

Decision 67-XIII-25R



Comprehensive Procurement Policy

Asian Forest Cooperation Organization

Thirteenth Session of the Assembly
29-30 October 2025, Seoul, Republic of Korea

Agenda Item 15.5

DECISION 67-XIII-25R

Comprehensive Procurement Policy

The Assembly of the Asian Forest Cooperation Organization (AFoCO),

Recognizing the necessity of establishing a consistent and robust framework for all procurement and selection decisions to ensure the prudent use of resources, achieve value for money, and guarantee effective and broad competition; and

Ensuring the integrity and transparency of the procurement process, thereby reinforcing AFoCO's credibility as a trusted institution for international partners, including international funds and facilities,

Decides to:

1. *Revise* the Comprehensive Procurement Policy as contained in document **A-25-13-26** in accordance with the comments and recommendations from the Parties;
 2. *Adopt* the revised Comprehensive Procurement Policy as contained in document **A-25-13-26 Annex-1-Rev**; and
 3. *Task* the Secretariat to facilitate the necessary follow-up actions, including the amendment or update of related regulations and operational guidelines.
-

A-25-13-26 Annex-1-Rev (Agenda Item 15.5)

Comprehensive Procurement Policy (For Goods, Services and Works)

I Background

1. This Procurement Policy of the Asian Forest Cooperation Organization (AFoCO) sets out the guiding principles and procedures for the use of financial resources in acquiring goods, services, and works, as well as engaging consultants. It ensures that all procurement activities conducted by the AFoCO Secretariat and its Implementing Agencies uphold the standards of fairness, transparency, and cost-effectiveness in accordance with internationally recognized practices.

2. All expenditures must directly support the operations of AFoCO, including the implementation of the Secretariat activities and approved projects, as defined in the relevant Memoranda of Understanding (MoU) or Project Documents. The evaluation criteria in the selection of bidders shall be proportionate, relevant and balanced, reflecting the needs of AFoCO. This Policy authorizes the Bids and Awards Committee (BAC) to introduce additional selection criteria, as necessary, based on the specific procurement method and requirements. The BAC may also adopt a combined evaluation process that places greater weight on technical proposals (80–90%) compared to financial proposals (20–10%), to ensure the quality and effectiveness of the procured services or goods.

3. This Policy supplements Regulation 6 of the AFoCO Financial Regulations and provides a consistent framework for procurement and selection decisions supported by Member Countries, donors, and other partners. It also serves as a reference for independent auditors and project evaluators in verifying the proper use of AFoCO resources and compliance with established procurement procedures.

II Definitions

4. For this Policy, including the Annexes, the following terms shall be defined as below:
- (a) “AFoCO” means the Asian Forest Cooperation Organization.
 - (b) “AFoCO Agreement” means the Agreement of the Establishment of the Asian Forest Cooperation Organization
 - (c) “Assembly” means the highest decision-making organ of the AFoCO comprising representatives appointed by the Parties of the AFoCO Agreement.
 - (d) “AFoCO Secretariat” means the body which shall provide administrative support to the AFoCO as well as carry out the activities by the Assembly.
 - (e) “Bid” means a Proposal or Quotation submitted by a Bidder in response to an Invitation to Bid.

- (f) "Bidder" means a Supplier, Service Provider or Consultant that is invited to submit or has submitted, a Proposal or Quotation, that has not been awarded a contract.
- (g) "Bidding" means the procedure for invitation to potential Bidder to submit or tender a bid.
- (h) "Bids and Awards Committee" refers to a committee within the AFoCO Secretariat responsible for overseeing the entire procurement process as established under this Procurement Policy. It serves as the central body managing the bidding process ensuring transparency, fairness and compliance with procurement standards.
- (i) "Competitive Bidding" refers to the form of solicitation used in the procurement process, which involves a proposal by a company or individual consultant seeking to offer services or bid for business with another company.
- (j) "Consultant" refers to an individual or firm that is either providing or is expected to provide consulting services or contracted works to the AFoCO Secretariat/ Implementing Agency.
- (k) "Consultancy Services" means technical services performed by the Consultant to implement project activities.
- (l) "Cumulative Analysis Methodology" means a method used for the evaluation of complex Goods, Works or Services when factors other than price will be considered.
- (m) "Direct Procurement" means a method of contracting without prior competition under exceptional circumstances as provided in this Procurement Policy.
- (n) Domestic Evaluation Committee (DEC) – is the equivalent Bids and Awards Committee (BAC) established by the implementing agencies/ countries following their domestic rules and regulations.
- (o) "Executive Director" means the chief administrative officer of the AFoCO who is appointed by the Assembly.
- (p) "Expression of Interest" (EOI) means publicly advertised notices intended to solicit interests from potential Bidder before issuing formal Requests for Proposal.
- (q) "Goods" means physical items, including assets and consumable supplies that are acquired through purchase, hire, lease or rental.
- (r) "Hard Asset" refers to a fixed asset or tangible resource with fundamental value, such as the assets most commonly appear on the balance sheets as property, plant and equipment (PP&E) e.g. computers, furniture, vehicles, machinery, etc.
- (s) "Honorarium" a token of payment or compensation given to individual whether government officer or private individual in exchange of their involvement or participation in a specific project, activity or event. It is typically granted as a recognition of their expertise, time and contribution rather than as a regular salary or contractual fee.
- (t) "Implementing Agency" (IA) is a body responsible for implementing and executing project activities.
- (u) "Implementing Country" is a member country of AFoCO where an IA is located who is responsible for implementing and executing project activities.
- (v) "Individual Consultant" means an individual person who is responsible for providing Services to AFoCO Secretariat/ Implementing Agency.

-
- (w) "Invitation to Bid" (ITB) means a Request for Proposals or Quotations, formally initiated either a publication or a simultaneous submission of Invitations to Bid to potential Bidder.
 - (x) "Lowest Cost Evaluation Method" refers to an evaluation approach where the bid with lowest cost, among those that meet all compliance requirements is selected.
 - (y) "Pre-Procurement Engagement" means an open invitation to the market actors to give feedback on a draft ITB before bidding, aimed at improving the quality of the Terms of Reference, aligning with market availability and encouraging innovative Bids.
 - (z) "National Focal Point" (NFP) is a designated position for a member country to oversee and coordinate the implementation of all AFoCO activities, as the official channel of communication.
 - (aa) "Other Services" means services other than Consulting Services performed under a contract by a Supplier, Service Provider or Consultant.
 - (bb) "Procurement" means, for purposes of this Procurement Policy, all activities that entail a financial commitment between the AFoCO Secretariat and/or Implementing Agency and its respective contractor.
 - (cc) "Procurement Contract" means a written agreement between AFoCO Secretariat/Implementing Agency and a Consultant, Service Provider or Supplier, outlining the terms and conditions for purchasing, leasing, or renting Services, Goods or Works by AFoCO Secretariat/Implementing Agency, including any amendments.
 - (dd) "Project" is defined as execution of activities over planned period to achieve the specific goals and objectives. The AFoCO Project is any project within the realm of AFoCO funding.
 - (ee) "Project Document" is a project description translated from the project proposal as approved by the Assembly together with its annexes.
 - (ff) "Project Steering Committee" (PSC) is a supervisory and decision-making body for project implementation.
 - (gg) "Proposal" means a formal reply from a Bidder in response to an RFP.
 - (hh) "Purchase Order" means a simple contract used for transaction of Low Value Services, Goods or Works to a Consultant, Service Provider or Supplier.
 - (jj) "Quotation" refers to the most responsive and recent selling price of a good or service, submitted by a bidder.
 - (kk) "Request for Information" (RFI) means a method of soliciting information for the market actors for the preparation of Terms of Reference (TOR) or specifications before initiating a procurement process.
 - (ll) "Request for Proposal" (RFP) means a method of solicitation commonly used for High Value or complex procurement and/or when the requirements cannot be quantitatively and qualitatively determined in detail.
 - (mm) "Request for Quotation" (RFQ) means a method of solicitation commonly used for Low or Medium Value Procurement. An RFQ is used when the requirements can be specified quantitatively and qualitatively.
 - (nn) "Soft Asset" refers to an intangible asset which is not physical in nature (e.g. data, research outputs, photos, videos, intellectual outputs, etc).
 - (oo) "Service Provider" means an entity providing other services to AFoCO Secretariat/Implementing Agency.

