



Doing Business with ADB: Update on ADB's Procurement Processes and Systems

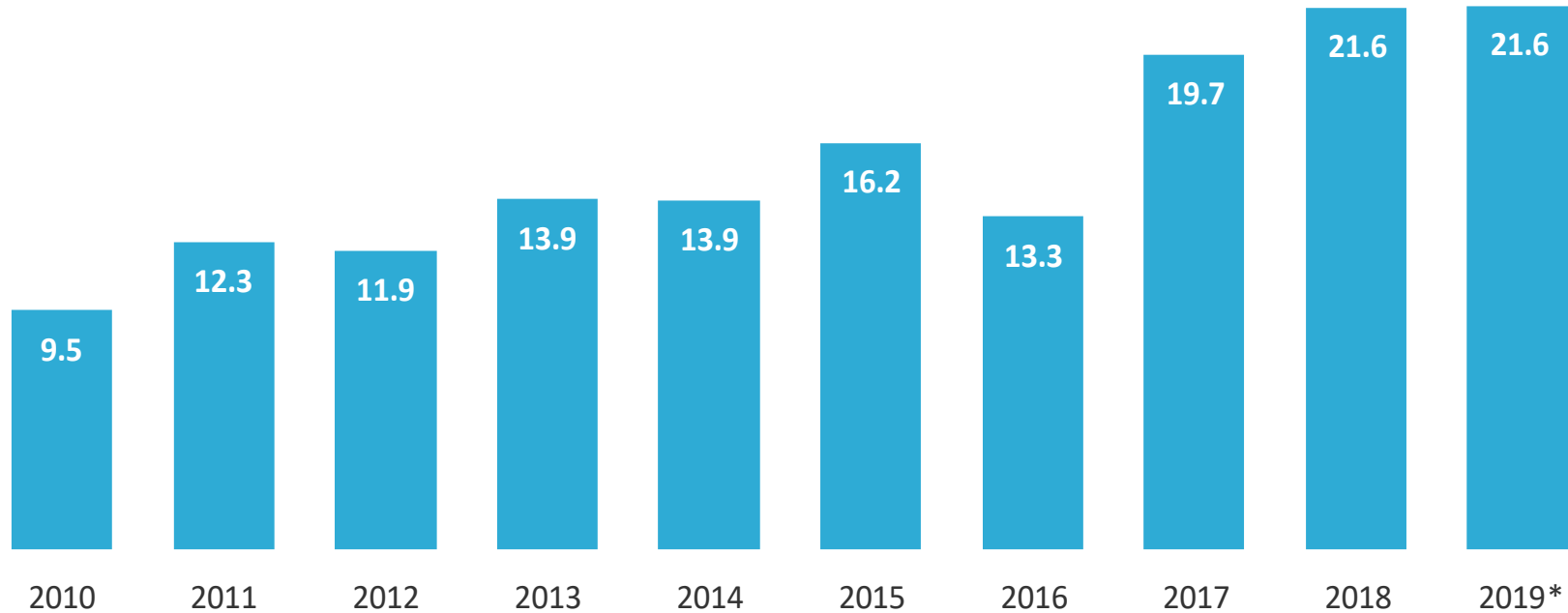
9 September 2020

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Annual Commitments of Loans and Grants

Ordinary Capital Resources (OCR) and Asian Development Fund Operations (ADF)
(\$ billion)

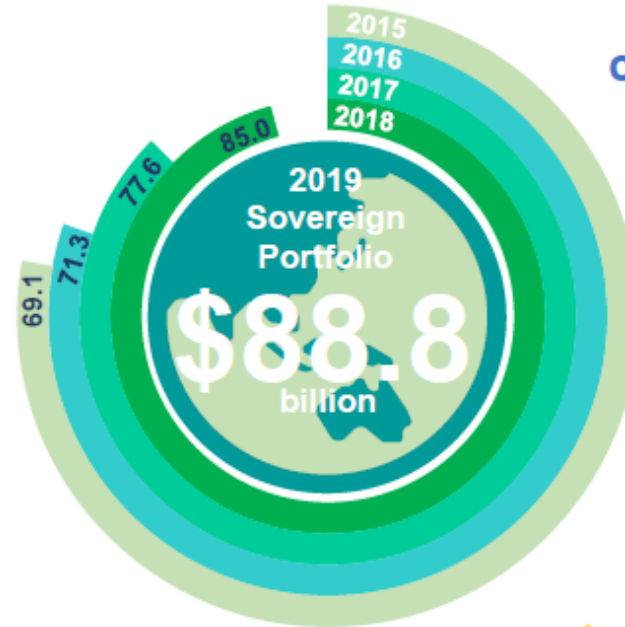


Commitment is the financing approved by ADB's Board of Directors or Management and legal agreement has been signed by the borrower, recipient, or the investee company and ADB. It is the amount indicated in the investment agreement that may or may not be equal to the approved amount, depending on the exchange rate at the time of signing.

