



# Technical Assistance Report

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Project Number: 48107  
Regional—Capacity Development Technical Assistance (R-CDTA)  
June 2014

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

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

Asian Development Bank

## ABBREVIATIONS

ADB	–	Asian Development Bank
CPS	–	country partnership strategy
CWRD	–	Central and West Asia Department
DMC	–	developing member country
GACAP II	–	Second Governance and Anticorruption Action Plan
OSFMD	–	Operations Services and Financial Management Department
PMU	–	project management unit
TA	–	technical assistance
TASF	–	Technical Assistance Special Fund

## NOTE

In this report, “\$” refers to US dollars.

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## CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 48107-001</b>	
<b>Project Name</b>	Improving the Capacity and Integrity of Procurement Processes in Central and West Asia	<b>Department /Division</b>	CWRD/CWOD-PSS
<b>Country Borrower</b>	REG n/a	<b>Executing Agency</b>	Asian Development Bank
<b>2. Sector</b>	<b>Subsector(s)</b>	<b>ADB Financing (\$ million)</b>	
✓ Public sector management	Public administration		0.75
	Public expenditure and fiscal management		0.75
		<b>Total</b>	<b>1.50</b>
<b>3. Strategic Agenda</b>	<b>Subcomponents</b>	<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>	<b>Components</b>	<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Anticorruption Client relations, network, and partnership development Institutional systems and political economy Public financial governance	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Regional	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>1.50</b>	
Sovereign Capacity development technical assistance: Technical Assistance Special Fund		1.50	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.00</b>	
None		0.00	
<b>Total</b>		<b>1.50</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems		No	
Use of country public financial management systems		No	

## I. INTRODUCTION

1. As an integral part of its effort to reduce poverty and promote inclusive economic growth in its developing member countries (DMCs), the Asian Development Bank (ADB) is committed to strengthening national governance systems and reducing vulnerability to corruption. However, ADB's 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.<sup>1</sup> Even in 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. ADB's 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.<sup>2</sup> The midterm review recommended better targeting and more intensive development of agency capacity, together with an increase in resources to assist.<sup>3</sup>

2. 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 have requested additional procurement assistance and training. In response to these requests, and to address concerns identified by ADB, CWRD has designed regional capacity development technical assistance (TA) to improve the quality and efficiency of procurement processes of executing and implementing agencies in participating DMCs in Central and West Asia.<sup>4</sup> The design and monitoring framework is in Appendix 1.<sup>5</sup>

## II. ISSUES

3. In 2013, the 10 DMCs of Central and West Asia held 25% (or \$16.2 billion) of ADB's sovereign portfolio with 126 active projects.<sup>6</sup> 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 ADB's 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

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<sup>1</sup> ADB. 2013. *Procurement Governance Review*. Manila.

<sup>2</sup> ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila.

<sup>3</sup> ADB. 2013. Technical Assistance. *Operations Manual*. OM D12/BP. Manila. Included in "capacity development," is "improving the technical, managerial and financial capabilities of recipients to meet the specific institutional and organizational development need." As applied to procurement, this would address ADB's five basic procurement principals, as outlined in section 1.2 of ADB's Procurement Guidelines (2013, as amended from time to time), including (i) ensuring that ADB-approved resources are used only for procurement of goods and works supplied from, and produced in, member countries of ADB except in extraordinary circumstances as approved by the Board of Directors; (ii) ensuring economy and efficiency in the implementation of procurement activities; (iii) ensuring fairness and competition in procurement processes; (iv) encouraging the development of domestic contracting and manufacturing industries in the project country; and (v) ensuring transparency in the procurement process.

<sup>4</sup> No-objection approvals will be sought from respective governments prior to placing international procurement consultants in a resident mission or assigning them to work with specific executing and implementing agencies.

<sup>5</sup> The TA first appeared in the business opportunities section of ADB's website on 28 April 2014.

<sup>6</sup> These countries include Afghanistan, Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz Republic, Pakistan, Tajikistan, Turkmenistan, and Uzbekistan.

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<sup>7</sup> in the local, regional, or global markets; (iii) vendors' awareness of a project's 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;<sup>8</sup> 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.

4. 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. Additionally, more critical review of submitted bids has identified that additional integrity due diligence is needed to verify material information presented within them, to ensure that contracts are awarded to vendors who have the necessary experience and, when relevant, financial resources to execute them successfully.