- (pp) "Services" means a Consulting Services and Other Services, collectively.
- (qq) "Specification" means the technical description of AFoCO Secretariat's / Implementing Agency's requirements for Goods, Services or Works to be procured.
- (rr) "Supplier" means an entity that is responsible for providing Goods or Works to AFoCO Secretariat/ Implementing Agency.
- (ss) "Terms of Reference" (TOR) means the technical description of AFoCO Secretariat's / Implementing Agency's requirements for the procurement of Services. The TOR includes requirements on activities, scope of work, methodology, competence, allocation of resources, deliverables, and other essential specifications.
- (tt) "Value for Money" means procurement that considers all life cycle costs, including fitness for purpose, experience and performance history, flexibility (such as innovation and adaptability over the lifecycle of the procurement), Corporate Social Responsibility (CSR), environmental sustainability (such as energy efficiency and environmental impact), maintenance and service, and other whole-of-life costs.
- (uu) "Works" means the construction, reconstruction, demolition, outfitting, repair or renovation of premises or related infrastructure where there are elements of both Goods and Services present..

III Purpose

5. The primary purpose of this Procurement Policy is to ensure that all procurement activities carried out by the AFoCO Secretariat, Implementing Agencies and Partners for Goods, Services, and Works adheres to the principles of Value for Money, transparency, ethical behavior and professionalism, while aligning to the mission and objectives of AFoCO.

6. This Procurement Policy is also intended to provide a suitable, uniform and detailed framework to govern Procurement across all AFoCO offices and activities and projects, and provide clear rules to staff for smooth and correct execution of their duties.

IV Scope and Procurement Categories

7. **Scope of Application.** This Procurement Policy applies to all activities concerning the procuring of Services, Goods and Works for or by AFoCO Secretariat and Implementing Agency and Partners, to address project-related procurement not stipulated in the relevant procurement regulations or guidelines. However, it does not apply to arrangements involving Engagement Agreements, Institutional Arrangements, Contribution Agreements, Honoraria, and/or arbitration and mediation services. Further, the Procurement Policy is in accordance with the Decision 7-1-18R, that the Financial Regulation and in particular the Regulation 6, subject to the guidance of the Assembly, the Executive Director may as necessarily provide and enforce relevant policies or administrative instructions consistent with the Financial Regulations.

8. **Procurement Categories.** AFoCO may rely on Implementing Country procurement rules only where an equivalence assessment confirms core principles, namely competition,

transparency, COI controls, complaints, debarment, publication. The Secretariat shall assess based on the review thresholds that the Implementing Country has established procurement rules and procedures adequate and consistent with those of AFoCO's standards or otherwise in line with best practices, and such Implementing Country has sufficient capacity to assume responsibility for project implementation and supervision on behalf of AFoCO Secretariat.

However, all major procurement documentation shall be submitted to AFoCO Secretariat for its prior review and written 'no objection' in accordance with the procurement plan and this Policy to be submitted by the implementing agency and approved by AFoCO Secretariat. To ensure clarity and alignment with international standards, procurement activities under this Policy shall be categorized according to responsible executing entity, as follows:

- (a) **Procurement by the Secretariat.** All procurements directly undertaken by the Secretariat whether for operations, technical support, project implementation involving goods, works and services shall strictly adhere to this Policy. These constitutes, among others, applicable the procurement process and methods ensuring full compliance with international best practices and standards;
- (b) **Procurement by External Entities.** Procurements executed by Implementing Agencies or External Partners of AFoCO in connection with approved projects and activities may follow their respective rules and procedures, provided these are consistent with, or exceed, the standards set forth under this Policy, particularly regarding transparency, value for money, fairness and accountability. Accordingly, the Secretariat shall conduct a due diligence review or equivalency assessment of these procurement systems to verify alignment with AFoCO standards;
- (c) **Default Provision.** In cases where procurement rules of an external Implementing Agency or Partner are: absent, inadequate or unclear with respect to key procurement principles, this Policy shall apply by default. This ensures that all procurements financed by AFoCO remain in full compliance with international standards and practices.

V Organizational Responsibilities

9. As stated in the **Decision 7-1-18R**, the Executive Director shall take full authorities for the implementation of the Financial Regulations and be directly accountable to the Assembly for the financial management of AFoCO. The Executive Director, for the smooth functioning of AFoCO, shall delegate the authorities to the Vice Executive Director for the implementation of the Financial Regulations except for those reserved for him/herself. Further, the Procurement within the AFoCO Secretariat is the responsibility and oversight of the Planning and Operations Division which employs staff who are responsible for the procurement function. Further, AFoCO project related procurements shall be the responsibility of the concerned Implementing Agency with consideration of oversight from the Secretariat as the need arises.

10. All procurement is conducted in accordance with the provisions of this Comprehensive Procurement Policy as approved by the Assembly, ensuring compliance in all AFoCO procurement activities.

11. This Procurement Policy reflects the principle of segregation of responsibilities, particularly ensuring that the tasks of requesting items and purchasing them are handled by different teams. This separation helps prevent errors and fraud. However, these teams must work together closely to make sure the organization gets the best quality of goods, services and works at good prices and on time supporting its overall goals. This can be achieved by AFoCO through:

- (a) Obtaining high quality goods, services and works that meet the applicable specifications;
- (b) Achieving competitive prices and within the time frame required; and
- (c) Ensuring that the procurement process is both equitable and transparent.

VI Principles

12. All procurement under AFoCO shall be conducted in a manner that is based on the following principles:

- (a) **Best interest of AFoCO.** To carry out procurement activities in a manner that best enables the organization to reach its general and specific objectives in line with applicable procurement policies and procedures;
- (b) **Value for Money:** the selection of the service provider will be made by balancing combination of cost, quality and sustainability to meet the AFoCO requirements;
- (c) **Effective and Broad Competition for the Award of Contract:** Procurement will be carried out on a competitive basis and respect the prescribed competitive thresholds. Requests for Direct Awards where a competitive process is not to be undertaken should normally be limited to exceptional cases;
- (d) **Fairness, Integrity and Transparency of the Procurement Process:** No bidder shall be unjustifiably discriminated against and no bidder shall receive an unfair competitive advantage. Contracts should however not be awarded to entities determined to be ineligible in terms of this Procurement Policy. The information on the public procurement process must be available to everyone unless there is a valid reason to keep it confidential. Procurement and selection will be carried out in a transparent manner. Selection criteria in the case of open competition will be clearly stated and publicized;
Trust in the integrity of the procurement function is essential to AFoCO. All parties involved must observe the highest ethical standards during all stages of the procurement process. Contracts must not be awarded to organizations/individuals who have been involved in exclusionary behaviors. Staff Members are prohibited from accepting any gift, payment, consideration or benefit of any kind that could be considered an inducement for the award of a contract.

Procurement under this Policy is subject to AFoCO's Policy on Prohibited Practices, Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) Policy, and Policy on the Protection of Whistleblowers and Witnesses. Allegations will be handled by an independent Investigation Function with protections for reporters and witnesses.

- (d) **Prudent Procurement Practices.** Procurement should be carried out in a manner that makes efficient use of AFoCO's resources. The work involved and associated costs of a procurement process should be commensurate with the character, volume and type of procurement. It should also be effective in meeting the needs of the end-user and achieves the objectives of AFoCO. The contract will be awarded to the entity that has fully complied with the terms of the procurement process. Sufficient time should be allowed for a procurement process to ensure timely and successful implementation of activities and to ensure compliance with the principles of the procurement policy. This includes adequate time for the required level of quality assurance, review and approval. Procurement of goods and services should consider the possible effects on the environment, local economic circumstances, human health and safety and preference should be given to those offers that make a positive impact on the environment.

