

Emergency Procurement for Recovery and Reconstruction



Iraq

A toolkit
*for the delivery of
goods, services and
construction in
situations of urgent
need and capacity
constraints.*

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About the toolkit

WHY DOES PROCUREMENT MATTER IN EMERGENCY SITUATIONS?

In times of emergencies, man-made or natural, when the usual governing order breaks down, and communities are vulnerable, prompt response and actions, with fast results, are needed. For the purposes of this toolkit, the notion of “emergency” includes a range of situations of urgent need and capacity constraints, such as fragility (e.g., special vulnerability in small state scenarios), conflict (active/post), and capacity constraints. The effectiveness of the response to emergencies in meeting the immediate needs of the affected communities, embarking on the path to recovery and reconstruction, and building trust in Governing Bodies depends directly on the effectiveness of the procurement processes implemented to respond to the urgent needs.

Various procurement techniques and actors referred to herein, in addition to playing a role in different phases of emergency response, also contribute to building resilience in affected countries and communities, for example, by bolstering citizen engagement, the role of NGOs and small and medium sized enterprises (SMEs).

WHAT IS THE PURPOSE OF THIS TOOLKIT?

¹ For the World Bank, these situations may trigger applicability of special provisions Including paragraph 20 of OP 11.00 “*Procurement under Situations of Urgent Need of Assistance or Capacity Constraints*” is triggered enabling provisions in the applicable legal framework that authorize use of special

The toolkit is intended to facilitate the planning and execution of procurement needed to respond at the time of crisis and emergency, enabling fast recovery, with citizens engaged in activities and governance¹. Typically this process involves providing immediate life-saving relief and restoring an environment with at least a minimum level of security and essential services (safety, food, water, electricity, medical services, telecommunication, access through roads and passages, etc.) in the shortest possible time span.

The ultimate objective of the toolkit is to promote faster, safer and more effective procurement in countries at the time when they are most in need.

FOR WHAT SITUATIONS IS THE TOOLKIT USEFUL?

DEFINING AN EMERGENCY

Types of Emergencies			
	Single event	Continuous crisis	Slow-onset/ Chronic emergencies
Example	Catastrophic rapid onset disasters (either natural or man-made)	Ongoing emergencies such as wars and/or other prolonged situations of fragility	Drought, severe malnutrition, and famine.

procedures in the form of “*Simplified Procurement Procedures*”, in emergency procurement, and any associated requirements in accordance with paragraphs 11 and 12 of the OP10.00 (see excerpts in Annex D).

These Guidelines are intended to be useful not only for emergency procurement operations utilizing World Bank funds, but also more generally for national procurement systems in emergency situations. It should also be noted that, in accordance with the new World Bank Procurement Policy, the Bank may assist in the actual implementation of procurement activities where there may be capacity shortages in executing emergency procurement activities envisaged in these Guidelines.

It may be noted that, in addition to special provisions for conducting procurement in the urgent contexts covered in these Guidelines, the World Bank's responses to emergency situations include guidance notes, hands-on support, [...]. References to Bank texts appearing here are applicable to Bank staff or project implementation staff under Bank financing using this toolkit and are not intended to suggest that external users of this toolkit should operate using Bank documents.

WHO SHOULD USE THIS TOOLKIT?

This toolkit is intended to be used by a wide range of stakeholders, in addition to the Bank, including

- ❑ Governments
- ❑ Citizens and civil-society organizations (CSOs)
- ❑ Development partners
- ❑ Non-governmental organizations (NGOs)

HOW TO USE THIS TOOLKIT

First, this toolkit is organized into four sections in the emergency response process, including:

1. Preparedness, which enables optimal emergency procurement response if and when an emergency occurs
2. Procurement for Immediate and Emergency Response
3. Reconstruction
4. Phase-out

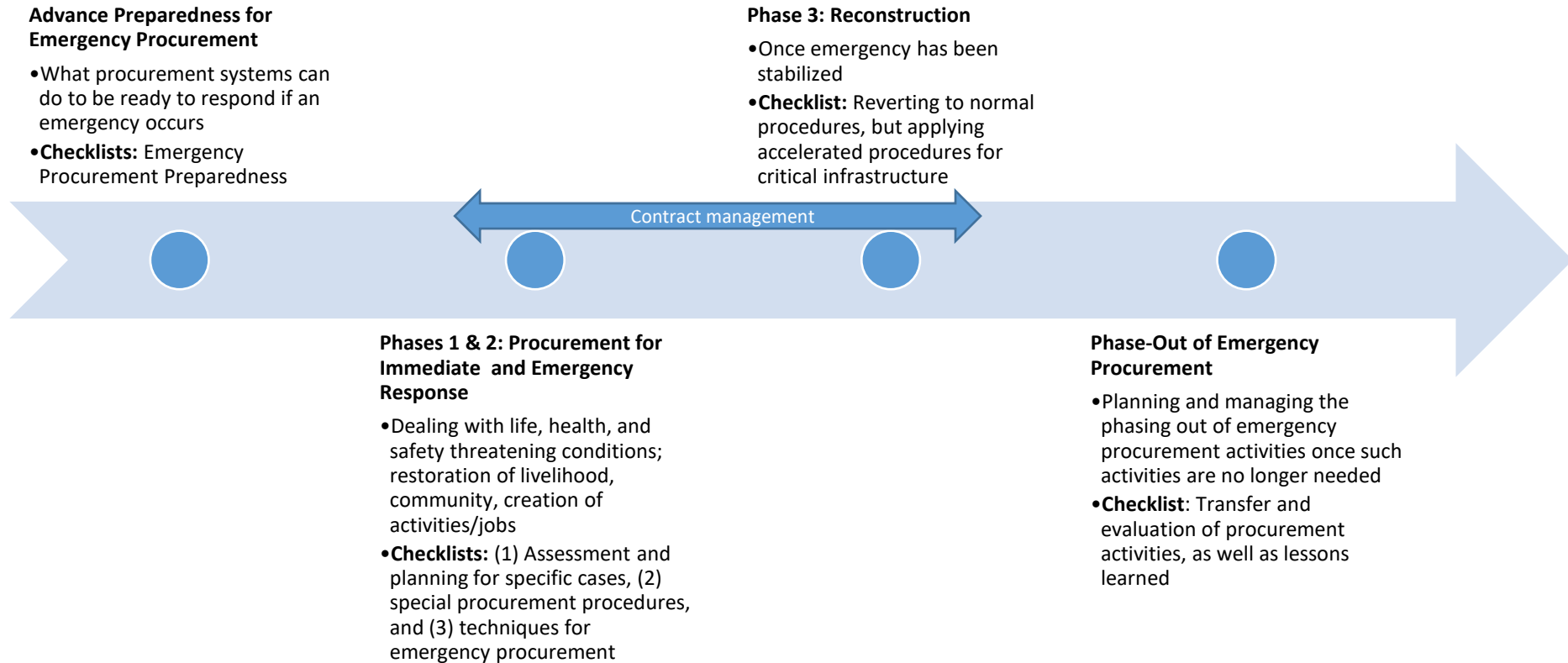
Second, It provides guidance on issues pertaining to procurement in all phases of emergency response, including:

