

VIET NAM: BASIC INFRASTRUCTURE FOR INCLUSIVE GROWTH II IN THE FOUR CENTRAL PROVINCES SECTOR PROJECT

PROCUREMENT RISK ASSESSMENT

BY

ADB PPTA 8957

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CURRENCY EQUIVALENTS

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₯ 1	=	\$0.0004

ABBREVIATIONS

CAPE	–	Country Assistance Program Evaluation
CPAR	–	Country Procurement Assessment Report
CPS	–	Country Partnership Strategy
CPRM	–	Country Portfolio Review Mission
CSA	–	Country and Sector/Agency Procurement Risk Assessment
CSO	–	civil society organization
DMC	–	developing member country
EA	–	Executing agency
EC	--	Evaluation Committee
GACAP II	–	Second Governance and Anticorruption Action Plan
IA	–	Implementing Agency
ICB	–	International Competitive Bidding
ICPA	–	Initial Country Procurement Assessment
IS	-	International Shopping
MAPS	–	Methodology for Assessment Procurement Systems
NCB	–	National Competitive Bidding
NGO	–	non-governmental organizations
OAI	–	Office of Anticorruption and Integrity
OECD-DAC	–	Organization for Economic Co-Operation and Development – Development Assistance Committee
OSFMD	–	Operations Services and Financial Management Department
P-RAMP	–	Procurement Risk Assessment Management Plan
PPC	–	Provincial People's Committee
PCA	-	Procurement Capacity Assessment
PEFA	–	Public Expenditure Financial Accountability
PPRR	–	Project Procurement-Related Review
PPTA	-	Project Preparatory Technical Assistance
PRA	-	Project Procurement Risk Assessment
PREI	–	Procurement Review for Effective Implementation
RD	–	Regional Department
RRP	–	Report and Recommendation of the President
TOR	–	Terms of Reference

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EXECUTIVE SUMMARY

1. The overall ratings is that there is a moderate risk to procurement based on significant risk that the lack of ADB experience and trained personnel in the PMU along with low procurement administrative risks. Staffing choice and loan implementation support especially in advance action on procurement will be essential if delayed start up is to be minimized.

2. Based on the assessment of capabilities, experience in undertaking similar projects and current procurement practices of the project, procurement risks are assessed and mitigation measures are recommended for action – see Table 1.

3. If the project implementation arrangements with recommended actions are implemented, the procurement of goods, works and services can be effective and risks can be minimized, leading to satisfactory procurement as per ADB procurement guidelines.

Table 1: Project Procurement Risk Assessment and Management Plan (P-RAMP)

SL No.	RISK	IMPACT	LIKELIHOOD	STRATEGY
A6, A7, A9, A16, A17, A23, C1, C2, C14, C22, C23	Procurement Department and/or PMU have insufficient qualified staff to efficiently undertake the procurements required to implement the project.	High	Likely	Mitigation: Once the PMU is formed, the qualified and experienced procurement staff must be in place; Advance action on a procurement expert is really important to minimize the delays in implementation and procurement ready for detailed designs. However, even with a procurement expert, the need for someone to prepare English documentation for ADB review and accountability system in place.
A19 – A20	The Agency uses practices inconsistent with national procurement law or bidding documents unsuitable for ADB-funded procurement.	Substantial	Unlikely	Justifications: The Agency follows Vietnam Government Law and standard documents in the procurement process. Some regulations in the Procurement Law is different from ADB guideline and procedures such as: bid preparation period, evaluation procedures, conditions for contract awards etc... Monitoring: Provision of training on ADB procedures Loan Agreement should include modalities to ensure that ADB guidelines requirements are followed.
B2 –B3	Record-keeping is inadequate to enable internal or external audit of procurement processes.	Moderate	Unlikely	Justifications: The Agency record-keeping is in place that support for internal or external audit of procurement processes. Subsequent records related to running payments are separately kept by the team effecting procurement and accounting team of the project-implementing agency. Monitoring: IAs should establish a link between IA's team to ensure that the records related to

SL No.	RISK	IMPACT	LIKELIHOOD	STRATEGY
				running payments during execution of works and contractual communications are in the same place. It is recommended that IAs should create a comprehensive E-Library system to record to project's document.
A25, C4 - C12, C24-C44, C47, D5, E7	Agency does not promote non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	Moderate	Likely	<p>Justifications:</p> <p>The Agency follows Vietnam Government Law and standard documents in the procurement process that promote non-discriminatory participation and the transparency of procurement processes.</p> <p>Monitoring:</p> <p>The Procurement Plan should include an NCB Annex regulating non-discriminatory participation, transparency in procurement processes (including advertisement, tender documentation, procurement evaluation, complaints mechanism).</p>
C15, E1 – E.6	The Agency has inadequate ethics and anticorruption measures in place.	Moderate	Likely	<p>Justifications:</p> <p>The Agency follows Vietnam Government Law and standard documents in the procurement process that ethics and anticorruption measures in place.</p> <p>Monitoring:</p> <p>All members of the evaluation committee are required to sign the declaration of having sufficient qualifications and experience as per requirements of procurement law and not having any potential conflict of interest and remove themselves from the procurement process as per standard form (Appendix 8) attaching to Circular No.23/2015/TT-BKHĐT dated 21 December 2015 of the MPI.</p>

4. The overall ratings for each PMU (see Appendix 1) categorized the risks – see Table 2 which indicates similar issues and risk across all four provinces.

Table 2: Provincial Ratings

Criterion	NGHE AN Risk assessment	HA TINH Risk assessment	QUANG BINH Risk assessment	QUANG TRI Risk assessment
a. Organizational and Staff Capacity	Moderate	High	High	Moderate
b. Information Management	Moderate	High	Moderate	Moderate
c. Procurement Practices	Moderate	Moderate	Moderate	Low
d. Effectiveness	Moderate	High	Moderate	Low
e. Accountability Measures	Moderate	Moderate	Moderate	Low
OVERALL RISK RATING	Moderate	Substantial /High	Moderate/High	Low

The risks are categorized as follows:

Risk Ratings	High (H)	Substantial (S)	Moderate (M)	Low (L)
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High	-	likely to occur, likely to have high impact if occurs		
Substantial	-	unlikely to occur, but likely to have high impact if occurs		
Moderate	-	likely to occur, but unlikely to have high impact if occurs		
Low	-	not likely to occur, not likely to have high impact if occurs.		

I. INTRODUCTION

5. This Project Procurement Risk Assessment Report is prepared for the project preparation technical assistance (PPTA) TA 8957 – Viet Basic Infrastructure of Inclusive Growth II the **Four Central Province** Sector Project (the Project) and contains the findings and observations of the procurement risk assessment for the project.

6. Since the Department of Planning and Investment (DPI) in the two participating provinces (the Provinces) of Nghe An and Quang Binh have limited experience in implementing multilateral-financed projects while Ha Tinh and Quang Tri have experience in implementing multilateral-financed projects, in particular, Quang Tri has experience in implementing an ADB Greater Mekong Subregion Corridor Towns Development Project, this assessment focuses on the present status of the Executing Agencies (PPC's) / Implementing Agencies (DPI and the assigned PMUs to be formed under the provisions of Article 37, 38 and 39 of Decree 16) in providing procurement of civil works, goods, and consulting services. The assessment review and identifies risks to the required procurement and provides recommended actions to solve identified weaknesses.

7. The CSA was undertaken from 3rd November, 2016 to 12th November 2016. The assessment included reviewing documents, collecting information on completed and ongoing projects, on procurement performance, review of reports and information from available sources, meetings and discussions with related stakeholders.

II. OVERVIEW OF PROCUREMENT ENVIRONMENT, PRELIMINARY RISK ASSESSMENT AND PROJECT CLASSIFICATION

A. Overview of the National Procurement Environment and Preliminary Risk Rating

8. The proposed Project supports the objectives of the Overall Masterplan for the Development of the Four North Eastern Province of Viet Nam by improving road connectivity and providing improved wellbeing through rural water supply and value chain infrastructure. It will enable the efficient provision of services, the movement of goods and people, and help develop the economy of the FNEP subregion and its integration into the national and international economy.

9. The executing agencies for this project are the respective PPCs who have assigned the provincial DPI to be the Project Owner (equivalent to Implementation Agent (IA) in ADB). As Project Owner DPI is required under Decree 16 to form a Project Management Unit choosing from a range of options defined within Decree Article 37. The PMU must be formed within 30 days of Loan Signing (Article 39). The Project Management Units will be mandated to carry out project implementation for the Project, including procurement, financial management, disbursement, administration, staffing and the current assessment focus on their capabilities and procedures.

10. The 2013 Vietnam Law on Procurement is considered to be mostly consistent with best international practices. Under the procurement law, the Government issued Procurement Decree No.63/2014/ND-CP providing detailed guidance on the implementation of the law. Consequently, Ministry of Planning and Investment has issued different circulars providing standard procurement templates and subsequently issued these standard procurement templates to enable the efficient implementation of the procurement legislative framework in

compliance with the law. If there is divergence between ODA guidelines and Vietnamese legislation, the ODA rules take precedence.

11. Since the previous procurement law took effect on in 2006, bidders have become familiar with their right to file complaints on the bidding processes. The EAs and IAs are fully aware that inappropriate procurement practice raises the personal risk of being sued by bidders any time during the procurement process. In recent years, the number of complaints has increased, which may indicate that some of the outstanding issues on integrity during bidding and procurement are starting to be identified with resultant actions taken.

12. Country and sector procurement risk assessments exist for different agencies, but use a range of differing methodologies, for example, Organization for Economic Cooperation and Development (OECD) in 2006; Development Assistance Committee's (DAC's) in 2006; Methodology for Assessment of National Procurement Systems (MAPS) in 2008, Asia-Pacific Economic Cooperation (APEC) in 2011, Public Expenditure and Financial Accountability (PEFA) assessment in 2013.

13. Vietnam first piloted a macro-level MAPS-based assessment in 2006¹ and repeated the assessment in 2008². The 2008 MAPS-based assessment gave the overall quality of Government procurement system a "C" rating, on a scale from A (best) to D (worst), although this represents improvement since the 2006 assessment which rated as an overall D. MPI report significant progress since the 2008 MAPS assessment, such that the overall quality of Government procurement system continues to improve but it is now eight years since a national review was completed.

14. Transparency International (2011) conducted an assessment on Vietnam's implementation of APEC Procurement Transparency Standards³ (both in law and in practice). The Report has assessed that the national procurement system was generally satisfactory, however the Report noted shortcomings in the legal framework relating (i) to the independent review of procurement decisions; (ii) transparency and integrity in the public procurement system; (iii) applying procurement rules inconsistently at the provincial and local levels; (iv) absence of a common code of conduct for procurement officials; and (v) the absence of civil society organizations with the mandate and expertise to monitor procurements.

15. PEFA indicator PI-19 "Competition, value for money and controls in procurement" relates to government procurement⁴. PEFA assesses the extent to which applicable laws and regulations are followed in the public procurement system, whether the general principle in favor of open competitive tendering is properly respected, whether tendering opportunities and contract awards are effectively publicized, and whether there is satisfactory machinery for dealing with complaints by tenderers about the behavior of spending units in letting contracts.

16. The latest PEFA national procurement assessment concluded a satisfactory rating, based on detailed assessment of four major indicators:

- (i) Transparency, comprehensiveness and competition in the legal and regulatory framework: C+

¹ Vietnam National Public Procurement System Assessment Report 2006.

² Vietnam National Public Procurement System Assessment Report – BLI 2008.

³ The Report can be found at: www.transparency-usa.org/documents/TI-Report-Vietnam_FINAL.pdf

⁴ The Report can be found at: www.pefa.org/en/assessment/files/1205/rpt/9497

- (ii) Use of competitive procurement methods as default: B
- (iii) Public access to complete, reliable and timely procurement information: B
- (iv) Existence of an independent administrative procurement complaints system: B

17. Generally, the assessment of the procurement risk is rated **Medium**⁵. In setting prior/post review thresholds this rating will be considered together with risk factors.

B. Project Procurement Classification

18. There are several agricultural and rural development projects under implementation in Northern Vietnam, however, there is only the IFAD program currently being implemented in the Project Provinces, and two of the Government National Target Programs, the New Rural Development Program and the Strategic Poverty Reduction Program. The EA's have not been EAs for donor projects and most IA input has not been responsible for matters such as procurement which was undertaken by Line Ministries. That said, no significant existing procurement risks have been identified.

19. **Taking into account** that the provincial executing agencies in the FNEP sub-region exist already it is proposed to classify the project in **Category B**.

III. PROJECT PROCUREMENT RISK ASSESSMENT

A. Organization and Staff Capacity

20. While the MPI serves as the center and focal point of all the public procurement and oversight, under the current proposed project, DPI will be handling procurement and the PMUs will be responsible for day to day procurement processing. The role of DPI therefore becomes, in addition to the responsibility to manage and control public procurement, to provide guidance and support and play a mentor and facilitator's role in the identification, formulation, implementation and completion of the development projects.

