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ADB Procurement Framework

Pakistan Railways Training on ADB's Processes and Procedures

8 October 2025

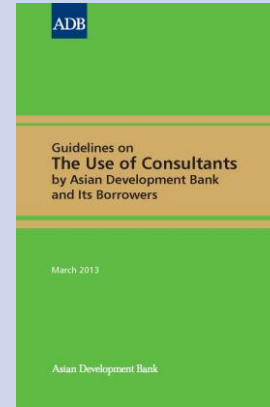
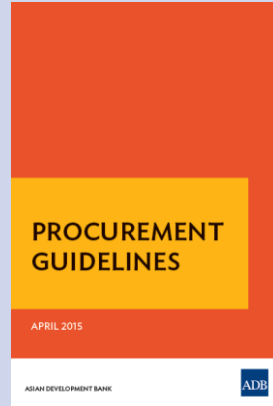
Mohsen I. Khan, Senior Procurement Officer, PPFD

Mohammad Rehan, Staff Consultant, PRM

ADB Procurement Framework

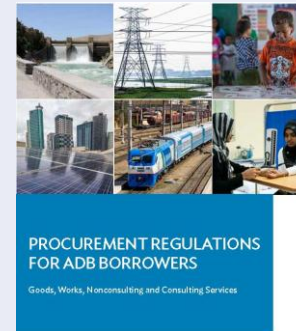
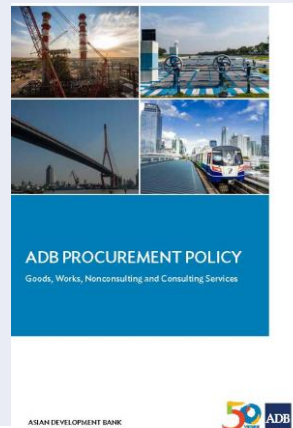
New and Old Procurement Framework

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

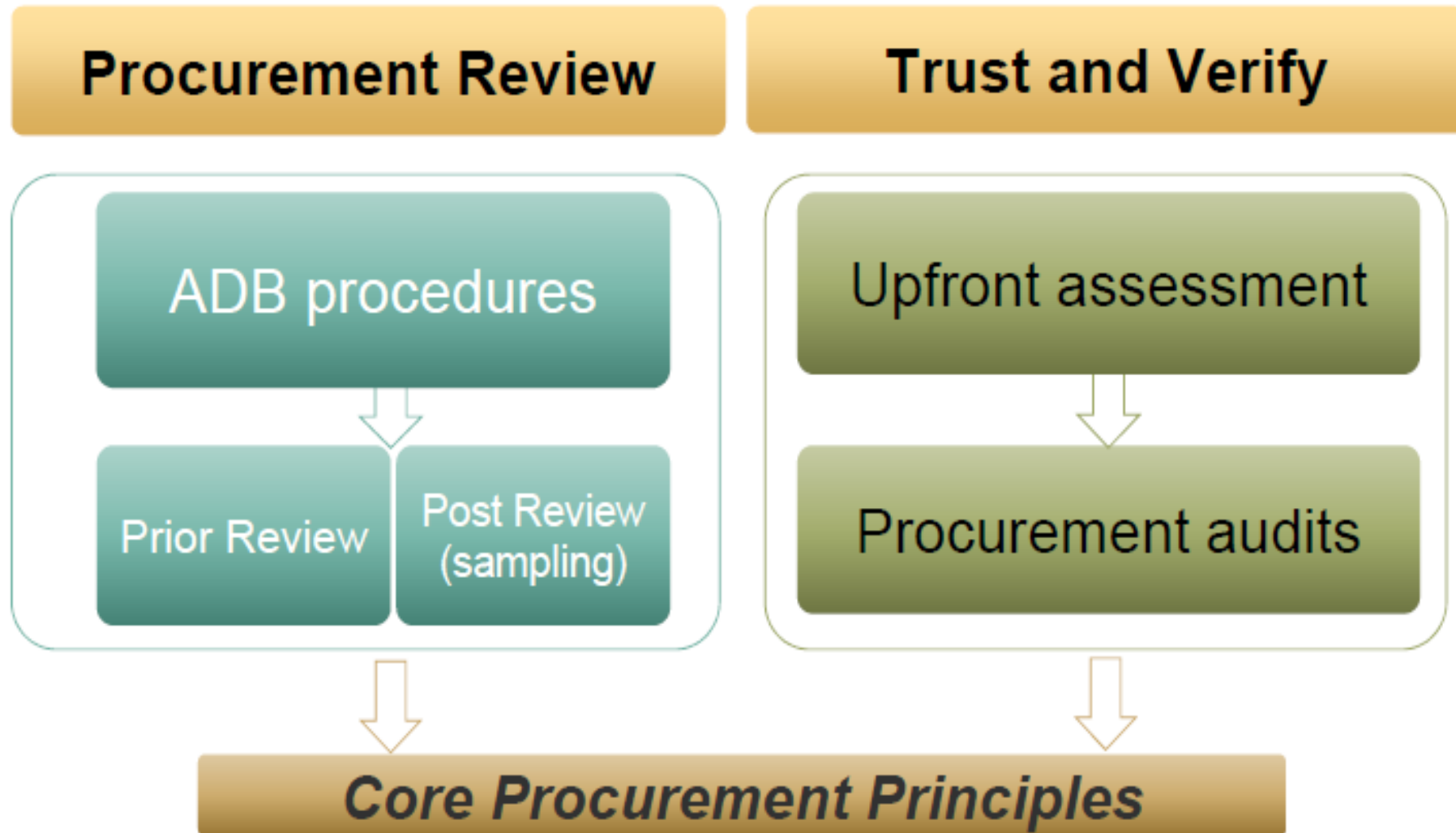
Increased value for money through quality procurement

