GW | LAW

GOVERNMENT
PROCUREMENT

SESSION 2:
CONTRACT ADMINISTRATION

FREE THREE-PART WEBINAR SERIES

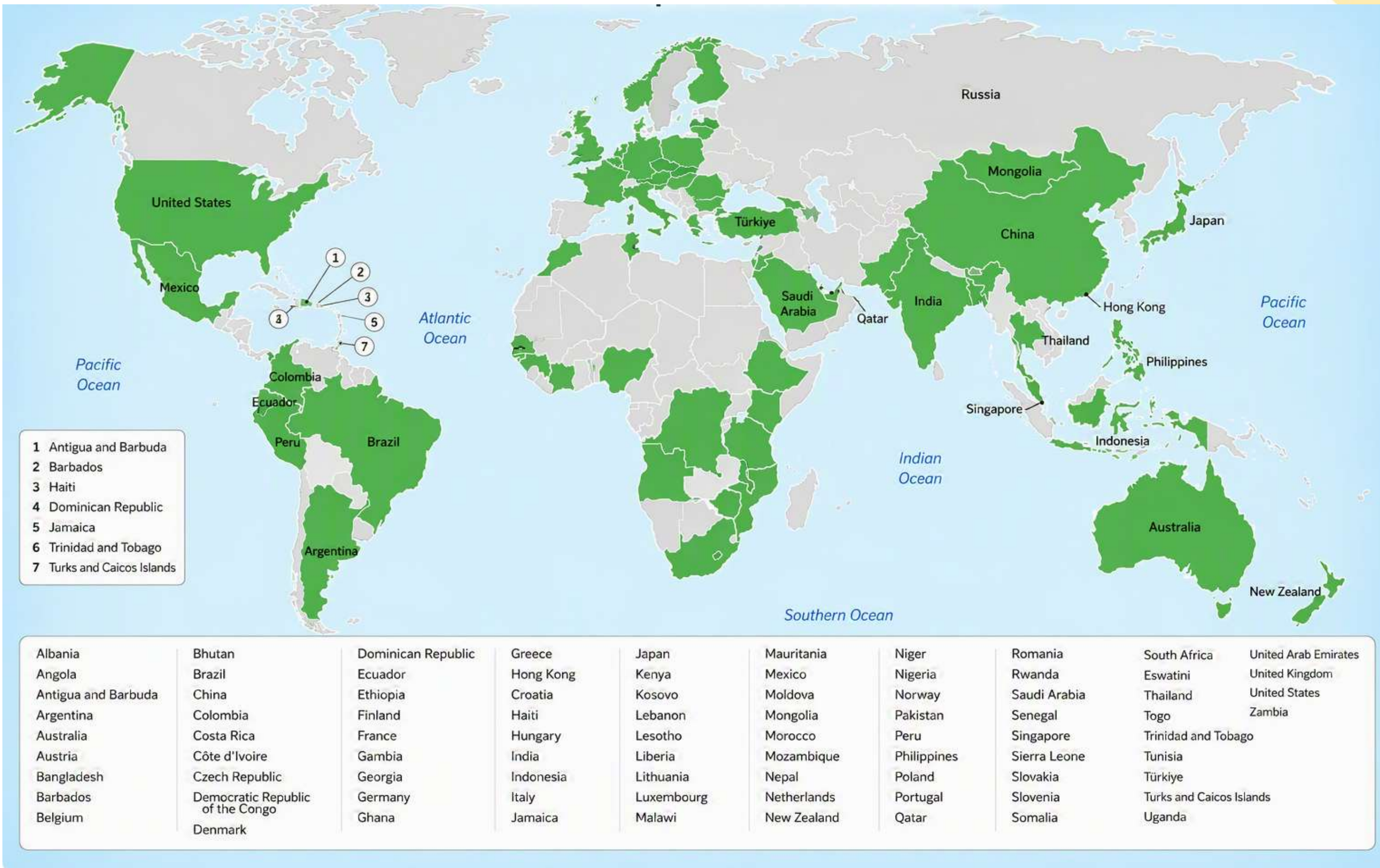
New Directions in *International Development* Procurement

