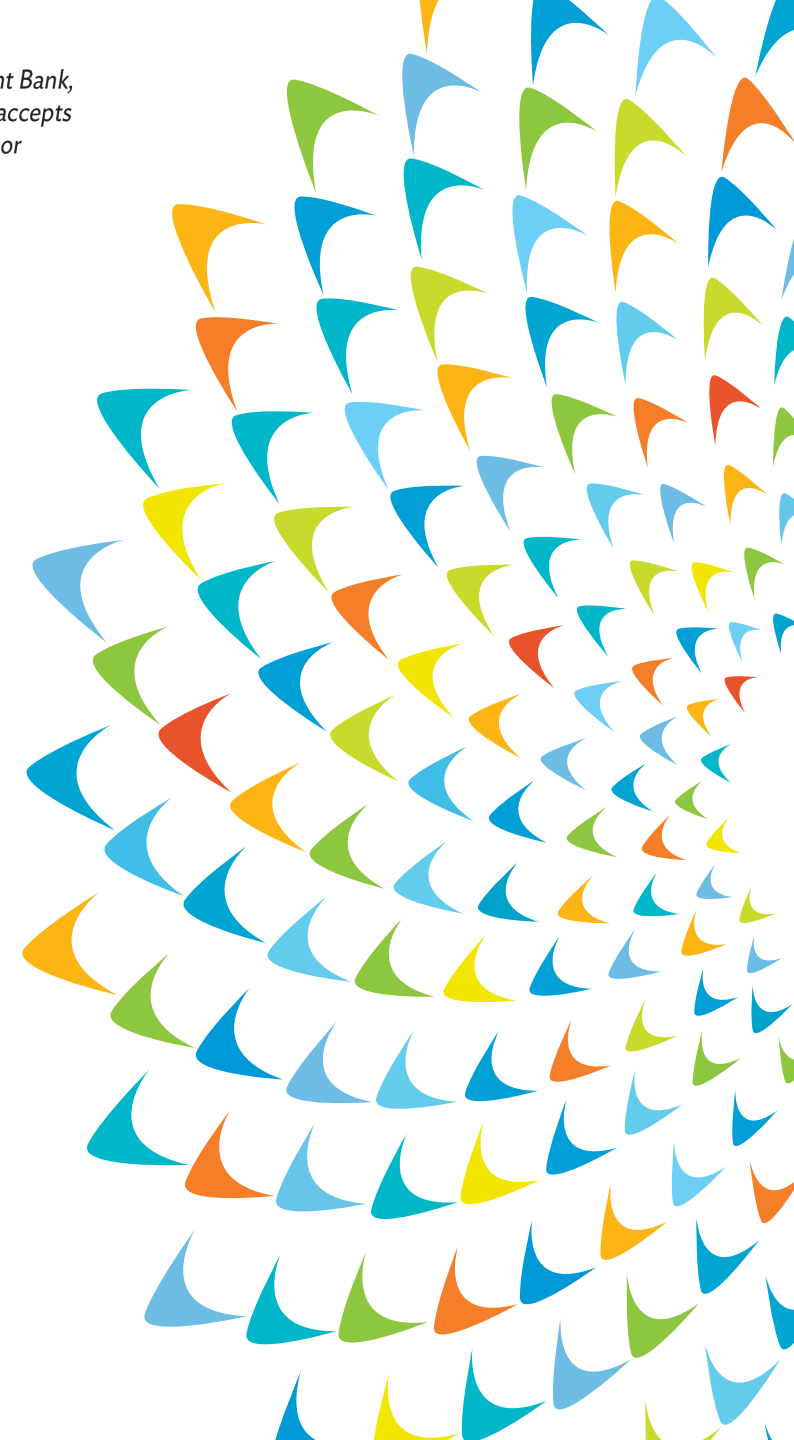




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2017 Procurement Framework Implementation Update

