



# Asian Development Bank Business Opportunities during 32<sup>nd</sup> All India Builders Convention, Goa

## *ADB Procurement Reforms*

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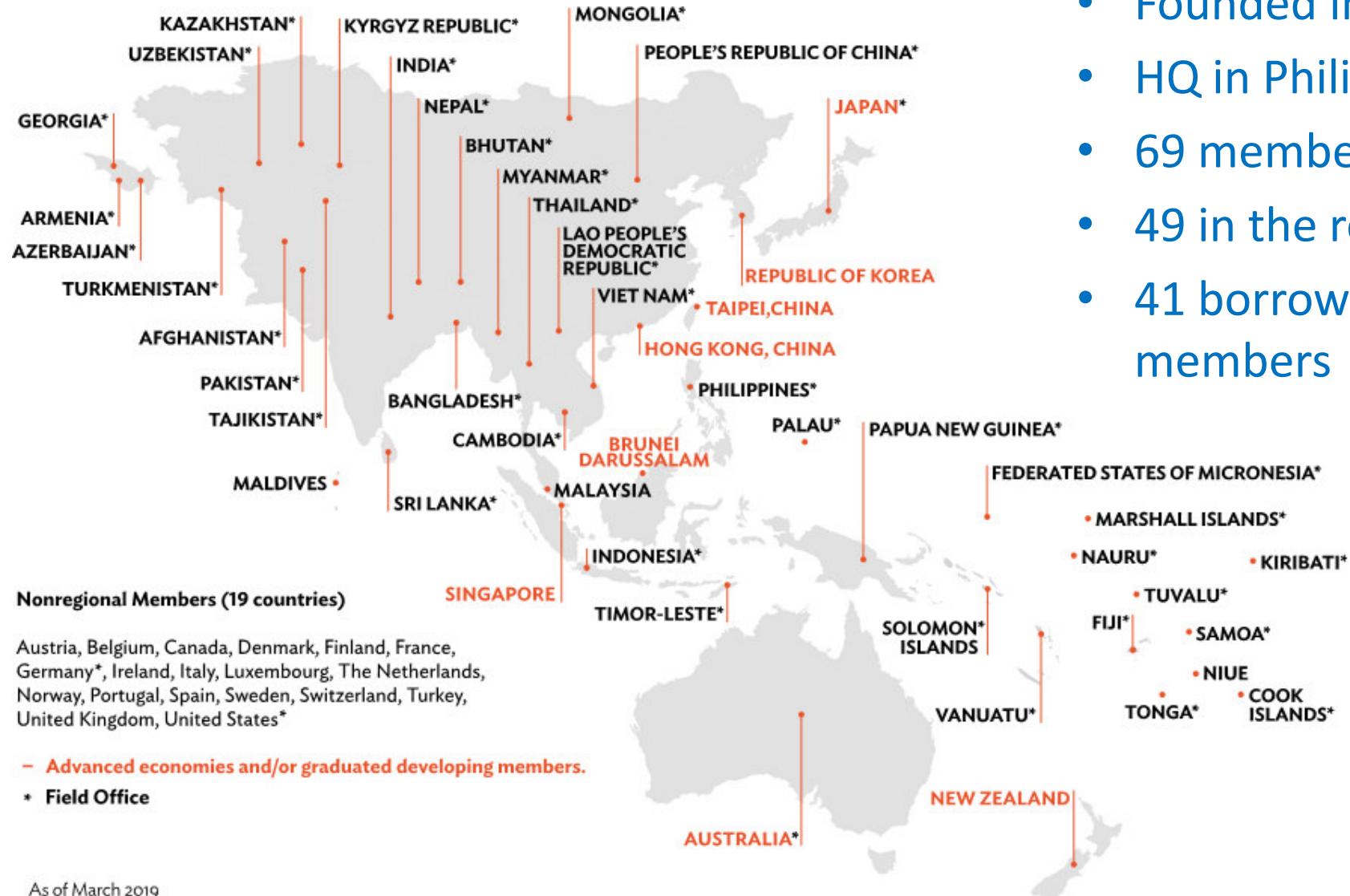
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# TOPICS

