

AfDB approves the Bank Group New Procurement Framework

Abidjan, Côte d'Ivoire, October 14, 2015 – On October 14, 2015, the Board of Directors of the African Development Bank Group (AfDB) approved the Bank's new procurement framework. The need for a comprehensive revision of the African Development Bank's two procurement policy documents, namely, the "Rules and Procedures for Procurement of Goods and Works" and the "Rules and Procedures for the Use of Consultants" was recognized over the last few years. It was realized that, even though the existing procurement policy, as outlined in these two Rules, had served the Bank, regional member countries and bidder communities well in the past years, recent trends have underscored the need for a more dynamic policy and procedures that fully support development effectiveness within an acceptable fiduciary compliance framework. Such trends included the changing circumstances of the Bank's regional member countries, which required the Bank to support an increasingly complex set of development objectives and several external emerging factors that were having a significant impact on the application of its operations procurement policy.

The key feature of the new framework is the achievement of value for money by Borrowers based on a dynamic and differentiated fit for purpose approach to procurement transactions. This includes the full use of Borrower Procurement Systems for certain contracts, customized methods and procedures for more complex ones and third party systems in some other cases. To achieve this, it adopts a risk-based engagement with Borrowers in which the procurement arrangements incorporated into a Bank financed project and the accompanying Bank levels of fiduciary oversight depend on the quality and performance of the procurement system and the complexity of the procurement transactions. This dynamic approach, will further strengthen the Bank's position in deepening its support for capacity development to its regional member countries and at the same time fulfill such international commitments as the Paris Declaration and its follow-on decisions.

Mr. Vinay Sharma, Director of Procurement & Fiduciary Services Department said "The impact of this new framework is expected to be significant. We have estimated that this will lead to project being completed about eight months faster, resulting in over two hundred million dollars of economic benefits annually. Country ownership will increase and we will have much greater legitimacy working with Borrowers in improvement of their governance systems. With a large number of contracts being handled through the use of Borrower systems, a sector capacity will be unleashed to handle complex transactions and provide better advice to the countries. Differentiated procedures will especially help countries in transition. The focus on socio-economic objectives (including gender issues) will satisfy legitimate aspirations of the countries. The framework will allow much easier co-financing arrangements with other donors. Use of technology in Africa in public procurement will increase leading to more transparent, effective and efficient use of resources. All in all, this will position the Bank to be the partner of choice for Borrowers."

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About the African Development Bank Group

The African Development Bank Group (AfDB) is Africa's premier development finance institution. It comprises three distinct entities: the African Development Bank (AfDB), the African Development Fund (ADF) and the Nigeria Trust Fund (NTF). On the ground in 44 African countries with an external office in Japan, the AfDB contributes to the economic development and the social progress of its 54 regional member states.

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