July 20 · 22 · 24, 2026
9:00 AM ET · 15:00 CET · 18:30 IST

Welcome

Christopher Yukins (co-moderator)
Lynn David Research Professor in Government Procurement Law
GW Law School – Government Procurement Law Program

- **Recording will be available**
  - publicprocurementinternational.com (with program materials)
  - *GW Law Government Procurement Law Program* YouTube page
- **Chat available**
- Speakers' statements are in their personal capacities



450+ registrants from 85 countries over six continents

Three Sessions

9 am ET- 15:00 CET

Monday, July 20

Introduction and Key Updates

Wednesday, July 22

Contracting in International Development

Friday, July 24

Anti-Corruption

Panelists


Benedetta Audia


Prabhat Garg


Benjamin Herisset


Jun Jin


Caroline Nicholas


Vinay Sharma


Jean-Jacques Verdeaux


Sope Williams


Christopher Yukins


Matteo Amerigo de Laurentiis

Co-Moderator Benedetta Audia

Benedetta Audia is the Principal of International Development LLC, a firm advising private sector companies in international development and business matters and providing counsel to multilateral organizations, non-governmental organizations and government entities.

Jean-Jacques Verdeaux

THE WORLD BANK

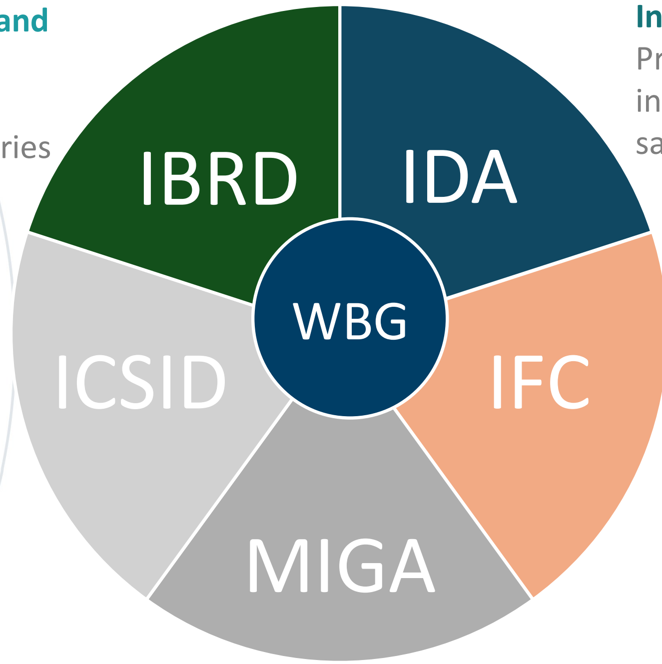
6

One World Bank Group

"Working together to reduce poverty and promote sustainable development with knowledge, financing, and expertise"

International Bank for Reconstruction and Development
Provides financial products and policy advice to middle and low-income countries

International Development Association
Provides grants and low-interest loans to low-income countries to improve lives, and create safer, more prosperous communities



International Center for Settlement of Investment Disputes
The world's leading institution devoted to international investment dispute settlement

International Finance Corporation
Advances economic development and improves the lives of people by encouraging the growth of the private sector in developing countries

Multilateral Investment Guarantee Agency
Provides political risk insurance (guarantees) for projects in a broad range of sectors in developing member countries

Procurement Operations by the Bank

15 %-22 % of GDP
Public Procurement in developing countries

US$ 248 Billion
World Bank value of active total net commitment in investment projects

