



**Jay Heimbach**  
Vice President  
External and Corporate Relations

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H.E. Jürgen Ligi  
Minister of Finance  
Ministry of Finance  
Suur-Ameerika 1  
Tallinn 10122  
Estonia

Dear Minister Ligi,

I wanted to update you on the **evolution of the World Bank's Procurement Framework**, including the most recent changes to the framework, introduced on March 1 this year.

As you will be aware, we consider procurement an important **development tool**. Effective procurement enables our clients to achieve value for money, transparency, efficiency, and fairness in World Bank-financed operations. By setting quality standards, we help drive market innovation, attract top suppliers, and foster global competition. The World Bank's Procurement Framework, launched in 2016, has evolved to address emerging risks and changing development needs. It gives our clients the flexibility to tailor procurement approaches that are fit-for-purpose to achieve development outcomes.

Since 2016, operational procurement has achieved several efficiency and effectiveness gains, including reduced processing time, harmonization with multilateral development banks, integration of environmental and social standards, and a heightened focus on quality through the application of rated criteria.

A 2024 review of the Framework by the Bank's Independent Evaluation Group (IEG) found that while the Framework aligns with international best practice, its application is inconsistent. Key findings include an insufficient focus on quality and sustainability, a need for more targeted client capacity building, insufficient central oversight, and inconsistent use of procurement approaches across regions and sectors.

IEG's findings on insufficient prioritization of quality echo concerns voiced during the IDA replenishment as well as ongoing feedback from the private sector. World Bank clients frequently face challenges attracting businesses to participate in project procurement, diminishing competition and reducing choice.

### **Improvements to Enhance Procurement Practices**

On March 1, 2025, the World Bank therefore introduced [a range of measures](#) to address this feedback. These measures are designed to help the World Bank's clients attract top suppliers,

unlock innovation, and deliver better development outcomes through a heightened focus on quality, sustainability, and innovative solutions. New measures include the following:

- For high-risk procurements, we are requiring a 50 percent minimum quality weighting. For low- and medium-risk procurements, the required range is 10-40 percent.
- For projects involving contracts with an estimated value over \$10 million, early market engagement will be integrated into procurement processes to attract high-caliber bidders and optimize procurement strategies.
- We are also collaborating with clients to aggregate smaller contracts into larger packages and offer direct payment options to reduce supplier payment risks.

The use of non-price, technical factors in bid evaluation ([Rated Criteria](#)) has been a key feature of the Procurement Framework since its launch in 2016. It has been used extensively by clients procuring IT and consulting services, but rarely in the procurement of works, goods, and non-consulting services. In 2023, management updated the Procurement Regulations to require the use of Rated Criteria in most international procurements. Although compliance with this requirement is high, there is significant variation in weightings, and little correlation between weightings and procurement value or risk.

### **Evolution of Rated Criteria**

Since the mandate was introduced, many clients have chosen to apply high technical weightings—37 percent of Bank-financed contracts awarded used a weighting of 50 percent or higher. Current market practice in complex infrastructure projects is to assign a much higher priority to quality in procurement evaluations. The typical quality weighting for these projects ranges from 50 to 80 percent<sup>1</sup>.

### **Support to Implementation**

To help integrate this drive for higher quality into Bank-financed procurement, we are providing online and in-person learning programs for clients and World Bank staff. We are also increasing our support, oversight, and scrutiny of project procurement strategies, market-engagement approaches, rated criteria, quality weightings, and related procurement actions.

We expect these changes to take operational procurement practice to the next level, attracting greater competition, providing clients with more choice, unlocking innovation, and ultimately improving development outcomes.

I hope you will find these changes constructive and helpful. I look forward to our continued engagement, and I would very much welcome your feedback on the evolution of our Procurement Framework.

Sincerely,



Jay Heimbach

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<sup>1</sup> Analysis of transit projects across several countries identified that successful projects had used high technical weightings from 50-80 percent [Source: Transit Costs Project]