- About ADB
- ADB procurement policy-core principle
- Objective and proposed reforms
  - Early Market Engagement
  - Use of MPC
  - Local participation
  - Sustainable Procurement
  - Other Changes
- Way Forward
- How to access to opportunities

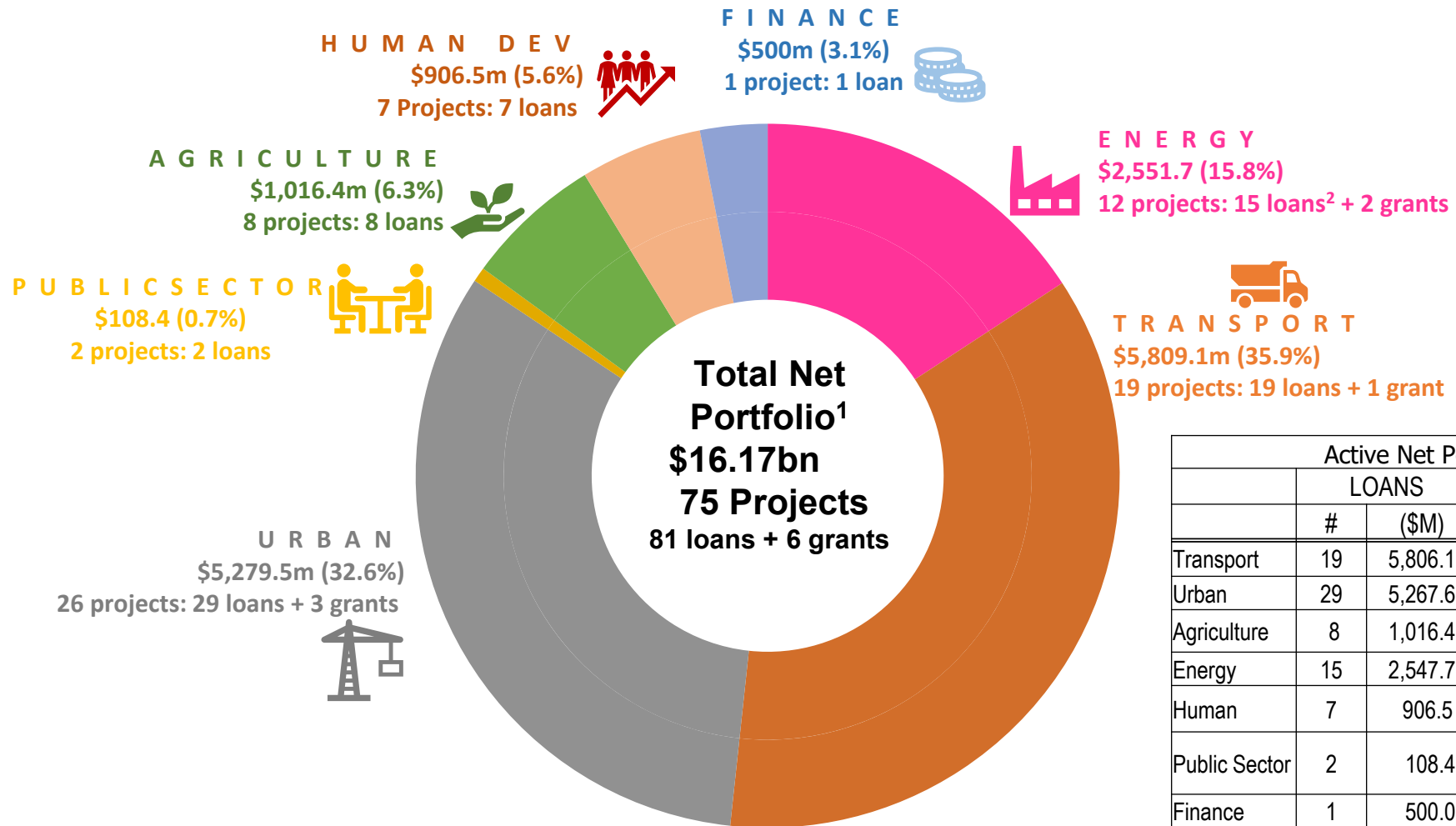
# About ADB?

