



# ISLAMIC REPUBLIC OF AFGHANISTAN

## Ministry of Finance

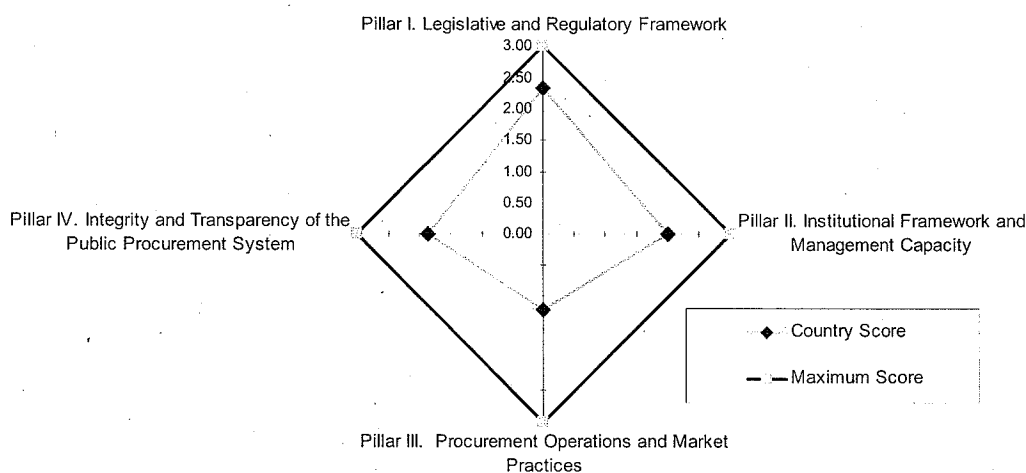
### REPORT

on

### ASSESSMENT OF NATIONAL PROCUREMENT SYSTEMS

Common Benchmarking & Assessment Methodology  
(based on OECD/DAC – World Bank Indicators)

Afghanistan : Public Procurement Systems at a Glance : March 2008



**Procurement Policy Unit (PPU), Ministry of Finance (MoF)**  
**Kabul, Afghanistan**  
**March, 2008**

6.2	Legal Framework.....	47
6.3	Institutional Framework.....	48
6.4	Procurement Capacity Building.....	48
6.5	Procurement MIS.....	49

controls, accounting, reporting, audit and public accountability; structural and administrative reform of the MOF, provincial administrations and the FM capabilities of line ministries; and procurement reform throughout the public sector. Procurement reform has been an integral part of PFM reform strategy in Afghanistan.

Afghanistan had a series of provisions regulating procurement. The provisions relating to goods needed significant amendment to provide further detail and clarification. In the case of works, the Government operated on the basis of regulations adopted in 1989. The main difficulty with these regulations was that they resembled much more a set of bid and contract preparation guidelines than a regulation to ensure competitive bidding. As such, they required significant updating. The regulations were also inadequate in terms of setting out qualification criteria, requirements as to specifications, award criteria, processes and minimum time limits.

Against this backdrop of legal framework, a holistic procurement review was undertaken in May 2003. A number of serious constraints were identified and recommendations made, most notably in respect of the need to transfer procurement capacity as well as responsibility for procurement functions to the line Ministries of the Government. In summary, these issues were:

- a) Limited procurement capacity at all levels in the Government.
- b) Lack of ownership in procurement - a question both of capacity transfer and of creating an appropriate environment within the line Ministries.
- c) Obstacles to such a ownership: (i) lack of adequate training; (ii) misunderstanding of the scope of the procurement function; (iii) inadequate regulations; (iv) lack of common internal structures; (v) lack of communication between procurement staff and senior administrators; and (vi) no incentives for improvement and ownership.
- d) No consistency in the organizational structures of the line Ministries.

The recommendations called for a significant enhancement of the procurement component of Public Administration Project, namely the Public Administration Capacity Building Project (PACBP) approved by the World Bank in December 2004.

The Islamic Republic of Afghanistan is implementing the World Bank funded Public Administration Capacity Building Project (PACBP). The Ministry of Finance (MoF) is the nodal Ministry for implementation of PACBP. The overall objective of the project is to assist the authorities in developing the capacity to manage public expenditures in an effective, transparent, and accountable manner in order to achieve satisfactory and sustainable development outcomes in Afghanistan.

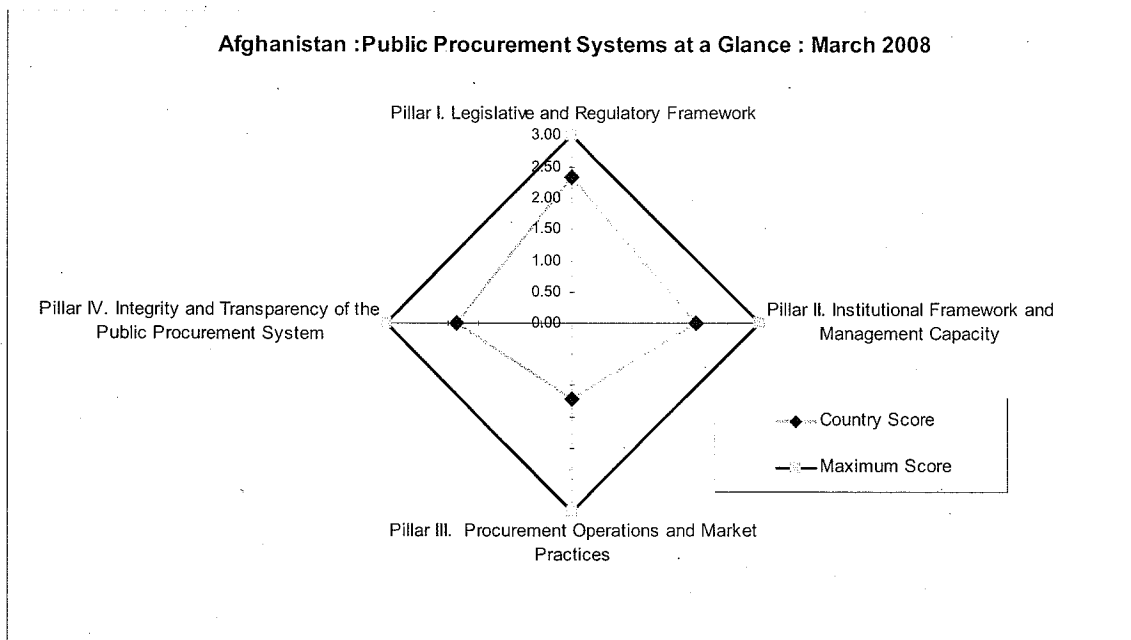
The Component-1 (Strengthening Procurement Capacity within Government) of the PACBP is to: (a) support line ministries with the direct procurement process, particularly in relation to donor programs, through a consultancy contract with a procurement facilitation firm; (b) undertake a procurement capacity building program within line ministries so that they can progressively be accredited with increased delegated authority for procurement management within an agreed institutional and legal framework; and (c) support the promulgation and implementation of the new procurement law and regulations and establishment of a PPU within Government.

A significant milestone achieved during implementation of Component-1C of PACBP is promulgation of the new Procurement Law (hereinafter referred as the "Law") in the official Gazette 865 dated 3/8/1384. Under PACBP, the new Law was finalized and officially gazetted in October 2005. The Law is enacted pursuant to the provision of Article 75 Section

system; c) the operation of the system and competitiveness of the national market; and d) the integrity of the procurement system. The methodology prescribes a number of indicators and sub-indicators for each pillar, the assessment of which is presented below.

Pillar & Indicator			Score	
<b>I</b>	<b>Legislative &amp; Regulatory Framework</b>			<b>2.33</b>
	1	Public procurement legislative and regulatory framework achieves the agreed standards and complies with applicable obligations.	3.00	
	2	Existence of Implementing Regulations and Documentation.	1.67	
<b>II</b>	<b>Institutional Framework &amp; Management Capacity</b>			<b>2.00</b>
	3	The public procurement system is mainstreamed and well integrated into the public sector governance system.	2.50	
	4	The country has a functional normative/regulatory body.	2.50	
	5	Existence of institutional development capacity.	1.00	
<b>III</b>	<b>Procurement Operations &amp; Market Practices</b>			<b>1.22</b>
	6	The country's procurement operations and practices are efficient.	1.75	
	7	Functionality of the public procurement market.	1.25	
	8	Existence of contract administration and dispute resolution provisions.	0.67	
<b>IV</b>	<b>Integrity &amp; Transparency of the Public Procurement System</b>			<b>1.85</b>
	9	The country has effective control and audit systems.	1.40	
	10	Efficiency of appeals mechanism.	3.00	
	11	Degree of access to information.	1.00	
	12	The country has ethics and anticorruption measures in place.	2.00	

The above assessment results are pictorially represented in the radar graph as below:



The CPIs deal with how the system actually operates. They are more closely related to the application of the legal framework and to the prevailing procurement practices in the country. Thus while the BLIs are more like a snapshot of the system design at a given time, the CPIs look at what is happening on the ground by examining a sample of procurement data and other relevant information that is deemed representative of the performance of the system.

# 1 INTRODUCTION

## 1.1 *Background of the Assessment*

Afghanistan, in partnership with about 100 other countries and development institutions, endorsed in March, 2005, a landmark agreement, the Paris Declaration on Aid Effectiveness. One of the commitments of this Declaration made by partner countries and development partners is to “work together to establish mutually agreed frameworks that provide reliable assessments of performance, transparency and accountability of country systems”.

The OECD-DAC Joint Venture for Procurement developed a methodology for the assessment of national procurement systems which partner countries and development partners can use to assess the quality and effectiveness of national procurement systems and launched the pilot testing of the methodology. The purpose of the pilot exercise is to field test the new, common methodology under different country conditions in order to improve the quality and the usefulness of the methodology and to support an improved policy dialog between partner countries and their development partners about procurement reforms and capacity development.

Afghanistan was included as a pilot country in the Joint Venture’s Pilot Exercise for testing the common benchmarking and assessment methodology for National Procurement Systems. To support Afghanistan’s engagement and commitment to the implementation of this aspect of the Paris Declaration, the World Bank committed to providing the necessary and relevant resources to lead and implement the Pilot Exercise. The development partners active in Afghanistan shall support the pilot and to finance priority areas of strengthening procurement capacity that the assessment methodology will identify. It is expected that the partner countries that participate in the Joint Venture’s Pilot Exercise will benefit from acquiring expertise and increasing capacity to build and maintain reliable, transparent public procurement systems.

Guidance was provided by the OECD-DAC Secretariat regarding the overall process and expected timelines of the exercise at the initial orientation and training workshop for the partner country staff and development partner representatives. The Joint Venture delivered such regional orientation workshops for the core groups of partner country assessors and a representative group of development partners at Jakarta, Indonesia from February 5 – 6, 2007 for the Asia pilot countries. Based upon such guidance and training, the Procurement Policy Unit (PPU) in Ministry of Finance (MoF), conducted this assessment under the overall supervision and guidance of the World Bank.

## 1.2 *Scope and Nature of the Assessment*

The Methodology for Benchmarking and Assessment of Public Procurement Systems provides a tool which developing countries and donors can use to assess the quality and effectiveness of public procurement systems. The understanding is that the assessment will provide a basis upon which a country can formulate a capacity development plan to improve its procurement system. Similarly, donors can use the common assessment results to develop strategies for assisting the capacity develop plan and to mitigate risks in the individual operations that they decide to fund. The long term goal is that countries will improve their public procurement systems to meet internationally recognized standards enabling greater effectiveness in the use of funds to meet country obligations.

The prescribed methodology includes a numeric scoring with defined criteria that will enable the monitoring of indicator 2b of the Paris Declaration<sup>1</sup>, providing a qualitative scoring of the

important aspects of the legal framework. The indicators and sub-indicators were very clear and in most case self explanatory. The user's guide that was distributed and explained during the Jakarta workshop to the assessment team was of great help in terms of scoring and helping the team to focus on narrower aspects and mark accordingly.

In order to conduct the assessment for CPIs, the assessment team proposed to obtain sample data from six key spending ministries that directly contribute to achievement of Afghanistan National Development Strategy (ANDS). These ministries were: Ministry of Education (MoE), Ministry of Public Works (MoPW), Ministry of Energy and Water (MEW), Ministry of Public Health (MoPH), Ministry of Rural Rehabilitation and Development (MRRD), and Ministry of Agriculture and Irrigation (MoAI). Most of the Government's national priority projects are run by these ministries. These ministries have the largest budgets and most of the important contracts are awarded by them. The assessment team also proposed to obtain data from the Afghanistan Reconstruction and Development Services Procurement Unit (ARDS-PU) of the Ministry of Economy, which is responsible for facilitating the procurement of the high-value development projects for the line ministries. While relevant data was available from ARDS-PU, coherent data was not forthcoming from line ministries.

