**NEW PROPOSED CDB PROJECT PROCUREMENT FRAMEWORK**

Procurement plays a critical role on projects financed by the Caribbean Development Bank (CDB), acting as a driver for efficient project execution and the timely realisation of the developmental outcomes sought. CDB seeks to ensure project procurement is undertaken in a transparent manner and achieves the optimum value for money.

Procurement is currently undertaken by Recipients of CDB’s loans and grants in conformity with the Guidelines for Procurement (2006) and the Guidelines for the Selection and Engagement of Consultants (2011). These guidelines have served CDB and the BMCs well but best practice and the Bank’s operations have evolved. Therefore, CDB is seeking to replace the current procurement guidelines with a new procurement framework to ensure the Bank is operating with a “fit-for-purpose” framework that reflects the needs of CDB, its BMCs and the private sector. CDB has sought to harmonise the policy objectives and approaches in the new framework with those used by other Multi-Lateral Development Banks (MDBs) to lower the transaction costs for BMCs and the private sector.

The new framework is based on a policy document, to be approved by CDB’s Board of Directors, and a procedures document, to be shared with the Board but approved and overseen by management. The framework seeks to maximise the strategic potential of procurement, including through a renewed focus on the achievement of value for money and the need for greater procurement innovation and flexibility. Specific proposed changes in the new framework include:

* Eligibility:
* Under the existing guidelines the source and origin of goods is restricted to CDB member countries. It is proposed to remove all eligibility restrictions on the source and origin of goods as these are a hindrance to optimum procurement outcomes given the relatively limited pool of member countries and today’s global supply chains; and
* It is proposed to retain the current restrictions on state owned or controlled enterprises (SOEs) but to limit these to SOEs in the country of the borrower or grantee. This will align CDB with other MDBs;
* Procurement and Selection Methods: greater flexibility is provided under the new framework and the use of new innovation, such as e-reverse auctions, is permitted in appropriate situations;
* Evaluation criteria: it is recognised that the requirement to identify the lowest responsive bidder for goods, works or non-consultancy services does not always easily accommodate the consideration of important non-price factors. Therefore, in appropriate situations, a merit point approach will be permitted in the evaluation of certain goods, works and non-consultancy services;
* The procurement arrangements for private sector financing are more clearly articulated under the new framework;
* “Alternative Procurement Arrangements” (APAs) are being introduced, whereby CDB can “clear” the procurement procedures and systems used by specific BMC agencies so they can use their own procurement frameworks. APAs will also be possible with other MDBs to facilitate more efficient co-financing arrangements;
* The new framework has a more robust methodology for private sector procurement complaints and defines the roles and responsibilities of the different parties involved with greater clarity; and
* There is a much greater emphasis on both procurement planning and contract management, both of which are critical to a successful procurement process

 The new procurement policy and procedures can be downloaded in word format. Any feedback on these documents would be appreciated and can be sent to procurement@caribank.org. The deadline for feedback is close of business on 7th December, 2018.