- Founded in 1966
- HQ in Philippines
- 69 members;
- 49 in the region;
- 41 borrowing members



# ADB's Ongoing Portfolio in India by Sector

(as of 10 November 2025)



	Active Net Portfolio			
	LOANS		GRANTS	
	#	(\$M)	#	(\$M)
Transport	19	5,806.1	1	3.0
Urban	29	5,267.6	3	11.9
Agriculture	8	1,016.4	-	-
Energy	15	2,547.7	2	4.0
Human	7	906.5	-	-
Public Sector	2	108.4		
Finance	1	500.0	-	-
<b>TOTAL</b>	<b>81</b>	<b>16,152.7</b>	<b>6</b>	<b>18.9</b>

**NOTES:**

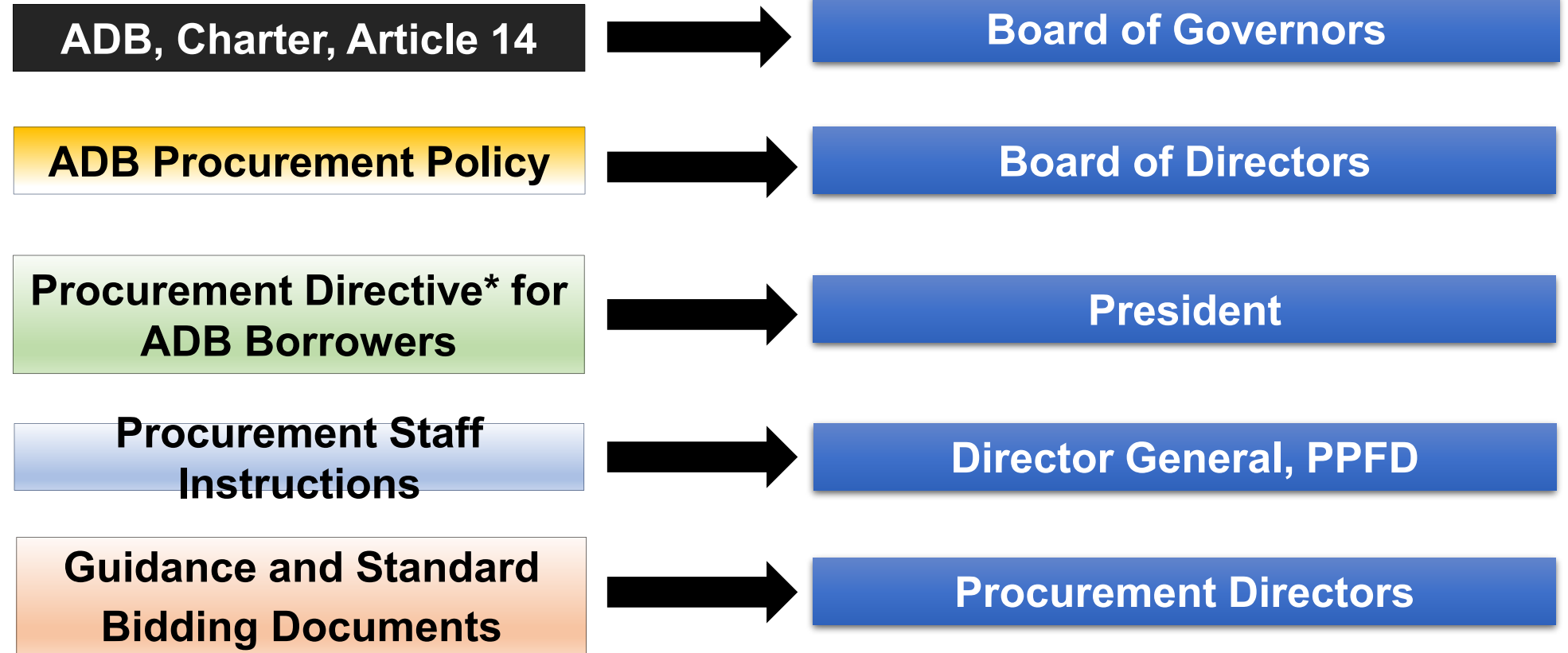
<sup>1</sup> Loan amounts on 'approval' basis. Net Amount refers to the principal and supplementary amount of loans/grants less cancellations (includes 4 PRFs)