Therefore the assessment of CPIs was more subjective based upon appreciation of the responses than based upon the data available from ARDS-PU, which could not be considered as representative sample of procurement system in Afghanistan. ARDS-PU being an international consulting firm to support weak procurement capacities of procuring entities, presents high standards of procurement not representative of the majority. Moreover, several indicators are not amenable to hard measurement in terms of facts and figures and assessing their performance is better accomplished through surveys or interviews with participants in the systems.

Having realized that the data is not available to the extent asked for the assessment of CPIs, and also realizing that there are time and costs associated with collection and analysis of data, including the cost of development and application of surveys and interviews, the assessment of CPIs was kept flexible. It was also realized that the indicators alone cannot give a full picture of a procurement system that is by its nature complex. The assessment of CPIs and the overall assessment therefore were more subjective and judgmental but reasonably consistence and comparable for analytical purposes. The methodology and the application of indicators allows for such subjective professional judgments by the assessor as support for a more thorough analysis.

#### **1.4 Structure of the Assessment Report**

Chapter-1 of the report is an introductory section that presents the background of the assessment, its scope and nature and the limitations encountered. Chapter-2 of the report describes: a) the country context and brief review of the economic situation; b) the nature and scope of public expenditure; c) the national government and sub-national governance in Afghanistan; d) public financial management (PFM) and budgetary control mechanisms and e) the PFM reform strategy and procurement. Chapter-3 describes the setting of the procurement system and the key actors and their roles in the operation of the system.

Chapter-4 is devoted to assessment of BLIs & CPIs and records findings and results, based upon which the outstanding weaknesses of the procurement system are identified and presented in Chapter-5. A prioritized reform strategy intended to address identified weaknesses is presented in the final section in Chapter-6 that describes the reform programs that the government is implementing or plans to implement in the near future that may have an impact in the way the national procurement system operates.

## **2.2 Recent Developments in Afghan Economy**

Afghanistan has achieved respectable economic growth during the past four years, with the real value of non-opium Gross Domestic Product (GDP) increasing by 29 percent in 2002/03, 16 percent in 2003/04, 8 percent in 2004/05, a drought year, and 14 percent in 2005/06. The Government of Afghanistan (GOA) has also maintained a stable macroeconomic framework as evidenced by the successful completion of all quarterly reviews under the IMF Staff-Monitored Program (SMP, from March 2004 to March 2006) and the first review of the Poverty Reduction and Growth Facility (PRGF) program. Monetary policy has been restrained, supported by the adherence to strong fiscal discipline and a “no overdraft” rule that prohibits Central Bank from financing a deficit. Inflation is decelerating and year-on-year inflation declined to 5.2 percent in September 2006 (compared to 16 percent in 2004/05).

## **2.3 Nature and Scope of Public Expenditure**

During this period of economic growth, public spending, managed through the budget process, has been the Government’s main tool to implement its development strategy and coordinate donor assistance. In 2004, the Government introduced the concept of a core budget (all funds flowing through Government accounts subject to its PFM regime) and an external budget (external assistance directly executed by donors; essentially ex-PFM) that accounts for almost two thirds of all spending. The core budget consists of an operating budget (current expenditure and some small capital expenditure) and a development budget (reconstruction projects and some recurrent costs). The total core budget expenditure increased between 2004/05 and 2005/06 by 30 percent to US\$1.1 billion. Within the core budget, operating expenditures amounted in 2005/06 to US\$651 million, 63 percent of which consisted of wages and salaries. Core development expenditures reached US\$424 million, increasing by 58 percent from 2004/05, reaching almost 6 percent of GDP, a commendable level by international standards. This development strategy has created a high demand for maintaining credible, transparent and effective PFM performance, principally through the Ministry of Finance (MOF).

While the external budget is financed exclusively from donor grants, the core budget is financed from four sources: (i) domestic revenues, which reached US\$415 million in 2005/06 (5.7 percent of GDP); (ii) donor grants, including the Afghanistan Reconstruction Trust Fund (ARTF) and proceeds of IDA budget support (US\$724 million or 9.9 percent of GDP); (iii) external loans, including the proceeds of PSIB-I (US\$107 million or 1.5 percent of GDP); and (iv) changes in currency deposits at Da Afghanistan Bank (DAB), Afghanistan’s central bank. To date, the GOA has been able to maintain donor confidence and participation by operating within an agreed Medium Term Financing Framework (MTFF) that has accompanied its medium term development and poverty reduction agenda.

Continuing to use the budget process as the main instrument for promoting development and poverty reduction, the GOA and donors have agreed on a revised MTFF, based on the recently concluded I-ANDES and “Compact” to end 2009-10. Meeting Compact objectives requires substantial increase in spending from US\$1.1 billion in 2005/06 to US\$1.6 billion in 2006/07 and US\$2.6 billion by 2009/10. In addition to making needed investments in development projects, key increases in operating expenditures are likely to be driven by (i) the implementation of a new pay and grading policy; (ii) the recruitment of around 10,000 teachers per year; (iii) an increase in non-wage expenditures, to cover levels for operating and maintaining new investments, and to accommodate costs transferred from the external budget previously financed by donors outside the budget process; and (iv) significant increases in the security sector.

- (iii) Provincial Councils (PCs), elected, with advisory, monitoring and conflict resolution roles;
  - (iv) Provincial Development Committees (PDCs), with limited co-ordinating and planning functions.
- b. The *district level*, which comprises
- (i) District Offices (DOs) of some central ministries with limited functional responsibilities;
  - (ii) District Governors (DGs), appointed by the President, with a relatively limited formal role.
- c. The *municipal level*, which comprises Municipal administrations led by mayors, currently appointed by the President, with functional and service-delivery responsibility mainly for urban services.
- d. The *village level*, which comprises CDCs (currently in about two-thirds of the country), elected according to different systems in different areas, responsible for local infrastructure development and some administrative functions.

In addition there is a very substantial cohort of ancillary organizations which exist alongside and outside of the state, and which are deeply involved in service delivery. The most important of these falls into two categories: Provincial Reconstruction Teams and NGOs.

The institutional structure described above exhibits five important features.

First, the overall structure is characterized by significant systemic overlap of functions. Direct formal functional and budget authority for the delivery of most key services in the provinces - such as education, health, water and roads - is held by highly centralized Line Ministries which work in vertically integrated silos with relatively weak, "externalized" linkages between them. However, this system co-exists with - and is cut across by - the Provincial Governor system which allows the PGs to intervene in the affairs of the Line Ministries and other agencies (e.g. the Municipalities) through a number of "soft" institutional channels, some legislated, some not. For example, PGs hold extensive powers over the appointments of civil servants to Departmental positions in their provinces and they hold approval powers for all expenditures of all the PDs funded from the core budget.

Second, even given the choice of a centralized governance and service-delivery intergovernmental structure for Afghanistan and existing institutional arrangements are not very efficient. In particular, Line Ministries tend to be over-centralized, with their central offices retaining functions which could much more efficiently be performed at the provincial level. However, so long as Line Ministries perceive that any significant de-concentration of budget or functional authority to their Provincial Departments is likely to make these authorities subject to influence and capture by the Provincial Governors, they are unlikely to have much incentive to do so.

Third, the current system is both asymmetric and inequitable. While some of the current institutional asymmetries make sense, others are the result of arbitrary processes connected with history, varying donor practices, and the like rather than considered design choices.

Fourth, while the most autonomous and potentially accountable elements of the subnational system - the Municipalities and the CDCs - escape some of the "systemic contradiction" problems mentioned above, they confront major difficulties of their own. Municipal Council elections have yet to occur, and until they are held the potential of municipalities to deliver accountable local government in their areas will be highly circumscribed. In addition, the



However, these achievements have been obtained by having PFM operations centralized in the MOF with little direct management role assigned to line ministries, provincial offices or state owned enterprises. Moreover this control is being managed on a “transactions” basis, and with significant levels of ex-ante clearances. The ANDS and Compact negotiated between the GOA and the donor community has identified both improving the performance of financial management services and capacity building to permit these services to be mainstreamed into the MOF and line ministries as part of their core operations. With this improved performance, the donor community would be able to meet several of its own wishes to improve the effectiveness of aid for Afghanistan: improving the timeliness and predictability in providing necessary resources, increased use of the core budget to receive and manage assistance (decreasing the reliance on the “external budget”) and improve transparency on using the external budget when used.

To achieve its developmental goals, GOA and the donor community have agreed on a MTFP to 2010 that is ambitious and sensitive to risks. Overall spending through the core budget is projected to rise by 63% compared to the plan for 2007. Of this, “ordinary spending” for personnel, operating costs and small investments would grow by 33%. This will increase the number of small, repetitive transactions, involving numerous agencies and place increased demands on regular cash management, accounting, auditing, and the performance of these functions by line ministries. The MTFP also calls for an increase of about 100% in the development budget. Success in realizing this level of investment spending depends heavily on the GOA’s capability to execute tendering and contract management and to do so following improved procurement management practices. While GOA expects to increase the level of financing through customs and nationally generated taxes, realistically, the MTFP continues to expect to require a 50% increase in external financing. The willingness of external sources to be forthcoming in a regular and predictable manner will depend on maintaining transparency and good governance in public financial management.

## **2.6 PFM Strategy and Procurement**

The Afghanistan Compact commits the Islamic Republic of Afghanistan and the International Community to work toward a stable Afghanistan through good governance and bases the Compact on a number of principles that bear on PFM including: fiscal sustainability; lasting Afghan capacity and effective state and civil society institutions, combating corruption and ensuring public transparency and accountability.

The Government realizes that the reforms of the PFM system, that have already begun will have to continue for it to meet the challenges of the next years. As the custodian of the PFM, the MOF has prepared a Strategic Plan for the years 1384-89 (2006-2010) that proposes reforms that could produce both greater efficiency in managing public resources and maintaining the standards for oversight and governance that have been achieved. These reforms set goals and a short term work agenda for (1) mobilizing revenue and managing government finances, (2) supporting economic management and growth, (3) managing “public wealth”, (4) promoting good governance and (5) establishing itself as a “best practice leader” in public sector reform. The action plan for the immediate future seeks to correct some of the more immediate deficiencies in budget formulation and execution; financial controls, accounting, reporting, audit and public accountability; structural and administrative reform of the MOF, provincial administrations and the FM capabilities of line ministries; and procurement reform throughout the public sector. Procurement reform has been an integral part of PFM reform strategy in Afghanistan.

work for IDA and other donor funded items; staff training / capacity building in ARDS and line Ministries; and review / recommendations on the legal and institutional framework.

AACA was later dissolved (September 2003) and the part responsible for procurement strengthening was renamed Afghanistan Reconstruction and Development Services (ARDS). In June 2003 the World Bank approved a follow-on project namely the Second Emergency Public Administration Project (SEPAP). Component 1 of SEPAP provided supplemental financing for the Procurement and FM contracts supported under EPAP-I.

### **3.2 Procurement System Review and Reform Initiatives**

A holistic procurement review was undertaken in May 2003. This review reiterated the urgency of integrating the procurement function into overall project implementation. A further review of progress against the objectives of the procurement component of EPAP-I and SEPAP was conducted in January 2004. The purpose of this review was to identify the key constraints in achieving the EPAP-I and SEPAP objectives and to recommend future actions and scope of work for implementing the procurement component of the Third Public Administration Project.

A number of serious constraints were identified and recommendations made, most notably in respect of the need to transfer procurement capacity as well as responsibility for procurement functions to the line Ministries of the Government. In summary, these issues were:

- e) Limited procurement capacity at all levels in the Government.
- f) Lack of ownership in procurement - a question both of capacity transfer and of creating an appropriate environment within the line Ministries.
- g) Obstacles to such a ownership: (i) lack of adequate training; (ii) misunderstanding of the scope of the procurement function; (iii) inadequate regulations; (iv) lack of common internal structures; (v) lack of communication between procurement staff and senior administrators; and (vi) no incentives for improvement and ownership.
- h) No consistency in the organizational structures of the line Ministries.