Greater engagement with DMCs, lower transaction costs for borrowers

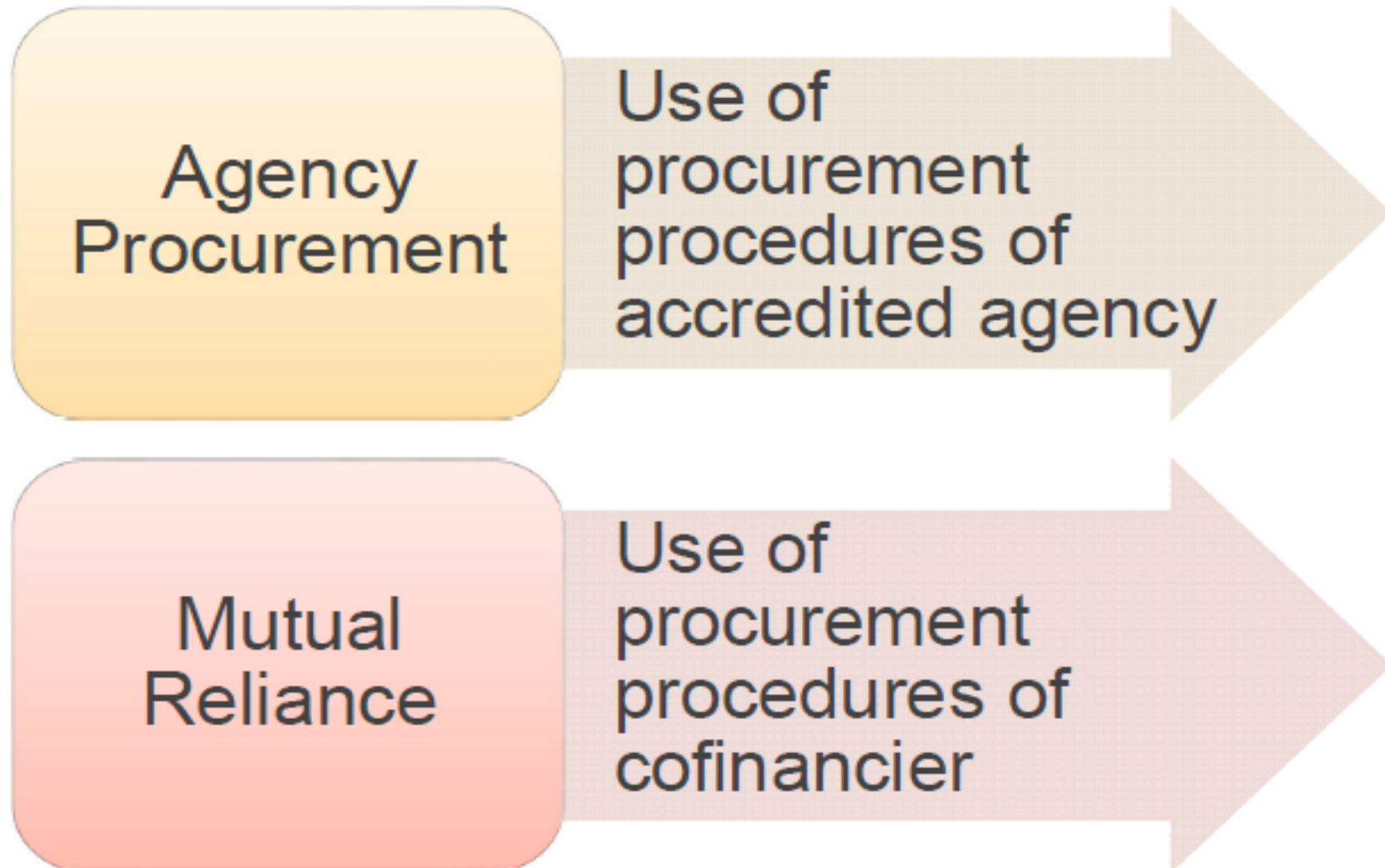
Fiduciary compliance throughout the project cycle



Principal Based Procurement



Alternative Procurement Arrangements



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.



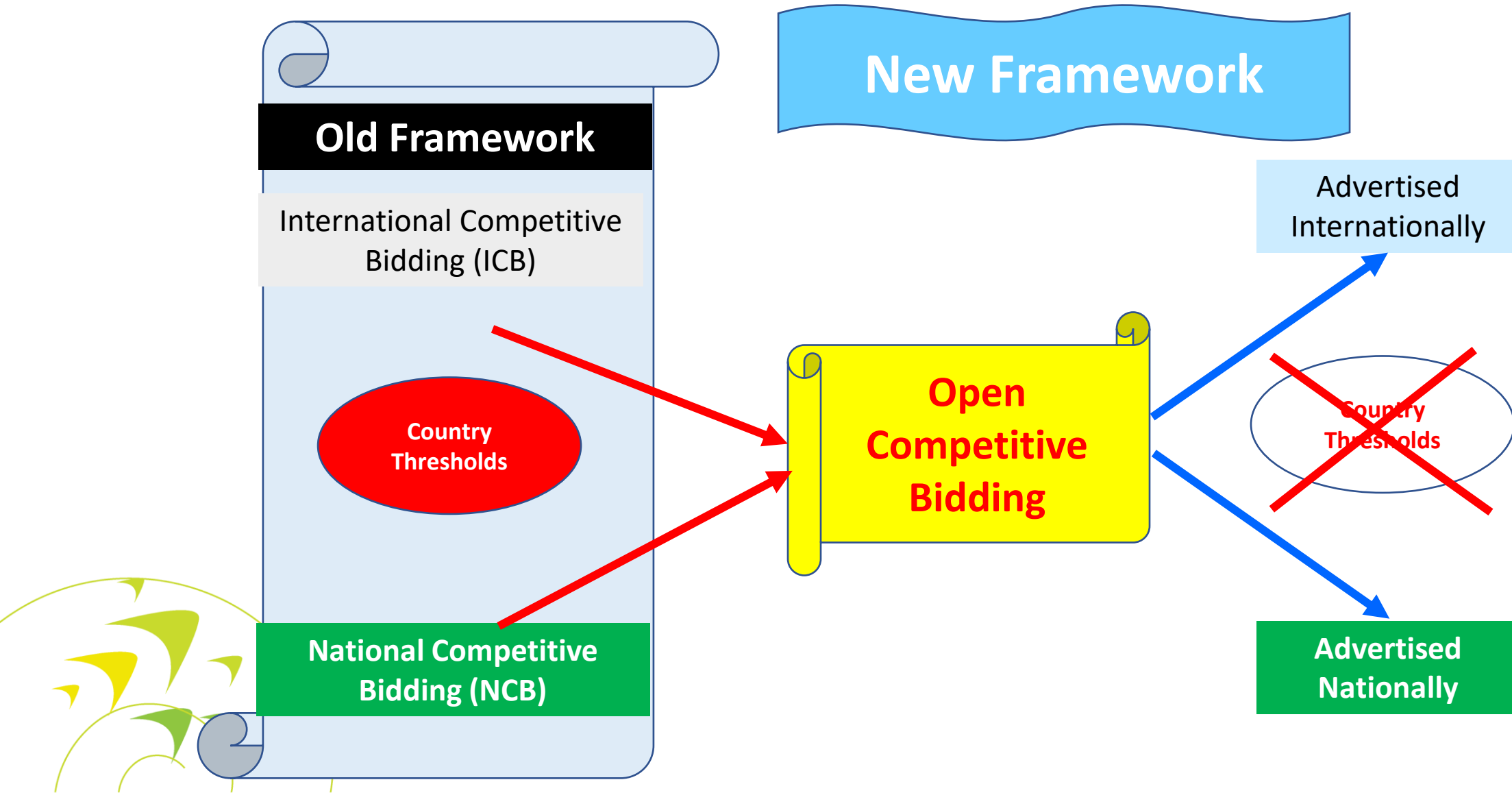
Tracking and Monitoring of Procurement Complaints



Processes to ensure that all complaints are resolved impartially and in a timely manner.