+1 575 Active Projects
Business Opportunities in a variety of sectors

+146 Beneciary Countries

US$ 20.5 billion 42,647 contracts
Awarded contracts in WB financed projects

WB Priorities

Infrastructure

- Energy & Extractives
- Transport
- Water & Sanitation
- Digital Connectivity

Tourism

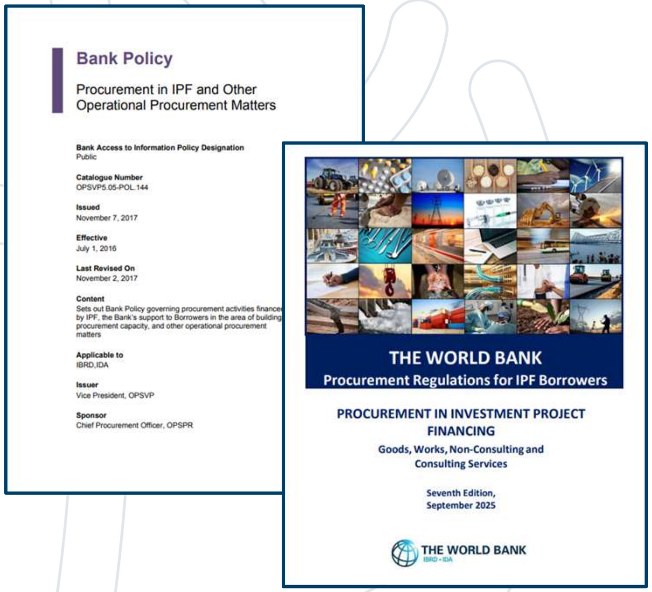
Health

Agro-industry

Value Manufacturing

Procurement under World Bank financing

Procurement under World Bank Financed Projects are carried out in accordance with the World Bank Procurement Framework and not under the legislation of the Borrower



"Procurement in Investment Project Financing operations supports Borrowers to achieve value for money with integrity in delivering sustainable development"

Where does the Fiduciary Procurement Function in World Bank financed projects come from?

IBRD Articles of Agreement

Art III Sec. 5 (b): The Bank shall make arrangements to **ensure that the proceeds of any loan are used only for the purposes for which the loan was granted**, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.

General Conditions of the Loan Agreement

Section 5.13. Procurement: All goods, works, and services required for the Project and to be financed out of the proceeds of the Loan **shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations** and the provisions of the Procurement Plan.

PROCUREMENT CHANGE PROGRAM

To enhance WB financed procurement by addressing feedback from the business community to improve project outcomes

RATED CRITERIA

Mandating **minimum quality weightings** for international procurement
Launch Rated Criteria tools including a **library of sector-specific rated criteria**

EARLY MARKET ENGAGEMENT

Mandatory for international **procurement above US$10M** to enhance quality competition and optimize strategies and approaches to delivery

LOCAL LABOR

Mandating **minimum 30% of labor costs** to be allocated to employment of **local workers**

DIRECT PAYMENT

Available for international **contracts >US$10M**

COMPLAINTS

Expand the Grievance Redress Services to **address procurement complaints**
pprocurementcomplaints@worldbank.org

COLLABORATION

Enter and apply **Mutual Reliance Agreements** with other **MDBs** and Bilateral Agencies

AGGREGATED PROCUREMENT

Engage **Bank Facilitated and Pooled Procurement** specially for fragile or small countries

BANK OVERSIGHT

Enhance **oversight of decentralized** procurement **by the Bank**

DATA DRIVEN DECISION MAKING

Improve data quality and reporting system for timely and accurate **decision making**

Remaining Challenges

CONSISTENCY

Make implementation **more consistent** across regions and task teams.

CAPACITY SUPPORT

Sustain targeted **capacity support** for Borrowers.

COMPETITION

Turn early market engagement into **stronger competition**.

COMPLAINTS

Improve **transparency and responsiveness** in complaints handling.

RISK OVERSIGHT

Strengthen **risk-based oversight** without slowing project delivery.

Vinay Sharma

Contracting in International Development

Turning Procurement into Development Results

By Vinay Sharma

A practitioner's perspective based on *Demystifying International Public Procurement, by Prabhat Garg and Vinay Sharma*

Procurement Ends. Delivery Begins.

Procurement

Chooses the contractor.

Contracting is where it actually happens

- Infrastructure is built
- Services are delivered
- Development risks materialize
- Public value is created — or lost

Contracting determines whether citizens actually benefit.