* The figure for 2019 is preliminary (confirmed figure: \$22.4 billion)

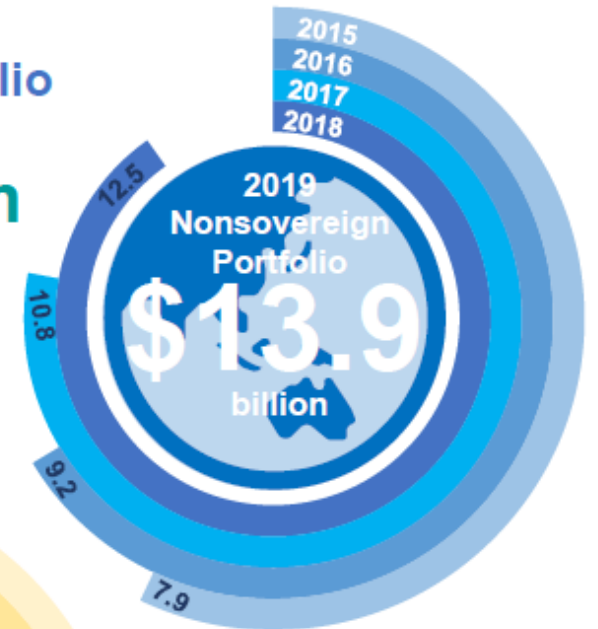
2019 Overall Portfolio
(sovereign and nonsovereign operations)
(\$ billion)

ADB's
combined portfolio
surpassed
\$100 billion
in 2019.



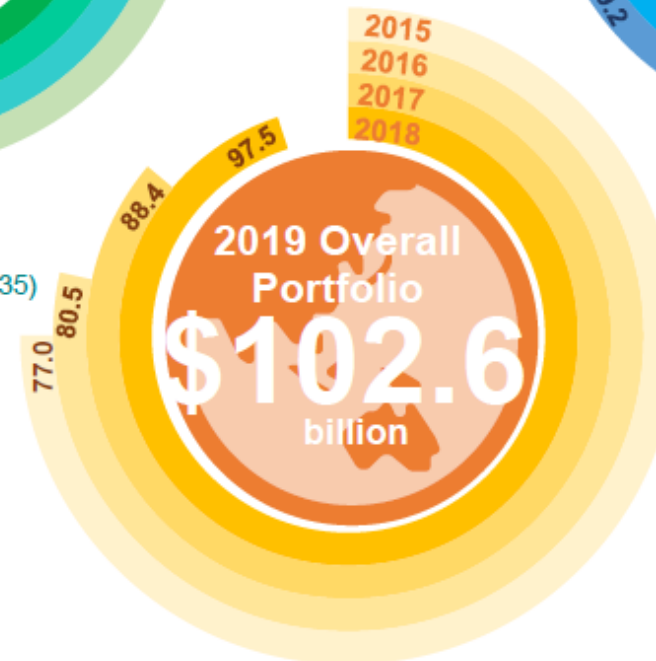
\$79.1 billion loans (no. = 703)
\$7.4 billion grants (no. = 351)
\$1.6 billion TA projects (no. = 835)
\$0.5 billion guarantee (no. = 1)
\$0.2 billion equity (no. = 1)

