

## PROCUREMENT PLAN (Textual Part)

**Project information:** Mongolia Export Development Project (P147438)

**Project Implementation agency:** Agricultural Reinsurance Joint Stock Company (AgRe)

**Date of the Procurement Plan:** March 07, 2017

**Period covered by this Procurement Plan:** March 01, 2017 - March 01, 2018

### 1. Preamble

In accordance with paragraph 5.9 of the “World Bank Procurement Regulations for IPF Borrowers” (July 2016) (“Procurement Regulations”) the Bank’s Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the Project.

This textual part along with the Procurement Plan tables in STEP constitute the Procurement Plan for the Project. The following conditions apply to all procurement activities in the Procurement Plan. The other elements of the Procurement Plan as required under paragraph 4.4 of the Procurement Regulations are set forth in STEP.

**2. The Bank’s Standard Procurement Documents:** shall be used for all contracts subject to international competitive procurement and those contracts as specified in the Procurement Plan tables in STEP.

**3. National Procurement Arrangements:** In accordance with paragraph 5.3 of the Procurement Regulations, when approaching the national market (as specified in the Procurement Plan tables in STEP), the country’s own procurement procedures may be used.

#### 3.1 National Open Competitive Procurement

When the Borrower uses its own national open competitive procurement arrangements as set forth in Chapter Two of the Public Procurement Law of Mongolia enacted on December 1, 2005, as amended several times with the latest amendment on February 9, 2017, such arrangements shall be subject to paragraph 5.4 of the Procurement Regulations and the following conditions.

##### (a) Participation in Bidding and Preferences

- (i) Government-owned enterprises in Mongolia shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law, and are not a dependent of the agency contracting them.
- (ii) A bidder declared ineligible by the World Bank, based on a determination by the World Bank that the bidder has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for or in executing a World Bank-financed

contract, shall be ineligible to participate and be awarded a World Bank-financed contract during the period determined by the World Bank.

- (iii) A firm which has been engaged by the Borrower to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works resulting from or directly related to the firm's consulting services for such preparation or implementation. This provision does not apply to the various firms which together are performing the contractor's obligations under a turnkey or design and build contract.
- (iv) Interested foreign bidders from eligible countries shall be allowed to participate without being required to associate or form joint ventures with local bidders. Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders. Mongolian bidders and goods of Mongolian origin shall be given no preference over foreign bidders, either in the bidding process or in the evaluation of bids.
- (v) Prior registration shall not be a requirement for any bidder to participate in bidding.

**(b) Request for Bids / Request for Proposals Documents**

- (i) The request for bids/request for proposals documents shall be acceptable to the World Bank
- (ii) The request for bids / request for proposals documents and the signed contract shall include the clauses related to World Bank's Policy in regard to corrupt and fraudulent practices.
- (iii) In the case of contracts of more than eighteen (18) months' duration, the bidding documents and the resultant contract shall provide for price adjustment, based on a formula acceptable to the World Bank, which shall be disclosed to the bidders in the bidding documents.
- (v) There shall be no post-bidding negotiations with the lowest evaluated bidder or any other bidder. No bidder shall be required, as a condition for the award of contract, to change his bid price or otherwise materially alter his bid after it has been submitted.

**(c) Assessment of Bidder's Qualification**

Qualification criteria shall be clearly specified in the bidding documents, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications shall be conducted separately from the technical and commercial evaluation of the bid. When post qualification is applied, the assessment of

bidder's qualifications shall be carried out only after the preliminary and detailed evaluation of bids has been completed by the Recipient and, in doing so, the qualifications of the bidder who has submitted the lowest evaluated substantially responsive bid or most advantageous bid shall be assessed first. The evaluation of a bidder's qualifications shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction or manufacturing facilities and financial capacity. In carrying out the post-qualification assessment, the Recipient shall exercise reasonable judgment in requesting, in writing, from a bidder only missing factual or historical supporting information related to the bidder's qualifications and shall provide a reasonable time period (that is, a minimum of seven days) to the bidder to provide his response. No bidders shall be disqualified on the ground that the bidder has tax debt.