The review recognized that the provision of emergency centralized procurement capacity was essential early on in Afghanistan's reconstruction effort and also concluded that there would be a continued need for centralized procurement facilitation services for some time. However, an accelerated effort to build procurement capacity within line ministries to enable them to perform key procurement functions to adequate standards was considered critical for sustainability of reconstruction efforts. A concept paper was developed to set out a vision of the new public procurement system in Afghanistan. The three main pillars of the concept paper were: (i) the creation of a regulatory body including a review mechanism; (ii) the introduction of a common organization of the procurement function in all Ministries and government departments; and (iii) a formalized training and certification program aiming at the creation of a procurement cadre in Afghanistan.

The recommendations called for a significant enhancement of the procurement component of Third Public Administration Project, namely the Public Administration Capacity Building Project (PACBP) approved by the World Bank in December 2004.

### **3.3 Public Administration Capacity Building Project (PACBP)**

The Islamic Republic of Afghanistan is implementing the World Bank funded Public Administration Capacity Building Project (PACBP). The Ministry of Finance (MoF) is the nodal Ministry for implementation of PACBP. The overall objective of the project is to assist

and (iv) system of attestation whereby the performance of ministries can be assessed against identified benchmarks. The process envisaged involves the creation of a sustainable capacity building program for individual procurement officers in the Government leading to certification and the ultimate creation of a class of procurement professionals.

***Subcomponent 1 (C). Services for Legal and Institutional Framework Development.*** This sub-component carries forward the task of achieving the desired status of legal and institutional framework development for procurement in Afghanistan.

### **3.4 Procurement Law 2005**

A significant milestone achieved during implementation of Component-1C of PACBP is promulgation of the new Procurement Law (hereinafter referred as the “Law”) in the official Gazette 865 dated 3/8/1384. The EPAP / SEPAP undertook a review of existing procurement law of the country and proposed revised Procurement Law and Regulations suitable to the local requirements and reflecting current international best practice. Under PACBP, the new Law was finalized and officially gazetted in October 2005. The Law is enacted pursuant to the provision of Article 75 Section 4 of the constitution to regulate the procurement of goods, services and coordination of works, both domestic and foreign, for administrations, institutions, and mixed companies. The Law became effective upon signature and publication in the Official Gazette. On the effective date of the Law the regulation published in number 793 of the Official Gazette dated 1421 H.Q. with its annexes, amendments, the regulation for constructional affairs published in official gazette # 798 dated 1422 H.Q (Lunar Hijra) and any other provisions that conflict with the Law have been nullified.

The purpose of the law is to establish an open, transparent, competitive procurement system, based on effective budgetary and expenditure controls and reporting requirements designed to achieve efficiency, economy, the prevention of abuses, and a fair opportunity for participation by all potential contractors, including private enterprises and other persons. This Law regulates the procurement of goods, works and services, both domestic and foreign, for government administrations and institutions, and mixed companies.

The three main pillars of the new Law are: (i) the creation of a regulatory body, including a review mechanism; (ii) the introduction of a common organization of the procurement function in all Ministries and government departments in Afghanistan; and (iii) a formalized training and certification program aiming at the creation of a procurement cadre in Afghanistan. The new Law envisages a decentralized procurement system. It requires that a Procurement office shall be established in each state entity and institution and mixed company to carry out procurement activities. The state entity and institution and mixed companies shall decide on the number of trained and experienced staff.

The new Law is comprehensive in substance and incorporates not only the desirable existing provisions of old law but also internationally acceptable provisions. However, its complexity makes it challenging to implement in post conflict reconstruction situation of Afghanistan. The new Law also requires a series of implementing actions to carry forward the identified tasks to achieve the desired status of legal and institutional framework development for procurement in Afghanistan. The Law requires the following units to be set up at the national level in the Ministry of Finance:

1. Procurement Policy Unit – PPU (Article 93).
2. Contract Management Office – CMO (Article 69).
3. Special Procurement Commission – SPC (Article 91).

are conducted in accordance with the Transaction of Business Rules adopted by the MoF under the Law. The CMO shall have overall responsibility for planning and executing the work of the SPC as well as record keeping. It shall be responsible for the execution of all rules and policies and shall attend to statutory requirements imposed on the SPC. The CMO shall liaison with the PEs and other agencies for any matter pertaining to the day-to-day operation of the SPC.

The SPC commenced its operation with effect from the beginning of year 1386 (2007/08). All PEs now refer their procurements for approval of the SPC in accordance with the thresholds in Annex-A of the Law, to the CMO in MoF.

### **3.8 Rules of Procedure for Public Procurement 2007**

Pursuant to provisions of Article 106 of the Law, the PPU in Ministry of Finance issued the "Rules of Procedure for Public Procurement" for the purpose of establishing detailed rules and procedures to fulfill the objectives and to implement the provisions of the Law. Compliance with these Rules is obligatory for all procuring entities and other participants in public procurement.

These "Rules of Procedure" were prepared as "Regulations" and were referred to Ministry of Justice (MoJ) for scrutiny and for cabinet approval. The MoJ reviewed the document as procedural in nature and conveyed its comments that the document may be issued by MoF itself as Procedures of Procurement in accordance with Article 106 of the Law. Accordingly, the "Rules of Procedure for Public Procurement" were approved in Ministry of Finance and became effective on approval with effect from April 12, 2007.

These "Rules of Procedure" provide detailed guidelines and procedures for procurement planning, eligibility and qualification of bidders, procedures for tendering, procedures for request for proposals, procedures for request for quotations, procedures for single-source procurement, contract award, contract administration, transparency, accountability, debarment of bidders and contractors, administrative review, institutional arrangement for public procurement, etc.

### **3.9 ARDS - Procurement Unit (ARDS-PU)**

The ARDS-PU has put in place emergency procurement capacity to facilitate rapid and transparent utilization of donor resources for reconstruction through the employment of a specialized international Procurement Consultancy Firm. The ARDS is financed by the World Bank (firstly under EPAP, subsequently under SEPAP, currently under PACBP, and next under PFMR). The ARDS-PU does not function as a central procurement agency to conduct procurement on behalf of PEs. It facilitates the procurement process and assists the PEs in conducting high value procurements to ensure that the procurements are conducted in compliance with provisions of the Law and prescribed procedure.

Once the technical specification of goods or works and terms of reference for consultancy services are finalized by PEs, they refer it to ARDS-PU for facilitating the process of procurement. The ARDS-PU prepares the Tender Documents and obtains approval of the PEs. The ARDS-PU then issues notification and receives bids / proposals, which are opened in ARDS-PU in presence of Procurement Committee of the PEs. The ARDS-PU then refers the bids / proposals to PEs for evaluation and assists them in evaluation as well as in preparation of evaluation report and draft contract, contract negotiation wherever required, obtaining approval of SPC, etc. The ownership of the whole process lies with the PEs as envisaged in Article 87 of the Law. The ARDS-PU serves as a central facilitation and support unit during the procurement process.

Indicator / Sub-Indicator		Score
	The Law and the Rules are published at <a href="http://www.mof.gov.af/ppu">www.mof.gov.af/ppu</a> and are easily accessible to public at no cost.	
<b>1(b)</b>	<p><b>Procurement Methods</b></p> <p>The Law clearly defines the permissible procurement methods and the circumstances under which each method is appropriate. The permissible procurement methods for procurement of goods, works and non-consultancy services are Open Tendering [Article 23 of the Law], Restricted Tendering [Article 24 of the Law] and Request for Quotations [Article 27 of the Law]. The permissible procurement method for procurement of consultancy services is Request for Proposal [Article 26 of the Law]. The Law provides for Single-source procurement [Article 28 of the Law] under conditions defined in the Law.</p> <p>The Law makes open competitive tendering the default method of procurement [Article 23 of the Law]. A written justification shall be placed in the record of the procurement proceedings stating the reasons for employing any procurement method other than open tendering. It defines the situations in which other less competitive methods can be used and clearly specifies in Annex-A the approval levels for initiating as well as approving the procurement for each method. Hence, the discretion of individual entities and procurement officials is reasonably controlled to minimize the use of methods that limit competition.</p> <p>The Law prohibits fractioning of contracts to limit competition [Article 18 of the Law].</p> <p>The standards of international competitive tendering are specified in the Law and are consistent with international standards.</p>	<b>3</b>
<b>1(c)</b>	<p><b>Advertising rules and time limits</b></p> <p>The Law requires that procurement opportunities other than single-source or price quotations shall be publicly advertised [Article 31 of the Law]. The minimum bidding period provides sufficient time, consistent with the method, nature and complexity of procurement, for potential bidders to obtain bid documents and respond to the advertisement [Article 34 of the Law and Rule 53 of Rules of Procedure].</p> <p>The announcement shall be published in printed media in at least one publication of wide circulation, broadcast over radio or television, and to the extent feasible, published on the internet [Article 31 of the Law and Rule 50 of Rules of Procedure]. In case of international tendering, the announcement shall also be published in media of wide international circulation or on widely read internet sites [Rule 50(2)].</p> <p>The contents of publication shall include information specified in Article 30 of the Law further elaborated in Rule 49 of the Rules of Procedure. The requirement includes sufficient information to enable potential bidders to determine their ability and interest in bidding.</p>	<b>3</b>
<b>1(d)</b>	<p><b>Rules on participation</b></p> <p>Chapter-III of the Law and Chapter-III of the Rules of Procedure stipulate the conditions of participation, i.e., the eligibility and qualification of bidders. Article 19(1) of the Law provides that a bidder shall be eligible to participate in the procurement if the bidder – (a) has the legal capacity to enter into a contract; (b) is not bankrupt or insolvent; (c) is not having a conflict of interest; (d) has not been</p>	<b>3</b>

	<b>Indicator / Sub-Indicator</b>	<b>Score</b>
	<p>terms of the bids with the bidders.</p> <p>Article 33(2)(c) requires the bid evaluation criteria to be mentioned in the bid document and Article 35(4)(b) provides that the successful bid shall be the bid which is the lowest responsive evaluated bid taking into consideration the criteria specified in the bidding documents.</p> <p>Chapter-IV of the Rules of Procedure provides for the procedure for tendering including evaluation and provides that the criteria that are not evaluated in monetary terms are evaluated on a pass / fail basis.</p> <p>Chapter-V of the Rules of Procedure provides for the procedure for Request for Proposals which provides that the evaluation of proposals for consultancy services gives adequate importance to the quality and regulates how price and quality are considered, e.g., Quality &amp; Cost Based Selection (QCBS), Quality Based Selection (QBS), Fixed Budget Selection (FBS) and Least Cost Selection (LCS).</p> <p>Rule 64 of the Rules of Procedure requires confidentiality and integrity of bid evaluation. During the evaluation period, no bidder shall make any unsolicited communication to the Procuring Entity or try in any way to influence the Procuring Entity's examination and evaluation of the bids. Information relating to the examination, clarification, evaluation and comparison of bids shall not be disclosed to bidders or to any other person not involved officially in the process or in the decision on which bid should be accepted, except as provided in the Law and the Rules.</p>	
1(g)	<p><b>Submission, receipt and opening of tenders</b></p> <p>Article 34 of the Law and Rule 59, 60, 61 &amp; 62 of the Rules of Procedure govern the provisions relating to submission and receipt of the bids. The modality of submission and receipt are well defined in the Rules. The bids are to be submitted in sealed envelopes and maintained in a safe place with access controlled. The security and confidentiality of the bids is to be maintained prior to bid opening.</p> <p>Article 35 of the Law and Rule 63 of the Rules of Procedure govern the provisions relating to opening of the bids. Bids shall be opened at the nearest time upon submission in a public proceeding in accordance with the bidding documents by the assigned committee in the presence of bidders or their legal representatives. The names and addresses of such bidders, and the respective bid prices, shall be recorded in the minutes, which shall be signed by all participating bidders. A record of the bid opening shall be made, which shall be kept as part of the procurement record for review and audit.</p>	3
1(h)	<p><b>Complaints</b></p> <p>Chapter-IX of the Law provides for a review mechanism. It establishes – (a) the right to review; (b) the matters that are subject to review; (c) the timeframe for such reviews; and (d) the different steps in the review process. It provides for a time bound response for a request to review at the level of procuring entity level before conclusion of the procurement process and award of contract. It also makes a provision for appeal against the response or the failure to respond by the procuring entity to an independent Administrative Review Committee. After award of the contract, an application for review may be filed with the Review Committee which has the authority to grant a remedy.</p>	3