Rustam Abdukayumov
Director, Procurement Division 2
8 September 2022





- **Procurement Policy** approved by the Board
- **Procurement Regulations** approved by ADB President
- Core procurement principles:
 - Economy
 - Efficiency
 - Fairness
 - Transparency, plus
 - **Quality**, and
 - **Value for Money**

Overview of the 2013 & 2015 and 2017 Procurement Approaches

<p>Guidelines 2013 & 2015</p>	 <p>The cover features a red and orange background with a yellow box containing the text 'PROCUREMENT GUIDELINES' and 'APRIL 2015'. The ADB logo is at the bottom right.</p>	 <p>The cover has a green top section with the ADB logo, a tan middle section with the title 'Guidelines on The Use of Consultants by Asian Development Bank and Its Borrowers', and a green bottom section with the date 'March 2013' and 'Asian Development Bank'.</p>	<p><i>For projects with concept papers approved before 1 July 2017</i></p>
<p>Policy 2017</p>	 <p>The cover shows a collage of infrastructure images (bridges, roads, buildings) above a blue box with the text 'ADB PROCUREMENT POLICY' and 'Goods, Works, Nonconsulting and Consulting Services'. The ADB 50th anniversary logo is at the bottom right.</p>	 <p>The cover features a collage of infrastructure and people images above a blue box with the text 'PROCUREMENT REGULATIONS FOR ADB BORROWERS' and 'Goods, Works, Nonconsulting and Consulting Services'. The ADB 50th anniversary logo is at the bottom right.</p>	<p><i>For projects with concept papers approved on or after 1 July 2017</i></p>





4 Staff Instructions

**Issued June 2018;
Revised February 2022**
Guide staff on the implementation of the procurement policy and regulations



9 Standard Bidding Documents and 9 User Guides

As of January 2022
Facilitate the bidding and procurement process



26 Guidance Notes on Procurement

As of January 2022
Explain and elaborate on the provisions of the procurement policy and procurement regulations



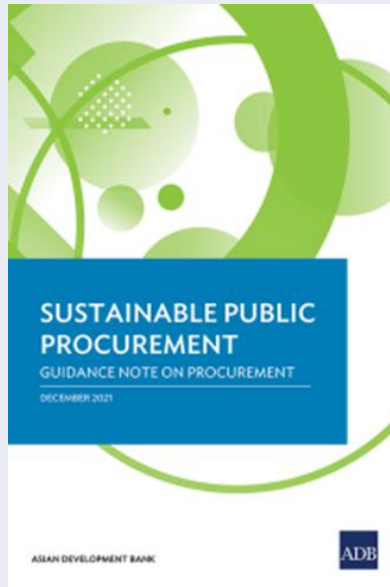


New

Sustainable Public Procurement

Issued December 2021

Introduces sustainable public procurement

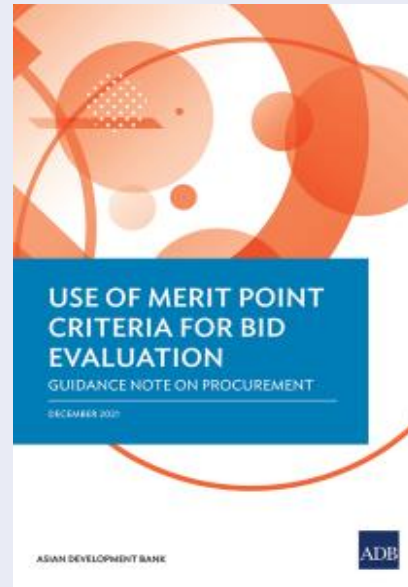


New

Use of Merit Point Criteria (MPC)

Issued December 2021

Outlines benefits, structure, and use of MPC



SBD Updated to reflect:



Major Features

- + shifting from rules-based to risk/principle-based procurement
- + establishing alternative procurement arrangements (APA) with other MDBs, bilateral partners, and borrowers' agencies
- + using open competitive bidding (OCB)
- + improving tracking and monitoring of procurement complaints
- + promoting beginning-to-end procurement support instead of focusing only on reviewing procurement documents
- + decentralizing and delegating procurement approval authority within and outside PPF



Drivers

+

reduced procurement time

+

improved quality and delivery systems

+

increased VFM through quality procurement

+

greater engagement with DMCs, lower transaction costs for borrowers

+

fiduciary compliance throughout the project cycle



Alternative Procurement Arrangements

Two forms of signed APA:

+ **Mutual reliance** with financing partners, such as World Bank

+ **Project-specific** with UN agencies



Alternative Procurement Arrangements

With

WB: 2018

EBRD: 2019

EIB: 2021

**UNICEF, UNDP WPF,
WHO, FAO: 2021**

Use of APA at the Project Level

KIR: South Tarawa Water Supply Project – with WB, **ADB Lead**

KIR: Outer Island Transport Infrastructure Investment Project – with WB, **WB Lead**

SOL: Urban Water Supply and Sanitation Sector – with WB, **ADB Lead**

UZB: Power Generation Efficiency Improvement – with EBRD, **ADB Lead**

TAJ: Power Sector Development Program – with EBRD, **ADB Lead**

AFG: ‘Novel-Financing’ for humanitarian support - with four UN agencies

KSTA 9950 in response to the Covid-19 pandemic



Value for Money

ADB addresses VFM comprehensively at various stages of the project cycle:

+

At project design and processing, through strategic procurement planning to ensure a fit-for-purpose procurement plan

+

At bidding, through the application of evaluation criteria agreed at SPP

+

At project implementation, through better risk mitigation and contract management



