

Procurement Risk Assessment

June 2018

Lao PDR: Climate-Friendly Agribusiness Value
Chains Sector Project

CURRENCY EQUIVALENTS

(as of 8 June 2018)

Currency unit – Laotian kip (LAK)

LAK1.00 = \$0.00012

\$1.00 = LAK 8,381.19

ABBREVIATIONS

ADB	-	Asian Development Bank
APG	-	agricultural production group
DOPC	-	Department of Planning and Cooperation
GMS	-	Greater Mekong Subregion
ICB	-	international competitive bidding
MAF	-	Ministry of Agriculture and Forestry
NCB	-	national competitive bidding
NPMO	-	national project management office
PIC	-	project implementation consultants
PMD	-	project management division
SAO	-	State Audit Organization

EXECUTIVE SUMMARY

The overall assessment of project procurement risk is moderate. A number of weaknesses have been identified in current national procurement systems and mitigation measures recommended, but the key weaknesses, plus mitigation measures are:

- The project management division (PMD) has limited capacity to take on new procurement work, and the English language ability of its staff given that many of the procurement documents will be in English. This is mitigated by the establishment of a national project management office (NPMO) which will undertake procurement for the project, with PMD providing a support function with a delegated focal point. A logical system for the filing of originals and copies of invoices, payments, receipts and contract papers between the NPMO and PMD should be set up and maintained. It is vital that the national procurement officer hired for the PMO has good English language ability, preferably with previous experience with procurement on Asian Development Bank (ADB) projects, which can also be mitigated by training from an international adviser.
- Given that procurement is reliant on an NPMO being set up, since this can take some time and to ensure that delays in procurement are minimized, a start-up procurement consultant will be hired as an advanced action to provide support, particularly in the procurement of the project implementation consultants (PIC) package.
- There are no rules for those involved with procurement to declare any potential conflict of interest and remove themselves from the procurement process. To improve accountability measures, those involved in procurement in the project should be asked to declare any potential conflict of interest for specific procurement packages, and if this exists to remove themselves from the procurement process.
- There are no clear procedures on auditable trail of procurement decisions and limited capacity to undertake additional audits due to understaffing of the exiting auditor, state audit organization (SAO). This will be mitigated by the recruitment of an external auditor for the project.

I. INTRODUCTION

1. This procurement risk assessment has been prepared in accordance with the Guidelines for Assessing Country, Sector and Project Procurement Risks. It was undertaken from October to December 2016 through meetings with the project management division of MAF and other Asian Development Bank (ADB) donor projects, plus home-based study of Laos procurement rules and regulations.

2. The project is aligned with the following impact: agricultural competitiveness in the project areas improved through enhanced productivity, quality and safety, value addition and rural household incomes¹. The project will have the following outcome: more productive and resource efficient agribusiness value chains in project areas developed.

3. The project will have three outputs: (i) critical agribusiness value chain infrastructure improved and made climate-resilient; (ii) climate-smart agriculture and agribusiness promoted; and (iii) enabling environment for climate-friendly agribusiness enhanced. The project will target Khammouane, Saravan and Savannakhet provinces for improving rice value chains and Champasak and Sekong provinces as well as Vientiane Capital region for improving the vegetable value chains.

4. Implementation of the project is expected to result in (i) at least 20% increase in yields of rice and cabbage; (ii) at least 30 agribusinesses becoming more resource-efficient in terms of water savings (5-10% efficiencies) and having reduced post-harvest losses for rice (from 25% down to 10%) and vegetables (from 35% down to 15%); (iii) at least 30% increase in household income in rural areas; (iv) formation of at least five agricultural cooperatives; and (v) 25% increase in membership of project-supported agricultural production groups (APGs).

5. The executing agency for the project will be the Ministry of Agriculture and Forestry (MAF). MAF will delegate the responsibility for overall project coordination and management to its Department of Planning and Cooperation (DOPC). In turn, DOPC will establish a national project management office (NPMO) that will be responsible for project coordination and management, including financial management of project accounts, procurement of goods and works, recruitment of consultants, and monitoring and reporting.

6. The project management division (PMD) of DOPC supervises and participates in all procurements conducted by NPMOs of the various projects under MAF. The PMD also directly undertakes procurement for some of the projects.

