



Regional: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia

Project Name	Improving the Capacity and Integrity of Procurement Processes in Central and West Asia																				
Project Number	48107-001																				
Country	Regional																				
Project Status	Active																				
Project Type / Modality of Assistance	Technical Assistance																				
Source of Funding / Amount	<table border="1"><tr><td>TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 1.50 million</td></tr><tr><td>TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)</td><td></td></tr><tr><td>Afghanistan Infrastructure Trust Fund</td><td>US\$ 90,000.00</td></tr><tr><td>TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 750,000.00</td></tr><tr><td>TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 500,000.00</td></tr><tr><td>TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)</td><td></td></tr><tr><td>Technical Assistance Special Fund</td><td>US\$ 700,000.00</td></tr></table>	TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia		Technical Assistance Special Fund	US\$ 1.50 million	TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)		Afghanistan Infrastructure Trust Fund	US\$ 90,000.00	TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)		Technical Assistance Special Fund	US\$ 750,000.00	TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)		Technical Assistance Special Fund	US\$ 500,000.00	TA 8665-REG: Improving the Capacity and Integrity of Procurement Processes in Central and West Asia (Supplementary)		Technical Assistance Special Fund	US\$ 700,000.00
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Strategic Agendas	Inclusive economic growth																				
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships																				
Sector / Subsector	Public sector management - Public administration - Public expenditure and fiscal management																				
Gender Equity and Mainstreaming	No gender elements																				
Description	This regional capacity development technical assistance (TA) project seeks to maintain the Asian Development Bank's (ADB) efficiency and effectiveness to support better project implementation in accordance with ADB's midterm review of Strategy 2020. This TA is providing consultants to provide training and on-the-job assistance during key stages of procurement and project implementation.																				

Project Rationale and Linkage to Country/Regional Strategy

As an integral part of its effort to reduce poverty and promote inclusive economic growth in its developing member countries, ADB is committed to strengthening national governance systems and reducing vulnerability to corruption. ADBs 2013 review of governance of procurement processes found that the procurement capacity of executing and implementing agencies is generally weak and that procurement governance is inefficient. Even agencies that have participated in short-term procurement workshops and training, and which have been implementing ADB projects for years, the quality and timeliness of procurement activities have not always improved. ADBs midterm review of Strategy 2020 noted that while project performance improved during 2011/2012, disbursements declined due, in part, to the weak capacity of executing and implementing agencies and prolonged procurement processes. The midterm review recommended better targeting and more intensive development of agency capacity, together with an increase in resources to assist.

In 2013, the 10 developing member countries of Central and West Asia held 25% (or \$16.2 billion) of ADBs sovereign portfolio with 126 active projects. Translating these investments into poverty reduction and inclusive economic growth requires that the executing and implementing agencies responsible for implementing those projects are able to secure quality goods, works, and consulting services in a timely manner. For ADB-financed activities, these agencies procure goods, works, and consulting services in accordance with ADBs procurement and consulting guidelines, which emphasize efficiency, transparency, and accountability. The ability of executing and implementing agencies to secure quality goods, works, and services in a timely manner requires a number of related and independent conditions, including (i) the ability of such agencies to prepare proper bidding documents; (ii) the presence of qualified vendors in the local, regional, or global markets; (iii) vendors awareness of a projects need for the goods, works, or services; (iv) interest by qualified and reputable vendors to provide them; (v) vendors ability to submit quality prequalification applications, bids, and proposals; and (vi) the proper evaluation of those bids by executing and implementing agencies. The absence of any of these conditions may delay procurement processes and may result in the award of contracts to unqualified entities, which may lead to underperformance and/or delays in project implementation. As a result, development objectives may not be met.

ADB's procurement governance review found considerable delays in procurement processes, often resulting from additional time needed to correct or clarify bid documents and bid evaluation reports. The review observed that past action plans to strengthen the capacity of agencies implementing ADB-financed activities were insufficient to develop the skills needed to ensure timely, accountable oversight of procurement processes; and recommended to strengthen training programs for executing and implementing agencies and to redeploy or recruit procurement personnel who can contribute to capacity development of these agencies.

The executing and implementing agencies are aware of their weaknesses and the delays in procurement which result from the comprehensive clarification process prior to ADB approval of evaluation reports. In 2012 and 2013, during in-house integrity and procurement training missions conducted by staff of the Central and West Asia Department (CWRD) and the Operations Services and Financial Management Department (OSFMD), agencies requested additional procurement assistance and training. In response to these requests, and to address concerns identified by ADB, CWRD designed this TA to improve the quality and efficiency of procurement processes of executing and implementing agencies in participating DMCs in Central and West Asia.

Tied to procurement capacity is the environment in which ADB projects occur, and corresponding governance risks. Procurement processes are part of a projects larger financial management and governance responsibilities, and, as such, procurement processes may be strengthened or constrained by governance matters.

This TA seeks to maintain ADBs efficiency and effectiveness to strengthen the capacity of developing member countries to conduct procurement activities and responsibly implement projects. It complements and reinforces procurement-related initiatives being conducted by OSFMD and other regional departments. Working with OSFMD to draw on lessons learned from these initiatives, CWRD will continue to develop appropriate activities for longer-term sustainability of procurement capacity development in Central and West Asia.

