

ADB Procurement Framework

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Asian Development Bank

- Multilateral Development Bank (MDB)
- 68 member countries, 49 from the Asia & Pacific, 19 non-regional
- Headquarter in Manila, Philippines, and 43 Field Offices
- 3,775 plus staffs from 66 members



ADB Procurement Policy

“The ADB Charter”

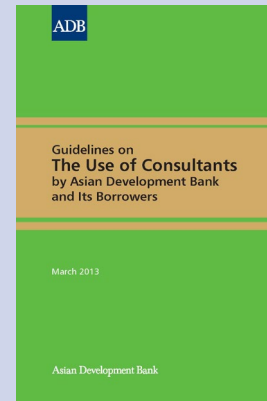
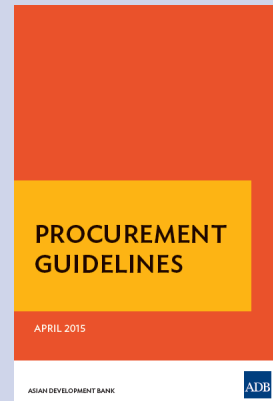
ADB shall take the necessary measures to ensure that the proceeds of any loan made, guaranteed or participated in by ADB are used only for the purposes for which the loan was granted and with due attention to considerations of economy and efficiency

(Chapter III, Article 14, Operating Principle xi)

ADB Procurement Framework

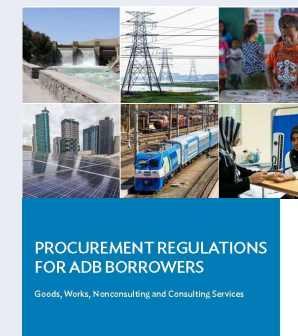
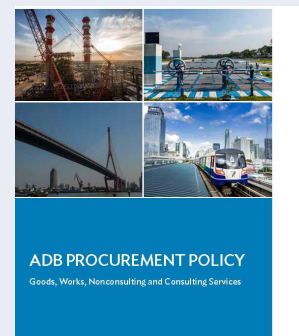
New and Old Procurement Framework

**Guidelines
2013 & 2015**



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

Policy 2017



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



Drivers of ADB Procurement Reforms

reduced procurement time

improved quality and delivery systems

increased value for money through quality procurement

greater engagement with DMCs, lower transaction costs for borrowers

fiduciary compliance throughout the project cycle

Major Features Risk Based Procurement

Procurement Review

ADB procedures

Prior Review

Post Review
(sampling)


Trust and Verify

Upfront assessment

Procurement audits

Core Procurement Principles

Alternative Procurement Arrangements



Agency
Procurement

Use of
procurement
procedures of
accredited agency

Mutual
Reliance

Use of
procurement
procedures of
cofinancier

Decentralization and Delegation of Authority

- i) Improved and faster beginning-to-end procurement support is facilitated by a higher degree of decentralization of the procurement function.