21. The proposed PMUs structures are similar in all four provinces, the main differences being the number of proposed staff that ranges from 16 to 23. A structure for the PMUs has been tentatively agreed – see Figure below:

⁵ Rating scale: High/ Medium/ Low

Figure 1: Proposed PMU Structure

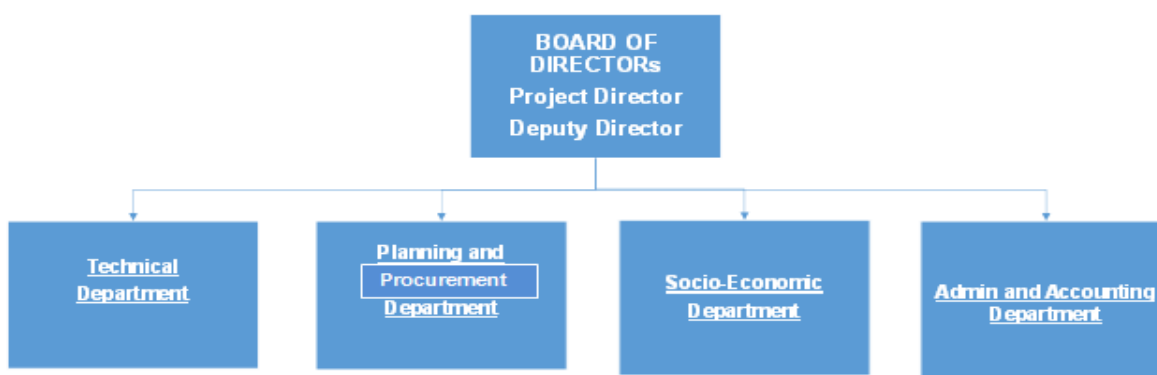


Table 3: Proposed PMU Staffing

NO	POSITION	NO	APPOINTMENT	STATUS
I	BOARD OF DIRECTORS			
	Director	1	By designation	Concurrent
	Deputy Director	1	By designation	Concurrent
II	Technical department			
	Urban engineer	1	By contract	Specialized
	Transport engineer	1	By contract	Specialized
	Water supply engineer	1	By contract	Specialized
III	Planning and procurement department			
	H.O.D. Procurement and Contract Management staff	1	Designation/secondment	Specialized
	Monitoring and Evaluation staff/ Project coordinator	1	Designation/secondment	Specialized
IV	Administration and Accounting department			
	Chief accountant	1	Designation/secondment	Qualified
	Accounts staff	1	Contract	Qualified
	Cashier/ Disbursement officer	1	Contract	Specialized
	Admin/ Interpreter	1	Designation/secondment	Specialized
	Land Acquisition / Compensation-site clearance staff	1	Contract	
V	Social-Economic (Safeguard) Department			
	H.O.D		Designation/secondment	Specialized
	Environmental staff	1	Contract	Specialized
	Safeguard officer	1	Contract	Specialized
VI	Other Staff			
	-Technical officer	1	Contract	Specialized
	-Support officer	1	Contract	Specialized
	-Driver	1	Contract	Specialized
	Total	18		

22. The relevance to the risk assessment, is that the PMUs that are to be established need fulltime management from an authorized and mandated official. Wider staffing needs to be designated specifically to the PMU on a full time basis otherwise there can be lack of control, continuity in management processes.

23. During the review of each EA and IA, the actual candidates for each position in the PMU remain uncertain as per the requirement of Decree 16.

24. Within the proposed PMU functions, not only do the PMUs operation need to be clearly defined, but relevant procurement staff will need to be competent with both knowledge of ADB's procurement guidelines and English proficiency. For procurement of works, the current IA's staff proposed for positions in the PMU generally have knowledge, and some experience, with Government procedures. These staff have experience in either acting in a procurement appraisal agency in the province or involved in implementing projects funded by International donors of which financing agreement accepts the usage of Vietnam Government Law and standard documents in the procurement process. However, current IA staff of three among four provinces including Nghe An, Ha Tinh and Quang Binh lack knowledge and experience of ADB procurement procedures while Quang Tri has experience in implementing an ADB project. Quang Tri is familiar with ADB's procurement procedures. Though, some IA staff have moderate English language proficiency, the extent of documentation, the technical nature of this documentation will severely test the English language capabilities that procurement, reporting etc. One requirement will be the need to develop the skill of these individuals in ADB's procedures, including the preparation of submission documentation for approval. In case, IAs want to hire external procurement staff to strengthen their PMUs, IAs also need to consider the availability of qualified and experience procurement staff in provinces and find solutions to have qualified and experience procurement staff in PMU once it is set up. Risk assessment for Nghe An and Quang Binh is high while Ha Tinh is substantial and Quang Tri is moderate.

B. Information Management

25. ADB requires that the evaluation reports and original signed contracts should be retained for at least two years after project completion. Even, there are no procurement activities/ documents found in Nghe An and Quang Binh within 36 recent months, through either the procurement documents appraised or fixed assets procured by those two DPis, the procurement capacity assessment of the executing agency indicates that all the documents related to the procurement along with evaluation reports and signed contracts are kept in safe custody for several years after project completion for future inspection, audit, and institutional memory. Additionally, a copy of the original invitation document, bidding documents, winning bid or proposal, and contract administration papers are retained in a single contract file.

26. The mission also finds that subsequent records related to running payments during execution of works and contractual communications in Ha Tinh and Quang Tri are kept by both the team effecting procurement and accounting team of the project-implementing agency while in Nghe An and Quang Binh those documents are separately kept. Consequently, the risk assessment for Nghe An, Ha Tinh and Quang Binh is Moderate while the assessment for Ha Tinh is low. However, there is need for strengthening information management infrastructure basically in regard to access to information. It is recommended that IAs should create a comprehensive E-Library system with separate areas following technical functions of the respective project department. All the printed documents should be scanned and saved into the respective areas in the library. Each IA staff shall have their own account with limited access

rights while the head of the IA has master rights to access the system to review the history of the documents.

C. Procurement Practices

27. As mentioned in paragraph 24, current IA's staff proposed for PMU of three among four provinces including Nghe An, Ha Tinh and Quang Binh lack ADB's knowledge and experience while Quang Tri has experience in implementing an ADB project.

28. Nghe An and Quang Binh has no project procurement activities implemented during the 36 recent months. IA's staff of those two provinces have good understanding of Government procurement laws and regulations as they involve in appraisal of procurement documents for government fund projects which PPC acts as project owner. Ha Tinh has experience in implementing projects funded by International donors of which financing agreement accepts the usage of Vietnam Government Law and standard documents in the procurement process. IA's staff of Ha Tinh have experience in procurement of NCB works and only selection of consulting service through direct contracting. Quang Tri, among the four provinces, has the best experience in implementing ODA projects in the three recent years with an ADB GMS on-going project. Risk assessment for Nghe An and Quang Binh is high while Ha Tinh is moderate and Quang Tri is low.

29. For referenced procurement of works implemented by Ha Tinh, open competitive bidding with single stage – one envelop is found. Invitation to bid were published on both MPI's website: <http://muasamcong.mpi.gov.vn/> and Procurement Review newspaper for three consecutive days. The use of Government's standard Bidding documents (SBDs) was mandatory. Duration for preparation of bid were at least 20 days for NCB and at least 40 days for ICB from the date of publication of advertisement or notice. All advertisements or notices expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents, allowing sufficient time to complete and submit the bid by the deadline. The CSA finds duration for preparation of bid as per the Vietnam Procurement Law is shorter compared to ADB's procedures (30 days for NCB and from six to eight weeks for ICB) from the date of publication of advertisement or notice. The date for opening of bids and the last date for the submission of bids is the same. Bids were opened at the time specified in the bidding documents. All bids were opened publicly in the presence of the bidders or their representatives who might choose to be present, at the time and place announced prior to the bidding. The procuring agency reads aloud the bid prices, including alternative bids, if any, and the presence or absence of the requisite bid security, validity of bids as well as the discount, if any, and records the minutes of the bid opening. All bidders in attendance signed an attendance sheet. All bids submitted after the time prescribed were rejected and returned without being opened. The procedures for public opening of bids found similar to ADB's procedures that is to ensure the transparency during the procurement process.

30. Ha Tinh still accepts bid security is cash under NCB works procedures which is not compliant to the Procurement law as well as Instruction to Bidder (ITB) 18.1 of the Government's SBDs for works (refer to Circular No.03/2015/TT-BKHDT dated 6/5/2015 of MPI providing guides and regulations for preparing BDs for procurement of works). Thereof, bid security is only accepted either in the form of Letter of credit or cheque (not in cash). The acceptance of bid security in cash is not compliant to both ADB's procedures and Government Procurement laws.

31. For consulting services, relevant divisions of the PMU identify the need for consulting services following the approved FS and in connection to the project demand for each year. The selection method is determined by the procuring agency and proposed in the procurement plan. Quality and cost - based selection (QCBS) is the default selection method by the Law. The QCBS procedures under the Procurement Law is similar to ADB procedures. Besides, single source or direct selection method is also applied, but only for small assignments below threshold (currently set at 500 million VND). Nghe An, Ha Tinh and Quang Binh have no experience in implementing consulting services through QCBS procedures while Quang Tri is not only familiar with these procedures but also others such as CQS, LCS and IC following ADB's selection procedures.

32. Negotiation on bid prices after opening of bids is not allowed. All bid prices offered must not be higher than the approved budget estimate. All bidders who offer bid prices higher than the approved budget estimate will automatically be rejected. This regulation is defined in the Procurement Law and EAs/ IAs must follow. The regulation of bid prices of the Procurement law is in conflict to the ADB's regulation on the rejection of bids which are only based on the comparison between bid prices offered by bidder and the approved cost estimate (as per ADB's guidelines) which is not allowed. With reference projects implemented by DPIs of four central provinces within recent three years, the CSA finds that 100% of the awarded contract amounts are lower than the approved budget estimate. This is an important point in regard to assessing provincial level handling of procurement issues. It is recommended to EAs/ IAs that the Procurement Law provides specific provisions applied to foreign assisted projects and includes a provision that in case of any conflict among the procedures stipulated in the law and the development partner, the legal agreements and guidelines of the development partner shall prevail. This regulation allows the application of ADB's procedures as well as the usage of Standard Bidding Documents (SDBs) into the procurement activities implemented by provinces. Quang Tri has experience in dealing with such issue while other three provinces (Nghe An, Ha Tinh and Quang Binh) need to be aware of it.

33. The CSA also finds a concern about the use of standard Harmonization Bidding Document for procurement of goods and works in the projects financed by the World Bank and the Asian Development Bank from EAs/IAs. The main reason is that all the referenced bid contacts procured by EAs/ IAs following the Vietnam Procurement Law with the usage of Vietnam SDBs. It is recommended that the Vietnam Procurement Law also accepts using the harmonized Standard Bidding Documents (SBDs) which was effective from July 15, 2015. This issue can be solved by the support from Project Implementation Consultants and capacity building for EAs/IAs during project implementation.

34. Provincial project procurement plan is subject to approval by the EAs and the budget is sanctioned at the start of the fiscal year. Budget availability was confirmed prior to solicitation of procurements. The EC was under the head of IAs. The IAs through the EC evaluate the procurement of goods, construction contracts and consulting services. The EC's recommendation is subject to approval by the head of the IAs prior to its commencement. As the EC plays important roles and responsibilities in the procurement process, it is recommended to IAs to have due considerations during the selection of project personnel into the EC. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least 3 years' experience relates to his technical assignment in the EC and (iii) Have English language proficiency meet the bid's requirement. These requirements by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds

that 100% of the EC members involved in EAs/ IAs procurement process meet the requirements.

D. Effectiveness

35. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of Goods, Works and consulting services. The IAs have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. However, NCB procurement practices in place do not include a process for non-judicial dispute resolution. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file. EAs / IAs also has their own monitoring system for the bidding process and complaints management during bidding. It is recommended that non-judicial dispute resolution should be used. Risk assessment for Nghe An and Quang Binh is moderate while Quang Tri and Ha Tinh is Low.

E. Accountability Measures

36. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. This requirement by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement process meets the requirements. It is recommended that all members of the evaluation committee should sign the declaration of having sufficient qualifications and experience as per requirements of procurement law and not having any potential conflict of interest and remove themselves from the procurement process as per standard form (Appendix 8) attaching to Circular No.23/2015/TT-BKHĐT dated 21 December 2015 of the MPI.

37. The CSA finds that there is an absence of internal audit within agencies but IA/PMU through a hired external audit firm to conduct their annual project audit. MPI, State Audit and PPC through its missions only conduct an inspection and/or audit if there is a complaint about the procurement process conducted. The institutional arrangements proposed are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of goods, works and consulting services. The IAs have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file.

EAs / IAs also has their own monitoring system for the bidding process and complaints management during bidding. Risk assessment for Nghe An and Quang Binh is moderate while Quang Tri and Ha Tinh is Low.

F. Strengths

38. Quang Tri among the four province has experience in implementing ADB project so that Quang Tri can support the other three provinces during implementing the project.

39. It is observed that comprehensive procurement records are kept and warranty periods are tracked at moderate satisfactory level. All the documents related to procurement along with evaluation reports and signed contracts are kept in safe custody for several years after project completion for future inspection, audit, and institutional memory. Additionally, a copy of the original invitation document, bidding documents, winning bid or proposal, and contract administration papers are retained in a single contract file.

40. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least 3 years experience relates to his technical assignment in the EC and (iii) Have English language proficiency meet the bid's requirement. These requirements by Vietnam Procurement Law found almost similar to ADB's requirement for EC members.

41. The date for opening of bids and the last date for the submission of bids is the same. Bids were opened at the time specified in the bidding documents. All bids were opened publicly in the presence of the bidders or their representatives who might choose to be present, at the time and place announced prior to the bidding. The procuring agency reads aloud the bid prices, including alternative bids, if any, and the presence or absence of the requisite bid security, validity of bids as well as the discount, if any, and records the minutes of the bid opening. All bidders in attendance signed an attendance sheet. All bids submitted after the time prescribed were rejected and returned without being opened.

42. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of goods, works and consulting services.

43. Accountabilities and the allocation of responsibilities are clearly defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. This requirement by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement process meets the requirements.

G. Weaknesses

44. The actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

45. IAs staff of Nghe An, Ha Tinh and Quang Binh is lack of knowledge and experience of ADB procurement procedures. In case, IAs want to hire external procurement staff to strengthen

their PMUs, IAs need to consider the availability of qualified and experience procurement staff in provinces.

46. There is no current specialized procurement training program for the procurement section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs. It is also necessary to determine who will be seconded from DPis and who will be outside recruitments as soon as possible to ensure sufficient capacity to develop/ update the project procurement plans and the preparation and approval of documentation. It is recommended that the training on ADB's procurement procedures should be organized at the time of setting up PMUs.

47. Taking into account that the ADB and WB Harmonized Standard Bidding Documents are complicated documents and required a certain level of professional knowledge; it is observed from other projects, procurement personnel deal with difficulties during the bidding document preparation and bidding phases (i.e. they may not understand or incorrectly understood the implication of articles/ clauses as stated in the standard bidding documents). Training especially on the use of Standard Bidding Documents is extremely urgent for any procurement personnel in the project.

48. It is noted that almost PMU personnel in general have limited English language skills which may limit PMU in communicating with ADB and international consultant;

49. There is an absence of internal audit within agencies. MPI, State Audit and PPC through its missions only conduct an inspection and/or audit if there is a complaint about the procurement process conducted.