Why Development Contracts Fail

Five recurring failures across MDB-financed projects — most originating **before construction starts.**

Poor Preparation

Inadequate project preparation at inception

Risk Misallocation

Unrealistic allocation of risks to contractors

Weak Capacity

Employer unable to manage delivery

Poor Governance

Contract oversight gaps and blind spots

Slow Decisions

Delayed decision-making at critical junctures

CASE STUDY

The Textbook Procurement That Lost a School Year

A solicitation required delivery to "final beneficiaries" — without defining delivery points. Bidders priced to warehouses or to individual schools. **Bids became incomparable.** The procurement was cancelled.

Poor contracting begins with poor drafting.

1. **Poor Drafting**
2. **Cancelled Tender**
3. **Year Lost**

The Real Function of Contract Management

Not just administration

- Processing invoices
- Approving extensions
- Issuing certificates

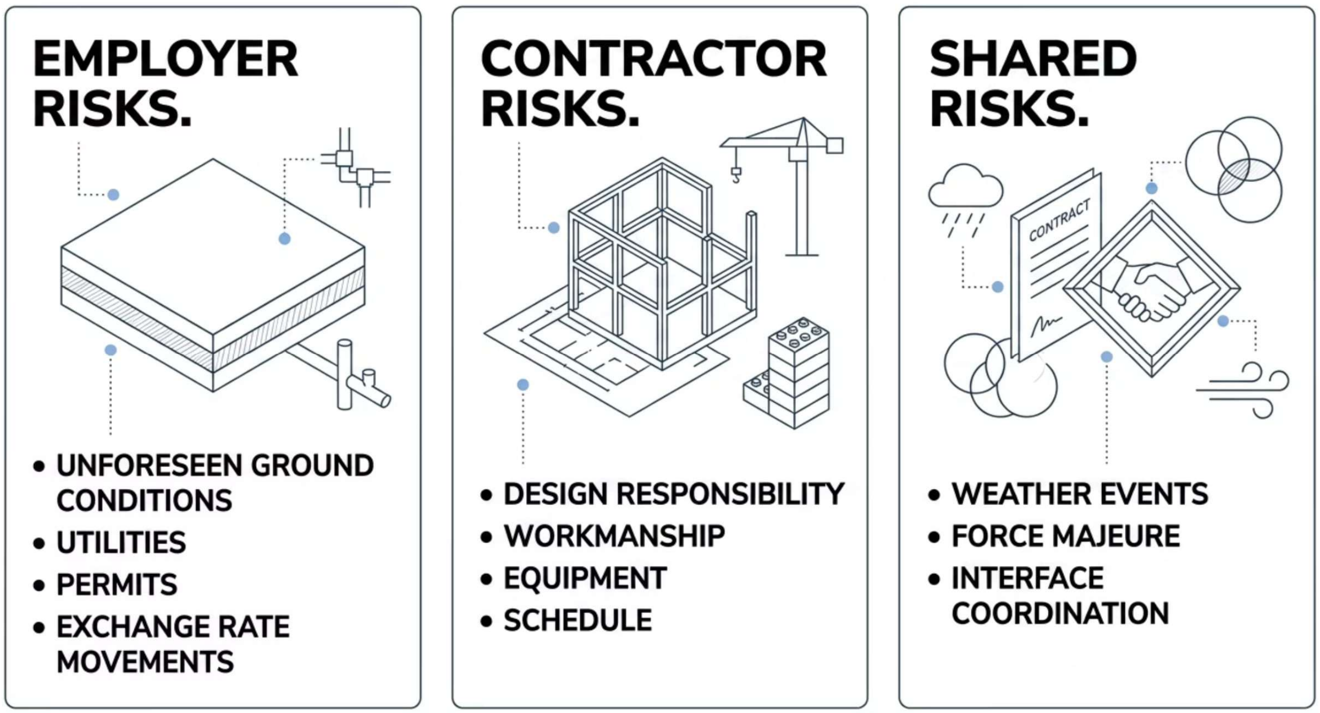
Managing what matters

- Technical risk
- Commercial risk
- Stakeholder expectations
- Delivery performance

The contract manager is the **custodian of development outcomes.**

Risk Allocation Determines Project Success

Allocate risks to the party **best able to manage them** — not simply to the contractor.