VII Procurement Execution

13. A stepwise procedures for the internal procurement execution and documentation shall be applied at the AFoCO Secretariat (**Annex 1**) to ensure traceability of transaction documents. These cover the issuance and processing of Purchase Request, Quotations, Purchase Order and Goods Receipt:

- (a) **Purchase Request.** To carry out procurement activities in a manner that best enables the organization to reach its general and specific objectives in line with applicable procurement policies and procedures;
- (i) The requester shall submit a Purchase Request Form for goods, services, and works including complete specifications and information for approval of their respective Directors of the Secretariat;
 - (ii) Upon approval of the Purchase Request Form, the requester shall submit the Purchase Request Form to the Operations and Resource Team for confirmation; and
 - (iii) Upon confirmation of the Purchase Request Form, the requester shall initiate the procurement process.
- (b) **Quotation.**
- (i) Purchases not exceeding USD100 may be made through petty cash;
 - (ii) For purchases up to USD20,000 no competitive quotation is required and direct procurement shall be applied;
 - (ii) For purchases over USD20,000 but is not more than USD50,000, quotations shall be obtained from at least three suppliers. Approval requires endorsement by the Vice Executive Director and final approval by the Executive Director;

- (iv) For purchases exceeding USD50,000, a bidding process shall be implemented;
- (v) Emergency procurement of goods/services is permissible only when adherence to standard procurement procedures would cause unacceptable delays, irreparable damage or adversely affect critical activity. In such cases, Purchase Request and Purchase Order shall be prepared and processed immediately following the acquisition;
- (vi) In exceptional cases, consistent with the AFoCO's Financial Regulations, direct procurement may be approved for goods and services of which estimated value exceeds UDS20,000 under any of the circumstances as provided in the Financial Regulations.
- (vii) When direct procurement is exceptionally applied above, the Secretariat shall record in writing the justification and approval for direct procurement with supporting documentation;
- (viii) The Vice Executive Director, in accordance with the Staff Regulations 5.2, may decide a departure from these rules if it is in the interest of AFoCO and such cases shall be reported to the Assembly; and
- (vii) If a quoted price exceeds the approved Purchase Request Form by more than 5%, the Purchase Request will be reconsidered by the requester and their respective Directors of the Secretariat and/or duly authorized officials of the Implementing Agency.

(c) **Purchase Orders**

- (i) The requester shall place purchase order and enter into contracts through direct procurement or bidding based on confirmed quotation and complete information on the goods, services, or works;
- (ii) The requester shall submit relevant payment request for approval of the Vice Executive Director; and
- (iii) Upon approval of the payment request, the Operations and Resource Team shall process the payment

(d) **Goods Receipt**

- (i) The requester shall verify the quantity of goods, services, or works delivered against specification and information provided in the Procurement Request;
- (ii) If there is any discrepancy, the requester shall reject the goods, unsatisfactory services or works. The requester shall further take actions required, such as return, refund etc.;
- (iii) The requester shall notify the Operations and Resource Team on the arrival of goods, delivery of services or works; and
- (iv) The requester shall submit a Capital Asset Request and Registration (CARR) for asset management. An Asset in this particular case, refers to an item with an estimated life beyond one year and having costs in excess of USD 1,500.

VIII Procurement Management Cycle

14. **Procurement Planning.** In order to ensure efficient resource planning, and the effective procurement, delivery and final disposition of Services, Goods and Works, the Planning and Operations Division of AFoCO Secretariat, and/or the respective Implementing Agencies shall develop and maintain annual procurement plans. The Operations and Resource Team is responsible for consolidating these plans, utilizing information obtained from respective Divisions involved.

- (a) All procurement must adhere to the approved budget of the AFoCO Secretariat and/or AFoCO Project. Consistent with AFoCO and/or Implementing Country's fiscal discipline measures, only items essential to the efficient discharge of the Secretariat's and projects' operational functions shall be included in the Annual Procurement Plan (APP). For purposes of this Procurement Policy, procurement is deemed essential if it is necessary for the daily operations or aligns with the core mandate of the AFoCO Secretariat and/or Implementing Agency's functions as reflected in their annual budget and work plans approved by the Assembly. The APP shall include provisions for foreseeable emergencies based on historical records. In the case of Infrastructure Projects, the APP shall consider appropriate timing/phasing of related project activities, such as, engineering design and acquisition of right-of-way site or location, or for other similar purposes to minimize project costs.
- (b) No procurement shall be undertaken unless it is in accordance with the approved APP, including approved changes thereto. The APP must be consistent with the duly approved yearly budget of the procuring entity and shall bear the approval of the Executive Director for the AFoCO Secretariat and its equivalent for the AFoCO Project Implementing Agency or the designated second-ranking official to act on his/her behalf. Changes in the APP may be undertaken as need arises to be approved by the Executive Director or the Head of the Implementing Agency as the case may be; and
- (b) For the implementation of AFoCO projects, appropriate domestic policy within Implementing Country on the procurement planning including review and approval by the Project Steering Committee and its equivalent shall prevail.

15. **Procurement Methodologies:**

- (a) Procurement of Goods, Services and Works. This Policy adopts the "Procurement Guidelines for Project Goods and Services" endorsed by the Assembly during the 4th Session of the Assembly expanding its scope to include procurement of works. These supplementary provisions, address project-related procurement and shall be implemented consistent with the fundamental and specific requirements and processes outlined herein.
 - (i) **Methods of Procurement and Conditions.** The AFoCO Secretariat shall utilize competitive procurement to ensure the best Value for Money. The selection of the appropriate procurement method is governed by the following rules based on contract value:

Description	Value in USD	Type of Procurement	Methods of Procurement
Low Value	Less than 20,000	Goods, Services and Works	To be conducted without using a specific procurement method or submission of a formal procurement request. However, supporting documents of such purchases should be submitted when making a disbursement request.
Medium Value	20,001-50,000	Goods, Services and Works	To be conducted by means of Request for Quotation (RFQ) from at least three suppliers, or RFP if more suitable, and be concluded with a procurement contract.
High Value	50,001-Above	Goods, Services and Works	To be conducted by means of Request for Proposal (RFP), unless another procurement method is more suitable, and be concluded with a procurement contract.

- (b) **Request for Information (RFI).** Prior to Procurement process, conducting a Pre-Procurement Negotiation through a Request for Information (RFI) can be beneficial. It is essential to clearly state in the RFI that it is a part of a pre-procurement process. The Planning and Operations Division or the procuring entity should manage this phase. Potential bidders should be given reasonable time (e.g. no less than five (5) days) from the RFI's publication or issuance date to prepare and submit their responses. An RFI serves as a market research tool to:
- (i) review of a draft Terms or Reference (TOR) or specification;
 - (ii) gather information for drafting a TOR or specifications;
 - (iii) enhance the level of competition by refining limiting criteria;
 - (iv) increase the market participation and interest by leveraging technical knowledge; and
 - (v) encourage innovative solutions from potential bidders.
- (c) **Request for Proposals (RFP).** To encourage competition, a RFP may be published through media widely accessible media like the AFoCO website and relevant international platforms, particularly in cases of open competitive bidding. For limited competitive bidding, the Secretariat may invite proposals from a minimum of three (3) qualified suppliers/ service providers, shortlisted based on documented pre-qualification criteria. The Executive Director may approve fewer notifications, if reasonable efforts have been made to find a sufficient number of relevant market

participants. Bidders must be given a minimum of 25 days from the RFP's publication or issuance date to prepare and submit their proposals.