<sup>2</sup> Includes 3 CTF loans

# ADB's Procurement Framework

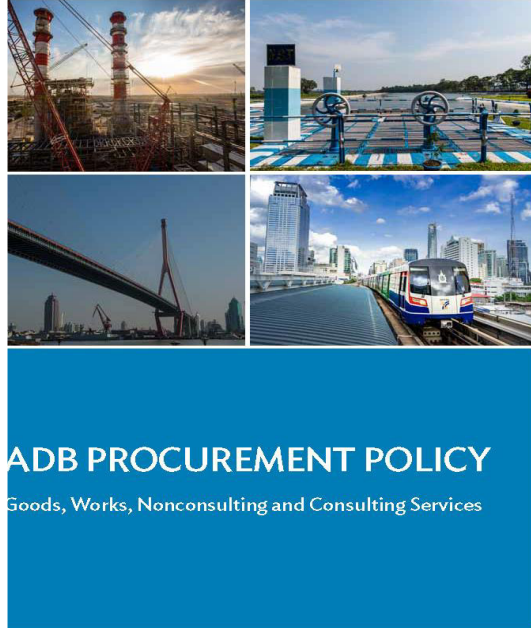
*Document Hierarchy:*

*Approved by:*



*\*Taxonomy updated from "Regulations" to "Directive" in compliance with new ADB Policy Architecture.*

# ADB Procurement Policy - Core Principles



**Economy**



**Efficiency**



**Fairness**



**Transparency**



**Quality**



**Value for money**

# Key Procurement Roles

- Responsible and accountable for carrying out all procurement activities.
- Responsible for project implementation.
- Contract are between Borrower and Provider; ADB is not a party.

**Borrower**



- ADB ensures funds are used only for their intended purpose by providing implementation support.
- ADB monitors and oversees procurement processes.

**ADB**



- Comply with requirements in bidding documents and contracts with Borrowers.

**Providers of  
Goods, Works  
& Services**



# Update in Procurement Framework

From 01 January 2026 onwards

Procurement Directives for ADB Borrowers

Guidance Note on MPC

Guidance on Local Participation

Guidance Note on Early Market Engagement

Guidance Note on Bid Evaluation

Updated Standard Bidding Documents with integrated guidance

ADB's Operational Procurement Webpage

# Objectives for Proposed Changes

## Align with new ADB Policy Architecture

- Change taxonomy (replace *Regulations* with *Directive*).
- Place details at appropriate level (high-level in Directive; specifics in guidance notes and Staff Instruction).

## Promote Innovation and Enhance Supplier Base

- Mandate early market engagement for international contracts.
- Include competitive dialogue as a procurement method.

## Improve Quality and Value for Money

- Mandate merit point criteria for contracts advertised internationally.

## Foster Economic Growth and Local Development

- Mandate minimum local labor participation.

## Reward Sustainable Procurement

- Provide incentives for environmental, social, economic & institutional considerations (job creation/skills development).

# Other Changes in Directive

## Sustainable Procurement



Where the MPC evaluation method is used, up to 25% of the technical score may be allocated to sustainability aspects.

## Beneficial Ownership



Successful bidders on internationally advertised contracts must disclose their beneficial ownership before execution, ensuring transparency of firms awarded ADB-financed contracts.

## Collaborative Contracting



Collaborative methods (e.g., competitive dialogue, early contractor involvement) suit high-risk or high-value contracts where early market input adds value and borrower capacity is sufficient.

## Other changes



Improves existing rules on prequalification, prior review, and contract management

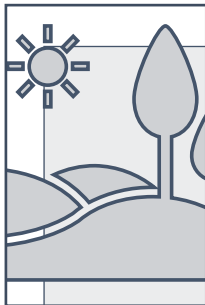
# Enhancing VFM & Quality through MPC



Evaluation method emphasizing technical quality through a weighted scoring system.



