

Project Administration Instructions

PAI 2.03, Part A
Revised on February 2009
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RECRUITING INDIVIDUAL CONSULTANTS PART A: FOR TECHNICAL ASSISTANCE ASSIGNMENTS AND ADB-ADMINISTERED TRUST FUNDS

A. Introduction

1. This project administration instruction (PAI) provides policies¹ and procedures for recruiting individual consultants for technical assistance (TA). Also read PAI 2.01, which provides general guidelines on recruiting consultants.

B. Policies

2. The Asian Development Bank (ADB) normally recruits the consultants for TA. In particular circumstances, this responsibility may be delegated to executing agencies (EAs) assessed to have adequate capacity to do so.

3. The recruitment of individual consultants offers the following benefits to ADB: (i) rapid mobilization of TA consultants, (ii) project officers' greater control in the selection and management of a team of individual consultants leading, in many cases, to enhanced quality of output, (iii) potential cost savings, especially as TA budgets are now tighter, (iv) greater flexibility in sourcing a broader range of specialists, and (v) often a more timely and appropriate outcome for many assignments than would be possible through a firm. In general, a team of individual consultants are more appropriate than firms for assignments requiring small (three or less individuals) teams, or where the TA is comprised of a number of specialist independent studies, where ADB's main requirements are the individual's qualifications and experience. Where the assignment requires integrated technical work with backstopping support from a consultant's home office, and the outcome calls for collective responsibility, a consulting firm should be engaged (see PAI 2.02, Part D). The proposed type (individuals or firm) of consultant should be guided by factors outlined in Table 1 and any other relevant circumstances, and justified in the Concept Paper or TA/grant paper.

Table 1: Sample questions for determining the type of consultant

| No. | Sample Questions | Responses favoring selection of: | | Considerations |
|-----|--|----------------------------------|-----------------|----------------|
| | | Team of Individual Consultants | Consulting Firm | |
| 1. | Is the experience and qualification of the individual a predominant consideration? | Yes | | |
| 2. | Is support from a consultant's home-office needed? | | Yes | |
| 3. | Is team work required? | | Yes | |
| 4. | Does the TA involve independent studies at dispersed locations? | Yes | | |

¹ See *Use of Consultants by the Asian Development Bank and Its Borrowers*, R12-06 (12 January 2006).

| No. | Sample Questions | Responses favoring selection of: | | Considerations |
|-----|--|----------------------------------|-----------------|---|
| | | Team of Individual Consultants | Consulting Firm | |
| 5. | Is integrated technical work and collective responsibility crucial for the output? | | Yes | |
| 6. | Is rapid mobilization crucial? | | | Are there other options? (i) Alternative scheduling of the TA (ii) Alternative selection methods, e.g., single source selection of a firm or consultants qualification selection (CQS) (iii) Alternative contracting arrangement, e.g. an indefinite delivery contract (IDC) |
| 7. | Are there budgetary constraints? | | | (i) Is selection of a team of individuals a less expensive option? (ii) Will downstream management costs of a team of individual consultants negate reduced potential mobilization transaction costs? |
| 8. | What are the human resource implications for the user department? | | | (i) Does the user department have available staff skilled in supervising consulting teams? |

4. Individual consultants engaged by ADB may be independent individual consultants, regular full-time employees of consulting firms, or independent individual consultants recruited by a firm for a particular assignment.

5. ADB categorizes individual consultants' assignments as

- international if they require international experience, and individual consultants from all ADB member countries may apply and be considered; or
- national if they require expertise available only in the assignment country, and only citizens of the assignment country may apply and be considered.

Nationals of the country concerned who have extensive international experience may be considered as international consultants for assignments that require an international level of expertise. (Extensive international experience is generally defined as having been recruited for three or more contracts at an international level, but also includes individuals of internationally acknowledged expertise in their professional fields.)

6. During TA formulation ADB often identifies assignments for national consultants when qualified national consultants are available.

7. When recruiting individual consultants for international assignments, ADB reviews a range of candidates from different geographic regions in order to select the best possible expertise and to spread the opportunities to work on consulting assignments among its member countries.