685 projects were funded
by loans and grants

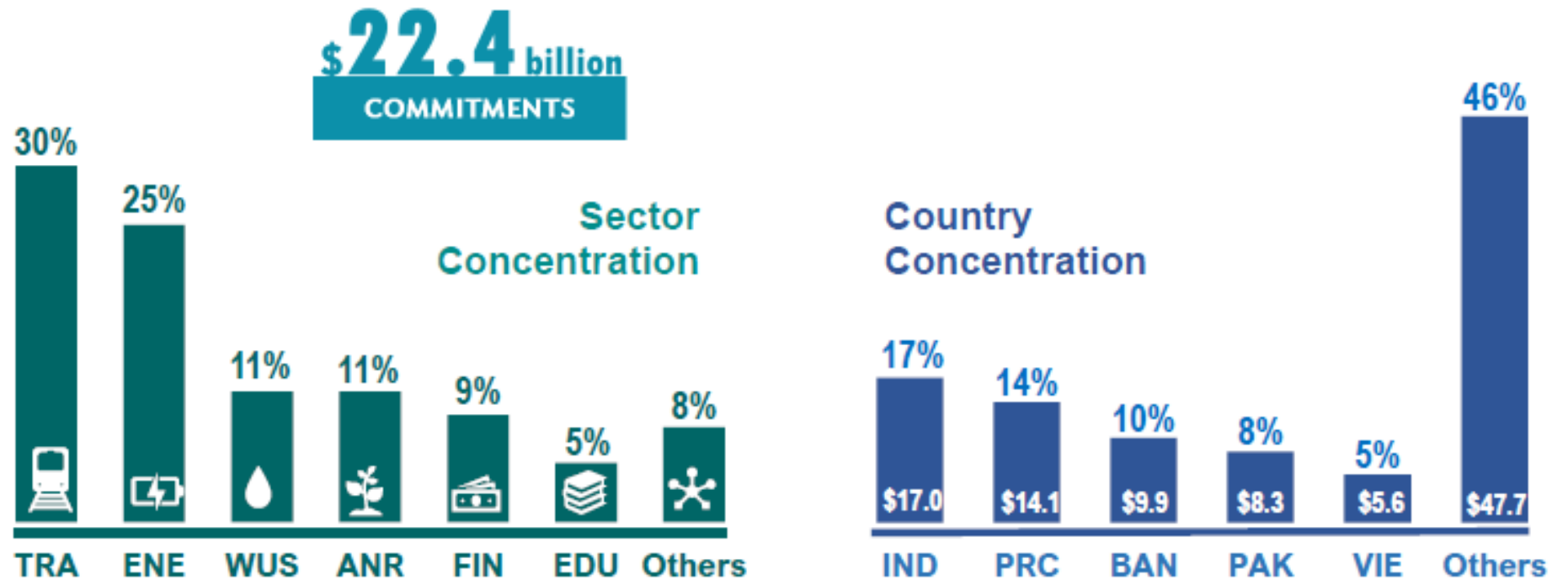


\$10.3 billion loans and
other debt securities
\$0.1 billion TA projects
\$1.7 billion guarantees
\$1.8 billion equities

207 projects



ADB's 2019 Portfolio Breakdown



ADB = Asian Development Bank; ANR = agriculture, natural resources, and rural development; BAN = Bangladesh; EDU = education; ENE = energy; FIN = finance; IND = India; no. = number; PAK = Pakistan; PRC = People's Republic of China; TA = technical assistance; TRA = transport; VIE = Viet Nam; WUS = water and other urban infrastructure and services.

Note: Figures may not sum precisely because of rounding.

Source: Asian Development Bank data.

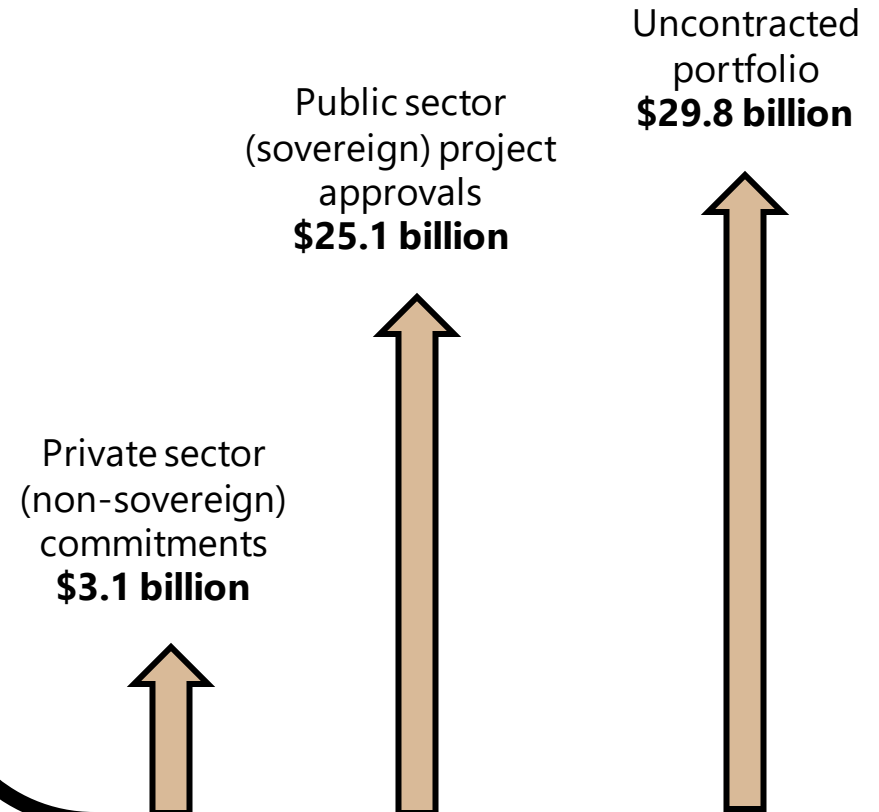
ADB OPERATIONS

Funding Types:

-Sovereign (Public Sector)

-Non- Sovereign (Private Sector)

ADB 2018 OPERATIONS



TYPES OF BUSINESS OPORTUNITIES

Goods and civil works (through EAs)