Indicator / Sub-Indicator		Score
	Request for Proposal proceedings. It stipulates the conditions under which selection based exclusively on technical capacity is appropriate [Rule 84(4)]. QCBS is provided as the default method to the exclusion of conditions under which QBS, FBS & LCS are to be used [Rule 84(2)]. Chapter-V of the Rules of Procedure also clearly stipulates the procedures and methodologies for assessment of technical capacity and for combining price and technical capacity under different circumstances. Some of the relevant provisions are: Rule 86 – Evaluation Criteria for Consultancy Services Rule 96 – Evaluation and Selection Rule 97 – Scoring of Proposals for Technical Evaluation Rule 101 – Financial Evaluation for Quality and Cost Based Selection Methods Rule 102 – Financial Evaluation for Quality Based Selection	
2(e)	<b>User's guide or manual for contracting entities</b> Currently, there is no unique procurement manual detailing all procedures for correct administration of procurement laws and rules. Though there is no legal obligation to have one, the task undertaken by PPU to complete the legal framework has planned to prepare a procurement manual when all other tasks such as prescribed SBDs, other forms & templates, etc are completed. Many procurement agencies have an internal manual for procurement administration or follow World Bank procurement manual for reference.	1
2(f)	<b>General Conditions of Contracts (GCC) for public sector contracts covering goods, works and services consistent with national requirements and, when applicable, international requirements.</b> The SBDs and standard forms of contracts containing GCC consistent with internationally accepted practice are under preparation by PPU and individual agencies use the form of contract of their choice (mostly World Bank standard documents). Therefore the score awarded for this sub-indicator is zero.	0

#### 4.2.2 Pillar-II : Institutional Framework & Management Capacity

Indicator / Sub-Indicator		Score
3	<b>The public procurement system is mainstreamed and well integrated into the public sector governance system.</b>	2.50
3(a)	<b>Procurement planning and associated expenditures are part of the budget formulation process and contribute to multiyear planning</b> There is complete integration of the procurement system with financial management system of the Government from budget preparation and planning to treasury operations for payments. Public Finance & Expenditure Management Law (PFEML) of Afghanistan institutes a regular planning exercise for budget preparation. Chapter-VI of the PFEML stipulates the provisions related to budget preparation and approval. Article 27 of PFEML related to preparation of budget requires that the preparation of the budget shall be based on multi-year national development and security programmes, and economic framework covering budget related issues for at least 2 coming years. Article 27 to 37 of the PEFML provides for detailed procedures to	3

Indicator / Sub-Indicator		Score
3(d)	<p><b>Systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery with budget programming.</b></p> <p>While the process for allocation of funds for a procurement contract is completely integrated for implementation of provisions of Law, currently sufficient integration is not there between the procurement system and financial management and budgetary system to provide information on completion of all major contracts. Information on completion of contracts is erratic or is normally submitted with considerable delay.</p>	1
4	<p><b>The country has a functional normative/regulatory body.</b></p>	2.50
4(a)	<p><b>The status and basis for the normative/regulatory body is covered in the legislative and regulatory framework.</b></p> <p>A Procurement Policy Unit (PPU) has been established in the Ministry of Finance (MOF) pursuant to article 93 of the Procurement Law for policy and professional development and as a performance monitoring organ in the field of procurement. The PPU is responsible for prescribing policies and proposing improvements in procurement practices to accomplish the purposes of the Law in all areas of public procurement. The PPU shall implement measures aimed at developing human resources and professionalism for procurement, including training programmes and providing certification of the credentials of members of procurement committees and procurement officers. Therefore PPU is the the regulatory body which is specified in the legal and regulatory framework in unambiguous way.</p>	3
4(b)	<p><b>The body has a defined set of responsibilities that include but are not limited to the following:</b></p> <ul style="list-style-type: none"> <li>▪ providing advice to contracting entities;</li> <li>▪ drafting amendments to the legislative and regulatory framework and implementing regulations;</li> <li>▪ monitoring public procurement;</li> <li>▪ providing procurement information;</li> <li>▪ managing statistical databases;</li> <li>▪ reporting on procurement to other parts of government;</li> <li>▪ developing and supporting implementation of initiatives for improvements of the public procurement system; and</li> <li>▪ providing implementation tools and documents to support training and capacity development of implementing staff.</li> </ul> <p>Article 94 of the Law provides for the functions of the PPU. The PPU shall have the following duties and authorities:</p> <ul style="list-style-type: none"> <li>(a) monitor procurement proceedings to ascertain efficiency and compliance with this law,</li> <li>(b) collection of data or reports and the review of procurement records and files;</li> <li>(c) propose improvements in procurement practices to accomplish the purposes of this Law;</li> <li>(d) in consultation with concerned official and professional circles prepare standard bidding documents;</li> <li>(e) promote and oversee effective supply management procedures;</li> <li>(f) assess the procurement needs and capacity of procuring</li> </ul>	3



Indicator / Sub-Indicator		Score
	<p>The Law assigns the functions of procurement monitoring to PPU. The responsibility of monitoring the performance of the entire system and formulation and implementation of improvement plans vests with PPU. This requires the availability of information systems. Though the responsibility for management of the information system is clearly defined and assigned to PPU, currently there is no integrated information system that provides up-to-date information on procurement and that is easily accessible to all parties.</p> <p>The ARDS-PU maintains its website <a href="http://www.ards.org.af">www.ards.org.af</a> on which procurement notices including bid document and contract awards of all high value contracts of Government procured with the facilitation and support of ARDS-PU are published. Therefore the system only provides information on some of the contracts of Government. The accessibility is universal but the coverage of the information system is limited.</p>	
5(b)	<p><b>The country has systems and procedures for collecting and monitoring national procurement statistics.</b></p> <p>Currently, there is no system in operation to collect data on procurement from all procuring entities. Attempts have been made to collect sample data on procurement by method, duration of different stages of the procurement cycle, award of contracts, unit prices for common types of goods and services and other information to carry out analysis of trends, levels of participation, efficiency and economy of the purchases and compliance with requirements. However, the reliability of the information was not high and such collection of sample data have been one-off events for limited purpose.</p> <p>ARDS-PU does maintain reliable data on high-value procurements conducted with its facilitation and support. But it is not representative of government-wide procurements.</p>	0
5(c)	<p><b>A sustainable strategy and training capacity exists to provide training, advice and assistance to develop the capacity of government and private sector participants to understand the rules and regulations and how they should be implemented.</b></p> <p>The Government has engaged the consultancy services of a firm for nationwide procurement capacity building under the World Bank funded PACBP. The strategy provides for substantive permanent training programmes of suitable quality and content for the needs of the system. The training strategy also provides for evaluation and periodic adjustment based on feedback and need but sustainability is uncertain.</p> <p>The PPU is providing quality advisory services to absolve queries by procuring entities, suppliers, contractors and the public. These services primarily relate to application and interpretation of provisions of Law and Rules of Procedure and contract administration.</p>	2
5(d)	<p><b>Quality control standards are disseminated and used to evaluate staff performance and address capacity development issues.</b></p> <p>The procurement system has quality standards but does not currently monitor nor use the standards for staff performance evaluation. Operational audits are not carried out regularly to monitor compliance with quality assurance standards.</p>	1

Indicator / Sub-Indicator		Score
	Rule 160 of the Rules of Procedure establishes security protocols for management of securities and similar documents. However, compliance with these requirements of record keeping and management is inadequate. Hence, though the legal framework meets all requirements of the sub-indicator, the operational effectiveness and efficiency at the level of implementing entity is less than satisfactory.	
6(d)	<b>There are provisions for delegating authority to others who have the capacity to exercise responsibilities.</b>	3
	The Annex-A of the Law provides for a clear assignment of decision making authority in a decentralized manner to the lowest competent level consistent with the risks associated and monetary sums involved. Accountability for decisions is also precisely defined. Such delegation and accountability is regulated by Law that also establishes the mechanism for revision of such delegated authority in accordance of improved competence of procuring entities. Article 95(1) of the law provides that the levels of authority of each award authority as set forth in Annex A of the Law may be amended on the recommendation by the PPU and the approval of the Special Procurement Commission (SPC).	
7	<b>Functionality of the public procurement market.</b>	1.25
7(a)	<b>There are effective mechanisms for partnerships between the public and private sector.</b>	0
	The Government does encourage open dialogue with the private sector but has not established any formal mechanisms for regular interaction with the private sector either through associations or other means. However, the government has planned programmes to help build capacity of the private sector including small businesses and new entries into the public procurement marketplace. The legal framework does allow public / private partnership but the mechanisms are currently not well established.	
7(b)	<b>Private sector institutions are well organized and able to facilitate access to the market.</b>	1
	The private sector is relatively weak and competition for large contracts is concentrated in a relatively small number of firms. The competition is limited owing to monopolistic or oligopolistic features in important segments of the market. The private sector lacks capacity and access to information for participation in the public procurement market.	
7(c)	<b>There are no major systemic constraints (e.g. inadequate access to credit, contracting practices, etc.) inhibiting the private sector's capacity to access the procurement market.</b>	1
	Interactions with the NGO working with the private sector for their capacity building and access to information reveal multiple constraints inhibiting private sector access to the public procurement market often affecting competition levels. The constraints include but are not limited to access to credit, unreasonable contracting provisions that does not fairly distribute risks associated with performance of contracts, inadequate publicity of procurement opportunities because of inadequate circulation of print media, weak capacity of the private sector to understand modern procurement practices and associated documentation required for participation in procurement process, etc.	

Indicator / Sub-Indicator		Score
8(b)	<p><b>Contracts include dispute resolution procedures that provide for an efficient and fair process to resolve disputes arising during the performance of the contract.</b></p> <p>There is no Arbitration Law in the country. The country accepts as a matter of course international arbitration for international competitive bidding. Also provisions of Alternative Dispute Resolution (ADR) are also included in contracts that follow World Bank or other donor SBDs and such ADR provisions conform to the international standard wording. However, these practices are not common for all government contracts. In the absence of country specific SBDs, majority of the contracts do not include dispute resolution procedures that provide for an efficient and fair process for resolution of disputes during performance of contracts.</p>	0
8(c)	<p><b>Procedures exist to enforce the outcome of the dispute resolution process.</b></p> <p>Even for contracts where dispute resolution mechanism is provided, the procedure to enforce the outcome is not effective. The country has procedures to enable the winner in a dispute to seek enforcement of the outcome by going to the courts. But, the process to monitor this area of contract administration is not in place.</p>	0

#### 4.2.4 Pillar-IV : Integrity and Transparency of the Public Procurement System

Indicator / Sub-Indicator		Score
9	<p><b>The country has effective control and audit systems.</b></p>	1.40
9(a)	<p><b>A legal framework, organization, policy, and procedures for internal and external control and audit of public procurement operations are in place to provide a functioning control framework.</b></p> <p>The legal framework does provide a functioning control framework. The PPU is assigned the responsibility of monitoring procurement proceedings to ascertain efficiency and compliance with the Procurement Law. The PPU shall also refer violations of the Law to the relevant authorities for prosecution. Such functions related to procurement audit assigned to PPU are in addition to the internal and external control and audit of public procurement operations by auditors. The Control and Audit Office (CAO) undertakes annual audit of government expenditure including projects and programmes. This includes audit of procurement process. The CAO has undertaken a significant number of audits that have identified possible malfeasance and the Auditor General has referred cases to the Attorney General for possible prosecution.</p> <p>To date the internal audit activities in line ministries and agencies have also been under the control of the CAO and have been oriented towards detecting frauds and irregularities by line ministries' staffs. The PEFML and its financial regulations have transferred control of internal audit from the CAO to the MoF by providing that the MoF appoint internal auditors to audit the financial and accounting affairs of all state administrations. Steps have been taken to build a modern Internal Audit Department in the MoF.</p>	3

