

Guidance  
Note on  
Alternative  
Procurement  
Arrangements for  
Islamic Development Bank  
financed Procurements



**February 2020**

*This Guidance Note is intended to complement the Guidelines for Procurement of Goods and Works and related services and for the Procurement of Consultant Services under Islamic Development Bank Financing, approved by the Board of Executive Directors (BED) of the Islamic Development Bank, and published September 2018. This document may be used and reproduced for non-commercial purposes. Any commercial use, including without limitation reselling, charging to access, redistribute, or for derivative Works such as unofficial translations based on these documents is not allowed.*

*For additional information on this document, please contact:*

*Project Procurement (PPR)*

*Vice President Country Programs*

*The Islamic Development Bank*

*P.O. Box 5925, Jeddah 21432*

*Kingdom of Saudi Arabia*

[ppr@isdb.org](mailto:ppr@isdb.org)

[www.isdb.org](http://www.isdb.org)

## Common Abbreviations and Defined Terms

Common abbreviations and defined terms that are used in these Guidelines. Defined terms are written using capital letters.

Abbreviation / term	Full terminology / definition
<b>APA</b>	Alternative Procurement Arrangements
<b>BED</b>	Board of Executive Directors
<b>Beneficiary</b>	A Beneficiary is the recipient of IsDB Project Financing. This term includes any entity involved in the implementation of an IsDB financed project on behalf of the Beneficiary.
<b>Bid</b>	An offer, by a Bidder, in response to a Request for Bids, to provide the required Goods, and/or Works and/or related services.
<b>Bidder</b>	A Firm that submits a Bid for the provision of Goods and/or Works and/or related Services
<b>Consultant</b>	A Consultant Firm or Individual Consultant that provides Consultant Services. A Consultant is independent of both the Beneficiary and IsDB.
<b>Consultant Service(s)</b>	Consultant Services are those intellectual services delivered by a Consultant Firm or an Individual Consultant. Consultant Services are normally of a professional, expert or advisory nature. Consultant Services are governed by these Guidelines.
<b>EOI</b>	Expression of Interest
<b>FA</b>	Financing Agreement
<b>Goods</b>	A category of Procurement that includes, for example: consumables, equipment, machinery, vehicles commodities, raw materials or industrial plant. The term may also include related services, such as: transportation, insurance, installation, commissioning, training or initial maintenance.
<b>IsDB</b>	Islamic Development Bank
<b>MAPS</b>	Methodology for Assessing Procurement Systems
<b>MC</b>	Member Country
<b>MDB</b>	Multi-Lateral Development Banks
<b>MCPS</b>	Member Country Partnership Strategy
<b>Non-Consulting Services:</b>	Services which are not Consulting Services. Non-Consulting Services are normally Bid and contracted based on performance of measurable outputs, and for which performance standards can be clearly identified and consistently applied. Examples include drilling, aerial photography, satellite imagery, mapping, and similar operations.

## COMMON ABBREVIATIONS AND DEFINED TERMS

Abbreviation / term	Full terminology / definition
<b>Prequalification</b>	The shortlisting process, which can be used prior to inviting Request for Bids in the Procurement of Goods, Works and related services.
<b>Procurement</b>	The function of planning for, and sourcing Goods, Works, Non-Consulting Services, and/or Consulting Services to meet required objectives.
<b>Procurement Documents</b>	A generic term used in these Guidelines to cover all Procurement Documents issued by the Beneficiary. It includes: GPN, SPN, Expression of Interest (EOI), Request for Expression of Interest (REOI), Prequalification document, RFB and RFP, including any addenda.
<b>PPR</b>	Project Procurement
<b>REOI</b>	Request for Expression of Interest
<b>SBDs</b>	Standard Bidding Documents
<b>Standard Bidding Documents</b>	Standardised Procurement Documents issued by IsDB to be used by Beneficiaries for IsDB financed projects. These include IsDB's standard documents for, e.g.: GPN, SPN, Prequalification, LOI, RFB and RFP.
<b>Works</b>	A category of Procurement that refers to construction, repair, rehabilitation, demolition, restoration, maintenance of civil work structures, and related services such as transportation, insurance, installation, commissioning, and training.

## Contents

<b>Section 1 – Introduction .....</b>	<b>1</b>
1.1 Overview .....	1
1.2 Scope .....	1
<b>Section 2 – General Considerations .....</b>	<b>3</b>
2.1 Alternative Procurement Arrangement Partners .....	3
2.2 Collaborating among co-financiers .....	3
2.3 Universal Requirements.....	3
2.4 Country and Sector Eligibility .....	4
2.5 Project-Specific Determination .....	4
2.6 Partial Application .....	5
2.7 Ongoing Operations .....	5
2.8 Non-Procurement-Related Considerations and Risks.....	5
<b>Section 3 – Alternative Procurement Arrangements.....</b>	<b>7</b>
<b>Section 4 – Agency Alternative Procurement Arrangements.....</b>	<b>9</b>
<b>Section 5 – Partner Alternative Procurement Arrangements .....</b>	<b>15</b>
<b>Section 6 – Other Considerations.....</b>	<b>17</b>
<b>Annex I. IsDB Member Countries .....</b>	<b>19</b>
<b>Annex II. Agency Risk Assessment .....</b>	<b>21</b>
<b>Annex III. Agency Risk Assessment Scoring Guide.....</b>	<b>25</b>
<b>Annex IV. Agency Risk Assessment Checklist .....</b>	<b>43</b>



## Section 1 – Introduction

### 1.1 Overview

This guidance note details how IsDB addresses the use of Alternative Procurement Arrangements (APAs) in its Procurement operations. Now, subject to IsDB’s determination of an APA, it is possible to use the Procurement arrangements of an accredited agency of the Beneficiary or those of another development partner.

#### ***Effective application of an APA may increase efficiency***

- Faster implementation of co-financed development projects by permitting the use of one set of Procurement rules and regulations.
- Reduce delays in carrying out the Procurement process by using well-developed Procurement systems of executing agencies.

#### ***Ensure Quality and Manage Risk***

- Meet fiduciary requirements.
- Ensure quality and manage risk through up-front accreditation.

#### ***Deliver Value for Money***

- Enable greater Procurement harmonization and use of well-developed agency Procurement systems.

### 1.2 Scope

This guidance note aims to assist the Beneficiary and project co-financiers to understand and implement APAs for projects financed in whole or in part by the Islamic Development Bank (IsDB). The note discusses how key Procurement activities should apply under an APA, including Procurement and market risk assessments, strategic Procurement planning, and Procurement review.

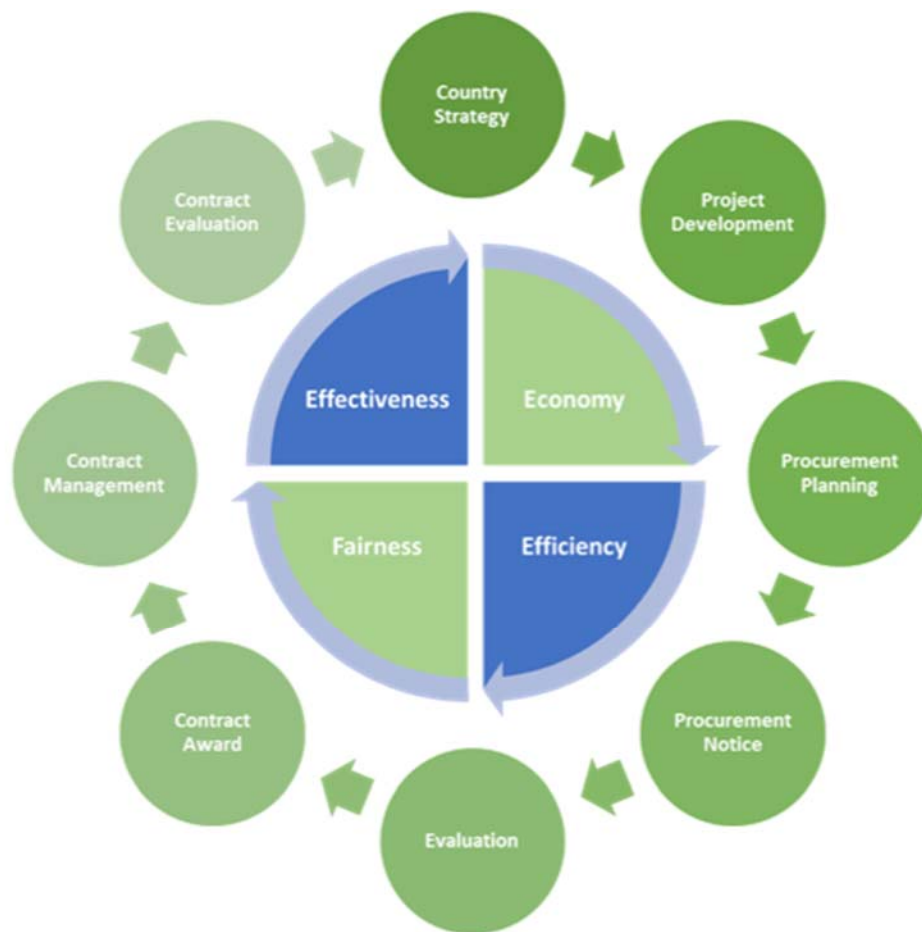
The use of APAs is an integral part of the strategic priorities of IsDB, reflecting its commitment to support more efficient project implementation and to encourage the use of country systems. The aim is to alleviate the burden on Beneficiary agencies. The use of an APA can simplify the Procurement process by allowing IsDB to apply the Procurement rules and procedures of another multilateral or bilateral agency or organization involved in the project, or those of an accredited agency or entity of the Beneficiary.

As described in the IsDB’s Guidelines for the Procurement of Goods, Works and Related Services under IsDB Project Financing (2019, as amended from time to time), IsDB may at its sole discretion (subject to its policies and rules, and applicable fiduciary and operational requirements) request that a Beneficiary use its own Procurement policies, procedures and



systems when it believes such systems are compatible and comply with all appropriate IsDB policy, procedures and Guidelines that may exist at that time.

