

# Briefing Note: World Bank Procurement

## The role of procurement in preventing and responding to child sexual exploitation, assault, and harassment (SEA/H)

### WHAT DOES THE PROCUREMENT ARM OF THE WORLD BANK DO AND WHY DOES IT MATTER FOR TACKLING SEA/H?

The [procurement department](#) of the World Bank is responsible for setting the [terms and conditions](#) under which borrowing governments hire contractors to carry out any works financed by the Bank. They develop “standard bidding documents” that all potential contractors must use when bidding on World Bank projects. The procurement department also supports the borrower in selecting and retaining the contractor, and may work directly with the contractor to assist them in complying with the Bank’s procurement policies.

Because it is most often employees of the contractor that are responsible for child SEA/H in and around Bank funded projects, it is critical that the procurement department makes child SEA/H prevention and response a high priority in their policies, bidding documents and engagement with contractors. The current Chief Procurement Officer of the World Bank is [Enzo De Laurentiis](#).

### WHAT DOES THE PROCUREMENT ARM OF THE WORLD BANK NOT DO?

The procurement department is not involved in the assessment of social and environmental risks around a project, nor does it supervise compliance by the Bank or the borrower with the [Environmental and Social Framework](#) (ESF) — the World Bank’s safeguarding measures. This means that it is not directly involved in issues related to resettlement, grievance mechanisms, or stakeholder engagement.

### WHY DID THE WORLD BANK TAKE A MORE ACTIVE ROLE IN COMBATING SEA/H IN PROCUREMENT?

Following advocacy conducted by BIC and Joy for Children, a Ugandan Civil Society Organization, around the child SEA/H cases found in the [Uganda Transport Sector Development Project](#), the Bank issued a report on “[Lessons Learned and Agenda for Action](#).” In this document, the Bank acknowledged its failure to comprehensively manage labor influx and other social and labor issues across the project cycle, which ultimately resulted in child SEA/H.

This report suggested strengthening the bidding system and conditions, as well as enhanced contractor supervision, as one measure to prevent and respond to SEA/H. This report also led to the creation of the Gender-Based Violence Task Force. The Task Force in turn included a section in [their report](#), recommending significant changes to the way the Bank engaged with contractors. Since the Bank’s relationship with contractors and its bidding system are the responsibility of the procurement department, procurement reform became a significant pillar of the Bank’s response to the Uganda case.

### HOW IS THE PROCUREMENT PROCESS SET UP TO PREVENT AND RESPOND TO SEA/H?

The World Bank’s procurement policies and standard bidding documents include a number of measures designed to prevent and respond to SEA/H. Some of the most important include:

- **Codes of Conduct (CoC):** When submitting bids for projects all contractors must include a code of conduct that all project workers will be required to sign. These codes of conduct include prohibitions on engaging in

sexual exploitation, abuse, and harassment and also set the age of consent at 18, prohibiting any form of sexual activity between workers and individuals below the age of 18 regardless of the legal age of consent in a country. A sample code of conduct is included in the standard bidding documents.

- **Contractor’s Environmental and Social Management Plan (CESMP):** Contractors are required to develop a CESMP that addresses issues related to labor influx, including SEA/H, and describe the mitigation measures that will be carried out to prevent and respond to SEA/H. The Borrower is required to verify that the CESMP addresses any contractor related SEA/H issues prior to allowing construction to begin and the Bank team is required to confirm that the Borrower is adequately supervising the contractor. The CESMP must also allocate sufficient financial resources to implement all measures included in the plan. Measures that should be included in the CESMP are dependent upon the particular risks in a given project but may include:
  - construction of workers camps set apart from the local community with all necessary entertainment and services provided within the camp
  - hiring of local workers to prevent a large labor influx
  - trainings for workers around issues related to GBV and SEA/H including sensitization on permitted and prohibited contact with the local community
  - provisions to prevent child labor on the project
  - contracting with local NGOs to refer any reported cases of SEA/H
- **Declaration of previous performance:** Potential contractors, when bidding on a project, are required to declare any civil works contracts that have been suspended or terminated for breach of environmental or social contractual obligations in the past five years. This explicitly includes breach of obligations to prevent and/or respond to SEA/H.
- **Binding Legal Provisions in contract between the Borrower and the contractor:** The Borrower is required to include provisions related to SEA/H prevention, and explicit description of penalties for noncompliance with these provisions, in the binding legal agreement signed between the Borrower and contractor. This would include:
  - relevant elements of the CESMP
  - requirements that codes of conduct be signed by all employees
  - requirements that the Contractor hold subcontractors to Bank standards on SEA/H
  - in projects designated high risk for SEA/H, requirements that the contractor hires external providers to deliver trainings for workers related to SEA/H prevention
  - requirements for the development of reporting mechanisms and that any and all identified or suspected cases of SEA/H must be reported, within a discrete time frame, to the Supervising Engineer, the Borrower, and then up to the Bank.
- **A contractor disqualification mechanism for non-compliance with procurement requirements related to SEA/H:** It was announced in late 2020, and applies to any project designated high risk for SEA/H that begins its procurement process after January 1, 2021. This mechanism is groundbreaking, building on the previous SEA/H related procurement reforms and constituting the first ever mechanism by any Multilateral Development Bank that disqualifies a contractor based on failure to comply with any type of social or environmental performance requirement. The mechanism applies to an existing structure, the independent Dispute Avoidance/Adjudication Board (DAAB) which works collectively with the Borrower and contractor to address any disputes. When the Supervising Engineer learns of any instances of non-compliance with procurement requirements, they are required to issue a notice to the contractor and refer the case to the DAAB. Following receipt of a referral, the DAAB requests the contractor to provide a statement demonstrating its compliance with its SEA/H contractual obligations. A decision has to be made within 42 days of receiving a referral and the borrower can appeal. If the DAAB determines the contractor/subcontractor is not in compliance, the result is disqualification from bidding on World Bank projects for a minimum of two years.

## WHAT MORE DO WE WANT PROCUREMENT TO DO FOR CHILD SEA/H PREVENTION AND RESPONSE?

Despite the progress made, some gaps remain, and procurement's approach to preventing and responding to child SEA/H can be strengthened through the following recommendations:

**1. Make express mention to *child SEA/H prevention and response in procurement mechanisms and procedures*.** The Bank should go beyond general references to SEA/H to provide concrete guidance on child SEA/H in procurement, requiring that standard bidding documents address child SEA/H specifically, rather than simply referencing the age of consent.

**2. Expand the Contractor *Accountability and Disqualification* policy.** This policy should be expanded beyond projects that are deemed high risk of SEA/H to include, at a minimum, those that have substantial risk of SEA/H and preferably those with moderate risk as well.

**3. Provide capacity building support for contractors on child SEA/H specifically.** For example, develop, at a minimum, a dedicated [e-Learning module](#) for training bidders and contractors on child SEA/H prevention and response.

**4. Implement all of the remaining recommendations from the "[Lessons Learned and Agenda for Action](#)" and the Gender-Based Violence Task Force's [Action Plan](#).** For example:

- Require contractors to post an environmental and social performance bond that the contracting entity could cash should a contractor fail to remedy cases of environmental and social non-compliance.
- Use innovative approaches for continuous dialogue with communities.
- Establish sufficient budgets to implement SEA/H prevention and response mechanisms.
- Assess progress on a regular basis and make all the necessary adjustments.

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