7. The PMD is currently carrying out procurement for the Northern Smallholder Livestock Commercialization Project funded by ADB. The PMD is also currently supervising and participating in procurement for the following projects funded by ADB: (i) Trade Facilitation: Improved Sanitary and Phytosanitary Handling in Greater Mekong Subregion (GMS) Trade Project; (ii) GMS Flood and Drought Risk Management and Mitigation Project; (iii) GMS East-West Economic Corridor Agriculture Infrastructure Sector Project; (iv) GMS Biodiversity Conservation Corridors Project; and (v) Northern Rural Infrastructure Development Sector Project. The PMD is also participating in projects funded by the World Bank: (i) Scaling-Up Participatory Sustainable Forest Management Project and (ii) Lao Uplands Food Security Improvement Project.

¹ Government of Lao PDR, Ministry of Agriculture and Forestry. 2015. *Agricultural Development Strategy (ADS) to 2025 and Vision to the Year 2030*. Vientiane.

8. The PMD is headed by a Director and supported by a Deputy Director and five procurement staffs. The Director is qualified with good procurement related work experience. The majority of other staff however have limited knowledge on procurement, particularly for foreign assisted projects. That said, the PMD has successfully undertaken procurement of goods and works through international competitive bidding (ICB), national competitive bidding (NCB), and shopping.

9. The procurement arrangements under the GMS East-West Economic Corridor Agriculture Infrastructure Sector Project funded by ADB were also examined.

10. The PMD can handle procurement for the proposed Climate-Friendly Agribusiness Value Chains Sector Project with additional regular support of national procurement specialists and intermittent support of an international procurement specialist. However, for more efficient delivery the procurement may be handled by the NPMO that will be set up for implementation of the project.

II. PROJECT PROCUREMENT RISK ASSESSMENT

A. Overview

11. There is an established procurement legal and policy framework in Lao PDR. In 2004, the Prime Minister's Office issued the Prime Minister Decree No. 03/PM dated 9 January 2004, otherwise known as the Decree on Government Procurement of Goods, Works, Maintenance and Services. The implementing rules and regulations was issued through Ministry of Finance Decree No. 063/MOF, dated 12 March 2004, and was subsequently amended by Ministry of Finance Decree No. 0861/MOF, dated 5 May 2009. To supplement its application and full implementation, the Procurement Decree and its implementing rules and regulation, as amended, are supported by a corresponding standard bidding documents for goods, works, maintenance and service. A Procurement Manual was issued by the Ministry of Finance, Procurement Monitoring Office. Pursuant to Lao PDR's procurement legal and policy framework (the Procurement Decree), the goods, works, maintenances and services financed and administered by the project are procured only if they are contained in the annual procurement plan. Proposed items that are not in the annual procurement plan are not procured until the plan has been updated and approved.

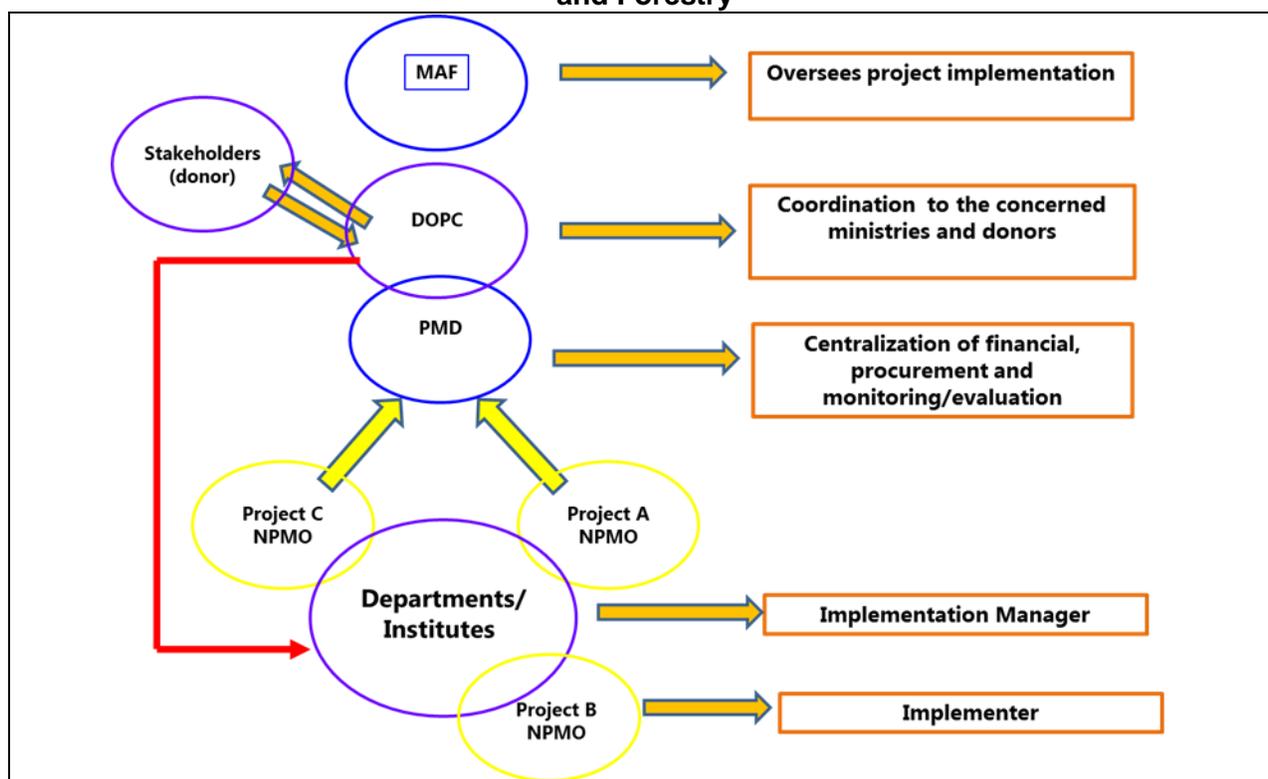
12. Risk Assessment: Moderate.