- (d) Request for Quotations (RFQ). In accordance with this Policy, when an RFQ is issued, the AFoCO Secretariat shall solicit Quotations from at least three (3) Bidders in a non-discriminatory manner to ensure effective competition. Bidders shall be given a minimum of fifteen (15) days from the date of RFQ publication or issuance to submit their quotations.
- (e) **Expressions of Interest (EOI).** For large or complex Procurement anticipating numerous Bids, a formal notice inviting Expression of Interest (EOI) from Bidders may be published using AFoCO website, and if appropriate, on external international platforms. This approach helps identify qualified Bidders. The notice should clearly specify the criteria and procedures to be used for assessing qualifications. After evaluating bidders' relevant experience and expertise, a shortlist of qualified Bidders will be compiled. Subsequently, an RFP will be issued to the shortlisted Bidders. The time allowed for the preparation and submission of EOI by Bidders shall not be less than seven (7) days from the date of the publication or issuance of invitation for EOI.
- (f) **Direct Procurement.** The AFoCO Secretariat aims to leverage market competition to achieve the best Value for Money in procurement. Direct procurement, a non-competitive contracting method, may be authorized in any of the following circumstances:
- (i) Procurement Low Value Services, Goods, Works as previously defined;
 - (ii) Absence of a competitive marketplace for the required item, such as in cases of monopoly; where prices are fixed by legislation or government regulation; countries with market restrictions; spot markets; or where the requirement involves a proprietary or unique product or service;
 - (iii) Situations of extreme urgency, where unforeseen events make it impossible to adhere to competitive procedure timelines. This includes: instances where no valid bids are received in time creating an urgency. Such circumstances should not result in poor planning and/or processing delays on the part of AFoCO Secretariat/Implementing Agency;
 - (iv) Purchase or lease of real property or office space;
 - (v) Financial services, excluding banking services;
 - (vi) Compelling reasons to protect confidentiality of information that cannot be publicly disclosed, or to safeguard AFoCO's safety or security interests;
 - (vii) Procurement necessary to complete or continue Services, replace parts or components, or to expand facilities already obtained from the current consultant, service provider or supplier, for reasons of standardization, compatibility or need to avoid significant establishment or start-up costs, provided that no advantage can be reasonably gained through further competition; and

- (viii) The Executive Director may approve Direct Procurement in circumstances not covered by the above exceptions, based on a recommendation from the Bids and Awards Committee. Such cases shall be reported to the Assembly.

16. For Low Value procurement as defined above, and in exceptional circumstances set out below for Direct Procurement, the AFoCO Secretariat/Implementing Agency may invite a quotation from a single Bidder.

17. For direct procurement exceeding USD50,000, a minimum of fifteen (15) days shall be allowed for the preparation and submission of a proposal/quotation by a single Bidder from the date of issuance of the invitation for proposal/quotation, except in cases of extreme emergency.

18. **The Bids and Awards Committee (BAC).** The Committee will elect a Chairperson at each of its meetings. The BAC may invite/assign staff with specialized knowledge to assist in evaluation of the bid proposals. Moreover, the composition of the BAC may be adjusted depending on the scale and nature of procurement, and additional representatives or subject matter specialists may be engaged as necessary. The Committee will consist of the following:

- (a) Head of the requesting unit where the requestor shall not be a voting member;
- (b) Representative from a unit other than the requestor's unit;
- (c) Two external experts based on the nature of procurement, with minimum Terms of Reference (ToR) as per **Annex 2**;
- (d) Representative from Operations and Resource Team.

19. **Selection of Evaluation Criteria and Methodology.** The evaluation criteria shall be proportionate, relevant and balanced, reflecting the needs of AFoCO Secretariat. For procurements where requirements are clear, compliance is straightforward, and cost is the primary consideration, the **Lowest Cost Evaluation Method** may be employed. In this approach, the compliant bid with the lowest prices is selected. When factors beyond cost are significant, the **Cumulative Analysis Methodology** shall be utilized. The Invitation to Bid (ITB) must specify the relative weights of all evaluation criteria, including those assigned to the technical and commercial aspects. Where feasible, non-cost evaluation criteria shall be objective, quantifiable and expressed in measurable terms. The invitation documents shall clearly outline the following criteria and the corresponding evaluation methodology, to wit:

- (a) **Formal criteria.** Mandatory requirements that all Bidders must satisfy for their submissions to be considered for further evaluation of AFoCO Secretariat. These include adherence to submission of deadlines, completeness of bid documents, specified mandatory requirements, provision of bid security, separate submission of technical and commercial bid components, and proper authorization of bids;
- (a) **Technical criteria.** Factors related to the quality and capability of Services, Goods or Works offered. This encompasses description of deliverables, timelines for the delivery or completion, functional and environmental characteristics, bidders' experience with similar assignments, references; and the qualifications and current capacity of Bidder; and

- (a) **Financial criteria.** Aspects concerning the economic value and financial implications of the bid. This includes pricing or fees, costs associated with operating, maintaining and repairing goods construction works, as well as payment terms and guarantees related to the subject procurement.
20. **Bid Submission.** All bids shall be submitted electronically, unless specified otherwise.
21. **Bid Receipt and Opening Procedure.** The Bids and Awards Committee shall conduct the bid official opening promptly after the deadline for submission of bids, as specified in the ITB. Bidders that do not comply with the ITB instructions or not fully received by the stipulated submission deadline, shall be rejected, and with such instances documented in the opening minutes. If non-compliance or missing information is deemed minor or insignificant, the BAC Chairperson may allow an immediate correction and submission of the required information.
22. **No Valid Bidder.** In the event that no bids are received by the specified submission deadline, or if bids received are incomplete or otherwise not valid, the reasons for this outcome shall be investigated, documented and maintained by the BAC Secretary. Based on the findings and considering time constraints, the procurement process may be reopened, unless urgency dictates under 7.2.6. Before reopening, the ITB may be modified as necessary reflecting the reasons for non-submission. If insufficient preparation time was the primary factor, extending the submission deadline should be considered. Should the bids be received after submission deadline, the Chairperson of BAC may in exceptional circumstances, allow such bids to be subjected to evaluation. Such an exception shall only be approved only if:
- (a) reopening the process would be unfeasible, due to urgency and an inflexible schedule;
- (b) at least three valid bids were received; and
- (c) reopening would led to significant adverse consequences for the AFoCO Secretariat.
23. **Rejection of All Bids.** Rejection of all bids is justified when there is lack of effective competition, or when bids are substantially non-responsive or non-compliant. In such cases, the AFoCO Secretariat shall review the reasons for rejection and consider revising the Procurement Contract conditionalities, Terms of Reference, design and specifications, scope of the Procurement Contract, or a combination thereof, before inviting new bids. If the rejection is due to the lack of effective competition, broader advertising shall be considered. If all bids are non-responsive or non-compliant, new bids may be invited from the same bidders. Bids shall not be rejected solely to obtain lower prices, unless collusion, corruption, or other misconduct is reasonably suspected. If the lowest evaluated responsive bids exceed AFoCO Secretariat's pre-bid cost estimates by a substantial or unacceptable margin, AFoCO Secretariat shall investigate causes for the cost difference and consider requesting new bids as described above. Alternatively, AFoCO Secretariat may negotiate with the highest scoring Bidder to obtain a satisfactory Procurement Contract by reducing the scope and/or reallocating the risk and responsibility leading to a reduction of the Procurement Contract price. However,

substantial reductions in the scope or significant modifications to the bid documents may necessitate reopening of the Procurement process.

24. **Evaluation of Bid.** The Bids and Awards Committee as established under Section 8.2.1.2 or the designated staff of the Secretariat, shall conduct evaluation of bids. For High Value Procurement and Direct Procurement not specifically covered in these Procurement Policy, a BAC recommendation is required subject to approval by the Executive Director. The BAC or the assigned staff involved in the evaluation must provide a report detailing the rationale behind decisions made for a particular Procurement. Bid evaluation shall proceed through three phases, to wit:

- (a) **Formal Evaluation.** Assessing bids for completeness and compliance with the required documents and specifications mandatory formal requirements stated in the ITB. Bids not meeting the mandatory requirements shall be rejected and the affected Bidders shall be informed in writing. The formal evaluation will be conducted by the BAC for all Procurements above Low Value Procurement, unless separately decided by the Chairperson of the BAC;
- (b) **Technical Evaluation.** Verifying that the technical aspects of the bids meet the stipulated requirements; and
- (c) **Financial Evaluation.** Reviewing and comparing the financial proposals to determine the Lowest Calculated Bid.