5. Tied to procurement capacity is the environment in which ADB projects occur, and corresponding governance risks. Procurement processes are part of a project's larger financial management and governance responsibilities, and, as such, procurement processes may be strengthened or constrained by governance matters. ADB's Governance Framework, as described in the Second Governance and Anticorruption Action Plan (GACAP II), recognized that procurement is a key challenge throughout ADB's DMCs.<sup>9</sup> It recommended that procurement capacity and risk(s) be assessed at the country, sector, and project levels during preparation of country partnership strategies (CPSs), and be assessed and mitigated at the project level during project preparation. As part of the CPS process, risk assessments and risk management plans are developed to identify risks in the areas of public financial management, procurement, and anticorruption—together with plans to mitigate those risks.<sup>10</sup> However, a review of GACAP II, conducted in 2013, found that in the majority of projects developed, risk assessment and management plans were not incorporated in subsequent project design—resulting in continued risk. Similarly, while all CPSs in Central and West Asia identify procurement and corruption risks, no specific measures have been taken in any of the 10 DMCs to directly address the concerns raised. Human and financial resources are needed to address the procurement and corruption-related risks identified in the risk assessment and management plans and CPSs.

### III. THE TECHNICAL ASSISTANCE

6. CWRD proposes a phased approach to a longer term, sustainable procurement skills development plan to strengthen the cadre of procurement professionals within each of the Central and West Asia countries, who are able to plan and execute necessary procurement actions in accordance with ADB requirements. As the first phase of this plan, CWRD proposes

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<sup>7</sup> "Vendors" is used to describe suppliers, contractors, and consultants collectively.

<sup>8</sup> Hereafter collectively referred to as bids.

<sup>9</sup> ADB. 2006. *Second Governance and Anticorruption Action Plan*. Manila.

<sup>10</sup> ADB. 2013. *Implementation Review of the Second Governance and Anticorruption Action Plan (GACAP II)*. Manila.

to provide regionally-based human resources to help strengthen the capacity of executing and implementing agency personnel to conduct procurement activities responsibly through applied training and assistance to these agencies during key stages of ongoing procurement. In the second phase, CWRD will seek to expand the sustainability of procurement-related knowledge through the applied training of local talent, to broaden the professional talent base available in-country.<sup>11</sup>

7. This TA seeks to maintain ADB's efficiency and effectiveness to support better project implementation during the reform and rationalization of ADB's procurement system, in accordance with ADB's commitments in the Midterm Review of Strategy 2020. It will complement and reinforce procurement-related initiatives being conducted by OSFMD and other regional departments.<sup>12</sup> 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.

### A. Impact and Outcome

8. The impact will be enhanced operational effectiveness of ADB projects in Central and West Asia. The outcome will be that executing and implementing agencies demonstrate improved capacity to conduct procurement activities efficiently.

### B. Methodology and Key Activities

9. This TA will have two outputs: (i) procurement training and workshops provided, and (ii) integrity due diligence conducted. The TA will prioritize projects that have not already made provisions for independent international procurement specialists and which plan to procure contract packages valued between \$1 million and the Procurement Committee threshold.

10. **Output 1: Procurement training and workshops provided.** The TA will strengthen the capacity of executing and implementing agencies by providing field-based procurement consultants in each of the Central and West Asia subregions (Caucasus, Central Asia, Pakistan, and Afghanistan). The consultants will provide applied training and on-the-job assistance to executing and implementing agencies during key stages of procurement processes—strengthening these agencies' capacity to prepare prequalification and bid documents, conduct pre-bid meetings, verify information presented in bids, apply evaluation criteria properly, and improve the quality of bid evaluation and consultant selection reports.

11. **Output 2: Integrity due diligence conducted.** The TA will provide financial resources to verify information presented in bids and assist with qualitative bid evaluation. This may include subscriptions to closed-source databases, fees associated with obtaining transcripts from university clearinghouses to confirm education experience, or costs associated with acquiring documents from government institutions. For more complex inquiries, additional due diligence reports may be commissioned to validate material information.

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<sup>11</sup> CWRD is in discussion with OSFMD about developing a procurement certification program on an institutional level for national procurement professionals. This would be subject to approval of a minor change in scope for this TA in conjunction with a request to increase the TA amount.