CASE STUDY

Mobilization Before Contract Effectiveness

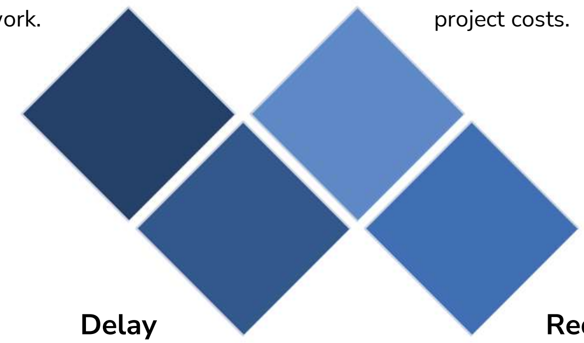
A contractor mobilized resources before the contract formally became effective. Unexpected delays in effectiveness left crews idle — triggering commercial disputes.

Commercial realities do not wait for administrative processes. Contract management begins well before the first payment certificate.

The Hidden Cost of Employer Delays

Common employer delays

- Delayed approvals
- Slow design reviews
- Late site access
- Delayed payments
- Slow RFI responses



Every employer delay carries a **multiplier effect** felt throughout the project lifecycle.

CASE STUDY

When Things Go Wrong

Weak Supervision

Gaps in oversight allow defects to compound

Poor Documentation

No paper trail means no defense in disputes

Uncontrolled Variations

Scope creep erodes value and accountability

Delayed Decisions

Small hesitations accumulate into major claims

Small management failures eventually become major contractual disputes.

Managing Change Without Losing Control

Every variation order must answer four critical questions.

Why?

What is the justification for this change?

Who benefits?

Does this serve the project or a narrow interest?

Was it foreseeable?

Could this have been anticipated at design stage?

Still value for money?

Does the contract remain justified post-change?

Excessive variations rarely reflect changing circumstances — they usually reflect **poor preparation.**

Contracting Is Governance

Public Money

Protecting taxpayer and donor resources from waste

Competition

Preserving market integrity and fair access

Accountability

Ensuring results can be traced and verified

Legitimacy

Upholding institutional trust and rule of law

Contract managers are **governance professionals** — not merely administrators.

Emerging Practice: Technology in Contract Management

Tools transforming delivery oversight

→ **FIDIC Collaborative Contracting**

Structured partnership reducing adversarial dynamics

→ **Digital Supervision**

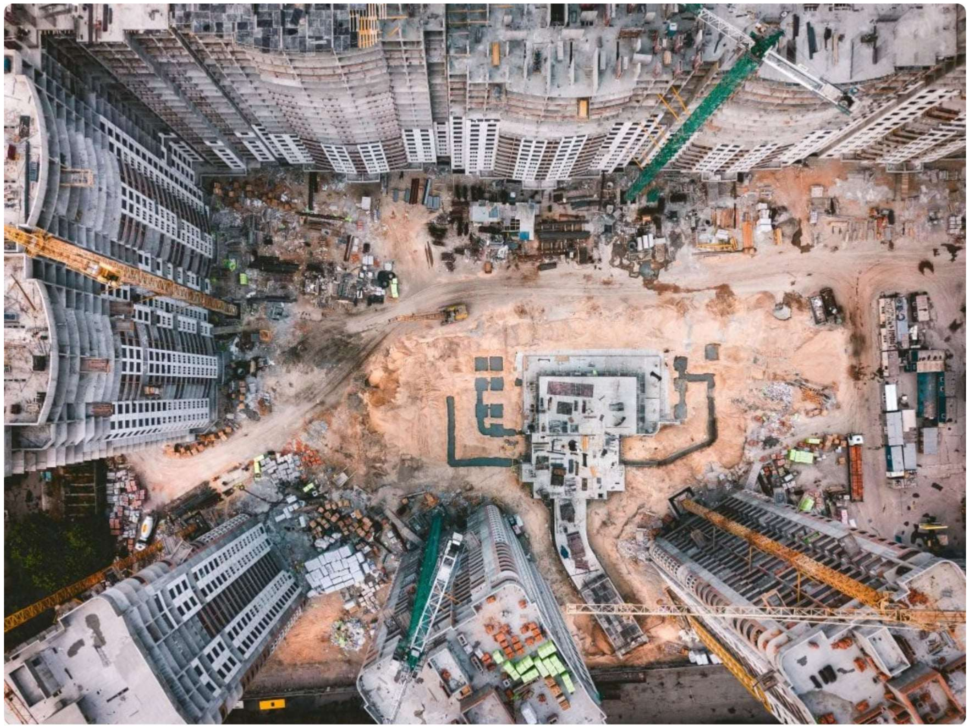
Drones, satellite imagery, AI-assisted monitoring

