



Regional: Improving Procurement in South Asia

Project Name	Improving Procurement in South Asia	
Project Number	47340-001	
Country	Regional	
Project Status	Active	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 8555-REG: Improving Procurement in South Asia	
	Technical Assistance Special Fund	US\$ 750,000.00
	TA 8555-REG: Improving Procurement in South Asia (Supplementary)	
	Technical Assistance Special Fund	US\$ 1.50 million
	TA 8555-REG: Improving Procurement in South Asia (Supplementary)	
	Technical Assistance Special Fund	US\$ 1.50 million
	TA 8555-REG: Improving Procurement in South Asia (Supplementary)	
	Technical Assistance Special Fund	US\$ 1.25 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Agriculture, natural resources and rural development - Irrigation - Water-based natural resources management Energy - Energy utility services Transport - Transport policies and institutional development Water and other urban infrastructure and services - Urban policy, institutional and capacity development	
Gender Equity and Mainstreaming	No gender elements	
Description	<p>Experience from ADB-financed projects across DMCs shows that procurement takes a considerable amount of time and is often a source of delay in project implementation. Common causes of procurement delays are weak implementation capacity, especially in procurement and project management, unfamiliarity with ADB procurement processes and procedures, weak governance system and insufficient monitoring and progress reporting in procurement.</p> <p>Although reform initiatives supporting procurement reforms have been implemented in several DMCs, a huge task remains to translate these into actual changes in procurement practices, improvements to procurement outcomes and better project implementation. Good organizational practice includes setting specific targets on the performance of the agency's procurement portfolio and continuously monitoring and reporting on the progress and results being achieved. This strategic approach to managing procurement is difficult to adopt without capacity and support and without the right capabilities of and incentives for procurement staff.</p> <p>ADB carries out procurement capacity assessments of procuring entities during project processing to detect risk areas and adopt suitable risk mitigation measures during project implementation. The underlying causes of weak procurement and implementation capacity, whether they are inherent in the executing (EA) or implementing (IA) agency or in the environment where the agencies operate, are not necessarily dealt with during project processing and project implementation stages. This contributes to significant delays during implementation of the project portfolio.</p>	

Project Rationale and Linkage to Country/Regional Strategy

Experience from ADB-financed projects across DMCs shows that procurement takes a considerable amount of time and is often a source of delay in project implementation. Common causes of procurement delays are weak implementation capacity, especially in procurement and project management, unfamiliarity with ADB procurement processes and procedures, weak governance system and insufficient monitoring and progress reporting in procurement. Although reform initiatives supporting procurement reforms have been implemented in several DMCs, a huge task remains to translate these into actual changes in procurement practices, improvements to procurement outcomes and better project implementation. Good organizational practice includes setting specific targets on the performance of the agency's procurement portfolio and continuously monitoring and reporting on the progress and results being achieved. This strategic approach to managing procurement is difficult to adopt without capacity and support and without the right capabilities of and incentives for procurement staff.

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The TA will follow a new direct approach that focuses on actively supporting executing agencies (EAs) and implementing agencies (IAs) and other key participants in procurement in the key sectors of ADB assistance. The focus on individual EAs/IAs will allow innovative and focused interventions that can yield immediate results without major legal or institutional reforms. The TA will help facilitate procurement by EAs/IAs by providing hands-on support and direct assistance in key stages of the procurement process followed by EAs/IAs. This practical direct approach will complement other broader efforts and is expected to help improve quality and reduce delays in procurement, leading to project implementation delays.

The EAs/IAs will be determined in consultation with DMC governments and the national public procurement authorities. A partnership approach with the EAs/IAs will be implemented to improve their procurement operations. The lessons learned and results achieved will be shared and replicated in other EAs/IAs. The TA will be demand-driven to ensure ownership and commitment from EAs/IAs. For each country and EA/IA supported through the TA, a procurement monitoring and tracking system will be established and used for monitoring of procurement timelines and results.

Impact Enhanced operational effectiveness of ADB projects in South Asia

Project Outcome

Description of Outcome Improved efficiency and quality of procurement of ADB projects in South Asia

Progress Toward Outcome

Implementation Progress

Description of Project Outputs Improved procurement process
Strengthened procurement and project management capacity

Status of Implementation Progress (Outputs, Activities, and Issues) On 22 July 2014, the President approved the increase in TA amount by \$1.5 million to support further efforts and intensified activities to improve procurement quality and efficiency in increasing project disbursements. The TA scope was expanded to enhance TA utility and meet increased demand for services and support to further strengthen procurement and project management capacity. Further, the TA was extended to implement the enhanced TA coverage and support expanded services.

In February 2015, the TA has started supporting Bangladesh operations by adding capacity in education and transport sectors, and eventually providing support in the water resource management. Project analyst support is also being provided in sector divisions to enhance project management and procurement capacity.

To date, technical support has been provided to 50 procurement cases in Bangladesh, Bhutan, India, Nepal and Sri Lanka. In strengthening procurement and project management capacity, about 20 procurement and financial management clinics were conducted in Sri Lanka with more than 500 participants trained on ADB procurement, consultant recruitment, financial management, project management and contract management and administration. The TA has engaged ten international and thirty national consultants, including project analysts, to meet increased demand for services and support.

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

Business Opportunities

Consulting Services The TA will require international consultants (estimated 40 person-months) and national consultants (estimated 100 person-months) with skills in procurement, project management and capacity development. Consultants will be recruited as individuals. ADB will recruit all consultants in accordance with its Guidelines on the Use of Consultants (2010 as amended from time to time). Disbursements under the TA will be done in accordance with the Technical Assistance Disbursement Handbook (2010, as amended from time to time).

Responsible Staff

Responsible ADB Officer	Bathula, Balabhaskara Reddy
Responsible ADB Department	South Asia Department
Responsible ADB Division	Office of the Director General, SARD
Executing Agencies	<i>Asian Development Bank 6 ADB Avenue, Mandaluyong City 1550, Philippines</i>

Timetable

Concept Clearance	03 Dec 2013
Fact Finding	-
MRM	-
Approval	12 Dec 2013
Last Review Mission	-
Last PDS Update	30 Mar 2017

TA 8555-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
12 Dec 2013	-	12 Dec 2013	31 Dec 2016	31 Dec 2019	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
5,000,000.00	0.00	0.00	0.00	0.00	0.00	5,000,000.00	12 Dec 2013	2,677,396.71

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