<sup>12</sup> ADB. 2012. *Technical Assistance for Developing Procurement Capacity for Improved Procurement Outcomes*. Manila; ADB. 2012. *Technical Assistance for Enhancing Capacity for Effective Project Implementation*. Manila. These two TAs are short-term in nature, (i) providing one-time, workshop-style training to specific executing and implementing agencies; (ii) conducting a limited number of capacity assessments; and (iii) analyzing constraints at the policy level. ADB. 2013. *Technical Assistance for Improving Procurement in South Asia*. Manila.

12. It is assumed that Central and West Asia governments will remain committed to improving project implementation and that executing and implementing agencies will retain qualified personnel who are able to make independent procurement decisions or recommendations without political influence. A risk to this TA is that political influences and/or security instability in some countries may delay the implementation of loan and grant-financed projects. Concurrence will be sought from Central and West Asia countries and executing and implementing agencies prior to selecting projects for inclusion in the proposed TA.

### **C. Cost and Financing**

13. The TA is estimated to cost \$1,500,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources).

### **D. Implementation Arrangements**

14. The TA will begin on 1 June 2014 and will be completed by 31 August 2017. ADB will be the executing agency. CWRD's Portfolio, Results, Safeguards and Social Sector Unit will be the focal point within ADB, working in conjunction with OSFMD's procurement specialist assigned to work in the Office of the Director General, CWRD and CWRD's project administration unit heads. CWRD's Portfolio, Results, Safeguards and Social Sector Unit will administer and implement the TA, and will coordinate activities with OSFMD to maximize synergies with OSFMD's TA activities.

15. Three international procurement consultants (up to two of whom may be from Central and West Asia) will be contracted for 54 person-months.<sup>13</sup> ADB resident missions will provide work space for the consultants.<sup>14</sup> The proposed TA will engage additional short-term and specialized national or international consultants, subject to availability of funds, to assist on an ad hoc basis or to undertake specialized technical work as requested by participating executing and implementing agencies.<sup>15</sup> Recruitment of all consultants will be conducted in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). Individual consultant selection will be used to recruit consultants, as the skills needed are at an individual level and no value-added input by a firm is expected. The terms of reference for the international procurement consultants are in Appendix 3.<sup>16</sup> Integrity due diligence activities requiring specialized consulting skills will be contracted through competitive channels using consultants qualification selection or through direct selection in exceptional cases when services are available by a limited number of individuals or firms.

16. Resources will be provided for (i) occasional translation and interpretation services (to be procured through ADB's Office of Administrative Services for headquarters-based needs, and through country-office systems for field-based needs); (ii) equipment (scanners and projectors for use of the consultants);<sup>17</sup> and (iii) advertisement and outreach activities related to local vendors' workshops, and (iv) for additional workshops and travel for consultants, ADB staff,

<sup>13</sup> Based on the performance of the TA and demand from the executing and implementing agencies, additional financing may be requested to extend the inputs of the international consultants.

<sup>14</sup> Resident missions to be selected during inception mission.

<sup>15</sup> It is anticipated that national procurement personnel will be incorporated into the second funding phase of this TA.

<sup>16</sup> Terms of reference for additional short-term or specialized procurement expertise and for integrity due diligence undertakings will be developed as needs are identified during implementation.

<sup>17</sup> This will be procured in accordance with ADB's Procurement Guidelines (2013, as amended from time to time).

resource speakers, and executing and implementing agency personnel.<sup>18</sup> Disbursement will be in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

17. A review of the TA will be conducted at the end of the first year to assess progress, fine-tune outputs, and, if necessary, make adjustments to key activities and implementation arrangements. A full assessment will be undertaken at the conclusion of the TA to present the achievements and share lessons learned.

#### **IV. THE PRESIDENT'S DECISION**

18. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$1,500,000 on a grant basis for Improving the Capacity and Integrity of Procurement Processes in Central and West Asia, and hereby reports this action to the Board.