Borrower scores key technical areas most critical for delivering quality infrastructure.



Enables consideration of other objectives (job creation, sustainability, innovation, health and safety, and environmental performance).



Enables the introduction of KPIs, improved contract performance through damages for poor performance (or bonuses for good performance)

# Potential risks and Mitigation - MPC

## Potential Impacts

## Mitigation Measures

**Introduction of evaluator subjectivity or unconscious bias, leading to unfair supplier assessments.**

- Use clear, measurable scoring rubrics
- Involve multiple evaluators to reduce bias
- Train evaluators for consistency

**Placing too much weight on technical criteria may overlook cost, leading to exceeding the cost estimate.**

- Balance quality with cost considerations.
- Include life-cycle costing in assessments, not just upfront prices.
- Set thresholds for technical scores before considering financial bid.

**Can increase evaluation complexity and prolong procurement timelines.**

- Limit the number of technical criteria to essential.
- Use standardized templates and scoring tools.
- Ensure adequate resourcing for evaluation teams.

**Strict or poorly designed criteria may unintentionally exclude providers, reducing competition and innovation in the market.**

- Ensure proportionality of requirements.
- Offer clarification sessions.
- Use flexible criteria “desirable” vs. “mandatory”.
- Encourage early market engagement.

**If criteria are not applied consistently or transparently, this may lead to complaints, disputes, or even legal challenges.**

- Clearly publish evaluation criteria and weightings in SBDs.
- Keep a transparent audit trail of scoring and justifications.
- Regularly review evaluation practices against Directive.
- Provide debriefs to unsuccessful bidders to maintain trust.

# MPC Requirements as of 1 January 2026

MPC will be utilized on internationally advertised contracts.

How is the advertising method selected? 

National advertising, if:

- Local market is competitive at prices below the international market;
- Contract values are small;
- Works are scattered geographically or spread over time; or
- Works are labor-intensive.
- High value for the purpose of technical weightings is >USD 10 million

Otherwise, **international advertising.**

For contracts with substantial/high procurement risk, the minimum technical weighting is 50%.

How is Procurement risk determined? 

- **Procurement risk** is based on package complexity, borrower capacity, market maturity, and other project/external factors.
- Borrower presents the assessed procurement risk in the **strategic procurement plan** for ADB endorsement.

# Transition Arrangements

MPC required for international OCB packages, except:

**Projects approved prior to 1 January, 2026:** Lowest evaluated bid can be used for 12 months after the directive becomes effective.

**Projects approved after 1 January, 2026:** Lowest evaluated bid can be used for 6 months after the directive becomes effective

# Local Participation: Background

- The *G20 Principles for Quality Infrastructure Investment* and *Pacific Quality Infrastructure Principles* highlight job creation and technology transfer in infrastructure projects.
- 1.2B youth entering emerging economy workforces over the next decade → strong incentive to expand jobs on ADB contracts.
- DMCs are increasingly seeking opportunities to maximize the secondary economic benefits of projects financed by ADB.