1. Organization and Staff Capacity

13. Risk Assessment: Substantial.

14. Summary of Findings: The NPMO for the project is yet to be established. Procurement capacity assessment of the PMD of DOPC was carried out.

Figure 1: Procurement Management Organization within the Ministry of Agriculture and Forestry



DOPC = Department of Planning and Cooperation, MAF = Ministry of Agriculture and Forestry, NPMO = National Project Management Office, PMD = Project Management Division.
Source: Project preparatory technical assistance (PPTA) consultants.

15. Responsibilities of the PMD concerning overseas development projects include the following:

- (i) liaise with the concerned parties in managing, supporting, following up and monitoring of the project implementation for MAF;
- (ii) review and check all the documents submitted and advise department regarding financial, procurement of all projects effectively, timely and correctly to the procedures and regulation of financial systems;
- (iii) assist and facilitate the import and export of construction equipment, materials and laborers as specified in the contract agreement; and
- (iv) cooperation with assets division, financial department to collect all assets after the all project completion.

16. From a procurement perspective, the organization or PMD appears to have limited capacity to undertake the additional procurement activities.

17. The assessment revealed that PMD composed of seven staff, namely: one Director, one Deputy Director and five staff; four out of five staff deal with procurement activities. However, the following risk factors are noted:

- (i) There are no specific job descriptions for each staff members, and responsibilities are simply assigned by the Director or the Deputy Director. This will make it difficult to build the capacity through a specialization of activities and a possible rotation of

roles, and since responsibilities will tend to be focused on individuals rather than positions, any movement out of the office will create an added burden for the remaining staff members.

- (ii) Out of the seven staff, only two have attended procurement training organized by ADB and World Bank and have some procurement experience as a member of a procurement committee. The rest of the staff has very limited knowledge on procurement, particularly for foreign assisted projects. In addition, there is a lack of tailored training, as they reported having attended only the very general courses.
- (iii) English proficiency is also a major constraint. There are only two staff who have English skills, but their proficiency may not be sufficient.

2. Information Management

18. Risk Assessment: Moderate.

19. Summary of Findings: It is noted that the record keeping system and/or mechanism needs to be improved, including allocating more filing infrastructure facilities. Electronic records are not available for all cases. PMD appears to keep sufficient copies of essential procurement documents, supported by a practical reference system. However, the following risks may be pointed out:

- (i) There is no separate storage room for procurement records, and the current space in PMD is inadequate in terms of both space and security;
- (ii) The copies of invoices, payments, receipts and contract papers are separately filed in the offices; and
- (iii) There is no clear rule and/or regulation of what period the procurement documents and records must be kept, therefore, PMD's filing space is full of very old procurement documents. There is a general understanding within PMD that the records are to be kept for 10 years.

3. Procurement Practices

a. Procurement of Goods and Works

20. Risk Assessment: Moderate.

21. Summary of Findings: PMD has experience in the procurement of goods and works for ADB and World Bank financed projects. Two of the staff have attended procurement trainings. Regarding the approval transaction, Director, DOPC is the point of approval before seeking external endorsement.

b. Consulting Services

22. Risk Assessment: Moderate.

23. There are established procurement committees in MAF which also act as consulting services selection committees, which were created pursuant to the Procurement Decree and its IRRs. These procurement committees, however, are created on an ad hoc basis. The members

change from time to time depending on the availability of representatives from each identified office. The assessment notes that PMD does not have much experience in leading the recruitment of consulting services, whether for firms or individuals. However, PMD is a member of the consulting services selection committee, therefore, it has experience as a committee member.

