MDB Heads of Procurement Joint Communication

The Heads of Procurement (HoP) of the Multilateral Development Banks (MDBs) met in Islamic Development Bank (IsDB) Headquarters in Jeddah, Saudi Arabia, from 10 to 13 November 2013 to deliberate on selected topics relating to procurement activities of the MDBs. The Heads of Procurement from the African Development Bank, Asian Development Bank, Black Sea Trade Development Bank, European Bank for Reconstruction & Development, European Investment Bank, Inter-American Development Bank, and the World Bank attended the meeting along with their delegations. The meeting was chaired by Mr. Sami Faruqi, Head of Procurement of the host organization, IsDB.

The HoP holds its meeting every 9-10 months and, since its inception, has made significant progress to achieve its objectives to implement the global developmental agenda effectively. In this regard, the HoP strives to align the MDBs procurement policies and procedures through harmonizing their own policies as well as the policies of borrowing countries.

The first day of Jeddah Meeting was devoted to several parallel seminars of Working Groups for detailed discussion on the following subjects:

- Abnormally Low Tender
- Co-financing & Joint Procurement
- Master Procurement Document Updates
- Design and Build Tender Document
- Standard Request for Proposal (RfP) Updates

The meeting was formally opened by Mr. Birama Boubacar Sidibe, the Vice President (Operations) of the Islamic Development Bank. In his welcome remarks, he emphasized that both MDBs and their beneficiary countries require a procurement system that will be efficient, resulting in lower transaction costs and enhancing the development effectiveness of investments, while maintaining sound fiduciary oversight over expenditures.

The main areas discussed were among the Heads of Procurement were:

1) The shape and focus of procurement strategy and policies in the coming years, given the World Bank procurement policy reform and its significant impact on the way peer MDBs operate and interact;
2) The current status of harmonization between MDBs and the need to maintain existing harmonized standard bidding documents and conclude the work on new innovatory ones, such as the "design and build" tender document;
3) The way to remove any remaining procurement-related obstacles when co-financing opportunities among MDBs appear, possibly by creating a co-financing procurement framework which can be used as a reference for MDBs when entering in bi-/multi-lateral co-financing;

4) The best method possible to deal with abnormally low tenders in the tender evaluation stage and the problems such tenders pose to effective project delivery;

5) The current reasons for delays in project implementation and the need for better project design and procurement planning as well as increased emphasis in project monitoring and results;

6) The need to develop common procurement performance indicators that will pinpoint the nature of obstacles and bottlenecks hampering timely project delivery;

7) The importance of business intelligence, market research and value-for-money considerations when designing project procurement strategies and the need for risk-based prioritizing of MDB interventions;

8) Capacity-building initiatives both within MDBs and with project implementation units in the countries of operation as well as possible joint initiatives;

9) The importance of reviewing the procurement function's governance within the MDBs and how it may be improved.

In addition, the Working Groups presented progress on their tasks and the way forward. The HoP also discussed the subject of renewing the licensing of FIDIC and other alternatives.

The meeting adjourned with a vote of thanks and appreciation to the Islamic Development Bank for making excellent arrangements for the meeting and offering extraordinary hospitality to the participants. The next meeting of the HoP will be held in Paris during the period 2-4 June 2014 and will be hosted by the Council of Europe Development Bank.