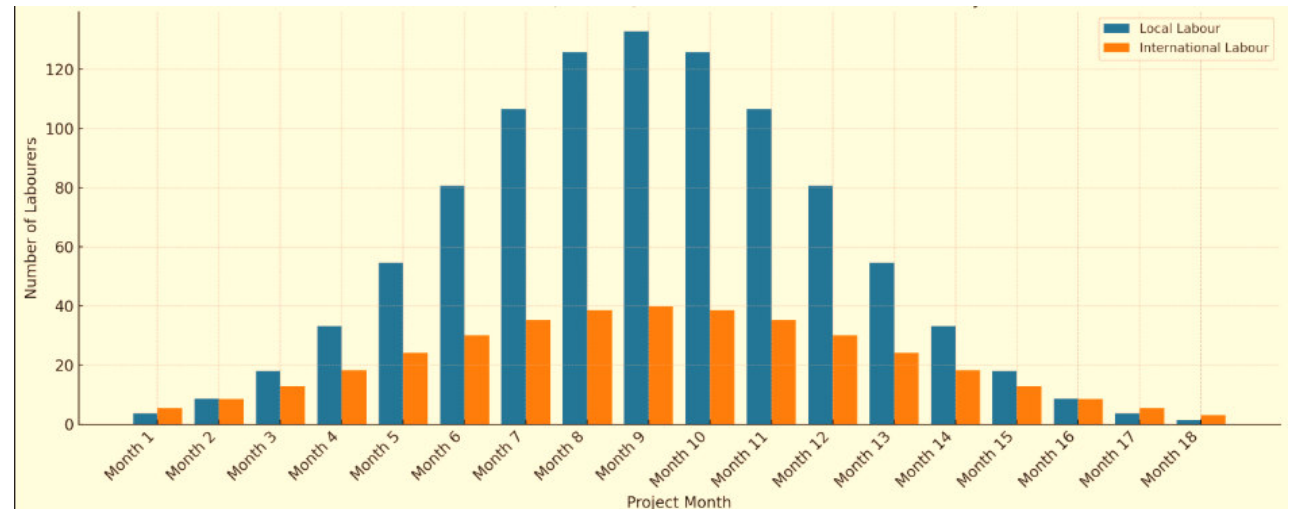


# Approach

## Qualification Criteria

- As a minimum, **50 % of the workforce shall be local labor**
  - Applicable on 1 January 2026; transition arrangements will apply.
  - Lower threshold permitted in certain situations (e.g., SIDS) if justified in procurement strategy.
  - Borrowers may give scoring benefits to contractors exceeding the minimum in MPC evaluations.
- 
- **Calculation by person days**

Required on internationally advertised contracts, recommended elsewhere



# Early Market Engagement

Required for internationally advertised contracts to promote innovation and enhance the supplier base



## Engage with the market before bidding

- Helps the borrower better understand market conditions and obtain feedback on requirements, risks, and costs.
- Provides opportunities to identify innovation and sustainability considerations.
- Raise awareness and stimulate interest from qualified suppliers.

# Types of Early Market Engagement

## Requests for information

- Surveys to suppliers to sound out the market.

## Market roadshows

- Face-to-face engagement to explain the project, seek feedback, and build market interest.

## Feedback on draft specifications

- Review of draft specifications for accuracy, clarity and feasibility.

## Feedback on draft contract

- Review of draft contract, risk allocations and KPIs

## Market consultations

- Early-stage engagement with market to explore innovative or complex needs.

# Sustainable public procurement

achieved through

- policy and regulation
- contract requirements
- specification
- criteria setting

informed by prioritization and market analysis

ENVIRONMENTAL



SOCIAL



ECONOMIC



INSTITUTIONAL



It's more than just green



Strategically Aligned with Public Goods

**Amplifier of**  
environmental, social,  
economical impacts  
through market shaping

*Do good both through what is built  
and through how it is built*

# Collaborative Contracting

Design, Build and Operate template (2021) for water and wastewater greenfield projects template for projects with 10-30 years of O&M period handled by the same contractor,

A new Collaborative O&M Contract Template for water and wastewater infrastructure projects (2026) introduces collaborative approach during a shorter O&M period (5 years) to :

- Quickly improve service to end users,
- Implement new technology and sustainable solutions
- Prepare future infrastructures investments.



USER GUIDE FOR  
DESIGN-BUILD-OPERATE  
CONTRACTS FOR WATER AND  
WASTEWATER GREENFIELD  
INFRASTRUCTURE PROJECTS  
STANDARD BIDDING DOCUMENT  
DECEMBER 2021



USER'S GUIDE TO  
COLLABORATIVE  
OPERATION AND MAINTENANCE  
CONTRACTS  
FOR WATER AND WASTEWATER  
INFRASTRUCTURE PROJECTS  
STANDARD BIDDING DOCUMENT  
December 2022