### **3.2 Other National Procurement Arrangements**

When other national procurement arrangements other than national open competitive procurement arrangements are applied by the Borrower, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations. The request for bids / request for proposals / request for quotations documents should be acceptable to the Bank and jointly with the signed contract shall include the clauses related to World Bank's Policy in regard to corrupt and fraudulent practices. The request for bids / request for proposals / request for quotations documents and the signed contract shall also include the clauses allowing the World Bank to inspect the site and/or all accounts and records relating to the performance of the contract and the submission of the bid or proposal, and to have such accounts and records audited. The standard text is attached hereafter.

**4. Leased Assets** as specified under paragraph 5.10 of the Procurement Regulations: Not applicable.

**5. Procurement of Second Hand Goods** as specified under paragraph 5.11 of the Procurement Regulations: Not applicable.

**6. Domestic preference** as specified under paragraph 5.51 of the Procurement Regulations: Not applicable.

**7. Hands-on Expanded Implementation Support (HEIS)** as specified under paragraphs 3.10 and 3.11 of the Procurement Regulations: Not applicable.

**8. Other Relevant Procurement Information:** Not applicable.

**Fraud and  
Corruption**

The Bank requires compliance with the Bank's Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set

forth in the WBG's Sanctions Framework, as set forth in Appendix to the GC.

The Employer / Purchaser / Client requires the Contractor / Supplier / the Consultant to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the bidding /selection process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee. Failure to disclose such commissions, gratuities or fees may result in termination of the Contract and/or sanctions by the Bank.

**Inspections  
and Audit by  
the Bank**

The Contractor / Supplier / Consultant shall keep, and shall make all reasonable efforts to cause its Subcontractors and Sub-consultants to keep, accurate and systematic accounts and records in respect of the Works / Goods / Services in such form and details as will clearly identify relevant time changes and costs.

Pursuant to paragraph 2.2 e. of Appendix to the General Conditions the Contractor / Supplier / Consultant shall permit and shall cause its subcontractors and sub-consultants to permit, the Bank and/or persons appointed by the Bank to inspect the Site and/or the accounts and records relating to the performance of the Contract and the submission of the bid / proposal, and to have such accounts and records audited by auditors appointed by the Bank if requested by the Bank. The Contractor's / Supplier's / Consultant's and its Subcontractors' and sub-consultants' acts intended to materially impede the exercise of the Bank's inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Bank's prevailing sanctions procedures).

# APPENDIX TO GENERAL CONDITIONS

## Fraud and Corruption

*(Text in this Appendix shall not be modified)*

### 1. Purpose

1.1 The Bank's Anti-Corruption Guidelines and this annex apply with respect to procurement under Bank Investment Project Financing operations.

### 2. Requirements

2.1 The Bank requires that Borrowers (including beneficiaries of Bank financing); bidders, consultants, contractors and suppliers; any sub-contractors, sub-consultants, service providers or suppliers; any agents (whether declared or not); and any of their personnel, observe the highest standard of ethics during the procurement process, selection and contract execution of Bank-financed contracts, and refrain from Fraud and Corruption.

2.2 To this end, the Bank:

a. Defines, for the purposes of this provision, the terms set forth below as follows:

- i. "corrupt practice" is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;
- ii. "fraudulent practice" is any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain financial or other benefit or to avoid an obligation;
- iii. "collusive practice" is an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;
- iv. "coercive practice" is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party;
- v. "obstructive practice" is:
  - (a) deliberately destroying, falsifying, altering, or concealing of evidence material to the investigation or making false statements to investigators in order to materially impede a Bank investigation into allegations of a corrupt, fraudulent, coercive, or collusive practice; and/or threatening, harassing, or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation; or
  - (b) acts intended to materially impede the exercise of the Bank's inspection and audit rights provided for under paragraph 2.2 e. below.

b. Rejects a proposal for award if the Bank determines that the firm or individual recommended for award, any of its personnel, or its agents, or its sub-consultants,

sub-contractors, service providers, suppliers and/ or their employees, has, directly or indirectly, engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices in competing for the contract in question;

