<ul style="list-style-type: none"> ■ Employees cannot refuse overtime for fear of dismissal ■ Migrant workers pay a fee or bond to get a job outside their country ■ Workers do not have free access to their personal documents ■ There are issues with payment, such as no pay slip, late payment, or payment not made in legal tender ■ Prison labor used in the production of goods/execution of works ■ Workers’ freedoms are limited, including the right to move freely outside of working hours, or resign ■ Workers experience physical and sexual violence 	<ul style="list-style-type: none"> ■ Working with local partners such as NGOs or unions to understand risks and vulnerabilities ■ Conducting audits of working practices including unannounced site visits to examine both the workplace and employer-operated camps ■ Speaking with workers individually, while keeping in mind the sensitive nature of this issue. Take particular care to ensure the confidentiality of these interviews to protect the worker from any possible reprisals. If possible, meet workers off site ■ Reviewing grievance logs periodically ■ Ensuring in-language support and regular training for workers to increase awareness of employment rights ■ Partnering with Contractors to acknowledge problem and address root causes ■ If a private employment agency is used to hire workers, speak with management about policies related to this. Where possible, meet with representatives of such employment agencies to discuss recruitment policies and procedures.
Additional Resources	
<p>To help identify cases of forced labor, the ILO has developed forced labor indicators that represent the most common signs that point to the possible existence of a forced labor case. The ILO Forced Labor Indicators can be accessed here.</p> <p>To help identify high-risk products and geographies, the US Government’s Bureau of International Labor Affairs maintains a list of goods produced by child labor or forced labor, which is updated periodically.</p>	<p>The ILO has put together a checklist to help assess compliance. This includes questions as well as policy guidance and technical advice on how to conduct assessments.</p>

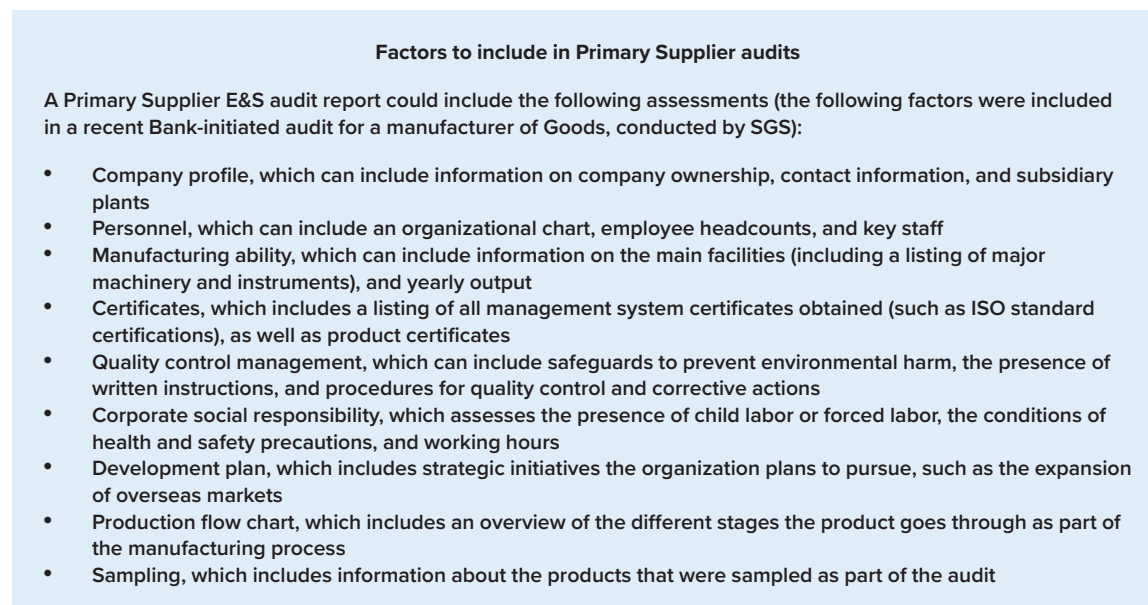
Where appropriate, the Borrower can engage stakeholders and third parties, such as independent experts, local communities, or NGOs, to complement or verify its own monitoring activities. For example, the Borrower may wish to engage experts to monitor Contractor or Supplier performance in specific E&S disciplines. Projects at high risk of SEA/SH are recommended to engage an independent Third-Party Monitoring (TPM) organization or Independent Verification Agent (IVA) (such as a civil society organization, international or local NGO, academic partner, or private sector firm) with experienced GBV (including against children) staff to monitor implementation of SEA/SH mitigation measures and ensure all parties are meeting their responsibilities.²⁰⁶

