

Business Opportunities

World Bank-Financed Project Procurement



November 2024



THE WORLD BANK

IBRD • IDA | WORLD BANK GROUP

Operations Policy & Country Services

The World Bank comprises **5** institutions

IBRD

International Bank
for Reconstruction
and Development

**Provides financing
for middle-income
developing
countries**

IDA

International
Development
Association

**Provides financing
for low-income
developing
countries**

IFC

International
Finance
Corporation

**Mobilizes private
sector investment**

MIGA

Multilateral
Investment
Guarantee Agency

**Provides political
risk insurance and
credit guarantees**

ICSID

International Centre
for Settlement of
Investment Disputes

**Conducts
international
arbitration to settle
investment disputes**

IPF - Investment Project Financing

World Bank Vision

To end extreme poverty and boost prosperity on a livable planet.

IPF WHAT DOES IT DO?

Provides IBRD loans, IDA credits and grants and guarantee financing to governments

IPF WHAT DOES IT FUND?

Activities that create the physical & social infrastructure necessary to reduce poverty and create sustainable development



\$248 billion
value of active total net
commitment IPF projects

1,575
IPF projects worldwide

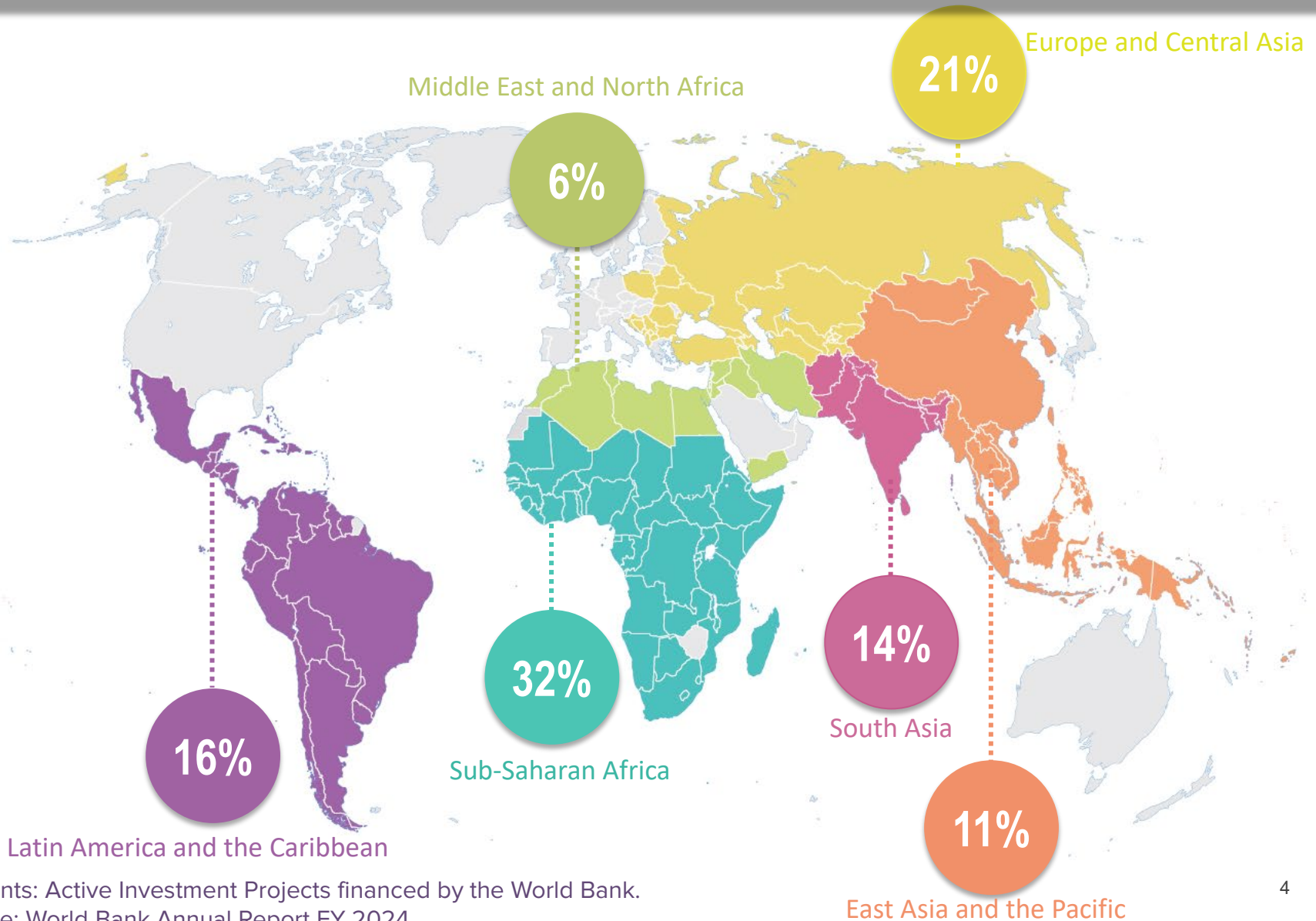
146
countries

Investment Project Financing comprises • loans • credits • grants

IPF funds “eligible expenditures” for the procurement of Goods, Works, Consulting and Non-consulting Services