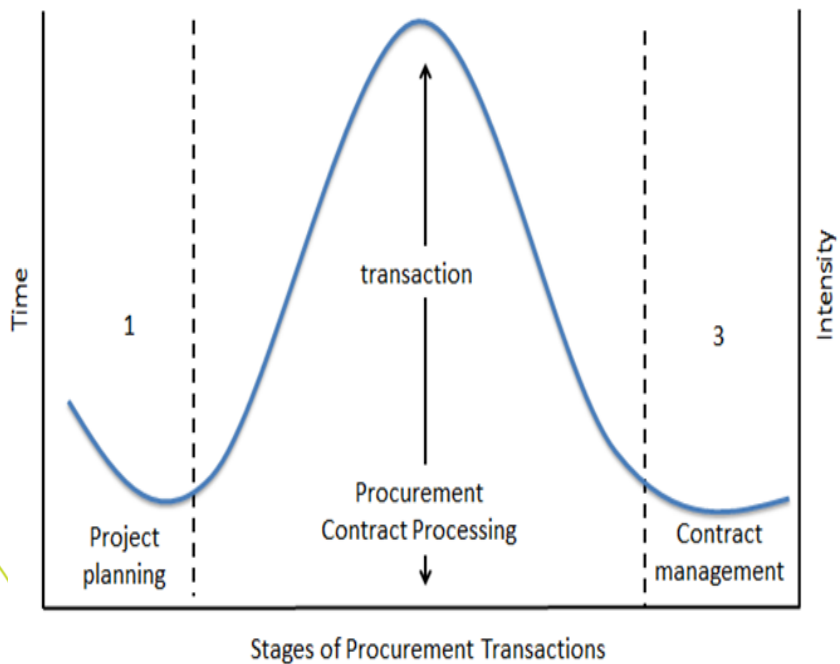


Open Competitive Bidding

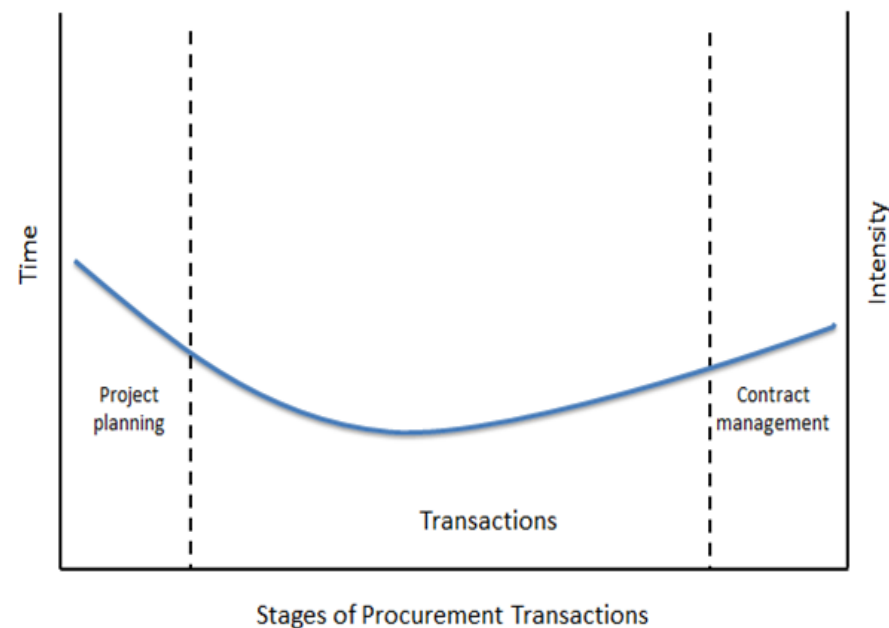


Promoting beginning-to-end procurement support instead of focusing only on reviewing procurement documents

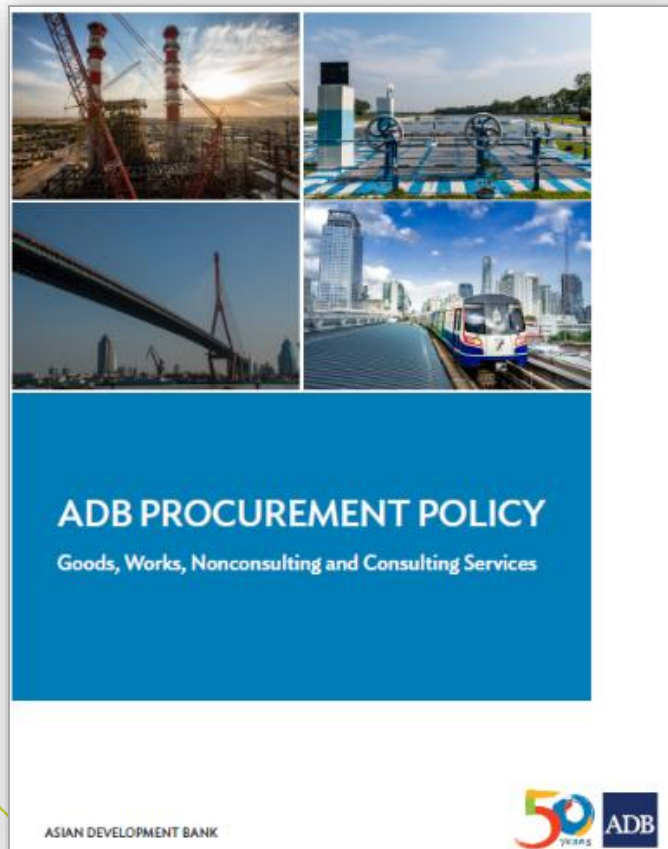
GL 2013/2015



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 Principles

Transparency

Value for Money

The effective, efficient, and economic use of resources, which requires an evaluation of relevant costs and benefits along with an assessment of risks, nonprice attributes, and/or total cost of ownership as appropriate

Efficiency

- Decreased transaction costs
- Increased skills
- Increased high-level technology usage
- Improved procurement planning
- Support and encouragement of e-procurement systems