25. The Technical and Financial Evaluation will be conducted in accordance with the methodology defined in the ITB.

26. **Lowest Cost Methodology.** The Lowest Cost Methodology shall consist of the following steps for evaluation:

- (a) Determining which Bids are compliant, and rejecting non-compliant Bids. Only Bids meeting or exceeding the requirements in the specifications shall be considered compliant.
- (b) Choosing the lowest cost Bid among the compliant Bids

27. Normally, a single Bid system where Bidders submit one Bid including all technical and financial information shall be used when applying this method of evaluation. However, a two Bids method where technical and financial Bids are sent separately may also be used if it is deemed necessary to complete the technical evaluation without knowing the price of the Bid concerned.

28. **Cumulative Analysis Methodology.** This method shall normally require a two Bid procedure where Bidders are requested to submit their technical and financial Bids in two separate files or documents. The evaluation of the technical Bid, based on the defined technical evaluation criteria, shall be completed prior to the opening and evaluation of the financial Bid. The financial Bid shall be opened only for those Bidders which meet or exceed the stated threshold, in case such is defined. For those Bids which do not reach the minimum specified threshold, the corresponding financial Bid is not eligible for further consideration.

The Bid obtaining the overall highest score after adding the score of the technical Bid and the financial Bid is the Bid that offers best Value for Money.

29. **Final Procurement Approval.** All procurement activities and actions shall require the approval of the Vice Executive Director, in accordance with the Staff Regulations 5.2, except when this authority has been delegated to other AFoCO Secretariat staff.

30. **Terms and Conditions of Procurement Contract.** The Procurement Contract and Purchase Order documents shall clearly define the following:

- (a) Terms of Reference;
- (b) Services to be delivered;
- (c) Scope of Works to be performed;
- (d) Goods to be supplied;
- (e) rights and obligations of AFoCO Secretariat and the Consultant, Service Provider or Supplier;
- (f) start date and end date (or in exceptional cases, for 'open ended' Procurement Contracts, a clearly defined notification time and procedure for termination) or delivery date;
- (g) final deliverables; and
- (h) supplementary documents including financial reports and proof of spending to be submitted.

31. All participating Bidders must be informed of the general and special terms and conditions of the Procurement Contract included in the Invitation to Bid. Bidders who cannot accept the terms and conditions of the Procurement Contract or Purchase Order may request changes in writing. However, the successful Bidder will not be permitted to alter the material terms of the Procurement Contract.

32. **Award of a Procurement Contract.** Upon finalizing the evaluation, the highest ranked Bidder will be awarded the Procurement Contract, contingent upon successful conclusion of a Procurement Contract. The selected Bidder will be notified directly and must provide the AFoCO Secretariat with all necessary documents and information required to finalize the Contract. Within the prescribed period of time found in the award letter, the top ranked Bidder shall cooperate with AFoCO Secretariat in finalizing the terms and conditions of the Procurement Contract, leading to the execution of the Procurement Contract by both parties. Should top ranked Bidder fail to enter into the Procurement Contract within the designated period, the AFoCO Secretariat may proceed to the next compliant bidder on the original terms in order of ranking, or re-tender; material scope or evaluation changes are not permitted post-award. The final contracting Bidder will be disclosed through open announcement in the AFoCO Website. During contract negotiations, any significant deviations from the terms and conditions provided in the bidding documents is not allowed. The Procurement Contract shall be final when the successful Bidder and AFoCO Secretariat both

sign the Procurement Contract. Unsuccessful Bidders shall be informed of AFoCO Secretariat's decision to award the contract to another Bidder or to reopen the Procurement.

33. **Unauthorized Commitment.** No commitments shall be made to any Bidder by any staff member or representative of the AFoCO Secretariat prior to the formalization of a Procurement Contract. Any such premature commitment is considered an unauthorized commitment and is not binding to the AFoCO Secretariat, as it lacks proper authorization. Bidders are prohibited from initiating Services or supplying Goods or Works without a duly executed contract. Retroactive contracting shall be permitted only in exceptional, documented circumstances, with prior written justification and post-facto reporting to the Audit & Risk Committee. Such circumstances include situations where the operations or the operational capabilities of the AFoCO Secretariat would be severely compromised without allowing delivery or performance before completing the necessary processes and obtaining required approvals. In such cases, the Vice Executive Director, (for amounts up to USD50,000) or the Executive Director for amounts (for amounts more than USD50,000), must be immediately informed, to assess whether the unauthorized commitment warrants ratification by the AFoCO Secretariat. If ratified, a retroactive Procurement Contract shall be processed, signed and forwarded to the Supplier, Consultant or Service Provider. If unauthorized commitment is deemed unjustified, the responsible staff member or any individual who may be found to have engaged in misconduct will be subjected to disciplinary measures or contractual remedies, as applicable. All justifications and decisions regarding retroactive Procurement Contract must be submitted to the BAC Secretary

IX Procurement Methodology for Projects

34. This Policy adopts the "Procurement Guidelines for Project Goods and Services" endorsed by the Assembly during the 4th Session of the Assembly expanding its scope to include procurement of works. These supplementary provisions, address project-related procurement and shall be implemented consistent with the fundamental and specific requirements and processes outlined herein. The purpose of this Guidelines is to ensure that the AFoCO project funds are utilized efficiently, achieving their intended and maximizing outputs and outcomes to obtain higher value for money. The Procurement Policy also provides for the minimum requirements that the Implementing Agency should undertake within the bounds of relevant policies of the implementing country the procurement of goods and services and management thereof.

35. **Public Competitive Bidding.** For the purchase of goods, services and works or procurement for contracts costing more than USD20,000, the Implementing Agency should conduct a competitive bidding process in accordance with the relevant rules and regulations of the country where the project is operated. In the case where there is a lack of competition or a limited number of suppliers, the Implementing Agency should consult with the AFoCO Secretariat to decide on the most efficient and cost-effective procurement method.

36. **Bidding Documents.** The Implementing Agency should prepare bidding documents including all information needed for a prospective bidder to prepare a bid for the goods and services to be supplied in good time. As and when required, the AFoCO Secretariat and/or the Project Steering Committee (PSC) will render further appropriate explanations to the Domestic Evaluation Committee (DEC).

37. **Bid Evaluation.** Following the domestic regulations, the DEC will be established, consisting of at least three (3) persons including at least one (1) person with substantial experience in the procurement of goods and services. The result of the bid evaluation should be submitted within two (2) weeks and before the contract is awarded. If deemed necessary, the AFoCO Secretariat may call for a Project Steering Committee (PSC) Meeting to receive guidance on follow-up actions associated with the bid decision.

38. **International Competitive Bidding.** In the case where international competitive bidding is preferred, the Implementing Agency shall consult the AFoCO Secretariat prior to undertaking the bidding process. The Secretariat may also participate the awarding procedures as and when necessary, to check that all related procedures are duly adhered to in a transparent and fair manner.

39. **Direct Negotiations.** Subject to domestic applicable regulations of the implementing country, purchase of goods and services or procurement for contracts costing less than USD3,000 (including tax), no quotation is required, and the Implementing Agency should select most cost-effective procurement option with the highest value for money. For the purchase of goods and services or procurement for contracts exceeding USD3,000 (including tax), but less than USD20,000, the Implementing Agency should collect quotations from at least three (3) suppliers. In the case where less than three (3) suppliers are available, the Implementing Agency should select most efficient and cost-effective procurement option.

40. **Modification in the Project Procurement.** If any changes in the procurement plan written in project document results in an increase or decrease in the quantities and prices of goods and/or services or the time required for performance of the contract, the Implementing Agency should modify the procurement plan and submit it to the AFoCO Secretariat immediately. The AFoCO Secretariat will proceed to make a decision based on the recommendations of the PSC.

