

BROOKINGS

QUALITY. INDEPENDENCE. IMPACT.

Development Aid and Procurement: Implications of an Outcome-Based Approach

Jeff Gutman

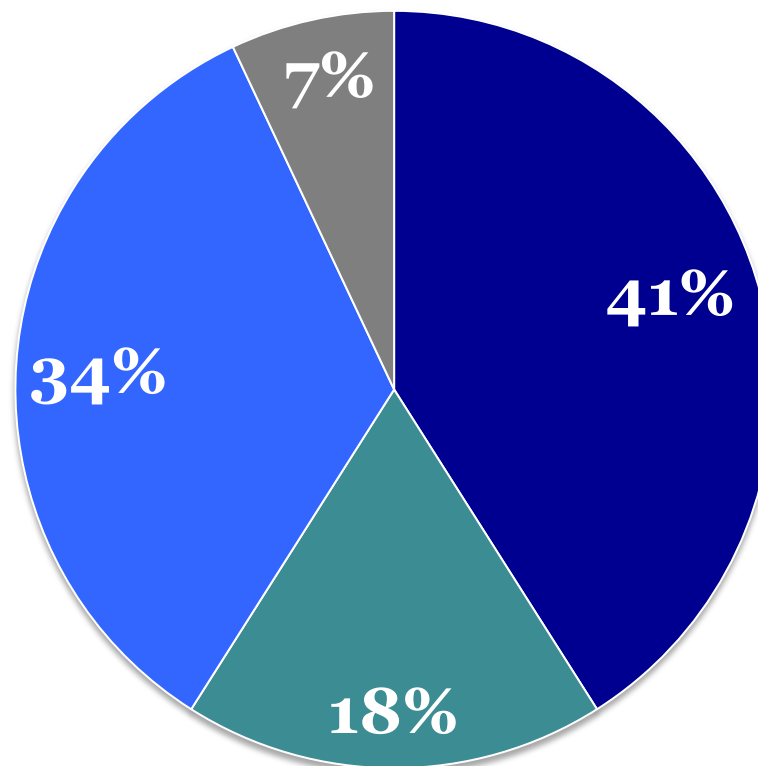
February 19th, 2014

Things have changed...