Monitoring Primary Suppliers

While monitoring Contractor or Subcontractor activity on site may be fairly straightforward, monitoring offsite practices or operations of Primary Suppliers may be much more challenging. For example, if a Borrower identifies a specific risk relating to OHS or labor standards in a manufacturing facility of a Primary Supplier, then a specialist resource may be needed to conduct an audit of the relevant facility. The Supervising Engineer may be able to play an important role here by monitoring the Contractor's procurement activity to understand from where project materials are sourced and raise any concerns they might have with the PIU/IA.

The Bank's Guidance on Supply Chain Management (SCM) contains tools and resources to help Borrowers to develop the techniques that will give them better visibility of E&S practices within the supply chain.²⁰⁷ The SCM Guidance details how third-party/independent audit or inspection can be used to check compliance with employment conditions, for example safe working conditions and the absence of forced/child labor. In these audits, trained auditors inspect employee, safety, and pay records, and examine physical factory conditions, as well as conducting interviews with workers. Audits can also focus on examining certifications and documentation for products, standards, testing and quality management systems; reviewing production processes and materials controls; and reviewing production equipment calibration and maintenance records. A range of factors that could be incorporated into an assessment of a Primary Supplier has been included in Figure 78.

FIGURE 78 Illustrative factors to be included in Primary Supplier audits



In addition to a written report, the organization conducting a third-party/independent audit can also include photographs of the products at various stages of the production process, the buildings, the production floor, the office space, or worker dormitories.

Bank Supervision and Oversight

Although the Bank is not a party to the contract between the Borrower and the Contractor or the Supervising Engineer, the Bank’s Task Team should hold discussions with the Borrower to understand whether Contractors are fulfilling their obligations, and whether the role of the Supervising Engineer has been satisfactorily carried out. The roles of different Task Team members with regard to monitoring activity are illustrated in Table 30.

TABLE 30 E&S-related monitoring responsibilities of Task Team

E&S Monitoring Responsibilities		
Task Team Leader	Bank Procurement Specialist	Bank E&S Specialist
<ul style="list-style-type: none"> ■ Coordinate overall Task Team monitoring activity ■ Act as point of escalation for any serious E&S breaches ■ Manage relationship with Borrower in relation to quality of their contract management and monitoring 	<ul style="list-style-type: none"> ■ Analyze Borrower’s reporting on contractual matters and compliance against E&S requirements ■ Review Borrower’s contract management and monitoring activity against PPSD and contract management plan to validate agreed resources and measures are being applied ■ Coordinate with E&S Specialist on E&S issues related to Supervising Engineer, Contractors, or Suppliers identified in Borrower reporting 	<ul style="list-style-type: none"> ■ Review Borrower E&S reporting to identify issues related to Supervising Engineer, Contractors, or Suppliers, and work with Procurement Specialist to identify applicable contract provisions relating to these issues ■ Consider Borrower performance against the ESCP for entire project to assess if commitments have been adequately implemented by Borrower and their implementation partners

The Legal Agreement between the Borrower and the Bank allows the Bank to gain access to all project sites and documents. These arrangements enable the Bank to provide implementation support, identify potential implementation challenges, and better support the Borrower to resolve any issues during implementation.

As part of their procurement support and monitoring activity, the Bank Procurement Specialist may identify material deviations from the procurement approach which could represent non-compliance with the Legal Agreement. In these cases, the Task Team Leader will recommend remedial action (based on information provided by the Procurement Specialist). Where this involves application of a legal remedy, the Bank’s Regional Vice President will make a decision on whether to proceed with that remedy. If no legal remedy is required, the Bank’s Country Director will make the decision. In both cases, if the contract in question is over the threshold for review by OPRC,²⁰⁸ the chair of that group (the Bank’s CPO) will provide an initial clearance.²⁰⁹

Contracts that are over the OPRC threshold also submit the CMP and quarterly reports on progress against KPIs (or an annual progress report) to OPRC for their review.²¹⁰

Grievances

The Bank's Works SPDs require the Contractor to establish a grievance mechanism for both project-affected parties and workers to voice concerns about the Contractor's performance. In relation to complaints about labor practices, the Contractor's personnel would ordinarily take up their grievances with the Contractor themselves. However, the role of Supervising Engineer can provide an alternative channel if valid complaints by personnel are not being addressed. The Supervising Engineer should also review relevant sections in the Contractor's monthly reports on workers' grievance mechanisms to assess whether these mechanisms are functioning satisfactorily.