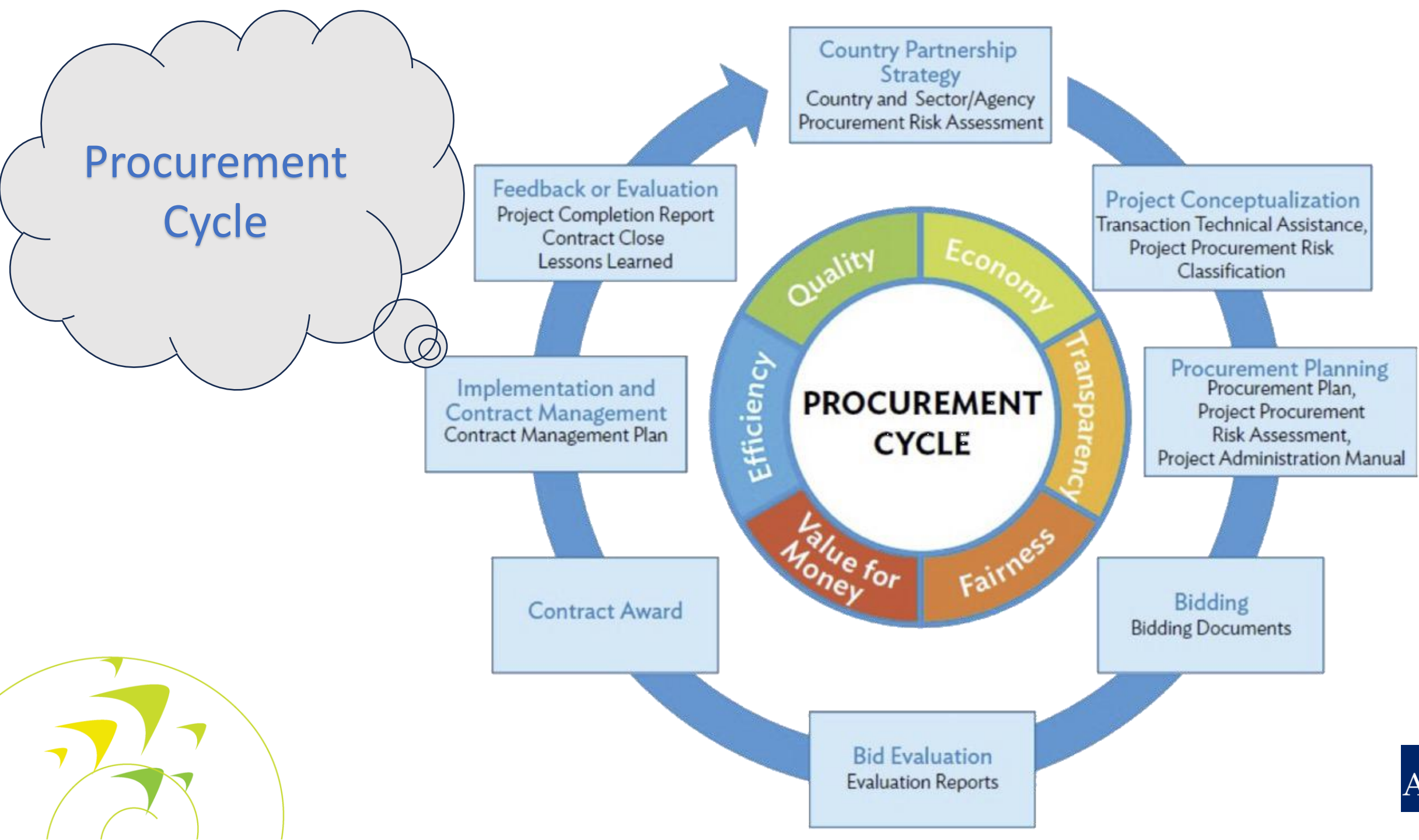
Quality

- Contract management support
- Prompt resolution of complaints
- Improved developing member country procurement process
- Improved procurement planning
- Governance
- Contracts with clear performance criteria
- Minimal number of complaints
- Improved ADB processes

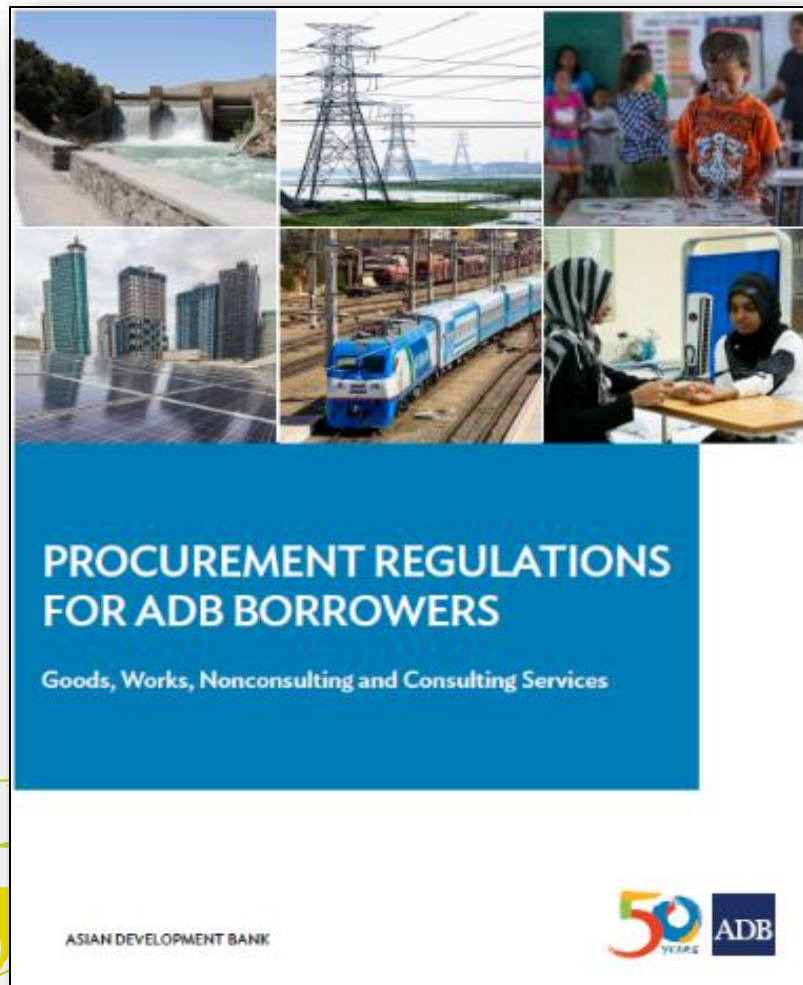
Flexibility

- Open competitive bidding
- Decentralization
- Accreditation for alternative procurement arrangements
- Principles-based decisions
- Improved procurement planning
- Delegation
- Bids with weighted proposal criteria