Value for Money – At Project Processing

+

Strategic Procurement Planning

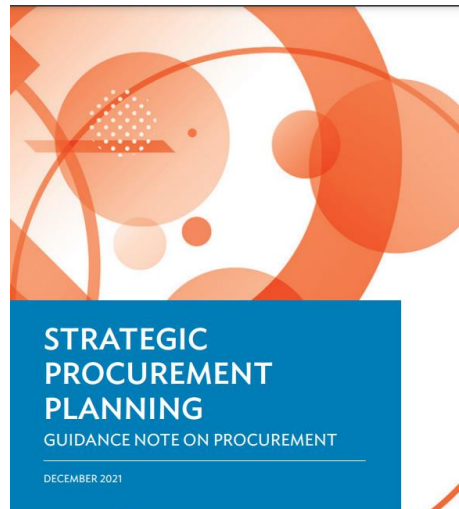
**EA
Assessments**

**Market
Analysis**

**Risk
Assessment
and
Mitigation
Plan**

**Options
Analysis**

**Procurement
Plan**





Value for Money – At Tendering

+ Merit Point Criteria

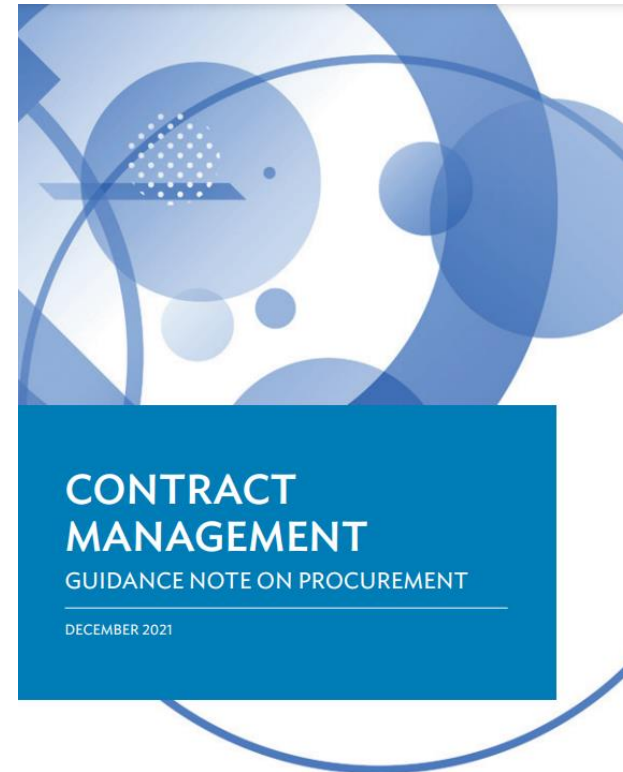
+ Life-Cycle Cost

+ Sustainable Procurement



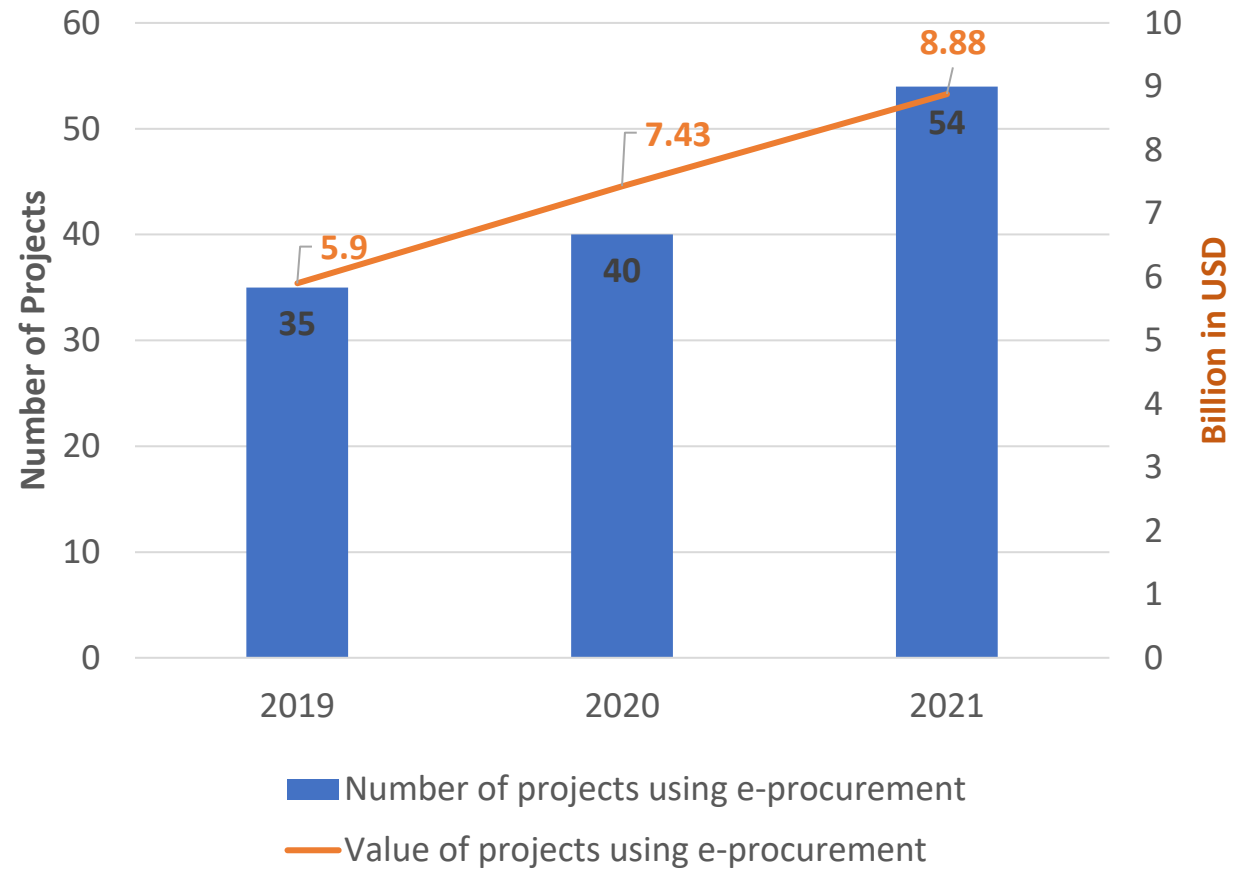
Value for Money – At Contract Implementation

