

**AIB Directive on  
Operations Procurement  
July 28, 2020**

**1. Overriding Objective**

- 1.1. **Purpose.** The purpose of this Directive on Operations Procurement (**Directive**) is to enable the Bank's staff to implement the *Bank's Procurement Policy (Policy)* in a manner consistent with the *Interim Operational Directive: Procurement Instructions to Recipients (Procurement Instructions to Recipients)*.
- 1.2. The exercise and interpretation of this Directive shall seek to give effect to this overriding objective.

**2. Definitions**

- 2.1. **Definitions.** The capitalized terms used in this Directive have the meanings ascribed to them in the Policy or Procurement Instructions to Recipients, or the Operational Policy on Financing, or as set forth below:
  - 2.1.1. **Procurement Advisor** means the staff member assigned by the Vice President, Policy and Strategy, to assist in performing the functions described below in *Section 3.2*.
  - 2.1.2. **Procurement Committee** means the Operations Procurement Committee, whose composition and terms of reference are set forth in the *Terms of Reference of the Operations Procurement Committee*.
  - 2.1.3. **Procurement Framework** means, collectively: (a) the Policy; (b) the Procurement Instructions to Recipients; (c) this Directive; and (d) associated administrative guidance relating to procurement that may be issued from time to time by the Vice President, Policy and Strategy.
  - 2.1.4. **Procurement Specialist** means a staff member assigned to the Project by the Director General, Operational Services, to perform the tasks described below in *Section 3.4*.
  - 2.1.5. **Project Team Leader (PTL)** means a staff member assigned to lead the preparation of the Financing and/or monitoring of Project implementation in accordance with the *Operational Policy on Financing* and its associated *Directives* (as applicable).

**3. Responsibilities**

- 3.1. **General.** For purposes of this Directive, the Vice President, Policy and Strategy and the Vice Presidents, Investment Operations, share responsibility for application of the Policy. In particular:
  - 3.1.1. The Policy and Strategy Vice Presidency is responsible for the procurement policy development, policy assurance, compliance and advisory support functions under the Policy (see below, *Section 3.2*).

- 3.1.2. Each Investment Operations Vice Presidency has primary responsibility for due diligence and implementation oversight of the Projects that fall within its mandate in accordance with the Policy (see below, *Section 3.3*). The relevant Manager within the Investment Operations Vice Presidency assigns a PTL to each Project. The Director General, Operational Services, assigns a Procurement Specialist to each Project supported by a Sovereign-backed Financing (and as applicable, by a Non-sovereign-backed Financing) to support the PTL on all procurement matters under the Project (see below, *Section 3.4*).
- 3.1.3. The Vice Presidencies coordinate and cooperate in carrying out their respective responsibilities. They carry out their procurement work in close coordination with the Office of the General Counsel.

### **3.2. Responsibilities of the Policy and Strategy Vice Presidency.**

- 3.2.1. **Policy Development.** The Vice President, Policy and Strategy, is responsible for all aspects of procurement policy development, including:
  - (a) formulating and proposing revisions to the Policy, the Procurement Instructions to Recipients and this Directive;
  - (b) preparing and issuing administrative guidance (including setting thresholds for competitive tendering and for prior review by the Bank of Recipient procurement decisions) and standard procurement documentation, so as to ensure the efficient and proper implementation of the Procurement Policy, the Procurement Instructions to Recipients and this Directive;
  - (c) interpreting the Procurement Framework; and
  - (d) maintaining close contact with other multilateral development banks in connection with their procurement harmonization efforts.
- 3.2.2. **Policy Assurance.** The Vice President, Policy and Strategy, is responsible for providing assurance that the Project complies with the Policy. This includes:
  - (a) confirming the proposed procurement arrangements for the Project, including the Project Delivery Strategy and Procurement Plan (as well as (i) advance procurement arrangements and (ii) thresholds for competitive tendering and Bank prior review of Recipient procurement decisions), and any changes thereto;
  - (b) confirming the procurement aspects of the Project documentation and any changes thereto; and
  - (c) confirming any proposed application of the Recipient's procurement system and co-financiers' procurement policies (and related common procedure frameworks) to the Project.

3.2.3. **Review of Procurement-related Complaints.** The Vice President, Policy and Strategy, is responsible for reviewing procurement-related complaints with the support of the Procurement Advisor. This includes:

- (a) monitoring and advising on procurement complaints received from tenderers, in consultation with the PTL and Procurement Specialist, and preparing, as needed, recommendations for the Procurement Committee; and
- (b) participating in the review and decisions by the Procurement Committee of procurement complaints.

3.2.4. **Advisory.** The Vice President, Policy and Strategy is responsible for:

- (a) developing and delivering internal and external training and informational materials on procurement-related matters;
- (b) providing advice on procurement-related matters to the PTL, Procurement Specialist and other staff; and
- (c) representing the Bank both internally and externally on procurement-related matters.

**3.3. Responsibilities of the Investment Operations Vice Presidencies.** Each Investment Operations Vice Presidency is responsible for preparing and delivering Financings and monitoring implementation of Projects that fall within its mandate. More specifically, this responsibility includes:

- 3.3.1. conducting the Project's procurement risk assessment, including assessing the Recipient's procurement capacity;
- 3.3.2. assessing the Recipient's procurement arrangements for the Project, identifying procurement risk-mitigation measures, as needed, and developing the Bank's procurement oversight arrangements for the Project;
- 3.3.3. interfacing with the Recipient on procurement matters, including advising on the procurement requirements for the Project;
- 3.3.4. facilitating timely publication of procurement notices on the Bank's website;
- 3.3.5. for contracts subject to the Bank's prior review, reviewing and clearing all procurement documents and procurement decisions of the Recipient, issuing no-objections to procurement decisions by the Recipient, and clearing changes to procurement contracts proposed by the Recipient;
- 3.3.6. monitoring the implementation under the Project of: (a) procurement processes; (b) contracts procured; and (c) procurement risk mitigation measures (including ad hoc post reviews of selected contracts and review of Project monitoring reports);

3.3.7. reviewing and making recommendations relating to proposed changes to the Project Delivery Strategy, Procurement Plan or other procurement arrangements (including risk mitigation measures and oversight arrangements) for the Project.

**3.4. Prohibited Practices.** All staff are responsible for promptly reporting to the Complaints-resolution, Evaluation and Integrity Unit any allegation of a Prohibited Practice (defined in the *Policy on Prohibited Practices*) that may arise during the procurement process.

**3.5. Disagreement.** Disagreements among staff regarding procurement matters that arise under the Policy or this Directive and that cannot be resolved between the managers of the respective units shall be brought to the Procurement Committee.

**4. Authority**

**4.1.** The President shall make all final decisions regarding the application of this Directive.

**5. Replacement of Past Directive.**

**5.1.** This Directive replaces the AIB Directive on Operations Procurement, dated August 18, 2017.