The use of an APA for a loan, grant or any other mode of financing used by IsDB is determined at the Project Development and Procurement Planning stage of the IsDB Procurement cycle (see Figure 1), when an assessment to this effect is undertaken. Different criteria and approaches may apply, depending on whether the APA is with a Beneficiary's accredited agency or with another Multilateral or Bilateral Agency or Organization involved in the project. The decision to use an APA is made during or prior to loan, grant or any other mode of financing negotiations and it must be reflected in the relevant legal and Financing Agreements (FA) for the specific operation, and must be approved by the IsDB Board of Executive Directors (BED) or its Management (where applicable) as part of project approval.



**Figure 1 – Project Cycle**



## Section 2 – General Considerations

### 2.1 Alternative Procurement Arrangement Partners

IsDB's revised Procurement Policy and Guidelines permits the Procurement rules and procedures of certain agencies and partners to be used under an APA. The Procurement policy envisages the use of an APA with another multilateral or bilateral agency or organization involved in the project, or with an agency or entity of the Beneficiary accredited by IsDB. IsDB may consider other Multi-Lateral Development Banks (MDBs), bilateral or regional agencies, specialized United Nations agencies, nongovernment organizations, and others.

Multilateral and bilateral agency or organizations whose Procurement rules and procedures are authorized for use in IsDB financed operations may be the lead co-financiers of the respective operations. These usually comprise official donors, specifically MDBs and bilateral agencies. These APA's must abide by the requirements that protect the privileges and immunities of IsDB and ensure compliance with the Articles of Agreement of IsDB and are reflected in the mutual reliance agreement.

### 2.2 Collaborating among co-financiers

As per IsDB policy on co-financing, IsDB may enter into partnerships promoting its objectives through, inter alia, co-finance projects with other organizations and institutions that have different Procurement procedures, integrity policies and eligibility rules in regard to the Procurement of Goods, Works and/or related services. Procurement under such arrangements shall, to the extent reasonably possible, reflect applicable IsDB policy and encourage increased partnership and use of co-financing resources<sup>1</sup>.

IsDB will carry out the up-front analyses and assessments to justify the use of an APA jointly and in collaboration with third-party financiers. In such cases, when making its decision, IsDB may rely on the co-financier's risk assessments, analyses, conclusions, and recommendations. The co-financiers should decide unanimously on the use of an APA by an agency or partner.

### 2.3 Universal Requirements

In the earliest stages of project preparation, and no later than negotiations of the specific project, agreements should be established between IsDB and the agency and/or MDB on a set of universal

---

<sup>1</sup> Co-financing may be either parallel or joint. If parallel, each co-financier individually finances separate categories of expenditures relating, among others, to procurement contracts under a given project, and each co-financier applies its own procurement procedures. If joint, co-financiers collectively finance, in agreed proportions, specific expenditure relating to procurement contracts. In such cases, normally the lead co-financier's procurement policies will apply. If IsDB is not the lead co-financier, a Board waiver from application of the respective procurement policies, particularly regarding eligibility, shall be obtained.

requirements that correspond to the obligations of IsDB under its Articles of Agreement and revised Procurement Policy and Guidelines.

The areas that need to be agreed as early as possible are:

- The IsDB Member Country (MC) eligibility restrictions (unless waived by the IsDB Board of Directors);
- Adherence to the provisions for United Nations sanctions and MDB agreed cross-debarments;
- The allowance for IsDB to review transactions and/or carry out audits;
- Provisions for IsDB to impose remedies in the case of non-compliance;
- The ability of IsDB to collect and obtain data on the Procurement;
- IsDB Group Anti-Corruption Guidelines on Preventing and Combating Fraud and Corruption in IsDB Group-Financed Projects;;
- The Procurement complaint handling mechanism of the APA MDB or agency;
- The right of IsDB to revoke the use of an APA;
- The preservation of the privileges and immunities of IsDB; and
- The requirement to communicate Procurement transactions in English or as agreed to by the parties.

These APA related agreements should be reflected in the corresponding legal, financing, and project agreements, and other understandings with the Beneficiary or executing agency, and with the other relevant parties. IsDB may also incorporate these agreements into a standing cooperation agreement, protocol, or framework that IsDB could apply across multiple operations with a particular agency, MC, and/or MDB.

## **2.4 Country and Sector Eligibility**

Beneficiaries that benefit from the use of an APA will generally meet the normal lending criteria of IsDB. However, IsDB does not normally support the use of an APA with agencies in countries considered fragile and/or at high risk from the perspective of Procurement and governance. Exceptions will be considered on a case-by-case basis and will be accompanied by appropriate mitigation measures. There are no sector restrictions for the use of APAs, though the use of an APA with an agency may be less amenable in certain sectors.

## **2.5 Project-Specific Determination**

IsDB authorizes the use of an APA for a specific project as part of the FA, which will indicate the Procurement rules and procedures that will be applicable during project implementation. As such, the use of an APA with an agency or MDB for one project does not guarantee that IsDB will authorize an APA for any project with the same agency or MDB, since future project Procurement needs, and circumstances may differ.

## **2.6 Partial Application**

There may be projects in which the use of an APA is justified for only some of the anticipated Procurements, while the remaining Procurements use IsDB's Procurement Policy and Guidelines. This can apply for APAs with both agencies and MDB's. Such circumstances could arise when dealing with specific high-risk or high-value complex Procurements, which may be best procured under IsDB Guidelines (or that of the co-financing partner) and not by those of the agency. The decision on whether to use an APA in these cases will be determined by analysing the comparative advantage of one approach over the other, including the complexity of the Procurement and the related technical and Procurement expertise residing in one party versus the other.

## **2.7 Ongoing Operations**

IsDB may consider the use of an APA for ongoing projects. This could be the case for a new project with the same executing agency, or with the same executing agency and the same co-financing MDB, is being prepared while the ongoing operation is still under implementation. The assessment done for the new project, or an assessment specifically undertaken at the request of the Beneficiary or executing agency, forms the basis for determining whether an APA is justified for all or part of an ongoing project. Determination of how to approve such changes to the Procurement arrangements under an ongoing operation follows normal IsDB Guidelines.

## **2.8 Non-Procurement-Related Considerations and Risks**

The use of APAs follows the operational requirements of IsDB with respect to the design, preparation, and approval of its investment lending. The usual policies of IsDB on economic, financial, technical, social, and environmental assessments; financial management; reporting and monitoring; and integrity due diligence continue to apply. Following the usual practice under investment lending, IsDB makes disbursements in accordance with the payment conditions of the contract concluded under an APA.



## Section 3 – Alternative Procurement Arrangements

The potential for using APAs is initially addressed in the Member Country Partnership Strategy (MCPS) considering the country and sector/agency Procurement risk assessment, co-financing opportunities, and other forms of collaboration with MDB's.

Consideration of the use of an APA at this stage is indicative, with no commitment to use the APA(s) for the planned project(s). Once IsDB understands the country and sector/agency Procurement risk and governance environment, as well as the interest by the Beneficiary or other development partners, IsDB may decide to undertake an assessment to determine if the use of an APA is permissible. IsDB considers different factors for APAs with agencies and with partners, as described in the following subsections.

### A. Use of Alternative Procurement Arrangements with Beneficiary Agencies

The use of APAs with Beneficiary agencies depends on the country and sector/agency Procurement risk environment. The results of the risk assessment will determine the potential for the use of an APA by the agency. Where IsDB has not carried out a risk assessment, IsDB should do so for an APA assessment, with emphasis on the relevant sector/agency, following the Guidance Note on Procurement Risk Framework.

The risk assessment helps to determine if the agency's country and sector/agency Procurement environment is suitable for the use of an APA. IsDB may consider an APA where the country and sector/agency Procurement risks are low or moderate. Executing agencies for operations facing APA. IsDB may, however, selectively approve such operations for use of APA on a case-by-case basis with appropriate risk mitigation measures. Operations in countries facing high or extreme risks are not be eligible unless (i) agency risk is medium or low and (ii) the specific project Procurement risk profile has a medium or low rating. Moreover, in situations of high or extreme country and sector/agency risks, measures to mitigate risks should accompany the use of APAs.

The IsDB uses an adapted version of the Asian Development Banks assessment methodology that is based on OECD's Methodology for Assessing Procurement Systems (MAPS). MAPS assessments will also be used to inform APA decisions.

### B. Use of Alternative Procurement Arrangements with MDB's

The risk assessment is not a consideration in the use of APAs with co-financiers or other partners, as different criteria apply. There are five main factors in determining the potential for the use of APAs with partners:

- Relative share of co-financing
  - The partner with the largest stake will likely assume the lead financier role
- Origin of the project
  - The partner involved at inception will likely have greater knowledge and understanding of the project compared to partners that become involved later

- Nature and depth of the existing relationship between the partner and the executing agency
- Fit of the project in each partner’s mandate and business model
- Prior experience in co-financing, co-financing protocols, memoranda of understanding, and other indications of the likelihood of reaching agreement on the universal requirements discussed in section II of this guidance note.

The use of a partner’s Procurement system should be included in the project documents. IsDB assesses the potential use of a partner’s Procurement rules and procedures following relevant business operational plans, tools, and processes, and project concept and approval reviews.

An agreement among the MDB’s facilitates IsDB’s use of APAs with other MDBs. The agreement establishes the areas of cooperation and provides a general protocol for the members to use. Members may invoke the agreement when preparing the project documents, operational business plans, and/or the project itself.

## Section 4 – Agency Alternative Procurement Arrangements

The decision to use an APA with a Beneficiary agency for a specific project depends on it being accredited through (i) an agency Procurement assessment and (ii) a project Procurement risk profile that IsDB undertakes. This section discusses how to use these two tools to consider whether an agency should be accredited for an APA.

### A. Agency Procurement Assessment

The agency Procurement assessment is based upon professional judgment, backed by experience with the agency and preliminary indications of the country and sector/agency Procurement risk environment resulting from the risk assessment. IsDB can perform the assessment (i) at a relatively early stage in project processing for a specific operation; (ii) concurrently to the preparation of the project documents or country operations business plan, in anticipation of future financing; or (iii) at any point for an ongoing operation.

The factors to consider in identifying agencies for the potential use of APAs include whether the agency.