50. Ha Tinh still accepts bid security is cash under NCB works procedures which is not compliant to the Procurement law as well as Instruction to Bidder (ITB) 18.1 of the Government's SBDs for works (refer to Circular No.03/2015/TT-BKHDT dated 6/5/2015 of MPI providing guides and regulations for preparing BDs for procurement of works). Thereof, bid security is only accepted either in the form of Letter of credit or cheque (not in cash). The acceptance of bid security in cash is not compliant to both ADB's procedures and Government Procurement laws.

IV. PMU PROCUREMENT RISK ASSESSMENT

A. Nghe An PMU

1. Overview

i. Organization and Staff Capacity

51. During the review of EA and IA, the actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

52. Nghe An DPI issued Decision No.86/QD-SKHDT dated 1 September 2016 for the establishment of PPTA PMU of Nghe An. PPTA PMU (Implementing Agency) is under Nghe An DPI. The PPTA PMU includes management titles in respond to functional divisions. Those PPTA personnel are planned to work in PMU once the project is approved by the Government and PMU is formed. But the final decision on the PMU's staffing has not been confirmed.

53. The CSA finds that those personnel have been involved in procurement under Government funded projects to a limited degree and have no knowledge on ADB procurement guidelines and procedures. All have limited ODA project experience and less English language proficiency. Nghe An DPI currently acts as a focal point to handle procurement appraisal's function for projects that PPC is project owner, there is an appraisal department under DPI. This department is only responsible for appraisal of those project procurement plans prior to submitting to PPC for approval. Besides, this department is also a focal point to support all procurement process implemented by PPC's projects and handles procurement complaints. No procurement department/ unit is found.

54. The procurement department/unit has not been identified, but DPI confirms appoint at least one member from the appraisal department, DPI and hires a fulltime external qualified procurement staff to the procurement department/unit when the PMU of the proposed project is established. Consequently, some trainings in ADB procurement guidelines not limited to PMUs but personnel from relevant provincial agencies who will participate into the appraisal and evaluation of procurement documents etc. must be implemented in advance of/ or right after loan effectiveness to strengthen PMU capacity.

55. There is no current specialized procurement training program for the procurement/ appraisal section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs.

ii. Information Management

56. ADB requires that the evaluation reports and original signed contracts should be retained for at least two years after project completion. Even, there are no procurement activities/ documents found in Nghe An within 36 recent months, but through either the appraised documents or fixed assets procured by DPI, the procurement capacity assessment of the executing agency indicates that all the appraised documents and document for procurement of fixed assets are kept in safe custody for several years for future inspection, audit, and institutional memory.

57. The mission also finds that subsequent records related to running payments during execution of works and contractual communications are separately kept by the team effecting procurement and accounting team of the project-implementing agency. The risk assessment is Moderate.

58. There is need for strengthening information management infrastructure basically in regard to access to information. It is recommended that IAs should create a comprehensive E-Library system with separate areas following technical functions of the respective project department. All the printed documents should be scanned and saved into the respective areas in the library. Each IA staff shall have their own account with limited access rights while the head of the IA has master rights to access the system to review the history of the documents.

iii. Procurement Practices

59. Current IA's staff proposed for PMU lack knowledge and experience of ADB procurement procedures.

60. IA has no project procurement activities implemented during the 36 recent months. Even, IA's staff have good understanding of Government procurement laws and regulations as

they involve in appraisal of procurement documents for government fund projects which PPC acts as project owner. Risk assessment is high.

iv. Effectiveness

61. Even, there are no procurement activities/ documents found in Nghe An within 36 recent months, but through either the appraised documents or fixed assets procured by DPI, the procurement capacity assessment of the executing agency indicates that an adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution. The IA have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. However, procurement practices in place do not include a process for non-judicial dispute resolution. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement/ appraisal decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file. EA / IA also has their own monitoring system for the bidding process and complaints management during bidding. It is recommended that non-judicial dispute resolution should be used. Risk assessment is Moderate.

v. Accountability Measures

62. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement/ appraisal process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC/ appraisal committee, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement/ appraisal process meets the requirements. It is recommended that all members of the evaluation committee should sign the declaration of having sufficient qualifications and experience as per requirements of procurement law and not having any potential conflict of interest and remove themselves from the procurement process as per standard form (Appendix 8) attaching to Circular No.23/2015/TT-BKHĐT dated 21 December 2015 of the MPI. Risk assessment is moderate.

63. The CSA finds that there is an absence of internal audit within agencies but IA through a hired external audit firm to conduct their annual audit. MPI, State Audit and PPC through its missions also conduct an inspection and/or audit if there is a complaint about the procurement process conducted.

64. The IA has their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file.

2. Strengths

65. Even, there are no procurement activities/ documents found in Nghe An within 36 recent months, but through either the appraised documents or fixed assets procured by DPI, the procurement capacity assessment of the executing agency indicates that all the appraised documents and document for procurement of fixed assets are kept in safe custody for several years for future inspection, audit, and institutional memory.

66. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement/ appraisal process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC/ appraisal committee, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement/ appraisal process meets the requirements.

67. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution.

68. The IA has their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file.

3. Weaknesses

69. The actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

70. Current IA's staff proposed for PMU lack knowledge and experience of ADB procurement procedures.

71. There is no current specialized procurement training program for the procurement / appraisal section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs. It is also necessary to determine who will be seconded from DPI and who will be outside recruitments as soon as possible to ensure sufficient capacity to develop/ update the project procurement plans and the preparation and approval of documentation. It is recommended that the training on ADB's procurement procedures should be organized at the time of setting up PMUs.

72. It is noted that PMU personnel in general have limited English language skills which may limit PMU in communicating with ADB and international consultant.

B. Ha Tinh PMU

1. Overview

i. Organization and Staff Capacity

73. During the review of EA and IA, the actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain. The Ha Tinh People's Committee (as Executing Agency) had issued a series of decisions related to preparing and implementing of the proposed project including: decision No.636/QD-UBND dated 16 /3/2016 on establishment of mission team to support preparing the proposed project, decision No.1453/QD-UBND dated 7/6/2016 of Ha Tinh PPC appointing the ISDP-HIRDP-ICDP PMU (professional ODA project management unit in Ha Tinh) which had been formed following decision No.1576/QD-UBND dated 1 September 2015 of Ha Tinh's PPC to be a project owner for the proposed ADB project and decision No.302/QD-BQLDA dated 21/9/2016 of ISDP-HIRDP-ICDP PMU on supplemental of members in mission team to support preparing the proposed project. The ISDP-HIRDP-ICDP PMU is under DPI. No procurement department/ unit is found under ISDP-HIRDP-ICDP PMU. As per the defined ISDP-HIRDP-ICDP PMU structure, the Construction Management Department/ Unit under PMU is responsible for all project procurement activities and contract management. And staff from respective divisions/ departments of the ISDP-HIRDP-ICDP PMU will be mobilized to the proposed PMU.

74. There are some staff of the ISDP-HIRDP-ICDP PMU have English language acceptable but still need to be much improved.

75. The CSA finds that those personnel have some experience in implementing NCB works contracts (include: experience in preparing the BDs) and selection of consulting services firm contract using single source selection/ direct contracting method. Current IA's staff proposed for PMU lack ADB's knowledge and experience. Risk assessment is substantial.

ii. Information Management

76. It is observed that comprehensive procurement records are kept and warranty periods are tracked at moderate satisfactory level. All the documents related to procurement along with evaluation reports and signed contracts are kept in safe custody for several years after project completion for future inspection, audit, and institutional memory. Additionally, a copy of the original invitation document, bidding documents, winning bid or proposal, and contract administration papers are retained in a single contract file. Subsequent records related to running payments during execution of works and contractual communications are kept by both the team effecting procurement and accounting team of the project-implementing agency. The risk assessment low.

iii. Procurement Practices

77. As mentioned in paragraph 24, current IA's staff proposed for PMU lack ADB's knowledge and experience.

78. With referenced implementing projects, an annual procurement plan are subject to approval by the EA and the budget was sanctioned at the start of the fiscal year. Budget availability was confirmed prior to solicitation of procurements. The EC was under the director of PMU. The IA through the EC evaluates the procurement of goods, construction contracts and

consulting services. The EC's recommendation is subject to approval by PMU's director prior to its commencement. As the EC plays a very important roles and responsibilities in the procurement process, it is recommended to IA to have due considerations during the selection of project personnel into the EC.

79. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least 3 years' experience relates to his technical assignment in the EC and (iii) Have English language proficiency meet the bid's requirement. These requirements by Vietnam Procurement Law find almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members meet the requirements. Risk assessment is Low.

80. There is already an awareness of PMU and EA that the ADB guidelines will be followed in full. Although there is a concern on the use of standard Harmonization Bidding Document, it can be solved by the support from Project Implementation Consultants and capacity building for EA/IA during project implementation. Risk assessment is Moderate.

81. Negotiation on bid prices after opening of bids is not allowed. All bid prices offered must not be higher than the approved budget estimate. All bidders who offer bid prices higher than the approved budget estimate will automatically be rejected. This regulation is defined in the Procurement Law and EA/ IA must follow. The regulation of bid prices of the Procurement law is in conflict to the ADB's regulation on the rejection of bids, which are only based on the comparison between bid prices offered by bidders and the approved cost estimate (as per ADB's guidelines) which is not allowed. With referenced projects implemented by PMU, the CSA finds that 100% of the awarded contract amounts were lower than the approved budget estimate. This is an important point in regard to assessing provincial level handling of procurement issues. It is recommended to EA/ IA that the Procurement Law provides specific provisions applied to foreign assisted projects and includes a provision that in case of any conflict among the procedures stipulated in the law and the development partner, the legal agreements and guidelines of the development partner shall prevail. This regulation allows the application of ADB's procedures as well as the usage of Standard Bidding Documents (SDBs) into the procurement activities implemented by IA. Risk assessment is Moderate.

Procurement of Goods and Works:

82. With reference to project implemented by ISDP-HIRDP-ICDP PMU of Ha Tinh, technical specifications for construction works were prepared by a professional engineering expertise through single source / direct contracting selection process. However, this is not mandatory for preparation of technical specifications for popular goods. The EC was responsible for draft the procurement specifications. The preparation and finalization of the bidding documents and Invitation to bids were performed by the EC which included members of PMU.

83. All the procurement documents and technical specifications were subjected to be approved by Director of PMU. This process was also applied to the Bid Evaluation Report, contract award and contract document.

84. For NCB works contract, open competitive bidding with single stage – one envelop were found. The Financing Agreement agrees that procurement process follows the Procurement Law of Vietnam and standard documents in the procurement process. Invitation to bid were published on both MPI's website: <http://muasamcong.mpi.gov.vn/> and Procurement

Review newspaper for three consecutive days. The use of Government's standard Bidding documents (SBDs) was mandatory. Duration for preparation of bid were at least 20 days for NCB and at least 40 days for ICB from the date of publication of advertisement or notice. All advertisements or notices expressly mention the response time allowed for that particular procurement along with the information for collection of bid documents, allowing sufficient time to complete and submit the bid by the deadline.

85. The CSA finds duration for preparation of bid as per the Vietnam Procurement Law is shorter compared to ADB's procedures (30 days for NCB and from six to eight weeks for ICB) from the date of publication of advertisement or notice. The date for opening of bids and the last date for the submission of bids is the same. Bids were opened at the time specified in the bidding documents. All bids were opened publicly in the presence of the bidders or their representatives who might choose to be present, at the time and place announced prior to the bidding. The procuring agency reads aloud the bid prices, including alternative bids, if any, and the presence or absence of the requisite bid security, validity of bids as well as the discount, if any, and records the minutes of the bid opening. All bidders in attendance signed an attendance sheet. All bids submitted after the time prescribed were rejected and returned without being opened. The procedures for public opening of bids found similar to ADB's procedures that is to ensure the transparency during the procurement process.

86. There is already an awareness of PMU and EA that the ADB guidelines will be followed in full. Although there is a concern on the use of standard Harmonization Bidding Document, it can be solved by the support from Project Implementation Consultants and capacity building for EA/IA during project implementation.

87. Ha Tinh still accepts bid security is cash under NCB works procedures which is not compliant to the Procurement law as well as Instruction to Bidder (ITB) 18.1 of the Government's SBDs for works (refer to Circular No.03/2015/TT-BKHDT dated 6/5/2015 of MPI providing guides and regulations for preparing BDs for procurement of works). Thereof, bid security is only accepted either in the form of Letter of credit or cheque (not in cash). The acceptance of bid security in cash is not compliant to both ADB's procedures and Government Procurement laws. Risk assessment is Moderate.

Procurement of Consulting Services:

With reference from the Government funded projects previously implemented by DPI, the CSA finds IA experience limited in selection of consulting firm through single source / direct contracting selection method. PMU strictly follows Government procedures in the procurement of consultancy services. The implementing agencies plan adequate funds for the procurement every year in case the need arises to hire consultants/consulting firms for technical assistance in any of the required fields. The PMU through a dedicated consultant evaluation committee (CEC) identify, process, manage, evaluate, and monitor the procurement of consulting services that have been identified. The selection system was determined by the PMU/ CEC and proposed in the procurement plan. Quality and cost - based selection (QCBS) were the default selection method by the Law. The QCBS procedures under the Procurement Law is similar to ADB procedures. Besides, single source or direct selection method was also found, but only for small assignments below threshold (set at 500 million VND). Risk assessment is Moderate.

iv. Effectiveness

88. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of Goods, Works and consulting services. The IA have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. However, procurement practices in place do not include a process for non-judicial dispute resolution. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file. EA / IA also has their own monitoring system for the bidding process and complaints management during bidding. It is recommended that non-judicial dispute resolution should be used. Risk assessment is Low.

v. Accountability Measures

89. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. This requirement by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement process meets the requirements. Risk assessment is Low.

90. There is an absence of internal audit within agencies but IA/PMU through a hired external audit firm to conduct their annual project audit. MPI, State Audit and PPC through its missions only conduct an inspection and/or audit if there is a complaint about the procurement process conducted. Risk assessment is Low.

2. Strengths

91. It is observed that comprehensive procurement records are kept and warranty periods are tracked at moderate satisfactory level. All the documents related to procurement along with evaluation reports and signed contracts are kept in safe custody for several years after project completion for future inspection, audit, and institutional memory. Additionally, a copy of the original invitation document, bidding documents, winning bid or proposal, and contract administration papers are retained in a single contract file. Subsequent records related to running payments during execution of works and contractual communications are kept by both the team effecting procurement and accounting team of the project-implementing agency.

92. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least 3 years' experience relates to his technical assignment in the EC and

(iii) Have English language proficiency meet the bid's requirement. These requirements by Vietnam Procurement Law found almost similar to ADB's requirement for EC members.

93. The date for opening of bids and the last date for the submission of bids is the same. Bids were opened at the time specified in the bidding documents. All bids were opened publicly in the presence of the bidders or their representatives who might choose to be present, at the time and place announced prior to the bidding. The procuring agency reads aloud the bid prices, including alternative bids, if any, and the presence or absence of the requisite bid security, validity of bids as well as the discount, if any, and records the minutes of the bid opening. All bidders in attendance signed an attendance sheet. All bids submitted after the time prescribed were rejected and returned without being opened.

94. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of Goods, Works and consulting services.

95. All the PMU officials involved in the procurement process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. This requirement by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement process meets the requirements.

3. Weaknesses

96. The actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

97. IA staff is lack of knowledge and experience of ADB procurement procedures.

98. There is no current specialized procurement training program for the procurement section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs. It is also necessary to determine who will be seconded from DPI and who will be outside recruitments as soon as possible to ensure sufficient capacity to develop/ update the project procurement plans and the preparation and approval of documentation. It is recommended that the training on ADB's procurement procedures should be organized at the time of setting up PMU.

99. Ha Tinh still accepts bid security is cash under NCB works procedures which is not compliant to the Procurement law as well as Instruction to Bidder (ITB) 18.1 of the Government's SBDs for works (refer to Circular No.03/2015/TT-BKHDT dated 6/5/2015 of MPI providing guides and regulations for preparing BDs for procurement of works). Thereof, bid security is only accepted either in the form of Letter of credit or cheque (not in cash). The acceptance of bid security in cash is not compliant to both ADB's procedures and Government Procurement laws.

100. It is noted that some staff of the ISDP-HIRDP-ICDP PMU have English language acceptable but still need to be much improved. Otherwise, it may limit PMU in communicating with ADB and international consultant.

C. Quang Binh PMU

1. Overview

i. Organization and Staff Capacity

101. During the review of EA and IA, the actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

102. Quang Binh DPI issued Decision No.367/QD-UBND dated 5 February 2016 for the establishment of PPTA PMU of Quang Binh. PPTA PMU (Implementing Agency) is under Quang Binh DPI. The PPTA PMU includes management titles in respond to functional divisions. Those PPTA personnel are planned to work in PMU once the project is approved by the Government and PMU is formed. But the final decision on the PMU's staffing has not been confirmed.

103. The CSA finds that those personnel have been involved in procurement under Government funded projects to a limited degree and have no knowledge on ADB procurement guidelines and procedures. All have limited ODA project experience and less English language proficiency. Quang Binh DPI currently acts as a focal point to handle procurement appraisal's function for projects that PPC is project owner, there is an appraisal department under DPI. This department is only responsible for appraisal of those project procurement plans prior to submitting to PPC for approval. Besides, this department is also a focal point to support all procurement process implemented by PPC's projects and handles procurement complaints. No procurement department/ unit is found.

104. The procurement department/unit has not been identified, but DPI confirms appoint at least one member from the appraisal department, DPI and hires a fulltime external qualified procurement staff to the procurement department/unit when the PMU of the proposed project is established. Consequently, some trainings in ADB procurement guidelines not limited to PMUs but personnel from relevant provincial agencies who will participate into the appraisal and evaluation of procurement documents etc. must be implemented in advance of/ or right after loan effectiveness to strengthen PMU capacity.

105. There is no current specialized procurement training program for the procurement/ appraisal section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs.

ii. Information Management

106. ADB requires that the evaluation reports and original signed contracts should be retained for at least two years after project completion. Even, there are no procurement activities/ documents found in Quang Binh within 36 recent months, but through either the appraised documents or fixed assets procured by DPI, the procurement capacity assessment of the executing agency indicates that all the appraised documents and document for procurement of fixed assets are kept in safe custody for several years for future inspection, audit, and institutional memory.

107. The mission also finds that subsequent records related to running payments during execution of works and contractual communications are separately kept by the team effecting procurement and accounting team of the project-implementing agency. The risk assessment is Moderate.

108. There is need for strengthening information management infrastructure basically in regard to access to information. It is recommended that IAs should create a comprehensive E-Library system with separate areas following technical functions of the respective project department. All the printed documents should be scanned and saved into the respective areas in the library. Each IA staff shall have their own account with limited access rights while the head of the IA has master rights to access the system to review the history of the documents.

iii. Procurement Practices

109. Current IA's staff proposed for PMU lack knowledge and experience of ADB procurement procedures.

110. IA has no project procurement activities implemented during the 36 recent months. Even, IA's staff have good understanding of Government procurement laws and regulations as they involve in appraisal of procurement documents for government fund projects which PPC acts as project owner. Risk assessment is high.

iv. Effectiveness

111. Even, there are no procurement activities/ documents found in Nghe An within 36 recent months, but through either the appraised documents or fixed assets procured by DPI, the procurement capacity assessment of the executing agency indicates that an adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution. The IA have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. However, procurement practices in place do not include a process for non-judicial dispute resolution. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement/ appraisal decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file. EA / IA also has their own monitoring system for the bidding process and complaints management during bidding. It is recommended that non-judicial dispute resolution should be used. Risk assessment is Moderate.

v. Accountability Measures

112. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement/ appraisal process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC/ appraisal committee, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member

can be charged pursuant to the procurement laws and its relating regulatory guideline. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement/ appraisal process meets the requirements. It is recommended that all members of the evaluation committee should sign the declaration of having sufficient qualifications and experience as per requirements of procurement law and not having any potential conflict of interest and remove themselves from the procurement process as per standard form (Appendix 8) attaching to Circular No.23/2015/TT-BKHĐT dated 21 December 2015 of the MPI. Risk assessment is moderate.

113. The CSA finds that there is an absence of internal audit within agencies but IA through a hired external audit firm to conduct their annual audit. MPI, State Audit and PPC through its missions also conduct an inspection and/or audit if there is a complaint about the procurement process conducted.

114. The IA has their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file.

2. Strengths

115. Even, there are no procurement activities/ documents found in Nghe An within 36 recent months, but through either the appraised documents or fixed assets procured by DPI, the procurement capacity assessment of the executing agency indicates that all the appraised documents and document for procurement of fixed assets are kept in safe custody for several years for future inspection, audit, and institutional memory.

116. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement/ appraisal process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC/ appraisal committee, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement/ appraisal process meets the requirements.

117. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution.

118. The IA has their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file.

3. Weaknesses

119. The actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

120. Current IA's staff proposed for PMU lack knowledge and experience of ADB procurement procedures.

121. There is no current specialized procurement training program for the procurement / appraisal section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs. It is also necessary to determine who will be seconded from DPI and who will be outside recruitments as soon as possible to ensure sufficient capacity to develop/ update the project procurement plans and the preparation and approval of documentation. It is recommended that the training on ADB's procurement procedures should be organized at the time of setting up PMUs.

122. It is noted that PMU personnel in general have limited English language skills which may limit PMU in communicating with ADB and international consultant;

D. Quang Tri PMU

1. Overview

i. Organization and Staff Capacity

123. During the review of EA and IA, the actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain. The Quang Tri proposed PMU will be under DPI. No procurement department/ unit is found under DPI. The proposed PMU's structure will follow an ADB GMS ongoing project which Quang Tri DPI is project owner. Some personnel either of the procurement appraisal department or the ADB GMS project under DPI will be mobilized to the procurement department/ unit under the proposed project.

124. The CSA finds that those personnel have less experience in procurement of goods but have good experience in procurement of both ICB and NCB works contracts and selection of consulting services firm contract using QCBS, CQS, LCS selection method and Individual Contract. The IA's experience is not only limited to implementing projects with fund from Government and International donors (Finland, JICA) but also ADB project. Almost staff proposed to be in PMU have moderate English language. Risk assessment is moderate.

ii. Information Management

125. With reference from implemented projects, It is observed that comprehensive procurement records are kept and warranty periods are tracked at moderate satisfactory level. All the documents related to procurement along with evaluation reports and signed contracts are kept in safe custody for several years after project completion for future inspection, audit, and institutional memory. Additionally, a copy of the original invitation document, bidding documents, winning bid or proposal, and contract administration papers are retained in a single contract file. Subsequent records related to running payments during execution of works and contractual communications are kept by both the team effecting procurement and accounting team of the project-implementing agency. The risk assessment low.

iii. Procurement Practices

126. As mentioned in paragraph 24, current IA's staff have good procurement experience.

127. With reference to implementing projects, an annual procurement plan are subject to approval by the EA and the budget was sanctioned at the start of the fiscal year. Budget availability was confirmed prior to solicitation of procurements. The EC was under the director of PMU. The IA through the EC evaluates the procurement of goods, construction contracts and consulting services. The EC's recommendation is subject to approval by PMU's director prior to its commencement. As the EC plays a very important roles and responsibilities in the procurement process, it is recommended to IA to have due considerations during the selection of project personnel into the EC.

128. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least 3 years' experience relates to his technical assignment in the EC and (iii) Have English language proficiency meet the bid's requirement. These requirements by Vietnam Procurement Law find almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members meet the requirements. Risk assessment is Low.

129. There is already an awareness of PMU and EA that the ADB guidelines will be followed in full. Although there is a concern on the use of standard Harmonization Bidding Document, it can be solved by the support from Project Implementation Consultants and capacity building for EA/IA during project implementation. Risk assessment is Moderate.

130. Negotiation on bid prices after opening of bids is not allowed. The award of contracts are only based on the comparison between bid prices offered by bidders. EA/ IA acknowledges that the Procurement Law provides specific provisions applied to foreign assisted projects and includes a provision that in case of any conflict among the procedures stipulated in the law and the development partner, the legal agreements and guidelines of the development partner shall prevail. This regulation allows the application of ADB's procedures as well as the usage of Standard Bidding Documents (SDBs) into the procurement activities implemented by IA. Risk assessment is low.

Procurement of Goods and Works:

131. With reference to projects implemented by DPI, technical specifications for construction works were prepared by a professional engineering expertise through appropriate selection process. However, this is not mandatory for preparation of technical specifications for popular goods. The technical staff under PMU and Procurement specialist from LIC consultant are responsible for draft the procurement specifications for popular goods and equipment. For specifications of works or complicated equipment, consulting services, the professional firms hired by PMU prepared. Then, the prepared technical specifications is reviewed by technical staff under PMU and Procurement specialist from LIC consultant prior to submit to director of PMU for approval. This process was also applied to the Bid Evaluation Report, contract award and contract document.

132. For NCB and ICB works contract, open competitive bidding with single stage – one envelop were found. Invitation to bid were published on both MPI's website: <http://muasamcong.mpi.gov.vn/> and Procurement Review newspaper for three consecutive days. All advertisements or notices expressly mention the response time allowed for that

particular procurement along with the information for collection of bid documents, allowing sufficient time to complete and submit the bid by the deadline. Reference from an ADB GMS ongoing project, period for preparing bids is 4 weeks for NCB and 6 – 8 weeks for ICB.

133. The date for opening of bids and the last date for the submission of bids is the same. Bids were opened at the time specified in the bidding documents. All bids were opened publicly in the presence of the bidders or their representatives who might choose to be present, at the time and place announced prior to the bidding. The procuring agency reads aloud the bid prices, including alternative bids, if any, and the presence or absence of the requisite bid security, validity of bids as well as the discount, if any, and records the minutes of the bid opening. All bidders in attendance signed an attendance sheet. All bids submitted after the time prescribed were rejected and returned without being opened. The procedures for public opening of bids found similar to ADB's procedures that is to ensure the transparency during the procurement process. Risk assessment is Low.

134. There is already an awareness of PMU and EA that the ADB guidelines will be followed in full. Although there is a concern on the use of standard Harmonization Bidding Document, it can be solve by the support from Project Implementation Consultants and capacity building for EA/IA during project implementation.

Procurement of Consulting Services:

135. With reference to projects implemented by DPI, the CSA finds IA good experience in selection of consulting firm through all selection method. The implementing agencies plan adequate funds for the procurement every year in case the need arises to hire consultants/consulting firms for technical assistance in any of the required fields. The PMU through a dedicated consultant evaluation committee (CEC) identify, process, manage, evaluate, and monitor the procurement of consulting services that have been identified. The selection system was determined by the PMU/ CEC and proposed in the procurement plan. Quality and cost - based selection (QCBS) method is applied for complicated assignments with high value while Consultant's Qualifications Selection (CQS) and Least Cost Selection (LCS) is applied for assignments with lower value. Risk assessment is Low.

iv. Effectiveness

136. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of Goods, Works and consulting services. The IA have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. The procurement practices in place include both a process for non-judicial and judicial dispute resolution. All ICB contract are applied with arbitration dispute resolution while judicial dispute resolution is applied for NCB contracts. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file. EA / IA also has their own monitoring system for the bidding process and complaints management during bidding. Risk assessment is Low.

v. **Accountability Measures**

137. Accountabilities and the allocation of responsibilities are defined. The Vietnam Procurement Law requires qualifications and experience of EC members include: (i) Own a basic procurement training certificate issued by MPI (ii) Have relevant qualifications and at least three years' experience related to their technical assignment in the EC and (iii) Have English language proficiency which meets the bid's requirement. Currently, all the PMU officials involved in the procurement process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. This requirement by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement process meets the requirements. Risk assessment is Low.

138. There is an absence of internal audit within agencies but IA/PMU through a hired external audit firm to conduct their annual project audit. MPI, State Audit and PPC through its missions only conduct an inspection and/or audit if there is a complaint about the procurement process conducted. Risk assessment is Low.

2. **Strengths**

139. Current IA's staff have good procurement experience. Almost staff proposed to be in PMU have moderate English language.

140. It is observed that comprehensive procurement records are kept and warranty periods are tracked at moderate satisfactory level. All the documents related to procurement along with evaluation reports and signed contracts are kept in safe custody for several years after project completion for future inspection, audit, and institutional memory. Additionally, a copy of the original invitation document, bidding documents, winning bid or proposal, and contract administration papers are retained in a single contract file. Subsequent records related to running payments during execution of works and contractual communications are kept by both the team effecting procurement and accounting team of the project-implementing agency.