1. Procurement planning
2. Where necessary, applying streamlined and simplified procedures, while respecting basic principles of public procurement, including Open Government and Open Contracting standards
3. Special contract administration and management procedures
4. Accountability mechanisms and performance indicators
5. Risk management

Third, it provides four annexes, including:

1. Table of procurement methods and suggested thresholds (Annex A)
2. Choice of procurement method (Annex B)
3. Sample emergency procurement process forms and contracts (Annex C)
4. Key excerpts from World Bank Operational Manual guidelines on procurement pertaining to emergency procurement (Annex D)

PROCUREMENT AND THE MAIN PHASES OF EMERGENCY RESPONSE



Advance Preparedness for Emergency Procurement

HOW TO PREPARE FOR AN EMERGENCY

Procurement preparedness is an essential component of emergency disaster preparedness and management. In procurement. Various steps may advisably be taken before an emergency event occurs to optimize the standing capacity of a procurement system to respond effectively to emergencies. Procurement preparedness is also relevant as regards slow-onset emergency, as it enables interventions before such emergencies reach the acute phase, in which emergency response of the type employed for rapid-onset emergencies becomes necessary. Various global trends, including the effects of climate change and sharp hikes in food and energy prices, make the incidence of slow-onset emergencies more likely. For example, in the case of slow-onset emergencies, preparedness may involve ensuring that an initial phase of response supports strategies that affected communities may have adopted to adjust to and deal with the developing emergency (sometimes referred to as “coping strategies”).

Developing good procurement preparedness practices is invaluable for efficient, effective, transparent and accountable procurement in emergency cases. The benefits of an early planning and effective procurement preparedness will include being able more quickly respond to and mitigate the extreme damages of a disaster, restore essential services and engage in the recovery and reconstruction process.

Emergency Procurement Preparedness

□ Mainstream procurement in emergency response

- Integration of procurement into National Disaster Preparedness and Risk Reduction Plans
- Establish governance structure and definition of legal framework for applying emergency procurement procedures
- Ensuring continuity in service delivery
- Emergency procurement teams pooling the best suited and skilled experts to work in disaster contexts
- Emergency contract/supply chain management teams
- Capacity building for emergency procurement

- Identify and allocate resources for emergency procurement facilities and teams**

 - Office space
 - Communications and connectivity equipment
 - Storage and distribution facilities
 - Transportation resources (including a pre-identified list of local firms that do in-country transportation of cargo (or having a stand-by framework agreement with them) is the key for the rapid response at the beneficiaries level)
 - Access to information
 - Allocate budget for the work of the emergency procurement team
- Develop emergency procurement procedures and tools**

 - Provisions in applicable legal framework authorizing and specifying special procedures for emergency situations (e.g., for use of direct procurement, other simplified methods, and framework agreements including for consultancy services)
 - Procedural guidelines and toolkits
 - Maximize opportunities for efficiency by using e-GP and related processes
 - Defined pre-qualification processes
 - Standard emergency requisition forms, and contracts (including innovative approaches such as output-based contracts)
 - Identification of principles and procedures applicable to cost-reimbursement
 - Asset tracking procedures
 - Prior and regular engagement with UN agencies (e.g. UNICEF, WFP, UNOPS) to identify the types of goods and services that might be available from those agencies and agree on working modalities including forms of contracts at country level, taking into account applicable templates (including those to be used when the procurement is World Bank financed)
 - Inclusion of “Zero” allocation clauses in projects for emergency response
- Ensure readiness for supplier mobilization**

 - Identification of frequently required emergency goods, their suppliers, and their costs (e.g., for tents, food items, etc.)
 - Establishment and periodic updating of a list of prequalified suppliers, contractors and service providers
 - Assessment of country-wide market for common supplies needed in case of emergency²
 - Building capacity of local suppliers³
 - Establishment of framework agreements for goods, supplies and works expected to be needed in emergencies
 - Pre-positioning of supplies and establishment of linkages with international humanitarian depots

² Such market assessment will allow to identify market strengths and to point out alternative markets to procurement from within the country.