- *Development Aid and Procurement*

Composition of Lending

WORLD BANK LENDING: 2012

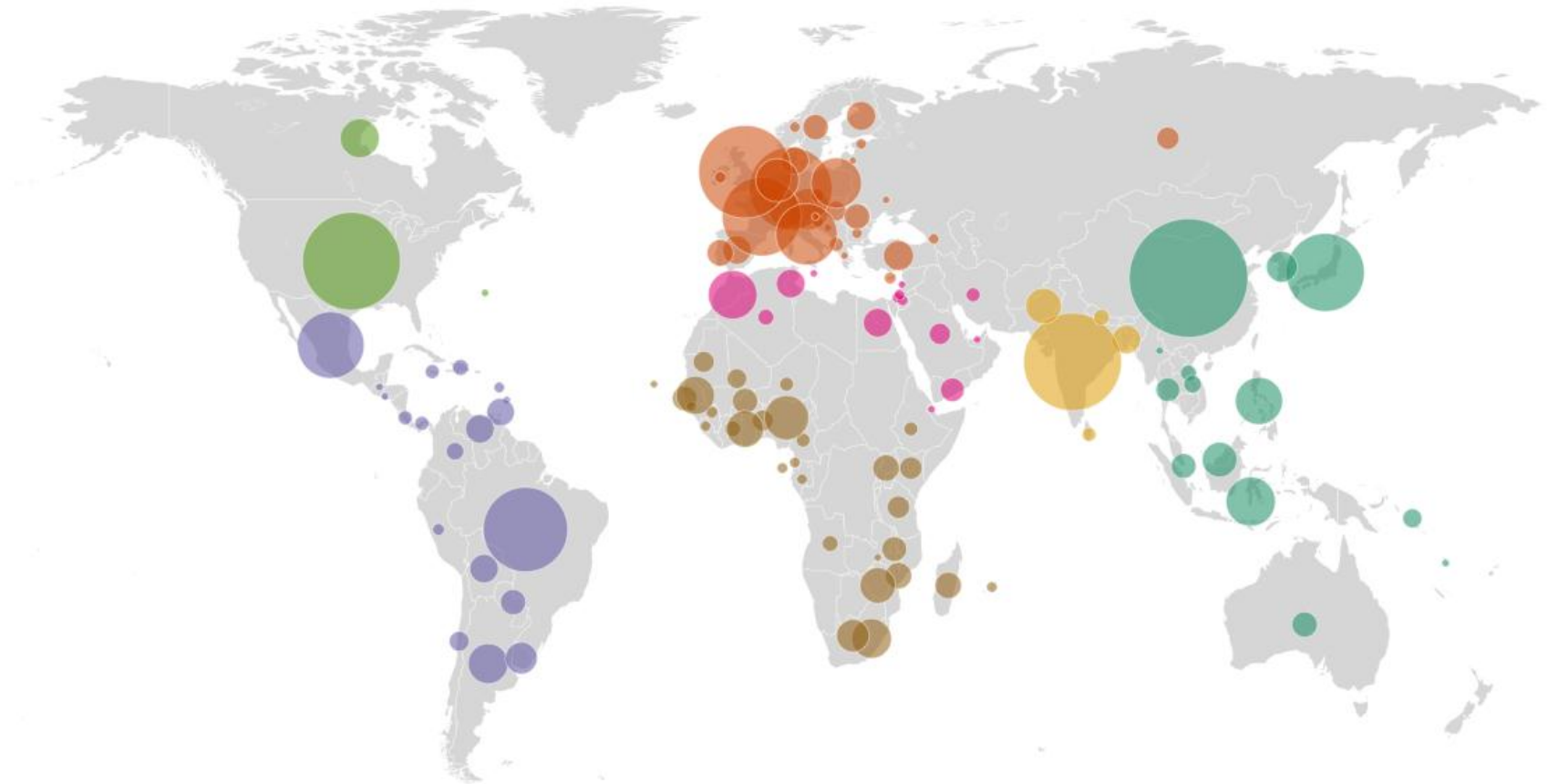


■ Infrastructure ■ Education & Health ■ DPLs ■ Other

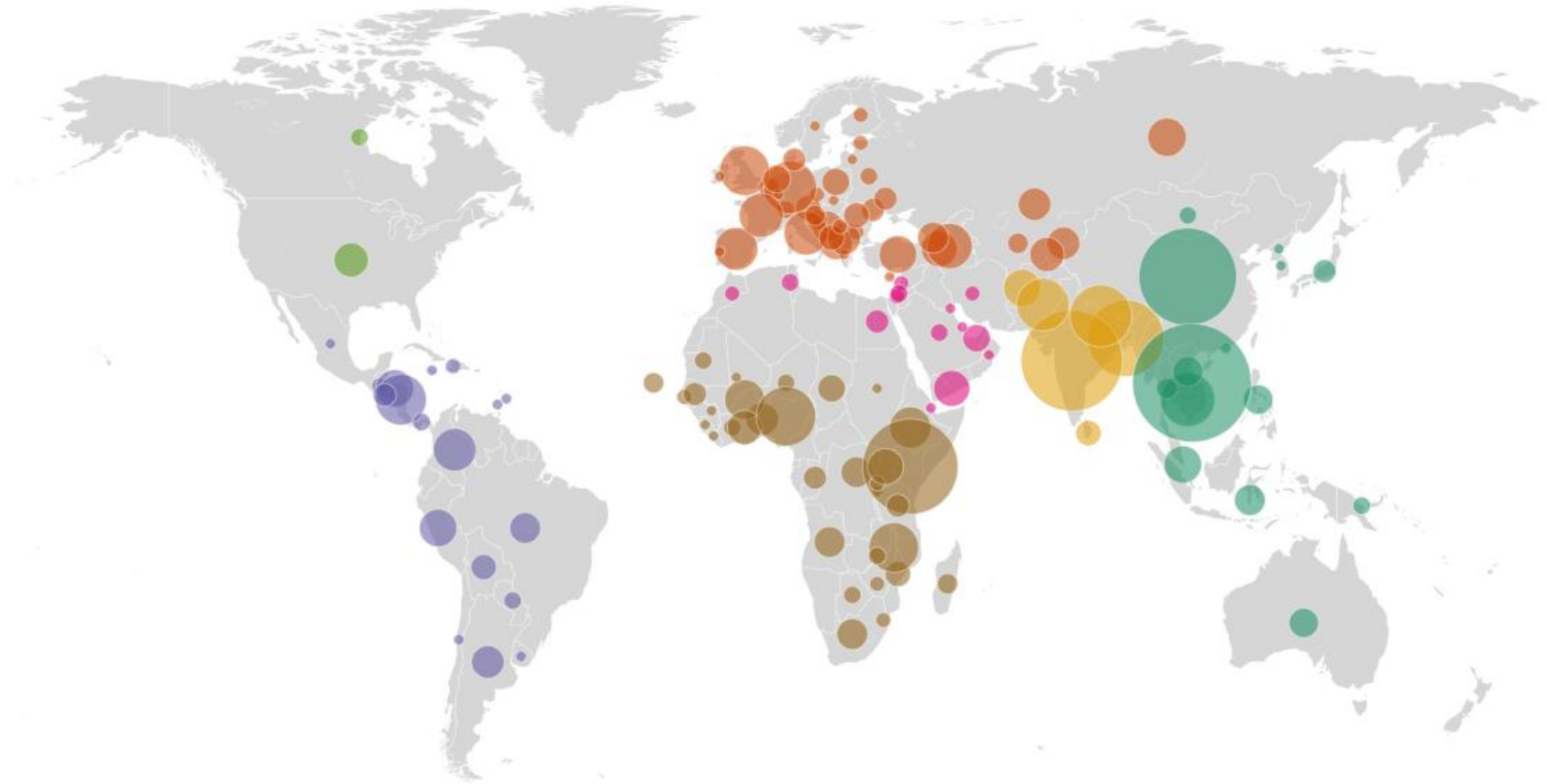
*Note: Infrastructure Projects defined as Agriculture, Energy, Urbanization, Transportation, Water Supply and Sewage sectors.
Education and Health Financing defined as Education and Health Sectors.*

Source: World Bank Annual Reports 1980 and 2013; Adjustment Lending Retrospective 2001; World Bank Project Database

of ICB Contracts by Supplier Country 1995



of Contracts by Supplier Country 2013





**HOW MANY
CONTRACTS?**

100,000
= est. total #
of WB
financed
contracts,
per yr.