Remedies under Procurement Contracts

In the event that the Contractor does not comply with its E&S obligations under the contract, depending on the severity of the breach in question, the Borrower may initially seek to remedy issues using a relationship-based approach. This may involve meetings with the Supervising Engineer and representatives from the Contractor to raise the issue and discuss its remediation, potentially working together to develop a remediation plan.

If this approach is unsuccessful, or the breach is deemed to be too serious or urgent, the Borrower may seek to apply a contractual remedy, such as (depending on the terms of the contract and the seriousness of the breach)²¹¹

- Withholding milestone payments or ES performance security;
- Issuing a Notice to Correct, specifying the timeframe for remedy by the Contractor; or
- Suspending or, in more extreme cases, terminating the Contractor.

Some contractual matters may be escalated to the DAAB, which will provide a determination as described in the above subsection *Dispute Avoidance/Adjudication Board (DAAB)*.

Contract Change Control

Any changes to the contract will undergo a change control process to ensure each change is appropriately scoped and costed, and to verify whether it is appropriate that the Contractor is compensated for a change in circumstances. The Borrower will notify the Bank promptly of any proposed changes to the scope, design, implementation, or operation of the project that are likely to cause an adverse change in the E&S risks or impacts of the project.²¹² The Engineer will help facilitate an agreement between the Borrower and the Contractor on whether proposed changes are appropriate and should be approved.

The Bank's Works SPDs require the Contractor, upon submitting a request for a variation, to provide a description of the varied work to be performed, including details of the resources and methods that will be adopted, and sufficient information to enable an evaluation of E&S risks and impacts. The information may include the additional time required, the extent and nature of the Works, any impacts on stakeholders or the community, environmental impacts (including factors such as air pollution and carbon emissions, if they are likely to be significant), and the working arrangements required to complete the work. This should allow the Borrower to make an informed decision on whether to proceed with the variation.

Certain categories of changes must receive the Bank’s “no objection” before proceeding, including material modifications to scope or extensions of time that impact project schedule.²¹³ Special procedures apply where the Bank is requested to issue a “no objection” to a variation involving a firm disqualified for SEA/SH non-compliance. In principle, the Bank does not finance any variation that would introduce a material modification to an existing contract with a firm disqualified for SEA/SH non-compliance on or after the effective date of disqualification. The decision to deviate from this position rests with the CPO, based on input from the Task Team Leader.

Disposal and Decommissioning

Some Goods, equipment, and infrastructure require sustainable disposal strategies to be developed for the end of their useful life. Disposal options should be reviewed and assessed with the aim of minimizing environmental impacts, maximizing recycling and reuse, and taking any opportunities to minimize landfill and pollution. Poorly managed disposal can have significant impacts on communities and the environment, which could result in remediation costs and reputational damage.

Disposal requirements should ideally have been factored in at the design and procurement stages, and then monitored throughout the operational phases of the product or service’s lifecycle. This could include ensuring consideration of disassembly and reuse at the design stage, optimal selection of components and materials in the specification to maximize recycling opportunities, and recovery of subsystems and resources while minimizing the use of hazardous materials that could be dangerous and costly to dispose of. If the exact disposal method was not determined at the time of contract signing, the Borrower should verify whether the Contractor is instead required to issue a disposal plan for review by the Supervising Engineer or Project Manager.

At this stage, the Contractor should carry out actions set out in any decommission plans or required under specific permits that have been granted. The Supervising Engineer should check if these actions have been fully performed before confirming that the Works have been completed.

Implementation: Learning Checklist

- I know the seven stages of operations procurement and what E&S activity needs to be done at each stage.
- I understand how to use different aspects of the SPD to give the Contractor responsibility for relevant E&S obligations.
- I understand how to structure the evaluation process to ensure only the most qualified Bidders with good experience in managing E&S risk are successful.
- I can differentiate between the responsibilities of the Contractor, the Borrower, the Supervising Engineer and the Bank in implementing the project and managing the contract.
- I appreciate the importance of the contract management phase and understand the different mechanisms that I can use to maximize value from the contract.