³ For instance, refers to the work of the NGO “Building Markets” who trains local businesses to bid for contracts as part of their humanitarian response

- Identification of costs that may be involved in obtaining assistance from other jurisdictions and that are subject to reimbursement

Phases 1 and 2: Procurement for Immediate and Emergency Responses

CONDUCTING AN ASSESSMENT IN SPECIFIC CASES

Assessment of situation and preliminary identification

- ❑ **Interface with relevant warning systems** to ensure channels for essential communication are ready for a potential emergency.
- ❑ **Develop a grasp of the nature of the emergency** and gain sufficient information about the context -- such as a Poverty and Social Impact Assessment, and profiling and understanding the local population and its ethnic and confessional makeup, particularly in a state of war or political instability — to be able to plan for an emergency procurement.
- ❑ **Issue any formal determinations that may be required** to define responsible authorities and trigger applicability of emergency procurement procedures and authorities, as well as determination of potential health threats.
- ❑ **Assemble and deploy assessment team to develop a general understanding of what is needed**, considering questions including:
 - Where is the location of the affected area?
 - Extent of event, and tools to identify these (Before & After)
 - What is the level of physical damages?
 - What is the level of severity and likelihood of further risks and threats?
 - Who are affected?
 - What still works and what does not?
 - What is the security condition?
 - How is the access to the area, and who has access to it? Is the access seasonal? Is the access continuous? Is there a need to have special permits to access the area?
 - Are there landmine fields or unexploded devices that need to be removed before accessing the area?

□ **Identify main actors, based on (1) capabilities, (2) type of support needed, (3) kinds of coordination/partnerships, and (4) organizations' ground operations.** These may include:

- Entities at different levels of government, such as procurers of emergency contracts, and implementers on force account basis
- Business community and vendors of the government, including but not necessarily limited to those on an approved list
- State Owned Enterprises (SOEs), based on availability and qualifications
- Donors, based not solely on generic information, but on what such organizations are actually doing on the ground in the particular country concerned, noting also their procurement procedures which may be applicable
- UN agencies, including donors⁴, based not solely on generic information, but on what such organizations are actually doing on the ground in the particular country concerned, noting also their procurement procedures which may be applicable
- NGOs/CSOs who have less rigid security protocols and can deploy staff even in areas where the UN Agencies cannot have their presence; in such cases, NGOs can either directly implement the project or they can be hired to supervise the execution of a contract (again, based not solely on generic information, but on what such organizations are actually doing on the ground in the particular country concerned)
- Community groups through community-driven projects involving active participation of communities in designing the projects. In this case, the relationship of local communities with the government is an important aspect to be considered.

⁴ UN Agencies can be contracted to provide goods or services. In addition, there is the possibility of close supervision (such as through training and handholding) by a donor organization such as the World Bank. When a donor is significantly involved, it may establish a dedicated Procurement Task Force led by a field-based Country Procurement Focal Point and including a number of procurement specialists with hands on experience in the region. Such a donor Task Force may provide hands-on support to government entities implementing emergency procurement activities.

PROCUREMENT PLANNING IN EMERGENCIES

Key Planning Steps

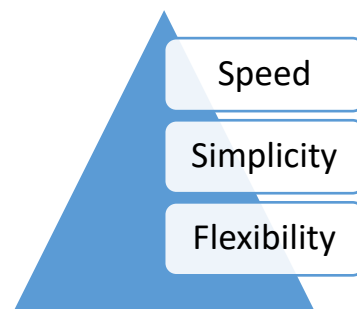
- ❑ **Identify requirements** for goods, works or services to be procured and funding sources, which should be agreed upon among relevant officials and stakeholders before preparing a simple Procurement Plan and/or shopping list (In particular in the case of Bank financed procurement, see Annex D for World Bank Procurement Plan operational guidelines).
- ❑ **Determine procurement staffing needs** based on the nature of the situation and make necessary internal arrangements, such as hierarchy, communication, level of authority, flow of documents, verification and acceptance procedures, payment procedures, internal audit etc.
- ❑ **Institute coordination arrangements with third parties in particular those** who are already working in the area, including UN and other agencies, customs, end users, beneficiaries, etc. and strengthen peer-support mechanisms.
- ❑ **Establish a log of procurement activities**, in particular when procurement is being conducted round-the-clock.
- ❑ **Assemble and make available emergency contacts and other relevant information** (e.g., operational challenges, potential logistical hazards, and possible supplier disruptions), including for needed personnel and for vendors.

- ❑ **Engage local communities** in planning, designing and implementing projects, and take advantage of their local knowledge and presence to gain better-informed situational analysis on needs assessments, to understand cultural sensitivity and to overcome language barriers.
- ❑ **Determine capacity of engaged entities** to (1) identify and set the minimum requirements, (2) make decisions on award of contracts, and (3) implement/manage the contracts.
- ❑ **Identify any applicable donor requirements.**
- ❑ **Conduct market analysis and identify available suppliers,** if time permits in rapid onset emergencies.
- ❑ **Choose available advisors and consultants.**
- ❑ **Make use of or prepare available designs, specifications, contractual & bidding documents, and select appropriate procurement methods and approaches,** such as leasing, rental or purchase.
- ❑ **Assess logistics preparedness of the area,** such as what types of unloading and receipt facilities are available—loading docks, forklifts or other resources for unloading, storage and distribution facilities, etc.
- ❑ **Assess access issues,** including understanding the roads and other forms of access to the impacted sites/locations, and rationalize transportation to maximize the use of potentially scarce transport resources and routings.

- ❑ Establish simplified payment procedures in case common systems are not functioning.
- ❑ **Ascertain availability of supplies and services** (e.g., from donations) prior to purchasing.
- ❑ **Establish regular channels of communication and reporting** between the procurement team and the rest of the emergency response team that should involve regular distribution of reports on the status of procurement, in particular on the expected flow of supplies delivery, which facilitates planning and implementation by the emergency response team.
- ❑ **Employ risk management techniques**, including (1) incentives to limit cost and cost-control and accounting for time-based and cost-reimbursable contracts, (2) political risk insurance, (3) multilateral loan guarantees, (4) safeguarding of personnel, (5) remote management techniques.