C. Procedures

8. Individual consultants are recruited by ADB through the web-based Individual Consultant System (ICS). The procedures for recruitment are summarized below and outlined in Appendix 1. The help section of the ICS provides more information on the procedures to be followed.

D. Entering the TOR and Budget into the Individual Consultant System

9. Several weeks before the assignment is scheduled to start, the user division enters the terms of reference (TOR) for the assignment into the ICS in the standard format provided. The user division then identifies the assignment level and professional group in accordance with the guidelines in the ICS.

10. The user division next enters the assignment budget into the ICS and also into the TA information system.

11. The ICS generates a remuneration rate for international independent individual consultants. This rate is employed by the user division only as a budget guide and is not necessarily the rate COSO will offer to the selected candidate. The offered rate will depend on the candidate's qualifications.

E. Selecting or Ranking Candidates

12. The user division identifies qualified candidates from the Consultant Management System (CMS); advertising and expressions of interest; consulting firms; universities; research institutes; and other sources.

13. The user division uses single-source selection to select the most qualified candidate if

- the assignment will last 3 months or less, or
- the assignment is either national at any level or international at level 2 to 5, or
- the candidate is not a former ADB staff member or an ADB spouse.

If the user division proposes to apply SSS in the above circumstances to recruit the same individual for an assignment when such individual has been recruited for three (3) assignments by such user division within the previous 12-month period, COSO may request such user division to justify why such repeated recruitment is preferred and, if endorsed, will monitor the recruitment.

The user division may use SSS² to select a candidate who is not a former ADB staff member for an assignment exceeding 3 months, or for an international assignment at level 6 or above, in special cases with justification. For example, when a candidate is clearly better qualified than any other because he or she previously completed a similar assignment for ADB and performed satisfactorily. The division consults COSO and then submits a recommendation for SSS to the head of the user department or office

² For spouses of ADB staff, please refer to PAI 2.01, Part C, paragraph 15.

for approval. The division enters the selected candidate's details into the ICS, in the standard format provided.

14. The user division selects a short list of three candidates if:
- the assignment will last longer than 3 months, or
 - the assignment is international at level 6 or above, or
 - the division is considering a former ADB staff member or an ADB spouse.

For such cases, the user division will be required to advertise all positions on ADB website [consulting services recruitment notice (CSRN)] for a minimum period of seven (7) calendar days. The short list should represent a reasonable geographic balance of ADB's member countries, with normally no more than one candidate from any member country and will be derived from: (i) screened EOIs/CVs following the advertisement, (ii) CMS, and (iii) other sources. Prior to entering the short-listed candidates' details into the ICS, the user division will be required to confirm through an email to the assigned procurement specialist that: (i) positions were advertised, (ii) number of EOIs received, and (iii) number (if any) of EOIs/CVs shortlisted. The user division then enters the short-listed candidates' into the ICS and evaluates and ranks them using the qualification sub-matrix. The results are expressed as qualification grades (QGs) ranging from 0 to 100. The QG for each candidate must equal or exceed the minimum for the assignment level.

F. Clearing Candidates and Checking Availability

15. The user division then
- checks the performance evaluation report (PER) ratings in the technical assistance information system (TAIS) for previous engagement to ensure that the performance was satisfactory;
 - sends a noncommittal inquiry letter and the TOR to the directly selected or first-ranked candidate to confirm that he/she is available, determines if he/she has any close relative working for ADB, determines if he/she is a former ADB staff member, and confirms that there is no actual or potential conflict of interest³; the inquiry letter includes an affidavit of good health for the candidate to complete and return if the he/she is under 70 years old or if 70 years or older, a medical certificate for the candidate's doctor to complete; the user division may ask younger candidates for a medical certificate if it has doubts about their health, or when the assignment is physically demanding;
 - obtains clearance from the Budget, Personnel, and Management Systems Department for any former ADB staff, vice-president, or Board member who has not previously worked for ADB as a consultant, as well as for the spouse of a current ADB staff member;
 - obtains clearance from the Office of the General Counsel (OGC) for any legal experts and from the Office of Information and Technology for any information technology experts; and
 - sends the candidate's or candidates' names to the government, and asks if it objects to any based on previous experience with them; for regional TA this is done only when the

³ See PAI 2.01, Part A, Section E. Conflict of Interest.

governments' clearance is relevant and needed, for example in order to ensure that visas are issued; the user division must make this decision.