4. Performance of e-procurement system (or plans to introduce one)

24. MAF does not use e-procurement systems. While there have been discussions for an e-procurement system to be implemented it is not likely to be in place for the purposes of this project.

a. Effectiveness

25. Risk Assessment: Moderate.

26. It is noted that the monitoring and reporting system in PMD needs improvement. There is no formal system for tracking payment obligations or a formal mechanism for dealing with complaints.

b. Accountability Measures

27. Risk Assessment: Moderate

28. Summary of Findings: State audit organization (SAO) undertakes the auditing works for the entire country, including ADB financed projects. However, it appears that there are no clear procedures on the auditable trail of procurement decisions attributable to individuals or committees. SAO seems to have limited capacity to undertake additional audits due to understaffing. PMD is nominated by MAF for the coordination of all procurement for the project. The Director General of DOPC approves all steps of the procurement process starting at the approval of the draft bidding documents, invitation for bid, bid evaluation report and recommendation of award of contracts. Regarding the contractual performance monitoring and reporting, the project itself performs this role.

29. There is a series of steps for verification and endorsement of claims in addition to that by the Project Director and Director General of DOPC. The project signs the contracts with successful bidders.

B. Strengths

30. While not completely harmonized with ADB procedures, there is an established procurement legal and policy framework in Lao PDR with standard bidding documents for goods, works, maintenance and service, together with a Procurement Manual. Furthermore MAF, has successfully managed procurement under a number of ADB projects, although usually with the set up of a project-specific NPMO, rather than directly by the PMD.

C. Weaknesses

31. The PMD is understaffed for the number of donor projects and most staff have poor English skills and a lack of training.

32. There are no clear procedures on the auditable trail of procurement decisions and limited capacity to undertake additional audits due to understaffing of the exiting auditor, SAO.

D. Procurement Risk Assessment Management Plan (P-RAMP)

1. Summary Assessment

33. PMD has adequate experience in supervising procurement done by NPMOs/PMUs for the projects funded by ADB and WB. PMD also has experience of handling procurement directly for one ADB funded project.

34. PMD does not have adequate experience and the demonstrated capacity to directly handle recruitment of consultants. But PMD has been participating in procurement committees in recruitment of consultants done by NPMOs/PMUs for the projects funded by ADB and WB.

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

Risk Description	Risk Assessment	Mitigation Measure
A. Specific Recommendations, Project Implementation		
(i) Inadequate experience in the recruitment of consultants and large ICB and/or NCB contracts.	Substantial	<p>It is recommended that an international procurement specialist be contracted to provide 'start-up' support to assist the NPMO and PMD with the recruitment of consultants and large contracts. Specific training will be given on bid preparation and evaluation. The consultant will be contracted for 6 months total.^a</p> <p>The international procurement specialist will be contracted under advance action while the national procurement specialist will be contracted as part of the PIC team.</p> <p>The executing agency and ADB will be responsible for the recruitment of start-up consultants.</p>
(ii) NPMO needs to be established with procurement responsibilities	Substantial	A full-time procurement officer should be recruited as part of the NPMO. ^a The consultant will be responsible for preparing bidding documents with the assistance of the procurement consultants.
(iii) If the responsibility of small scale infrastructure is to be given to the PPIUs, then support at provincial level is required.	Moderate	A procurement officer for each PPIU should be recruited to manage small local procurement contracts. ^a
<ul style="list-style-type: none"> There are no specific job descriptions for individuals undertaking the procurement duties, 		<ul style="list-style-type: none"> PMD needs to develop the job descriptions for its staff. This will allow each staff member to have a clear description of his or her role,