PROCUREMENT METHODS IN EMERGENCIES

In recovery or reconstruction emergency (R&R) operations, including those financed or administered by the World Bank Group, value for money, economy and efficiency, equal opportunity and fairness, transparency — including the access to information and citizen engagement principles and practices embodied in the Open Contracting and Open Government paradigms – integrity, and accountability still apply with heightened emphasis on efficiency. Therefore particular weight needs to be given to considerations of speed, timeliness and delivery of critically needed goods, works and services, than to application of normal procurement procedures. That is especially the case in the early phases of response to emergencies. The key guiding principles for effective emergency-related procurement, including when Bank or other financing sources are used, can be summarized in the following 3 principles:



For goods, works, and general services	For selection of consultants
<p>Flexibility in Direct Contracting, in accordance with the applicable, elevated thresholds such as those illustrated in Annex A. Another example, in Bank-financed projects, or if permitted in other cases, is UN agencies being chosen to provide goods, works, and non-consulting services in “situations of urgent need of assistance because of natural or man-made disaster or conflict or in situations of capacity constraints because of fragility or specific vulnerabilities,” using its own procurement procedures. It is necessary to agree with UN agencies on special payment arrangements, approved by the Bank, based on the agency’s charter. ⁵ The Bank will set up a central “one stop shop” to facilitate any aspect of UN agency involvement in the emergency response at the country level when the Bank financing is involved and assist with the selection of an appropriate contract template.</p>	<p>□ Flexibility in Direct Contracting, suitable for emergency cases when there are consultants already working in the locality, or use of any other method would not be practicable for fast response,. Other flexible methods could be added for consultants such as: (1) making use of UN agencies, (2) use of pool of experts, or (3) a list of pre-selected consulting firms having flexible contracts under framework agreements (Indefinite Delivery Contract or Price Agreement). (See Annex A for illustrative threshold).</p>

⁵ (7.44, C.4. UN Agencies in World Bank Procurement Regulations for Borrowers, 11 June 2015). Originally referenced in July 2014 revised “Guidelines: Procurement of Goods, Works, and Non-Consulting Services Under IBRD Loans and IDA Credits and Grants by World Bank Borrowers, “Section 3.10 on “Procurement from United Nations Agencies” where procurement directly from agencies of the UN is appropriate in (d) “exceptional cases, such as in response to natural disasters and emergency situations declared by the Borrower and recognized by the Bank.”

<p>□</p>	
<p>□ Extension of existing contract, with financial arrangements based on unit prices of the existing contract.</p>	<p>□ Extending Existing Contract, with financial arrangements based on unit prices of the existing contract.</p>
<p>□ Local Shopping, in accordance with the applicable, elevated thresholds as illustrated in Annex A.</p>	<p>□ Consultant’s Qualifications Selection (CQS), based on the preparation of a ToR, establishment of a shortlist of three firms, and submission of a technical and financial proposal by the consultant deemed to have the most appropriate qualifications and references.</p>
<p>□ Simplified National Competitive Bidding & International Competitive Bidding, with streamlined documentation and procedures, shorter bidding periods, easier qualification requirements, simple or general technical specifications, etc.</p>	<p>□ Qualifications and Cost-Based Selection (QCBS), using simple evaluation criteria, with a clear and easy to manage link between deliverables and payment.</p>
<p>□ Framework Agreements, a flexible contracting arrangement for recurrent procurement that is particularly suited for emergency procurement since it saves time and enables quick delivery of supplies as and when needed; may be particularly useful for procurement of commodities, for which simplified procedures are appropriate (including short bid validity periods, waiver of bid security requirements, or standing bid security covering multiple bids).</p>	<p>□ Engagement of Individual Consultants, appropriate when teams of personnel are not required, no additional outside (home office) professional support is required; the experience and qualifications of the individual are the paramount requirement and selection is either based on the comparison of CVs, or on availability of individuals to work under emergency conditions to be selected based on single source. Selection of Individual consultant can provide essential short term capacities needed under emergency Projects in a very fast way.</p>
<p>□ Participation of Community, where Community-driven development approaches (CDDs) are based on inputs from the community). CDD is an approach that gives control over any combination of planning, decision making, investment resources, and implementation of projects to local community groups. It optimizes the use of community actors, places less</p>	

stress on government agencies, and can create immediate jobs and inject funds directly into the affected community (e.g., through payment of wages and for materials), thus promoting resilience. CDDs may be more cost effective and feasible in some emergency contexts than other methods. Experience has shown that communities that already have CDD techniques in place are more resilient when there are disasters or emergencies. Those communities did not wait for the government to step in and help them but instead they took the initiative and began working immediately (See Annex D for World Bank Procurement Operational Guidelines on CDD).

❑ **Government Force Account**, where a public entity implements a project directly using its own skilled and unskilled labor, materials, equipment, and may subcontract part of the project; may be suitable for dealing with small and scattered works in remote or conflict locations which private contractors might not have access, interest, or are unlikely to bid at reasonable prices. However there are some risks associated with such methods including the difficulty of controlling costs.

❑ **Centralized purchasing and catalogues** for large, fixed-quantity purchases. Centralized purchasing would reduce time and administrative costs because goods would be procured by a central unit rather than multiple regional or lower-level administrative bodies and bear minimal financial and accounting management requirements.⁶ These items may then be listed in an electronic catalogue to allow local institutions to order needed goods.⁷

⁶ Technical Note for the Procurement of Health Sector Goods, Section 3.5.3, May 2000.