10,510
= # of Prior
Reviewed
WB
contracts, FY
2013

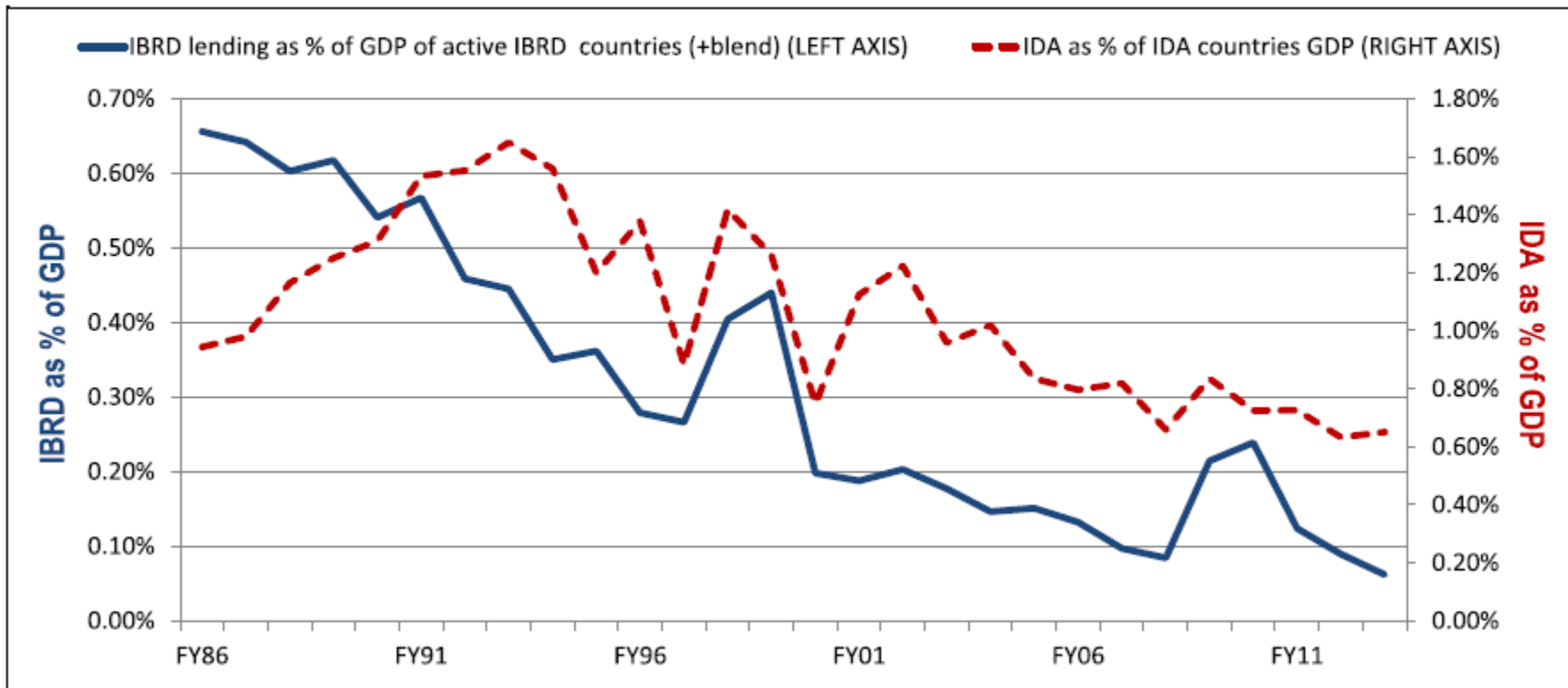


1,775
= # of WB
prior
reviewed
ICB
contracts,
FY 2013

WB Lending as a % of GDP

Figure 5 IBRD and IDA Commitments

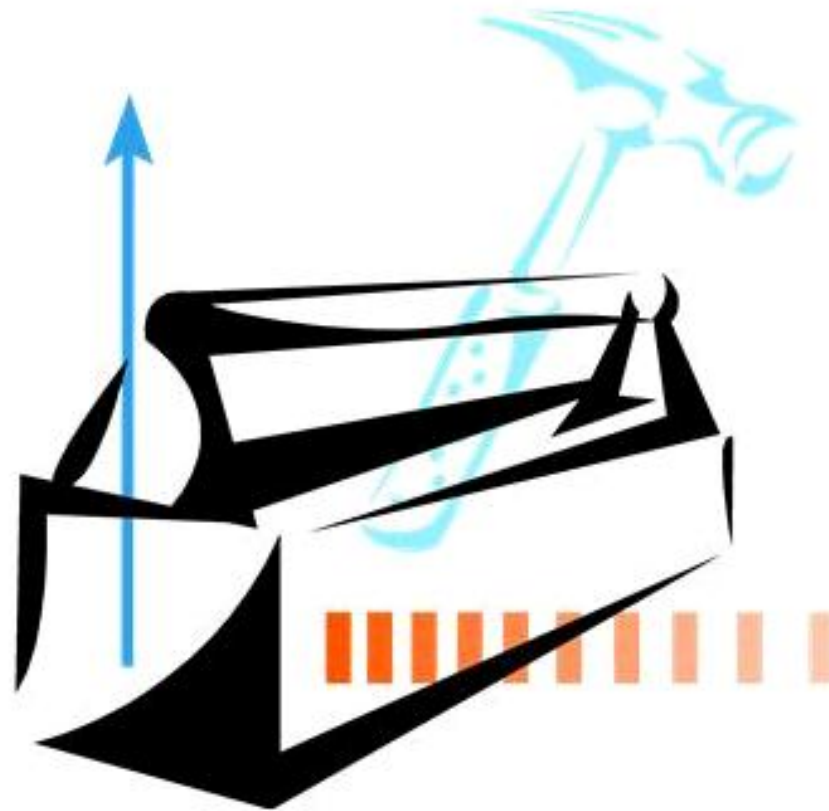
(FY86-FY13)



