

Improving Development Effectiveness through Better Procurement Monitoring

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Batumi, Georgia



Second largest portfolio-Central West Asia

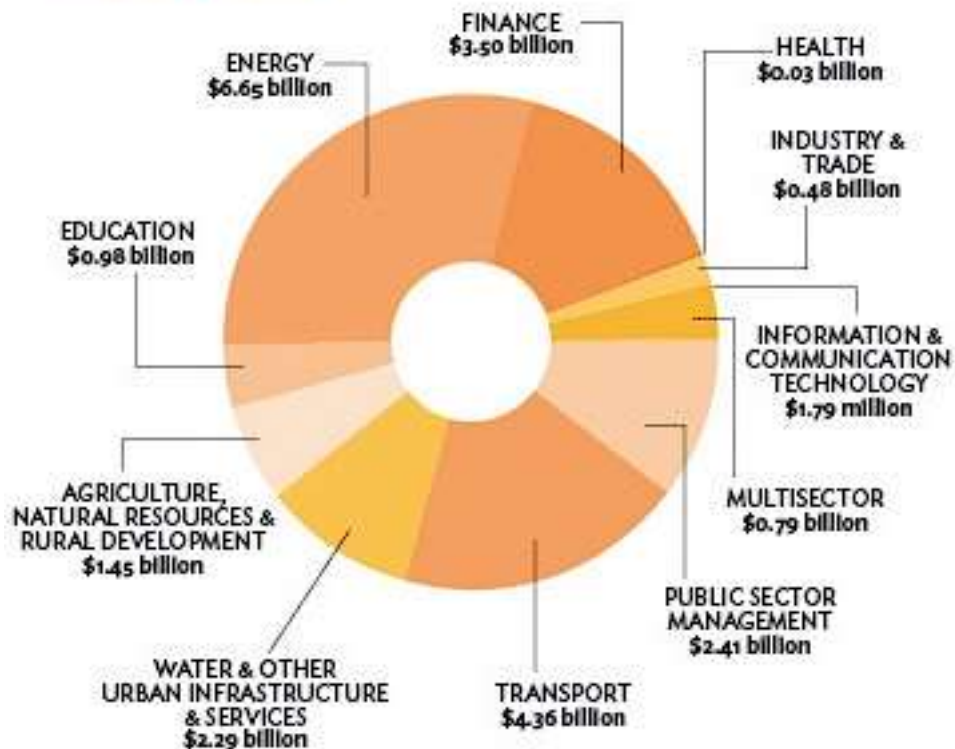
REGIONS



In 2014, our assistance totaled **\$22.93 BILLION** including \$13.69 billion financed by ADB and \$9.24 billion in cofinancing

Infrastructure focus remains key

SECTORS



ADB is transforming

2008

ADB's long-term strategic framework Strategy 2020 commits us to help the region and its people develop through:



2014

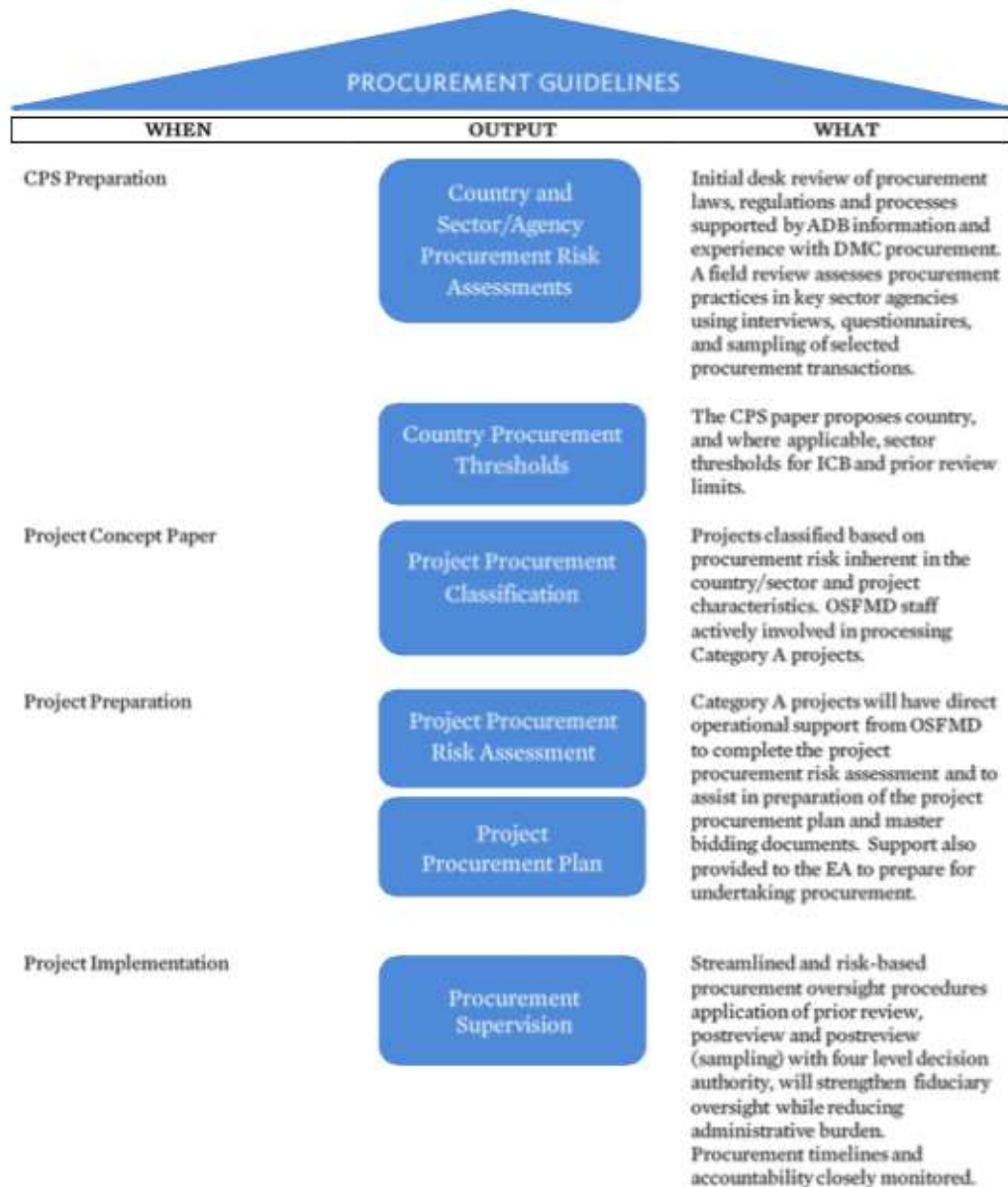
ADB's Midterm Review of Strategy 2020 sharpens our operational focus to better address the development challenges of a transforming region through:



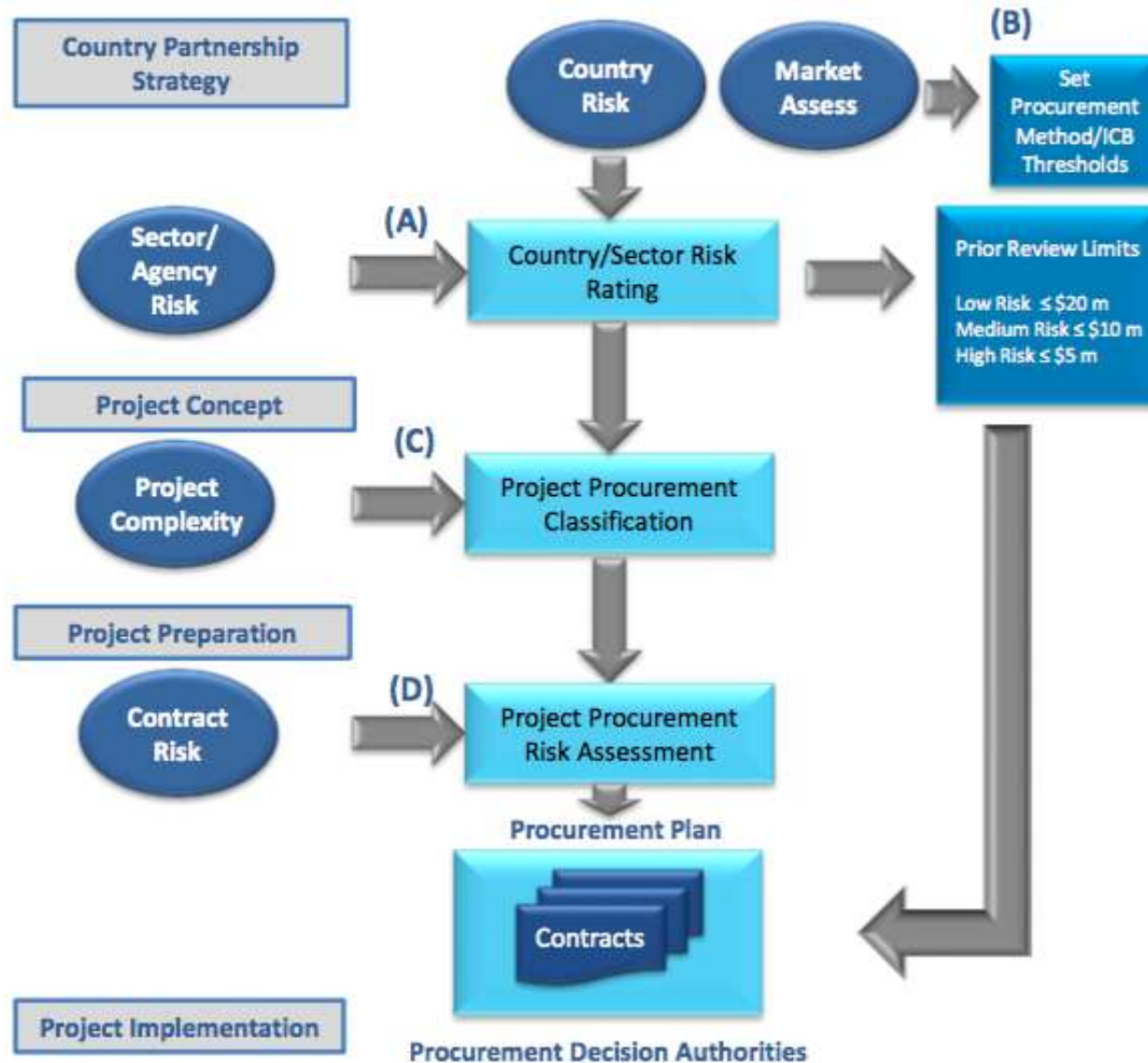
Procurement Reforms in ADB

- Phase 1 rolled out in August 2014 as 10 point procurement reforms action plan
- Objectives
 - Reduce procurement time
 - Increase administrative efficiency
 - Improve project delivery
 - Maintain fiduciary oversight

