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Agenda Item 15.5

Comprehensive Procurement Policy

I. Background

1. The Comprehensive 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. This Policy highlights AFoCO's commitment to being recognized as a credible and trustworthy institution.

II. Objectives

2. The Comprehensive Procurement 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.

3. The core operational objectives of this Policy are to ensure (a) the best interest of AFoCO, (b) value for money, (c) effective and broad competition for the award of contracts, (d) fairness, integrity, and transparency of the procurement process, and (e) prudent procurement practices.

4. The purpose of this Policy includes reinforcing AFoCO's credibility as a trusted institution for international partners, including the Green Climate Fund (GCF). In this regard, the Policy ensures that procurement activities are subject to independent oversight and audit, with findings and management responses formally documented and followed up.

III. Procurement Management Cycle

5. In order to ensure efficient resource planning, and the effective procurement, delivery and final disposition of Services, Goods and Works, the Secretariat, and/or the respective Implementing Agencies shall develop and maintain annual procurement plans.

6. All procurement must conform to the approved budget of the Secretariat and/or project, and only items essential to core operations may be included in the Annual Procurement Plan (APP). The APP should also provide for foreseeable emergencies and, in infrastructure projects, account for proper phasing of activities to minimize costs.

7. No procurement may be carried out outside the approved APP. The APP must be aligned with the annual budget and formally approved by the Executive Director (for the Secretariat) or the Head of the Implementing Agency. Revisions to the APP require the same level of approval.

IV. Procurement Contract Management

8. The Secretariat and the Implementing Agency shall continuously monitor the performance of Suppliers, Service Providers, or Consultants to ensure adherence to the terms and conditions of the Procurement Contract, and to obtain the necessary approvals in accordance with the AFoCO Agreement or Memorandum of Understanding.

V. Procurement Contract Performance Assessment

9. 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 a quality assurance plan to evaluate contractors' performance.

10. 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.

VI. Procurement Management and Oversight

11. The Secretariat oversees procurement through regular and ad hoc reviews, including quarterly assessments, annual reviews, and audited financial reporting, with additional reviews as needed in response to risks, complaints, or disputes.

12. The reviews are expected to ensure effective management in the following areas: (a) Publicity and Knowledge Sharing, (b) Documentation and Archiving, (c) Conflict of Interest and Confidentiality, (d) Exclusion for Corrupt, Fraudulent, and Other Unacceptable Practices, (e) Remedial Measures and Proportionality, and (f) Public Disclosure.

13. All findings and recommendations shall be formally documented and submitted to the Executive Director for review and action.

VII. Procurement Risks Management and Mitigation

14. 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.

VIII. Points for Consideration

15. The Assembly may wish to consider and approve the Comprehensive Procurement Policy.

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