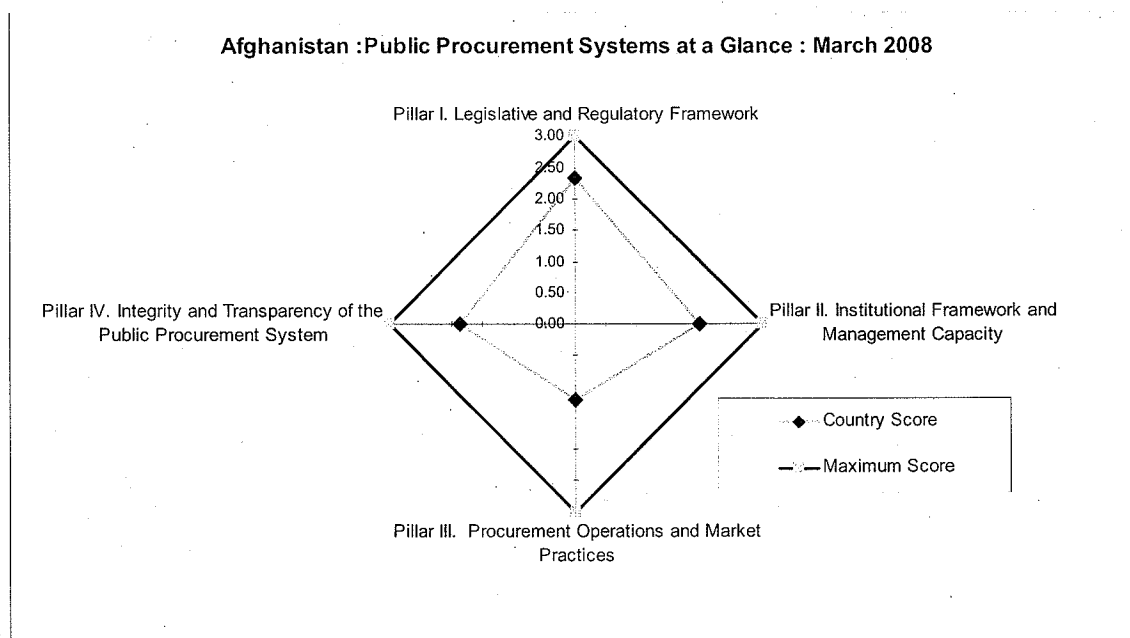
	<b>Indicator / Sub-Indicator</b>	<b>Score</b>
	<p>evidence submitted by the parties to the Review Board, which has the authority to issue final decision that is binding on the parties on confirmation by the PPU.</p> <p>The PPU serves as the appellate authority because it not only has to confirm the Order but also it has the power to reopen a review where, in its opinion, it is necessary for the proper conduct of the case.</p> <p>The time limits for submission and review of complaints and issuing of decisions are prescribed in the Law such that it does not unduly delay the procurement process. Article 86(8) of the Law provides that a timely application for review or appeal immediately suspends the procurement proceedings for the stated period of review. Though Article 86(9) also provides that such suspension period may be extended upto a maximum of 45 days, Article 86(10) also provides that such extension shall not apply if the procuring entity submits to the PPU a certification, stating reasons of urgent national interest that require the procurement to proceed without delay. The prescribed system therefore is fair.</p>	
10(b)	<p><b>The complaint review system has the capacity to handle complaints efficiently and a means to enforce the remedy imposed.</b></p> <p>The review system prescribed in the Law and detailed out in the Manual has precise and reasonable conditions and timeframes for decision and clear enforcement authority and mechanism.</p> <p>An application for review must be submitted within ten working days after the applicant knew the alleged violation [Article 86(3)]. A decision on the application for review shall be issued by the head of the procuring entity within one week after its submission [Article 86(4)]. The decision of, or the failure to decide within the required time by, the head of the procuring entity may be appealed to the Administrative Review Committee in PPU within ten working days after either the decision or the expiry of the time for issuing the decision [Article 86(5)]. The Chairman of the Administrative Review committee shall appoint a Review Board which shall decide one week after its receipt an appeal, or application for review [Article 86(6)].</p> <p>Article 86(7) of the Law authorizes the review to annul in whole or in part an action or decision of a procuring entity that was contrary to the Law, unless the procurement contract has been concluded and to substitute its own decision for such a decision, except for the concluding of the procurement contract. In case the procurement contract has been concluded, the review has the authority to order payment of costs incurred by an unsuccessful bidder from participating in a procurement proceeding which violated the Law.</p>	3
10(c)	<p><b>The system operates in a fair manner, with outcomes of decisions balanced and justified on the basis of available information.</b></p> <p>Section 27(2) of the manual prescribes that the Order of the Review Board shall be confined to the issues raised in the Application for Review and Reply of the Respondent.</p> <p>The Review Board established by the Administrative Review Committee in PPU enjoys independence of conducting its procedures to decide in a balanced and unbiased manner in consideration of relevant information. The decision of Review Board is subject to higher level review in PPU.</p>	3

Indicator / Sub-Indicator	Score
<p>provides that procurement employees who violate the Law are liable to applicable administrative sanctions and payment of compensation for losses, as well as to prosecution pursuant to Law.</p> <p>Obligations and bidders and contractors are provided in Article 82 of the Law. A bidder or contractor shall not provide false information in order to influence a procurement proceeding, including the award of a procurement contract. A bidder or contractor shall avoid offering or giving a bribe either directly or indirectly to a procurement official. Bidders shall not engage in collusion to monopolize procurement processes and to establish bid prices at uncompetitive levels, which prevents the promotion of a free, open, and competitive procurement system. Bidders who offers or give bribes or who engage in preparation of fraudulent documents in connection with procurement are subject to prosecution pursuant to the provisions of law.</p> <p>Article 83 of the Law and Rule 166 to 169 of the Rules of Procedure separately provide for conditions and procedure for debarment of bidders and contractors.</p> <p>Rule 163(3) of the Rules of Procedure provides that a proposal for award shall be rejected if it is determined that the bidder recommended for award has, directly or through an agent, engaged in corrupt, fraudulent, collusive or coercive practices in competing for the contract in question. Rule 163(4) of the Rules of Procedure provides that a firm or individual shall be sanctioned and declared ineligible, either indefinitely or for a stated period of time, to be awarded a procurement contract if at any time it is determined that they have, directly or through an agent, engaged, in corrupt, fraudulent, collusive or coercive practices in competing for, or in executing, a contract.</p> <p>The legal framework therefore explicitly and adequately deals with the matter. It not only defines fraud and corruption in procurement but also spells out the individual responsibilities and consequences for government employees and private firms or individuals found guilty of fraud and corruption in procurement.</p>	
<p><b>12(c) Evidence of enforcement of rulings and penalties exists.</b></p> <p>There is evidence available on few cases of enforcement of procurement Law by Attorney General where provisions related to corrupt practices have been taken up for prosecution.</p>	2
<p><b>12(d) Special measures exist to prevent and detect fraud and corruption in public procurement.</b></p> <p>The Government has consistently made strong public pledges to fight corruption. The Government's strategy documents, starting with the <i>National Development Framework</i> in 2002 and including <i>Securing Afghanistan's Future</i> in 2004 and most recently the <i>Interim Afghanistan National Development Strategy</i>, emphasize the need for financial probity, transparency, and accountability and the critical importance of tackling corruption. The Government's actions relating to the anti-corruption agenda include, among others, improvements in financial management and transparency in the context of the national budget and passage of a number of laws and regulations which directly or indirectly relate to corruption.</p>	2

The assessment of BLI as above result in the following average score for each indicator and for each pillar:

Pillar & Indicator			Score	
<b>I</b>	<b>Legislative &amp; Regulatory Framework</b>			<b>2.33</b>
	1	Public procurement legislative and regulatory framework achieves the agreed standards and complies with applicable obligations.	3.00	
	2	Existence of Implementing Regulations and Documentation.	1.67	
<b>II</b>	<b>Institutional Framework &amp; Management Capacity</b>			<b>2.00</b>
	3	The public procurement system is mainstreamed and well integrated into the public sector governance system.	2.50	
	4	The country has a functional normative/regulatory body.	2.50	
	5	Existence of institutional development capacity.	1.00	
<b>III</b>	<b>Procurement Operations &amp; Market Practices</b>			<b>1.22</b>
	6	The country's procurement operations and practices are efficient.	1.75	
	7	Functionality of the public procurement market.	1.25	
	8	Existence of contract administration and dispute resolution provisions.	0.67	
<b>IV</b>	<b>Integrity &amp; Transparency of the Public Procurement System</b>			<b>1.85</b>
	9	The country has effective control and audit systems.	1.40	
	10	Efficiency of appeals mechanism.	3.00	
	11	Degree of access to information.	1.00	
	12	The country has ethics and anticorruption measures in place.	2.00	

The above assessment results are pictorially represented in the radar graph as below:



### 4.3 Assessment of Compliance / Performance Indicators (CPIs)

The CPIs deal with how the system actually operates. They are more closely related to the application of the legal framework and to the prevailing procurement practices in the country. Thus while the BLIs are more like a snapshot of the system design at a given time, the CPIs

Compliance or Performance Indicator	Related Baseline Indicator / Sub indicator	Assessment Findings and Results
provisions limiting participating for reasons other than qualifications or acceptable exclusions.	qualitative selection	of the documents included conditions of exclusion other than what is permitted under Law for eligibility and qualification. However, it is noticed that in the nascent procurement environment of Afghanistan, even normal qualification requirement result in limiting participation. Steps are taken to keep the qualification requirement reduced but reasonable.
Percentage of tenders rejected in each process.	1e) - Tender documentation and technical specifications.	50% of the bids have been rejected by ARDS-PU as non-responsive. Such low percentage of responsive bids is not because of restrictive specifications, insufficient information in the tendering documents, and an overly legalistic application of the tender requirements or inability by the market to respond to the requirements. The rejections are primarily related with formalities required by the documents. This calls for a massive training and awareness of private sector that participates in public procurement on how to prepare and submit a bid.
(a) Percentage of tenders including non quantifiable or subjective evaluation.	1f) - Tender evaluation and award criteria.	A review of a representative sample of tendering documents did not reveal use of subjective or non-quantifiable criteria.
(b) Public perception of confidentiality of tender evaluation process.		A survey by ARDS-PU with tenderers reflected a high degree (90%) of confidence in the procurement process of ARDS-PU and its confidentiality. However, the same level of confidentiality may not be present in the procurements of other procuring entities.
Percentage of tenders opened publicly and recorded.	1g) – Submission, receipt and opening of tenders	100%. All procurements of ARDS-PU are opened publicly. Procurements of other procuring entities also following open tender method revealed records of public opening of bids. However, in few cases inaccurate records and inappropriate application of law and procedures revealed that bid opening was not on the same day as that of deadline date of submission.
Percentage of cases resolved within the terms established in the legal framework.	1h) – Complaints system structure and sequence	The review mechanism has been put in place only from the current year. In case of complaints received earlier, responses were issued in time. Formal process prescribed now has seen only one case for which a response was issued. A need for wider dissemination of the review opportunity is felt.

<b>Compliance or Performance Indicator</b>	<b>Related Baseline Indicator / Sub indicator</b>	<b>Assessment Findings and Results</b>
	for reconciliation of delivery with budget programming.	certification of budget execution.
(b) Average time after contract completion for completion reports to be prepared.		Information is not available because certification of budget execution and reconciliation of delivery with budget programming is not filed. A system needs to be introduced in this regard.
	<b>4) Normative and regulatory functions.</b>	
Percentage of those surveyed that perceive procurement as being performed competently and independently.	4c) – Adequacy of organization, funding, staffing, and level of independence and authority (formal power) to exercise the duties under (b).	The legal framework provides sufficient regulatory powers to authorities but they are inadequately staffed and resourced. In the absence of adequate access to funds and other resources, the independence is perceived as being compromised.
Percentage of those surveyed that perceive the regulatory function to be free of conflict.	4d) – Separation and clarity of responsibilities to avoid conflict of interest in the execution of procurement transactions.	There was no response received that perceive that the regulatory function is not free from conflict.
	<b>5. Institutional development capacity.</b>	
Age of information	5b) – Systems and procedures for collecting and monitoring national procurement statistics.	In the absence of procurement MIS, no system and procedure for collecting and monitoring national procurement statistics exists.
(a) Number of staff involved in procurement in the central government that receives formal training in the year.  (b) Average waiting time to get in a formal training event.	5c) Training capacity for procurement.	A formal training to meet the requirements of the job for all procurement officers of the government is planned to commence this year under a three year contract with a consulting firm. There may not be a waiting time once the training is launched.
	<b>6. Efficiency of procurement operations and practices.</b>	
Average number of days for procurement cycle from tender advertisement to contract award	6. Efficiency of procurement operations and practices.	The ARDS-PU data revealed this average time to be 165 days. This does not indicate a very agile decision making process and a very efficient procurement system. A detailed analysis revealed delays during evaluation and decision making.
Percentage of contracts found with incomplete records being retained.	6c) – Norms for the safekeeping of records and documents related to transactions and contract management.	While the record-keeping in ARDS-PU and projects of the procuring entities revealed good practices of record maintenance, other procurements suffer from incomplete record keeping.
	<b>7. Functionality of the public procurement</b>	



Compliance or Performance Indicator	Related Baseline Indicator / Sub indicator	Assessment Findings and Results
	performance audits to be conducted.	
	<b>10. Efficiency of appeals mechanism.</b>	
(a) Percentage of complaints processed within the time limits in the legal framework. (b) Percentage of decisions taken that are enforced.	10b) Capacity of the system for handling and enforcing complaints decisions.	The review system has been introduced from the current year only. A response was issued in time to the only case received during the year.
Percentage of favorable opinions	10c) – Fairness of the complaints system.	The Manual of Procedure for Procurement Appeal & Review establishes a fair and transparent review system. However, in the absence of any data on decided cases, no formal conclusion is drawn.
	<b>12. Anticorruption Measures</b>	
Percentage of cases that result in sanctions or penalties.	12c) Evidence of enforcement of rulings and penalties	Allegations of corruption have been taken seriously by the Attorney General and investigated.
Percentage of favorable opinions by the public on the effectiveness of the anticorruption measures.	12d) Effectiveness of the anticorruption measures on public procurement.	Though favorable opinions were expressed about the investigations undertaken, much needs to be done for overall effectiveness of the anti-corruption measures initiated by the government.