Fairness

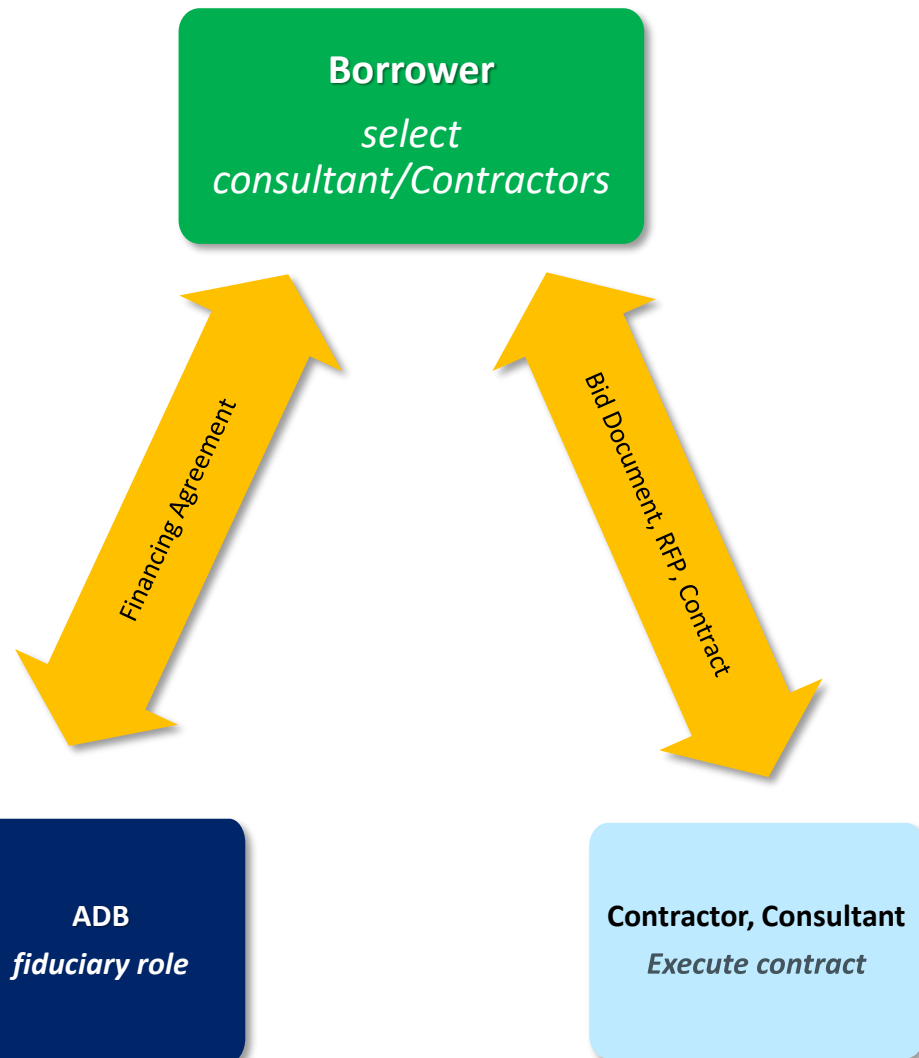


Procurement Regulations for ADB Borrowers



- 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

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

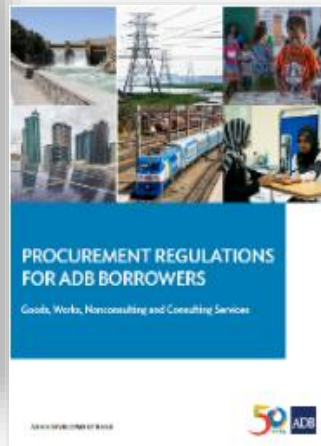
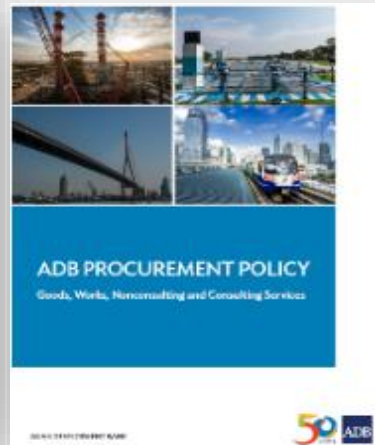
ADB

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

Refer to para 1.3 of Procurement Regulations

Procurement Framework

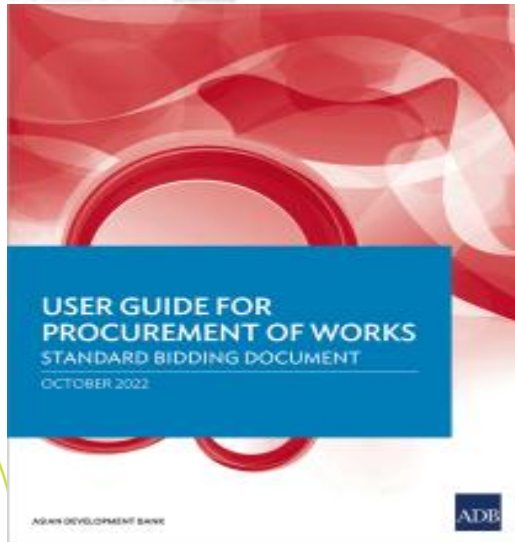
Agreement Establishing
The Asian Development Bank
("ADB Charter")



Staff Instructions
on
Project
Implementation



Standard Bidding 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
• Procurement Risk Framework • Strategic Procurement Planning • Procurement Review • Alternative Procurement Arrangements	• Open Competitive Bidding • Consulting Services Administered by ADB Borrowers • Non-consulting Services Administered by ADB Borrowers • Framework Agreements	• Price Adjustment • Prequalification • Subcontracting • Domestic Preference	• Value for Money • Quality • Contract Management • Abnormally Low Bids	• Bidding-Related Complaints • Noncompliance in Procurement • Standstill Period • State-Owned Enterprises	• 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 • Mert point criteria in water sector contracts

www.adb.org/about/procurement



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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.