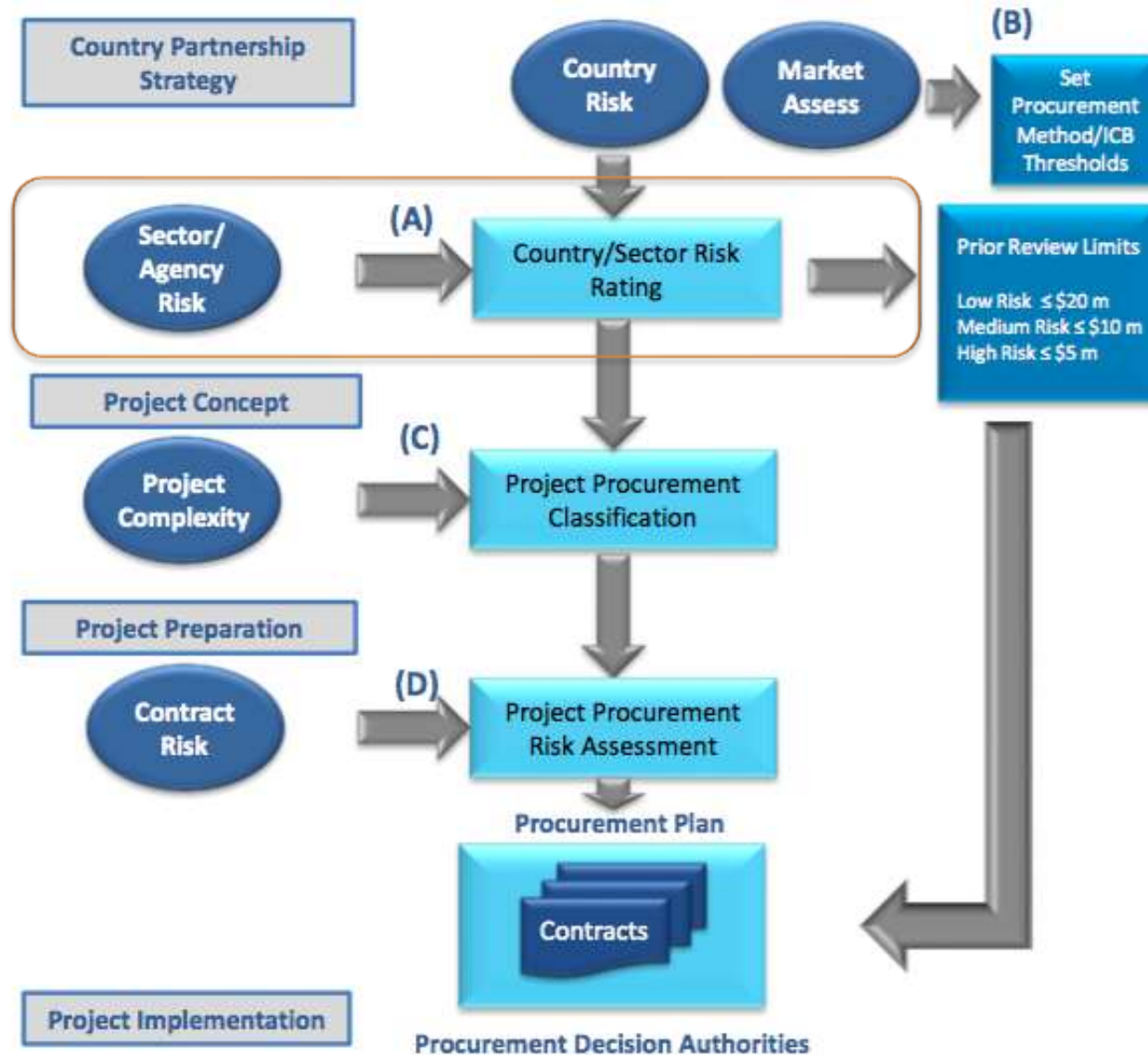
Procurement Governance Framework



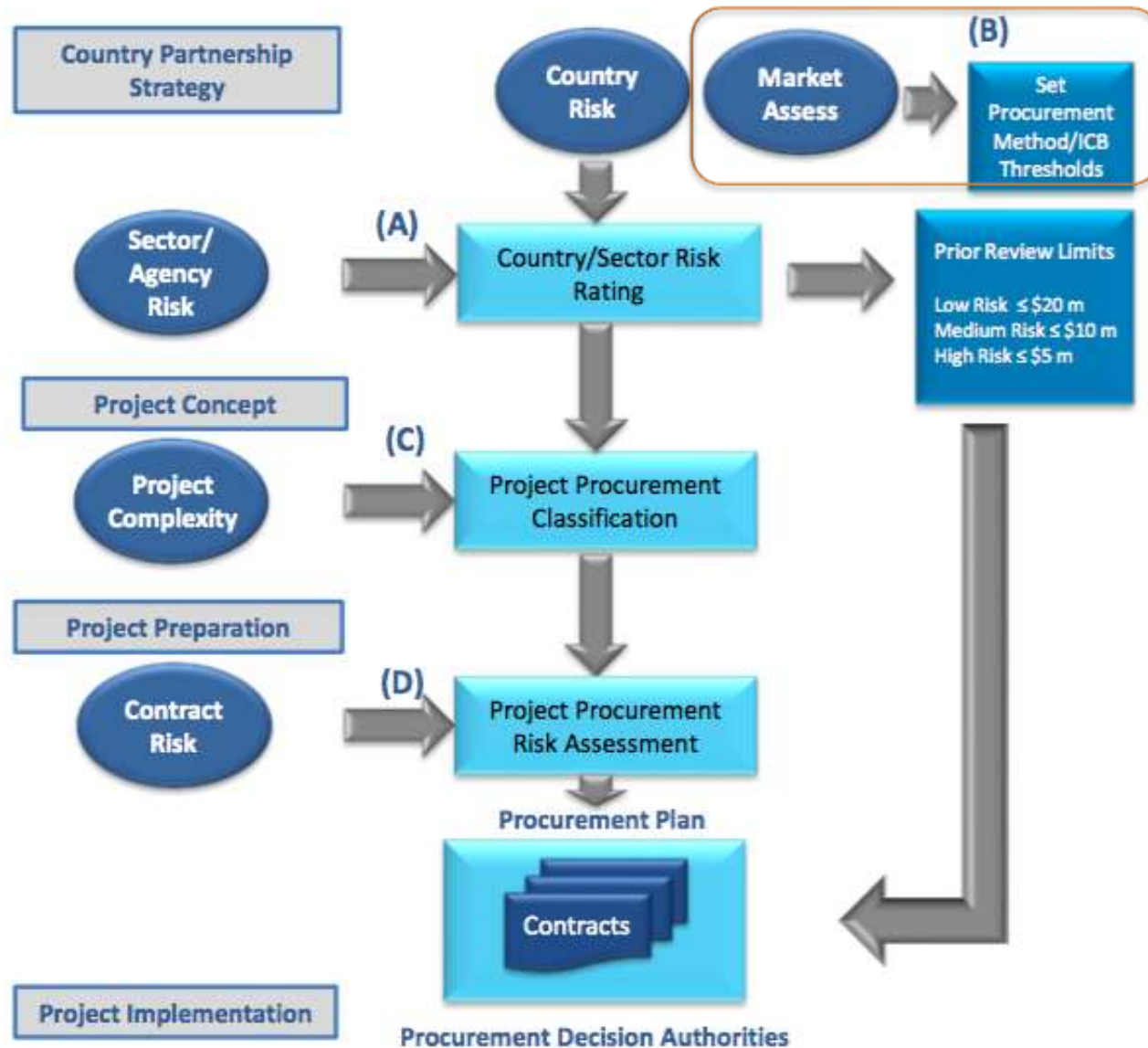
Risk weighted procurement actions



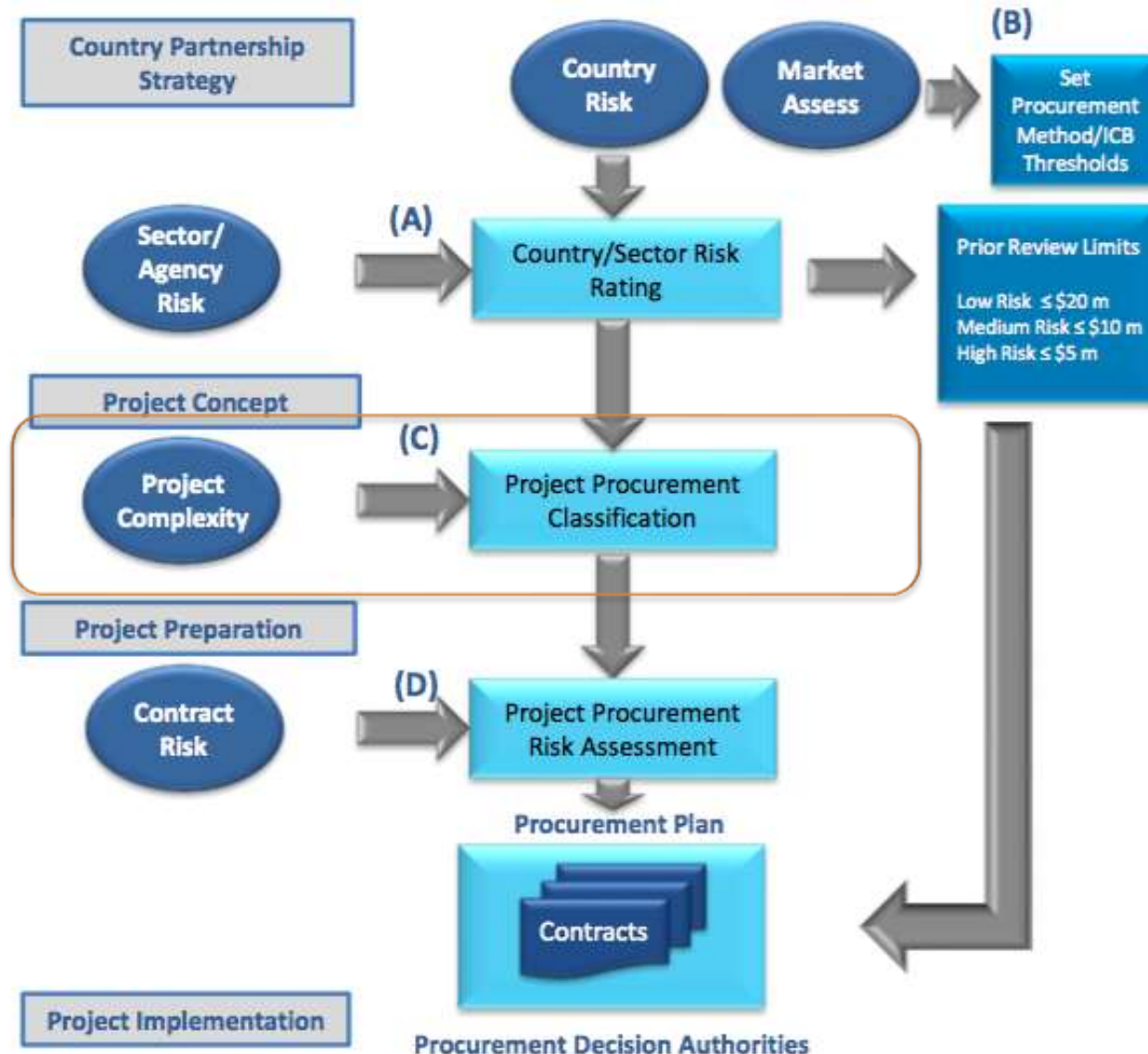
Risk weighted procurement actions



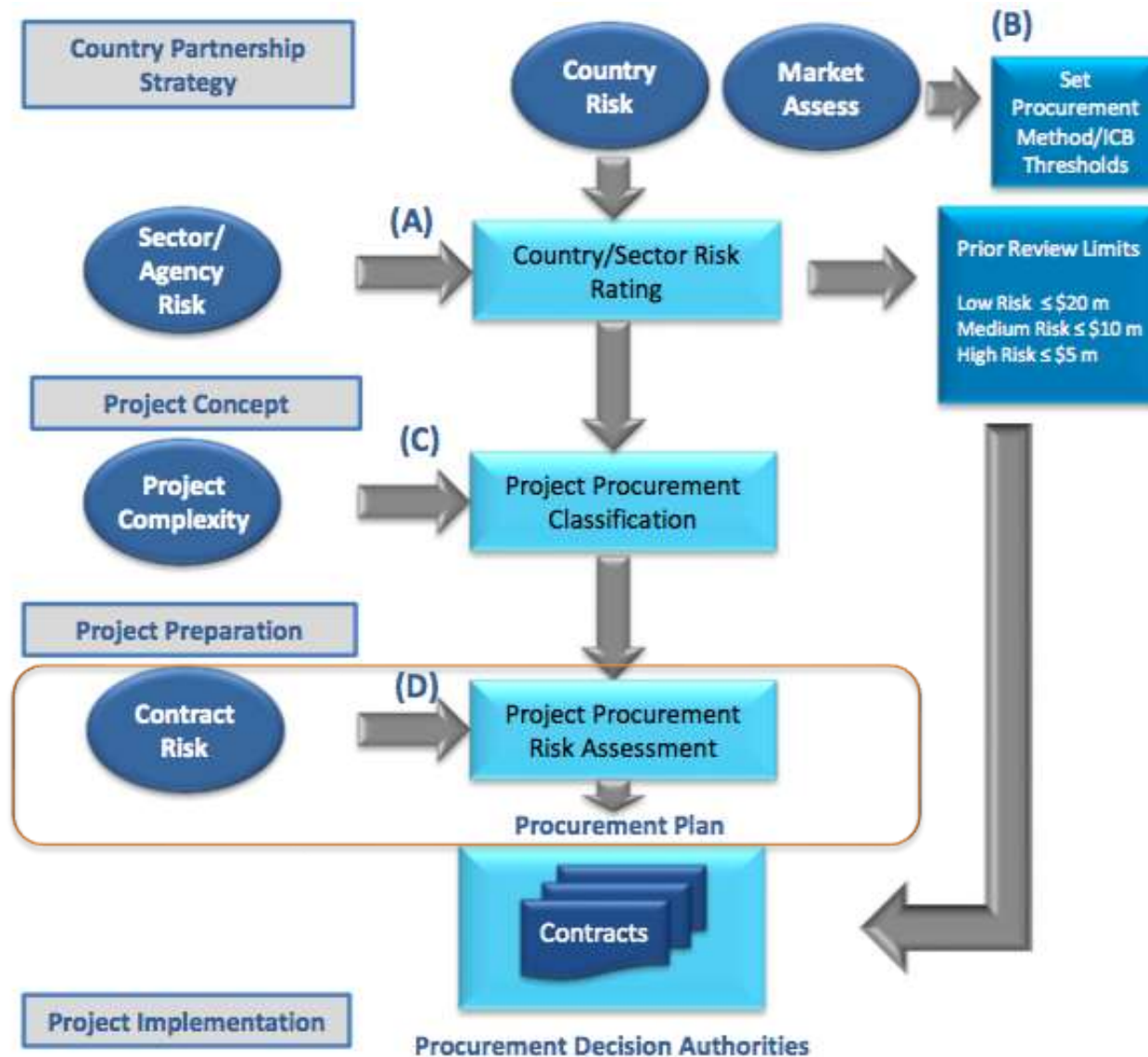
Risk weighted procurement actions



Risk weighted procurement actions



Risk weighted procurement actions



Procurement efficiency

Streamlined processes:

- Greater reliance on NCB procedures can save up to 100 days of procurement time