141. The date for opening of bids and the last date for the submission of bids is the same. Bids were opened at the time specified in the bidding documents. All bids were opened publicly in the presence of the bidders or their representatives who might choose to be present, at the time and place announced prior to the bidding. The procuring agency reads aloud the bid prices, including alternative bids, if any, and the presence or absence of the requisite bid security, validity of bids as well as the discount, if any, and records the minutes of the bid opening. All bidders in attendance signed an attendance sheet. All bids submitted after the time prescribed were rejected and returned without being opened.

142. All the PMU officials involved in the procurement process are required to have certificate of completion of basic procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical

practice is found. Depending on level of serious case of unethical practice it causes, the concerned EC member can be charged pursuant to the procurement laws and its relating regulatory guideline. This requirement by Vietnam Procurement Law found almost similar to ADB's requirement for EC members. The CSA finds that 100% of the EC members involved in EAs/ IAs procurement process meets the requirements.

143. The institutional arrangements are generally adequate in supporting the management of the procurement process, monitoring contractual performance and dealing with complaint resolution for the procurement of Goods, Works and consulting services. The IA have their monitoring and reporting mechanism to administrate ongoing contracts, evaluate performance of contractor, and monitor payments. The procurement practices in place include both a process for non-judicial and **judicial** dispute resolution. All ICB contract are applied with arbitration dispute resolution while judicial dispute resolution is applied for NCB contracts. There is a complaints resolution system in place, through the standard contract, which is used to support formal dispute resolution actions. All procurement decision processes and dispute resolution activities require documentation through minutes, which are archived in an official project file. EA / IA also has their own monitoring system for the bidding process and complaints management during bidding.

3. Weaknesses

144. The actual candidates for each position in the PMU as per the requirement of Decree 16 remain uncertain.

145. There is no current specialized procurement training program for the procurement section staff (or who these would be), which is very important to enhance the effectiveness and efficiency in delivery of outputs. It is also necessary to determine who will be seconded from DPI and who will be outside recruitments as soon as possible to ensure sufficient capacity to develop/ update the project procurement plans and the preparation and approval of documentation. It is recommended that the training on ADB's procurement procedures should be organized at the time of setting up PMU.

V. PROJECT PROCUREMENT RISK ASSESSMENT AND MANAGEMENT PLAN

146. The project Procurement Risk Assessment and Management Plan (P-RAMP) in Table 1 below is prepared in consideration of weaknesses identified above through the Procurement Capacity Assessment Questionnaire and based on the discussions with various agencies involved in procurement.

147. The Procurement Capacity Assessment Questionnaire is attached as Appendix 1 of this Report.

Table 4: Table Project Procurement Risk Assessment and Management Plan (P-RAMP)

SL No.	RISK	IMPACT	LIKELIHOOD	STRATEGY
A6, A7, A9, A16, A17, A23, C1, C2, C14, C22, C23	Procurement Department and/or PMU have insufficient qualified staff to efficiently undertake the procurements	High	Likely	Mitigation: Once the PMU is formed, the qualified and experienced procurement staff must be in place; Advance action on a procurement expert is really important to minimize

	required to implement the project.			the delays in implementation and procurement ready for detailed designs. However, even with a procurement expert, the need for someone to prepare English documentation for ADB review and accountability system in place.
A19 – A20	The Agency uses practices inconsistent with national procurement law or bidding documents unsuitable for ADB-funded procurement.	Substantial	Unlikely	<p>Justifications: The Agency follows Vietnam Government Law and standard documents in the procurement process. Some regulations in the Procurement Law is different from ADB guideline and procedures such as: bid preparation period, evaluation procedures, conditions for contract awards etc...</p> <p>Monitoring: Provision of training on ADB procedures Loan Agreement should include modalities to ensure that ADB guidelines requirements are followed.</p>
B2 –B3	Record-keeping is inadequate to enable internal or external audit of procurement processes.	Moderate	Unlikely	<p>Justifications: The Agency record-keeping is in place that support for internal or external audit of procurement processes. Subsequent records related to running payments are separately kept by the team effecting procurement and accounting team of the project-implementing agency.</p> <p>Monitoring: IAs should establish a link between IA's team to ensure that the records related to running payments during execution of works and contractual communications are in the same place. It is recommended that IAs should create a comprehensive E-Library system to record to project's document.</p>
A25, C4 - C12, C24-C44, C47, D5, E7	Agency does not promote non-discriminatory participation, transparent tender processes (including advertisement, tender documentation, tender evaluation, complaints mechanism)?	Moderate	Likely	<p>Justifications: The Agency follows Vietnam Government Law and standard documents in the procurement process that promote non-discriminatory participation and the transparency of procurement processes.</p> <p>Monitoring: The Procurement Plan should include an NCB Annex regulating non-discriminatory participation, transparency in procurement processes (including advertisement, tender documentation, procurement</p>

				evaluation, complaints mechanism).
C15, E1 – E.6	The Agency has inadequate ethics and anticorruption measures in place.	Moderate	Likely	<p>Justifications: The Agency follows Vietnam Government Law and standard documents in the procurement process that ethics and anticorruption measures in place.</p> <p>Monitoring: All members of the evaluation committee are required to sign the declaration of having sufficient qualifications and experience as per requirements of procurement law and not having any potential conflict of interest and remove themselves from the procurement process as per standard form (Appendix 8) attaching to Circular No.23/2015/TT-BKHĐT dated 21 December 2015 of the MPI.</p>

Note:

The risks are categorized as follows:

- (i) High - likely to occur, likely to have high impact if occurs
- (ii) Substantial - unlikely to occur, but likely to have high impact if occurs
- (iii) Moderate - likely to occur, but unlikely to have high impact if occurs
- (iv) Low - not likely to occur, not likely to have high impact if occurs

VI. PROJECT SPECIFIC PROCUREMENT THRESHOLDS

148. Taking into account that the project is implemented in the mountainous areas with a limitation in the number of high quality potential bidders in the areas and there was also a case that contractor went to bankruptcy; and in combination with the similarity in IAs/EAs capacity and experience in implementing the procurement activities under ADB loan projects, the applicable thresholds and prior review thresholds are:

Table 5: Procurement Thresholds

Procurement of Goods and Works		
Method	Threshold (US\$)	Prior Review
International Competitive Bidding for Goods	US\$ 2,000,000 and Above	All contract
National Competitive Bidding for Goods	Between US\$ 100,001 and US\$ 1,999,999	1 st contract implemented by each IA
Shopping for Goods	Up to US\$ 100,000	1 st contract implemented by each IA
International Competitive Bidding for Works	US\$ 10,000,001 and Above	All contract
National Competitive Bidding for Works	Between US\$ 100,001 and US\$ 9,999,999	1 st contract implemented by each IA
Shopping for Works	Up to US\$ 100,000	1 st contract implemented by each IA
Consulting services		
Method	Threshold (US\$)	Prior Review
Quality-Based Selection for Consulting Firm	NA	All contract
Least-Cost Selection for Consulting Firm	NA	All contract
Consultant's Qualifications Selection for Consulting Firm	NA	All contract
Single Source Selection for Consulting Firm	NA	All contract
Individual Consultants Selection for Individual Consultant	NA	All contract

VII. PROCUREMENT PLANS

Please be noted that the project procurement plan is under developing.

VIII. CONCLUSION

149. Based on the systematic analysis of the capabilities, experience in undertaking similar projects and current procurement practices of the project, procurement risks are assessed and mitigation measures are recommended for action. If the project implementation arrangements with recommended actions are implemented, the procurement of goods, works and services can be effective and risks can be minimized, leading to satisfactory procurement as per ADB procurement guidelines.

150. The overall ratings for each PMU (see Appendix 1) categorized the risks – see Table 6 which indicates similar issues and risk across all four provinces.

Table 6: Provincial Ratings

Criterion	NGHE AN Risk assessment	HA TINH Risk assessment	QUANG BINH Risk assessment	QUANG TRI Risk assessment
a. Organizational and Staff Capacity	High	Substantial	High	Moderate
b. Information Management	Moderate	Low	Moderate	Low
c. Procurement Practices	High	Moderate	High	Low
d. Effectiveness	Moderate	Low	Moderate	Low
e. Accountability Measures	Moderate	Low	Moderate	Low
OVERALL RISK RATING	Moderate	Moderate	Moderate	Low

The risks are categorized as follows:

Risk Ratings	High (H)	Substantial (S)	Moderate (M)	Low (L)
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- High - likely to occur, likely to have high impact if occurs
- Substantial - unlikely to occur, but likely to have high impact if occurs
- Moderate - likely to occur, but unlikely to have high impact if occurs
- Low - not likely to occur, not likely to have high impact if occurs.

APPENDIX 1

PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE

Implementing Agency Questionnaire

General Ratings

Criterion	NGHE AN Risk assessment	HA TINH Risk assessment	QUANG BINH Risk assessment	QUANG TRI Risk assessment
a. Organizational and Staff Capacity	High	Substantial	High	Moderate
b. Information Management	Moderate	Low	Moderate	Low
c. Procurement Practices	High	Moderate	High	Low
d. Effectiveness	Moderate	Low	Moderate	Low
e. Accountability Measures	Moderate	Low	Moderate	Low
OVERALL RISK RATING	Moderate	Moderate	Moderate	Low

The risks are categorized as follows:

Risk Ratings	High (H)	Substantial (S)	Moderate (M)	Low (L)
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High	-	likely to occur, likely to have high impact if occurs
Substantial	-	unlikely to occur, but likely to have high impact if occurs
Moderate	-	likely to occur, but unlikely to have high impact if occurs
Low	-	not likely to occur, not likely to have high impact if occurs.

QUESTION	RESPONSE				RISK ⁶
	NGHE AN (NGHA)	HA TINH (HT)	QUANG BINH (QB)	QUANG TRI (QT)	
A. ORGANIZATIONAL AND STAFF CAPACITY					
PROCUREMENT DEPARTMENT/UNIT					
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	<p>No.</p> <p>Currently, DPI acts as a focal point to handle procurement appraisal's function for projects that PPC is project owner, there is a procurement appraisal department under DPI. This department is responsible for appraisal of those project procurement plans prior to submitting to PPC for approval. Besides, this department is also a focal point to support all procurement process implemented by PPC's projects and handles procurement complaints.</p> <p>For the proposed ADB project, DPI plans to establish a Procurement Committee (EC) that will be under the DPI. The DPI through the EC identify, process, manage, evaluate, and monitor the procurement of goods, construction contracts and consulting services. The EC's recommendation will be subject to approval by DPI prior to its commencement.</p>	<p>No.</p> <p>At present, Ha Tinh has an ODA Project Management Unit (PMU) called "ISDP-HIRDP-ICDP PMU" which is responsible for managing all ODA projects in Ha Tinh. The ISDP-HIRDP-ICDP PMU was established by Ha Tinh PPC and under DPI of Ha Tinh.</p> <p>Director of ISDP-HIRDP-ICDP PMU is responsible for managing all project activities including procurement of goods and works, selection of consulting services, contract supervision and contract management.</p> <p>The procurement committee (EC) which consists specialists from relevant departments/ divisions of the PMU, is established on the case by case basis and is under the Director of ISDP-HIRDP-ICDP PMU.</p> <p>The EC's recommendation will be subject to approval by the Director of ISDP-HIRDP-ICDP PMU prior to its commencement.</p> <p>For the projects that PPC is project owner, the EC's recommendation will be subject to appraisal</p>	<p>No.</p> <p>Currently, DPI acts as a focal point to handle procurement appraisal's function for projects that PPC is project owner, there is a procurement appraisal department under DPI.</p> <p>This department is responsible for either appraisal of project procurement plans for project which PPC is not the project owner or both project procurement plans and procurement documents for project which PPC is the project owner, prior to submitting to PPC for approval.</p> <p>Besides, this department is also a focal point to support all procurement process implemented by PPC's projects and handles procurement complaints.</p> <p>For the proposed ADB project, DPI plans to establish a Procurement Committee (EC) that will be under the DPI.</p> <p>The DPI through the EC identify, process, manage, evaluate, and monitor the procurement of goods, construction contracts and consulting services. The EC's recommendation will be subject to approval</p>	<p>No.</p> <p>The Procurement Committee (EC) which is responsible for evaluation of bids is established by the head of the agency</p> <p>The EC's recommendation is subject to approval by the head of the agency prior to its commencement.</p>	<p>NGH A: M</p> <p>HT: M</p> <p>QB: M</p> <p>QT: M</p>

⁶ Questions indicated with * are associated with potentially 'High' or 'Substantial' risks due to the impact being 'High', therefore the strategy for managing those risks should be addressed in the Project Procurement Risk Analysis (Appendix 3).

		by the DPI prior to approval by the Director of ISDP-HIRDP-ICDP PMU.	by DPI prior to its commencement.		
A.2 Does the agency have a procurement department/ unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	No procurement department/ unit is found. For the proposed ADB project, DPI plans to include a procurement department/ unit in their PMU structure. Some personnel of the procurement appraisal department under DPI will be mobilized to the procurement department/unit under the proposed project. DPI also plans to spend a separate room of the procurement appraisal department for the proposed procurement department/ unit.	No procurement department/ unit is found under PMU of the ISDP-HIRDP-ICDP. As per the defined PMU structure, the Construction Management Department/ Unit under PMU is responsible for all project procurement activities and contract management.	No procurement department/ unit is found. For the proposed ADB project, DPI plans to include a procurement department/ unit in their PMU structure. Some personnel of the procurement appraisal department under DPI will be mobilized to the procurement department/unit under the proposed project. DPI also plans to spend a separate room of the procurement appraisal department for the proposed procurement department/ unit.	No procurement department/ unit under DPI is found. For the proposed ADB project, DPI plans to include a procurement department/ unit in their PMU structure. Some personnel either of the procurement appraisal department or the ADB GMS project under DPI will be mobilized to the procurement department/ unit under the proposed project.	NGH A: H HT: M QB: H QT: L
A.3 If yes, what type of procurement does it undertake?	N/A	Works (NCB), Goods (Shopping), Consulting services (Single sources selection/ direct contracting)	N/A	Works (NCB, ICB), Goods (NCB, ICB, Shopping), Consulting services (QCBS, CQS, LCS, Single sources selection/ direct contracting)	NGH A: H HT: S QB: H QT: L
A.4 How many years' experience does the head of the procurement department/ unit have in a direct procurement role?	Head of Appraisal Department, DPI has more than 8 year in Government Procurement Procedures.	As per the defined PMU structure, the Construction Management Department/ Unit under PMU is responsible for all project procurement activities and contract management. The head of the department/ unit has more than 10 years experiences in the respective works under WB, Kuwait and OFID/OPEC projects.	Head of Appraisal Department, DPI has more than 5 year in Government Procurement Procedures.	Head of the appraisal department under DPI: ≥ 10 years Head of the ADB GMS project under DPI: ≥ 7 years	NGH A: M HT: M QB: M QT: L
A.5 How many staff in the procurement department/ unit are: (i) full	At the time of mission, the procurement department/unit has not been identified, but DPI will appoint at least one member from the appraisal	No procurement department/ unit is found under PMU of the ISDP-HIRDP-ICDP. As per the defined PMU structure, the	At the time of mission, the procurement department/unit has not been identified, but DPI will appoint at least one experienced member from the	All 4 personnel in the Procurement Appraisal/ Procurement department/ Unit are full time.	NGHA : H HT: L