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<sup>18</sup> Travel budgets may be used for ADB staff to participate in international events relevant to procurement and integrity, in accordance with the memorandum on Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget, issued by the Budget, Personnel, and Management Systems Department and the Strategy and Policy Department on 26 June 2013.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Enhanced operational effectiveness of ADB projects in Central and West Asia</p>	<p>By 2019:  At least 90% of sovereign operations' performance at implementation rated satisfactory (baseline 81%, Q4 2013)</p>	<p>Development Effectiveness Review</p>	<p><b>Assumptions</b> Central and West Asia governments remain committed to improving project implementation.  Other factors do not negatively affect project performance.  <b>Risk</b> Political and security instability in Central and West Asia countries delay project implementation.</p>
<p><b>Outcome</b> Executing and implementing agencies demonstrate improved procurement capacity</p>	<p>By 2018:  Comprehensive analysis and due diligence completed for all bid evaluation reports under procurement committee threshold submitted to CWRD</p>	<p>TA progress reports  Resident mission tripartite portfolio review reports</p>	<p><b>Assumption</b> Executing and/or implementing agencies are able to make procurement decisions or recommendations without political influence.</p>
<p><b>Outputs</b> 1. Procurement training and workshops conducted</p>	<p>By Q3 2017:  At least 300 executing and/or implementing agency personnel participated in training and workshops  At least 90 prequalification, consultant selection, and bid evaluation reports properly reviewed prior to submission to CWRD  At least 300 local vendors participated in training workshops</p>	<p>Training and workshop proceedings  Consultants' progress reports  Workshop evaluation forms</p>	<p><b>Assumptions</b> Sustained and strong executing and/or implementing agency management support.  Trained personnel will be retained in relevant posts.</p>
<p>2. Integrity due diligence conducted</p>	<p>By Q3 2017:  At least 10 integrity due diligence reports completed</p>	<p>Consultants' progress reports</p>	

<b>Activities with Milestones</b>	<b>Inputs</b>
<p>1.1 Participating projects, and executing and/or implementing agencies are identified by Q3 2014.</p> <p>1.2 International consultants are recruited by Q3 2014</p> <p>1.3 International consultants are fielded by Q4 2014.</p> <p>1.4 Training for executing and/or implementing agencies commences by Q4 2014.</p> <p>1.5 Target vendor groups are identified for training workshops in each of the participating countries by Q1 2015.</p> <p>1.6 Workshops for local vendors are scheduled and are advertised in advance starting Q1 2015.</p> <p>2.1 Terms of reference for integrity due diligence analysis are developed and contracts are awarded starting in Q3 2014.</p> <p>2.2 Integrity due diligence reports inform procurement decision making, starting Q4 2014.</p>	<p><b>ADB: \$1,500,000 (TASF-other sources)</b></p>

ADB = Asian Development Bank, CWRD = Central and West Asia Department, Q = quarter, TA = technical assistance.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	1,000.8
ii. National consultants <sup>b</sup>	13.5
b. International and local travel <sup>c</sup>	97.0
c. Reports and communications <sup>d</sup>	240.0
2. Equipment <sup>e</sup>	3.0
3. Training, seminars, and conferences	16.0
4. Miscellaneous administration and support costs <sup>f</sup>	21.6
5. Contingencies	108.1
<b>Total</b>	<b>1,500.0</b>

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund (TASF-other sources).

<sup>b</sup> Additional short-term and specialized expertise may be engaged subject to availability of funding.

<sup>c</sup> Travel may include international and regional travel for consultants, as approved by the team leader. Budget includes allowance for ADB staff travel as resource persons, in accordance with the memorandum on Use of Bank Resources: Regional Technical Assistance and Technical Assistance vs. Internal Administrative Expenses Budget, issued by the Budget, Personnel, and Management Systems Department and the Strategy and Policy Department on 26 June 2013.

<sup>d</sup> For integrity due diligence activities and reports.

<sup>e</sup> Projectors and scanners will be purchased for each of the subregions for use in training and workshops. The equipment will be turned over to ADB after completion of the TA.

<sup>f</sup> Includes translation or interpretation and office support costs which may be incurred.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### International Procurement Experts (3 international, 18 person-months each)<sup>1</sup>

1. **Objective of the assignment.** To assist executing and implementing agencies and project management units (PMUs) and their procurement specialists implementing Asian Development Bank (ADB)-financed projects by serving as a regional resource to provide information and assistance to strengthen procurement capacities and processes in participating projects. Activities to be undertaken include providing workshops and hands-on training; assisting in pre-bid meetings; guiding and demonstrating integrity due diligence through verification of information presented in proposals; reviewing and improving prequalification and bid documents, requests for proposal for consulting services, and bid evaluation reports; and ensuring compliance with the relevant tendering documents.