- c. In addition to the legal remedies set out in the relevant Legal Agreement, may take other appropriate actions, including declaring miss-procurement, if the Bank determines at any time that representatives of the Borrower or of a recipient of any part of the proceeds of the loan engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the procurement process, selection and/or execution of the contract in question, without the Borrower having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur, including by failing to inform the Bank in a timely manner at the time they knew of the practices;
- d. Pursuant to the Bank's Anti- Corruption Guidelines and in accordance with the Bank's prevailing sanctions policies and procedures, may sanction a firm or individual, either indefinitely or for a stated period of time, including by publicly declaring such firm or individual ineligible (i) to be awarded or otherwise benefit from a Bank-financed contract, financially or in any other manner;<sup>1</sup> (ii) to be a nominated<sup>2</sup> sub-contractor, consultant, manufacturer or supplier, or service provider of an otherwise eligible firm being awarded a Bank-financed contract; and (iii) to receive the proceeds of any loan made by the Bank or otherwise to participate further in the preparation or implementation of any Bank-financed project;
- e. Requires that a clause be included in bidding/request for proposals documents and in contracts financed by a Bank loan, requiring (i) bidders, consultants, contractors, and suppliers, and their sub-contractors, sub-consultants, service providers, suppliers, agents personnel, permit the Bank to inspect<sup>3</sup> all accounts, records and other documents relating to the submission of bids and contract performance, and to have them audited by auditors appointed by the Bank.

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<sup>1</sup> For the avoidance of doubt, a sanctioned party's ineligibility to be awarded a contract shall include, without limitation, (i) applying for pre-qualification, expressing interest in a consultancy, and bidding, either directly or as a nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider, in respect of such contract, and (ii) entering into an addendum or amendment introducing a material modification to any existing contract.

<sup>2</sup> A nominated sub-contractor, nominated consultant, nominated manufacturer or supplier, or nominated service provider (different names are used depending on the particular bidding document) is one which has been: (i) included by the bidder in its pre-qualification application or bid because it brings specific and critical experience and know-how that allow the bidder to meet the qualification requirements for the particular bid; or (ii) appointed by the Borrower.

<sup>3</sup> Inspections in this context usually are investigative (i.e., forensic) in nature. They involve fact-finding activities undertaken by the Bank or persons appointed by the Bank to address specific matters related to investigations/audits, such as evaluating the veracity of an allegation of possible Fraud and Corruption, through the appropriate mechanisms. Such activity includes but is not limited to: accessing and examining a firm's or individual's financial records and information, and making copies thereof as relevant; accessing and examining any other documents, data and information (whether in hard copy or electronic format) deemed relevant for the investigation/audit, and making copies thereof as relevant; interviewing staff and other relevant individuals; performing physical inspections and site visits; and obtaining third party verification of information.

**PROCUREMENT PLAN** **Mongolia : Mongolia Export Development Project**

**General Information**

**Country:** Mongolia **Bank Approval Date of the Original Procurement Plan:** 2017-02-13  
**Revised Plan Date(s):** (comma delineated, leave blank if none) 2017-06-05  
**Project ID:** P147438 **GPB Date:** 2017-02-09  
**Project Name:** Mongolia Export Development Project  
**Loan / Credit No.:** IDA / 58790  
**Executing Agency(ies):** Ministry of Finance

**WORKS**

Activity Reference No./ Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Draft Pre-qualification Documents		Prequalification Evaluation Report		Draft Bidding Document / Justification		Specific Procurement Notice / Invitation		Bidding Documents as Issued		Proposal Submission / Opening / Minutes		Bid Evaluation Report and Recommendation for Award		Signed Contract		Contract Completion	
											Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual

**GOODS**

Activity Reference No./ Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Draft Pre-qualification Documents		Prequalification Evaluation Report		Draft Bidding Document / Justification		Specific Procurement Notice / Invitation		Bidding Documents as Issued		Proposal Submission / Opening / Minutes		Bid Evaluation Report and Recommendation for Award		Signed Contract		Contract Completion									
											Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual								
EDP/3/GO/002 / Purchase of office furniture	IDA / 58790	Component 3: Project Implementation Support	Post	Request for Quotations	Open - National	Single Stage - One Envelope		4,500.00	0.00	Under Implementation																										
EDP/3/GO/003 / Purchase of IT goods for MGF (PCs, UPS, Copier machine, Printer and Scanner)	IDA / 58790	Component 3: Project Implementation Support	Post	Request for Quotations	Open - National	Single Stage - One Envelope		13,500.00	0.00	Under Implementation																										
EDP/3/GO/001 / Accounting software for EDP	IDA / 58790	Component 3: Project Implementation Support	Prior	Direct Selection	Direct			3,150.00	3,107.97	Under Implementation					2017-02-15	2017-03-02	2017-02-20																			
EDP/1/GO/001 / Underwriting and insurance policy management system (MS)	IDA / 58790	Component 1: Development of a new line of export finance products	Prior	Direct Selection	Direct			60,000.00	0.00	Pending Implementation					2019-01-02		2019-01-07																			
EDP/3/GO/004 / Publications or printing MGF Brochure and other required materials (multiple contracts)	IDA / 58790	Component 3: Project Implementation Support	Post	Request for Quotations	Open - National	Single Stage - One Envelope		5,000.00	0.00	Pending Implementation							2017-04-08																			