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? →

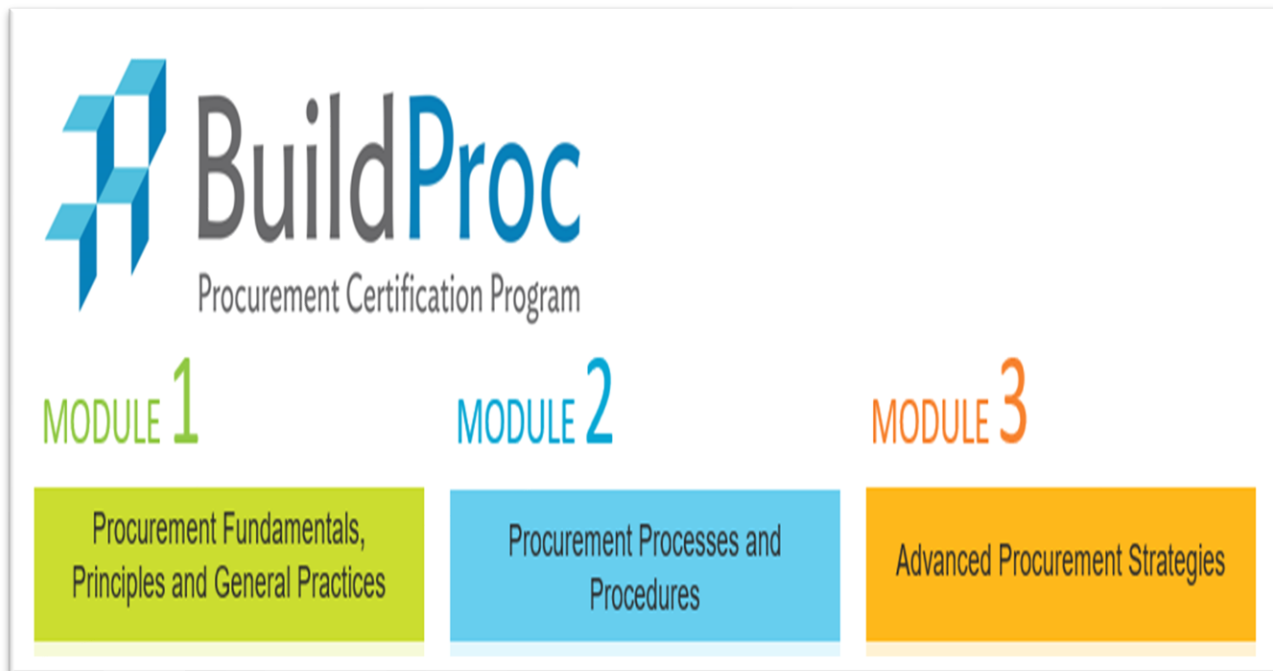
How does ADB safeguard the integrity of its activities? →