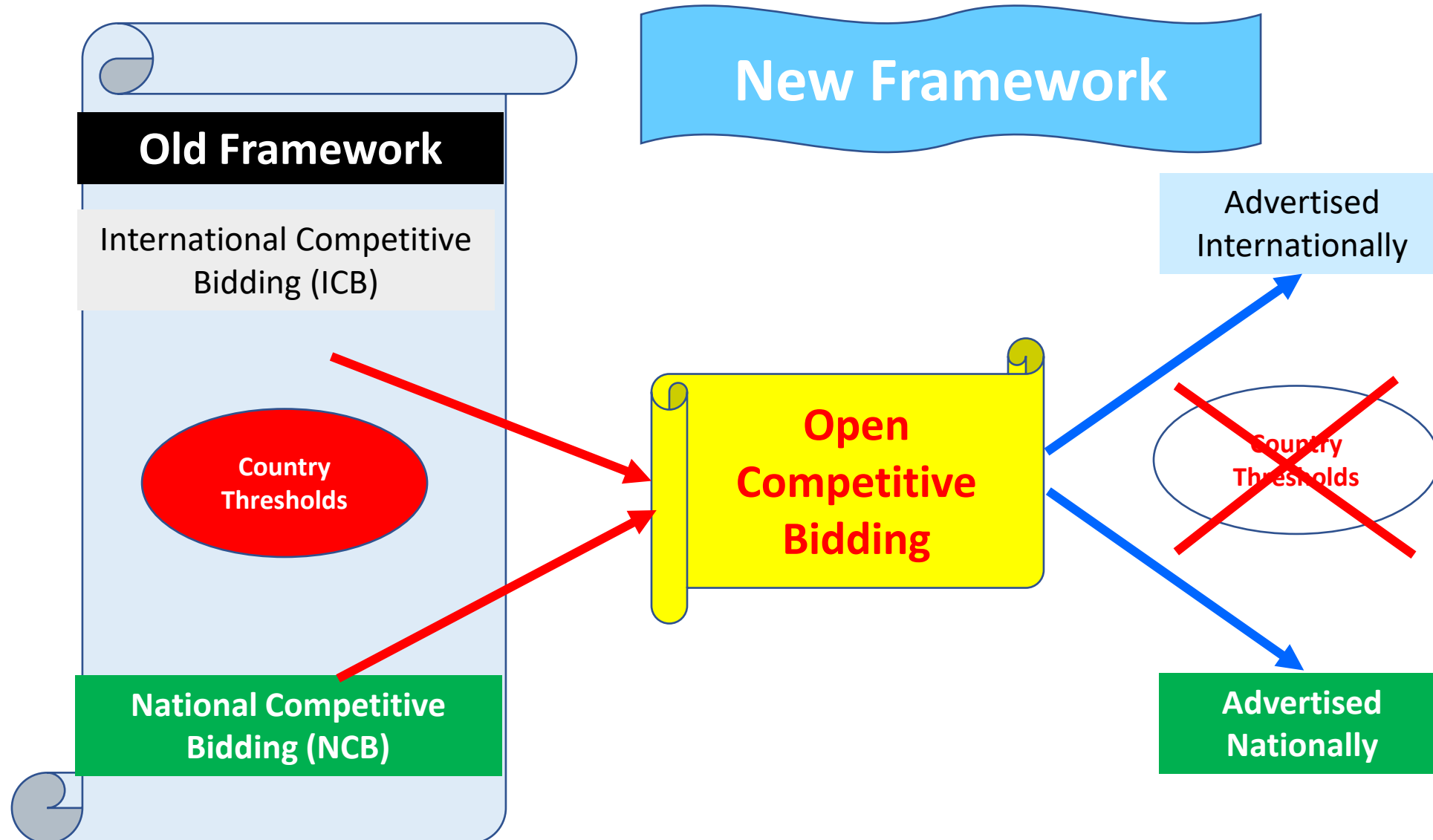
- ii) Recognizing the specialized nature of procurement, most international procurement staff either out-posted to resident missions or placed in sector divisions in ADB headquarters with significant project portfolios. This supported greater delegation of authority over procurement decisions to the regional departments and sector divisions.