- Is a known agency
  - Is already an IsDB Beneficiary or executing agency for the past two or more investment lending operations;
- Has a positive track record under those operations
  - Successful project outcomes and low-risk or high-performance ratings in ongoing portfolio reviews;
- Possesses solid knowledge of relevant IsDB Procurement rules and procedures;
- Exhibits sound institutional capacity, and managerial and technical competence;
- Employs effective systems and processes that enhance transparency, integrity, fairness, and accountability;
- Demonstrates, with quantitative evidence, efficient and effective Procurement (low levels of unresponsive Procurement, rapid turnaround of Bids, adequate levels of response or competition, reliance on open competitive procedures, on-time completion, limited cost overruns), no major Procurement noncompliance, few unresolved complaints and disputes, and no adverse investigation findings by IsDB's Integrity & Ethics Department; and
- Enjoys a positive reputation among the public, industry, civil society, and other donors.

The assessment is informed by preliminary fact finding, interviews and consultations, available data, past project results, ongoing portfolio reviews, project Procurement-related reviews, integrity due diligence, and any other reports and assessments carried out by IsDB and other partners. IsDB can choose to use an agency Procurement assessment done by another partner, if relevant.



The assessment tool used is adopted from the Asian Development Banks methodology that is based on OECD’s Methodology for Assessing Procurement Systems (MAPS)<sup>2</sup>. MAPS assessments will also be used to inform APA decisions. The tool consists of an Agency Risk Assessment Summary (Annex II) of this guidance note, Agency Risk Assessment Scoring Guide (Annex III), and Agency Risk Assessment Checklist (Annex IV). It retains the four themes that constitute the core of the Organisation for Economic Co-operation and Development’s “Methodology for Assessing Procurement Systems”: (i) legislative, policy, and regulatory framework; (ii) institutional framework and management capacity; (iii) Procurement operations and market practices; and (iv) integrity, accountability, and transparency.

The tool does not require a separate assessment at the level of the agency’s project management unit. However, the tool can be used at this level, if mandated.

The main agency assessments incorporated in the tool include.

- Understanding of market practices, industry capacity, and competition;
- Impact of secondary objectives, such as preferences and international agreements, that may distort Procurement decisions;
- Adherence to high standards of integrity and ethics, including training, code of conduct, financial disclosure, whistle-blower provisions, cooling-off provisions, hotlines, interagency protocols, and evidence that allegations of integrity violations are addressed;
- Demonstrated technical competence in defining specifications and carrying out Bid evaluation;
- Independence, especially from political interference, in Procurement decision-making, along with organizational stability and maturity;
- Specific procedures and processes for Procurement planning, market analysis, risk identification, contract packaging, etc.;
- The use of innovative and/or non-traditional Procurement methods, or e-Procurement;
- Effective processes and procedures for contract management, including monitoring of contractor performance and complaints; and
- Adequate information and data management systems, recordkeeping, analysis, and reporting that underpin successful Procurement operations.

The assessment bases the overall agency risk rating for use of an APA on the weakest score, and not the overall average of the four themes. The reason is that agencies considered for the use of an APA should demonstrate consistency, competency, and performance across all four themes. This is especially important in areas less amenable to risk management and mitigation, particularly theme (iii) on Procurement operations and theme (iv) on integrity.

---

<sup>2</sup> <https://www.oecd.org/gov/ethics/benchmarking-assessment-methodology-public-procurement-systems.htm>

As with non-APA agency Procurement assessments, the risk rating for APAs is portrayed as extreme, high, medium, or low. The assessment bases the overall rating on the risk matrix in Table 1. This establishes minimum scores for themes (iii) and (iv), and average scores for individual themes. To be rated as posing low or medium risk, the agency should not have any indicator that rates below a score of two (2), meaning that no dimension of its Procurement system requires substantial improvement.

Agency Risk Rating	Scoring Indicators
<b>Extreme</b>	<ul style="list-style-type: none"> <li>• Average scores on themes (iii) and (iv) are each less than 1.5</li> <li>• Average scores on either theme (i) or (ii) are less than 1.5</li> </ul>
<b>High</b>	<ul style="list-style-type: none"> <li>• Average scores on themes (iii) and (iv) are each less than 2</li> <li>• Average scores on themes (i) and (ii) are 2 or greater</li> </ul>
<b>Medium</b>	<ul style="list-style-type: none"> <li>• Average scores on all themes are each 2 or greater</li> <li>• No indicator within the themes is scored less than 2</li> </ul>
<b>Low</b>	<ul style="list-style-type: none"> <li>• Average scores on all themes are each 2.5 or greater</li> <li>• No indicator within the themes is scored less than 2</li> </ul>

*Table 1 – Agency Procurement Risk Matrix*

## **B. Project Procurement Risk Profile**

The other factors to consider before deciding whether to authorize the use of an APA by an agency are the specific risks in the Procurement to be undertaken. This is done by the development of a project Procurement risk profile of the Procurement(s) anticipated under the project.

There are two reasons for doing this. First, the use of an APA by the agency reduces the ability of IsDB to affect individual Procurements via its prior review, including deviations from open competition. Second, the risk of the use of an APA by an agency depends on its capacity and the nature of the Procurement to be undertaken. The project Procurement risk profile addresses both of these concerns.

The need for this assessment increases the importance of good Procurement planning for the project. Procurement planning consists of determining a risk rating for each major Procurement envisaged within the next eighteen (18) months, and then extending the time horizon to cover all anticipated Procurement under the life of the project.

As early as possible during project preparation, IsDB makes a first assessment of the project Procurement risk based on (i) project scope, (ii) initial cost estimates, (iii) feasibility studies, (iv) the nature and specification of inputs required for the project, (v) progress in Procurement planning, and (vi) past experience with similar projects. IsDB refines and updates this assessment

as project preparation and due diligence proceed, based on refined cost estimates, technical specifications, and the elaboration of detailed project Procurement plans. IsDB makes the final project Procurement risk rating available at negotiations, based on the detailed project design and the latest available Procurement plan. This is the point at which IsDB makes the decision to use an APA with the agency for the specific operation.

Using the risk profile outlined in the following table, IsDB rates the overall project Procurement risk as high, medium, or low, based on the individual risks and values of major Procurements, components, cost categories, and/or expenditure categories. IsDB specifically identifies high-value or high-risk Procurements as part of this exercise, while assessing low and medium risk Procurements by broader contract or expenditure category.

Factors	Low Risk	Medium Risk	High Risk
<b>Strategic Importance</b>	<ul style="list-style-type: none"> <li>• Goods, Works, and services, consumed internally</li> <li>• Frequently used or commodities</li> <li>• Administrative and backroom activities</li> </ul>	<ul style="list-style-type: none"> <li>• Goods, Works, and services used across the agency</li> <li>• Needed for delivery of the agency’s core business</li> </ul>	<ul style="list-style-type: none"> <li>• Goods, Works, and services critical for successful project outcomes</li> <li>• High impact if Procurement fails</li> </ul>
<b>Supply Factors</b>	<ul style="list-style-type: none"> <li>• Goods, Works, and services that are easy to secure</li> <li>• Available “off-the shelf”</li> <li>• Substitutes available</li> </ul>	<ul style="list-style-type: none"> <li>• Goods, Works, and services that are hard to secure, but of low value, or those that are easy to secure, but of high value</li> </ul>	<ul style="list-style-type: none"> <li>• Goods, Works, and services that are rare, difficult to secure, and/or of high value</li> </ul>
<b>Supply Markets</b>	<ul style="list-style-type: none"> <li>• Multiple sources</li> <li>• Secure supply</li> <li>• Many local suppliers, typically small and medium-sized enterprises</li> <li>• Stable, verifiable prices</li> <li>• Low barriers to entry for new suppliers</li> </ul>	<ul style="list-style-type: none"> <li>• Mature market, comprised of both local and international suppliers</li> <li>• Few suppliers, but well known, competitive, and reliable</li> <li>• Extensive distribution and maintenance networks</li> </ul>	<ul style="list-style-type: none"> <li>• Few suppliers</li> <li>• High barriers to entry by new suppliers</li> <li>• Anticompetitive behaviors</li> <li>• Volatility in prices, quality and quantity, and availability</li> <li>• Supply constraints, such as intellectual property or raw materials</li> <li>• Complex supply chains with weak links</li> <li>• Exposure to external risks, e.g., weather, or political or economic situation</li> </ul>

<p><b>Technical Aspects</b></p>	<ul style="list-style-type: none"> <li>• Quality standards are known, easy to specify, and easily met</li> <li>• Commonly known and available spare parts</li> <li>• No problems of compatibility</li> <li>• Low operation and maintenance costs</li> <li>• User familiarity</li> </ul>	<ul style="list-style-type: none"> <li>• Established standards are available</li> <li>• Reliable quality assurance and monitoring</li> <li>• Important life cycle costs, such as cost for maintenance, after-sales service, and operating costs</li> <li>• High demand for user training and competency</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to specify or unique</li> <li>• Complex manufacturing, construction, and/or design processes</li> <li>• High life cycle costs</li> <li>• High technical expertise needed by users</li> <li>• Opaque quality assurance</li> <li>• Risks in implementation</li> <li>• Specialized or customized</li> <li>• Rapid technological change or obsolescence</li> <li>• Concerns about safety, hazards, or socio-environmental impacts</li> </ul>
<p><b>Procurement Process</b></p>	<ul style="list-style-type: none"> <li>• Repeat order</li> <li>• Large number of similar transactions</li> <li>• Transactions using e-Procurement and/or Standard Bidding Documents</li> <li>• Centralized processing and/or easily monitored</li> <li>• Simple delivery, reception, and/or warehousing</li> </ul>	<ul style="list-style-type: none"> <li>• Decentralized Procurement across multiple agency units</li> <li>• Packaging and bundling of Procurements</li> <li>• Intensive monitoring of contract administration and contractor performance</li> </ul>	<ul style="list-style-type: none"> <li>• Infrequent transactions</li> <li>• Innovative processes or contractual form unfamiliar to the agency (e.g., public– private partnership)</li> <li>• High costs in terms of due diligence, preparation, time, expertise, and monitoring</li> <li>• Time constraints, e.g., in response to an emergency</li> </ul>

**Table 2 – Procurement Risk Profile**

The preponderance of risk by contract value (not number) determines the overall project Procurement risk rating. Risk is high if greater than 50% of the value of planned Procurement rates as high; risk is medium if greater than 50% of planned Procurement rates as medium; and risk is low if greater than 50% of planned Procurement rates as low.