16. If a candidate is not cleared, is objected to, is unavailable, has close relatives in ADB other than spouse, or does not submit a satisfactory affidavit of good health or medical certificate, the user division reevaluates the selection or short list.

17. The user division keeps records of these clearances until the consultant completes the assignment.

G. Obtaining Approval and Asking COSO to Engage Candidates

18. The user division uses the ICS to submit a request to COSO to engage the directly selected or first-ranked candidate. The division should submit the request about 2 weeks before the scheduled start of the assignment to give COSO sufficient time to complete the engagement.

19. The ICS first routes the request to the director of the user division, who endorses it, including the TOR, assignment level, professional group, and the candidate's or candidates' QG.

20. The ICS next routes the request to the head of the user department or office, who approves it.

21. The ICS thirdly routes the request to COSO, which checks it, particularly the assignment level, professional group, and QG. When COSO considers a request inaccurate, it may change it.

H. Deciding the Remuneration and Sending an Offer

22. COSO decides the remuneration it will offer for the assignment in the following way:

- for an international independent consultant, using the remuneration matrix based on the assignment level and professional group;
- for an international consultant who is a full-time employee of a firm, by using the remuneration matrix as a reference, and negotiating with the firm based on the supporting documents the firm submits; or
- for a national individual consultant, based on COSO's data on local market rates.

23. COSO then sends an offer and contract to the selected or first-ranked consultant.

I. Negotiating the Remuneration

24. Except as provided in paragraphs 25 and 26 below, COSO's offered remuneration is nonnegotiable. When a consultant rejects an offer, COSO consults the user division and normally sends an offer to the second-ranked or an alternative candidate.

25. For national consultants and international consultants provided by firms, COSO may negotiate the remuneration if it considers there is sufficient justification.

26. For independent international consultants, COSO negotiates the remuneration only in exceptional circumstances, such as when the user division requires expertise that is unique and market demand

exceeds supply. In these cases, the approval authorities for increasing the offered remuneration are as follows:

- the COSO unit head, in consultation with the relevant COSO director if the proposed remuneration is higher than that determined by the remuneration matrix but lower than the maximum fee, or
- the director of the user division and the relevant COSO director jointly if the proposed remuneration is higher than that determined by the remuneration matrix but lower than or equal to the maximum fee.

COSO keeps copies of these approvals to increase offers and the justifications in the consultants' contract files.

27. COSO notifies the heads of user departments and offices half-yearly of the number of approved increased offers to international independent TA consultants. COSO also provides the heads of user departments and the Budget and Management Services Division with annual statistics on high-cost consultants, for information and appropriate action.

J. Finalizing the Contract

28. After COSO and the consultant agree on the terms of the assignment, the consultant signs the contract and returns it to COSO. This completes the engagement.

29. The user division then sends the consultant a notice to proceed, copied to COSO and the Controller's Department; and the consultant starts the assignment. The division also sends notices to any unsuccessful short-listed candidates who received noncommittal inquiries.

K. Terminating the Contract

30. When a user division proposes to terminate a contract with an individual TA consultant, it first consults the government and/or the EA, COSO, and OGC. If the user division decides, after consultation, to terminate the contract, the user division notifies the consultant in writing of its intention to terminate the contract. Then the user division, asks COSO to send a written notice to the consultant in accordance with the provisions in the contract. The user division advises the government or the EA. PAIs 2.04 and 5.11 provide more information on terminating consultants' contracts.

RECRUITING INDIVIDUAL CONSULTANTS FOR TECHNICAL ASSISTANCE

CONSULTANT

USER DIVISION

COSO