- If the time taken to engage supervision consultant and first major contract is halved, project can be delivered one year earlier

Country Systems

Risk based supervision:

- Below \$5 million or ICB threshold or average value of government funded contracts
- Total number of contracts reviewed by ADB staff can reduce by 25%

Balanced fiduciary oversight

No longer one size fits all:

- Focus on high risk, high value and high impact contracts
- Procurement accreditation of staff for effective decentralization
- OSFMD retains oversight for highest value contracts representing over 50% of total procurement value
- Improved support for project preparation for high risk



e-Procurement

Technology enablement:

- Procurement Review System (PRS) will electronically record the procurement information for better oversight
- ADB e-procurement strategy to enable use of developed and well performing e-procurement systems of the executing agencies
- Online standard bidding documents



Benefits achieved

1. ADB surpassed its target of \$8.0 billion in contract awards in 2014 by reducing the time for approving the contracts
2. The average time taken for transactions of \$10 million and more has been reduced by 50% after the implementation of the reform actions
3. More regional department staff are now procurement accredited (across regional departments, 5 fold increase compared to 2013)
4. Procurement staff have been posted to the front offices of regional departments and the five largest ADB resident missions



Next steps

- Continue main streaming of Phase 1 actions
- Phase 2 will roll out in 2015 and address procurement policy bottlenecks