**C. Decision to Use an Alternative Procurement Arrangement**

The final step in accrediting the agency and determining the use of an APA for a specific project is to combine the agency Procurement assessment with the project Procurement risk profile.

As described in the following table, agencies with extreme agency Procurement risk would not be eligible for the use of an APA even if the project Procurement risks were low, while agencies with high agency Procurement risk may be able to use an APA for operations that involve largely routine, low-value, low-risk Procurement.

Agency Procurement Risk Rating	Project Procurement Risk Assessment		
	Low Risk Procurement	Medium Risk Procurement	High Risk Procurement
Extreme	x	x	x
High	✓	x	x
Medium	✓	✓	x
Low	✓	✓	✓

**Table 3 – APA Matrix**

## Section 5 – Partner Alternative Procurement Arrangements

### A. Co-financing Policies and Procedures

Co-financiers undertake relevant project analyses and assessments, and make financing decisions, in accordance with their own operational rules and procedures. Not all potential co-financiers are eligible for an APA. Co-financing under an APA should be contractual and untied.

IsDB maintains co-financing agreements with bilateral and multilateral or regional agencies that enable the application of IsDB policies and IsDB administration under joint or untied parallel financing arrangements. In such cases, IsDB takes the lead role and responsibility for carrying out Procurement on behalf of these co-financiers. If there is mutual understanding for the co-financier to handle the Procurement(s), IsDB can approve an APA for these arrangements. Nevertheless, IsDB Group Anti-Corruption Guidelines on Preventing and Combating Fraud and Corruption in IsDB Group-Financed Projects, and contractual remedies in applicable FA with the Beneficiary, shall continue to apply.

### B. Mutual Reliance and Recognition

The use of an APA with co-financiers with the use of the principles of mutual reliance and recognition. IsDB expects the use of an APA will be mainly with other MDBs. Joint agreements have been established or are being established which governs operations. In the event that IsDB considers the use of Procurement arrangements of a non-MDB financing partner, IsDB would address this on a case-by-case basis, following the same principles and parameters contained in the MDB joint agreement.

### C. Roles and Responsibilities

Once the financing parties have agreed on the nomination of the lead financier, the parties agree to their respective roles and responsibilities for the specific operation which should include.

- Commitment by the lead financier to carry out delegated tasks with due diligence;
- Procurement planning, including overall strategy, eligibility, specific Procurement procedures, packaging, retroactive financing, advance contracting, cost estimates, updates, and timeline, reflecting contract value, risk, and complexity;
- Procurement monitoring, approach to prior and post review (sampling), etc.;
- Use of master or Standard Bidding Documents;
- Consultation and communication of Procurement decisions, transactions, contract award, etc.;
- Handling of complaints;
- Declaration of non-compliance and remedies;
- Adherence to the IsDB Group Anti-Corruption Guidelines on Preventing and Combating Fraud and Corruption in IsDB Group-Financed Projects and exchange of information on integrity allegations;

- Contract variations and amendments;
- Disbursements;
- Status of project implementation;
- Status of an APA agreement and compliance; and
- Resolution of differences.

It is understood that these roles and responsibilities are reciprocal. They apply to IsDB in case it is the lead financier and to the lead financier in other cases. It is understood that the responsibility of assuming the role of lead financier, in terms of costs, is not a concern for the partners entering an APA agreement, as incremental costs are likely to be low and, without co-financing, the lead financier would have borne responsibility.

#### **D. IsDB Implementation Support and Reporting**

The agreement should address issues of operational support and reporting during implementation. While the lead financier takes on the prime responsibility for monitoring Procurement during implementation, partners may be consulted on particular transactions, and collaborate in other ways in providing implementation support and monitoring progress.

In cases where IsDB is not the lead financier, IsDB remains responsible for providing internal status reports to its Board of Executive Directors and Management, and to the public, on project progress and results.

#### **E. Legal Agreements**

The agreements on universal requirements and the respective roles and responsibilities of the lead financier and other partners are to be part of the legal and financing agreements for the project. With frequent co-financing, these agreements may be embodied in a standing cooperation framework or understanding. Specific legal agreements formalize such arrangements.



## Section 6 – Other Considerations

### A. The Decision to Use Alternative Procurement Arrangements

The final decision to recommend the use of an APA, whether with an agency or partner, and whether or not IsDB will assume the role of lead financier, is taken by the relevant IsDB authorities, at the Procurement planning stage and as part of the decision-making for the project, corresponding to the sign-offs and approval stages required for the Procurement.

The decision and justification for the use of an APA is described in a report which includes the summary of the assessment, identified risks and risk rating and recommendation for use of an APA. The APA is approved as part of project approval by the IsDB Board of Executive Directors or its Management (where applicable). Any major changes to the APA during implementation must be approved by IsDB. This includes introducing an APA for any ongoing project or to an existing project.

#### The Role of IsDB

The role of IsDB under an APA Procurement process instead of a traditional Procurement is that IsDB no longer undertakes prior reviews of individual Procurement transactions. Instead, IsDB focuses on ensuring that the Procurement planning is carried out efficiently at the project preparation and approval stage, leading to the approval for the use of an APA, and subsequent monitoring and reporting during implementation.

Oversight and monitoring are determined on whether the APA is an agency APA or partner APA. For an agency, IsDB will need to pay particular attention to Procurement review, monitoring, and auditing arrangements. For a partner, IsDB's involvement will be defined in accordance with the agreement reached with the partner.

### C. Fiduciary Requirements

Partner APA's, MDBs and bilateral donors, the assertion that IsDB's fiduciary requirements are met is based on the principles of mutual reliance and recognition among the parties. This is reflected in the agreements with the lead financier, specific Procurement arrangements for each operation, regular exchange of information on the status of Procurement during implementation, periodic involvement of IsDB in monitoring overall progress and transactions as needed, and appropriate recourse by IsDB in the event of disagreement and/or noncompliance.

With the use of an APA with agencies, assurances that IsDB's fiduciary obligations will be met will be determined as part of the Agency Assessment and Risk Assessment process.



## Annex I. IsDB Member Countries

The Islamic Development Bank is made up of fifty-seven (57) Member Countries.

- Afghanistan
- Albania
- Algeria
- Azerbaijan
- Bahrain
- Bangladesh
- Benin
- Brunei
- Burkina Faso
- Cameroon
- Chad
- Comoros
- Cote D'Ivoire
- Djibouti
- Egypt
- Gabon
- Gambia
- Guinea
- Guinea Bissau
- Guyana
- Indonesia
- Iran
- Iraq
- Jordan
- Kazakhstan
- Kuwait
- Kyrgyz Republic
- Lebanon
- Libya
- Malaysia
- Maldives
- Mali
- Mauritania
- Morocco
- Mozambique
- Niger
- Nigeria
- Oman
- Pakistan
- Palestine
- Qatar
- Saudi Arabia
- Senegal
- Sierra Leone
- Somalia
- Sudan
- Suriname
- Syria
- Tajikistan
- Togo
- Tunisia
- Turkey
- Turkmenistan
- Uganda
- United Arab Emirates
- Uzbekistan
- Yemen



## Annex II. Agency Risk Assessment

Indicators	Score	Narrative
<b>1. Legislative, Policy, and Regulatory Framework</b>	<b>[Average of 1.1–1.4]</b>	
1.1 Does the national public Procurement law (including supporting regulations, Standard Bidding Documents, model contracts, and operational manuals or guides) apply to the agency?		[The assessor should give a narrative response and determine whether additional information or verification is required.]
1.2 Is there a sector- or agency-specific legal framework, and does it embody and demonstrate IsDB’s core Procurement principles?		
1.3 Is the agency Procurement system supported by implementing regulations, guides, manuals, etc., that are up-to-date and tailored to the agency’s operational requirement and state clearly when, how, and by whom Procurement is to be undertaken?		
1.4 Are there secondary objectives, such as domestic preferences, promotion of small and medium-sized enterprises, and/or international agreements that impede the realization of the policy’s primary goals and principles?		
<b>2. Institutional Framework and Management Capacity</b>	<b>[Average of 2.1–2.6]</b>	
2.1 Is the Procurement cycle tied to the annual or multiyear budget and planning cycle?		
2.2 Does the system foster efficiency through the use of adequate planning?		
2.3 Are mandates, roles, and responsibilities for the Procurement function clearly defined and based on relevant qualifications that generate objective, independent, and technically sound Procurement decisions?		

2.4 Does the Procurement function have the physical infrastructure, human resources, information technology, and administrative capacity needed to carry out Procurement efficiently?		
2.5 Is information on Procurement activities readily available, complete, and reliable?		
2.6 Is there an independent normative or regulatory body that guides and oversees the agency's Procurement policy and function?		
<b>3. Procurement Operations and Market Practices</b>	<b>[Average of 3.1–3.4]</b>	
3.1 Is the private sector competitive, well organized, and able to access the agency's business?		
3.2 Do Procurement strategies and approaches to the market account for market realities, supply constraints, external risks, and other factors?		
3.3 Are Procurement transactions generally competitive, responsive, timely, and efficient?		
3.4 Is there an effective and credible mechanism to receive, handle, and respond to questions, complaints, and protests?		
<b>4. Integrity, Accountability, and Transparency</b>	<b>[Average of 4.1–4.5]</b>	
4.1 Is there a formal internal control and external audit framework for the agency that covers Procurement?		
4.2 Is information on the agency's Procurement activity easy to find, free, comprehensive, and relevant?		
4.3 Do civil society organizations and local communities participate in public consultations, monitoring, and oversight of Procurement activities?		
4.4 Does the agency have up-to-date ethical and anticorruption measures in place that are enforced?		