Global commitments by region

FY 2024

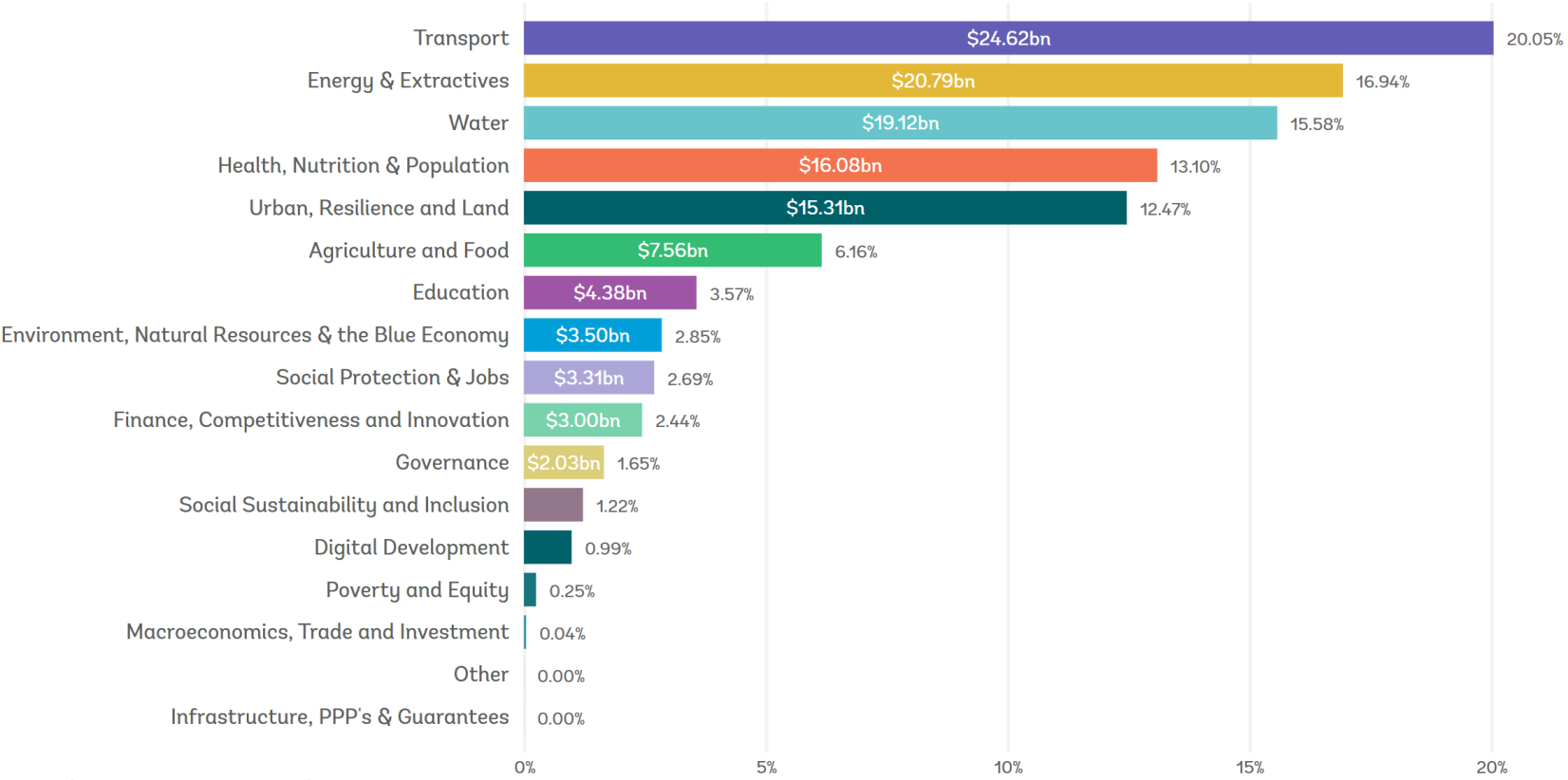


Contract Awards (USD) by Project Global Practice (Sector)

FY17 to date

TOTAL SPEND = US\$122.78 Bn

Contract Awards (USD) by Project Global Practice



Lead Global Practice	Contracts Awards
Social Sustainability and Inclusion	\$1,498,634,893
Digital Development	\$1,211,184,279
Poverty and Equity	\$307,690,917
Macroeconomics, Trade and Investment	\$53,693,020
Other	\$3,820,551
Infrastructure, PPP's & Guarantees	\$3,813,860

KEY OBJECTIVES

World Bank Procurement Framework

1 Promote fit-for-purpose procurement arrangements that are country, market and project-specific

2 Provide streamlined procurement approaches and more choices and options

3 Allow the Bank to provide Hands-on Expanded Implementation Support (HEIS) to Borrowers to run procurement processes

4 Enable the use of Alternative Procurement Arrangements (APAs) following the rules and procedures of another organization

6 Encourages dialogue with suppliers to incentivize participation and resolve problems collaboratively

5 Enable flexible decision-making consistent with Core Procurement Principles





Advancing use of Rated Criteria

Advancing the use of Rated Criteria

- Since 2016, the Bank's Procurement Framework **has permitted the use** of Rated Criteria to evaluate Bids/Proposals
- Currently used extensively in Consulting Services, Information Systems and Plant but **opportunities for greater use in Works, Goods, and Non-Consulting Services**
- As **of September 1st, 2023** International Procurements using Bank Standard Procurement Documents **must use Rated Criteria***