~4000
contracts in 2018

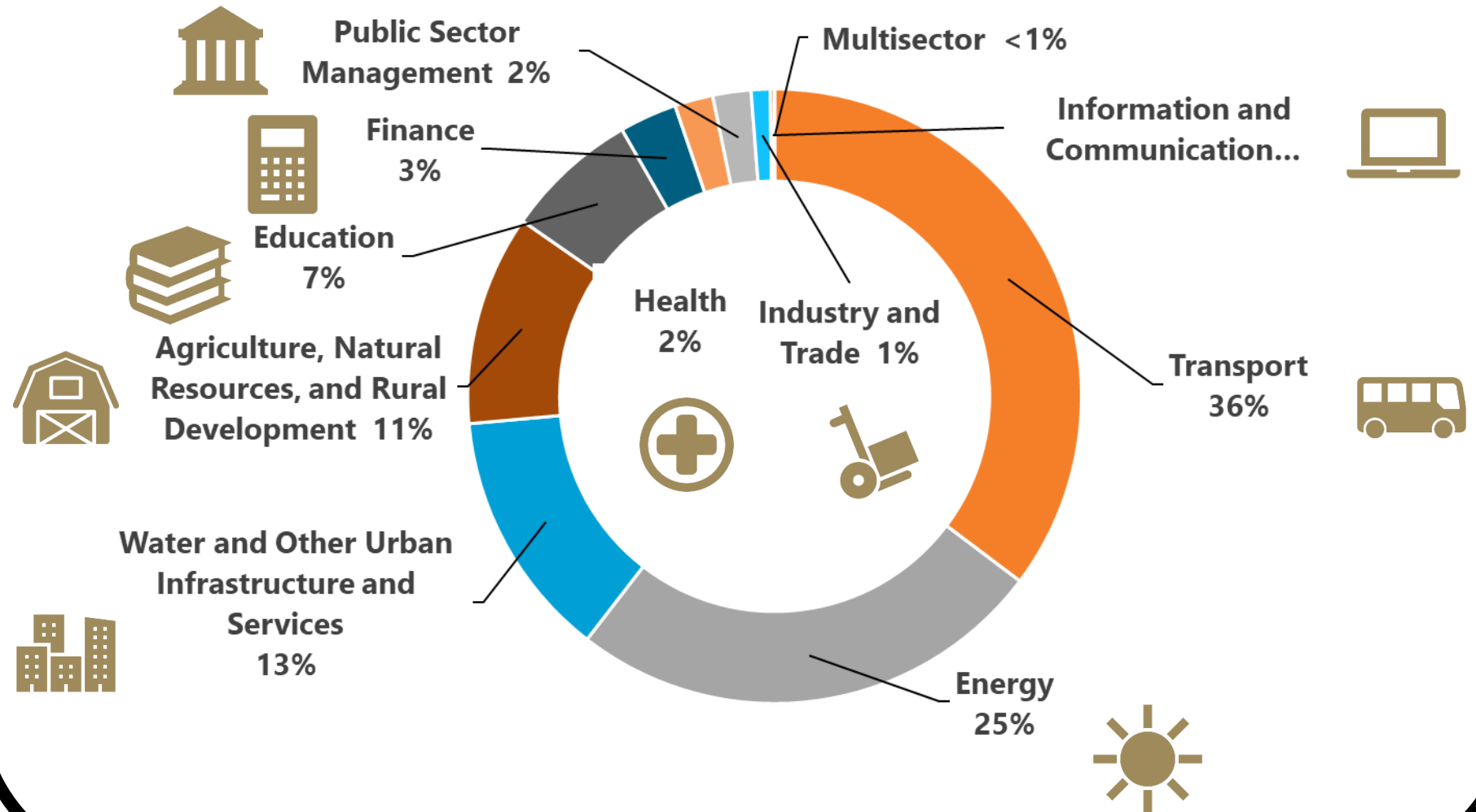
Consulting services (through ADB or EAs)