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

Strengthening professionalization of procurement function in DMC



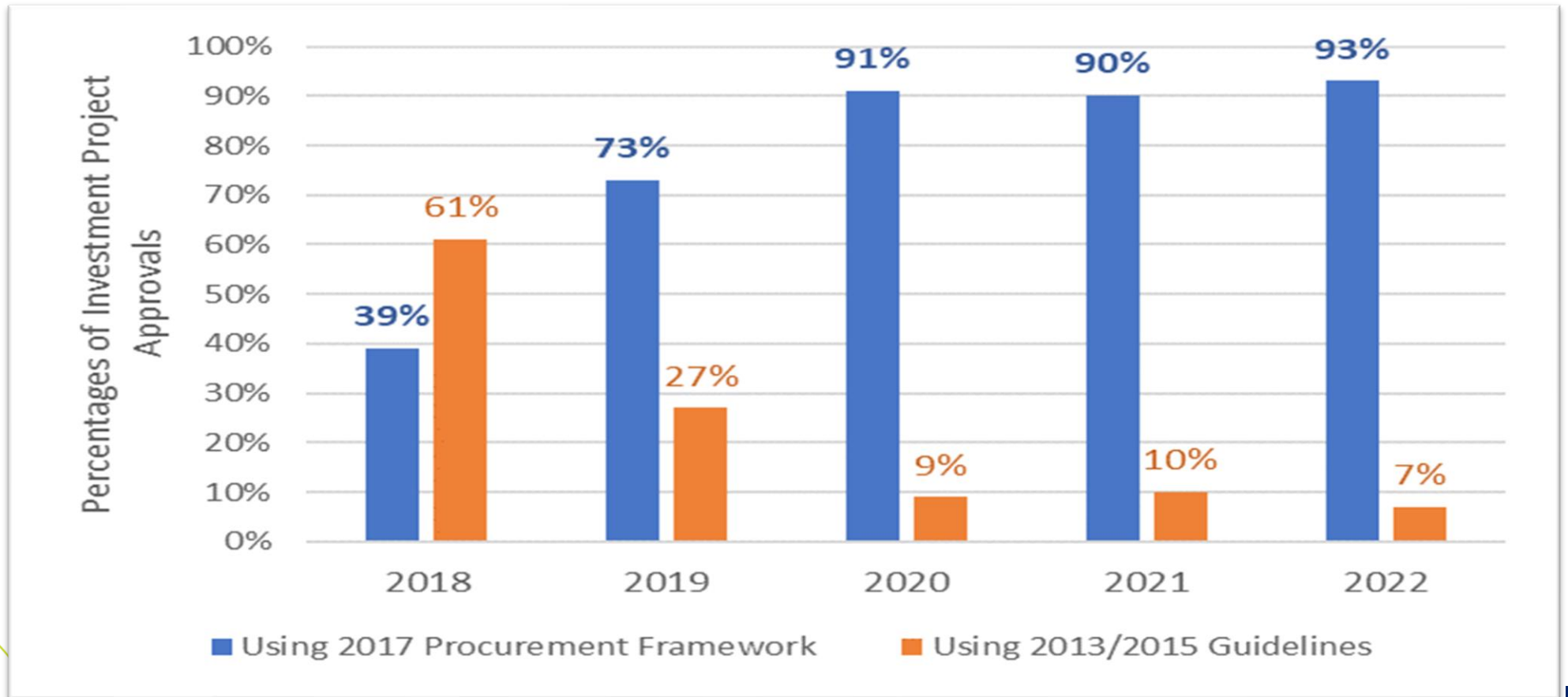
Program:
2-year, 3 modules

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

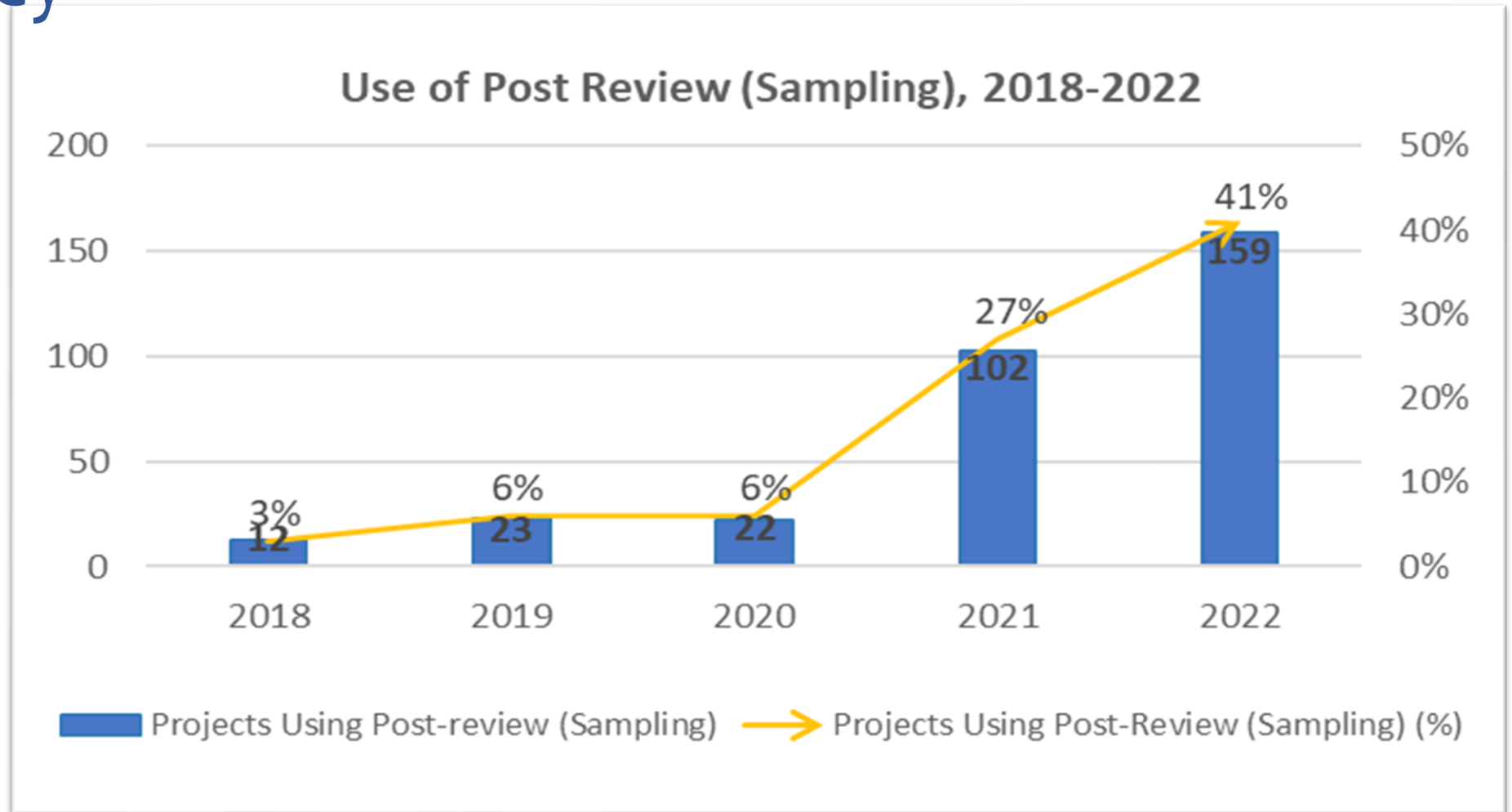
**1st batch started December
2022: 61 participants**