However, application of Rated Criteria is **not mandatory** for:

- Pharmaceuticals
- Vaccines
- Off the shelf goods and educational materials (e.g., published academic textbooks)
- Future commodities
- Direct Selection

Why has the Bank made this change?

- **Aligned** with **global best practice** (Rated Criteria been used for **30+ years** in North America, Europe, Australasia etc.), while other countries (e.g. India) have recently **modernized their procurement legislation** to allow use in Works/NCS
- Greater use of Rated Criteria will further contribute to **successful contract outcomes**
- Combined with price and life cycle cost formulas, Rated Criteria provide a **truer assessment of value** that incorporates **quality, sustainability**, and other key criteria
- Increases the contribution of procurement to Bank priorities such as **Green, Resilient and Inclusive Development (GRID)** and **Paris Alignment**
- Rated Criteria **create incentives** for **highly qualified bidders** to participate in bidding
- According to the OECD, Rated Criteria **reduces the risk of collusion**, including **bid rigging**, in procurement processes

- **321 (\$6.4Bn)** procurement activities applying Rated Criteria from Sept 1, 2023, but most are not yet awarded
- 27 contracts currently awarded used Rated criteria (\$322m in awarded value), of which:
 - 14 were awarded to either the highest quality bid (which may also be lowest-price) or to a non-lowest price bid
 - 7 of these cases, technical scores resulted in award to a non-lowest-price bid.
 - 11 were awarded to the only accepted bid
 - 2 were awarded to the lowest price bid
- Larger sample size needed to draw firm conclusions