**NON CONSULTING SERVICES**

Activity Reference No./ Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Procurement Process	Prequalification (Y/N)	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Draft Pre-qualification Documents		Prequalification Evaluation Report		Draft Bidding Document / Justification		Specific Procurement Notice / Invitation		Bidding Documents as Issued		Proposal Submission / Opening / Minutes		Bid Evaluation Report and Recommendation for Award		Signed Contract		Contract Completion	
											Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual		

**CONSULTING FIRMS**

Activity Reference No./ Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Terms of Reference		Expression of Interest Notice		Short List and Draft Request for Proposals		Request for Proposals as Issued		Opening of Technical Proposals / Minutes		Evaluation of Technical Proposal		Combined Evaluation Report and Draft Negotiated Contract		Signed Contract		Contract Completion									
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual								
EDP/1/CS/002 / Consultant or consultancy firm to conduct comprehensive research along with client survey focusing on SME's on the market demand in the areas of export insurance products	IDA / 58790	Component 1: Development of a new line of export finance products	Post	Consultant Qualification Selection	Open - National		60,000.00	0.00	Pending Implementation	2017-06-05		2017-06-26		2017-08-09																					
EDP/3/CS/004 / Auditing of PML accounts (National consulting firms)	IDA / 58790	Component 3: Project Implementation Support	Post	Consultant Qualification Selection	Open - National		7,500.00	0.00	Pending Implementation	2018-03-01		2018-03-22		2018-05-05																					

**INDIVIDUAL CONSULTANTS**

Activity Reference No./ Description	Loan / Credit No.	Component	Review Type	Method	Market Approach	Contract Type	Estimated Amount (US\$)	Actual Amount (US\$)	Process Status	Terms of Reference		Invitation to Identified/Selected Consultant		Draft Negotiated Contract		Signed Contract		Contract Completion	
										Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
EDP/3/CS/001 / Training coordinator for sub-component 2.1. During the first year, the contract shall be signed with a consultant for the duration of 12 months, with 3 months probationary period. The contract will be extended on annual basis for next 3 years.	IDA / 58790	Component 3: Project Implementation Support	Post	Individual Consultant Selection	Open		57,000.00	13,800.00	Signed	2017-02-13	2017-02-02	2017-02-16	2017-02-20	2017-02-16	2017-02-20	2017-02-20	2017-02-20	2021-02-19	
EDP/1/CS/003 / Short term senior international consultants for institutional development of EID (ES) which will provide international best practices in export trade credit insurance and product development	IDA / 58790	Component 1: Development of a new line of export finance products	Prior	Individual Consultant Selection	Open		60,000.00	0.00	Pending Implementation	2017-06-05		2017-07-24		2017-08-14		2017-09-18		2018-01-16	
EDP/1/CS/004 / Short term consultant to conduct assessment on existing export insurance related mongolian laws, rules and regulations jointly with EID staff	IDA / 58790	Component 1: Development of a new line of export finance products	Prior	Individual Consultant Selection	Open		40,000.00	0.00	Pending Implementation	2017-06-05		2017-07-24		2017-08-14		2017-09-18		2018-03-17	
EDP/1/CS/005 / Resident advisor/international expert on trade credit insurance	IDA / 58790	Component 1: Development of a new line of export finance products	Prior	Individual Consultant Selection	Open		80,000.00	0.00	Pending Implementation	2018-02-05		2018-03-10		2018-03-31		2018-04-06		2019-04-06	