4.5 Do parties have effective recourse to a second level of binding appeal on decisions taken regarding complaints and dispute resolution?		
--------------------------------------------------------------------------------------------------------------------------------------------	--	--





## Annex III. Agency Risk Assessment Scoring Guide

Indicators	Agency Question	Scoring Guide
<b>1. Legislative, Policy, and Regulatory Framework</b>		
<p>1.1 Does the national public Procurement law (including supporting regulations, Standard Bidding Documents, model contracts, and operational manuals or guides) apply to the agency?</p>	<p>Is the sector or agency exempted by legislation from being subject to the national Procurement law?</p> <p>Even if subject to such legislation, does the agency tend to follow it?</p> <p>Does the agency use the centrally issued Procurement manuals and guidance?</p> <p>Have centrally issued documents been tailored to the agency's requirements?</p> <p>In the absence of centrally issued documents, does the agency have its own Standard Bidding Documents and guidance?</p>	<p>3 – The agency has its own regulations, processes, and Bidding documents superior to those in the national public Procurement system.</p> <p>2 – The agency is subject to the national Procurement law and tends to follow it. Generally, uses the national Procurement processes, guidelines, and Bidding documents.</p> <p>1 – The agency is subject to the national law but tends not to follow it. Frequent deviations. 0 – The agency is exempt from or does not follow the national Procurement system, and does not have its own regulations, processes, guidelines, and Bidding documents that compensate for this.</p>
<p>1.2 Is there a sector- or agency-specific legal framework, and does it embody and demonstrate IsDB's core Procurement principles?</p>	<p>Is there nondiscriminatory, transparent tendering?</p> <p>Are there acceptable provisions for participation of state-owned enterprises?</p> <p>Does functional specification of user needs drive the Bidding process?</p> <p>Are value for money, life cycle costs, sustainability considerations covered?</p> <p>Are innovative processes, including e-Procurement, allowed?</p> <p>Does the system strive for fit for purpose and proportionality?</p>	<p>3 – Generally, Procurement follows the core principles. Sustainability is a factor. There is no restriction on the nationality or origin of Goods. There is no domestic or other targeted preference. Acceptable provisions for participation of state-owned enterprises. There is opportunity for innovation. Thresholds defining the use of one method over another are clear and reasonable. Five or more Bidders on average.</p> <p>2 – Basic outline of the system corresponds to core public Procurement principles, but does not incorporate value for money, life cycle costs, sustainability, and innovation. No restriction on nationality, or domestic preference, but not necessarily enforced. Contradicted by other regulations. Three Bidders on average.</p>

	<p>Are monetary thresholds established for the use of different Procurement methods?</p>	<p>1 – Limited adherence to core principles (e.g., efficiency and economy), with minimal supporting provisions regarding transparency, openness, and value for money. Some restrictions on Bidders. Two or less Bidders per contract on average.</p> <p>0 – Limited coherence and alignment with core principles, particularly regarding openness and value for money. Limited competition, with less than two Bidders per contact. High rates of void Bids.</p>
<p>1.3 Is the agency Procurement system supported by implementing regulations, guides, manuals, etc., that are up-to-date and tailored to the agency’s operational requirement and state clearly when, how, and by whom Procurement is to be undertaken?</p>	<p>Does the agency have an e-Procurement system incorporated in national Procurement laws?</p> <p>Are there up-to-date manuals, guides, and Bidding procedures that are clear and comprehensive?</p> <p>Do they reflect user needs and requirements?</p> <p>Do such materials cover contract management and performance?</p>	<p>3 – Supporting materials are up-to date, comprehensive, and cover the full Procurement cycle. They are accessible, commonly used and relied upon by agency staff, Bidders, and civil society. E-Procurement is widely used. Guidelines define who can take Procurement decisions and when, including levels of delegation; these are appropriate and are adhered to.</p> <p>2 – Supporting materials exist, are generally used, and comprehensive. They are available online, but they may be out of date and may not be relied upon for accuracy. E-Procurement exists but is limited in scope. There is some ambiguity of who is authorized to make Procurement decisions and under what circumstances.</p> <p>1 – Supporting materials exist, but are not reliable, up-to-date, or comprehensive. They cover only part of the Procurement cycle (e.g., do not cover contract management). Materials are available only in paper form with limited accessibility. They are only used occasionally, with lack of compliance and improvisation to fill gaps. Delegation is not clear and/or partial.</p>

		<p>Decision-making tends to be centralized.</p> <p>0 – Supporting materials are outdated, not comprehensive, cannot be relied upon, and have limited accessibility. These tend not to be followed, with parties improvising case by case, without codification. Lines of authority and delegation of decision are not followed. Decisions tend to be centralized at high levels.</p>
<p>1.4 Are there secondary objectives, such as domestic preferences, promotion of small and medium-sized enterprises, and/or international agreements that impede the realization of the policy’s primary goals and principles?</p>	<p>Has the country signed on to international agreements such as the World Trade Organization’s Agreement on Government Procurement, and/or regional trade agreements that govern public Procurement?</p> <p>Is the agency’s Procurement policy consistent with these agreements?</p> <p>Is there a national policy that establishes preferential access by particular groups to public Procurement?</p> <p>Does this framework cover sustainability and environmental impacts?</p> <p>Is the agency’s Procurement subject to such preferences?</p> <p>Does the agency have its own goals and preferences in particular areas, such as sustainability?</p> <p>Are the criteria for any such preferences clearly stated and objective?</p> <p>Are they understood by the agency, should they apply?</p> <p>Can the agency opt out of such preferences, based on a business</p>	<p>3 – The agency is fully compliant with international or regional agreements. National framework for preferences is consistent with sound Procurement principles, clearly targeted, not abused or prone to widespread fraud, and subject to periodic cost–benefit and impact assessment. The agency tracks and monitors preferences and measures the affect value for money. It engages with policy makers on impacts. Such preferences are minimal (i.e., less than 5% of the value of Procurement). Even if there is no framework, the agency makes its best efforts to reach out to all potential Bidders and encourages their participation. It has its own policy on sustainability that focuses on technical specifications and life cycle costs.</p> <p>2 – The agency is fully compliant with relevant international or regional agreements. There is a national framework that provides preferences to groups, but it is not justified on the basis of cost–benefit and has weak controls against fraud. The impact of such preferences tends to be minimal (i.e., less than 5% of the value of Procurement) and they do not involve strategically important Procurement. The agency tracks and monitors compliance. The agency is at the early</p>

	<p>case, in terms of relevance and value for money?</p> <p>Are preferences justified on the basis of costs and benefits, and subject to appropriate impact assessment?</p> <p>To what extent is the agency's Procurement affected by any such preferences?</p> <p>Does the agency have a system in place to control, track, report, and assess the impact of any such preferences, including the incidence of fraud?</p> <p>Does the agency engage and contribute to the national dialogue on the merits of such preferences</p>	<p>stages of developing its own policy toward sustainability.</p> <p>1 – It is not clear that the agency is compliant with international or regional agreements as these are not tracked. There is a low level of understanding on the part of the agency as to its obligations. A national framework for preferences exists but is subject to widespread fraud, criteria are not clear, and impacts are not tracked or justified on the basis of cost– benefit. The impact on the agency can be material (i.e., greater than 5% of the value of Procurement) and involve strategically important Procurement. The agency does not consider sustainability.</p> <p>0 – The agency is not in compliance with any international or regional agreements. There is a low level of understanding of such agreements. The agency routinely awards contracts on the basis of preferences even though the national framework is weak. It does not track such contracts and their impacts.</p>
<b>2. Institutional Framework and Management Capacity</b>		
<p>2.1 Is the Procurement cycle tied to the annual or multiyear budget and planning cycle?</p>	<p>Are Procurement plans prepared as part of the agency budget planning process?</p> <p>Does the agency require that the availability of funds is a precondition of initiating a Procurement transaction?</p> <p>Are budget estimates based on contractual commitments and realistic cost estimates?</p> <p>Are budgets periodically updated and revised depending on physical progress and milestones?</p>	<p>3 – Procurement plans are prepared as part of the annual or multiyear budget process. Availability of funds is confirmed before Bidding. Budgets and expenditure forecasts are based on updated cost estimates and physical milestones. The system tracks contractual commitments, including contingent liabilities. Payments are made on time, based on delivery or reception. Final payment and settlement of retention monies is made on the basis of certification of contractual compliance.</p> <p>2 – Procurement plans are prepared independently of the annual or</p>

	<p>Are contractual payments made on a timely basis?</p> <p>Are payments made on the basis of certification of successful delivery and acceptance of Goods, Works, and services?</p>	<p>multiyear budget process but are reconciled with budget-expenditure forecasts. The financial management system does not monitor contractual commitments. Payments may be held up because of budgetary limits.</p> <p>1 – Procurement plans are prepared but are not linked to annual or multiyear budgets or expenditure forecasts. Payments are frequently held up because of budgetary limits. There is little link between delivery or reception and payment. No follow-up on final contractual terms and obligations.</p> <p>0 – Annual Procurement plans are not prepared. Payment delays are frequent and hold up physical progress. Payments are made without verification of delivery, reception, or fulfillment of contractual obligations.</p>
<p>2.2 Does the system foster efficiency through the use of adequate planning?</p>	<p>Does the agency have established procedures and processes to support Procurement planning?</p> <p>Do these processes include needs analysis, market research, and risk assessments?</p> <p>Are high-risk Procurements identified?</p> <p>Are there processes to validate cost estimates?</p> <p>Does the system generate appropriate decisions on bundling, packaging, and the choice of Procurement method?</p> <p>Are Procurement plans prepared for the majority of the value of Procurement?</p> <p>For high-risk Procurements?</p> <p>Does the planning system identify implementation risks and</p>	<p>3 – The agency carries out comprehensive Procurement planning for the majority of its Procurement by value (i.e., 80%) and excludes only routine, low-value purchases. Plans are published and available to the public. High-risk Procurements are identified (along with those with low and medium risks) and receive additional management attention. The planning process covers the full Procurement cycle through to contract management.</p> <p>2 – The agency carries out comprehensive Procurement planning for more than 50% of its Procurement by value, focusing on high-risk Procurements only. The rest are subject to more limited planning that depends on historical Bidding results to gauge market interest and focuses on establishing timelines, logistics, and decision points. Even if limited, these plans are published.</p>