- Overall, the mandate has been widely and positively adopted
- For some Borrowers, use of Rated Criteria has been challenging (never used before, concerns from national audit institutions, risk aversion)
- Significant Bank support needed (and continues) to build capacity and support Borrowers to implement
- Positive response from industry who are keen to see governments and other institutions adopt Rated Criteria more widely
- Rated Criteria mandate however not silver bullet to increase leading supplier participation:
 - Unless technical weighting is at least 50%, procurement is still seen as being a lowest price decision
 - Need to use pre-qualification/initial selection more
 - Engagement with suppliers must be earlier and more collaborative

- Assessing options for higher value/higher risk procurements:
 1. Minimum weightings for Rated Criteria
 2. Prequalification/Initial selection
 3. Early market engagement
 4. Direct Payment

- Evolve Rated Criteria Library (sector specific, Net Zero)

- Continue to deploy technical assistance, HEIS etc., as needed to build capacity and support Borrowers to implement

Closing Thoughts

- World Bank financed contracts offer suppliers billions of dollars worth of business, opportunities to work globally/enter developing markets and certainty of process/high standards of integrity
- Rated Criteria is a “game changer” for suppliers that want to compete on quality rather than just price
- Latest intervention by Bank (building on Abnormally low bid price protection, Standstill period, Direct Payment etc.) aimed at encouraging participation from high quality international suppliers
- We need to do more to increase Rated Criteria weightings, use of Initial Selection and engage earlier/more collaboratively. Some of this can be managed through Regulations updates, some requires Bank-wide change.
- The Bank continues to support Borrowers to implement this changes by providing hands-on support and capacity building



MORE INFORMATION



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Supplier Hub

Supplier's Hub: World Bank IPF Operations Procurement



FEATURED



Suppliers' Hub

This hub is dedicated to suppliers interested in World Bank Investment Project Financing (IPF) operations procurement. It's packed with essential information, supplier resources and provides updates on operations procurement and their impact on your business. We welcome your interest and look forward to your participation. [Read More >](#)

[Our Value Proposition](#)

[BUSINESS OPPORTUNITIES](#) | [PROJECTS & OPERATIONS](#) | [PROCUREMENT FRAMEWORK](#) | [PROCUREMENT TOPICS](#)

Business Opportunities

To make it easier to search our business opportunities use the following links. It's important to target opportunities that reflect your business offering and identify the countries or regions where you have experience of working or are interested in doing business.

Current Opportunities

Search for current business opportunities through published Procurement Notices on the following sites:

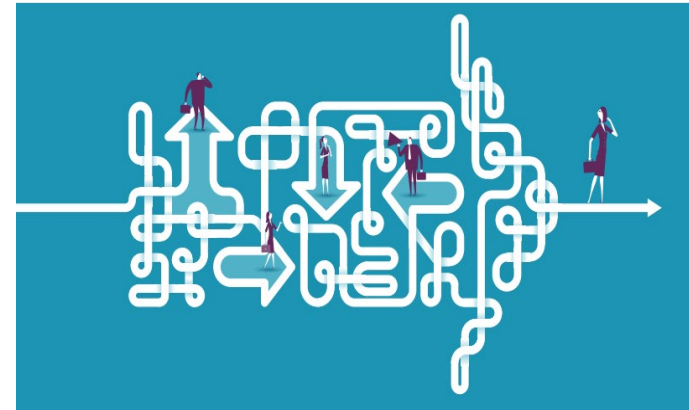
- World Bank [Procurement Notices](#)
- United Nations Development Business: [UNDB](#)
- World Bank [Projects and Operations](#)

Procurement Pipeline

Find Bank projects currently under preparation using the Pipeline search engine:

- [Project Procurement Pipeline](#)

PROCUREMENT GUIDANCE



FINDING BUSINESS OPPORTUNITIES

And Winning Contracts Financed
by the World Bank

<https://www.worldbank.org/en/projects-operations/products-and-services1/Suppliers-Hub>

World Bank

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