<p>and responsibilities are simply assigned by the managers.</p> <ul style="list-style-type: none"> • Inadequate procurement knowledge and lack of experience in procuring consulting services. • No clear procedures on auditable trail of procurement decisions and limited capacity to undertake additional audits due to understaffing of the exiting auditor, SAO. 		<p>value and responsibilities to expand individual skills.</p> <ul style="list-style-type: none"> • Provide procurement training to the staff involved in the procurement to strengthen their capacity. • Project to hire an external auditor to ensure reliable, comprehensive and timely information and to improve accountability.
<p>(iv) There are no rules for those involved with procurement to declare any potential conflict of interest and remove themselves from the procurement process</p>	Low	<p>Rules for the project should be established for conflicts of interest to be declared for specific procurement packages</p>
<p>B. General Recommendations, PMD</p>		
<p>A major constraint is the limited number of PMD staff who has the capacity to work in the English language.</p> <ul style="list-style-type: none"> • There is no separate storage room to keep procurement records, and the current space in the project office is inadequate in terms of both space and security. • The copies of invoices, payments, receipts and contract papers are separately filed in different locations of the PMD. • Responsibility not clearly established among the individuals working in the PMD 	Moderate	<p>English language training should be arranged. The training needs to be effective in verbal as well as written mode of the language.</p> <ul style="list-style-type: none"> • PMD should identify a separate and secure storage to keep all its procurement documents and files, with sufficient capacity to handle all records for the project. • PMD should have a copy of all invoices, payments, receipts and contract papers that are being maintained separately. • PMD should appoint one individual as a focal person for specific procurement matters.
<p>C. General Recommendations, Procurement Environment</p>		
<ul style="list-style-type: none"> • No national standard mandated for quality control. • There is no nationwide procurement training plan. • There is no program for procurement accreditation. • There is no alternate dispute resolution process independent of the government and the courts. • The procurement process audits, while in place, the capacity of the national audit authority is apparently weak. • Limitation of skills and limited familiarity with ADB standard bidding 	Low	<ul style="list-style-type: none"> • ADB may consider support in developing a procurement accreditation program. • It should be ensured that the harmonized procurements and ADB procurement guidelines are adopted

documents and harmonized procurement documents.		and used for the project. ADB should require prior review for all contracts for procurement goods and works under ICB, first NCB, and procurement of consulting services.
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ADB = Asian Development Bank, ICB = international competitive bidding, NCB = national competitive bidding, NPMO = national project management office, PIC = project implementation consultant, PMD = project management division, PMU = project management unit, PPIU = provincial project implementation unit, SAO = state audit organization.

^a Terms of reference can be accessed in the Project Administration Manual.

Source: PPTA consultants.

III. PROCUREMENT PLANS

Table 2: Basic Data

Project Name: Climate-Friendly Agribusiness Value Chain Sector Project	
Project Number: 48409-004	Approval Number:
Country: Lao PDR	Executing Agency: Ministry of Agriculture and Forestry (MAF)
Project Procurement Classification: B	Implementing Agency: Ministry of Agriculture and Forestry (MAF)
Procurement Risk: Moderate	
Project Financing Amount: \$ 40.50 million ADB Financing: \$ 40.5 million Financing (ADB Administered): --- Non-ADB Financing: \$0.75 million (Govt)	Project Closing Date: TBD
Date of First Procurement Plan: Q2/2017	Date of this Procurement Plan: 11 December 2017

A. Project Procurement Threshold

61. Except as ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	\$3,000,000	
International Competitive Bidding (ICB) for Goods	\$1,000,000	
National Competitive Bidding (NCB) for Works	\$100,000 to \$2,999,999	NPMO to procure all NCB packages. The first package shall follow prior review procedures. The first draft English version of the procurement documents should be submitted by NPMO for ADB review and approval regardless of the estimated contract amount. ADB approved documents should be used as a model for all subsequent NCB procurement

Procurement of Goods and Works		
Method	Threshold	Comments
		financed by ADB and need not be subjected to further prior review.
National Competitive Bidding for Goods	\$100,000 to \$999,999	Same as NCB for works.
Shopping for Works	Below \$100,000	<p>NPMO or PPIUs to procure all shopping packages.</p> <p>The first package shall follow prior review procedures. The first draft English version of the procurement documents should be submitted by NPMO for ADB review and approval regardless of the estimated contract amount. ADB approved documents should be used as a model for all subsequent shopping procurement financed by ADB and need not be subjected to further prior review.</p>
Shopping for Goods	Below \$100,000	Same as shopping for works
Direct Contracting for Works and Goods	Below \$5,000	Post review

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	Prior review, 90:10 (PIC, FME)
Consultants' Qualifications Selection	Prior review (EMA)
Least-Cost Selection	Prior review (external auditor)
Single Source Selection	Prior review (IRRI)
Individual Consultant Selection (ICS)	Prior review

IV. CONCLUSION

62. Current procurement arrangements are satisfactory. Areas for improvement have been identified but their risk to the project is low. The main risk to the project is the ability of the PMD to take on new work, and if it does, the English language ability of its staff given that many of the procurement documents will be in English. This is mitigated by the establishment of a NPMO which will undertake procurement for the project, with PMD providing a support function with a delegated focal point. A logical system for the filing of originals and copies of invoices, payments, receipts and contract papers between the NPMO and PMD should be set up and maintained.