⁷ Such centralized procurement and catalogue methods were used by Ecuador's National Institute of Public Purchases. More information may found in:

STREAMLINING AND SIMPLIFICATION OF PROCUREMENT PROCEDURES

Table 1 -- Flexibility and simplification techniques for emergency procurement		
Technique		Description
1	Simple procurement planning	To include the minimum requirements of identified goods/works/services, cost estimate, and possible procurement methods; could be as simple as a shopping list
2	Relaxed thresholds and streamlined procedures	for selection of procurement methods, these are an essential tool for providing streamlining and flexibility in emergency procurement (see Annexes B and C)
3	Accelerated bid times	Shortening minimum time periods for submission of bids
4	Solicitation	Advertisement, notices, banners, posters, multi & social media, including targeting of the local supplier community to make use of local suppliers and contractors in the affected area to the extent possible, with locally targeted advertisement (e.g., at places of community gathering such as mosques, community centers, etc.) and direct solicitation of local contractors
5	Eased guarantee requirements	Waiving bid and performance security Requirements, though in some cases use of the bid-securing declaration and retention money techniques may be relevant
6	Advance payments	Flexibility, with the possibility of higher levels
7	Facilitating participation	Especially for local SMEs – for example, by easing the administrative burdens of participation as regards with proofs of eligibility, simplification of Pre and Post Qualification criteria. to facilitate participation of local bidders
8	Use of prequalified supplier, contractors,, etc.	Including through pre-established framework agreements
9	Use of Positive Lists of identified goods	Which are subject to application of streamlined procedures

World Bank Institute, Procurement Innovation Challenge, January 1, 2015.

http://imagebank.worldbank.org/servlet/WDSContentServer/IW3P/IB/2015/08/20/090224b083087df3/1_0/Rendered/PDF/Procurement0innovation0challenge.pdf.

Phase 3: Reconstruction

PROCUREMENT OF EMERGENCY-RELATED RECONSTRUCTION

Reconstruction Procedures

- Revert back to normal procurement procedures.
- Institute accelerated procedures for critical infrastructure, though with sufficient competition and adequate transparency.
- Provide justification for departure from normal procurement procedures.

Contract Management in Emergency Situations

IMPLEMENTING AND ADMINISTERING CONTRACTS IN EMERGENCIES

Contract Administration/Management Procedures

- ❑ **Essential contract terms**
 - **Parties** to the Contract & their relationship
 - **Procurement requirement:** description of works, goods, services, TOR, minimum specifications, standards
 - **Project location, site & access**
 - **Obligations of the Parties to the Contract:** Client, Contractor, Supplier, Consultant
 - **Implementation, Delivery, its terms and schedules, Bills of Quantity, Reports, Documentation**
 - **Price:** Total, Ceiling, Fixed, Adjustable
 - **Fraud and corruption clauses**
 - **Payment Terms, obligations & timing, remuneration, reimbursable, mode of billing**
- ❑ **Contract formats/types:** Annex C contains links to sample simplified formats for a number of contracts and process forms that may be used in conducting emergency procurement.
- ❑ **Implementers of contract management:**
 - Options include (1) in-house (if procuring entity has the capacity and feasibility), (2) outsourcing, (3) a combination of the two, or (4) other methods such as using local citizens, engineers, and where possible civil society to help with data collection and reporting.
 - Use of technology such as geo-tagging, satellite imagery, and digital photography are useful tools to facilitate contract management; mobiles can be used to transfer cash or monitor the contract's execution.
 - Contract performance monitoring (including termination of emergency contracts that may no longer be needed).
- ❑ **Dispute settlement:** Procurement contracts should contain appropriate dispute settlement clauses. This is especially crucial due to the need to ensure contract implementation in emergency scenarios [...]

Phase-Out of Emergency Procurement

MANAGING THE PHASE-OUT OF EMERGENCY PROCUREMENT

Phasing-Out

- ❑ Progressively handover procurement activities to normal channels and procedures.

- | |
|-----------------------------------------------------------------------------|
| <input type="checkbox"/> Transfer excess or unused supplies. |
| <input type="checkbox"/> Re-stock emergency supplies, as needed. |
| <input type="checkbox"/> Evaluate emergency procurement activities. |
| <input type="checkbox"/> Take stock of lessons learned and goods remaining. |

Other Key Aspects

ENSURING PROPER CONDUCT AND a pre-identified list of local firms that do in-country transportation of cargo (or even having a stand-by/indefinite delivery contracts with them) is key for rapid response at the beneficiary level.

ACCOUNTABILITY

Accountability Mechanisms and Ethics Standards

- ❑ **Professionalism, ethics and conduct standards:** These apply in emergency-related procurement, including steps to expose and suppress fraudulent and corrupt practices such as those listed below.
- ❑ **Institute appropriate oversight mechanisms:** an involved donor may apply procurement/governance risk mitigation steps subject to simplified fiduciary procedures and loosened conditions and simplified procedures for procurement methods (e.g., appointment of independent consultants to monitor implementation of procurement activities using simplified procedures), apart from oversight pursuant to the applicable fiduciary framework in a country.
- ❑ **Apply Open Contracting and Open Government principles:** the essential principles reflected by such initiatives, including public access to information (fiscal transparency, real time information on procurement activities) and citizen engagement apply even in the emergency procurement context, and are crucial for ensuring effective service delivery and accountability, both of which are critical to effective governance of emergency procurement.
- ❑ **Establish essential record-keeping (minimum requirements):** As in normal circumstances, maintenance and retention of documentation of procurement processes is critical in emergency procurement. Basic documentation and record keeping requirements should apply, including recording of Information about
 - a. procurement proceedings, including the procurement methods employed in each proceeding,
 - b. Any departures from or modifications of normal procurement procedures,
 - c. The solicitation and submission of bids,
 - d. Recording of the grounds for any non-use of competitive procedures,
 - e. Information on bidders, evaluation of bids and contract awards (including description and cost of items procured (including rental equipment),

- f. The relevant dates and time, contract price, approvals, proof of receipt of goods and services, [...];
- g. Documentation requirements also apply when the force account method is utilized (to record personnel, equipment and material usage on a force account basis and the associated costs).
- h. In the case of donor involvement in financing of emergency procurement, the minimum documents to be recorded and submitted to the donor, in accordance with the donor's rules include: (1) proof of advertisement, or request for quotation as applicable, reports on evaluation of bids and award, (2) proof of purchase (Purchase Order), and (3) proof of payment to suppliers.

