Why is this important, especially in the Pacific?

Is it so complex to implement projects in the Pacific, to the extent that some (academics, aid professionals, politicians) are questioning the usefulness of aid in the region?

<u>Higher costs</u> (due to remoteness and high transport costs, lack of locally sourced materials, need for climate-resilient designs, risk premiums, too few bidders)

Higher levels of uncertainty (climate-related events becoming more intense and more frequent, supply chain disruptions)

Sometimes <u>limited capacity</u> on the client's side that impacts contract management <u>Small populations</u>, limited number of beneficiaries, and hence low ERRs

What to do to address this?

Reduce <u>life-cycle</u> costs at every step of project preparation

Build on lessons learnt

Improve local capacity (Central Services Unit, hands-on support for procurement, capacity building especially in safeguards, etc.)

Project Procurement Strategy for Development (PPSD) and business opportunities seminar / road shows

New ways of delivering projects (series of projects, programmatic approach)

Private Sector involvement

Use of rated criteria for procurement

Focus on Rated Criteria

To evaluate non-price attributes of Bids/Proposals, including quality, risks/mitigations, and other technical aspects

Why rated criteria?

Because of concerns over perceived poor quality of works potentially due to (abnormally?) low bids

To pursue new opportunities (e.g.climate, leverage market innovation)

Encourages participation from (potentially new) highly qualified suppliers

Sends a strong change signal to the market, particularly anyone tempted to play games with (initially...) low bids

Examples of technical criteria

Hiring of <u>local</u> subcontractors & tradespeople (skilled and unskilled)

Use of local sustainably sourced materials

Percentage of construction waste that will be removed or recycled

Value added architectural and other design proposals

Easy to clean, maintain & operate

Challenges

Bidders' complaints
Poor quality evaluation due to client's capacity
Procurement likely to take longer

For more information: https://projects.worldbank.org/en/projects-operations/products-and-services/brief/rated-criteria

Kiribati Road Rehabilitation Project



