

Tracye Howard Comments on World Bank's Procurement Reform

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Tracye Winfrey Howard, a partner in Wiley Rein's Government Contracts Practice, was quoted in an October 14 *Compliance Week* article discussing sweeping policy and procedure changes that are being planned for the World Bank's procurement systems with the goal of reducing bribery and corruption in the procurement process.

According to the article, the new framework is the first comprehensive review of the World Bank's procurement policy in its history, which dates to the 1960s when the guidelines were first established. Since then, the evaluation process has been the same no matter what country is involved, and award criteria have been based on the lowest bid price. The reform process began in 2012 with input from 5,000 stakeholders around the world; according to World Bank, they are now looking for the widest possible range of information that can be disclosed, and with an enhanced risk-based approach, conflicts of interest could be exposed.

"Any time that you're increasing the information that you're providing to the World Bank, you're increasing the compliance risks," Ms. Howard told *Compliance Week*. "The World Bank defines any sort of misrepresentation as fraud," she added. "That's one of the biggest areas they've been going after in the sanctions process."

In addition, World Bank for the first time will allow award decisions to include such criteria as quality and sustainability. "This also increases the compliance costs and risks for contractors, because they will have to familiarize themselves with different procurement procedures in different countries and set up internal processes to ensure that they are compliant with all of them," said Ms. Howard.

Related Professionals

Tracye Winfrey Howard
Partner
202.719.7452
twhoward@wiley.law

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