Improving Tracking and Monitoring of Complaints

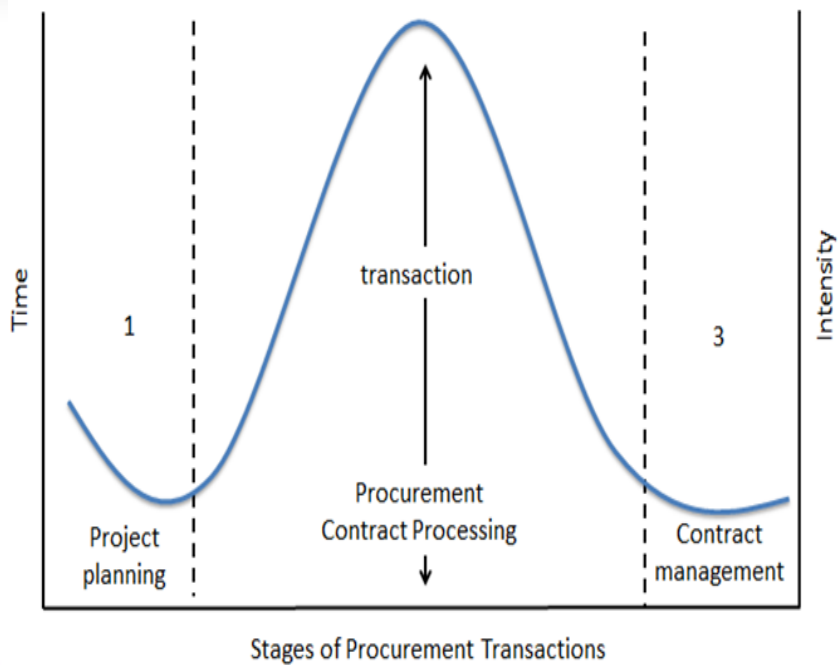


Open Competitive Bidding

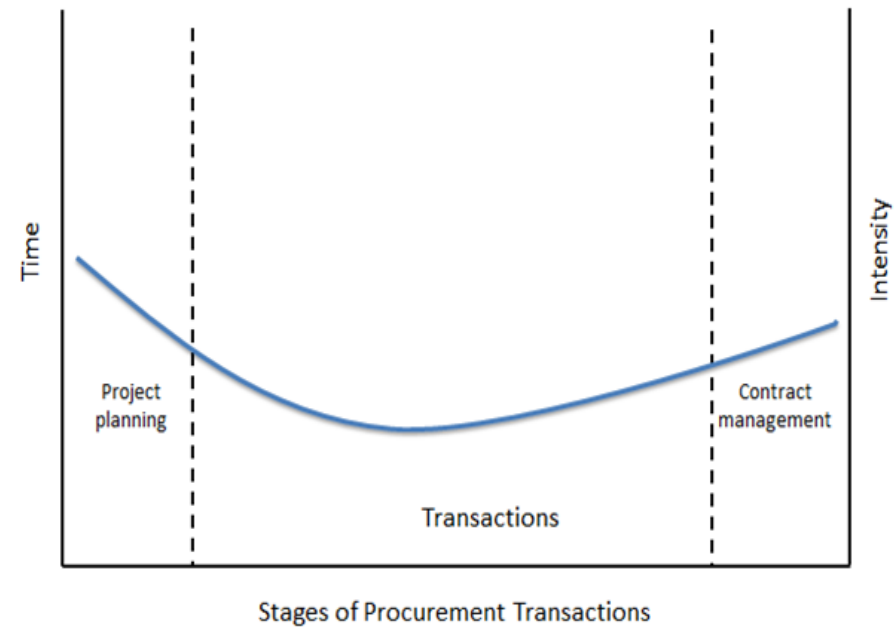


Promoting beginning-to-end procurement support instead of focusing only on reviewing procurement documents

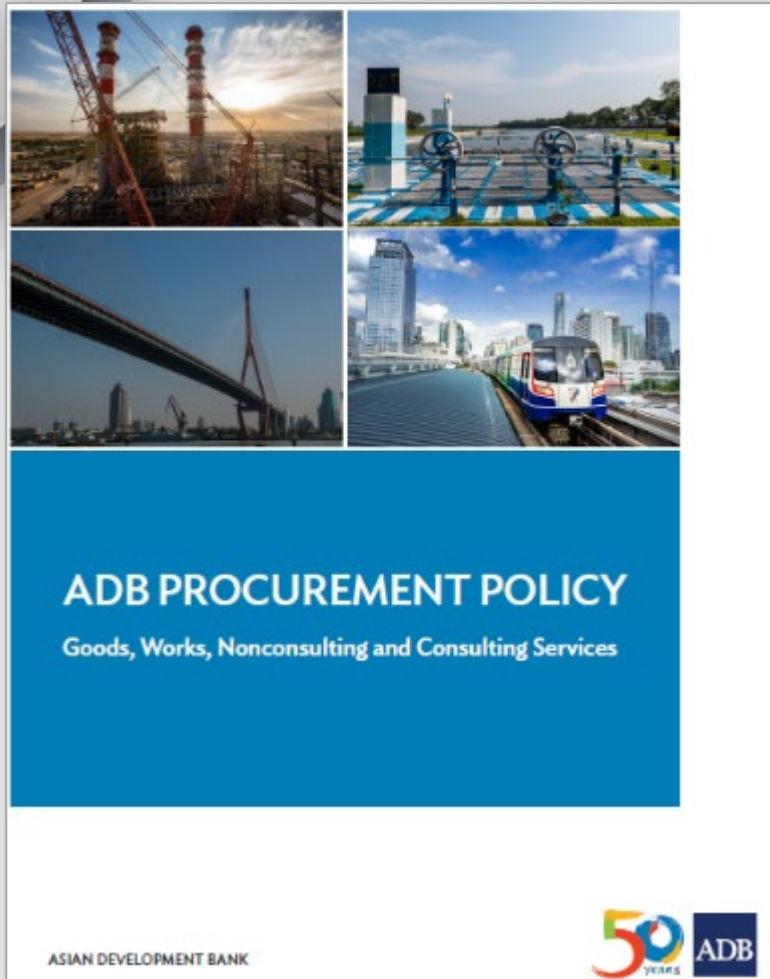
GL 2013/2015



New Framework



ADB Procurement Policy





- Approved by ADB Board of Directors, representing member countries of ADB
- Core procurement principles
- Required for project financed by ADB