41. **Contracts and Payment.** All procurement actions should be governed by written documentation. The AFoCO Secretariat and/or Implementing Agency should, whenever possible, ensure that sufficient guarantees or bonds are sought and obtained prior to making any advance and progress payment. Only original hard-copies or electronic originals of receipts with a supplier's logo shall be considered valid and will be accepted. Following the provisions in the AFoCO Agreement and Memorandum of Understanding, as an intergovernmental organization, encourages the Implementing Agencies to undertake necessary actions and provide administrative support by communicating with the relevant authorities to ensure that procurement is exempt from tax. For the procurement of contracts

costing less than USD3,000 (including tax), tax exemption may be omitted with a consultation with the AFoCO Secretariat.

X Procurement Contract Management

42. The AFoCO Secretariat and the Implementing Agency shall continuously monitor the compliance and performance of Suppliers, Service Providers or Consultants to ensure compliance with the terms and conditions of the Procurement Contract. The Executive Director (in the case of AFoCO Secretariat and/or Project Manager (in the case of Implementing Agency) or their designated staff/officer shall be responsible for all contractual matters of the Procurement Contract, including change management and amendments and ensuring appropriate approvals in accordance with the AFoCO Agreement/ Memorandum of Understanding are obtained in relation to the Procurement Contract. All changes to a Procurement Contract must be documented through an amendment as per this Procurement Policy.

43. The AFoCO Secretariat and/or Project Manager (in the case of Implementing Agency) or their designees are responsible for ensuring that Suppliers, Service Providers or Consultants comply with the of the Procurement Contract's terms and conditions. A Procurement Contract Manager may be appointed within the AFoCO Secretariat and/or Implementing Agency to develop and implement on-going monitoring procedures. The Procurement Contract Manager must inform the Executive Director and/or Project Manager for any contract breaches or required amendments to the Contract conditions.

XI Procurement Contract Performance Assessment

44. Upon conclusion of the Procurement Contract, or during its term for Contract with extended duration, a performance assessment shall be conducted by the AFoCO Secretariat and/or Implementing Agency, for High and Very High Value Procurement Contracts. For Medium Value Procurement Contracts, performance assessments may be conducted at the discretion of the Executive Director or the Project Manager, as the case maybe.

45. The performance assessment results shall be communicated to the contractor and relevant parties, and maintained by the AFoCO Secretariat and/or Implementing Agency. In the case of AFoCO projects, the Implementing Agency shall provide the copy of performance assessment to the AFoCO Secretariat.

46. The assessment process should focus on evaluating the contractor's adherence to the contract terms, quality of work delivered, timeliness, and overall effectiveness. This approach aligns with best practices in performance-based contracting, which emphasize defining requirements based on desired outcomes, establishing measurable performance standards, and implementing quality assurance plan to evaluate contractors' performance.

47. By systematically conducting these assessments, AFoCO aims to enhance contractor accountability, inform future procurement decisions, and ensure that project objectives are met efficiently and effectively.

XII Post – Project Property Management

48. Upon project completion, all products, outputs and assets derived from any procurement shall be properly managed and accounted for. At the Final Coordination and Evaluation Meeting, both the Implementing Agency and the AFoCO Secretariat will agree on the sustainable property management including, among others, the maintenance and disposal of equipment based on the inventory results of hard and soft assets. As a general principle, all functional assets will be booked under the custody of the Implementing Agency and/or concerned government agency for its eventual maintenance and safe keeping. The same arrangements will apply to project assets to be donated to Project beneficiaries and stakeholders. Following the arrangements, the Implementing Agency should include the concerned information and follow-ups in the project completion report in **Annex 18 of Project Manual**.

49. Based on the recent inventory status of project assets, disposal arrangement will proceed based on the domestic policy of the implementing country with respect to items that will be declared as non-functional and/or beyond economic repair.

50. Proper turn-over of project assets through the execution of a Deed of Donation will be executed between the AFoCO Secretariat (as the donor) and the Implementing Agency (as the donee), will be done subject to further requirements of the donor, as and when required. The hand over will cover procured items which are declared as usable and functional upon the termination of the project.

51. Handing over to other AFoCO projects refer to continued use of equipment, machinery or implements for other AFoCO activities in favor of certain group of beneficiaries and/or stakeholders in the project implementing country. This should be made upon consultation with the Implementing Agency, National Focal Point and the AFoCO Secretariat.

XIII Procurement Management and Oversight

52. **Procurement Oversight and Review Schedule.** The Operations and Resource Team shall implement effective oversight and monitoring of procurement activities, as follows:

- (a) Quarterly Review - Conduct quarterly reviews of procurement to assess compliance, identify risks, and monitor performance of procurement processes based on annual plan of procurement.
- (b) Annual Review – The annual financial report will include the overview of annual procurement activities undertaken during the year. For AFoCO projects, this review

- may be incorporated into the agenda of the Project Steering Committee meeting as part of the overall project assessment.
- (c) Audited Financial Report – Review of the annual procurement will be included in the audited financial report.
 - (d) Ad Hoc Reviews - Unscheduled reviews may be initiated as necessary in response to complaints, disputes, or identified risks.
 - (e) All findings and recommendations shall be formally documented and submitted to the Executive Director for review and action.

53. **Language of Documentation.** In accordance with the AFoCO Agreement under Article 10. Official Language, all documentation regarding Bidding shall be in English, including Procurement Contracts and Purchase Orders both in the AFoCO Secretariat and AFoCO Projects. Bids in other languages may, in consultation with the Executive Director for the AFoCO Secretariat or the Head of the Implementing Agency for the AFoCO Projects, be considered for minor local Procurement Contracts or Purchase Orders, if they are provided with strong justification, the essential parts translated into English. All reports, work products and other deliverables deriving from Procurement Contracts must be in the English language, unless specified otherwise in the Procurement Contracts, provided however that the essential parts of the reports, work products and deliverables are translated into English. Where bids are submitted in languages other than English, the bidder shall provide certified translations of key documents, including instructions, specifications, price schedules, contract, into English. The English version will prevail in case of conflict.

54. **Publicity and Knowledge Sharing.** The Implementing Agency should acknowledge funding from AFoCO, the Implementing Agency and any other donor and display their emblem and inventory code in all procured project properties under the guidance of the AFoCO Secretariat. The logo and emblem of AFoCO shall be downloaded from the official website of AFoCO (www.afocosec.org). The instruction and samples for the display of emblem and inventory code is in **Annex 15 of Project Manual**. The soft asset generated by AFoCO project fund will be jointly shared by the Implementing Agency and the AFoCO Secretariat. In accordance with the Procurement Policy on Information Disclosure, the project-related information in the purpose of advocacy is regarded as the publicly available information (Category-I).

55. **Documentation and Archiving of Procurement Documents.** Procurement activities and information, from Market Consultation to performance assessments, shall be properly documented. For Minor Purchases, no documentation in the form of Procurement Request or Purchase Order has to be submitted; however, supporting documentation should be submitted when making the related disbursement request(s). All procurement-related documents, including those related to Market Consultation to performance assessments, and procurement process, must be systematically, transparently, and traceably filed and maintained by the AFoCO Secretariat and/or Implementing Agency.

56. **Conflict of Interest and Confidentiality.** All members of any of the Procurement committees and any individuals involved in the Procurement process, must sign a declaration

of impartiality and confidentiality before receiving any documents for evaluation or participating in committee activities. If a conflict of interest arises, the individual must immediately declare it and consult with the Executive Director and/or Head of the Implementing Agency/Project Manager. Should a conflict be confirmed, the individual must request removal from both the Procurement committee and the process. Any noticeable discrepancies, significant scoring differences, suspected fraudulent activities, or other improper actions during the bidding process or unauthorized discussions with the Bidders prior to award will be thoroughly investigated. Any individual determined to have favored a Bidder or have bid inconsistently with the evaluation criteria, or who knowingly fails to report such behavior with, may face administrative action in accordance with AFoCO and Implementing Country regulations. In such cases, the involved bidder may have its bid cancelled and/or be declared ineligible for future bidding.