EDP/1/CS/006 / Short term senior international consultants for institutional development of EID (EIS) pricing methodology, underwriting guidelines, optimization of claim payment and recovery processes)	DA / 58790	Component 1: Development of a new line of export finance products	Post	Individual Consultant Selection	Open		40,000.00	0.00	Pending Implementation	2018-02-05		2018-03-26		2018-04-16		2018-05-21		2018-08-19
EDP/2-1/CS/001 / Consultancy service on conducting export-related research which would benefit specific export-oriented industries or other group of exporters (multiple contracts)	DA / 58790	Component 2: Export competitiveness enhancement.	Post	Individual Consultant Selection	Open		50,000.00	0.00	Pending Implementation	2017-06-05		2017-07-24		2017-08-14		2017-09-18		2017-12-17
EDP/2-1/CS/002 / International consultants/trainers to share experience, know-how, seminars on export development (multiple contracts)	DA / 58790	Component 2: Export competitiveness enhancement.	Post	Individual Consultant Selection	Open		60,000.00	0.00	Pending Implementation	2017-06-05		2017-07-24		2017-08-14		2017-09-18		2018-03-17
EDP/2-1/CS/003 / Local consultants/trainers to share experience, know-how, seminars on export development (multiple contracts)	DA / 58790	Component 2: Export competitiveness enhancement.	Post	Individual Consultant Selection	Open		20,000.00	0.00	Under Implementation	2017-06-05		2017-07-24		2017-08-14		2017-09-18		2017-12-17
EDP/2-1/CS/004 / Consultants/Hiring sign language interpreters (multiple contracts)	DA / 58790	Component 2: Export competitiveness enhancement.	Post	Individual Consultant Selection	Open		1,000.00	0.00	Pending Implementation	2017-06-05		2017-07-08		2017-07-29		2017-09-02		2018-09-02
EDP/2-2/CS/001 / International consultant/MGF coordinator to support MGF team	DA / 58790	Component 2: Export competitiveness enhancement.	Prior	Individual Consultant Selection	Open		120,000.00	0.00	Under Review	2017-06-05	2017-03-17	2017-07-24		2017-08-14		2017-09-18		2018-09-18
EDP/2-2/CS/002 / MGF Business Development Specialist (local consultant)	DA / 58790	Component 2: Export competitiveness enhancement.	Prior	Individual Consultant Selection	Open		89,400.00	0.00	Under Implementation	2017-03-27	2017-06-05	2017-05-15		2017-06-05		2017-07-10		2021-07-09
EDP/2-2/CS/003 / MGF Administrative Assistant (Local consultant)	DA / 58790	Component 2: Export competitiveness enhancement.	Post	Individual Consultant Selection	Open		47,400.00	0.00	Pending Implementation	2017-03-06		2017-03-30		2017-04-02		2017-04-08		2021-04-07
EDP/3/CS/002 / Environment and Social screening consultant (on-call basis/Part time employment)	DA / 58790	Component 3: Project Implementation Support	Post	Individual Consultant Selection	Open		36,000.00	0.00	Pending Implementation	2017-09-04		2017-10-07		2017-10-28		2017-12-02		2021-12-01
EDP/1/CS/001 / Coordinating consultant/Local consultant of Compt1 for supporting AgRe (duration of 2 years)	DA / 58790	Component 1: Development of a new line of export finance products	Prior	Direct Selection	Direct		36,000.00	0.00	Cancelled	2017-04-03		2017-04-13				2017-06-17		2017-12-14
EDP/1/CS/0001 / Coordinating consultant/Local consultant of Compt1 for supporting AgRe (duration of 2 years)	DA / 58790	Component 1: Development of a new line of export finance products	Prior	Individual Consultant Selection	Direct		36,000.00	0.00	Pending Implementation	2017-05-01		2017-05-11		2017-06-01		2017-07-06		2018-01-02
EDP/2-2/CS/004 / IT consulting firm to develop customized registration system-Matching Grant Administration System (MGAS) for recording all MG related activities, including maintenance fee	DA / 58790	Component 2: Export competitiveness enhancement.	Prior	Direct Selection	Direct		6,000.00	0.00	Cancelled	2017-04-03	2017-03-28	2017-04-13				2017-06-01		2017-08-30
EDP/3/CS/003 / National IT consulting firm for development of Project Implementation Monitoring Information System (PMIS) for monitoring overall project activities, including maintenance fee	DA / 58790	Component 3: Project Implementation Support	Prior	Direct Selection	Direct		14,000.00	0.00	Cancelled	2017-06-05	2017-03-28	2017-06-15				2017-06-19		2017-09-18