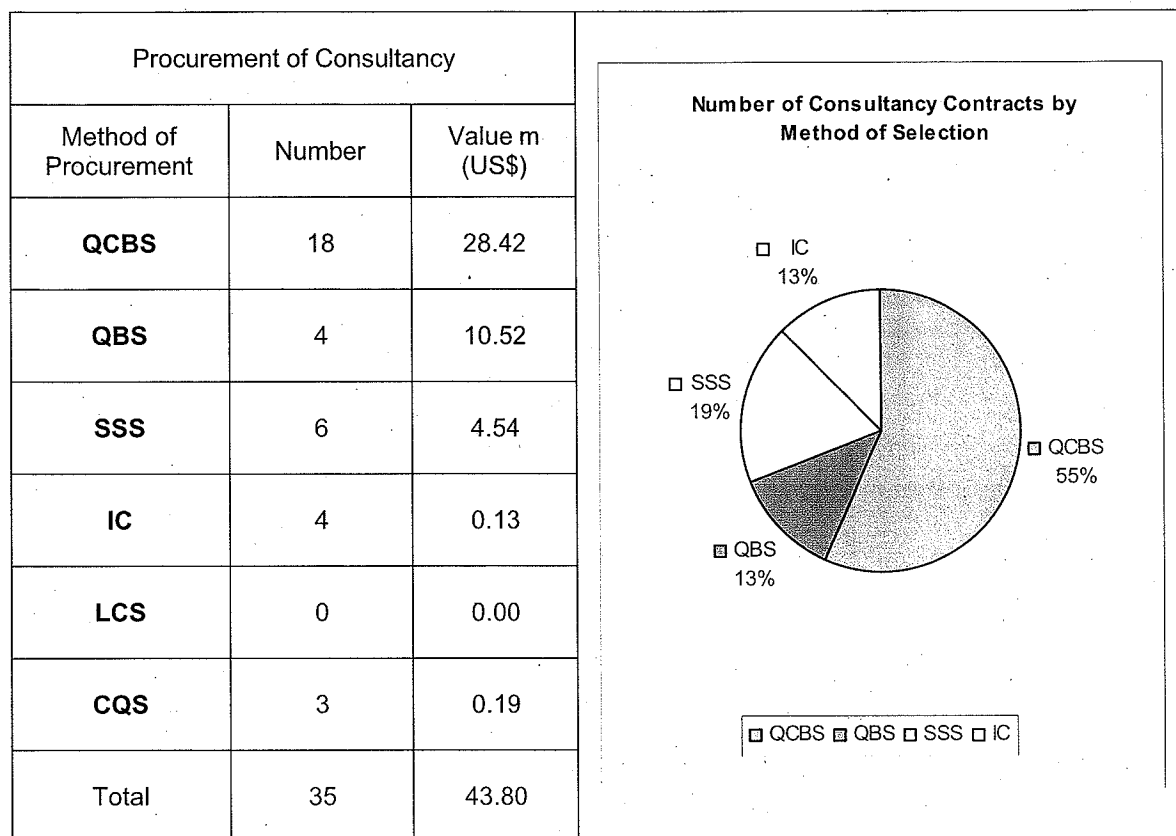
In the absence of relevant data, the assessment of CPIs as above was subjective and based upon responses received during formal and informal interaction with participants of procurement. However, the assessment provide good deal of outstanding weakness that need to be addressed on priority and action points that needs to be taken to improve the system.

Further, the procurement data of ARDS-PU for the year 2007 (January to December 2007) was compiled for procurement of goods works and services conducted by ARDS-PU. The data is attached to the report. A summary of procurement of goods, works and supply and installation contracts by method of procurement is presented below:

Method of Procurement	Goods		Works		Supply & Installation	
	No	Value (m US\$)	No	Value (m US\$)	No	Value (m US\$)
<b>ICB</b>	33	132.4	20	229.4	5	71.47
<b>IS</b>	5	5.4	1	0.2		
<b>NCB</b>	1	0.4	23	10.3	1	0.19
<b>NS</b>	2	0.1	0	0.0		
<b>Total</b>	<b>41</b>	<b>138.4</b>	<b>44</b>	<b>239.9</b>	<b>6</b>	<b>71.65</b>

It is seen that out of 41 cases for procurement of goods, a significantly high number of 34 cases followed competitive (ICB & NCB) procedure. Similarly, out of 44 cases for procurement of works, a significantly high number of 43 cases (almost all) followed competitive bidding (ICB & NCB) procedure. The graphical presentation is given below:

A summary of the procurement data of ARDS-PU for the year 2007 (January to December 2007) for procurement of consultancy services by method of procurement is presented below:



It is seen that out of 35 consultancy contracts procured during the year 2007 only 6 contracts (19%) followed single source selection. Whereas, a high number of contracts (55%) followed the default Quality & Cost based Selection (QCBS).

However, as noted in this section earlier, this sample data available from ARDS-PU is not considered representative because it presents the most ideal situation of procurement being conducted with facilitation and support of an international consulting firm. The assessment of CPIs was therefore subjective and judgmental in nature, keeping the data from ARDS-PU as a guide but not a representative sample.

Sl	Outstanding Weaknesses	Category	Priority action
	has not been prescribed.		
4	There is no unique procurement manual detailing all procedures for correct administration of procurement laws and rules.	Medium	Prepare a manual once action for 1, 2, & 3 above are completed.
5	Many contracts do not include dispute resolution procedures that provide for an efficient and fair process to resolve disputes arising during the performance of the contract. Also no Procedures exist to enforce the outcome of the dispute resolution process.	Medium	SBDs and standard contracts to include such provisions.
6	A separate Code of Conduct / Code of Ethics for participants in public procurement do not exist.	Low	Prepare and introduce such code.
7	The current thresholds are very low, resulting in delays in procurement of small contracts following the open tendering method.	High	Revise thresholds.
8	No procedure is in place for the Contract Management Office to monitor implementation of state's contract.	Medium	Define processes and procedures and implement it.

### 5.3 Procurement Monitoring & Data Management

Sl	Outstanding Weaknesses	Category	Priority action
1	The system for collecting and disseminating procurement information, including tender invitations, requests for proposals, and contract award information is not adequate. There is insufficient publicity of procurement opportunities.	High	Introduce additional measures than what is prescribed in Law to improve information dissemination.
2	The country does not have systems and procedures for collecting and monitoring national procurement statistics.	High	Implement a procurement MIS system.
3	The adherence to established norms for the safekeeping of records and documents related to transactions and contract management is not satisfactory.	Medium	Undertake oversight to improve record keeping.

### 5.4 Institutional Framework Development

Sl	Outstanding Weaknesses	Category	Priority action
1	The Ministries and Procuring Entities are not organized in a common defined structure envisaged in the Law and procurement functions are not assigned to independent procurement offices.	High	Conduct procurement capacity assessment and initiate reorganization of procurement offices of the PEs.

## **6 PROCUREMENT REFORM AND ACTION PLAN**

### **6.1 General**

The constraints of good public procurement practices in Afghanistan, together with generic issues, such as – incomplete legal framework; absence of common set of procurement manuals; absence of good quality standard bidding documents and poor quality of evaluation; inadequate procurement expertise; complex and unclear decision making process; ineffective contract administration; etc. – form the basis for initiating procurement reform in Afghanistan with assistance from World Bank under PACBP followed by PFMRP.

The objectives of such a reform process is to improve governance in the area of public procurement with a view to achieve transparency & accountability and economy & efficiency through introduction of measures in the areas of legal & institutional framework development and procurement capacity building so that the procurement systems in Afghanistan are compliant with internationally acceptable norms.

The reform initiatives would not be a one time measure but would require constant monitoring and evaluation of the extent to which the prescribed legal framework are improving public procurement performance. In accordance with these strategies and proposed priority actions to strengthen the areas of outstanding weaknesses, the Government of Afghanistan has planned to implement a procurement reform program. An action plan for such reform program has been prepared and expected results / outcomes of the implementation of the action plan over a three year period (2007-08 to 2009-10) is presented below in functional categories such as completion of legal framework, institutional framework development, procurement capacity building and development of procurement MIS.

### **6.2 Legal Framework**

#### **a. Legal Framework Development**

- i) **Preparation of Secondary Legislation, Guidance Notes, Forms, Templates, etc –** “Rules of Procedure for Public Procurement” developed, approved and issued on April 12, 2007. “Transaction of Business Rules for Special Procurement Commission” approved and adopted in MoF on March 31, 2007. Guidelines / Circulars issued for Preparation of Procurement Plan, Procedure for Open Tendering, Establishment of Contract Management Office (CMO) and commencement of operations of Special Procurement Commission (SPC), Bid Evaluation Committee, etc.
- ii) **Preparation of Standard Bidding Documents –**
- iii) **Preparation of Procurement Code of Ethics –**
- iv) **Preparation of Procurement Manual –**

#### **b. Review Mechanism**

- i) **Support the design and implementation of an independent complaints review mechanism –** “Manual of Procedure for Procurement Appeal & Review” developed, adopted and notified by PPU on March 18, 2007.
- ii) **Identification and appointment of suitably qualified review panel members –**
- iii) **Training of review panel members in relevant laws and dispute resolution procedures –**

- vii) **Procurement capacity building and training programs conducted for private sector –**
- b. **National Procurement Training Institute**
  - i) **National Procurement Training Institute identified, established and involved in training –** Civil Service Training Institute (CSTI) has been identified as the National Procurement Training Institute and involved in the planned procurement capacity building program.
  - ii) **A certification process / scheme for professionals designed and implemented –**

## **6.5 Procurement MIS**

- a. **Procurement MIS Development**
  - i) **Develop a Procurement MIS strategy –** PMIS requirement analysis completed.
  - ii) **A data collection dissemination / reporting and monitoring system designed –**
  - iii) **A computerized system for the database developed and software program operational in selected procuring entities –**
  - iv) **PPU staff trained on the MIS for data entry, generation of report, etc. and PPU able to monitor the implementation of procurement law and to provide annual reports to government –**
  - v) **Procurement website for PPU for dissemination of procurement documents and information developed and operational –** A PPU webpage added to MoF website ([www.mof.gov.af/ppu](http://www.mof.gov.af/ppu)) for dissemination of procurement documents and information.

The objectives of the procurement reform process is to improve governance in the area of public procurement with a view to achieve transparency & accountability and economy & efficiency through introduction of measures in the areas of legal & institutional framework development and procurement capacity building so that the procurement systems in Afghanistan are compliant with internationally acceptable norms.

The program implementation is supported by the World Bank by providing direct operations support to the Procurement Policy Unit (PPU) and Afghanistan Reconstruction and Development Services Procurement Unit (ARDS-PU). Also, the PPU has engaged the services of a consultancy firm namely M/s Charles Kendall & Partners (CKP), UK in association with International Development Law Organisation (IDLO), Italy and Chartered Institute of Purchasing & Supply (CIPS), UK for the consultancy contract for Procurement Reform Support (PRS) [Procurement Capacity Building and Legal & Institutional Framework Development]. The procurement reform program under the contract shall be implemented over a period of three years starting the current Financial Year 2007-08. The objectives of the contract are:

1. to build local procurement capacity, i.e., to train staff of the Client and its line Ministries with the aim to ensure that line Ministries are able to progressively carry out procurement for their own requirements;
2. to build the capacity of the public sector and as far as practicable the private sector, in terms of procurement procedures and practices under national law; and
3. to develop procedures under the new national procurement law with a view to developing the legal and institutional framework and strengthening the regulatory reforms for enhancing the procurement environment.