Completion/Validation and Evaluation Stage

Stage Overview—Completion/Validation and Evaluation

At this stage, the project has been implemented; the asset has been constructed and services have been stood up. The project will not be considered complete until the measures and actions set out in the Legal Agreement (including the ESCP) have been implemented.²¹⁴ The Bank's E&S Specialist will determine if there are any outstanding E&S commitments that the Borrower has not fulfilled and raise any outstanding items with the Borrower as appropriate.

When a project is closed at the end of the loan disbursement period, the Bank, with input from the Borrower, compiles an Implementation Completion and Results Report (ICR), which evaluates the project's outcomes, challenges, and lessons learned to determine what additional measures are needed to sustain the benefits derived from the project. In addition, the evaluation team assesses how well the entire operation complied with the Bank's operations policies and accounts for the use of Bank resources.

If the ICR determines that there are outstanding actions from the Legal Agreement that are still to be delivered, the Bank will determine whether further measures and actions, including continuing Bank monitoring and implementation support, will be required.

Procurement's Role in Validation and Evaluation

The Task Team carries out the assessment process, meaning procurement staff will need to review the success of the Borrower's procurement approach. The Bank's Independent Evaluation Group (IEG) validates the evaluation carried out by the Task Team, so it is important that the ICR is accurate and reflects on opportunities for improvement, even if that means reflecting on things the Bank could have done better in supporting the Borrower.

ICRs can be shared across Bank Task Teams, so that colleagues undertaking similar projects can learn from historic successes and challenges. To ensure findings are as robust and insightful as possible, procurement could run through the checklist of questions in Table 31, which considers the project's success from an SPP perspective.

Some projects will be selected for a Project Performance Assessment Report, which conducts a more detailed evaluation of project operations. This review is likely to base its findings on interviews and a review of project documents.

TABLE 31 Lessons learned considerations for ICR review of SPP

SPP-related Evaluation Factors for Task Team to Review in ICR	
<i>*Note: these questions should be used to identify areas where further investigation is needed to identify improvement opportunities</i>	
Planning and strategy	
The market analysis was thorough and identified opportunities to achieve SPP objectives	<input type="checkbox"/>
The procurement approach was appropriate for the market conditions and maximized opportunities to achieve SPP	<input type="checkbox"/>
PIU/IA procurement was adequately involved in the early stages of the project to influence project objectives and design, allowing procurement to contribute to setting and achieving PDOs	<input type="checkbox"/>
There was sufficient knowledge of project E&S risks to incorporate into the PPSD and influence the procurement approach	<input type="checkbox"/>
There was good collaboration between procurement and E&S teams, both within the PIU/IA and the Task Team	<input type="checkbox"/>
Bank support and oversight was adequate for the level of E&S risk and complexity	<input type="checkbox"/>
Implementation	
Procurement Documents were comprehensive and gave Bidders clarity of accountability for E&S risks	<input type="checkbox"/>
Project-specific E&S risks and opportunities were incorporated into the specifications in a way that was clear for Bidders	<input type="checkbox"/>
Where national bidding documents were used, the Borrower incorporated Task Team input and ensured major E&S risks were covered	<input type="checkbox"/>
There was healthy participation in the bidding process, demonstrating that the opportunity was attractive to the market	<input type="checkbox"/>
Engagement with the market was open and positive, and the PIU/IA's responses to Bidder questions were satisfactory and transparent	<input type="checkbox"/>
The evaluation methodology used rated criteria and incorporated a qualitative approach to assessing Bidder capacity including in sustainability matters	<input type="checkbox"/>
The mobilization phase set the project up for success and included training for personnel on E&S risks and issues	<input type="checkbox"/>
Borrower contract management followed the CMP and held the Contractor to account for delivery and mitigation of E&S risks	<input type="checkbox"/>
Supply chain risks were well managed, including E&S risks related to Primary Suppliers	<input type="checkbox"/>
Bank monitoring and PIU reporting allowed for early identification, notification, and resolution of E&S risks and issues	<input type="checkbox"/>
The Bid price methodology demonstrated value in the long term and allowed sufficient flexibility for dealing with changes throughout the project	<input type="checkbox"/>

Sample Terms of Reference for Engaging a Project Supervising Engineer

Terms of Reference for Supervising Engineer

Project Name: _____

Reference No: _____

Contracting Authority: _____

Applicants are requested to submit a CV and a covering letter (no more than two pages) detailing their suitability for the role, in particular relevant experience, and demonstration of the required skills.