	<p>contract management requirements?</p> <p>Are roles and responsibilities clearly defined for the whole Procurement cycle, through to contract management?</p>	<p>1 – The agency carries out comprehensive Procurement planning only if required by an external financing agency and supplemented with technical support. Those plans are published. The agency does not carry out comprehensive planning for its own Procurement and limits any planning to timelines, logistics, and decision points. These plans are not published. Planning does not cover implementation and contract management.</p> <p>0 – The agency does only rudimentary Procurement planning (e.g., lists of pending Procurement), no plans are routinely published, and the agency does not have the internal systems or capacity to carry out comprehensive planning even with technical support.</p>
<p>2.3 Are mandates, roles, and responsibilities for the Procurement function clearly defined and based on relevant qualifications that generate objective, independent, and technically sound Procurement decisions?</p>	<p>Are there written, up-to-date job descriptions?</p> <p>Do these define responsibilities for the complete Procurement cycle, including contract management?</p> <p>Do they establish the minimum requirements for candidates?</p> <p>Are these recognized and established in the agency's human resource management system?</p> <p>Is recruitment of professional staff competitive?</p> <p>Is it merit-based?</p> <p>Are staff provided with opportunities for training and professional upgrading?</p> <p>Is there a system of certification or accreditation for Procurement professionals?</p>	<p>3 – The Procurement function is organized and staffed along professional lines. There are written, up-to-date job descriptions. Recruitment is merit based. The profession is recognized in the agency's human resource system. There are individual staff performance, evaluation, and training plans. The agency adheres to an internationally recognized professional certification in the absence of a domestic program. Decisions correspond to stated roles and responsibilities with clear lines of delegation. Senior Procurement management is comprised of seasoned, qualified professionals who have authority to make Procurement decisions. E-Procurement is handled by a dedicated specialized unit. The composition of the evaluation committee includes appropriate technical expertise. Users are involved in both specification and evaluation.</p>

	<p>Do Procurement decisions correspond to the qualifications, and roles and responsibilities, of the concerned officials?</p> <p>Is there a clear delegation of authority to define which officials at what level can make particular Procurement decisions?</p> <p>Is management and Procurement decision-making decentralized?</p> <p>Are lines of authority clear?</p> <p>Is the management cadre composed of experienced Procurement professionals?</p> <p>What is their tenure?</p> <p>Is there a dedicated unit for e-Procurement and information technology?</p> <p>Is there adequate input during the Procurement cycle from users, civil society organizations and technical experts, especially in defining specifications, evaluating Bids, and monitoring performance that facilitates independent and objective decision-making?</p>	<p>2 – The Procurement function is organized and staffed along professional lines. However, job descriptions are outdated and do not correspond to the needs of day-to-day operations. Certain skill sets are lacking (e.g., e-Procurement). Recruitment is competitive and merit-based, but the agency has difficulty in recruiting highly qualified staff because of salary limits. Decisions are taken in accordance with stated roles and responsibilities. Senior Procurement management is professionally qualified, but their decisions may be overridden by higher level authorities.</p> <p>1 – The organizational structure for Procurement is rudimentary and tends to be outdated, with little opportunity for professional development and growth. Decisions are hierarchical, with limited delegation, and tend to be taken at a high level, even for relatively minor, low-risk, and low-value transactions. Recruitment follows basic civil service or agency rules, with little ability to attract meritorious candidates. Little specialization. Management lacks technical expertise and experience.</p> <p>0 – The organization structure is rudimentary and tends to be outdated; there is no specialization, with little opportunity for professional development and growth. Management cadre is appointed without due consideration to professional qualifications, competencies, and experience. Decisions are hierarchical, taken at a high level, and tend to reflect noneconomic considerations. Recruitment follows basic civil service or agency rules, with little ability to attract meritorious candidates.</p>
--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



<p>2.4 Does the Procurement function have the physical infrastructure, human resources, information technology, and administrative capacity needed to carry out Procurement efficiently?</p>	<p>Is there adequate document storage, safekeeping, and retention per established norms?</p> <p>What is the level of specialized Procurement staffing?</p> <p>Is it adequate?</p> <p>Is there adequate administrative, computing, data management, and other support?</p> <p>Is there a system for collecting and disseminating Procurement information?</p> <p>Is it timely, accessible, and user friendly?</p>	<p>3 – The agency has the full complement of staff, physical facilities, storage, computing, communications, and other administrative support systems to handle Procurement efficiently and effectively. It produces and disseminates routine management and other reports on its Procurement activities. There are few skills gaps. Only minor upgrades are needed for the project. These can be easily accommodated in the agency’s business or staffing plan.</p> <p>2 – The agency has the baseline needed for its regular operations, but its capacity needs to be expanded and upgraded to handle the demands of the project. These upgrades have been identified and plans prepared for implementation in a timely manner.</p> <p>1 – The agency does not have the capacity to deal with its ongoing Procurement let alone the Procurement implicit in a new project. Major upgrades would be required. Currently, there is willingness, but the agency does not have a plan to address its shortcoming and needs external support to formulate such a plan.</p> <p>0 – The agency does not have the capacity to deal with its ongoing Procurement, let alone the Procurement implicit in a new operation. Extensive upgrading of physical facilities, staffing, management, and basic systems would be necessary. At the same time, the legislative and regulatory environment is not conducive. No plan exists, with little prospect of securing resources.</p>
<p>2.5 Is information on Procurement activities</p>	<p>Does the agency generate timely, reliable, and accurate information on Procurement?</p>	<p>3 – The agency produces regular public reports on its Procurement activities. These reports are available online, at no</p>

<p>readily available, complete, and reliable?</p>	<p>Is it made readily accessible, free of charge?</p> <p>Is the information subject to public disclosure, with reasonable exemptions for confidentiality?</p>	<p>cost, and cover all Procurement with the exception of minor items. The reports are comprehensive, including progress during implementation.</p> <p>More information is available based on specific requests for access. There are limited exemptions for reasons of confidentiality. Civil society, donors, and the business community regularly use this information.</p> <p>2 – The agency produces regular reports on its Procurement activities, although they may tend to be limited to contract award. They are accessible to the public at no cost but are subject to delays. No further information is available even upon request.</p> <p>1 – The agency produces annual reports on its overall operations with cursory coverage of Procurement, providing the basic information on contract award and value. More detailed information is not available.</p> <p>0 – The agency does not produce an annual report on its operations that is publicly available. No Procurement information is available to the public. Only government bodies receive reports.</p>
<p>2.6 Is there an independent normative or regulatory body that guides and oversees the agency's Procurement policy and function?</p>	<p>Does the agency fall under the remit of a national sector oversight or regulatory body?</p> <p>Does that body produce periodic reports on the agency's Procurement activities?</p> <p>If so, are these reports publicly available, free of charge?</p> <p>Does the body have the right to issue instructions or guidance to the agency for improvements to its Procurement policy?</p>	<p>3 – There is a regulatory body, with remit over the agency, which produces periodic reports on the Procurement carried out by the agency. It also can issue recommendations on improvements. Its reports are available at no cost. It can also undertake special investigations and reviews.</p> <p>2 – No specific regulatory body exists, but the central government oversight bodies on public expenditure have the remit to examine how the agency procures at their discretion. This</p>

		<p>includes the supreme audit agency. Beyond regular audits of financial aspects, these bodies carry out specific Procurement audits periodically, but not necessarily on a regular basis, and such reports are made available to the public.</p> <p>1 – No regulatory body exists, but it may be possible for the legislative, executive, or judicial branches of government to intervene on an exceptional basis. The remit would be targeted to a particular issue or concern. Reports may or may not be public.</p> <p>0 – There is no regulatory body with oversight. However, the executive branch and/or judicial system may intervene if called upon. Such interventions may not be efficient or effective</p>
<b>3. Procurement Operations and Market Practices</b>		
<p>3.1 Is the private sector competitive, well organized, and able to access the agency's business?</p>	<p>Is competitive Bidding a common feature for the agency?</p> <p>Is there a core of suppliers in the sector that regularly submits responsive Bids?</p> <p>What proportion of the agency's Procurement is undertaken through open competitive Bidding?</p> <p>Are noncompetitive methods abused?</p> <p>Does the agency make sufficient effort to attract Bids, such as adequate advertising, Bidding periods, and online access?</p> <p>Are there excessive regulations or supply constraints, such as inputs, labor, and delivery, that limit competitiveness (e.g., barriers to entry, registration)?</p>	<p>3 – Competitive Bidding is prevalent (&gt;80% by value). Little evidence that noncompetitive methods are abused (&lt;10% by value). At least five Bidders on average per contract. Agency makes sufficient effort to attract Bids. Bidding facilitated by e-Procurement and online access. Generally competitive markets with easy access to foreign suppliers.</p> <p>2 – Competitive Bidding is generally evident (&gt;50% by value) and noncompetitive methods not abused (&lt;20%) by value. Core suppliers regularly submit Bids but are often nonresponsive. At least three Bidders on average per contract. Agency generally makes sufficient effort to attract Bids; if not, deviations justified. Generally competitive markets, with specific areas that may be closed and/or with limited competition.</p>

		<p>1 – Competitive Bidding is not prevalent (&lt;50% by value) and use of noncompetitive methods is substantial (&gt;20%). Suppliers tend to be one-off and often nonresponsive. At least two Bidders on average per contract. Agency often does not make sufficient effort to attract Bids. Competition varies, and some sectors may be more closed than others. Possible high restrictions to inputs, entry, or competition.</p> <p>0 – Competition is weaker than average in the country. Suppliers tend to be one-off and nonresponsive. Substantial use of noncompetitive methods (&gt;20% by value). Less than two Bidders on average per contract. Agency rarely makes sufficient effort to attract Bids. Limited competitiveness in key sectors within domestic markets and few foreign suppliers.</p>
<p>3.2 Do Procurement strategies and approaches to the market account for market realities, supply constraints, external risks, and other factors?</p>	<p>Does the agency prepare Procurement strategies based on market research?</p> <p>Are there thresholds established that define when different methods are to be used, especially for when to open competition to international Bidders?</p> <p>Are cost estimates adjusted to meet inflation and other factors?</p> <p>Is there due diligence undertaken to determine eligibility?</p> <p>Is performance on past contracts tracked and used as inputs for future Bidding?</p>	<p>3 – Procurement is based on market research and knowledge; methods and approaches are adjusted to market conditions and supply factors. Appropriate due diligence is undertaken to determine eligibility, including past performance, debarment, etc. Procurement transactions are routinely screened for risks, with mitigation actions adopted.</p> <p>2 – Formal Procurement strategies are not prepared for most Procurements, but the agency carries out research and due diligence for particularly high-risk, strategically important transactions.</p> <p>1 – Procurement tends to be undertaken transaction-by-transaction, without background research and systematic risk assessment. Due diligence is limited to Prequalification and/or is informal and not part of a formal system.</p>