+ Contract Management Plan





E-Procurement





Framework Agreements

Competitive selection of several qualified individuals or firms for multiple planned assignments that are:

Repeatable but precise scope of services is not known

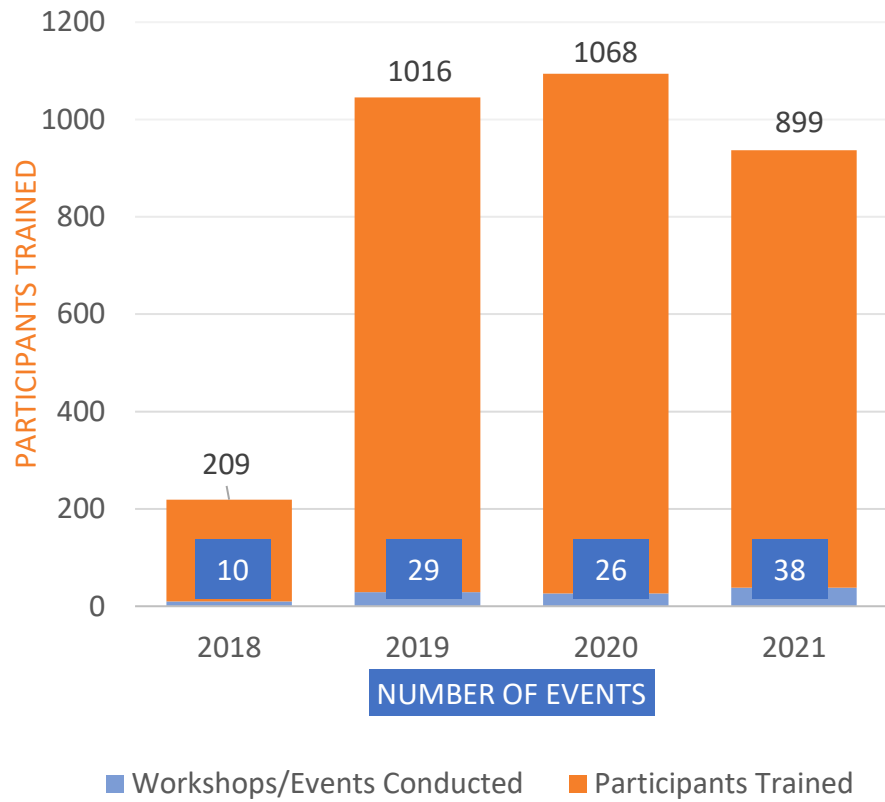
Require similar expertise

Performed at identified locations

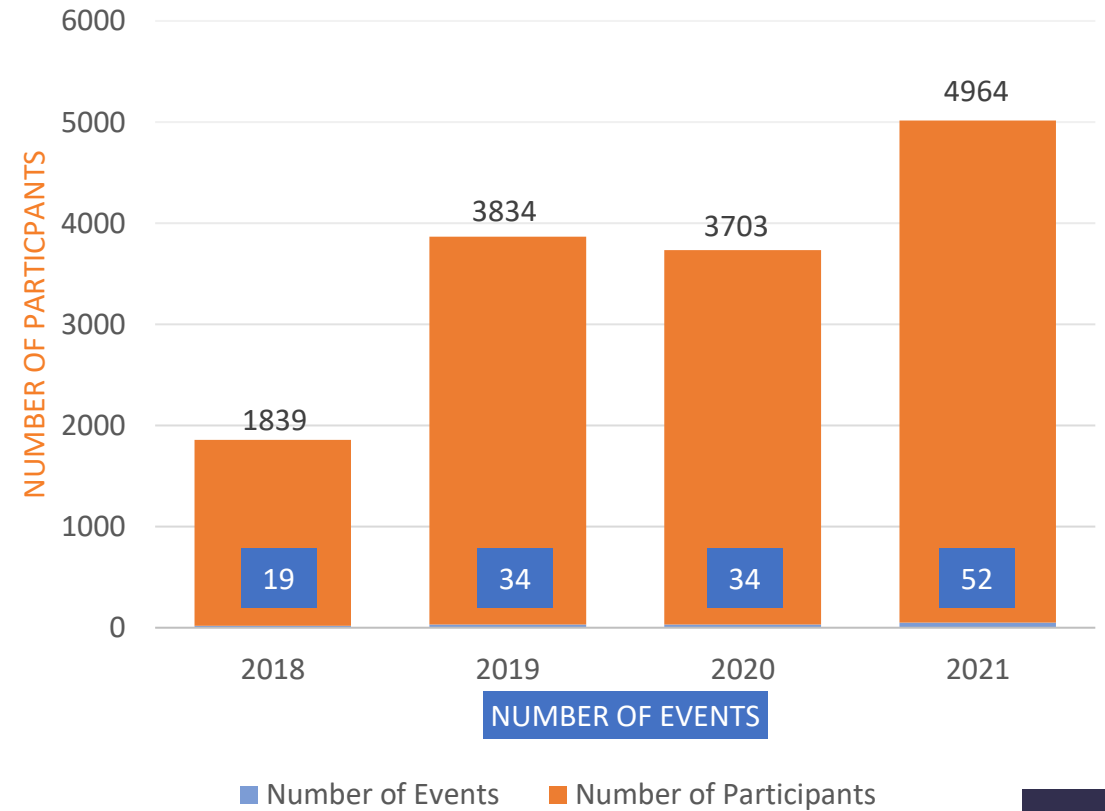




PF Capacity Building



Business Opportunities Fair and Seminars





Strengthening country procurement systems

1

Dialogue

Enhancing dialogue with borrowers

2

Joint Assessments

Conducting joint assessments with World Bank of country systems using the Methodology for Assessing Procurement Systems (MAPS)

3

Procurement risk assessment

Conducting country procurement risk assessments as part of country partnership strategy preparation

4

Alternative Procurement Arrangement (APA)

Promoting use of APA for agencies with accredited procurement systems in borrowing countries



Challenges

01

How to reduce end-to-end procurement time?

02

How to further facilitate the application of PF features to achieve VfM?



Challenges and contributing factors

Extensive use of 1 stage 2 envelope procurement method

Limited capacity resulting in bidding documents and evaluation reports lacking in quality and clarity

Covid-19

Lengthy Government approvals in completing bid evaluations and/or contract signature

Borrowers prefer traditional approaches due to perceived risks

Borrowers' limited interest to use post review when acceptable to ADB

EAs do not always accept recommended procurement packaging and evaluation methods stemming from SPP

Low interest from Borrower's Agency requested ADB to assess and accredit its procurement system as part of APA



Operational Efficiency and Capacity Building

- ❖ Providing procurement support to projects implemented in fragile and conflict-affected situations (FCAS)
- ❖ Improving understanding of life-cycle costs, merit point system, sustainability and socioeconomic targets in the evaluation criteria
- ❖ Strengthening the borrowers' procurement systems and internal processes
- ❖ Supporting e-procurement systems
- ❖ Introducing Procurement Accreditation Skills Schemes for borrowers' agencies
- ❖ Introducing certification program in public procurement for borrowers



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

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

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

<https://www.adb.org/sites/default/files/bid-evaluation-guide.pdf>

Thank you!