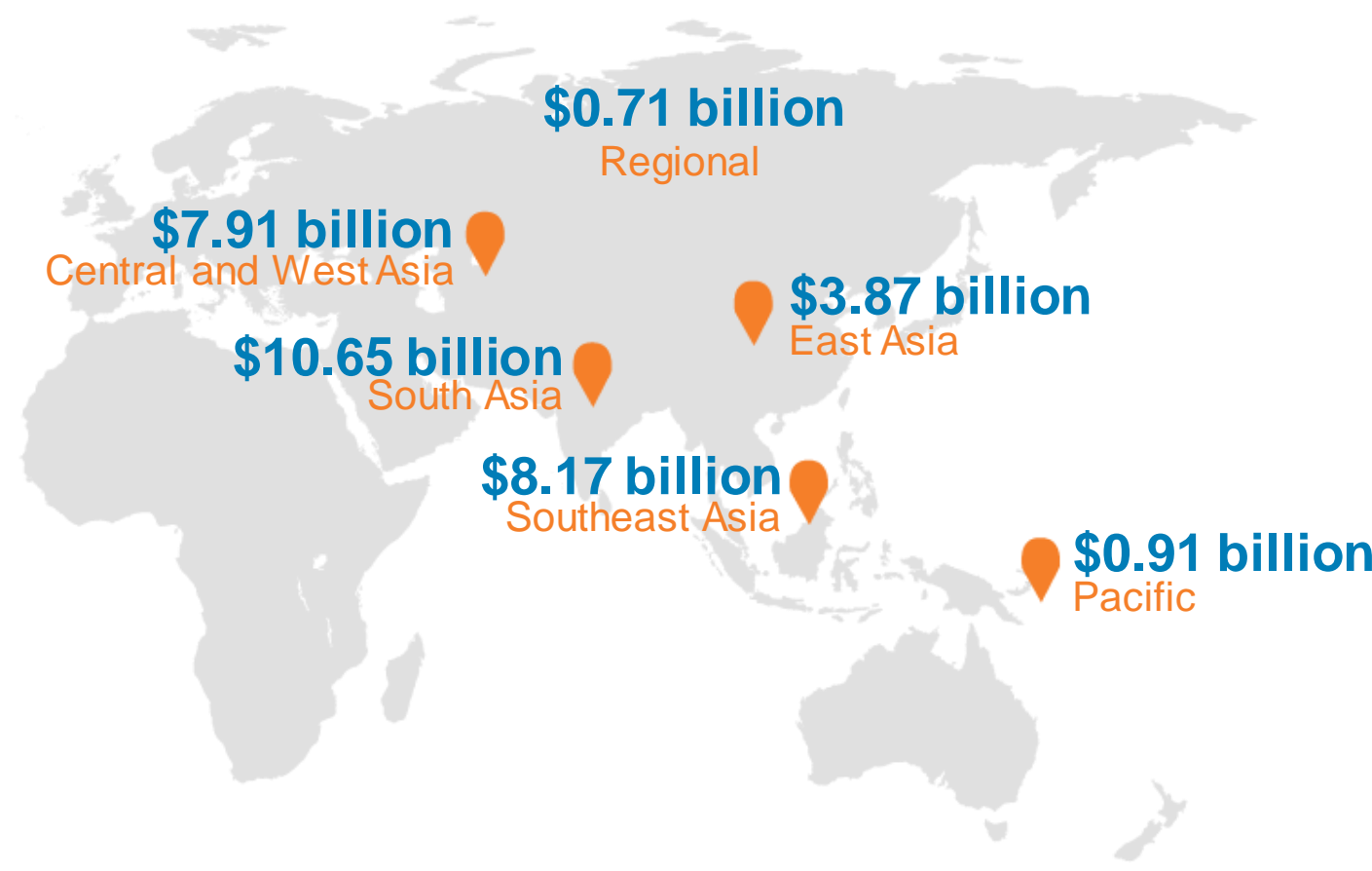
~5000
contracts in 2018

PORTFOLIO BREAKDOWN PER SECTOR

What do we work on?
(2018)