→ **Predictive Analytics**

Early warning on cost, schedule, and quality risks

→ **Digital Payment Verification**

Automated checks reducing fraud and error



Technology supports judgment — it does not replace it.

Lessons from Four Decades of MDB Experience

1. Disputes stem from preparation, not execution
2. Employers cause more delays than acknowledged
3. Documentation wins disputes
4. Early intervention beats formal claims — always
5. The best managers solve problems before they become disputes

A New Way of Looking at Contracting

Move beyond the contract as a legal document. Recognize it as something richer.

Governance Instrument

Embedding accountability into delivery

Delivery Framework

Structuring how outcomes are achieved

Risk-Allocation Mechanism

Distributing uncertainty to those best placed to manage it

Partnership Structure

Aligning incentives between employer and contractor

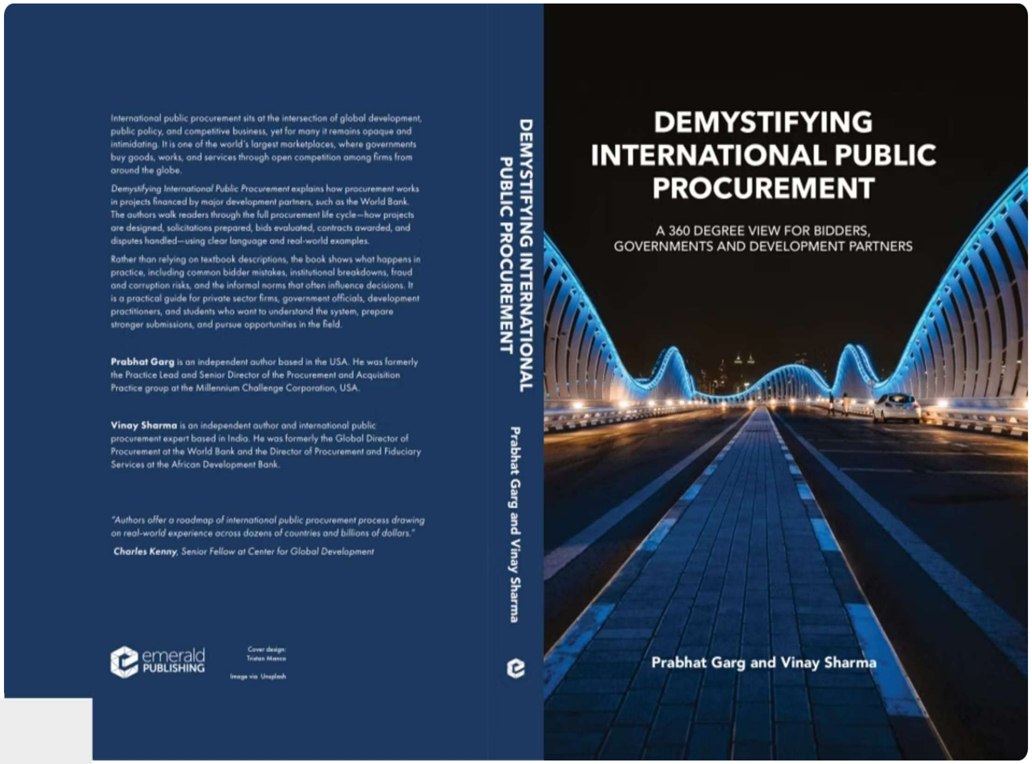
Accountability System

Connecting public investment to public benefit

The Central Message

> **Procurement determines who will deliver a project.** Contract management determines whether the project delivers its intended public value.