All expected results shall be supported by the firm under the consultancy contract. The action plan of implementation over the three year period is presented in the attached table.

The procurement reform initiated in Afghanistan shall be evaluated on an annual basis following the prescribed methodology and refinements as required shall be incorporated during the implementation process.



**ANNEX-A : AFGHANISTAN : PUBLIC PROCUREMENT SYSTEMS AT A GLANCE : AUGUST 2007**

Basis of Rating : OECD/DAC - World Bank Indicators	Indicator Score	Average Score	Pillar Average
<b>Pillar I. Legislative and Regulatory Framework</b>			<b>2.33</b>
<b>1) The public procurement legislative and regulatory framework.</b>		3.00	
a) - Scope of application and coverage of the regulatory framework and public access to legislation.	3		
b) - Procurement methods.	3		
c) - Advertising rules and time limits.	3		
d) - Rules on participation and qualitative selection	3		
e) - Tender documentation and technical specifications.	3		
f) - Tender evaluation and award criteria.	3		
g) - Submission, receipt and opening of tenders.	3		
h) - Complaints system structure and sequence.	3		
<b>2) Implementing Regulations and Documentation.</b>		1.67	
a) - Implementing regulation that provides defined processes and procedures.	3		
b) - Model tender documents for goods, works, and services.	0		
c) - Procedures for pre-qualification.	3		
d) - Procedures for contracting for services or other requirements in which technical capacity is a key criterion.	3		
e) - User's guide or manual for contracting entities.	1		
f) - Existence and coverage of General Conditions of Contracts (GCC) for public sector contracts.	0		
<b>Pillar II. Institutional Framework and Management Capacity</b>			<b>2.00</b>
<b>3) Integration and mainstreaming of the public procurement system into the public sector governance system.</b>		2.50	
a) - Procurement planning and data on costing are part of the budget formulation and multiyear planning.	3		
b) - Budget law and financial procedures support timely procurement, contract execution, and payment.	3		
c) - Procurement actions not initiated without budget appropriations.	3		
d) - Systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery with budget programming.	1		
<b>4) Normative and regulatory functions.</b>		2.50	
a) - Normative/regulatory functions are established and assigned (to one or several agencies) in the legislative and regulatory framework.	3		
b) - The responsibilities include at least those required in this sub indicator (see description of the indicators and sub - indicators).	3		
c) - Adequacy of organization, funding, staffing, and level of independence and authority (formal power) to exercise the duties under (b).	1		

ANNEX-A : AFGHANISTAN : PUBLIC PROCUREMENT SYSTEMS AT A GLANCE : AUGUST 2007

Basis of Rating : OECD/DAC - World Bank Indicators	Indicator Score	Average Score	Pillar Average
a) – Decisions are deliberated on the basis of available information, and the final decision can be reviewed and ruled upon by a body (or authority) with enforcement capacity under the law.	3		
b) – Capacity of the complaint review system and enforcement of decisions.	3		
c) – Fairness of the complaints system.	3		
d) – Public access to decisions.	3		
e) – Independence of the administrative review body.	3	1.00	
<b>11. Accessibility to information.</b>			
a) - Publication and distribution of information.	1		
<b>12. Ethics and anticorruption policy and measures.</b>		2.00	
a) - Legal provisions on corruption, fraud, conflict of interest, and unethical behaviour.	3		
b) – Definition in legal system of responsibilities, accountabilities, and penalties for fraudulent or corrupt practices.	3		
c) – Enforcement of rulings and penalties.	2		
d) – Measures exist to prevent and detect fraud and corruption in public procurement.	2		
e) – Stakeholders support the creation of a procurement market known for its integrity and ethical behaviors.	1		
f) – Mechanism for reporting fraudulent, corrupt, or unethical behavior.	1		
g) - Codes of Conduct/Codes of Ethics for participant and provision for disclosure for those in decision making positions.	2		
Total Country Score for Base Line Indicators (BLIs)		109	
Percentage Level of Country Score for Base Line Indicators (BLIs)		66%	=> C



**Details of Goods and Works Contracts awarded in 2007 (Jan to Dec)**

Sl. Contract Ref	Type	Mode	Scope of Contract	Funding Agency	Date of signing contract	Contract Amount in US\$	Date of Receipt of Drgs/Specification complete	Date Bid Document sent for Client Approval	Date of Ministry Approval	Date of Donor Approval	Date Bid Document issued	Date of Bid Opening	Date the Final BBR was received	No of Bids Received	Preliminary Examination - No of Bids Rejected due to				Post-Qualification Examination			
															Bid Security No submitted	Bid Security short	Bid Form not submitted	Other Reasons during Initial Examination	No of Bids taken up for Post-Qualification	Rejected due to Post-Qualification Criteria	Remaining No of Bids from which award is made	
14 MOA-547 Lot 6	G	IS	Supply of Concentrated Animal Feed Mixture	GOA	4-Nov-06	386,809	4-Nov-06	11-Nov-06	15/11/06	NA	13-Nov-06	2-Dec-06	6-Dec-06	5	2	0	0	0	0	3	0	3
15 MOA-547 Lot-1,2,3	G	IS	Supply of Concentrated Animal Feed Mixture	GOA	5-Nov-06	1,501,397	4-Nov-06	11-Nov-06	16/11/06	NA	13-Nov-06	2-Dec-06	6-Dec-06	5	2	0	0	0	0	3	0	3
16 MOA-547 Lot-4,5,7,8,9,10,11,12,13	G	IS	Supply of Concentrated Animal Feed Mixture	GOA	6-Nov-06	3,140,434	4-Nov-06	11-Nov-06	17/11/06	NA	13-Nov-06	2-Dec-06	6-Dec-06	5	2	0	0	0	0	3	0	3
17 MOCY-524	G	NCB	Renov of Kabul Theatre	GOA	19-Mar-07	420,000	21-Aug-06	23-Oct-06	17/10/06	NA	2-Nov-06	11-Dec-06	14-Jan-07	3	1	1	0	0	0	1	0	1
18 MOD-580	G	ICB	Procurement of Buses	GOA	13-Mar-07	2,972,900	18-Jan-07	21-Jan-07		NA	25-Jan-07	24-Feb-07	10-Mar-07	8	0	6	0	0	0	2	0	2
19 MOD-583	G	ICB	Procurement of MRI and CT Scan machine	GOA	11-Mar-07	1,590,635	20-Jan-07	22-Jan-07	23/01/07	NA	23-Jan-07	20-Feb-07	5-Mar-07	2	0	0	0	0	0	2	0	2
20 MOD-585/cont 1	G	ICB	Procurement of Drugs	GOA	12-Mar-07	488,439	22-Jan-07	22-Jan-07	23/01/07	NA	25-Jan-07	28-Feb-07	10-Mar-07	9	2	4	0	0	0	3	0	3
21 MOD-585/cont 2	G	ICB	Procurement of Drugs	GOA	14-Mar-07	78,828	22-Jan-07	22-Jan-07	23/01/07	NA	25-Jan-07	28-Feb-07	10-Mar-07	9	2	4	0	0	0	3	0	3
22 MOD-591	G	ICB	Construction Equipment Procurement	GOA	28-Mar-07	180,452	28-Jan-07	10-Feb-07	11/02/07	NA	11-Feb-07	14-Mar-07	19-Mar-07	4	0	0	0	0	0	4	0	4
23 MOF/537	G	ICB	Procurement of container Handler	GOA	30-Dec-07	1,482,000	10/7/2006	17/10/06	06-Dec-07	NA	06/12/06	10/01/07	22/04/07	7	0	3	0	0	0	4	1	3
24 MOF/639	G	ICB	Distribution of Diesel Oil funded by Japanese Govt	JICS	6-Dec-07	21,600,000	5/2/2007	29/05/07	15/08/07	NA	16/08/07	17/09/07	24-Nov-07	2	0	0	0	0	0	2	0	2
25 MOF/673 Cont 1	G	ICB	Procurement of Forklifts- 13.5 T	GOA	30-Dec-07	531,610	18/07/07	18/07/07	18/07/07	NA	22/07/07	25/08/07	04-Dec-07	7	0	3	0	0	0	4	1	3
26 MOF/673 Cont 2	G	ICB	Procurement of Forklifts- 3.5 T	GOA	30-Dec-07	90,000	18/07/07	18/07/07	18/07/07	NA	22/07/07	25/08/07	04-Dec-07	7	0	3	0	0	0	4	1	1

**Details of Goods and Works Contracts awarded in 2007 (Jan to Dec)**

Sl. Contract Ref	Type	Mode	Scope of Contract	Funding Agency	Date of signing contract	Contract Amount in US\$	Date of Receipt of Drgs/Specification complete	Date Bid sent for Client Approval	Date of Ministry Approval	Date of Donor Approval	Date Bid Document issued	Date of Bid Opening	Date the Final BER was received	No of Bids Received	Preliminary Examination - No of Bids Rejected due to				Post-Qualification Examination			
															Bid Security No submitted	Bid Security short Validity	Bid Form not submitted	Other Reasons during Initial Examination	No of Bids taken up for Post-Qualification	Rejected due to Post-Qualification Criteria	Remaining No of Bids from which award is made	
40 MOPH/545	G	ICB	Procurement of Medical Consumables/Equipments	GOA	24-Jun-07	184,492	29/10/06	01/11/06	30/11/06	NA	04/12/06	17/02/07	09-Jun-07	3	0	0	0	0	0	0	0	3
41 MOPH/567	S&I	ICB	IV solution fluid Factory	GOA	2-Oct-07	7,187,400	11/12/06	17/12/07	21/12/07	NA	24/12/07	06/03/07	26-Aug-07	2	0	0	0	0	0	0	0	1
42 MOPH/612	G	ICB	Procurement of vehicles	GOA	15-Sep-07	253,237	21/04/07	02/05/07	14/05/07	NA	16/05/07	25/06/07	18-Aug-07	3	1	0	1	0	0	0	0	1
43 MOPH-494/con 1	G	ICB	Procurement of Pharmaceuticals	GOA	8-Feb-07	150,489	11/07/06	17/07/06	20/08/06	NA	26/08/06	10/09/06	23/10/06	4	0	3	0	0	0	0	0	4
44 MOPH-494/con 2	G	ICB	Procurement of Pharmaceuticals	GOA	4-Jun-07	502,062	11/07/06	17/07/06	20/08/06	NA	26/08/06	10/09/06	23/10/06	4	0	3	0	0	0	0	0	0
45 MORR/679	W	NCB	Construction of Road and culverts in Balkh	GOA	26-Dec-07	447,513	15-Aug-07	20-Aug-07	21-08-07	NA	20-Aug-07	16-Sep-07	30-Nov-07	12	1	0	0	0	0	0	0	0
46 MORR/680	W	NCB	Construction of Road and Culverts in Balkh	GOA	17-Jan-08	505,039	15-Aug-07	20-Aug-07	21-08-07	NA	20-Aug-07	16-Sep-07	20-Nov-07	9	2	0	1	0	0	0	0	0
47 MORR/681	W	NCB	Construction of Road and culverts in Balkh	GOA	26-Dec-07	496,864	15-Aug-07	20-Aug-07	21-08-07	NA	20-Aug-07	20-Sep-07	29-Nov-07	6	1	0	0	0	0	0	0	0
48 MORR/682	W	NCB	Construction of Non Asphalt Road and Culverts in Balkh	GOA	17-Jan-08	530,210	15-Aug-07	20-Aug-07	21-08-08	NA	18-Aug-07	17-Sep-07	26-Dec-07	4	1	0	0	0	0	0	0	0
49 MORR/683	W	NCB	Construction of Road and culverts in Balkh	GOA	26-Dec-07	462,922	15-08-07	19-08-07	21-08-07	NA	7-Aug-18	17-09-07	29-Dec-07	5	0	0	0	0	0	0	0	0
50 MORR/687	W	NCB	Construction of Road and culverts in Balkh	GOA	29-Dec-07	443,952	15-08-07	19-08-07	21-08-07	NA	7-Aug-18	7-Sep-19	29-Dec-07	7	5	0	0	0	0	0	0	0
51 MORR/688	W	NCB	Construction of Non Asphalt Road and Culverts in Balkh	GOA	17-Jan-08	511,665	2-Oct-07	8-Oct-07	09/10/07	NA	10/10/07	10-Oct-07	26-Dec-07	6	2	0	0	0	0	0	0	0
52 MORR/689	W	NCB	Construction of 40 water well in Kabul	GOA	29-Dec-07	80,672	15-08-07	19-08-07	21-08-07	NA	26-08-07	18-09-07	29-Dec-07	6	1	0	0	0	0	0	0	0