PORTFOLIO PER REGION



LARGEST BORROWERS

India

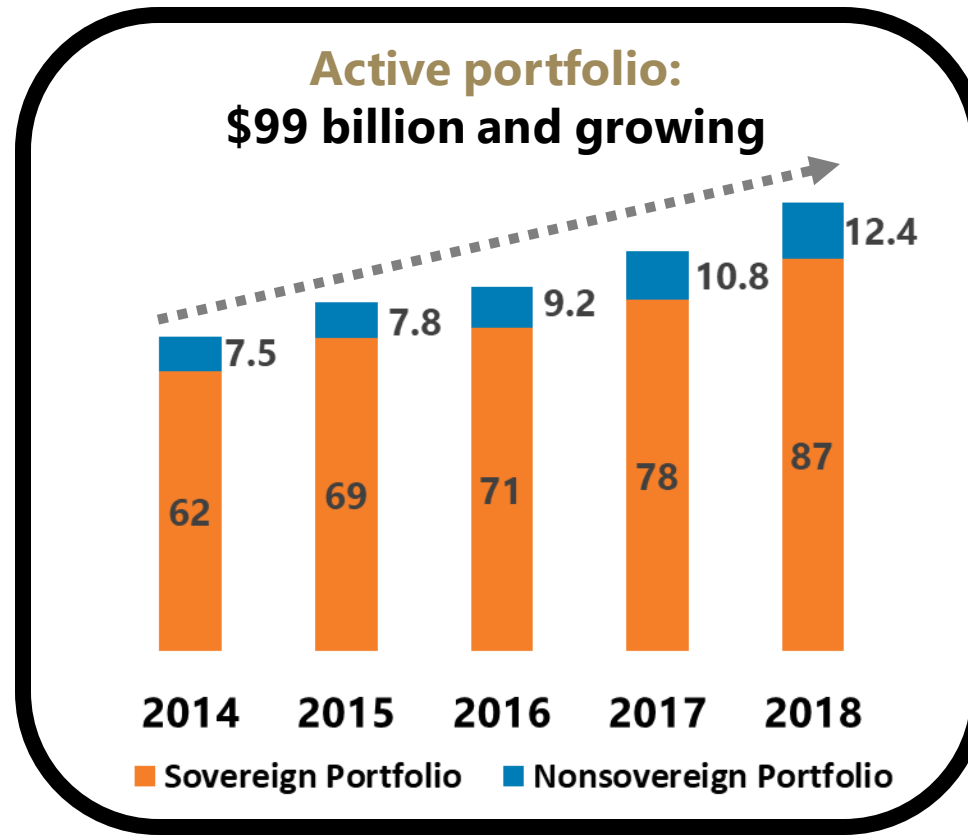
China

Pakistan

Bangladesh

Indonesia

FUNDING TREND



The ADB Project Cycle



ADB New Procurement Framework Overview

Key Drivers



Increased lending operations



Evolving needs of developing member countries



Harmonization with multilateral development banks

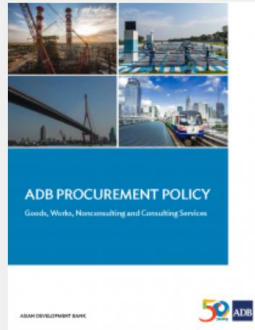


Need to improve delivery systems

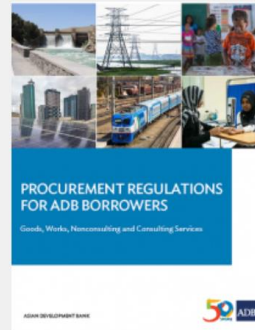
ADB's procurement frameworks

For projects with concept papers approved **on or after 1 July 2017**

ADB's new procurement framework comprises a Procurement Policy and Procurement Regulations for ADB Borrowers. It modernizes project procurement processes through a principles-based approach, to meet the diverse needs of clients as ADB scales up its operations in line with Strategy 2030.



ADB Procurement Policy



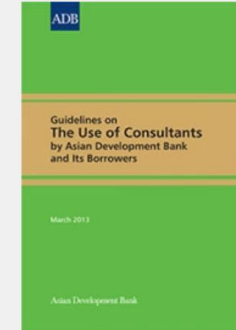
Procurement Regulations for ADB Borrowers

For projects with concept papers approved **before 1 July 2017**

ADB's Procurement Guidelines and Guidelines on the Use of Consultants defined the policies and procedures for selecting, contracting, and monitoring suppliers of goods, works, and services for ADB-financed projects.