		0 – Procurement is carried out transaction by transaction without the benefit of market research, due diligence, and limited Prequalification
3.3 Are Procurement transactions generally competitive, responsive, timely, and efficient?	<p>What percentages of contracts are awarded for values equal to or less than the original cost estimates?</p> <p>What percentage of contract variations amount to a cumulative impact of more than 10% of the original contract prices?</p> <p>Are like contracts packaged appropriately to attract Bidders and increase efficiency?</p> <p>What is the worst-case length of time from invitation to award?</p>	<p>3 – More than 75% of contract awards sampled.</p> <p>2 – 50% to 75% of contract awards sampled.</p> <p>1 – 20% to 50% of contract awards sampled.</p> <p>0 – Less than 20% of contract awards sampled.</p> <p>3 – Less than 10% of contracts sampled.</p> <p>2 – 10% to 20% of contracts sampled.</p> <p>1 – 20% to 50 % of contracts sampled.</p> <p>0 – More than 50% of contracts sampled.</p> <p>See the agency Procurement assessment checklist in Appendix 3 for evidence of splitting contracts, time taken to award, etc., plus compilation of data and analysis of contracts by type, value, method, elapsed time, contract variations in price, time to completion, contract changes, percentage of unresponsive Bids, and Bids that had to be retendered.</p>
3.4 Is there an effective and credible mechanism to receive, handle, and respond to questions, complaints, and protests?	<p>Do contracts include adequate provision for dispute resolution?</p> <p>Are there specific agency procedures to receive and handle observations, complaints, and protests?</p> <p>Are they processed in the time limit provided in the law or agency specific regulations?</p> <p>Is there recourse to a second-tier review that has capacity for enforcement under the law?</p>	<p>3 – The complaint review system has precise and reasonable conditions, and time frames for decisions with clear enforcement authority and recourse to a second tier. These reviews are based on available information. More than 90% of complaints are processed within stipulated times and the decisions are made public.</p> <p>2 – There are terms and time frames for the resolution of complaints, but authority for enforcement is unclear.</p>

	How often do Bidders submit complaints?	<p>More than 75% of complaints are processed within stipulated times.</p> <p>1 – Terms and conditions are vague. The time to resolve complaints is tracked by the agency.</p> <p>0 – There is no effective or functioning complaints mechanism.</p>
<b>4. Integrity, Accountability, and Transparency</b>		
4.1 Is there a formal internal control and external audit framework for the agency that covers Procurement?	<p>Does the agency have an independent internal audit function?</p> <p>Are there adequate internal control mechanisms for the Procurement function?</p> <p>Is the agency subject to regular performance, financial, or value for money audits by an external body?</p> <p>Are agency accounts generated in a timely manner after the close of the fiscal year and available for audit?</p> <p>Are audit findings and recommendations acted upon by management in a timely manner?</p> <p>Are audit findings made public?</p>	<p>3 – The agency has an effective internal control framework, including an independent internal audit function. Annual financial audits are undertaken, with the results available no later than 6 months after the close of the fiscal year. They are made public. Recommendations are tracked, and no significant audit finding is outstanding for over 6 months.</p> <p>2 – The agency has effective segregation of duties, an internal audit function exists, but its capacity is weak, or it is not sufficiently independent. The results of financial audits are typically delayed beyond 6 months.</p> <p>1 – The agency has effective segregation of duties and is subject to annual audit. There is no internal audit function and/or audit findings are not addressed in a timely manner, nor are they made public.</p> <p>0 – The internal control system is weak, with no internal audit. There is limited external audit, substantial delays in generating accounts for audit with commensurate delays in audit results. They are not made public. Findings are not disposed of in a timely manner.</p>
4.2 Is information on the agency's Procurement activity easy to find, free, comprehensive, and relevant?	<p>What percentage of Bids are published in a medium that is easily and freely accessible?</p> <p>Can Bidders easily and freely access Bid information?</p>	<p>3 – At least 80% of Bids and awards by value are published and are readily accessible at all times in an e-Procurement system or online site. Bidders have easy and free access.</p>

	<p>Are contract awards routinely announced in a medium that is easily and freely accessible?</p>	<p>There are limited exclusions for reasons of confidentiality.</p> <p>2 – At least 60% of Bids and awards by value are published, and available online in a timely manner.</p> <p>1 – At least 20% of Bids and awards by value are published. Statistics are eventually available online, but there are delays in publication and the data are not verified for accuracy.</p> <p>0 – Less than 20% of Bids and awards by value are published. Procurement statistics are not available online, not timely, nor accurate</p>
<p>4.3 Do civil society organizations and local communities participate in public consultations, monitoring, and oversight of Procurement activities?</p>	<p>Are third party observers invited to attend public Biddings and the opening of tenders?</p> <p>Do third parties, including civil society organizations, researchers, user groups, public policy advocates, etc., have free and complete access to e-Procurement and/or online information?</p> <p>Are there consultations with civil society organizations, local user groups, and independent experts on the project, specifications, detailed design, and Procurement plan?</p> <p>Are such organizations involved or consulted during implementation, on project progress, implementation, and milestones?</p>	<p>3 – Third parties are regularly invited to attend public Procurement openings. In addition, civil society organizations, user groups, researchers, technical experts, and public policy advocates are regularly invited to contribute to project design and specifications. Such groups are often invited to participate as observers in Procurement, especially at the specification and evaluation stage, and during project implementation. Consultations are a regular feature of project implementation. Third parties have full access to complaints mechanisms, hotlines, etc., and other features of the project 's accountability framework.</p> <p>2 – Third parties are invited to specific public openings, and they are occasionally called upon to provide inputs or comments on particular project features and Procurements. They are not generally involved directly in establishing specifications or Bid evaluation. They are often observers during implementation monitoring. Third parties have full access to project accountability mechanisms.</p> <p>1 – There is no formal process for third party involvement and limited access by</p>

		<p>third parties to the project in general and Procurement in particular. Consultations take place only if there is a formal complaint and/or in reaction of an incident.</p> <p>0 – There is no formal process for third party involvement and limited access by third parties to the project in general and Procurement in particular. There is no mechanism for third parties to raise their concerns with the agency.</p>
<p>4.4 Does the agency have up to-date ethical and anticorruption measures in place that are enforced?</p>	<p>Does the agency carry out due diligence?</p> <p>Are there specific procedures to verify a Bidder’s existence, track record, financial capacity, and capacity to complete the job?</p> <p>Are there procedures to rate performance and to debar Bidders?</p> <p>Is there a hotline for users, third parties, and others, to report fraud, unethical behavior, misappropriation of funds, and lack of performance by contractors, officials, or other parties?</p> <p>Is there any provision to protect whistleblowers and confidentiality?</p> <p>Does the agency have its own in-house integrity policy, code of conduct, and anticorruption measures?</p> <p>Do these cover conflict of interest, financial disclosure, a cooling-off period, and acceptance of gifts or favors?</p>	<p>3 – The agency has robust and comprehensive policies and procedures to address integrity violations and unethical behavior, to protect the integrity of its Procurement function, superior to those adopted nationally. It does its due diligence. It has a hotline to receive confidential complaints and protects whistleblowers, which is complemented with steps to ensure the integrity of its internal procedures, including codes of conduct, provisions to address conflict of interest, and financial disclosure. There is evidence that the agency Works well with those who undertake investigations into allegations. The agency takes internal administrative measures to address complaints and violations that do not warrant criminal proceedings. Procurement staff receive training in anticorruption and ethics.</p> <p>2 – The agency carries out due diligence on Bidders and has a stated integrity, antifraud, and anticorruption policy, which is in line with the policies and procedures mandated nationally and applicable to the sector. The policy is backed by specific measures, such as a hotline, whistleblower protection, and prohibition against conflict of interest. However, there is no body of evidence that such measures are actually</p>



		<p>enforced or put into practice with the desired effect. Some, but not all, Procurement staff are trained in anticorruption.</p> <p>1 – The agency does due diligence on Bidders and has a limited policy on fighting integrity violations. There is a specific code of conduct, but no hotline and no protection for whistleblowers. There is no administrative mechanism for dealing with complaints and for violations of the code of conduct. Procurement staff are not specifically trained in these matters.</p> <p>0 – The agency does due diligence on Bidders. There is no specific agency policy or program to address integrity violations and unethical behavior. The only measures are those required at the national level. There is limited evidence that these measures have been adopted or internalized within the agency or that it collaborates with appropriate investigative bodies.</p>
<p>4.5 Do parties have effective recourse to a second level of binding appeal on decisions taken regarding complaints and dispute resolution?</p>	<p>Can decisions by the first level of review of complaints be appealed to a second, independent body appointed by law?</p> <p>Does that second level of appeal have the power to enforce or cause to have enforced its decisions?</p> <p>Does the law ensure timely review at this level?</p> <p>Does this body have the capacity to make such rulings on the basis of the information available</p>	<p>3 – Such an independent, specialized body exists. It is established by law with a clear mandate and procedures. It is not involved in any capacity in the Procurement processes leading up to contract award. Its rulings are rendered in a timely manner (i.e., 80% of appeals resolved in the defined time frame). Its rulings are made public, along with information on procedures for submissions. There is a body of evidence that the decisions are enforced, that participants trust the system, and the process does not unduly delay the Procurement process.</p> <p>2 – There is opportunity for independent review via the judicial system. These bodies are generally trusted, but they are not specialized in Procurement and do not necessarily</p>

		<p>have the technical expertise needed. Decisions may take considerable time but can be enforced. This route can be costly. Decisions are eventually published, including the reasons for the decision.</p> <p>1 – There is opportunity for a second level review by the judicial system. However, that system is not equipped to handle Procurement, can be costly to the participants, and incur considerable delays. There is no limit on the time frame. Its rulings are rarely enforced and reasons for the decisions are not published.</p> <p>0 – The legal framework is not clear as to whether the first level of review can be appealed, which body has jurisdiction, and what procedures to follow. There may be limited recourse to the judicial system. Even then, that route is not trusted and is costly and time-consuming. Decisions tend not to be enforced.</p>
--	--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



## Annex IV. Agency Risk Assessment Checklist

Question		Response	Risk
<b>A.</b>	<b>Organizational and Staff Capacity</b>		
A.1	Does the agency have a Procurement committee that is independent from the head of the agency?		
A.2	Does the agency have a Procurement department or unit, including a permanent office that performs the function of secretariat to the Procurement committee?		
A.3a	If yes, what type of Procurement does it undertake?		
A.3b	Is the unit centralized or decentralized? If decentralized, how many locations? Who runs those units?		
A.3c	Who else in the agency is authorized to undertake Procurement activities? What kind of Procurement?		
A.4	How many years of experience does the head of the department or unit have in a direct Procurement role? What is the experience of those heading decentralized units, if any?		
A.5	How many staff in the department are: full-time, part-time, seconded? How many in the central unit? How many decentralized?		
A.6	Do Procurement staff have a high level of English language proficiency (verbal and written)?		
A.7	Are the number and qualifications of the staff sufficient to undertake the additional Procurement that will be required under the proposed project?		
A.8	Does the unit have adequate facilities, such as personal computers, internet connection, photocopy facilities, printers, etc., to undertake the planned Procurement?		
A.9	Does the agency have, or have ready access to, a Procurement training program?		
A.10	At what level does the Procurement department report (to the head of the agency, deputy head, etc.)?		
A.11a	Do the Procurement positions in the agency have job descriptions that outline specific roles, minimum technical requirements, and career routes?		