Project overview	<p>Insert a description of the project including:</p> <ul style="list-style-type: none"> ■ Project objectives ■ Description of works ■ Location ■ Timeframe ■ Current stage
Description of services	<p>Include a description of the services sought, including a summary of monitoring and supervisory responsibilities such as:</p> <p>Overall responsibilities</p> <ul style="list-style-type: none"> ■ Review the Contractor’s design drawings and oversee the Works to ensure that they meet all the standards and specifications included in the contract; ■ Oversee the implementation of the environmental and social (E&S) risk mitigation measures included in the Contractor’s Environmental and Social Management Plan; ■ Ensure that all Works comply with the agreed schedule and budget, terms and conditions of the contracts, standard engineering practice, and relevant standards (Environmental and Social Standards – ESSs) from the World Bank’s Environmental and Social Framework (ESF), in particular the key E&S risks identified in the contract;; ■ Monitor and report on progress and quality of Works to the Employer during the project’s implementation; ■ Provide general guidance and issue instructions to Contractors; ■ Make engineering decisions in consultation with the Employer; and ■ Immediately advise the Employer of any serious work progress, quality control, E&S or implementation issues as they arise.

(continues)

Site Mobilization

- Review and approve the Contractor's Environmental and Social Management Plan to ensure it contains adequate mitigations for the project's E&S risks, giving consent for site mobilization;
- Attend the SEA/SH orientation conference along with the Contractor, its Subcontractors, DAAB members, and others;
- Receive declarations from Subcontractors in relation to SEA/SH (to the effect that they have not been subject to disqualification due to non-compliance);
- Establish a positive and amicable, but impartial, liaison with the Contractor(s);
- Review the project health and safety manual to ensure it aligns with industry standards;
- Review and comment on the Contractor's Works plans and methodology to ensure they are robust and well devised.

Project Implementation

- Undertake site visits as required to provide oversight of the Works and review progress, with particular attention to ensuring Contractors' adherence to the design and construction drawings and specifications, and suitable management of E&S risks;
- Maintain written records of all contractual issues identified on site, including breaches, performance issues, changes to key personnel, health and safety notifications, and training programmes, to help the Employer to validate the Contractor's reporting;
- Inform the Employer's Project Manager as soon as practicable of all significant developments in the Works, health and safety incidents, contract breaches, or other matters of concern;
- Ensure the Contractor's complete and timely compliance with the Works schedule;
- Random (but at least every two weeks) scrutiny of the Contractors' daily records, material testing results, batch records, survey records, training records, and so on;
- Random sampling and testing of Contractor's materials to ensure compliance with the specifications;
- Prepare pro-forma monthly supervision reports with support photos for the Project Manager;
- Review and make recommendations on any claims submitted by the Contractor for additional payments and extensions of time;
- Conduct formal Site Meetings with the Contractor and keep minutes of matters of concern;
- Guide the Contractor on critical elements of construction, including but not limited to:
 - a. Interpretation of technical specifications;
 - b. Matters relating to worksite safety and traffic management; and
 - c. Construction methodology.
- Confirm that Practical Completion has been reached, and advise the Employer's representative accordingly;
- Monitor the health, working conditions, and hours of work of the workforce;
- Agree to contract variations in an emergency situation, without requiring the consent of the Borrower;
- Instruct the Contractor to reduce any risk affecting the safety of life, of the Works, or of an adjoining property;
- Agree to the Contractor's actions to remedy any damage to the environment or property and/or nuisance to people, on or off site, as a result of the Contractor's operations;

(continues)