Include social accountability mechanisms: civil society monitoring of emergency procurement can play a crucial role in ensuring that funds are spent as intended and that the intended contract performance is obtained.

Account for unused or unneeded supplies: Coupled with procedures for asset tracking, this involves identifying supplies (including equipment) that are in excess of what is needed or that are no longer needed (in particular at the phasing out phase), and return them to their source or follow other applicable procedures.

Audit: emergency procurement is subject to audit.

MEASURING AND EVALUATING PERFORMANCE

This should include an assessment of (1) which aspects of the emergency procurement program were effectively implemented, and which were not, (2) the reasons therefor, and (3) what aspects of emergency procurement preparedness and implementation should be modified in order to improve effectiveness.

Indicator	Indicates what	Measured by	Satisfactory threshold
1. Definition of governance structure for emergency procurement	Degree of preparedness for management and accountability in emergency procurement	Existence of formally defined governance structure (delegation of authority, approval requirements, etc.)	Pass/Fail
2. Identification of items likely to be needed in emergencies	Degree of preparedness in terms of forecasting of likely emergency needs	Existence of list of required goods and services for various types of possible emergencies	Pass/Fail
3. Preparation of emergency procurement tool kits, including SBDs & model contracts	Degree of preparedness in terms of operating tools for emergency procurement	Issuance and dissemination of such toolkits	Pass/Fail
4. Establishment of framework agreements for likely emergency requirements	Degree of preparedness in terms of operating tools for emergency procurement	Procurement monitoring data	Pass/Fail
5. Percentage of emergency procurement carried out with modified procedures	Extent to which emergency procurement complies with standard procurement principles	Procurement monitoring data	depends on nature of emergency and the phase of emergency response]
6. Extent to which procurement planning is carried out	Compliance with basic planning requirements in emergency procurement	Procurement monitoring data and records (reports) of procurement proceedings	At least simple planning generally required

7. Percentage of procurement carried out with prior publication and/or competition	Transparency and competition	Procurement monitoring data	Depends on nature of emergency and phase of emergency response.
8. Ratio of unit prices under emergency procurement compared with unit prices under normal procurement processes	Price reasonableness in emergency procurement	Procurement monitoring data	Any upward variance should not exceed [...] %
9. Requisition to delivery time	Overall efficiency of emergency procurement	Procurement monitoring data	Depends on the stage of emergency response
10. Timeliness of deliveries	Effectiveness of contract implementation and administration	Procurement monitoring data	Comparison of actual delivery date with contractually required delivery date
11. Compliance with contractual quality requirements	Quality in emergency service delivery	Procurement completion reports, supplier evaluations and monitoring data, satisfaction surveys, CSO monitoring reports	As stipulated in contract specifications
12. Timeliness of payment	Efficiency and quickness of payment process to ensure reliability of supplies	Procurement monitoring data	If feasible, should be accelerated as compared to normal payment process so as to ensure reliability in supply of needed goods, works and services

13. Percentage of procurement transactions conducted with community engagement	Degree of inclusiveness in implementation of emergency procurement	Procurement monitoring data, community feedback	Depending upon the nature of the emergency and the phase of emergency response; optimally, community engagement should be established at each stage of the procurement process
14. Satisfaction of affected communities with service delivery	Effectiveness of emergency procurement in meeting needs of affected communities	Satisfaction survey data	
15. Documentation of procurement transactions	Transparency and accountability in emergency procurement	Review of contract files	All steps in the emergency procurement process should be documented

MANAGING RISK⁸

Security Risk	
Assessment Questions	Possible Mitigation Steps
<ul style="list-style-type: none"> <input type="checkbox"/> Is the location/region secure to start work? (presence of looters, hostile forces, explosives, aftermath of natural disasters such as landslide, tsunami, aftershocks, etc.)? <input type="checkbox"/> Is the cause of instability or emergency persistent or is over with? <input type="checkbox"/> Is there safe and secure access to the location? (Land, Sea, Air)? <input type="checkbox"/> Can private sector participate in procurement activities or not yet. <input type="checkbox"/> Can non-military public sector access the area? <input type="checkbox"/> Are UN agencies and NGOs involved? <input type="checkbox"/> Is there a central task force or unit managing the relief? <input type="checkbox"/> Which organization could act as the implementing agency? 	<ul style="list-style-type: none"> <input type="checkbox"/> Activities could be divided and planned for based on risks involved. <input type="checkbox"/> In some cases use of State owned companies and enterprises could be the most appropriate response to emergency conditions. <input type="checkbox"/> Local communities' involvement in reconstruction of their own communities could be encouraged by supplying them with simple designs, material, equipment, or easy loans. <input type="checkbox"/> Where competitive participation of private sector is possible, having insurance coverage for different types of risk can be beneficial (natural disaster, fire, civil unrest, war ...). <input type="checkbox"/> Payment of security risk premium could be a good option in some cases. <input type="checkbox"/> Making use of UN agencies involved in the area to procure specialized goods and equipment (such as in health sector for vaccines, pharmaceuticals, ambulances etc.) may facilitate the procurement process.
Participation risk	
Assessment Questions	Possible Mitigation Steps: (to reduce the risk for suppliers and contractors, encouraging their participation)
<ul style="list-style-type: none"> <input type="checkbox"/> Are streamlined standard bidding, contract documents and other process documents available for use? <input type="checkbox"/> Are performance/output based specifications, and other techniques such as solicitation of alternative bids, available for use? 	<ul style="list-style-type: none"> <input type="checkbox"/> Scope of Bid to be simple and straight forward with bare minimum technical requirements, enabling off the shelf goods where possible. <input type="checkbox"/> Alternative Bids to be allowed for flexible delivery schedules

⁸ Risk management techniques should consider both the likelihood and the severity for the risks to happen and to cause harm.