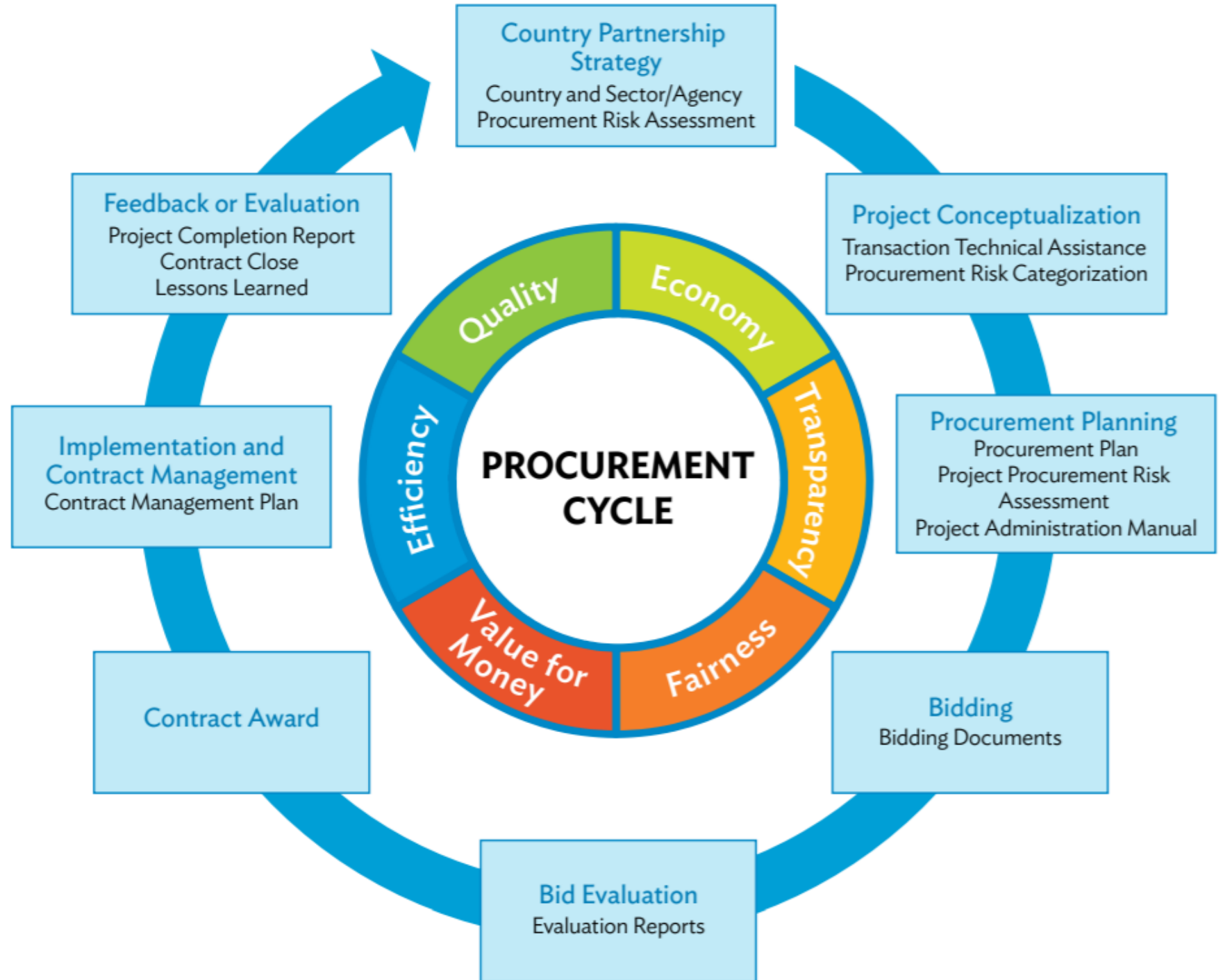
Procurement Guidelines



Guidelines on the Use of Consultants

ADB's procurement principles

Principles		Outcomes
	Fairness	Equal opportunity; equitable distribution; and credible mechanisms for addressing procurement-related complaints.
	Economy	Using price, quality, and any nonprice attributes to deliver viable projects.
	Efficiency	Ensures procurement processes are proportional to value and risks.
	Transparency	Deliver relevant procurement information publicly in a consistent and timely manner; appropriate reporting; and confidentiality.
	Quality	Structured arrangements delivering appropriate outputs in an effective manner to achieve project outcomes and objectives.
	Value for Money	Obtain optimal benefits through effective, efficient, and economic use of resources.



TYPES OF OPPORTUNITIES

- Supply of goods
 - Machinery, equipment, computers, furniture
- Civil works
 - Roads, railways, bridges, irrigation canals, schools, power plants, pump stations, water treatment plants, heating plants, airports, etc.
- Consulting services
 - Site supervision (PMC), Project preparation & implementation, knowledge products, staff consultants
- Non-consulting services
 - Surveys, training, translation, event management

WHO HAS BEEN SUCCESSFUL

Procurement Ranking – Goods

	2016	2017	2018
1	PRC	PRC	PRC
2	IND	IND	BAN
3	JPN	SWE	IND
4	VIET	INO	SWE
5	PAK	BAN	VIET

WHO HAS BEEN SUCCESSFUL

Procurement Ranking – Works

	2016	2017	2018
1	PRC	PRC	PRC
2	IND	IND	IND
3	BAN	KOR	GER
4	AZE	VIET	BAN
5	VIET	BAN	PAK

WHO HAS BEEN SUCCESSFUL

Procurement Ranking – Consulting Services

	2016	2017	2018
1	KOR	AUS	KOR
2	UK	KOR	IND
3	AUS	IND	UK
4	IND	USA	FRA
5	PHI	UK	AUS

TOP SUPPLIERS BY AMOUNT

Top 5 Suppliers of Goods (2016–2018)

	Name	No. of Contracts	ADB Amount (\$ million)
1	ABB AB SWEDEN	9	255.33
2	INDUSTRI KERETA API PT, INDONESIA	2	100.90
3	HAOTIAN ENERGY CONSERVATION EQUIPMENT CO. LTD., CHINA	2	61.91
4	PHILIPS LIGHTING INDIA LIMITED	1	50.90
5	XIAMEN GOLDEN DRAGON BUS CO. LTD, CHINA	1	50.88

TOP SUPPLIERS BY AMOUNT

Top 5 Suppliers of Works (2016–2018)

	Name	No. of Contracts	ADB Amount (\$ million)
1	SIEMENS AG, GERMANY	17	864.38
2	LARSEN & TOUBRO LTD., INDIA	12	510.10
3	CHINA COMMUNICATIONS CONSTRUCTION CO. LTD.	18	462.05
4	DAEWOO ENGG. AND CONST. CO. LTD. & L&T LTD. (JV), KOREA	1	416.82
5	MAX INFRASTRUCTURE LTD., BANGLADESH	3	401.66

TOP SUPPLIERS BY AMOUNT

Top 5 Consulting Services Firms (2016–2018)

	Name	No. of Contracts	ADB Amount (\$ million)
1	SMEC INTERNATIONAL, AUSTRALIA	30	141.41
2	EGIS INTERNATIONAL, FRANCE	24	71.35
3	OVE ARUP & PARTNERS INTERNATIONAL LIMITED, UK	5	53.35
4	KOREA CONSULTANTS INTERNATIONAL CO. LTD.	4	53.07
5	DOHWA ENGINEERING, KOREA	7	50.42

HOW WE PROCURE GOODS & WORKS

Roles and Responsibilities

- The Borrower (Executing Agency) is responsible
- ADB reviews the procurement activities of EAs to ensure compliance with ADB's Procurement Policy and Procurement Regulations for Borrowers
- Open International Bidding (OIB) is the preferred option
- Technical & Financial Bid elements
- Lowest priced technically compliant bid is the winner