<p>(ii) time part time (iii) Second ed</p>	<p>department, DPI and hire a fulltime external qualified procurement staff to the procurement department/unit when the PMU of the proposed project is established.</p>	<p>Construction Management Department/ Unit under PMU is responsible for all project procurement activities and contract management. There are 29 full-time staff in this department/unit. They will be involved in respective procurement committee as per requirement.</p>	<p>appraisal department, DPI to the procurement department/unit when the PMU of the proposed project is established.</p>		<p>QB: H QT: L</p>
<p>A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?</p>	<p>Most of PPTA PMU members including members of the appraisal department that planned to be in the procurement department/unit of proposed project with less ODA project experience and their English language is weak. And DPI plans to hire an external procurement staff that have a high level of English language proficiency to work in procurement unit.</p>	<p>There are 3/29 full-time staff in the Construction Management Department/ Unit under PMU have have English language acceptable but still need to be much improved.</p>	<p>Some of PPTA PMU members including members of the appraisal department that planned to be in the procurement department/unit of proposed project have English language acceptable but still need to be much improved.</p>	<p>2/4 personnel in DPI have high level of English language proficiency (verbal and written).</p>	<p>NGH A: H HT: S QB: S QT: S</p>
<p>A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?</p>	<p>At the time of mission, the procurement department/unit has not been identified but DPI will appoint at least one experienced member from the appraisal department, DPI to the procurement department/unit when the PMU of the proposed project is established. And DPI also plans to hire a fulltime external qualified procurement staff to be in the procurement department/unit under the proposed project.</p>	<p>For the proposed ADB project, PMU commits to appoint qualified and experienced staff from the completed /almost completed projects to handle the procurement activities.</p>	<p>At the time of mission, the procurement department/unit has not been identified but DPI will appoint at least one experienced member from the appraisal department, DPI to the procurement department/unit when the PMU of the proposed project is established. And DPI also plans to hire a fulltime external qualified procurement staff to be in the procurement department/unit under the proposed project.</p>	<p>DPI confirms to appoint experienced and qualified staff from either the appraisal department or ADB GMS project, DPI to the procurement department/unit when the PMU of the proposed project is established.</p>	<p>NGH A: H HT: S QB: H QT: S</p>
<p>A.8 Does the unit have adequate facilities, such as PCs,</p>	<p>DPI will arrange adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. for the</p>	<p>Yes.</p>	<p>DPI will arrange adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. for the procurement</p>	<p>Yes.</p>	<p>NGH A: S HT: L</p>

internet connection, photocopy facilities, printers etc. to undertake the planned procurement ?	procurement unit when the proposed project is approved and PMU is set up.		unit when the proposed project is approved and PMU is set up.		QB: S QT: L
A.9 Does the agency have, or have ready access to, a procurement training program?	The DPI does not have any ADB training procurement program and is ready to attend ADB training programme.	The PMU does not have any ADB training procurement program and is ready to attend ADB training programme.	The DPI does not have any ADB training procurement program and is ready to attend ADB training programme.	Yes.	NGH A: M HT: M QB: M QT: L
A.10 At what level does the department/unit report (to the head of agency, deputy etc.)?	For the proposed ADB project, the EC will directly report to the head of PMU under the proposed project.	The EC directly reports to the director of the ISDP-HIRD-ICDP PMU.	For the proposed ADB project, the EC will directly report to the head of PMU under the proposed project.	The EC directly reports to the head of the agency.	NGH A: M HT: M QB: M QT: M
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	N/A	Not really	N/A	Yes	NGH A:H HT: M QB: H QT: L
A.12 Is there a procurement process manual for goods and works?	No.	No.	No.	Yes.	NGH A: M HT: M QB: M QT: L
A.13 If there is a manual, is it up to date and does it cover foreign-	N/A	N/A	N/A	Yes.	NGH A: M HT: M

assisted projects?					QB: M QT: L
A.14 Is there a procurement process manual for consulting services?	No.	No.	No.	Yes.	NGH A: M HT: M QB: M QT: L
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	N/A	N/A	N/A	Yes.	NGH A: M HT: M QB: M QT: L
PROJECT MANAGEMENT UNIT					
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	No. DPI will staff the PMU when the project is approved by the Government.	Yes. Decision No.1453/QD-UBND dated 7/6/2016 of Ha Tinh PPC appointing the ISDP-HIRDP-ICDP PMU to be a project owner for the proposed ADB project. Thereof, staff from the ISDP-HIRDP-ICDP PMU will be mobilized to PMU of the proposed ADB project.	No. DPI will staff the PMU when the project is approved by the Government.	No. DPI will staff the PMU when the project is approved by the Government.	NGH A: S HT: L QB: S QT: S
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	At the time of mission, the procurement department/unit has not been identified, but DPI will appoint at least one member from the appraisal department, DPI and hire a fulltime external qualified procurement staff to the procurement department/unit when the PMU of the proposed project is established.	Yes. For the proposed ADB project, ISDP-HIRDP-ICDP PMU commits to appoint qualified and experienced staff from the completed /almost completed projects to handle the procurement activities.	At the time of mission, the procurement department/unit has not been identified, but DPI will appoint at least one member from the appraisal department, DPI and hire a fulltime external qualified procurement staff to the procurement department/unit when the PMU of the proposed project is established.	DPI confirms to appoint experienced and qualified staff from either the appraisal department or ADB GMS project, DPI to the procurement department/unit when the PMU of the proposed project is established.	NGH A: H HT: S QB: H QT: M
A.18 Does the unit have adequate	DPI will arrange adequate facilities, such as PCs, internet	Yes.	DPI will arrange adequate facilities, such as PCs, internet	DPI will arrange adequate facilities, such as PCs, internet connection,	NGH A: M

facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement ?	connection, photocopy facilities, printers etc. for the procurement unit when the proposed project is approved and PMU is set up.		connection, photocopy facilities, printers etc. for the procurement unit when the proposed project is approved and PMU is set up.	photocopy facilities, printers etc. for the procurement unit when the proposed project is approved and PMU is set up.	HT: L QB: M QT: M
A.19 Are there standard documents in use, such as Standard Procurement Documents/ Forms, and have they been approved for use on ADB funded projects?	No.	No. Referred to project implemented by ISDP-HIRDP-ICDP PMU: the Financing Agreement agrees to use the Government Standard Procurement Documents.. Those documents has not been approved for use on ADB funded project. And the proposed ADB project is the 1 st ADB project of the ISDP-HIRDP-ICDP PMU.	No.	Yes.	NGH A: M HT: M QB: M QT: L
A.20 Does the agency follow the national procurement law, procurement processes, guidelines?	Yes. The national procurement law is applied and followed.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: Yes. Follow both Vietnam Procurement Law and Donor's guidelines.	Yes. The national procurement law is applied and followed.	Yes.	NGH A: S HT: M QB: S QT: L
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	No TOR from referenced implemented projects are found. DPI understands that TOR's structure shall follow standard template as per the procurement law.	Yes. Referred to projects implemented by ISDP-HIRDP-ICDP PMU.	No TOR from referenced implemented projects are found. DPI understands that TOR's structure shall follow standard template as per the procurement law.	Yes.	NGH A: S HT: L QB: S QT: L
A.22 Who drafts the procurement specifications?	External consulting services firms are hired to prepare the procurement specifications for construction contracts.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: The Evaluation Committee (EC) is responsible for draft the procurement	External consulting services firms are hired to prepare the procurement specifications for construction contracts.	Refer to ADB GMS project: The technical staff under PMU and Procurement specialist from LIC are	NGH A: M HT: M QB:

		<p>specifications for popular goods and equipment. For specifications of works or complicated equipment, consulting services, the professional firms hired by PMU will prepare.</p> <p>This procedures will also apply to the proposed ADB project.</p>		<p>responsible for draft the procurement specifications for popular goods and equipment.</p> <p>For specifications of works or complicated equipment, consulting services, the professional firms hired by PMU will prepare. Then, technical staff under PMU and Procurement specialist from LIC consultant review.</p> <p>This procedures will also apply to the proposed ADB project.</p>	<p>M</p> <p>QT: L</p>
A.23 Who approves the procurement specifications?	<p>Director of DPI approves the procurement specifications after this document appraised by the DPI's appraisal committee.</p>	<p>Referred to project implemented by ISDP-HIRDP-ICDP PMU: Director of PMU approves the procurement specifications after this procurement specifications had been appraised by DPI's appraisal committee.</p> <p>This procedures will also apply once the PMU of the proposed ADB project is set up</p>	<p>Director of DPI approves the procurement specifications after this document appraised by the DPI's appraisal committee.</p>	<p>Director of DPI approves the procurement specifications after this document appraised by the DPI's appraisal committee.</p>	<p>NGH</p> <p>A: M</p> <p>HT: M</p> <p>QB: M</p> <p>QT: M</p>
A.24 Who in the PMU has experience in drafting bidding documents?	<p>Once the PMU is set up, the DPI will appoint an experienced staff from the appraisal department, DPI and hire a fulltime external experienced procurement staff to support the procurement department/unit to draft bidding documents.</p>	<p>Almost members of the procurement committee have experience in preparing the BDs.</p>	<p>¾ members of the DPI's appraisal department has past experience in drafting bidding documents for Government funded project. Once the PMU of the proposed ADB project is set up, the DPI will appoint an experienced staff from the appraisal department, DPI and hire a fulltime external experienced procurement staff to support the procurement department/unit to draft bidding documents.</p>	<p>Refer to ADB GMS project:</p> <p>All procurement staff has experience in drafting bidding documents.</p> <p>And personnel from appraisal department/ unit also have experience in drafting bidding documents.</p>	<p>NGH</p> <p>A: H</p> <p>HT: M</p> <p>QB: M</p> <p>QT: L</p>
A.25 Are records of the sale	<p>Yes. In accounting department</p>	<p>Referred to project implemented by ISDP-</p>	<p>Yes. In accounting department.</p>	<p>Yes. In accounting department</p>	<p>NGH</p>

of bidding documents immediately available?		HIRDP-ICDP PMU: Yes. In accounting department			A: L HT: L QB: L QT: L
A.26 Who identifies the need for consulting services requirements?	Once the PMU is set up and project FS is approved, PMU members identify the need for consulting services following the approved FS in connection to the project demands for each year.	Referred to projects implemented by ISDP-HIRDP-ICDP PMU: relevant divisions of the PMU identify the need for consulting services following the approved FS in connection to the project demand for each year.	Once the PMU is set up and project FS is approved, PMU members identify the need for consulting services following the approved FS in connection to the project demands for each year.	Relevant divisions of the PMU/ DPI identify the need for consulting services following the approved FS in connection to the project demand for each year.	NGH A: M HT: M QB: M QT: L
A.27 Who drafts the Terms of Reference (ToR)	Either external consulting services firms are hired to prepare the Terms of Reference or Loan Implementation Consultants will support PMU to drafts the Terms of Reference.	Referred to projects implemented by ISDP-HIRDP-ICDP PMU: The Evaluation Committee (EC) with support from hired consulting firm/individual, if required.	Either external consulting services firms are hired to prepare the Terms of Reference or Loan Implementation Consultants will support PMU to drafts the Terms of Reference.	Refer to ADB GMS project: The technical staff under PMU and Procurement specialist from LIC consultant are responsible for draft the procurement specifications for popular goods and equipment. For complicated assignments, the professional firms hired by PMU will prepare. Then, technical staff under PMU and Procurement specialist from LIC consultant review. This procedures will also apply to the proposed ADB project.	NGH A: M HT: M QB: M QT: L
A.28 Who prepares the request for proposals (RFPs)	Either external consulting services firms are hired to prepare the Terms of Reference or Loan Implementation Consultants will support PMU to drafts request for proposals (RFPs).	Referred to project implemented by ISDP-HIRDP-ICDP PMU: The Evaluation Committee (EC) or hired consulting firm.	Either external consulting services firms are hired to prepare the Terms of Reference or Loan Implementation Consultants will support PMU to drafts the request for proposals (RFPs).	Refer to ADB GMS project: The Procurement staff of PMU and the Procurement specialist from LIC consultant are responsible for draft the RFP or hired consulting firm, if necessary.	NGH A: M HT: M QB: M QT: L