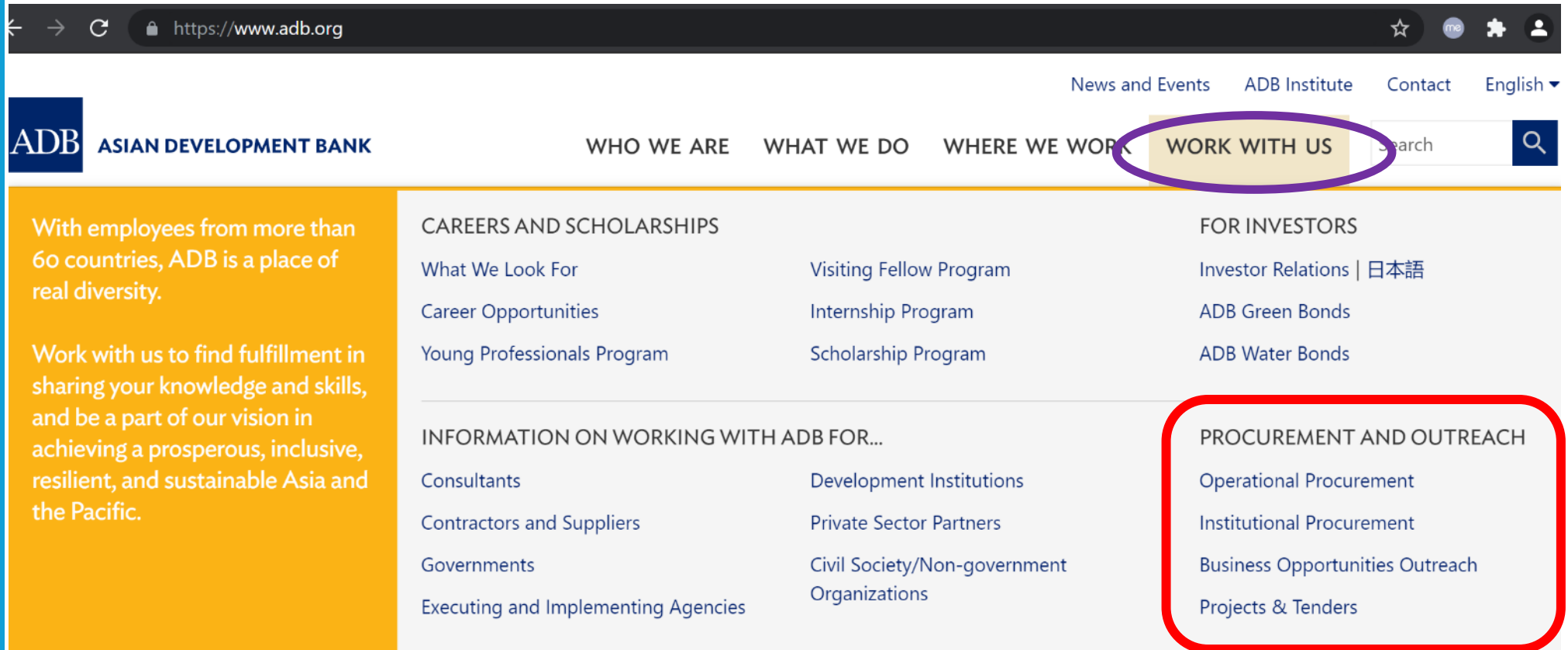
# Way Forward

- Deepen adoption of risk-based procurement
- Strengthen contract management capability
- Expand sustainable and strategic procurement approaches
- Enhance collaboration
- Enable consideration of other objectives like job creation, innovation, health and safety, and environmental performance.