ADB Procurement Policy

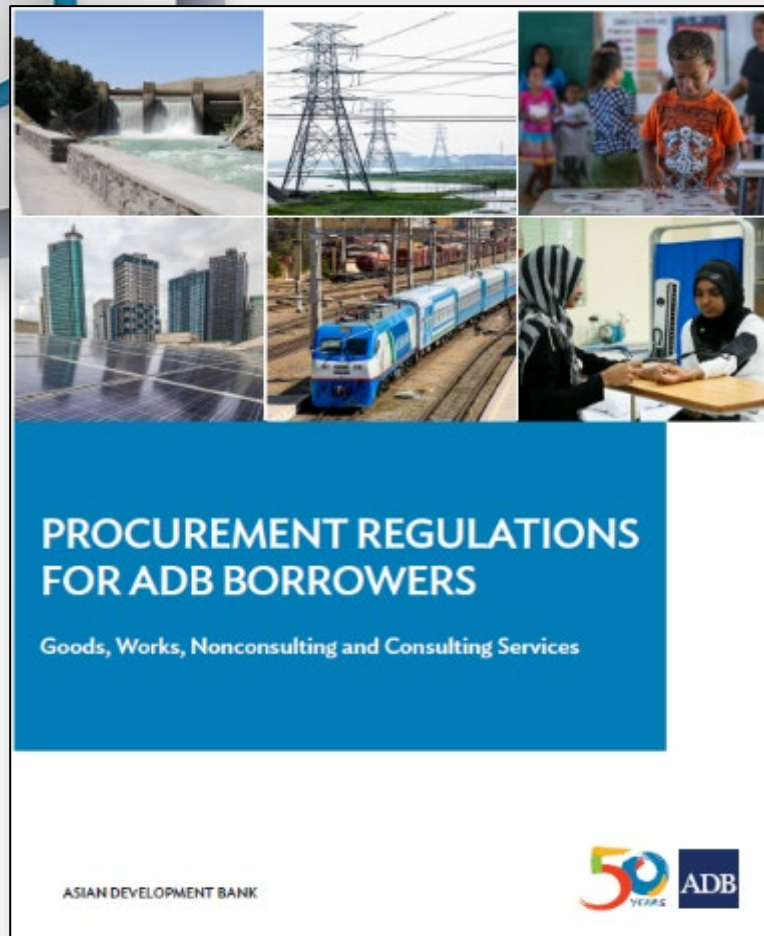
- I. Purpose
- II. General Considerations
- III. Core Procurement Principles*
- IV. Fitness for Purpose
- V. Eligibility
- VI. Development of Domestic Industry
- VII. Integrity
- VIII. Conflict of Interest
- IX. Accountability
- X. Noncompliance
- XI. Complaints
- XII. Alternative Procurement Arrangements
- XIII. E-procurement
- XIV. Procurement Plan
- XV. Procurement for Nonsovereign Operations

Procurement Principles

Principle	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.

Procurement Regulations for ADB Borrowers

- Approved by the ADB President
- Applicable for all projects financed in whole or in part
- Details of policies, procedures including ADB's fiduciary oversight through prior or post review process
- International best practices:



Roles and Responsibilities

Borrower
*select
consultant/Contractors*

Borrower

Responsible for implementation of Projects and integrity of procurement process through all stages.

Bidder

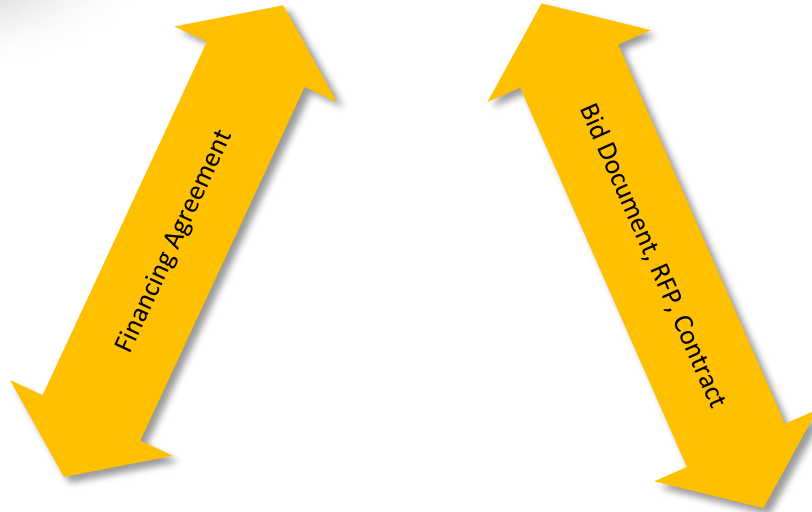
Bidder responsible for submitting complying bid and completing contract on agreed terms

ADB

Satisfies itself through reviews and other modalities that the procurement process is carried out in accordance with ADB Requirements