**2023: More than 200
participants**

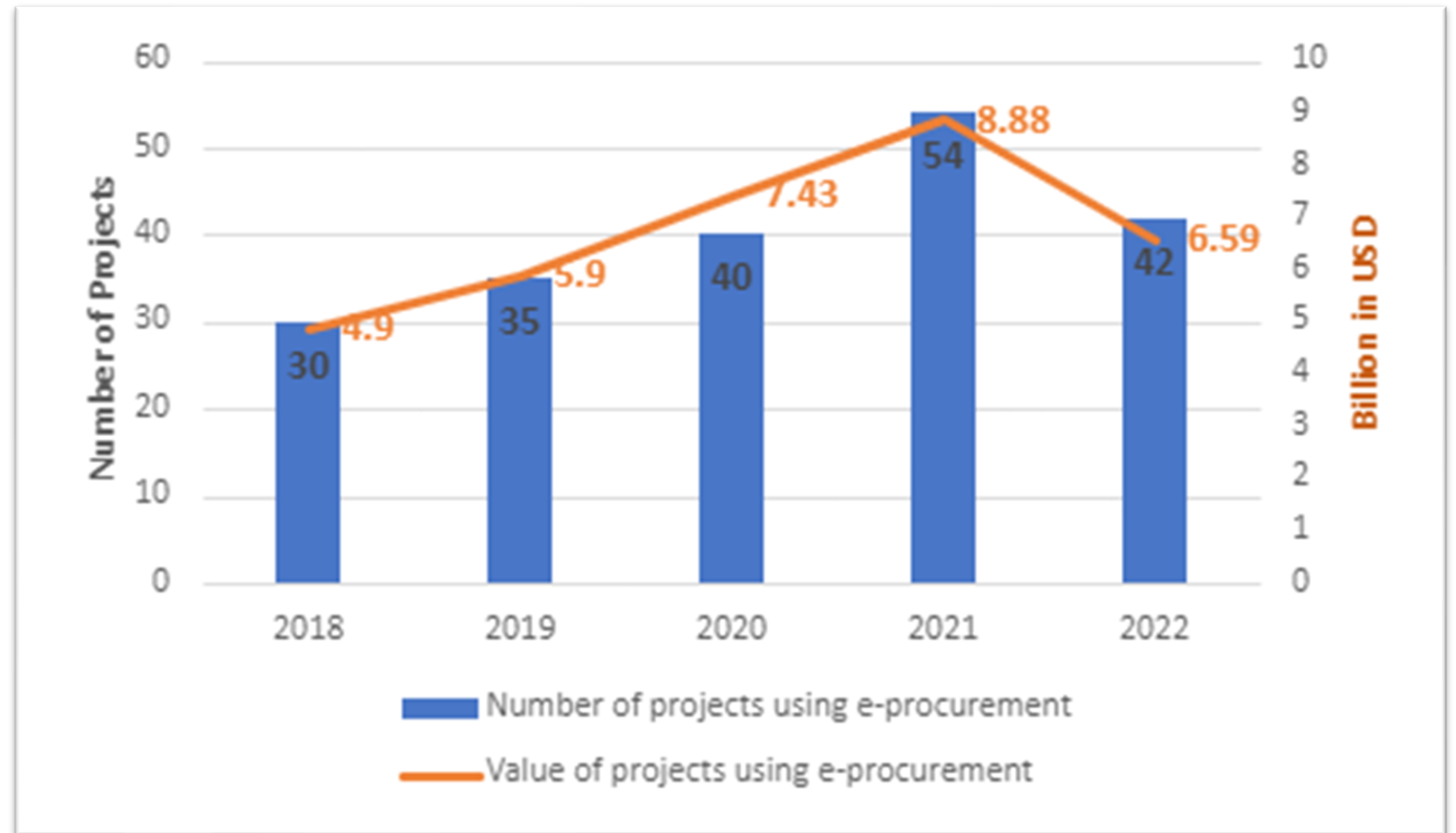
Application of PF since 2018-2022



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

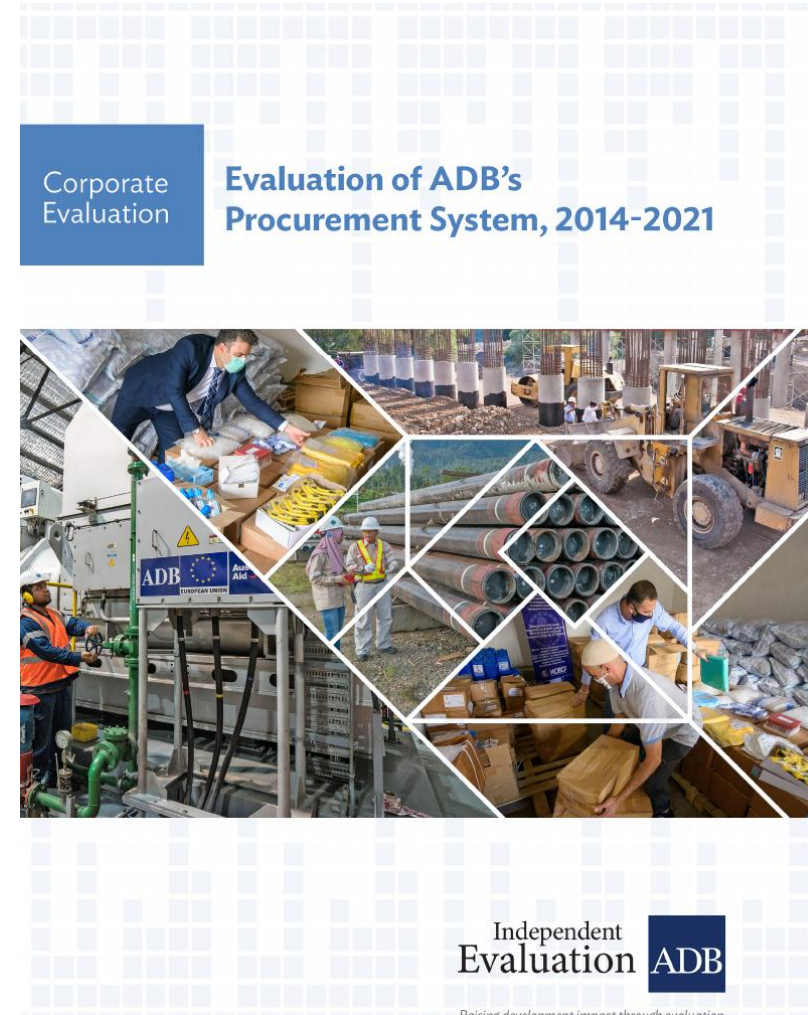
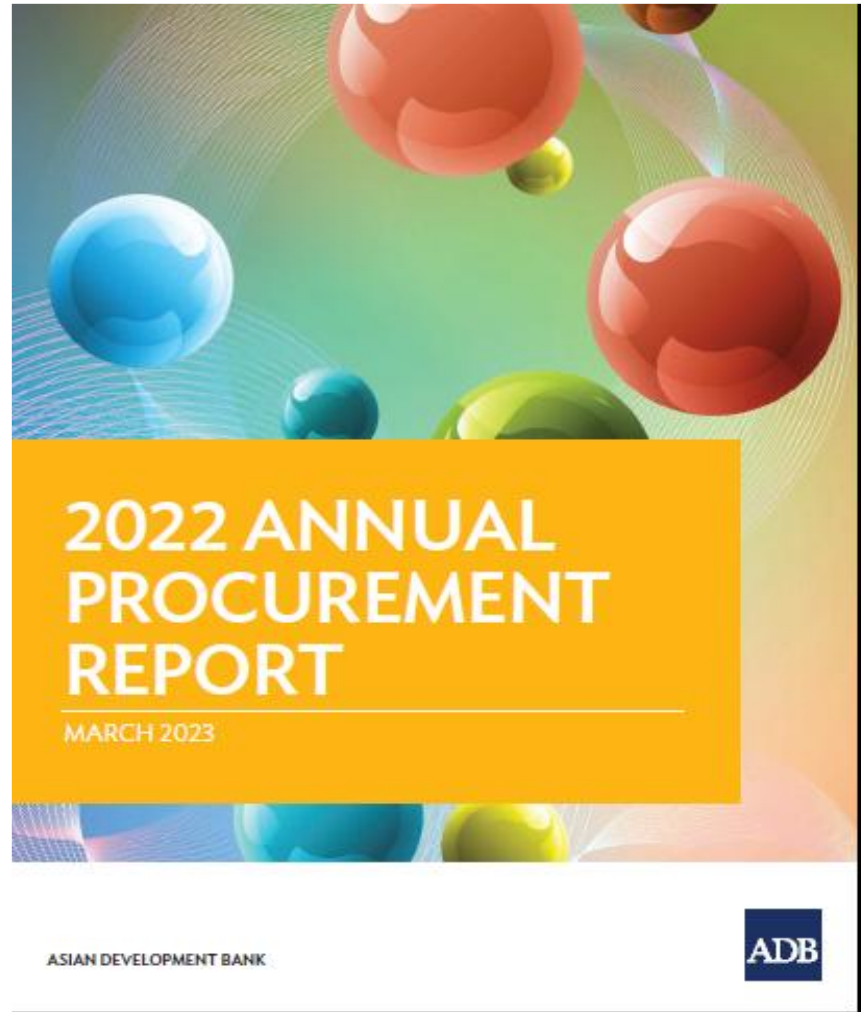
Change in mind set both within ADB and DMCs

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



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

<https://www.adb.org/documents/annual-procurement-report-2022>