57. **Exclusion as a Result of Corrupt, Fraudulent and Other Unacceptable Practices.**

The AFoCO, and all service providers shall observe the Code of Conduct during the procurement and execution of the contract. To this end, the following are considered unacceptable practices and may lead to the exclusion of a service provider from a bidding process or termination of the contract if the circumstances arise or come to the attention of AFoCO Secretariat and/or Implementing Agency/Project Manager after the contract is signed. In this context the exclusion applies to the service provider or if the service provider is a legal entity a natural person with power of representation, decision-making or control over the legal entity. Grounds for exclusion are if:

- (a) the service provider is bankrupt, subject to insolvency or winding up procedures, its assets are being administered by a liquidator or by a court, it is in an arrangement with creditors, its business activities are suspended or it is in any analogous situation arising from a similar procedure provided for under domestic legislation or regulations;
- (b) it has been established by a final judgement or a final administrative decision that the service provider is in breach of its obligations relating to the payment of taxes or social security contributions in accordance with the law of the country in which it is established, with those of the country in which the contracting authority is located or those of the country of the performance of the contract;
- (c) it has been established by a final judgement or a final administrative decision that the service provider is guilty of grave professional misconduct by having violated applicable laws or regulations or ethical standards of the profession to which the service provider belongs, or by having engaged in any wrongful conduct which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence, including, in particular, any of the following:
 - (i) fraudulently or negligently misrepresenting information required for the verification of the absence of grounds for exclusion or the fulfilment of selection criteria or in the performance of a contract;
 - (ii) entering into agreement with other persons with the aim of distorting competition;
 - (iii) violating intellectual property rights;

- (iv) attempting to influence the decision-making process of the contracting authority during the award procedure; and
 - (v) attempting to obtain confidential information that may confer upon it undue advantages in the award procedure.
- (d) the service provider has shown significant deficiencies in complying with the main obligations in the performance of a contract financed by AFoCO, which has led to its early termination or to the application of liquidated damages or other contractual penalties, or which has been discovered following audits or investigations;
- (e) The service provider is an entity created with the intent to circumvent fiscal, social or other legal obligations
- (f) AFoCO recognizes relevant multilateral development bank cross-debarment lists

58. If a service provider declares one of the situations of exclusion listed above, it should indicate the measures it has taken to remedy the exclusion situation, thus demonstrating its reliability. These measures may include technical, organizational and personnel measures to prevent further occurrence, compensation of damage or payment of fines. The relevant documentary evidence which appropriately illustrates the remedial measures taken should be provided.

59. In determining whether the circumstances warrant exclusion of the service provider proportionality and the extent of remedial measures applied shall be considered. In this context proportionality means the seriousness of the situation, including the impact on AFoCO's financial interests and image, the time which has elapsed since the relevant conduct, its duration and its recurrence, the intention or degree of negligence, and the value of the transaction. The decision to appoint a service provider that has circumstances that warrant exclusion will vest with the Executive Director and/or Head of the Implementing Agency who will consider the proportionality of the circumstance and the remedial measures in place.

60. **Public Disclosure.** In line with the guiding principle of transparency, AFoCO Secretariat and Implementing Agencies will publish information on its procurement activities on AFoCO website. The final contracting Bidder will be disclosed through open announcement in the AFoCO Website.

XIV Dispute Resolution Process

61. Disputes arising from the procurement process or from the interpretation or execution of a procurement contract should be resolved, whenever possible, through informal negotiations between the supplier or service provider and the AFoCO Secretariat/Project Manager. If such informal negotiations fail, the matter shall be referred to the Executive Director or the Head of the Implementing Agencies for further consideration and recommendation, in accordance with the conditions stipulated in the procurement documents and/or procurement contract. AFoCO dispute resolution mechanisms include:

- (a) Submission of Complaints - bidders or contractors may file a complaint regarding the procurement process or contract award within five (5) working days of receiving the regret letter. Complaints must be submitted to the head of Bids and Awards Committee (BAC) at the Secretariat or Implementing Agency (IA);
- (b) Internal Review – unsuccessful bidders or affected parties may formally file protests for the review of the respective BAC of the Secretariat/IA. An independent panel may be formed to review the case;
- (c) Administrative Remedies – procurement-related grievances will be handled and managed by a designated staff/officer from the Planning and Operations Division, or any other staff as assigned by the Executive Director;
- (d) Arbitration, Mediation and Conciliation – disputes may proceed to arbitration as provided for under the arbitration clauses in the procurement contract. Non-binding mediation may be attempted first before initiating arbitration.

62. The AFoCO Secretariat/IA will acknowledge receipt of the complaint and provide a final response after completing its internal assessment. This response is considered final and not be subject to an appeal.

XVI Procurement Risks Management and Mitigation

63. There are a variety of risks inherent in the procurement process. The impact of any unwanted event occurring and the likelihood of that happening will vary depending on the nature and value of the procurement. Staff involved in procurement are required to consider risk when planning procurement processes, and in the management of procurement contracts.

XVII Internal Policy Controls

64. This Procurement Policy supersedes all previous AFoCO procurement related policies and guidelines, and may be amended from time to time as deemed necessary to reflect changes in best procurement practice.

65. The Procurement Policy is established under the framework of AFoCO Agreement.

66. Interpretation authority contained in the Procurement Policy is vested in the Executive Director, who has the authority to rule on any cases of ambiguity in the interpretation and application of the Procurement Policy, or if deemed needed may be raised during the Assembly.

67. The AFoCO as a whole is responsible for executing this Procurement Policy. The Executive Director must report on the policy and specific problems experienced in its implementation as required and is authorized to propose standard operating procedures in support of this Procurement Policy if required.

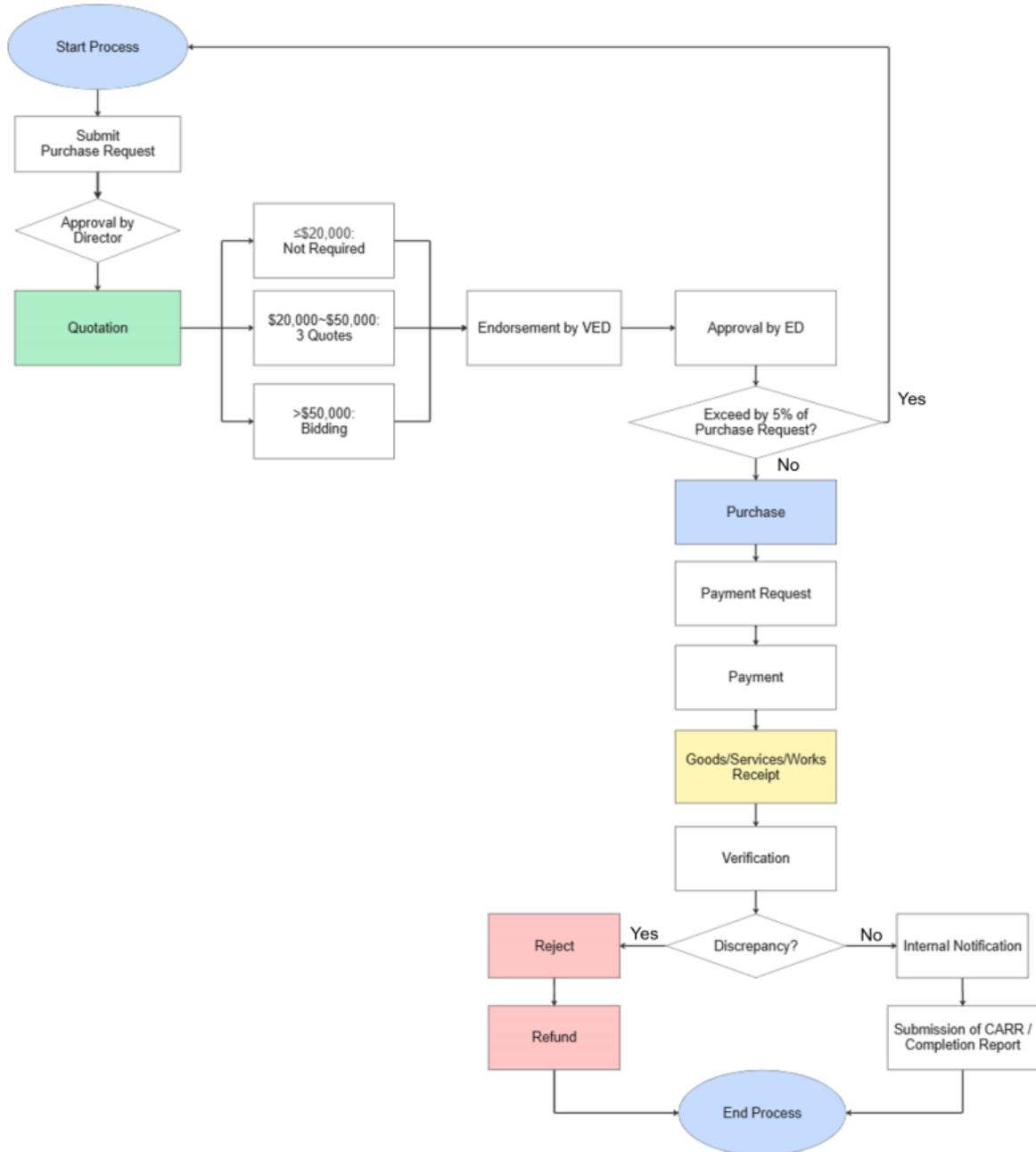
68. Sanctions may be imposed in terms of the Disciplinary Procedure on any staff that fails to comply with this Procurement Policy.