2. **Scope of work.** Three consultants based in ADB resident missions in the Caucasus (Armenia, Azerbaijan, and Georgia); Central Asia (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan); and Afghanistan and Pakistan will provide support to executing and implementing agencies of ADB-financed projects through remote and direct technical assistance (TA) and training to strengthen their skills in conducting integrity due diligence and applying bid evaluation criteria for better compliance with ADB's Procurement Guidelines (2013, as amended from time to time) and supporting documents.<sup>2</sup>

3. **Qualification and experience.** The consultants should have a bachelor's or higher degree in business administration, engineering, or a related field; and preferably at least 10 years of relevant experience in procurement of goods, works, and services. The consultants will have experience and advance knowledge of procurement procedures of international organizations or agencies, especially of ADB. Applied technical knowledge related to construction and educational and work experience in the transport, urban services, or energy sector are also desired. Experience in developing member countries in the relevant geographical region and knowledge of Russian (for Central Asia) and/or local languages are desirable. Applicants will be requested to disclose all social, familial, and past work situations that may constitute a real or perceived conflict of interest with a corporate entity, individual, government official, or ADB staff, consultant, or contractor prior to engagement.<sup>3</sup> Further qualification testing will be undertaken at the short-listing stage. The ability to obtain and maintain necessary visas for rapid mobilization to countries within the area of assignment is required. Frequent travel is expected.

4. **Detailed tasks.** The consultants will undertake the following tasks:

- (i) Guide executing and implementing agencies and PMU personnel in the preparation of prequalification documents and evaluation of prequalification

<sup>1</sup> Based on the performance of the technical assistance (TA) and demand from the executing and implementing agencies, additional financing may be requested to extend the inputs of the international consultants.

<sup>2</sup> Additional resources which govern the work of the consultants include the Anticorruption Policy (1998, as amended to date); Guidelines on the Use of Consultants (2013, as amended from time to time); standard bidding documents; Guide on Bid Evaluation (2010, as amended from time to time); User's Guide: Prequalification of Bidders (2013, as amended from time to time); User's Guide: Procurement of Goods (2010, as amended from time to time); User's Guide: Procurement of Plant—Design, Supply and Install (2010, as amended from time to time); and User's Guide: Procurement of Works (2014, as amended from time to time).

<sup>3</sup> ADB defines a conflict of interest to be "any situation in which a party has interests that could improperly influence a party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations." ADB. 2012. *Integrity Principles and Guidelines*. Page 5. Manila.

- applications in accordance with ADB requirements and in consideration of country-specific challenges.
- (ii) Guide executing and implementing agencies and PMU personnel in the preparation of bidding documents for the procurement of goods, works, and plant (turnkey) contracts, including the invitation for bids, development of qualification criteria, bid forms and schedules, and technical and functional requirements—based on the procurement procedures, types, and complexity of contracts, and their time for completion.
  - (iii) For all category A (environmental and involuntary resettlement) projects, ensure the bidding documents reflect appropriate safeguard requirements, in consultation with Central and West Asia Department (CWRD) safeguard specialists.
  - (iv) Guide executing and implementing agencies and PMU personnel in tendering procedures, including demonstrating proper completion of bid documents during the pre-bidding meeting, providing clarifications to bidders during bid preparation, seeking clarifications from bidders during bid evaluation, and issuing addenda to bidding documents, if required. Participate as observer at bid openings, on occasion.
  - (v) Ensure that those involved directly or indirectly in procurement—including executing and implementing agency and PMU personnel, and bid evaluation and consultant selection committees—disclose in writing any potential conflicts of interest and recuse themselves from the process, and that the disclosure and recusal is recorded in the bid evaluation report and consultant selection committee reports.
  - (vi) Ensure that the executing and implementing agencies and PMU have access to ADB's sanctions list.
  - (vii) Review existing procurement reports and past contract awards for the country in question, for general awareness of the procurement environment and past procurement experiences.<sup>4</sup>
  - (viii) Guide and assist executing and implementing agencies and PMUs in conducting integrity due diligence during evaluation of prequalification documents, bids, and proposals through the following activities:
    - (a) review ADB's sanctions list to identify sanctioned entities at the corporate and individual level;<sup>5</sup>
    - (b) independently confirm material information presented in prequalification applications, bids, and proposals;
    - (c) obtain confirmation from issuing bank of authenticity of bank guarantees provided;
    - (d) review ADB and World Bank databases to identify scope and value of past and current contract awards, and to authenticate past contract claims attributed to both institutions;
    - (e) coordinate with TA team leader or mission leader to identify ADB's experience with a firm or individual;
    - (f) request feedback from CWRD safeguard specialists related to experience with safeguard specialists;
    - (g) conduct open-source research to identify any potential concerns related to companies or individuals;

<sup>4</sup> To include information from ADB's Loan and Grant Financial Information Services, World Bank contract award information, and other available resources on a country-by-country basis.