Based on ***Demystifying International Public Procurement*** **— a practitioner's guide to turning process into results.**



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To Bid or Not to Bid? Contractor Incentives in World Bank-Funded Civil Works

Matteo Amerigo de Laurentiis
GW Law J.D. 2026

Key Themes

- **MDB procurement is no longer just about lowest price**
  - MDBs, led by the World Bank have embraced a value-for-money approach that considers quality, sustainability, innovation and life-cycle costs
  - The challenge is that many suppliers still perceive MDB procurement as favoring lowest-price, which can discourage participation by high-quality international firms
- **Competition quality matters as much as competition quantity**
  - Project outcomes depend heavily on attracting capable contractors with strong technical, environmental and social performance records
  - Poor contractor selection can increase delivery risks, delays, safety issues, and sustainability concerns
- **More sophisticated procurement methods can improve outcomes and attract a broader range of quality suppliers**
  - Request for Bids remain dominant. Increasing the share of Request for Proposals could encourage participation by international contractors through procurement tools such as Initial Selection and Competitive Dialogue
    - These methods encourage innovation, ensure technical quality is meaningfully evaluated before price is considered, and create opportunities for contractors to propose more fit-for-purpose solutions

Figure 1. Procurement Approaches by Category in World Bank Procurements[76]

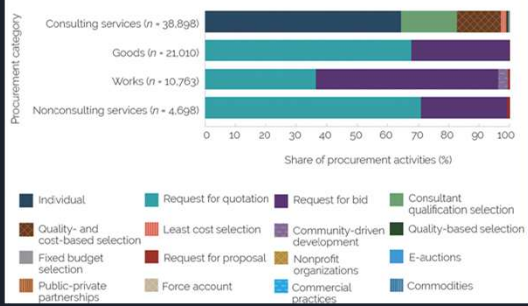
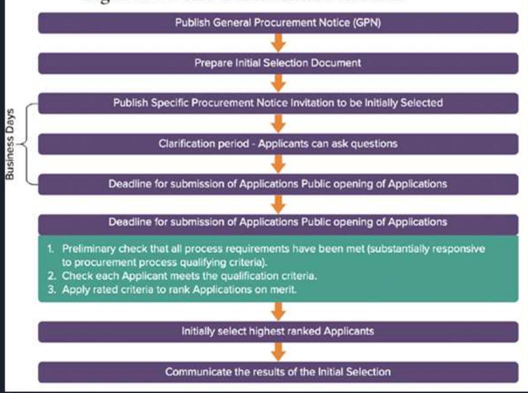


Figure 3. World Bank Initial Selection[139]



Key Themes Continued

- **Collaborative Contract Models Optimize Contractor Risk and Promote Collaboration**
  - Compared to traditional contract models, collaborative contract models, such as the New Engineering Contract (NEC), offer a more balanced risk profile for contractors, and an emphasis on cooperation and early contractor involvement
  - Clearer organization can reduce administrative burdens and losses, and disputes due to procedural errors, allowing contract parties to focus on achieving positive development outcomes for beneficiaries
  - Inclusion of objective tests for measuring delay events and positive profit incentives for contractors orients Borrower-contractor relationships towards a more cooperative, less adversarial posture, and may positively impact contractor's risk perceptions of World Bank projects and thus their willingness to submit bids or proposals
- **Early Market Engagement increases project efficiency**
  - MDBs are increasingly recognizing that procurement starts before the tender is issued
  - Collaborative contract models have built-in early contractor involvement mechanisms that allow contractors to provide value engineering and remedy design problems before they arise during construction, thereby reducing time delays, costs, and the scope for disputes
- **Capacity building remains essential**
  - Borrower capacity to design procurements, evaluate quality, and manage contracts remains a key determinant of successful outcomes
  - Investment in procurement professionalization through increased support to borrowers is essential to realizing the benefits of RFPs and collaborative contract models

Questions and Discussion

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Conclusion

Video recording of today's session will be available on GW Law – Government Procurement Law **YouTube Page** & **www.publicprocurementinternational.com**