69. Any deviation from this Procurement Policy must be expressly approved in writing by the Executive Director or his/her delegate.

XII Amendment to the Policy

70. The provisions of this Policy may be supplemented or amended upon proposal by the Executive Director and subsequent approval by the Assembly.

Annex-1. Procurement Procedure at the AFoCO Secretariat



Annex-2. Terms of Reference (ToR) for External Procurement Expert

1. Background

The Asian Forest Cooperation Organization (AFoCO) conducts a wide range of procurement activities across diverse sectors including information technology (IT), forestry services, carbon-related initiatives, building and infrastructure construction, and specialized design services such as landscaping and garden development. These procurement types often involve complex technical requirements, high-value contracts, and multiple stakeholders.

To strengthen transparency, value for money, and operational efficiency, [Name of Organization] is engaging an External Procurement Expert to assess and improve its procurement framework, practices, and staff capacity, in line with international standards and sector-specific best practices.

2. Objective of the Assignment

The primary objective is to provide expert-level support in evaluating and enhancing the organization's procurement systems, ensuring they are robust, compliant, and adaptable to diverse and technically specialized procurement categories. The expert will help align the procurement framework with relevant international standards.

3. Scope of Work

The External Procurement Expert will undertake the following tasks:

- 3.1. Procurement System Review:** Evaluate the organization's procurement policies, procedures, and tools across all procurement types—goods, services, and works—especially those with specialized technical requirements such as:
 - IT systems and software solutions
 - Forestry and environmental services
 - Carbon credit and offset mechanisms
 - Civil works and building construction
 - Landscape architecture and garden/green space design
- 3.2. Procurement Plan:** Develops strategies for meeting annual cost savings targets; develops the annual procurement plan in collaboration with Divisions/Teams to facilitate planning and delivery of procurement requirements; and getting the agreement for the annual procurement plan.
- 3.3. Compliance and Risk Analysis:** Assess compliance with internal policies, donor procurement regulations, and applicable national or international laws. Identify key risks such as lack of competition, conflict of interest, supplier concentration, and poorly defined specifications.
- 3.4. Process Improvement Recommendations:** Recommend tailored improvements to procurement workflows, evaluation processes, and documentation practices to ensure efficient, transparent, and competitive procurement across all categories.
- 3.5. Template and Tool Development:** Update or develop adaptable procurement tools and templates, including:

- Terms of Reference (ToR)
- Requests for Proposals (RFP)
- Bid evaluation criteria
- Standard contracts and purchase agreements

3.6. Capacity Building: Provide training and coaching to procurement staff and project managers on technical procurement planning, ethical procurement, supplier evaluation, and contract management.

3.7. Sustainability and Value for Money Advisory: Promote sustainable procurement principles and life-cycle costing, particularly for environmental and infrastructure-related procurement.

4. Deliverables

4.1. Inception Report – outlining the expert’s approach, understanding of the assignment, and work plan

4.2. Procurement Plan

4.3. Procurement Systems Assessment Report – highlighting gaps, risks, and proposed improvements

4.4. Revised Procurement Manual and Standard Tools/Templates – tailored for various technical sectors

4.5. Training Materials and Delivery Report – with documentation of training sessions conducted

4.6. Final Recommendations Report – including an implementation roadmap

5. Duration and Timeline

The assignment will be carried out over a period of [insert number] months/years, starting from [insert start date], with key deliverables submitted on agreed timelines.

6. Reporting and Supervision

The expert will report to the [Executive Director/ designated authority], and collaborate closely with departments such as Finance, Legal, Technical Services, Teams, and the Internal Audit Unit, depending on the area of procurement.

7. Qualifications and Experience

7.1. Educational Background Advanced university degree (Master’s or equivalent) in Procurement, Supply Chain Management, Engineering, Business Administration, Public Administration, Law, or a closely related field. Professional procurement certifications are highly desirable, including but not limited to:

- Chartered Institute of Procurement and Supply (CIPS/MCIPS)
- Certified Professional in Supply Management (CPSM)
- World Bank Accreditation in Procurement (e.g., Fiduciary Systems Assessment)

7.2. Professional Experience

- At least **five years** of progressively responsible experience in procurement of complex goods, services, and works, preferably in both public and private sectors.
- Experience working with or in **developing countries** is an asset.

- Proven experience in **staff supervision**, procurement policy development, **risk assessment, capacity building**, and monitoring procurement operations.
- Demonstrated ability to manage multiple tasks and deliver high-quality results with strong **problem-solving** and **analytical skills**.
- Experience working with a wide range of stakeholders, including government, private sector, and international donors.
- Strong ability to build collaborative linkages across functions and divisions.

7.3. Specialized Procurement Expertise: Expertise relevant to respective procurement areas is required:

- **Information and Communication Technology (ICT):**
 - Procurement of ICT systems, software, and services including cloud-based services, cybersecurity compliance, SaaS, managed services, and digitization initiatives.
 - Strong knowledge of ICT procurement trends, risk management in data and information security, and procurement of hardware and infrastructure.
- **Technical and Environmental Services:**
 - Forestry and environmental consulting or contracting, carbon-related services, ecosystem-based projects, and sustainability initiatives.
- **Construction and Infrastructure:**
 - Experience in procurement for civil works, engineering services, and infrastructure development.
- **Professional Services:**
 - Procurement for landscape, architectural, or garden design; consulting services; and development of institutional procurement policies and supplier evaluation systems.

7.4. Knowledge of Procurement Regulations and Donor Requirements

- Familiarity with international procurement systems and donor requirements, including those of United Nations (UN), USAID, European Union (EU), World Bank, and Multilateral Development Banks (MDBs).
- Experience supporting procurement for donor-financed programs and advising on donor procurement policies and procedures is an added advantage.

7.5. Core Competencies and Skills

- Strong leadership, communication, and facilitation skills.
- Strategic advisory capabilities and high professional integrity.
- Experience preparing analytical reports and procurement performance metrics.
- Ability to drive process and systems improvement within procurement functions.
- Strong ICT literacy and knowledge of procurement tools and platforms.
- Fluency in English is essential; knowledge of another UN language is an asset.

8. Languages

Excellent command of written and oral English is essential; familiarity with another UN language is an advantage.

9. Confidentiality

The Expert shall maintain the confidentiality of all information accessed during the engagement. No information shall be disclosed or used for purposes outside the scope of this assignment without written authorization from AFoCO.