A.11b	Is recruitment for these positions done competitively? Based on merit?		
A.11c	Is Procurement integrated into the agency's human resource function? Does it cover recruitment, compensation, performance reviews, promotions, etc.?		
A.12	Is there a Procurement process manual for Goods, Works, and Non-Consulting Services?		
A.13	If there is a manual, is it up-to-date and does it cover foreign-assisted projects?		
A.14	Is there a Procurement process manual for consulting services?		
A.15	If there is a manual, is it up-to-date and does it cover foreign-assisted projects?		
A.16	Are there Standard Bidding Documents, contracts, templates, etc.?		
A.17	Does the agency use an e-Procurement system?		
A.18	Does the Procurement function have access to, or is it supported by, adequate non-Procurement technical skills (e.g., engineers, architects) and legal advice? Are these skills available in-house?		
A.19	Will Procurement activities under the proposed project be undertaken by a specific group or separate project management unit? If so, it is adequately staffed and equipped to handle the additional Procurement? Repeat questions A.1 to A.17.		
<b>B.</b>	<b>Information Management</b>		
B.1a	Is there a referencing system for Procurement files?		
B.1b	Does that system determine what documents should be kept confidential and maintain confidentiality?		
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 record-keeping functions within the agency?		
B.3	Does the agency adhere to a document retention policy (i.e., for what period are records kept)?		
B.4	Are copies of Bids or proposals retained with the evaluation?		

B.5	Are copies of the original advertisements retained with the precontract papers?		
B.6	Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?		
B.7	Are copies of invoices included with the contract papers?		
B.8	Is the agency's record-keeping function supported by information technology?		
B.9	Does the system provide and maintain adequate records for internal controls and external audit, inspections, investigations, and other purposes?		
<b>C.</b>	<b>Procurement Planning and Strategies</b>		
C.1	Is there a systematic process to identify Procurement requirements (for a period of 1 year or more)?		
C.2	If yes, is that process linked to the agency's budget and planning cycle?		
C.3	Does the Procurement planning process include the identification of Procurement risks? Does it reflect knowledge of the marketplace as well as research and study of the supply markets?		
C.4	Does the Procurement plan or strategy indicate what method to use and why? Are there thresholds (type of Procurement, value, risk) to determine when to use one method over another?		
C.5a	Is open competition the default method?		
C.5b	What are the exceptions? When are they authorized and by whom?		
C.6a	Who drafts the Procurement specifications and identifies requirements? At what stage is this done (e.g., detailed designs available)?		
C.6b	How reliable are the cost estimates? Who prepares them? On what basis?		
C.6c	Are inputs provided by users and/or relevant technical experts?		
C.7	Who approves the Procurement specifications and cost estimates?		

D.	Procurement Practices		
<b><i>Goods, Works, and Non-consulting Services</i></b>			
D.1	Who drafts the Bidding documents?		
D.2	Is there a minimum period for the preparation of Bids and, if yes, how long? Are there variations?		
D.3	Are all queries from Bidders replied to in writing?		
D.4	Does the Bidding document state the date and time of Bid opening?		
D.5	Are records of the sale of Bidding documents immediately available?		
D.6	Are Bids opened in public?		
D.7	Can late Bids be accepted?		
D.8	Can Bids (except late Bids) be rejected at Bid opening?		
D.9	Are minutes of the Bid opening taken?		
D.10	Are Bidders provided a copy of the minutes?		
D.11	Are minutes provided free of charge?		
D.12	Who undertakes the evaluation of Bids (individuals, a permanent committee, or an ad hoc committee)?		
D.13a	What are the qualifications of the evaluators with respect to the Procurement and the Goods, Works, and/or Non-Consulting Services under evaluation?		
D.13b	Are users or civil society organizations involved? As observers? Participants?		
D.14	Is the decision of the evaluators final or is the evaluation subject to additional approvals? If yes, by whom?		
D.15	Using the three worst-case examples in the last year, after how long from the issuance of the invitation for Bids can the contract be awarded?		
D.16	Are there processes in place for the collection and clearance of cargo through ports of entry?		
D.17	Are there established procedures for receiving Goods? Does this include quality assurance?		
D.18	Are there established procedures for the acceptance of Works or Non-Consulting Services? Who signs off? How are deficiencies handled?		

D.19	Are all Goods or Works that are received recorded as assets or inventory in a register?		
D.20	Is the agency or department familiar with letters of credit and with performance guarantees or bonds?		
D,21	Does the Procurement department register and track warranty and latent defects liability periods?		
<b>Consulting Services</b>			
D.22	Do terms of reference for consulting services follow a standard format, such as background, tasks, inputs, objectives, and outputs?		
D.23	Who identifies the need for consulting services requirements? For individuals or firms? Continued		
D.24	Who drafts terms of reference?		
D.25	Who prepares the RFPs?		
D.26	Is a Consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?		
D.27a	What criteria are used to evaluate EOIs?		
D.27b	Historically, what is the most common method used (quality- and cost-based selection, quality-based selection, etc.) to select Consultants?		
D.28	Do firms have to pay for the RFP document?		
D.29	Does the proposed evaluation criteria follow a predetermined structure and is it detailed in the RFP?		
D.30	Are pre-proposal visits and meetings arranged?		
D.31	Are minutes prepared and circulated after the pre-proposal meetings?		
D.32	To whom are the minutes distributed?		
D.33	Are all queries from Consultants answered or addressed in writing?		
D.34	Are the technical and financial proposals required to be in separate envelopes and to remain sealed until the technical evaluation, if completed?		
D.35	Are proposal securities required?		
D.36	Are technical proposals opened in public?		
D.37	Are minutes of the technical opening distributed?		



D.38	To whom are they distributed?		
D.39	Who determines the final technical ranking and how?		
D.40	Are the technical scores sent to all firms?		
D.41	Are the financial proposals opened in public?		
D.42	Are minutes of the financial opening distributed?		
D.43	How is the financial evaluation completed		
D.44	Are face-to-face negotiations held?		
D.45	How long after financial evaluation is negotiation held with the selected firm?		
D.46	What is the usual basis for negotiation?		
D.47	Are minutes of the negotiation taken and signed?		
D.48	How long after negotiation is the contract signed, on average?		
D.49	Is there an evaluation system for measuring the outputs of Consultants?		
<b>Payments</b>			
D.50	Are advance payments made?		
D.51	What is the standard period for payment included in contracts?		
D.52	On average, how long is it between receiving a firm's invoice and making payment?		
D.53	When late payment is made, are the Beneficiaries paid interest?		
D.54	Before payment is made, who verifies that the Goods, Works, and services are satisfactory and respond to contractual terms?		
<b>E.</b>	<b>Effectiveness</b>		
E.1	Is contractual performance systematically monitored and reported? Who undertakes inspection and quality assurance?		
E.2	Does the agency monitor and track its contractual payment obligations?		
E.3	Is a complaints resolution mechanism described in agency Procurement Documents?		
E.4	Is there a formal, nonjudicial mechanism for dealing with complaints?		

E.5	Are Procurement decisions and disputes supported by available information, written narratives, such as minutes of evaluation, negotiation, and notices of default or withheld payment?		
E.6	Are disputes tracked and their resolution monitored? What share of complaints is dealt with within the prescribed time frame?		
E.7	Is there recourse to a second-tier mechanism that is binding?		
<b>F.</b>	<b>Accountability Measures</b>		
F.1a	Is there a standard statement of ethics or code of conduct, and are those involved in Procurement required to formally commit to it? Does this cover gifts?		
F.1b	are there provisions to protect whistleblowers? Is there a confidential hotline? Are certain officials required to make full financial disclosure?		
F.1c	Are officials required to report any allegations of integrity violations or unethical behavior? Is the agency required to follow up? Is there a protocol with a national investigation body for how referrals are to be done and the level of collaboration expected by the agency?		
F.1d	In the absence of criminality, does the agency have recourse to administrative measures to deal with unethical behavior?		
F.2	Are those involved with Procurement required to declare any potential conflict of interest and remove themselves from the Procurement process? Is there a cooling off period for officials?		
F.3	Is the commencement of Procurement dependent on external approvals (formal or de facto) outside the budgeting process?		
F.4	Who approves Procurement transactions, and do they have Procurement experience and qualifications?		
F.5	Which of the following actions require approvals outside the Procurement unit or the evaluation committee, and who grants the approval? (a) Bidding document, invitation to prequalify, or RFP		

	(b) Advertisement of an invitation for Bids, Prequalification, or call for EOIs (c) Evaluation reports (d) Notice of award (e) Invitation to Consultants to negotiate (f) Contracts		
F.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) custody of assets?		
F.7	Is there a written auditable trail of Procurement decisions attributable to individuals and committees?		





For any additional information, such as Standard Bidding Documents (SBDs), Guidance, training materials and briefing, please see

[www.isdb.org/Procurement](http://www.isdb.org/Procurement)