ADB
fiduciary role

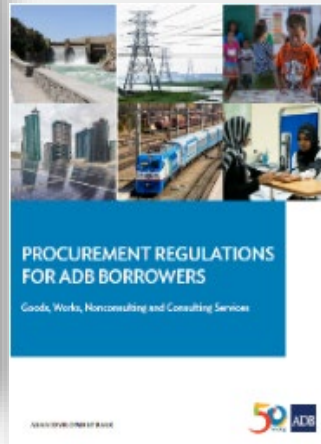
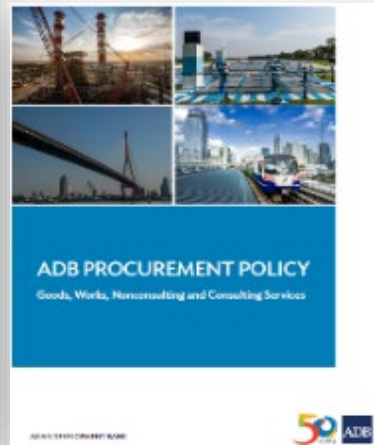
Contractor, Consultant
Execute contract



Refer to para 1.3 of Procurement Regulations

Procurement Framework

Agreement Establishing
The Asian Development Bank
("ADB Charter")

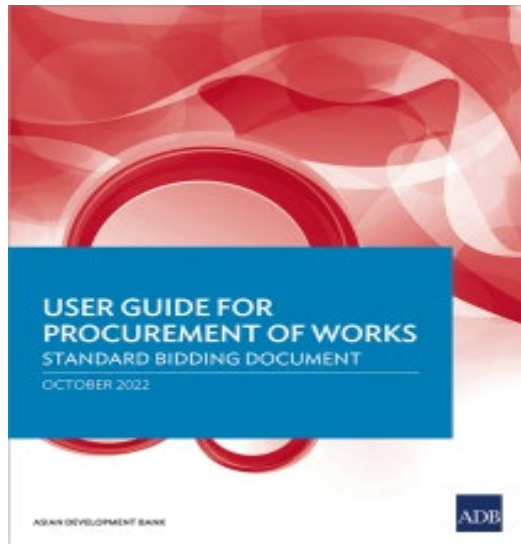


Staff Instructions
on
Project
Implementation



Standard Bid documents

- Standardized instructions, templates, contract forms
- Provides consistency and legal certainty
- Best practices and time-tested
- Must be used with customization as appropriate (agreed during SPP) or if required use of non-SBDs
- 8 Users' Guides (UGs) and 7 Standard Bidding Documents (SBDs) for Procurement of Goods, Works and Non-Consulting Services
- 1 UG and 1 Request for Proposal (RFP) document for Selection of Consultant
- User Guide for Procurement of Works- FIDIC 2017



Guidance Notes

- A guide on how to operationalize ADB Procurement policy and Regulations.



GUIDANCE NOTES					
Preparation and Planning	Procurement Methods	Bidding Procedures	New Principles and Practices	Complaints, Compliance, and Eligibility	Specialized Areas
<ul style="list-style-type: none"> • Procurement Risk Framework • Strategic Procurement Planning • Procurement Review • Alternative Procurement Arrangements 	<ul style="list-style-type: none"> • Open Competitive Bidding • Consulting Services Administered by ADB Borrowers • Non-consulting Services Administered by ADB Borrowers • Framework Agreements 	<ul style="list-style-type: none"> • Price Adjustment • Prequalification • Subcontracting • Domestic Preference 	<ul style="list-style-type: none"> • Value for Money • Quality • Contract Management • Abnormally Low Bids 	<ul style="list-style-type: none"> • Bidding-Related Complaints • Noncompliance in Procurement • Standstill Period • State-Owned Enterprises 	<ul style="list-style-type: none"> • Fragile, Conflict-Affected, small island developing states and Emergency Situations • E-Procurement • Public-Private Partnerships • High-Level Technology • Sustainable Public Procurement • Use of Merit Point Criteria for Bid Evaluation • Merit point criteria in water sector contracts

Where to find the information

www.adb.org/about/procurement

News and Events

ADB Institute

Contact

English ▾

ADB ASIAN DEVELOPMENT BANK

WHO WE ARE

WHAT WE DO

WHERE WE WORK

WORK WITH US

Search



Home > About ADB > Procurement

Procurement

Goods, Works, Non-Consulting and Consulting Services

Operations Procurement

The Procurement, Portfolio and Financial Management Department (PPFD) provides fiduciary oversight of procurement of goods, works, non-consulting and consulting services. PPFD supports ADB staff and borrowers on procurement planning and implementation, contract management, and related risk assessment and mitigation throughout the project life cycle. It also leads procurement and consulting services innovation and capacity building initiatives.

Where to find the information

ADB Business Center

All you need to work with us—in one place.

Working with ADB

Information for...