<ul style="list-style-type: none"> <input type="checkbox"/> Is the bid-securing declaration technique available as an alternative for bid securities? <input type="checkbox"/> Do applicable rules allow flexibility in the level of advance payments for dealing with emergency procurement? 	<ul style="list-style-type: none"> <input type="checkbox"/> Streamlined and easy to provide documents Establishing the Eligibility of the Bidder, Goods and Related Services, simple requirements for Conformity of the Goods, and Qualifications of the Bidder. <input type="checkbox"/> Waiving bid and performance security requirements. <input type="checkbox"/> Allowing for large advance payments with bank guarantee for the same.
Payment Risk	
Assessment Questions	Possible Mitigation Steps
<ul style="list-style-type: none"> <input type="checkbox"/> Is the possibility of direct payment to subcontractors envisaged? <input type="checkbox"/> Is interest paid for delayed payment? 	<ul style="list-style-type: none"> <input type="checkbox"/> Implement different payment strategies for goods including: <ul style="list-style-type: none"> ○ Large advance payments ○ Payment based on pre-shipment inspection of goods ○ Payment based on goods delivered <input type="checkbox"/> Larger advance payments, and large payment upon shipment under CIP terms, could encourage participation of suppliers by reducing their financing risk. <input type="checkbox"/> Payment for works and consultancies could be based on schedule of input or output, to simplify the payment. <input type="checkbox"/> For works, goods and consultancies the Bank's Direct Payment could be considered, to reduce the risk of delayed payments.
Delivery Risk in Crisis Locations	
Assessment Questions	Possible Mitigation Steps
<ul style="list-style-type: none"> <input type="checkbox"/> As part of the preparedness process, have potential storage and distribution sites and transport resources been identified and engaged? 	<ul style="list-style-type: none"> <input type="checkbox"/> Make accessible to suppliers identified delivery destination of the goods (Usually a central storage and distribution center). <input type="checkbox"/> Deliver the goods from the identified storage to the final destination using all the means available to the Government.
Monitoring Risk	
Assessment Questions	Possible Mitigation Steps
<ul style="list-style-type: none"> <input type="checkbox"/> Do emergency procurement procedures include methods for engaging consultants? 	<p style="text-align: center;">In lieu of the Bank's physical monitoring.</p> <ul style="list-style-type: none"> <input type="checkbox"/> Hire consultants as Third Party Monitoring agents. <input type="checkbox"/> Use local NGOs.

<ul style="list-style-type: none">❑ As part of the preparedness process, is there liaison with potential third party monitors, including NGOs and CSOs?❑ Are there procedures in place for a feedback loop which ensures follow-up on findings of civil society monitors?❑ Is the procurement system prepared to utilize technology in third-party monitoring?	<ul style="list-style-type: none">❑ Rely on civil society (including using hot line, SMS, social media, etc.).❑ Use technology (e.g., mobiles, satellite imagery, geo-tagging).
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Annexes

ANNEX A: TABLE OF PROCUREMENT METHODS AND SUGGESTED THRESHOLDS

Procurement method	Proposed Threshold US\$
Shopping for goods	500,000
Shopping for works	1,000,000
NCB for goods	1,000,000
NCB for works	10,000,000
Direct contracting	100,000 or above (case by case review)
Consultant's Qualification (CQS)	300,000
Single Source for consultants	100,000 or above (case by case review)

NOTE: THESE SUGGESTED THRESHOLDS ONLY APPLY TO WORLD BANK PROJECTS AND MAY BE CONSIDERED AS ONLY A SUGGESTION FOR OTHER TYPES OF FINANCING. SEE ANNEX FOR WORLD BANK PROCUREMENT OPERATIONAL GUIDELINES.

ANNEX B: CHOICE OF PROCUREMENT METHOD FOR SIMPLE PROCUREMENT PLANS

Procurement Packages with Methods and Time Schedule (Works & Goods)						
1	2	3	4	5	6	7
Ref. No.	Contract (Description)	Estimated Cost	Procurement Method	Key dates (bid opening, award, and/or contract completion)	Review by Bank (Prior / Post)	Comments

Consultancy Assignments with Selection Methods and Time Schedule					
1	2	3	4	5	6
Ref. No.	Description of Assignment	Estimated Cost	Selection Method	Review by Bank (Prior / Post)	Comments

Guidelines on the Choice of Procurement Method					
Procurement methods	Emergency response phase	Special conditions	Streamlining	Type of Emergency	Prior donor frameworks
Request for quotations (shopping)	Generally expanded use of this simplified procurement method especially for early and middle phases of emergency response; could also be relevant to accelerate the pace of reconstruction/recovery phase	Requesting minimum 3 quotations. For small value of contracts, verbal quotations by the procurement committee might be accepted	Use of invoices – as purchase orders ; Possible waiver of or delegation of responsibility for donor prior review		
Direct contracting	For immediate response phase Possibly expanded use for other phases	May be needed to mobilize surge capacity and obtain temporary capacity substitution Including for extension of existing contracts and for award of new contracts for disaster response	Extend existing contracts and use the same unit price as base for negotiation		
Force account	Potentially for all phases of emergency response if necessary	Ministries, SOEs; identify any that are specialized, well equipped and skilled for implementing projects;			