**Details of Goods and Works Contracts awarded in 2007 (Jan to Dec)**

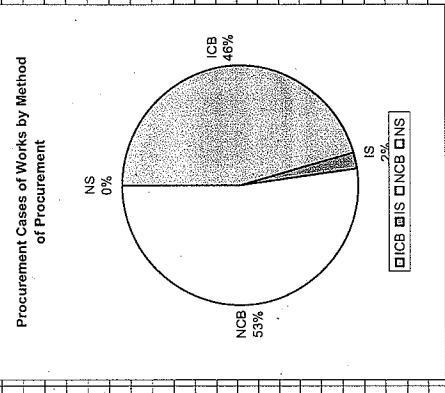
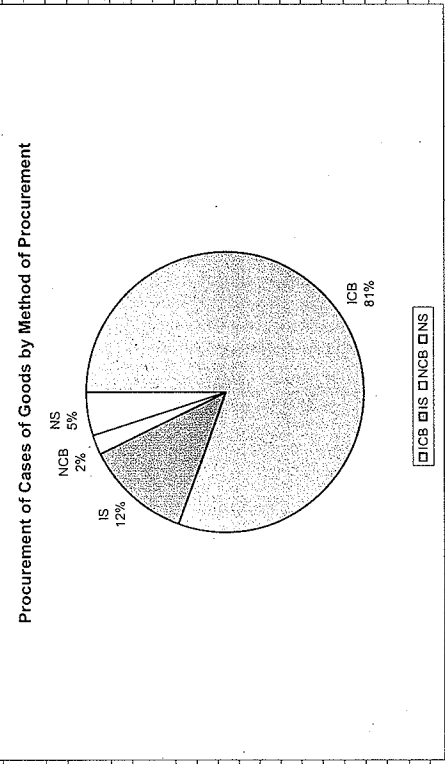
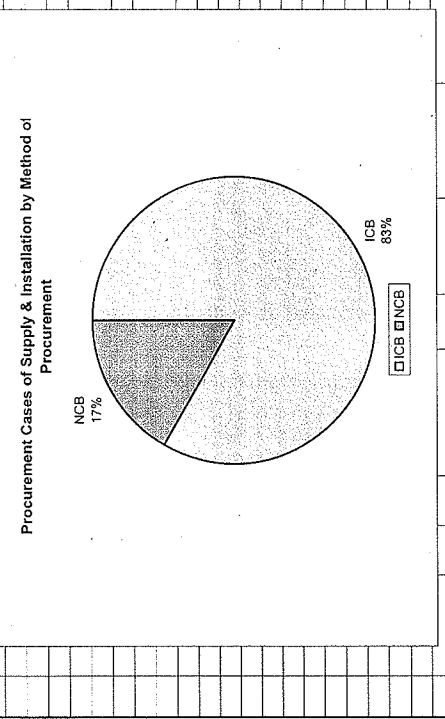
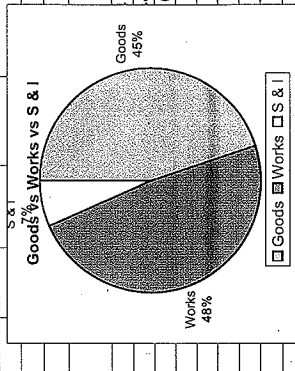
Sl. Contract Ref	Type	Mode	Scope of Contract	Funding Agency	Date of signing contract	Contract Amount in US\$	Date of Receipt of Request and Specifications	Date Bid Document sent for Client Approval	Date of Ministry Approval	Date of Donor Approval	Date Bid Document issued	Date of Bid Opening	Date the Final BER was received	No of Bids Received	Preliminary Examination - No of Bids Rejected due to				Post-Qualification Examination				
															Bid Security No submitted	Bid Security short	Bid Form not submitted	Other Reasons during Initial Examination	No of Bids taken up for Post-Qualification	Rejected due to Post-Qualification Criteria	Remaining No of Bids from which award is made		
66	MPW/488-C	G	ICB	Procurement of Road Operation & Maintenance Equipment	GOA	9-Feb-07	1,841,174	15/05/06	20/05/05	06/06/05	12/06/05	15/08/06	13/11/06	6	0	0	0	0	6	0	0	6	
67	MPW/488-D	G	ICB	Procurement of Road Operation & Maintenance Equipment	GOA	18-Feb-07	895,560	15/05/06	20/05/05	06/06/05	12/06/05	15/08/06	13/11/06	6	0	0	0	0	6	0	0	6	
68	MPW/490	W	ICB	Construction of Heart Torquudi Road	GOA	4-Mar-07	29,995,108	05/06/06	10/06/06	15/06/06	05/06/06	22/06/06	06/11/06	6	0	0	1	0	5	0	0	5	
69	MPW/588	W	ICB	Rehabilitation and Reconst. Of Sayad Abad Onkhor Road (19 Km)	GOA	21-Oct-07	2,000,000	28/06/07	08/06/07	11/08/07	11/08/07	28/07/07	08/09/07	6	1	4	0	0	1	0	0	1	
70	MPW/589	W	ICB	Rehabilitation and Reconst. of Chak Road (25 Km)	GOA	18-Oct-07	4,724,143	28/06/07	08/06/07	11/08/07	11/08/07	28/07/07	08/09/07	4	0	2	1	0	1	0	0	1	
71	MPW/613 - Pkg 1	W	ICB	Rehabilitation of North South Corridor Road	ADB	22-Nov-07	30,931,454	19/04/07	NA	NA	19/04/07	25/04/07	1-Oct-07	8	0	0	0	0	8	0	0	8	
72	MPW/613 - Pkg 2	W	ICB	Rehabilitation of North South Corridor Road	ADB	22-Nov-07	37,690,719	19/04/07	NA	NA	19/04/07	25/04/07	20/06/07	1-Oct-07	8	0	0	0	0	8	0	0	8
73	MPW/613 - Pkg 3	W	ICB	Rehabilitation of North South Corridor Road	ADB	22-Nov-07	59,047,084	19/04/07	NA	NA	19/04/07	25/04/07	20/06/07	1-Oct-07	8	0	0	0	0	8	0	0	8
74	MPW/615	W	ICB	Rehabilitation and reconstruction of Taluqan Behrak road	GOA	31-Oct-07	1,849,250	01/05/07	01/05/07	08/05/07	08/05/07	18/06/07	10/09/07	4	0	2	0	0	2	0	0	2	2
75	MPW/617	W	ICB	Rehabilitation and reconstruction of Khojagarh to Dast E Qalan road	GOA	31-Oct-07	1,155,830	01/05/07	01/05/07	08/05/07	08/05/07	18/06/07	10/09/07	4	1	0	1	0	2	0	0	2	2
76	MPW/618	W	ICB	Rehabilitation and reconstruction of Dast E Qalan to Khoia Bahawuddin	GOA	31-Oct-07	1,839,470	01/05/07	01/05/07	08/05/07	08/05/07	19/06/07	10/09/07	5	2	1	2	0	2	0	0	2	2
77	MPW/621	W	ICB	Rehab and reconstruction of Khojagarh - Dast	GOA	21-Oct-07	3,045,734	01/05/07	01/05/07	08/05/07	08/05/07	20/06/07	10/09/07	5	1	0	2	0	2	0	0	2	2
78	MPW/561 B	G	IS	Proc of Spare parts	WB	4-Mar-07	30,748	22/11/06	22/11/06	08/12/06	14/12/06	27/12/06	28/01/07	3	0	0	2	0	1	0	0	1	1

**Details of Goods and Works Contracts awarded in 2007 (Jan to Dec)**

SI/Contract Ref	Type	Mode	Scope of Contract	Funding Agency	Date of signing contract	Contract Amount in US\$	Date of Receipt of Request and Specifications complete	Date Bid Document sent for Client Approval	Date of Ministry Approval	Date of Donor Approval	Date Bid Document issued	Date of Bid Opening	Date the Final BER was received	No of Bids Received	Preliminary Examination - No of Bids Rejected due to				Post-Qualification Examination			
															Bid Security No submitted	Bid Security No Validity short	Bid Form not submitted	Other Reasons during Initial Examination	No of Bids taken up for Post-Qualification	Rejected due to Post-Qualification Criteria	Remaining No of Bids from which award is made	
															498	85	70	33	7	22	270	

Statistics

	Statistics for Goods			Works			Supply & Installation		
	No	Value	No	Value	No	Value			
ICB	33	132.4	20	229.4					
IS	5	5.4	1	0.2					
NCB	1	0.4	23	10.3					
NS	2	0.1	0	0.0					
ICB					5	71.47			
NCB					1	0.19			
<b>Total</b>	<b>41</b>	<b>138.4</b>	<b>44</b>	<b>239.9</b>	<b>6</b>	<b>71.65</b>			



16 MOC-565	C	QCBS	Consultancy Services for Procurement of Lab equipments and setting up of Support Treasury Operation	GOA	5-Feb-07	Avtar Singh, New delhi, India	3	0	3	3	13,000	13,000
17 MOF/294	C	QCBS	Rehabilitation of Science & Literature Faculty Building of KU	WB	21.6.05	Bearing Point, USA	12	6	3	3	6,851,168	6,851,168
18 MOHE/491	C	QCBS	Consultancy for Development Traing for Skill traing Provider	GOA	19-Jan-07	Rebuild Construction Company of Omid (RCO), Afghanistan Information Management Services	8	3	1	1	211,382	153,247
19 Moisa 586	C	QCBS	Consultancy service	GOA	1-Jul-07	Min of Education	7	1	1	1	74,775	74,775
20 MOLSA-445 con-3A	C	QCBS	Consultancy service	GOA	7-Mar-07	MOLSA	11	6	3	3	1,743,577	1,200,000
21 MOLSA-445 con-3B	C	QCBS	National Skills Development & Market Linkages Program	GOA	7-Mar-07	AGEF	11	6	1	1	455,050	455,050
22 MOT-295	C	QCBS	Design and supervision of Building at KIA	GOA	21-Feb-07	ICT India	11	6	5	4	928,038	889,880
23 MOT-299	C	QCBS	Consultancy for Regional Airports	ADB	3-Nov-06	FKH Geoeexpert, France	13	6	4	3	2,500,000	2,235,450
24 MOT-452	C	QBS	Consultancy for approach procedure KIA	WB	15-Jan-07	GTZ, Germany	5	5	3	3	653,063	633,920
25 MOWA/738	C	IC	Policy Advisor	GOA	20-Nov-07	Hakim Marafat	12	0	0	5	25,200	25,200
26 MOWA/739	C	IC	Economic Advisor	GOA	20/11/2007	Taj Mohammad Arfen Faizi	25	0	0	5	25,200	25,200
28 MPW/378	C	QCBS	Feasibility Study of Kabul Ring Road	WB	28-Jan-07	C.Lotti & Associates	18	6	3	3	1,678,090	1,507,242
29 MPW-373-Con I	C	QCBS	Consultancy services for Doshi Pole Khumri Road project	IDB	19-Apr-07	Hi-Tech International Ltd	13	8	5	3	792,690	993,650
30 MPW-373-Con II	C	QCBS	Consultancy services for Andkhoy Aquina Road Project	IDB	19-Apr-07	Hi-Tech International Ltd	13	8	5	3	969,401	1,241,431
31 MPW-463 Con1	C	QCBS	Detailed Engg Desig for Jabul Siraj - Surabhi Road Project	GOA	4-Jun-07	Louis Berger, USA	10	6	3	3	1,129,450	1,129,450
32 MPW-463 Con2	C	QCBS	Detailed Engg Desig for Faizabad Eshkashim Road Project	GOA	4-Jun-07	Louis Berger, USA	10	6	3	3	1,232,000	1,130,750
33 MUD/420	C	SSS	Soil Testing	WB	11-Jul-07	Beller Consultant	3	0	3	3	54,000	54,000
34 MUD/646	C	SSS	Inspection Of Goods	WB	5-Jul-07	SGS	1	0	1	1	31,042	31,042
35 MUD-569	C	QCBS	Pre feasibility study for Dehsabj City	GOA	Oct.07	Architecture Studio and Partner, France	7	5	3	2	850,000	850,000

43,799,932