63. It is vital that the national procurement officer hired for the PMO has good English language ability, preferably with previous experience with procurement on ADB projects, which can also be mitigated by training from an international adviser. In addition, to improve accountability measures, those involved in procurement in the project should be asked to declare any potential conflict of interest for specific procurement packages, and if this exists, to remove themselves from the procurement process.

64. Given that procurement is reliant on an NPMO being set up, since this can take some time and to ensure that delays in procurement are minimized, it is recommended that a start-up procurement consultant is hired as an advanced action to provide support, particularly in the procurement of the PIC package.

65. There are no clear procedures on the auditable trail of procurement decisions and limited capacity to undertake additional audits due to understaffing of the exiting auditor, SAO. An external auditor should be hired for the project.

APPENDIX I - PROJECT PROCUREMENT RISK ASSESSMENT QUESTIONNAIRE

Ministry of Agriculture and Forestry (MAF), Lao PDR Project Management Division (PMD)

QUESTION	RESPONSE	RISK
A. ORGANIZATIONAL AND STAFF CAPACITY		
PROCUREMENT DEPARTMENT/UNIT		
A.1 Does the agency or Government have a Procurement Committee that is independent from the head of the agency?	Yes	Low
A.2 Does the agency have a procurement department/unit, including a permanent office that performs the function of a Secretariat of the Procurement Committee?	Yes	Low
A.3 If yes, what type of procurement does it undertake?	PMD is currently carrying out procurement for Northern Smallholder Livestock Commercialization Project funded by ADB. The PMD has also been supervising and participating in procurement for five other ADB funded projects and two World Bank funded projects.	Low
A.4 How many years' experience does the head of the procurement department/unit have in a direct procurement role?	13 years	Low
A.5 How many staff in the procurement department/unit are: full time part time seconded	Four full time staff	Low
A.6 Do the procurement staff have a high level of English language proficiency (verbal and written)?	The PMD Director speaks English well. The PMD Deputy Director can speak a little English. Other staff do not speak English.	High*
A.7 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	No, if PMD is to undertake the additional procurement that will	Substantial *

QUESTION	RESPONSE	RISK
	<p>be required under the proposed project.</p> <p>Yes, if PMD is to only supervise and participate in the additional procurement that will be required under the proposed project.</p>	
A.8 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	Yes	Low
A.9 Does the agency have, or have ready access to, a procurement training program?	Yes, but very limited	Moderate *
A.10 At what level does the department/ unit report (to the head of agency, deputy etc.)?	PMD is a part of the Department of Planning and Cooperation (DOPC) and reports to MAF through DOPC.	Low
A.11 Do the procurement positions in the agency have job descriptions, which outline specific roles, minimum technical requirements and career routes?	No. There are no specific job descriptions for each staff members, and responsibilities are simply assigned by the Director	Substantial
A.12 Is there a procurement process manual for goods and works?	Yes	Low
A.13 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Moderate
A.14 Is there a procurement process manual for consulting services?	Yes	Low
A.15 If there is a manual, is it up to date and does it cover foreign-assisted projects?	Yes	Moderate
PROJECT MANAGEMENT UNIT		
A.16 Is there a fully (or almost fully) staffed PMU for this project currently in place?	No	High *
A.17 Are the number and qualifications of the staff sufficient to undertake the additional procurement that will be required under the proposed project?	The unit is not yet established. DOPC will establish a national project management office (NPMO) that will be responsible for	Moderate *

QUESTION	RESPONSE	RISK
	project. It is expected that NPMO will be staffed with adequate number and qualifications.	
A.18 Does the unit have adequate facilities, such as PCs, internet connection, photocopy facilities, printers etc. to undertake the planned procurement?	The unit is not yet established. It is expected that NPMO will have adequate facilities.	Moderate
A.19 Are there standard documents in use, such as Standard Procurement Documents/Forms, and have they been approved for use on ADB funded projects?	Yes, for PMD. The NPMO unit is not yet established. It is expected that NPMO will use standard documents.	Low *
A.20 Does the agency follow the national procurement law, procurement processes, guidelines?	Yes, for PMD. The NPMO unit is not yet established. It is expected that NPMO will use standard documents.	Low *
A.21 Do ToRs for consulting services follow a standard format such as background, tasks, inputs, objectives and outputs?	Yes, for PMD. The NPMO unit is not yet established. It is expected that NPMO will follow standard format.	Low
A.22 Who drafts the procurement specifications?	Respective technical department responsible for a project	Low
A.23 Who approves the procurement specifications?	Head of technical department for the project	Low
A.24 Who in the PMU has experience in drafting bidding documents?	The NPMO unit is not yet established. In PMD all procurement staff, Deputy Director, and Director have experience in drafting bidding documents.	Moderate*
A.25 Are records of the sale of bidding documents immediately available?	Yes	Low *