Consultants

Contractors and suppliers

Governments

Executing and implementing agencies

Development institutions

Private sector partners

How-Tos

Does my executing/implementing agency have the staff and capability to work with ADB? →

What is ADB technical assistance (TA)? →

What principles guide ADB's procurement? →

How does ADB safeguard the integrity of its activities? →

What are ADB's main financial products for the public sector? →

Where can I get data on ADB projects and countries? →

www.adb.org/business/main

Online Training on ADB New Procurement Framework













FINANCE

New Procurement Framework

The new Procurement Policy and Procurement Regulations were approved in April 2017. The Procurement Policy, Regulations and other supporting documents form the NPF within ADB, governing the procurement of goods, works and services by borrowers, Executing Agencies (EAs) and Implementing Agencies (IAs) conducting procurement on ADB-funded projects...

ADB

-  Module 1: Overview of NPF
-  Module 2: Strategic Procurement Planning
-  Module 3: Risk Management
-  Module 4: Analysis
-  Module 5: Procurement Strategy Development
-  Module 6: Bidding Procedures
-  Module 7: Consulting Services
-  Module 8: Bid Evaluation
-  Module 9: Contract Management
-  Module 10: Fragile, Conflict Affected and Emergency Situations

elearn.adb.org
*non-certified

Strengthening professionalization of procurement function in DMC



MODULE 1

Procurement Fundamentals,
Principles and General Practices

MODULE 2

Procurement Processes and
Procedures

MODULE 3

Advanced Procurement Strategies

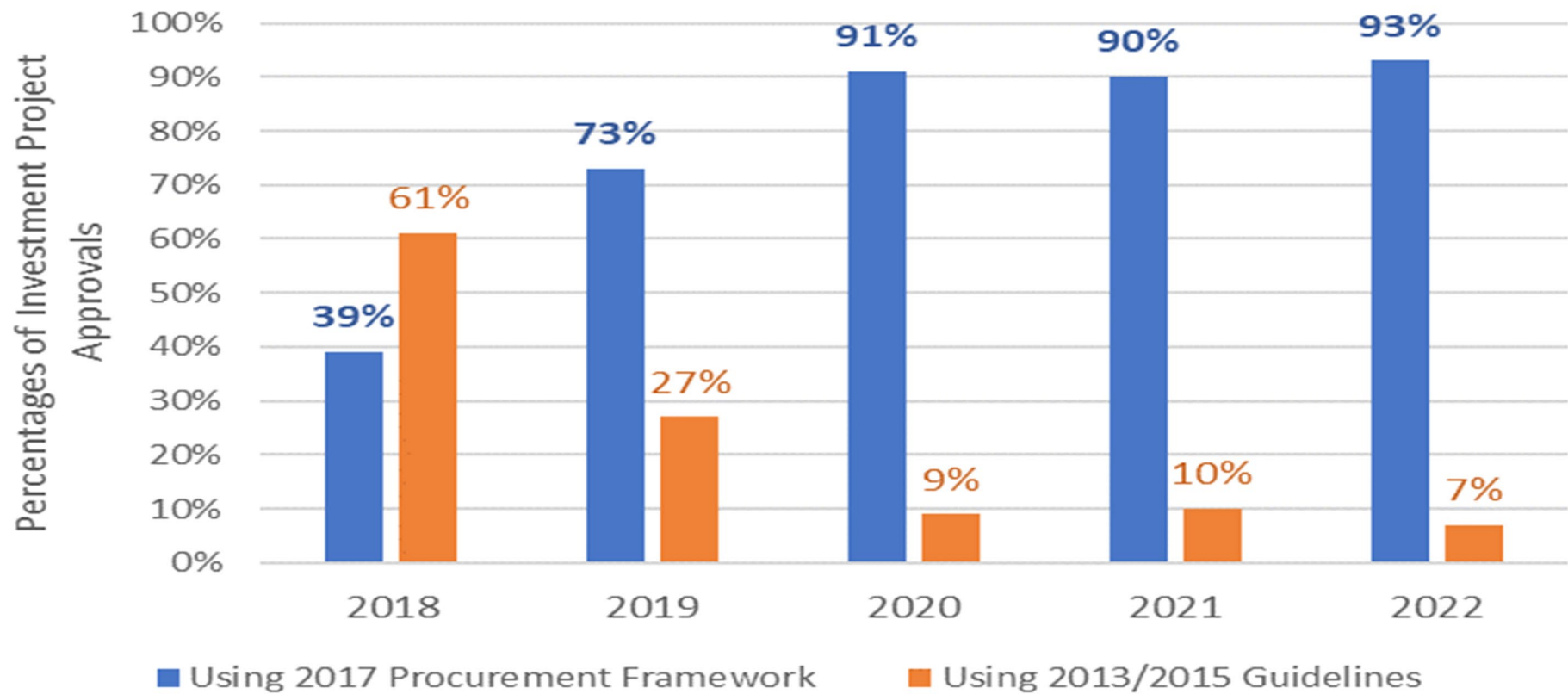
Program:
2-year, 3 modules

**Registration: 30 DMCs, over
250 procurement experts**

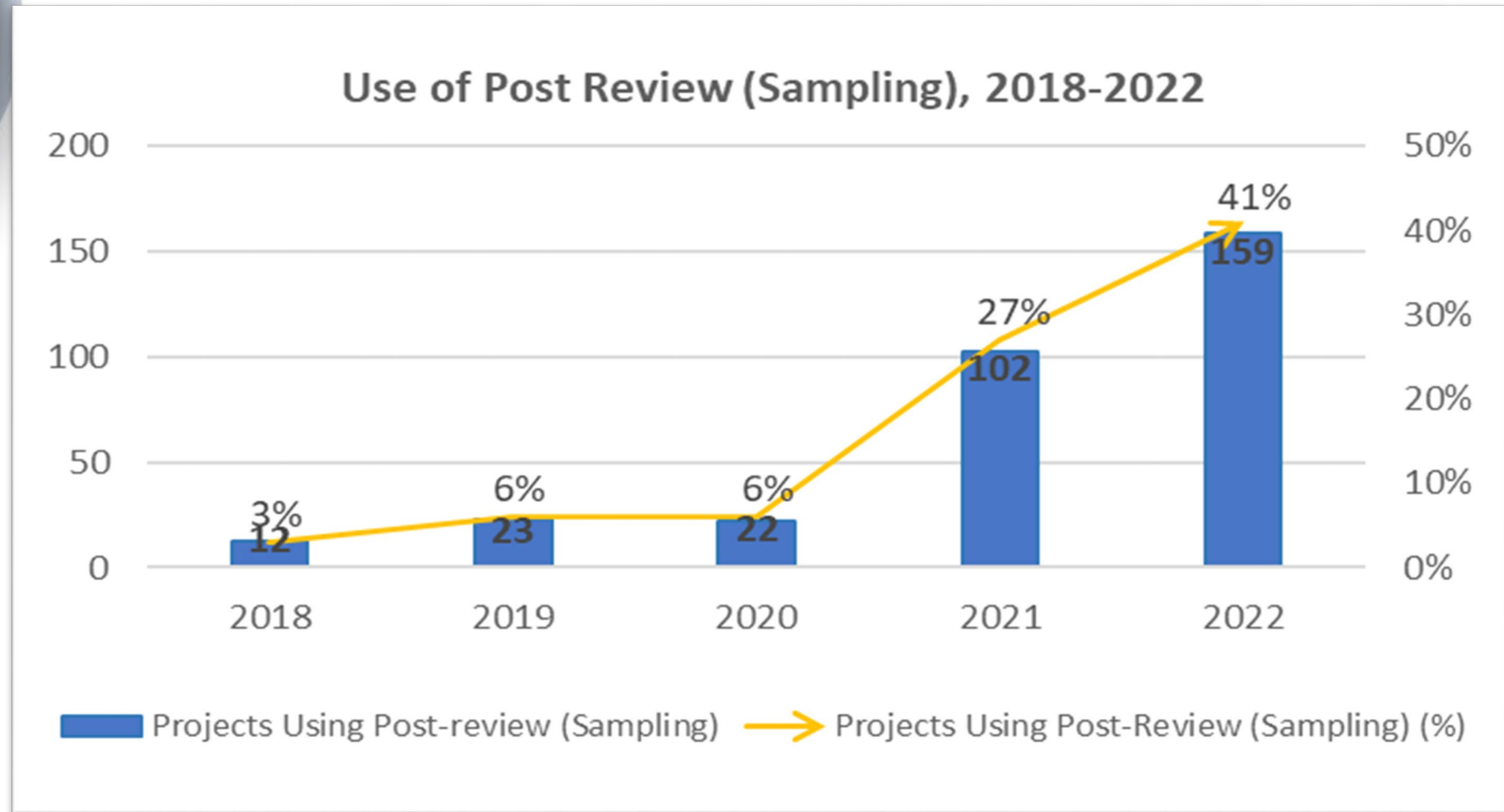
**1st batch started December
2022: 61 participants**