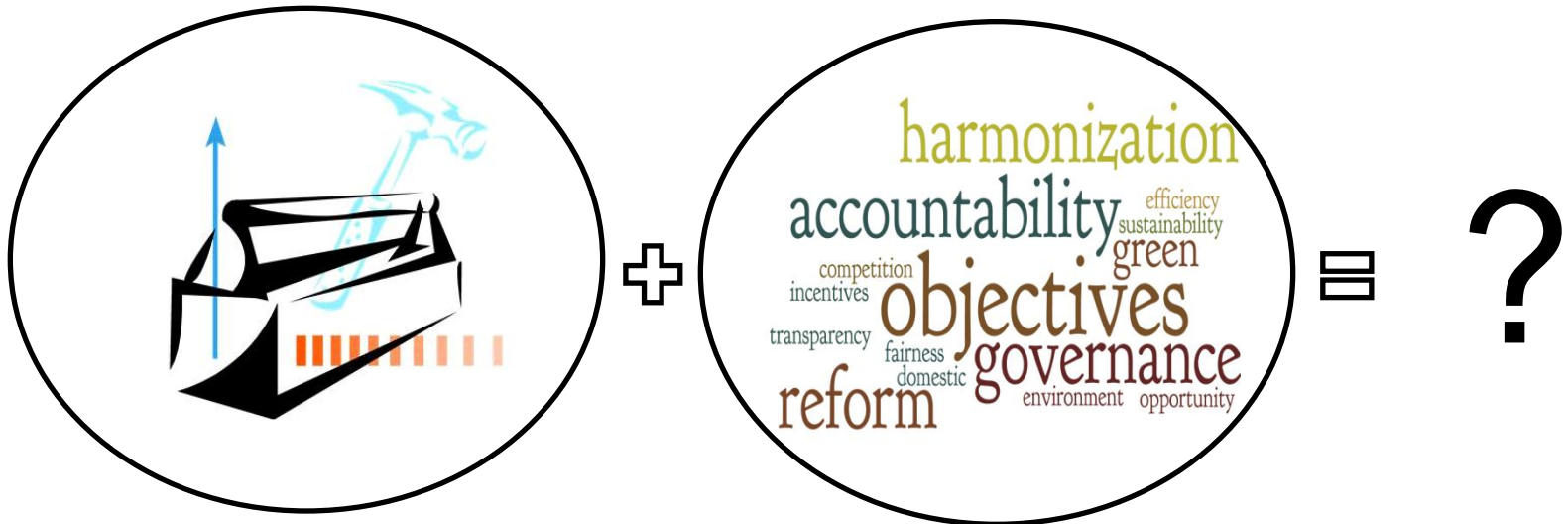
Things have changed...

- Development Aid and Procurement
- *Global Procurement*

Expanding Range of Instruments



Broadening Objectives



Things have changed...

- Expanding range of instruments
- Broadening objectives
- *Global reforms*

Things have changed...

- Expanding range of instruments
- Broadening objectives
- Global reforms
- *Persistent concern over fraud and corruption*

“Regarding development impact and the Bank’s own lending, IEG finds that **present Bank procurement guidelinesare broadly adequate instruments for Bank lending, including new areas of lending”**

-- World Bank IEG

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One aspect: defining and operationalizing “outcomes”

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- 3. Ultimate success requires greater discretion in the use of professional judgment. This means addressing the excessive focus on compliance and the resultant risk averse culture**

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**“One man’s ‘red tape’ may
be another’s treasured
safeguard”**

-- Herbert Kaufman