QUESTION	RESPONSE	RISK
A.26 Who identifies the need for consulting services requirements?	Relevant technical department for the project	Low
A.27 Who drafts the Terms of Reference (ToR)	Relevant technical department for the project	Low
A.28 Who prepares the request for proposals (RFPs)	Respective procurement unit/NPMO.	Low
B. INFORMATION MANAGEMENT		
B.1 Is there a referencing system for procurement files?	Yes	Low
B.2 Are there adequate resources allocated to record keeping infrastructure, which includes the record keeping system, space, equipment and personnel to administer the procurement records management functions within the agency?	Yes	Low *
B.3 Does the agency adhere to a document retention policy (i.e. for what period are records kept)?	Yes. The records are retained for 10 years but there are no clear rules.	Moderate *
B.4 Are copies of bids or proposals retained with the evaluation?	Yes	Low
B.5 Are copies of the original advertisements retained with the pre- contract papers?	Yes	Low
B.6 Is there a single contract file with a copy of the contract and all subsequent contractual correspondence?	Yes	Low
B.7 Are copies of invoices included with the contract papers?	Yes	Low
B.8 Is the agency's record keeping function supported by IT?	Yes, but not fully	Moderate
C. PROCUREMENT PRACTICES		
Goods and Works		
C.1 Has the agency undertaken procurement of goods or works related to foreign assistance recently (last 12 months or last 36 months)? If yes, indicate the names of the development partner/s and project/s.	PMD is currently carrying out procurement for Northern Smallholder Livestock Commercialization Project funded by ADB. The PMD has also been supervising and participating in procurement for five other ADB funded projects and two World Bank funded projects.	Moderate*

QUESTION	RESPONSE	RISK
C.2 If the answer is yes, what were the major challenges faced by the agency?	English language	High *
C.3 Is there a systematic process to identify procurement requirements (for a period of one year or more)?	Yes	Low
C.4 Is there a minimum period for the preparation of bids and if yes, how long?	Yes, 1 month	Low *
C.5 Are all queries from bidders replied to in writing?	Yes	Low *
C.6 Does the bidding document state the date and time of bid opening?	Yes	Low *
C.7 Are bids opened in public?	Yes	Low *
C.8 Can late bids be accepted?	No	Low *
C.9 Can bids (except late bids) be rejected at bid opening?	No	Low *
C.10 Are minutes of the bid opening taken?	Yes	Low *
C.11 Are bidders provided a copy of the minutes?	Yes	Low *
C.12 Are the minutes provided free of charge?	Yes	Low *
C.13 Who undertakes the evaluation of bids (individual(s), permanent committee, ad-hoc committee)?	Bid Evaluation Committee. The members of the committee are drawn from NPMO and one member from PMD.	Low
C.14 What are the qualifications of the evaluators with respect to procurement and the goods and/or works under evaluation?	All NPMO members have adequate relevant experience. All procurement staffs in PMD have more than 5 years of relevant procurement experience.	Moderate*
C.15 Is the decision of the evaluators final or is the evaluation subject to additional approvals?	Evaluators submit their evaluation report to the procurement review committee for approval.	Moderate*
C.16 Using the three 'worst-case' examples in the last year, how long from the issuance of the invitation for bids can the contract be awarded?	2 months	Moderate
C.17 Are there processes in place for the collection and clearance of cargo through ports of entry?	Yes	Low
C.18 Are there established goods receiving procedures?	Yes	Low
C.19 Are all goods that are received recorded as assets or inventory in a register?	Yes	Low
C.20 Is the agency/procurement department familiar with letters of credit?	Yes	Low