B. INFORMATION MANAGEMENT					
B.1 Is there a referencing system for procurement files?	All the project procurement document that had been appraised by DPI are filed in the office of the Appraising Department, DPI. For each project, one file is maintained with all relating information.	At the time of mission, agency procurement filing system are in place. For each contract, one file is maintained and all the information, including procurement related information and all subsequent contractual correspondence is filed in.	All the project procurement document that had been appraised by DPI are filed in the office of the Appraising Department, DPI. For each project, one file is maintained with all relating information.	Yes.	NGH A: L HT: L QB: L QT: L
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	All the project procurement document that had been appraised by DPI are filed in the office of the Appraising Department, DPI. The keeping infrastructure at simple level (cabinets with lock) is in place. Each staff of the appraisal department is responsible for record keeping of their assigned project.	Yes.	All the project procurement document that had been appraised by DPI are filed in the office of the Appraising Department, DPI. The keeping infrastructure at simple level (cabinets with lock) is in place. Each staff of the appraisal department is responsible for record keeping of their assigned project.	Yes.	NGH A: L HT: L QB: L QT: L
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	The procurement appraised documents are kept as long as possible for audits' purposes.	The procurement documents are kept as long as possible for audits' purposes.	The procurement appraised documents are kept as long as possible for audits' purposes.	The procurement documents are kept as long as possible for audits' purposes.	NGH A: L HT: L QB: L QT: L
B.4 Are copies of bids or proposals retained with the evaluation?	No procurement activities/documents are found.	Referred to project implemented by ISDP-HIRDIP-ICDP PMU: Yes.	No procurement activities/documents are found.	Yes.	NGH A: M HT: L QB: M QT: L
B.5 Are copies	No procurement	Referred to project	No procurement	Yes.	NGH

of the original advertisements retained with the pre-contract papers?	activities/documents are found.	implemented by ISDP-HIRD-ICDP PMU: Yes.	activities/documents are found.		A: M HT: L QB: M QT: L
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	No procurement activities/documents are found.	Referred to project implemented by ISDP-HIRD-ICDP PMU: Yes.	No procurement activities/documents are found.	Yes.	NGH A: M HT: L QB: M QT: L
B.7 Are copies of invoices included with the contract papers?	No procurement activities/documents are found.	In accounting unit/department: Copies of invoices included with the contract papers. Other units/departments only keeps the contract papers without copied invoices.	No procurement activities/documents are found.	Yes.	NGH A: M HT: L QB: M QT: L
B.8 Is the agency's record keeping function supported by IT?	Yes. DPI applies Office applications tools to support record keeping for appraised documents.	Yes. Use Office applications tools and designed project Management software.	Yes. DPI applies Office applications tools to support record keeping for appraised documents.	Yes. DPI applies Office applications tools to support record keeping for procurement documents.	NGH A: L HT: L QB: L QT: L

C. PROCUREMENT PRACTICES

Goods and Works

C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently (last 12 months or last 36 months)? If yes, indicate the names of the development	No.	Yes. - Small scale irrigation system development project for poor communes in Ha Tinh province (ISDP) funded by OPEC International Development Fund (2008 – 2013) - Rural infrastructure development project in Ha Tinh province (HIRDP) funded by Kuwait	No.	Yes. Refer to ADB GMS Corridor Towns Development Project: 02 ICB for works; 03 NCB for works.	NGH A: H HT: M QB: H QT: L
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t partner/s and project/s.		Economic Development Fund (2011 – 2016) - Coastal infrastructure development project (ICDP) funded by OPEC International Development Fund (2012 – 2017)			
C.2 If the answer is yes, what were the major challenges faced by the agency?	N/A	Donor's review time lasts longer than normal which causes delays in implementing project.	N/A	Donor's review time lasts longer than normal which causes delays in implementing project.	NGH A: H HT: M QB: H QT: M
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	No. DPI understands the importance of having a systematic process to identify procurement requirements for a period of at least one year. They also understand that procurement's identifications should be based on the approved FS in connection to the project demands for each year.	Yes. The procurement requirements were identified for period of 01 year and based on the project design document and project's needs.	No. DPI understands the importance of having a systematic process to identify procurement requirements for a period of at least one year. They also understand that procurement's identifications should be based on the approved FS in connection to the project demands for each year.	Yes. The procurement requirements were identified for period of at least 01 year and based on the project design document and project's needs.	NGH A: M HT: L QB: M QT: L
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	DPI understands that the minimum period for the preparation of bids must follows the Procurement Laws for respective procurement method. This period are of 20 days (NCB) and 40 days (ICB) from the issuance of BDs.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: The Financing Agreement agrees that procurement process follows the Procurement Law of Vietnam and its regulatory guidelines. This period are of 20 days (NCB) and 40 days (ICB) from the issuance of BDs.	DPI understands that the minimum period for the preparation of bids must follow the Procurement Laws for respective procurement method. This period are of 20 days (NCB) and 40 days (ICB) from the issuance of BDs.	Refer to ADB GMS Corridor Towns Development Project: Yes. And follow ADB guidelines. NCB: 4 weeks ICB: 6 – 8 weeks.	NGH A: M HT: M QB: M QT: L
C.5 Are all queries from bidders replied to in writing?	DPI understands that all procurement exchanges must be in writing as per the Procurement Laws.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: Yes.	Yes.	Yes.	NGH A: L HT: L QB: L

					QT: L
C.6 Does the bidding document state the date and time of bid opening?	DPI understands that the date and time of bid opening must be specified in the BDs as per the Procurement Laws.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
C.7 Are bids opened in public?	DPI understands that all bids must be opened in public at the date and time specified in the BDs as per the Procurement Laws.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
C.8 Can late bids be accepted?	DPI confirms that all late bids are not accepted as per the Procurement Laws.	No. All bids submitted after the time prescribed are rejected and returned without being opened.	No. All bids submitted after the time prescribed are rejected and returned without being opened.	No. All bids submitted after the time prescribed are rejected and returned without being opened.	NGH A: L HT: L QB: L QT: L
C.9 Can bids (except late bids) be rejected at bid opening?	DPI confirms that all bids (except late bids) must not be rejected at bid opening as per the Procurement Laws.	No.	No.	No.	NGH A: L HT: L QB: L QT: L
C.10 Are minutes of the bid opening taken?	DPI confirms that Minutes of the bid opening must be prepared, signed by participants and send to all bidders who submitted their bids as per the Procurement Laws.	Minutes is prepared, signed by participants and send to all bidders who submitted their bids.	Yes.	Minutes was prepared, signed by participants and send to all bidders who submitted their bids.	NGH A: L HT: L QB: L QT: L
C.11 Are bidders provided a copy of the minutes?	DPI confirms that the signed Minutes of the bid opening must be provided to all bidders that submitted their bids as per the Procurement Laws.	Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
C.12 Are the minutes provided free of	DPI confirms that the signed Minutes of the bid opening must be free of charged	Yes.	Yes.	Yes.	NGH A: L

charge?	provided to all bidders that submitted their bids as per the Procurement Laws.				HT: L QB: L QT: L
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	DPI plans to set up an ad-hoc committee to evaluate the responsive bids. All the evaluation committee members should have sufficient qualifications and experience in respond to their assigned tasks in the committee.	Ad-hoc evaluation committee is set up by director of ISDP-HIRDP-ICDP PMU to evaluate the respective bids.	DPI plans to set up an ad-hoc committee to evaluate the responsive bids. All the evaluation committee members should have sufficient qualifications and experience in respond to their assigned tasks in the committee.	Ad-hoc evaluation committee	NGH A: L HT: L QB: L QT: L
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	DPI confirms that all EC members must meet the required qualifications and experience as per the Procurement Law include: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	All EC members are required to have: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	All EC members are required to have: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	All EC members are required to have: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	NGH A: M HT: M QB: M QT: M
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	DPI confirms that the EC's recommendation is subject to approval of the director of DPI prior to its commencement.	The EC's recommendation is subject to approval of by director of ISDP-HIRDP-ICDP PMU prior to its commencement.	The EC's recommendation is subject to approval of the director of DPI prior to its commencement.	The EC's recommendation is subject to approval of the head of the agency prior to its commencement.	NGH A: M HT: M QB: M QT: M
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the	Not know	- HIRDP project package: Construction of rural road in Son Think village, Huong Son commune: period between the date of issuing BDs and contract signing	Not know	Refer to ADB GMS Corridor Towns Development Project: The longest time from the issuance of the invitation for bids to the contract date is 8 months for an ICB	NGH A: L HT: L QB: L QT: L

invitation for bids can the contract be awarded?		<p>date is 4 months (18/7/2014 – 18/11/2014)</p> <p>- HIRDP project package: Construction of rural road in Son Tan village, Huong Son commune: period between the date of issuing BDs and contract signing date is 2 months (16/5/2016 – 21/7/2016)</p> <p>- HIRDP project package: Construction of rural road in Ho Do village, Loc Ha commune: period between the date of issuing BDs and contract signing date is 2.5 months (16/5/2016 – 25/7/2016).</p>		works contract.	
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	No importation of goods was implemented	No importation of goods was implemented	No importation of goods was implemented	No importation of goods was implemented	<p>NGH A: M</p> <p>HT: M</p> <p>QB: M</p> <p>QT: M</p>
C.18 Are there established goods receiving procedures?	Yes.	Yes.	Yes.	Yes.	<p>NGH A: L</p> <p>HT: L</p> <p>QB: L</p> <p>QT: L</p>
C.19 Are all goods that are received recorded as assets or inventory in a register?	Reference from the asset purchased by DPI, all the asset were registered, recorded and have annual inventory.	Yes. All the purchased asset are registered, recorded and have annual inventory.	Reference from the asset purchased by DPI, all the asset were registered, recorded and have annual inventory.	Yes	<p>NGH A: L</p> <p>HT: L</p> <p>QB: L</p> <p>QT: L</p>
C.20 Is the agency/procurement department	DPI is not really familiar with letters of credit form.	Yes. Bid securities and Contract securities are either in the form of a Letter of credit and	Yes.	Yes.	NGH A: S

familiar with letters of credit?		issued by a Bank or in cash (bid securities).			HT: M QB: L QT: L
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Reference from the asset purchased by DPI, all the asset were registered and tracked warranty and latent defects liability periods .	Yes	Reference from the asset purchased by DPI, all the asset were registered and tracked warranty and latent defects liability periods .	Yes	NGH A: L HT: L QB: L QT: L
Consulting Services					
C.22 Has the agency undertaken foreign-assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	No.	Yes. All consulting services procured under the here-below referenced projects through Single Source Selection or Direct Contracting. Small scale irrigation system development project for poor communes in Ha Tinh province (ISDP) funded by OPEC International Development Fund (2008 – 2013) Rural infrastructure development project in Ha Tinh province (HIRDP) funded by Kuwait Economic Development Fund (2011 – 2016) Coastal infrastructure development project (ICDP) funded by OPEC International Development Fund (2012 – 2017)	No.	Yes.	NGH A: H HT: M QB: H QT: L
C.23 If the above answer is yes, what were the major challenges?	N/A	- Donor's review time lasts longer than normal which causes delays in implementing project. - Quality of technical design prepared by Consultant is not at best quality which causes adjustments in construction	N/A	- Donor's procedures for consulting services is complicated and - Donor's review time lasts long which causes delays in implementing project.	NGH A: H HT: M QB: H QT: M

		contracts.			
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	DPI confirms that assignments and invitations for expressions of interest (EOIs) must be advertised on both Public Government Portal (http://muasamcong.mpi.gov.vn) and Government Procurement review in the manner and format prescribed in the respective circulars.	No. All consulting services procured under the referenced projects through Single Source Selection or Direct Contracting.	DPI confirms that assignments and invitations for expressions of interest (EOIs) must be advertised on both Public Government Portal (http://muasamcong.mpi.gov.vn) and Government Procurement review in the manner and format prescribed in the respective circulars.	Yes.	NGH A: M HT: M QB: M QT: L
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	DPI confirms that all EC members must meet the required qualifications and experience as per the Procurement Law include: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	EC is formed with qualified and experienced members from respective departments under PMU. All EC members are required to have: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	DPI confirms that all EC members must meet the required qualifications and experience as per the Procurement Law include: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	EC is formed with qualified and experienced members from respective departments under PMU. All EC members are required to have: - A basic procurement training certificate issued by MPI. - Have relevant qualifications and at least 3 years experience relates to his assignment in the EC. - Have English language proficiency meet the bid's requirement.	NGH A: L HT: L QB: L QT: L
C.26 What criteria is used to evaluate EOIs?	DPI understands that EOIs are evaluated by using scoring system and following the EOIs selection criteria published include: - Eligibility of EOIs and Consultants - Consultant's qualifications and experience - Consultant's personnel.	Referred to project implemented by ISDP-HIRDP-ICDP PMU: EOIs are evaluated using scoring system and following the below criteria : - Eligibility of EOIs and Consultants - Consultant's qualifications and experience - Consultant's personnel.	EOIs are evaluated using scoring system and following the below criteria : - Eligibility of EOIs and Consultants - Consultant's qualifications and experience - Consultant's personnel.	EOIs are evaluated using scoring system and following the below criteria : - Eligibility of EOIs and Consultants - Consultant's qualifications and experience - Consultant's personnel.	NGH A: H HT: L QB: M QT: L

C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	DPI has no past project procurement experience.	All consulting services procured under the referenced projects through Single Source Selection or Direct Contracting.	DPI has no past project procurement experience.	Refer to ADB GMS Corridor Towns Development Project:: QCBS, Individual Consultant selection, LCS, CQS.	NGH A: H HT: M QB: H QT: L
C.28 Do firms have to pay for the RFP document?	No. Referred to Article 13.1.a of the Procurement Law No.43/2013/QH13.	No. Referred to Article 13.1.a of the Procurement Law No.43/2013/QH13.	No. Referred to Article 13.1.a of the Procurement Law No.43/2013/QH13.	No.	NGH A: L HT: L QB:L QT: L
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Following the Procurement Law: Yes. In fact, PMU has not implemented any evaluation of RFP	Following the Procurement Law: Yes. In fact, PMU has not implemented any evaluation of RFP as all consulting services procured under the referenced projects through Single Source Selection or Direct Contracting.	Following the Procurement Law: Yes. In fact, PMU has not implemented any evaluation of RFP.	Refer to ADB GMS Corridor Towns Development Project: Yes	NGH A: H HT: H QB: H QT: L
C.30 Are pre-proposal visits and meetings arranged?	Not know	PMU has not implemented any pre-proposal visits and meetings of RFP as all consulting services procured under the referenced projects through Single Source Selection or Direct Contracting.	No.	No.	NGH A: M HT: M QB: M QT: M
C.31 Are minutes prepared and circulated after pre-proposal meetings?	Not know	N/A	N/A	N/A	NGH A: M HT: M QB: M QT: M
C.32 To whom are the minutes distributed?	Not know	N/A	N/A	N/A	NGH A: S HT: S QB: S