	<ul style="list-style-type: none"> ■ Review any additional requirements to the C-ESMP that are necessary to manage emerging E&S risks and impacts; ■ Review the C-ESMP following the Contractor's periodic review, not less than every 6 months; ■ Receive notifications from the Contractor of any allegation, incident or accident, which has or is likely to have a significant adverse effect on the environment, the affected communities, the public, Employer's Personnel or Contractor's Personnel; ■ Require the Contractor to remove anyone whose conduct risks damage to safety, health, or the protection of the environment, or who breaches the Code of Conduct; ■ Consent to the Contractor's risk assessment before children between the minimum age and the age of 18 are permitted on site; ■ Receive a monthly summary from the Contractor of employment records of the workforce, including names, ages, genders, hours worked, and wages paid to all workers; and ■ Periodically review training and induction records to ensure workers are up to date with necessary training, in particularly OHS and E&S matters, before being allowed to work on site.
Required work experience	<p>Include work experience required from applicants, making it relevant to the project where necessary. In the example below, phrases in (brackets) can be substituted to be relevant for the project.</p> <ul style="list-style-type: none"> ■ Minimum 10 years of professional experience in the relevant field of (civil) engineering working on projects of national significance, particularly in the delivery of (wastewater/ solar/health) projects ■ Knowledge of procurement, tendering and contracting processes and establishing requirements; ■ Working experience in the area of preparation, implementation, and monitoring of technical construction schedules and drawings; ■ Experience in providing written reports to a high standard suitable for an audience of senior government officials; ■ Proven verbal communication skills, with excellent spoken command in English and (Arabic); ■ Interpersonal skills, including managing and resolving conflict and working with multi-disciplinary teams; and ■ Self-starter, experienced at developing own work plans and monitoring schedules, and using experience to identify and investigate potential issues.
Qualifications	<ul style="list-style-type: none"> ■ Bachelor's degree in civil Works (or equivalent professional experience) ■ Member of national institute of _____ ■ Up to date licenses and insurances ■ Successful applicant will be required to complete a background and reference check
Reporting arrangements	<ul style="list-style-type: none"> ■ This role will report to the _____. ■ Monthly progress reports will be submitted to provide updates on work done to meet the requirements included in this ToR. ■ The assignment will expire at the completion of the project, with interim review periods every (1 year) to agree a contract extension.
Evaluation criteria	<ul style="list-style-type: none"> ■ Qualifications – 20% ■ Relevant work experience – 50% ■ Demonstration of relevant skills (for example, languages, interpersonal skills) – 30%

Endnotes

- 141 [Procurement Guidance: Medical Diagnostic Imaging \(MDI\) Equipment](#), the World Bank (2019).
- 142 Section B.1, [Bank Guidance – Procurement Hands-on Expanded Implementation Support](#), the World Bank (2019).
- 143 Annex II – Procurement Oversight, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 144 Subclause 4.1, Bank’s Particular Conditions, [Bank’s Works SPD](#).
- 145 [World Bank Project Cycle](#).
- 146 [World Bank Project & Operations website](#).
- 147 Total project cost includes funding from World Bank and non-bank sources in US\$ millions, which is indicative and will be updated as the project progresses.
- 148 [World Bank Project Cycle](#).
- 149 [STEP](#).
- 150 Note according to the FIDIC red book (2017) on which general conditions in the Bank’s Works SPDs are based, “Employer” is the contracting party for whom the work is carried out.
- 151 [Design and Build Request for Proposal \(Two Stage\)](#) for projects assessed as high risk for sexual exploitation and abuse and sexual harassment.
- 152 Section VIII – Supplier Relationship Management, [Contract Management: General Principles](#) (2017), and Contractual Remedies, [Contract Management: Practice](#) (2018).
- 153 [Bank Guidance: Procurement in Situations of Urgent need of Assistance or Capacity Constraints](#), the World Bank (2019).
- 154 [Bank Procedure: Preparation of Investment Project Financing - Situations of Urgent Need of Assistance or Capacity Constraints](#), the World Bank (2021).
- 155 Section III, [Bank Policy—Procurement in IPF and Other Operational Procurement Matters](#), the World Bank (2017).
- 156 For the purposes of these [Procurement Regulations](#), Emergency Situations include those cases where the Borrower/beneficiary or, as appropriate, the member country is deemed by the Bank to be in urgent need of assistance because of a natural or man-made disaster or conflict.
- 157 Section 4.5, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 158 Section 7.14(e), [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 159 [Procurement Guidance: A beginner’s guide for Borrowers](#), the World Bank (2018).
- 160 Section VIII. Design of Procurement Approach and Recommendation, [Long Form PPSD Guidance](#), World Bank (2016).
- 161 Section 4.3.11, [Long Form PPSD](#), the World Bank (2016).
- 162 Section 6.7, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 163 Annex V. Project Procurement Strategy for Development¹²⁸, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 164 [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 165 [Thresholds for procurement approaches and methods by country](#), the World Bank (2016).
- 166 Section 6.15, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 167 Good Practice Note: [Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Investment Project Financing involving Major Civil Works](#), World Bank (2020 revision).
- 168 Section 7.13, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).