QUESTION	RESPONSE	RISK
C.21 Does the procurement department register and track warranty and latent defects liability periods?	Yes	Low
Consulting Services		
C.22 Has the agency undertaken foreign- assisted procurement of consulting services recently (last 12 months, or last 36 months)? (If yes, please indicate the names of the development partner/s and the Project/s.)	Yes, ADB and World Bank	Moderate *
C.23 If the above answer is yes, what were the major challenges?	English language	High *
C.24 Are assignments and invitations for expressions of interest (EOIs) advertised?	Yes	Low *
C.25 Is a consultants' selection committee formed with appropriate individuals, and what is its composition (if any)?	Yes. The members of the committee are drawn from NPMO and one member from PMD.	Low
C.26 What criteria is used to evaluate EOIs?	Criteria declared in the Request for EOI which varies	Low
C.27 Historically, what is the most common method used (QCBS, QBS, etc.) to select consultants?	QCBS	Moderate *
C.28 Do firms have to pay for the RFP document?	No	Low *
C.29 Does the proposal evaluation criteria follow a pre-determined structure and is it detailed in the RFP?	Yes	Low *
C.30 Are pre-proposal visits and meetings arranged?	No	Substantial
C.31 Are minutes prepared and circulated after pre-proposal meetings?	No pre-proposal meetings	Substantial *
C.32 To whom are the minutes distributed?	No pre-proposal meetings	Substantial *
C.33 Are all queries from consultants answered/ addressed in writing?	Yes	Low *
C.34 Are the technical and financial proposals required to be in separate envelopes and remain sealed until the technical evaluation is completed?	Yes	High *
C.35 Are proposal securities required?	No	Low *
C.36 Are technical proposals opened in public?	Yes	Low *
C.37 Are minutes of the technical opening distributed?	Yes	Low *
C.39 Who determines the final technical ranking and how?	Procurement Review Committee	Low *
C.40 Are the technical scores sent to all firms?	Yes	Low*
C.41 Are the financial proposal opened in public?	Yes	Low*
C.42 Are minutes of the financial opening distributed?	Yes	Low*

QUESTION	RESPONSE	RISK
C.43 How is the financial evaluation completed?	Following the criterion declared in the RFP	Low *
C.44 Are face to face contract negotiations held?	Yes	Low *
C.45 How long after financial evaluation is negotiation held with the selected firm?	2 weeks	Low
C.46 What is the usual basis for negotiation?	RFP and successful Consultant's proposal	Moderate
C.47 Are minutes of negotiation taken and signed?	Yes	Low *
C.48 How long after negotiation is the contract signed, on average?	1 week – 1 month	Moderate
C.49 Is there an evaluation system for measuring the outputs of consultants?	No formal system	High
Payments		
C.50 Are advance payments made?	Yes	Low
C.51 What is the standard period for payment included in contracts?	1-2 months	Low
C.52 On average, how long is it between receiving a firm's invoice and making payment?	2 weeks	Low
C.53 When late payment is made, are the beneficiaries paid interest?	Yes	Low
D. EFFECTIVENESS		
D.1 Is contractual performance systematically monitored and reported?	Yes	Low
D.2 Does the agency monitor and track its contractual payment obligations?	Yes	Low
D.3 Is a complaints resolution mechanism described in national procurement documents?	Yes	Low
D.4 Is there a formal non-judicial mechanism for dealing with complaints?	Yes	Low
D.5 Are procurement decisions and disputes supported by written narratives such as minutes of evaluation, minutes of negotiation, notices of default/withheld payment?	Yes	Low *
E. ACCOUNTABILITY MEASURES		
E.1 Is there a standard statement of ethics and are those involved in procurement required to formally commit to it?	No	Substantial *
E.2 Are those involved with procurement required to declare any potential conflict of interest and remove themselves from the procurement process?	No	Substantial *
E.3 Is the commencement of procurement dependent on external approvals (formal or de-facto) that are outside of the budgeting process?	No	Low
E.4 Who approves procurement transactions, and do they have procurement experience and qualifications?	Director General, DOPC. He has over 10 years of experience.	Low *

QUESTION	RESPONSE	RISK
E.5 Which of the following actions require approvals outside the procurement unit or the evaluation committee, as the case may be, and who grants the approval?	None of these.	Low
a) Bidding document, invitation to pre-qualify or RFP	No	Low
b) Advertisement of an invitation for bids, pre-qualification or call for EOIs	No	Low
c) Evaluation reports	No	Low *
d) Notice of award	No	Low *
e) Invitation to consultants to negotiate	No	Low
f) Contracts	No	Low *
E6. Is the same official responsible for: (i) authorizing procurement transactions, procurement invitations, documents, evaluations and contracts; (ii) authorizing payments; (iii) recording procurement transactions and events; and (iv) the custody of assets?	Yes	Substantial *
E.7 Is there a written auditable trail of procurement decisions attributable to individuals and committees?	Yes	Low*