Impact	Enhanced operational effectiveness of ADB projects in Central and West Asia
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Project Outcome

Description of Outcome	Executing and implementing agencies demonstrate improved procurement and project management capacity
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Progress Toward Outcome	Lead time for procurement activities are improving, as measured by systems which have been put in place by OSFMD.
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Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Procurement training and workshops conducted and contract management activities undertaken 2. Integrity due diligence is conducted 3. Project management assistance provided
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Status of Implementation Progress (Outputs, Activities, and Issues)	<p>Under Output 1, two international procurement consultants are working in Afghanistan, Georgia, the Kyrgyz Republic (to cover the Kyrgyz Republic and Tajikistan). The contracts of the third consultant who worked for Uzbekistan (to cover Kazakhstan and Uzbekistan) was completed on 15 August 2016 and the fourth consultant who provided assistance on contract dispute matters on an on-call basis was completed in March 2017. A national consultant is helping to administer and coordinate the work of the procurement consultants.</p> <p>To date, 1,189 staff from executing and implementing agencies have participated in hands-on training and workshops provided under this TA including _ Enhancing Procurement and Contract Management Capacity, _ conducted in Uzbekistan (28-31 October 2014); _ Developing Procurement Capacity for Improved Outcomes, _ conducted in Pakistan (24-28 November 2014); training on single-stage, two envelope bidding procedures for small works and bid evaluation report preparation, conducted for the Housing for the Integrated Rural Development Investment Program in Uzbekistan (5 December 2014); two FIDIC Contract Management Workshops were conducted in Islamabad, Pakistan (9-10 April 2015) and (Lahore, Pakistan 13-15 April 2015) and another two 3-day workshops were conducted in Afghanistan in October 2015. The same FIDIC workshop was held in Georgia on 5-7 April 2016. In Armenia, similar FIDIC workshop was held on 1-3 November 2016. Upon the request of GEO government, a 2nd FIDIC workshop will be held in Georgia on 19-21 April 2017. In Kyrgyz Republic, the same FIDIC workshop will be conducted on 29-31 May 2017.</p> <p>A practical learning session on contract management was held on 31 March 2016 in ADB Headquarters for CWRD Management and staff.</p> <p>International procurement consultants have helped finalize bidding documents for a number of projects, have tender activities and evaluation of proposals, and have provided quality assurance for over 30 bid evaluation reports.</p> <p>Under Output 2, five due diligence activities occurred to verify information presented in proposals, prior to contract award.</p> <p>On 19 August 2015, ADB's Vice President (Operations 1) approved a major change in scope and implementation arrangements to (i) provide critical project management assistance under the TA, (ii) allow for delegation to the sector divisions of recruitment and administration for the subsequent consultants; and (iii) increase the TA value by \$750,000. This resulted in the inclusion of Output 3 in the project.</p> <p>Under Output 3, Project management/contract management support was provided to a road project in Turkmenistan and will continue to be provided as the case warrants. Currently, support is provided on roads project in Afghanistan.</p> <p>On 10 August 2016, ADB Vice President (Operations 1) approved additional financing of \$500,000 to be used to extend the services of international consultants.</p> <p>On 15 March 2017, ADB VP (Operations 1) approved additional financing of \$700,000 to be used to (i) extend the contracts of 2 ongoing international procurement consultants, (ii) recruit additional consultants: international procurement consultant (general), 12 person months, intermittent; international procurement consultant (AFG), 3 person months, intermittent; national procurement consultant (AFG) 3 person months, intermittent; international project management consultant 60 person-days; and (iii) extend and revise the TOR of the RETA coordinator to provide support to EAs/IAs in procurement in relation to ongoing projects.</p>
Geographical Location	Kyrgyz Republic, Armenia, Pakistan, Kazakhstan, Afghanistan, Uzbekistan, Tajikistan, Turkmenistan, Azerbaijan, Georgia

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design This TA was designed in response to requests made by a number of EAs during training missions and meetings held between April 2013 and February 2014. The value and benefit of the TA has been noted on numerous occasions by project management units.

During Project Implementation Consultations with stakeholders are occurring during project implementation.

Business Opportunities

Consulting Services Consulting positions funded under this TA are posted on CSRN.

Procurement No further procurement is anticipated under the TA.

Responsible Staff

Responsible ADB Officer Petersen, Jesper K.

Responsible ADB Department Central and West Asia Department

Responsible ADB Division CWOD-PSG

Timetable

Concept Clearance	23 Apr 2014
Fact Finding	-
MRM	-
Approval	13 Jun 2014
Last Review Mission	-
Last PDS Update	28 Mar 2017

TA 8665-REG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
13 Jun 2014	-	13 Jun 2014	31 Aug 2017	31 Aug 2018	-

Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
3,450,000.00	90,000.00	0.00	0.00	0.00	0.00	3,540,000.00	13 Jun 2014	2,080,943.58

Project Page	https://www.adb.org/projects/48107-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=48107-001
Date Generated	06 July 2017

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