Framework agreements	For immediate response if pre-established as a preparedness step For ongoing emergency response	Appropriate if the original selection followed transparent and fair processes			
CQS selection for consultancy services (selection based on consultant's qualifications)	Expanded use Simplified methods	Appropriate oversight arrangements			
CDD (Community Driven Development) (See Annex D for World Bank Procurement Operational Guidelines)	Useful where there is a culture of community participation in projects, in fragile and conflict affected countries as well as in development scenarios generally	Establish efficient framework for transparency, accountability, fiduciary control, risk mitigation, audit; complaints mechanism, monitoring agent	Using Community force Account		

ANNEX C: SAMPLE EMERGENCY PROCUREMENT PROCESS FORMS AND CONTRACTS

[... insert links to various sample process forms and contract including those below]

1. Simple contract for NCB goods
2. Simple contract for NCB works
3. Request for Quotations
4. Purchase order
5. Emergency Supply of Goods under Framework Agreements

ANNEX D: REFERENCE TO WORLD BANK OPERATIONAL MANUAL GUIDELINES ON PROCUREMENT

<p style="text-align: center;">Procurement Plan</p> <p style="text-align: center;">OP 11.00, Paragraph 16</p>	<p>Components of the Procurement Plan include: (i) appropriate contract packages with estimated costs; (ii) the completion dates for the different contracts; (iii) the optimal methods for procuring them; (iv) duration of each procurement step for each contract; (v) the standard or model documents that will be used; and (vi) the institutional arrangements that will be needed to carry out the procurement. The Procurement Plan may otherwise consist of a detailed description of all administrative aspects of procurement and consultants' selection, including: (i) criteria for efficient contract packaging and appropriate procurement methods; and (ii) approximate completion dates for all procurement activities.</p> <p>As part of project preparation and with the assistance of the Bank, the borrower prepares a Procurement Plan, and regularly updates it, in accordance with Section I of the Procurement and Consultant Guidelines. Special provisions may apply for projects or components that are demand-driven in nature as indicated in the Procurement and Consultant Guidelines. The Procurement Plan, as approved by the Bank during loan negotiations, is incorporated by reference in the loan agreement, and thus is legally binding on the borrower. Any violation of the Procurement Plan may give rise to the exercise of remedies under the loan agreement. The Project Implementation Plan and Project Implementation Manual for a Bank-financed project shall be consistent with the Procurement Plan.</p>
<p style="text-align: center;">Procurement Under Situations of Urgent Need of Assistance or Capacity Constraints</p> <p style="text-align: center;">OP 11.00, Paragraph 20</p>	<p>OP 10.00, Investment Project Financing, sets forth the Bank's policy on procurement of goods, works and services financed under projects in situations when the borrower/beneficiary is deemed by the Bank to: (i) be in urgent need of assistance because of a natural or man-made disaster or conflict; or (ii) experience capacity constraints because of fragility or specific vulnerabilities (including for small states). In these cases, and at the request of the borrower/beneficiary, the Bank may agree to specific procurement arrangements as set forth in Situations of Urgent Need of Assistance or Capacity Constraints: Simplified Procurement Procedures. When, inter alia, a UN agency is retained as an implementing agency for projects financed through a Multi Donor Trust Fund (MDTF), provided that it is a signatory to the Fiduciary Principles Accord (FPA),¹³ it may use its own policies and procedures for all procurement.</p>
<p style="text-align: center;">Community Driven Development (CDD)</p> <p style="text-align: center;">OP 11.00, Paragraph 22</p>	<p>The procurement procedures applicable to CDD projects may be simplified, but shall meet the Bank's procurement principles of economy, efficiency, transparency, and fair competition. The procurement capacity assessment for CDD projects evaluates the</p>

	<p>implementing agency's capacity to (i) carry out procurement and (ii) to monitor the flow of funds and the decentralized procurement or purchase procedures. Given the demand-driven nature of CDD projects, whereby not all contracts are foreseeable at the time of project negotiations, Procurement Plans can be based on a broad list of eligible activities to be implemented. In addition, given the multitude of small value contracts, often geographically dispersed, the Bank's procurement supervision of these projects may rely on particular post review arrangements in accordance with the relevant provisions of the Procurement and Consultant Guidelines, in parallel with technical and financial reviews or audits.</p>
<p>Maximum Prior Review Thresholds</p> <p>BP 11.00, Annex C</p>	<p>The maximum prior review thresholds for different types of procurement are based on the following factors:</p> <ul style="list-style-type: none"> (i) all direct and single source contracts are subject to the Bank's prior review, except, at the RPM option, small value contracts below a threshold defined by the RPM on the basis of project's scope and risks and set forth in the Procurement Plan; (ii) all requests for negotiations with the lowest bidder; (iii) all requests for cancellation of a procurement or selection process and/or re-bidding; (iv) prior review thresholds that apply to each project are set on the basis of the procurement risk assessment and the assessed capacity of the implementing agency to execute procurement, and are set forth in the Procurement Plan; (v) the determination of whether a contract meets the prior review threshold is based on the total value of the contract, including all taxes and duties payable under the contract; (vi) a contract whose cost estimate was below the Bank's prior review threshold is subject to prior review if the price of the lowest evaluated responsive bid (or, in the case of consulting services, the financial offer of the selected firm) exceeds such threshold at the bid evaluation stage; (vii) in the case of a slice and package arrangement, the prior review threshold is determined based on the aggregate value of

	<p>individual contracts to be awarded under such arrangement; and</p> <p>(viii) the review of the TOR of consulting assignments (firms or individuals) and technical aspects of bidding documents (e.g. specifications and design), as well as the assessment of the proposed short list of consulting firms and the technical responsiveness of bids and proposals, is the responsibility of the TTL as part of standard project implementation support. Such reviews are mandatory unless indicated otherwise in the project documentation, for example, for small value and simple assignments.</p>
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