- 169 Section 7.14, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 170 Section 7.14, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 171 Section IV, [Procurement Guidance—A beginner’s guide for Borrowers](#), the World Bank.
- 172 Section IV, [Procurement Guidance – A beginner’s guide for Borrowers](#), the World Bank.
- 173 Section 5.40 – 5.48, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 174 Annex VII, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 175 Section V, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 176 Footnote 20, ESS 6, [Environmental and Social Framework](#), the World Bank (2017).
- 177 [Procurement Guidance – Abnormally Low Bids and Proposals](#), World Bank (2016).
- 178 Section 5, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 179 [Procurement Guidance – Evaluation Criteria](#), the World Bank (2016).
- 180 Good Practice Note: [Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Investment Project Financing involving Major Civil Works](#), World Bank (2020 revision).
- 181 [Procurement Guidance—Evaluation Criteria](#), World Bank (2016).
- 182 [Life cycle costing](#), SPP Regions (2017).
- 183 [Procurement Guidance – Negotiations and Best and Final Offer \(BAFO\)](#), the World Bank (2018).
- 184 [Construction Contract 2nd Edition \(2017 Red Book\)](#), International Federation of Consulting Engineers.
- 185 [Construction Contract 2nd Edition \(2017 Red Book\)](#), International Federation of Consulting Engineers.
- 186 Selection of Works-related SPDs available on the [World Bank website](#).
- 187 Part E- Sexual Exploitation and Abuse (SEA) and/or Sexual Harassment Performance Declaration for Subcontractors, Bank’s Works SPDs.
- 188 Good Practice Note: [Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Investment Project Financing involving Major Civil Works](#), World Bank (2020 revision).
- 189 Small Works (Request for Bids) (1 envelope process), World Bank (2021).
- 190 Annex XI, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 191 [Procurement Guidance—Contract Management: Practice](#), World Bank (2018).
- 192 [Procurement Guidance—Contract Management: Practice](#), World Bank (2018).
- 193 [Procurement Guidance—Contract Management: Practice](#), World Bank (2018).
- 194 [Construction Contract 2nd Edition \(2017 Red Book\)](#), International Federation of Consulting Engineers
- 195 For example, subclauses 21.1 of the Bank’s Particular Conditions, [RFP Works—Design and Build](#), the World Bank.
- 196 [Bank Procedure: Procurement in IPF and Other Operational Procurement Matters](#), the World Bank (2020).
- 197 Section 8.7.1, [Long Form PPSD Guidance](#), the World Bank (2016).
- 198 Annex XI, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 199 Obligations on Borrowers for strengthening forced labor provisions in solar projects are available [here](#).
- 200 Section 15(d), ESS 1, [Environmental and Social Framework](#), the World Bank (2017).
- 201 Set out in 4.20, Particular conditions, [Works SPD](#).
- 202 Set out in Part D, Particular conditions, [Works SPD](#).
- 203 Paragraph 45, ESS 1, [Environmental and Social Framework](#), the World Bank (2017).
- 204 Paragraph 56, [World Bank Environmental and Social Policy](#) (2017).
- 205 Paragraph 45, ESS 1, [Environmental and Social Framework](#), the World Bank (2017).
- 206 Good Practice Note: [Addressing Sexual Exploitation and Abuse and Sexual Harassment \(SEA/SH\) in Investment Project Financing involving Major Civil Works](#), World Bank (2020 revision).
- 207 [Supply Chain Management Guidance](#), World Bank (2023).
- 208 OPRC reviews high value, high risk contracts for goods, works, non-consulting and consulting contracts over specified values, by risk and type of contract as detailed in Annex I of the Procurement Procedure.
- 209 [Bank Procedure: Procurement in IPF and Other Operational Procurement Matters](#), the World Bank (2022).
- 210 [Bank Procedure: Procurement in IPF and Other Operational Procurement Matters](#), the World Bank (2022).
- 211 [Construction Contract 2nd Edition \(2017 Red Book\)](#), International Federation of Consulting Engineers.
- 212 Paragraph 44, [Environmental and Social Framework](#), the World Bank (2017).
- 213 Annex II, Procurement Oversight, [Procurement Regulations for IPF Borrowers](#), the World Bank (2020).
- 214 Section 56, [Environmental and Social Policy](#), the World Bank (2017).



For additional information, such as Standard Procurement Documents (SPDs), Guidance, briefing, training and e-learning materials see www.worldbank.org/procurement