HOW WE PROCURE CONSULTANTS

Roles and Responsibilities

- Both EA & ADB procure consultants
- Means the contractual employer is either EA or ADB
- If EA procures then ADB reviews the procurement activities of EAs to ensure compliance
- Open International Bidding (OIB) is the preferred option
- Technical & Financial Bid elements
- **BUT** the ratio of the technical to financial submittal is usually 90:10.
- **Best technical submission usually wins**

ADB (MAIN) PROCUREMENT MODALITIES

- Open Competitive Bidding
- Limited Competitive Bidding (short listing)
- Request for Quotation (Goods)
- Framework Agreement (prequalified consultants)
- Direct Contracting
- There are other lesser used modalities – please visit website.

HOW TO ACCESS OPPORTUNITIES

Consultancy

- Register in ADB's Consultant Management System (CMS)
- CMS is where opportunities are advertised
- CMS is where you submit your proposals

Goods & Services

- Access Country strategies
- Access General Procurement Notices
- Access Procurement Plans
- Subscribe to E - Alerts

Some TIPS

What To Do

- Correct Bid Security - Amount, validity and text
- Signatures and power of attorney
- Joint venture agreement enclosed
- References enclosed
- Marking of envelopes as appropriate
- Submit before deadline
- Ensure meet country eligibility requirements

Some TIPS

What Not To Do

- Do not submit conditional bids
- Do not submit technical & financial bids in same envelope
- For Works Contracts, do not omit any answers from section 3
- Do not enter into a JV with a firm from a country not on the eligibility list

USEFUL LINKS

CMS - <http://cms.adb.org/>

ADB Business Center - <https://www.adb.org/business/main>

ADB Procurement - <https://www.adb.org/business/operational-procurement>

Country Strategies - <https://www.adb.org/documents/series/country-partnership-strategies>

Procurement Plans - <https://www.adb.org/site/business-opportunities/operational-procurement/goods-services-pp>

General Procurement Notices - <https://www.adb.org/site/business-opportunities/operational-procurement/goods-services/notices-current>

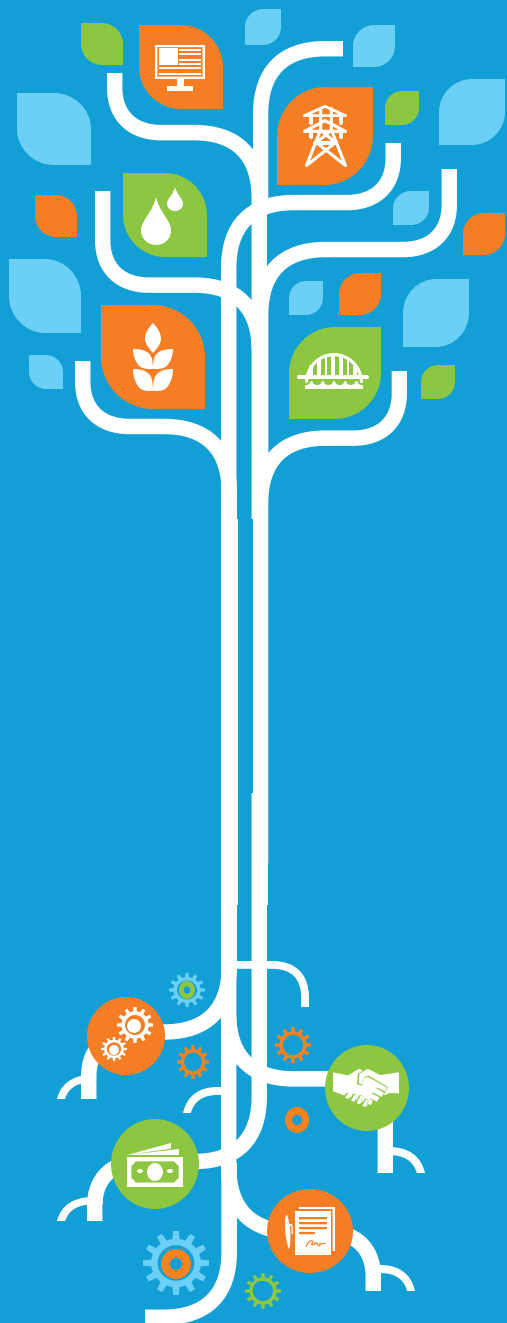
Complaints - <https://www.adb.org/forms/complaints>

ADB Procurement Policy - <https://www.adb.org/documents/adb-procurement-policy>

ADB procurement Regulations - <https://www.adb.org/documents/procurement-regulations-ADB-borrowers>

Guidance Notes - <https://www.adb.org/documents/guidance-notes-on-procurement>

Standard Bidding Documents and User Guides - <https://www.adb.org/business/main> (Scroll to Documents and Forms)



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