					QT: S
C.33 Are all queries from consultants answered/ addressed in writing?	DPI understands that all procurement exchanges must be in writing as per the Procurement Laws.	Yes.	DPI understands that all procurement exchanges must be in writing as per the Procurement Laws.	Yes	NGH A: L HT: L QB: L QT: L
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Not know	All consulting services procured under the referenced projects through Single Source Selection or Direct Contracting. Both technical and financial are submitted and opened at the same time.	Yes. And the technical and financial proposals submit at the same time as per the Procurement Laws.	Yes. And the technical and financial proposals submit at the same time.	NGH A: M HT: M QB: M QT: L
C.35 Are proposal securities required?	Not know	Following the Procurement Law: No.	No.	No.	NGH A: M HT: L QB: L QT: L
C.36 Are technical proposals opened in public?	DPI understands that all bids/ proposals must be opened in public as per the Procurement Laws.	Following the Procurement Law: Yes	Yes.	Yes	NGH A: M HT: L QB: L QT: L
C.37 Are minutes of the technical opening distributed?	DPI understands that minutes of the technical opening should be distributed to bidders who submitted their bids/proposals as per the Procurement Laws.	Following the Procurement Law: Yes. Minutes was prepared, signed by participants and send to all consultants who submitted their proposals.	Yes. Minutes was prepared, signed by participants and send to all bidders who submitted their bids	Yes. Minutes was prepared, signed by participants and send to all bidders who submitted their bids	NGH A: M HT: L QB: L QT: L
C.39 Who determines the final technical ranking and how?	DPI understands that the final technical ranking is recommended by EC based on the evaluation results. The EC's recommendation is subject to DPI's	The final technical ranking is recommended by EC based on the evaluation results. The EC's recommendation is subject to PMU's approval prior to	Technical ranking is recommended by EC based on the evaluation results. The EC's recommendation is subject to DPI's approval prior to implementation of next steps.	Refer to ADB GMS Corridor Towns Development Project: The final technical ranking is recommended by EC based on the evaluation results. The EC's	NGH A: M HT: L QB: L QT: L

	approval prior to implementation of next steps.	implementation of next steps.		recommendation is subject to PMU's approval prior to implementation of next steps.	
C.40 Are the technical scores sent to all firms?	DPI understands that the final approved technical scores shall be sent to bidders who submitted their bids/proposals as per the Procurement Laws.	All consulting services procured under the referenced projects through Single Source Selection or Direct Contracting. No technical scores were sent.	Yes.	Refer to ADB GMS Corridor Towns Development Project Yes.	NGH A: M HT: M QB: M QT: L
C.41 Are the financial proposal opened in public?	DPI understands that all bids/ proposals must be opened in public as per the Procurement Laws.	All consulting services procured under the referenced projects through Single Source Selection or Direct Contracting. No financial proposal were opened in public.	Yes.	Refer to ADB GMS Corridor Towns Development Project Yes.	NGH A: M HT: M QB:M QT: L
C.42 Are minutes of the financial opening distributed?	DPI understands that the financial opening shall be distributed to bidders as per the Procurement Laws.	No.	Yes.	Refer to ADB GMS Corridor Towns Development Project: Yes.	NGH A: M HT: M QB:M QT: L
C.43 How is the financial evaluation completed?	The financial evaluation is completed based on instructions mentioned in the RFP and following the Procurement Laws.	Based on prices offered by Consultant.	The lowest evaluated prices is selected for contract award.	Based on prices offered by Consultant and instructions mentioned in the RFP.	NGH A: M HT: L QB: M QT: L
C.44 Are face to face contract negotiations held?	Yes, as per the Procurement Laws.	Yes.	Yes.	Yes.	NGH A: L HT: L QB:L QT: L
C.45 How long after financial evaluation is negotiation held with the selected	Within 01 week as per the Procurement Laws.	Within 01 week	Within 01 week.	Within 20 days.	NGH A: L HT: L QB: L

firm?					QT: L
C.46 What is the usual basis for negotiation?	DPI confirms that basis for negotiation are: the consultant's proposals and RFP.	Proposals of consultant and RFP, Consultant evaluation report and clarifications with consultant.	The consultant's proposals and RFP.	Proposals of consultant and RFP, Consultant evaluation report and clarifications with consultant.	NGH A: M HT: L QB: M QT: L
C.47 Are minutes of negotiation taken and signed?	Yes, as per the Procurement Laws.	Yes.	Yes, as per the Procurement Laws.	Yes.	NGH A: M HT: L QB: M QT: L
C.48 How long after negotiation is the contract signed, on average?	As soon as possible as per the Procurement Laws.	Within 02 weeks.	As soon as possible as per the Procurement Laws.	Within 20 days. after receipt of approval from Director of DPI.	NGH A: M HT: L QB: M QT: L
C.49 Is there an evaluation system for measuring the outputs of consultants?	DPI understands that an official should be assigned to measure the outputs of consultants.	Yes. The PMU assigned technical staff is responsible for monitoring the implementation of the contract.	No experience.	Yes. The PMU assigned technical staff is responsible for monitoring the implementation of the contract.	NGH A: M HT: L QB: M QT: L
PAYMENT					
C.50 Are advance payments made?	Yes, as per the Procurement Laws.	Yes. Normally at 20% of contract amount.	Yes, as per the Procurement Laws.	Yes.	NGH A: L HT: L QB: L QT: L
C.51 What is the standard period for payment included in contracts?	Not know	Normally, 14 days from the date of completion of works and submission of reports accepted by PMU with invoices and request for payment.	14 days from the date of completion of works and submission of the accepted reports with invoices and request for payment.	Normally, 7 working days from the date of completion of works and submission of reports accepted by PMU with invoices and request for	NGH A: M HT: L QB:

				payment.	M QT: L
C.52 On average, how long is it between receiving a firm's invoice and making payment?	DPI has no past project procurement experience.	Normally, time between receiving contractor's invoice and payment is not excess 14 days.	Normally, time between receiving contractor's invoice and payment is not excess 14 days.	Normally, time between receiving contractor's invoice and payment is not excess 30 days.	NGH A: M HT: L QB: L QT: M
C.53 When late payment is made, are the beneficiaries paid interest?	Not know	Yes. This article was included in the contract.	Yes.	Yes. This article was included in the contract.	NGH A: M HT: L QB: L QT: L
D. EFFECTIVENESS					
D.1 Is contractual performance systematically monitored and reported?	DPI understands that an official should be assigned to monitor and report on contract implementation.	Yes. Contractual performance was systematically monitored and reported. All contract's outputs and completion reports were reviewed by head of technical section prior to submission for approval by the PMU's director. The PMU's accountant only processed with invoice and payment after receiving approval for contract's outputs and reports.	An official should be assigned to monitor and report on contract implementation.	Yes. Contractual performance was systematically monitored and reported. All contract's outputs and completion reports were reviewed by head of technical section prior to submission for approval by the PMU's director. The PMU's accountant only processed with invoice and payment after receiving approval for contract's outputs and reports.	NGH A: M HT: L QB: M QT: L
D.2 Does the agency monitor and track its contractual payment obligations?	DPI understands that an accountant should be assigned to monitor and track its contractual payment obligations.	Yes. All contract's outputs schedule and completion reports were reviewed by head of technical section prior to submission for approval by the PMU's director. The PMU's accountant only processed with invoice and payment after receiving approval for contract's outputs and reports.	Yes.	Yes. All contract's outputs schedule and completion reports were reviewed by head of technical section prior to submission for approval by the PMU's director. The PMU's accountant only processed with invoice and payment after receiving approval	NGH A: M HT: L QB: L QT: L

				for contract's outputs and reports.	
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes. National SBDs for goods and works, ITB 42 refer to complaints resolution mechanism as Part 1, Chapter XII of the Procurement Law No. 43/2013/QH13 and Part 2, Chapter XII of the Decree No. 63/2014/NĐ-CP.	Yes. National SBDs for goods and works, ITB 42 refer to complaints resolution mechanism as Part 1, Chapter XII of the Procurement Law No. 43/2013/QH13 and Part 2, Chapter XII of the Decree No. 63/2014/NĐ-CP.	Yes. National SBDs for goods and works, ITB 42 refer to complaints resolution mechanism as Part 1, Chapter XII of the Procurement Law No. 43/2013/QH13 and Part 2, Chapter XII of the Decree No. 63/2014/NĐ-CP.	Yes. National SBDs for goods and works, ITB 42 refer to complaints resolution mechanism as Part 1, Chapter XII of the Procurement Law No. 43/2013/QH13 and Part 2, Chapter XII of the Decree No. 63/2014/NĐ-CP.	NGH A: L HT: L QB: L QT: L
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	No. The only mechanism for dealing with complaints which is officially agreed in the contract is through the judicial mechanism.	No. The only mechanism for dealing with complaints which is officially agreed in the contract is through the judicial mechanism.	No. The only mechanism for dealing with complaints which is officially agreed in the contract is through the judicial mechanism.	Refer to ADB GMS Corridor Towns Development Project: - For goods and Works: The only mechanism for dealing with complaints which is officially agreed in the contract is through the judicial mechanism. - For Consulting services: Arbitration Agency	NGH A: L HT: L QB: L QT: L
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes, as per the Procurement Laws.	Yes.	Yes.	Yes.	NGH A: M HT: L QB: M QT: L

E. ACCOUNTABILITY MEASURES

E.1 Is there a standard statement of ethics and are those involved in procurement	Not know. DPI follows the Procurement Laws.	Yes. All the PMU officials involved in the procurement process are required to have certificate of completion of basic procurement training issued by MPI	Yes. And those requirements are included in the decision on establishment of the procurement committee or related	Yes. All the PMU officials involved in the procurement process are required to have certificate of completion of basic	NGH A: M HT: M QB:
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<p>required to formally commit to it?</p>		<p>or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the EC member concerned can be charged pursuant to the procurement laws and its relating regulatory guideline.</p>	<p>decisions.</p>	<p>procurement training issued by MPI or its authorized agencies and accountable for their decisions. In the decision on establishment of the EC, it said that all EC members must not be in any case of potential conflict of interest, has sufficient qualifications, and remove themselves from the evaluation process if there is any unethical practice is found. Depending on level of serious case of unethical practice it causes, the EC member concerned can be charged pursuant to the procurement laws and its relating regulatory guideline.</p>	<p>M QT: M</p>
<p>E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?</p>	<p>Not know. DPI follows the Procurement Laws.</p>	<p>As above.</p>	<p>As above.</p>	<p>As above.</p>	<p>NGH A: M HT: L QB: L QT: L</p>
<p>E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting</p>	<p>DPI confirms that all the procurement only implemented after having the budget approved.</p>	<p>No.</p>	<p>No.</p>	<p>No.</p>	<p>NGH A: L HT: L QB: L QT: L</p>

process?					
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	DPI approves all procurement transactions after the review of the appraisal committee with qualified members from respective fields. Director of DPI does not have much procurement experience.	The PMU's director (with ≥ 07 years experience) will approve the procurement document after the review of the appraisal committee with qualified members from respective fields.	DPI approves all procurement transactions after the review of the appraisal committee with qualified members from respective fields. Director of DPI does not have much procurement experience.	The Director of DPI (with ≥ 10 years experience) will approve the procurement document after the review of the appraisal committee with qualified members from respective fields.	NGH A: M HT: L QB: M QT: L
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?	As per the Procurement Laws, most of the procurement process include: Bidding documents, invitation to pre-qualify or RFP, evaluation reports, contract negotiation result and contracts are subject to approval prior to its commencement.	Most of the procurement process include: Bidding documents, invitation to pre-qualify or RFP, evaluation reports, contract negotiation result and contracts are subject to approval prior to its commencement.	Most of the procurement process include: Bidding documents, invitation to pre-qualify or RFP, evaluation reports, contract negotiation result and contracts are subject to approval prior to its commencement.	Most of the procurement process include: Bidding documents, invitation to pre-qualify or RFP, evaluation reports, contract negotiation result and contracts are subject to approval prior to its commencement.	
a) Bidding document, invitation to pre-qualify or RFP	Yes, as per the Procurement Laws	Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	Yes, as per the Procurement Laws	Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
c) Evaluation reports	Yes, as per the Procurement Laws	Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
d) Notice of award	Yes, as per the Procurement Laws	Yes.	Yes.	Yes.	NGH

					A: L HT: L QB: L QT: L
e) Invitation to consultants to negotiate	Yes, as per the Procurement Laws	Yes.	Yes.	No.	NGH A: L HT: L QB: L QT: L
f) Contracts	Yes, as per the Procurement Laws	Yes.	Yes.	Yes.	NGH A: L HT: L QB: L QT: L
E.6 Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?.	No. Each Department/ Official is responsible for each of the procurement transactions, payment, custody of assets as per their task assigned by the DPI.	No. All contract's outputs and completion reports were reviewed by head of technical unit/department prior to submission for approval by the PMU's director. The PMU's accountant only processed with invoice and payment after receiving approval for contract's outputs and reports. And Accounting unit/department and Administrative unit/department are responsible for the custody of assets.	No. Each Department/ Official is responsible for each of the procurement transactions, payment, custody of assets as per their task assigned by the DPI.	No. All contract's outputs and completion reports were reviewed by head of technical unit/department prior to submission for approval by the PMU's director. The PMU's accountant only processed with invoice and payment after receiving approval for contract's outputs and reports. And Accounting unit/department and Administrative unit/department are responsible for the custody of assets.	NGH A: L HT: L QB: L QT: L
E.7 Is there a written auditable trail of procurement decisions attributable to individuals	Yes. MPI, State Audit and PPC through its missions conducts inspections and/or audit on decisions attributable to individuals and committees. Depending on level of	Yes. MPI, State Audit and PPC through its missions conducts inspections and/or audit on decisions attributable to individuals and committees. Depending on level of	Yes. MPI, State Audit and PPC through its missions conducts inspections and/or audit on decisions attributable to individuals and committees. Depending on level of	Yes. MPI, State Audit and PPC through its missions conducts inspections and/or audit on decisions attributable to individuals and committees.	NGH A: L HT: L QB: L QT: L

and committees?	serious case of practice it caused, the officials concerned can be charged pursuant to the procurement laws and its relating regulatory guideline.	serious case of practice it caused, the officials concerned can be charged pursuant to the procurement laws and its relating regulatory guideline.	serious case of practice it caused, the officials concerned can be charged pursuant to the procurement laws and its relating regulatory guideline.	Depending on level of serious case of practice it caused, the officials concerned can be charged pursuant to the procurement laws and its relating regulatory guideline.	
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