

## **MDB Heads of Procurement Joint Communication-AIIB, Beijing, Sept. 4-6, 2018**

The 2018 meeting of the Multilateral Development Banks' (MDBs) Heads of Procurement (HOP) was hosted by the Asian Infrastructure and Investment Bank in Beijing on September 4-6, 2018. The Heads of Procurement from the African Development Bank (AfDB), Asian Development Bank (AsDB), Asian Infrastructure Investment Bank (AIIB), Black Sea Trade and Development Bank (BSTDB), Caribbean Development Bank (CDB), Central American Bank for Economic Integration (CABEI), Council of Europe Development Bank (CEB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), Islamic Development Bank (IsDB), and the World Bank (WB) attended the three-day meeting along with their delegations.

The HOP have been meeting annually for the past 18 years to harmonize, to the extent possible, their institutions' procurement policies and practices, facilitate project co-financing initiatives, and issue expert guidance on key procurement issues in an effort to enhance economy, efficiency, effectiveness, and fairness in all MDB-financed operations.

In this year's meeting, the HOP discussed and noted that:

- Following the adoption of the model Joint Co-Financing Framework by the HOP in late 2016, several procurement framework agreements have been adopted or are being finalized between MDBs and a number of projects has been undertaken under specific project implementation agreements, leading to better coordination and delivery of MDB procurement requirements to address our clients' needs and reduce transactional costs;
- The new Red Book issued by FIDIC is considered for use by MDB clients and a jointly drafted MDB Particular Conditions would be required to be used by MDB Borrowers if using the Red Book, subject to each MDB policy on the issue;
- Disruptive technologies, such as artificial intelligence, data analytics, as well as new technologies means, such as drones and crowdsourcing platforms for monitoring of project implementation, are becoming increasingly relevant and procurement specialists have already started to consider how to integrate them in the tendering process and contract management to increase transparency and better achieve development challenges;;
- Various national sanction regimes are increasingly making an impact on MDB procurement and this is an issue that will need a coordinated effort by the MDBs to bring clarity to;
- Beneficial ownership of bidding companies is now required to be declared by some of the MDBs to address issues of transparency;
- Promotion of gender equality in employment and firm ownership, as well as avoidance of gender discrimination are important policy goals that need to be addressed at the time of project preparation to ensure that the appropriate procurement tools are mandated to achieve the desired goals effectively.

The next full meeting of the HOP will be held in EIB in the summer of 2019.