**2023: More than 200
participants to commence
training**

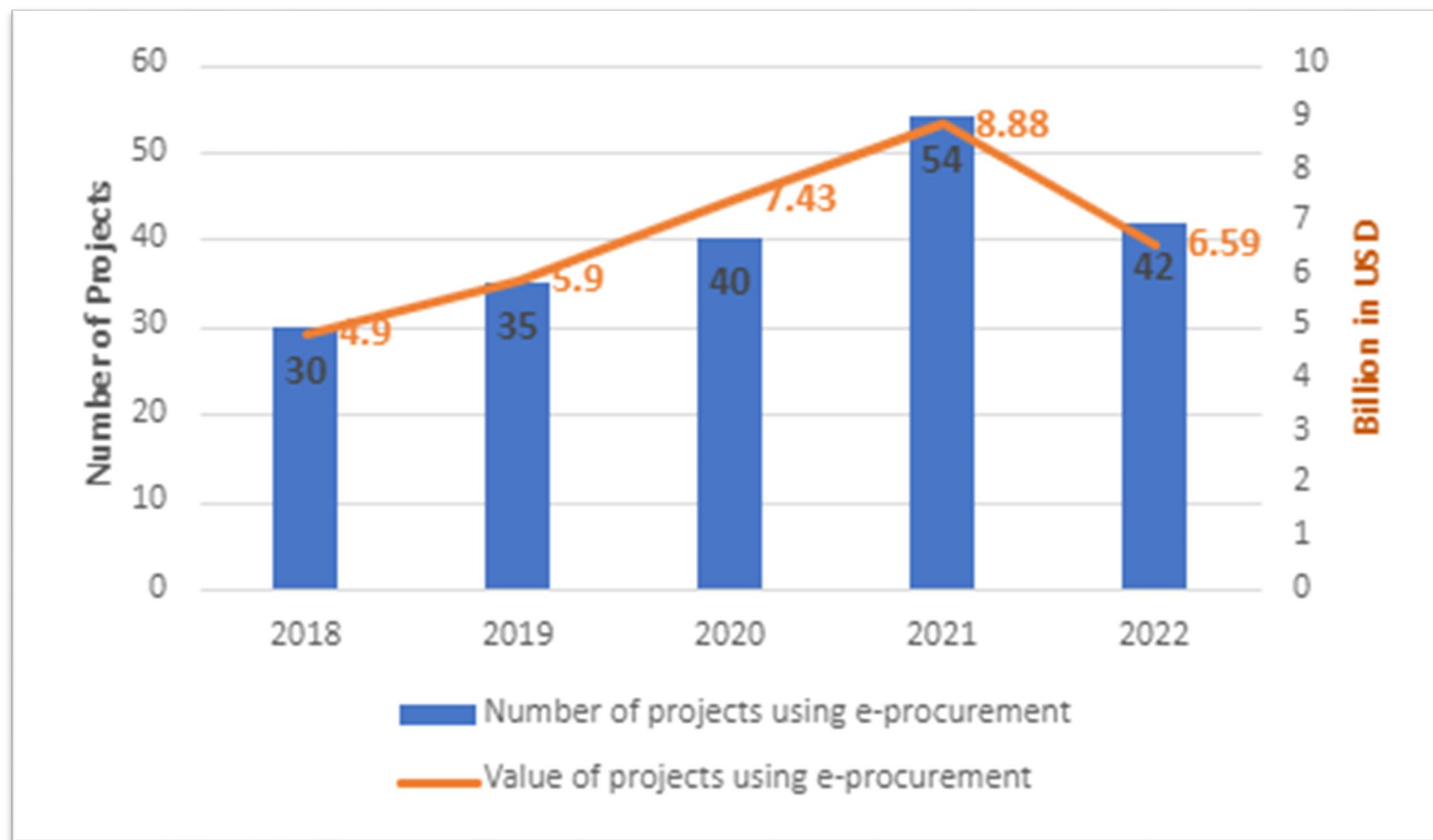
Application of PF sine 2018-2022



Risk-based Review - Enhancing Procurement Efficiency



Use of Electronic Government Procurement (e-GP)





Evaluation of procurement system from 2017-2021

Promising start (additional resources and efforts to update bid documents, preparation of GNs, out-posting, further delegation in approval, flexibility in procurement arrangements, capacity building, use of APAs, use of SPPs among others to propose fit-for-purpose procurement arrangements)

Challenges

Change in mind set both within ADB and DMCs

Require greater collaboration within ADB for application of sustainable procurement elements (economic, environmental, social and governance)

Engagement of key stakeholders making effective use of flexibilities and innovations.

Useful reports



Corporate
Evaluation

Evaluation of ADB's
Procurement System, 2014-2021



Independent
Evaluation ADB

Raising development impact through evaluation

ADB

<https://www.adb.org/documents/evaluation-adb-s-procurement-system-2014-2021>
<https://www.adb.org/documents/annual-procurement-report-2022>