<sup>5</sup> Sanctioned entities participating in procurement activities should be reported to the team leader.

- (h) seek independent confirmation from relevant government agencies in country to substantiate past contract awards presented in bids
- (i) independently verify qualifications and availability of key consultants; and
- (j) ascertain ultimate financial beneficial owners of legal entities participating in the tenders, and identify potential reputational or other risks to ADB associated with such entities.
- (ix) Ensure that any irregularities are noted in bid evaluation reports and consultant selection committee reports.
- (x) Guide executing and implementing agencies and PMU personnel in conducting technical and financial evaluation of bids through proper application of bid criteria, in accordance with ADB policies and guidelines.
- (xi) Identify main weaknesses of bids and proposals, and organize procurement outreach to address the identified weaknesses.
- (xii) Review and comment on draft technical and financial bid evaluation reports, including assessment of bidder's qualification and compliance with technical requirements, and financial bid evaluation reports prior to submission to ADB as a quality control check. Work with PMU personnel to strengthen areas of weakness.
- (xiii) Guide executing and implementing agencies and PMU personnel in consultant recruitment in accordance with ADB's Guidelines on the Use of Consultants and ADB's standard request for proposals by undertaking integrity due diligence of information presented in proposals.
- (xiv) Assist executing and implementing agencies and PMU personnel to address ADB's comments on the prequalification and bid documents, requests for proposal, and bid evaluation reports.
- (xv) Develop training materials and conduct training for potential vendors in association with pre-bid meetings about how to prepare applications, proposals, and bids to decrease the incidence of disqualification.
- (xvi) Help strengthen the skills and ability of national procurement personnel in resident missions through inclusion in activities and mentoring.
- (xvii) Gather information, analyze and report observations of trends, unique challenges, and areas of strength and weakness for future use in knowledge products.
- (xviii) Identify and report observed constraints in country systems for consideration during country procurement assessment and annual country portfolio review.
- (xix) Ensure appropriate documentation of training and workshops provided, including copies of presentations, participant lists, photos, and completed evaluation forms.
- (xx) Report any factual or suspected integrity violations (fraud, collusion, coercion, corruption, or conflict of interest) immediately to the TA team leader.

5. **Output and reporting.** The consultants will (i) develop training materials for specific, applied training purposes; (ii) conduct informal and formal training for executing and implementing agencies and PMU personnel; (iii) assist requesting executing agencies with all matters related to procurement; (iv) coordinate and communicate with the team leader and the Operations Services and Financial Management Department on matters as they arise; (v) assist with the introduction of conflict of interest disclosures for bid evaluation committees; (vi) keep a record of all training and workshops conducted, and participants; and (vii) provide analysis and insight into the strengths and weaknesses of EAs, national procurement processes, vendor ability to meet procurement and project needs, and other relevant information.

6. Work plans will be developed to identify priority procurement actions, and consultants will be responsible for working in accordance with those work plans. As an initial target, it is

expected that each consultant will conduct on-the-job workshops and training reaching at least 100 personnel of executing agencies and 100 potential vendors, and will review at least 35 procurement evaluation reports prior to submission to ADB.

7. Reports shall be provided on a monthly and annual basis to the team leader and shall enumerate information related to procurement training activities, identify red flags, present observations and analysis, identify needs and constraints, and document processes undertaken. The information shall be used to develop a knowledge product of the TA to help ensure sustainable longevity of lessons learned.

8. **Confidentiality.** All information obtained in connection with this assignment will be considered confidential. The consultants will make no other use, disclosure, or dissemination of information obtained during this contract; and will treat the information as confidential, to be shared only with ADB and the relevant executing and implementing agency and PMU.<sup>6</sup> The consultant will notify the team leader immediately of (i) loss, theft, or leakage of documentation, records, or information related to the assignment; or (ii) a request by anyone to examine, inspect, or copy documents, records, or information provided by the executing agency, implementing agency, PMU or ADB, or obtained during the assignment. Consultants engaged must sign confidentiality forms with ADB.

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<sup>6</sup> Communications between ADB and the consultant shall not be shared with the executing or implementing agency or PMU unless otherwise stipulated.