# Pipeline projects of 2026

Sl. No.	Project Name	Amount (\$ M)
1	Inclusive and Sustainable Bamboo Value Chain Development in Northeastern India (First Activity)	2.7
2	Kerala Sustainable Coastal Protection and Climate Resilience Planning Project	200.0
3	Sustainable Wetland and Integrated Fisheries Transformation Project	71.9
4	Climate Resilient Brahmaputra Integrated Flood and Riverbank Erosion Risk Management Project in Assam - AF	182.0
5	Uttar Pradesh Power Distribution Improvement Project-Tranche 2	130.0
6	Madhya Pradesh Renewable Energy Scaling-up Program	60.0
7	Accelerating Affordable and Inclusive Rooftop Solar Generation for Sustainable and Low Carbon Energy Development Program (SP2)	350.0
8	Solar Rooftop Investment Program – Tranche 4	150.0
9	Innovative West Bengal Floating Solar with Battery Energy Storage Project	193.0
10	Power Sector Reform Program (Subprogram 2)	200.0
11	Universal Health Coverage for Mizoram	108
12	Project TAMIL (Tamil Nadu Accelerating Manpower Investment for Livelihood)	236.0
13	Strengthening Karnataka Public Schools	200.0
14	Strengthened and Measurable Actions for Resilient and Transformative Health Systems (Subprogram 2)	170.0
15	Karnataka Higher Education Transformation	200.0
16	Strengthening MSME Cluster Ecosystem Through Institutional Network of EDCs (RBL)	130.0
17	Maharashtra Roads Connectivity for Inclusive Growth Program	400
18	Bihar State Highway Project (Phase-IV)	200.0
19	Climate Smart Rural Road Connectivity in Karnataka	360.0
20	Upgradation of roads and construction of bridges in Sikkim, Phase-I	103.4
21	Puducherry Integrated Urban Livability Improvement Project (PIULIP)	175.0
22	Inclusive, Resilient, and Sustainable Housing for Urban Poor TN (P2)	200.0
23	Chennai Climate Resilient Water Security and Sewerage Project	261.0
	<b>Total</b>	<b>4283.0</b>

# How to find Information on our Website



The screenshot shows the ADB website with the following elements:

- Browser Address Bar:** <https://www.adb.org>
- Top Navigation:** News and Events, ADB Institute, Contact, English
- Main Navigation:** WHO WE ARE, WHAT WE DO, WHERE WE WORK, **WORK WITH US** (highlighted with a purple oval), Search
- Left Column (Yellow background):**
  - With employees from more than 60 countries, ADB is a place of real diversity.
  - Work with us to find fulfillment in sharing your knowledge and skills, and be a part of our vision in achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific.
- Center Column:**
  - CAREERS AND SCHOLARSHIPS**
    - What We Look For
    - Career Opportunities
    - Young Professionals Program
    - Visiting Fellow Program
    - Internship Program
    - Scholarship Program
  - INFORMATION ON WORKING WITH ADB FOR...**
    - Consultants
    - Contractors and Suppliers
    - Governments
    - Executing and Implementing Agencies
    - Development Institutions
    - Private Sector Partners
    - Civil Society/Non-government Organizations
- Right Column:**
  - FOR INVESTORS**
    - Investor Relations | 日本語
    - ADB Green Bonds
    - ADB Water Bonds
  - PROCUREMENT AND OUTREACH** (highlighted with a red rounded rectangle)
    - Operational Procurement
    - Institutional Procurement
    - Business Opportunities Outreach
    - Projects & Tenders

Business Center - [www.adb.org/business](http://www.adb.org/business)

Procurement - [www.adb.org/business/operational-procurement](http://www.adb.org/business/operational-procurement)



## ADB Business Center

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

[Guides and Documents](#)
[Business Opportunities Outreach](#)
[Procurement Statistics Dashboard \(ProcDash\)](#)
[More](#)

🏠 > [Work with Us](#) > [Business Center](#) > [Working with ADB](#)

### Working with ADB

#### Information for...

[Consultants](#)
[Contractors and suppliers](#)
[Governments](#)
[Executing and implementing agencies](#)
[Development institutions](#)

#### How-Tos

[Where are the business opportunities in the ADB project cycle? →](#)

[What bidding procedures are used by ADB-financed projects? →](#)

[How can we improve our chances of securing an ADB-funded contract? →](#)

[What are the main eligibility requirements for bidding for contracts under ADB-financed projects? →](#)

[What are the eligibility requirements for subcontractors working for contractors on ADB-financed projects? →](#)

- [How-Tos](#)
- [Policies & Regulations](#)
- [Procedures & Guidance](#)
- [Documents & Forms](#)

THANK YOU!

