



General Procurement Guidelines for Projects

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1. Font

The Nordic Development Fund (NDF) established in 1989 is a multilateral development financing institution owned by the five Nordic countries (Denmark, Finland, Iceland, Norway and Sweden) providing financing and knowledge for climate change and development activities primarily in low-income countries. NDF funds are normally provided by way of co-financing with multilateral or bilateral financiers (hereinafter referred to as the Partner Agency), possible other financiers and/or relevant authorities of the recipient country, as well as other partners.

The financing agreement governs the legal relationships between the Client and NDF. These General Procurement Guidelines apply to procurement of goods, works and services, as provided for in the financing agreement. The rights and obligations of the Client and the providers of goods, works and services for the project are governed by the contracts signed by the Client with the providers of goods, works and services, and not by these Procurement Guidelines or the financing agreement.

The general procurement principles of NDF follow internationally recognised practice, e.g. as used by the World Bank and the Regional Development Banks, and include (i) ensuring economy and efficiency in the procurement of goods, works, and services; (ii) giving eligible bidders from developed and developing countries a fair opportunity to compete in providing goods, works, and services financed by NDF; (iii) encouraging the development of domestic industries NDF's countries of operations; and (iv) providing for transparency in the procurement process.

It is the policy of NDF to require that the Client (including beneficiaries of NDF funding), as well as bidders, suppliers and contractors under NDF-financed contracts, observe the highest standard of ethics. To avoid corrupt and fraudulent practises during the procurement and execution of such contracts a clause to this effect shall be included in the contracts in accordance with the applicable procurement guidelines of the Partner Agency, Client, other partner or other guidelines as the case may be and as agreed in the financing agreement (the term "Applicable Procurement Guidelines" will henceforth refer to such guidelines that are agreed in the financing agreement for a specific project, programme or other type of activity).

NDF may develop and apply separate procurement guidelines for financing facilities (such as e.g. trust funds) managed by NDF. Such separate procurement guidelines shall however be in line with the spirit of these Guidelines and promote economy and transparency in procurement of Goods, Works, Non-Consultancy Services and Consultancy Services.

NDF recognises that taking environmental and social aspects into account is part of good business and contributes to sustainable development. NDF promotes the application of best practices regarding environmental and social matters as set out in the NDF Environmental and Social Policy and Guidelines. Clients and others carrying out procurement financed by NDF are responsible for ensuring that such procurement complies with the environmental and social requirements of NDF.

2. Eligible Bidders

In general, firms and individuals from any country shall be eligible for award of contract for goods, works or services to projects under NDF funding.

In cases defined in the Applicable Procurement Guidelines, domestic preference may be applied to firms or individuals of the recipient country.

3. Eligible Goods, Works and Services

In general, goods, works and services from any country shall be eligible for NDF financing.

In cases defined in the Applicable Procurement Guidelines, domestic preference may be applied to goods manufactured in the recipient country.

4. Procurement of Goods, Works and Non-Consultancy Services

The procurement of goods, works and services (other than consultancy services) shall mainly be based on International Competitive Bidding (ICB). As appropriate, other methods of procurement may be applied in accordance with the Applicable Procurement Guidelines.

In principle, procurement of goods, works and non-consultancy services under NDF funding shall follow internationally recognised practice such as the current practice, at the time of project implementation, used by the World Bank and the Regional Development Banks. Unless otherwise stated in the financing agreement or later approved by NDF, the procurement procedure under NDF funding shall be ICB, usually based on open bidding and post-qualification of lowest evaluated bidder. In exceptional cases, pre-qualification of bidders may be applied. Invitations for Bids under ICB shall be published in relevant websites (including NDF's website) and other media with wide distribution, and shall be distributed to all eligible bidders who have expressed their interest in the project to the Client or NDF, and via NDF's relevant email lists.

Other Procurement Procedures

Limited International Bidding. Goods and non-consultancy Services which NDF agrees can only be purchased from a limited number of suppliers may be procured under contracts awarded on the basis of Limited International Bidding.

National Competitive Bidding. Goods, works and non-consultancy Services estimated to cost less than the threshold equivalents per contract defined in the financing agreement may be procured under contracts awarded on the basis of National Competitive Bidding.

Shopping. Goods, works and non-consultancy Services estimated to cost less than the threshold equivalents per contract defined in the financing agreement may be procured under contracts awarded on the basis of Shopping.

Direct Contracting. Goods, works and non-consultancy Services which NDF agrees meet the requirements for Direct Contracting, may be procured in accordance with the provisions of said procurement method.

Procurement from UN Agencies. Goods which the NDF agrees may be procured directly from United Nations Agencies may be procured in accordance with the provisions of the Applicable Procurement Guidelines, or as otherwise agreed by NDF.

The bidding documents shall give all relevant information on the procurement and shall clearly state the type of contract(s) to be entered into, specifications, time for delivery, terms of delivery, etc. NDF encourages Clients to use, as far as possible, the relevant Standard

Bidding Documents prepared by the Partner Agency or NDF as applicable and appropriate, adjusted to be compatible with these Procurement Guidelines and/or to meet any specific requirements made by NDF.

In the evaluation of bids, the Client shall ensure that economy and efficiency in the execution of the project is secured by evaluating the qualification of bidders, by securing that the offered goods and works comply with the technical specifications, and by selecting the bid with the lowest evaluated bid price among the responsive and qualified bidders.

5. Procurement of Consultancy Services

Procurement of consultancy services shall mainly be based on Quality- and Cost-based Selection (QCBS). As appropriate, other methods of procurement may be applied in accordance with the Applicable Procurement Guidelines.

The general principles for selection of Consultants follow internationally recognised practice such as the current practice, at the time of the project, used by the World Bank and the Regional Development Banks. Normally no less than three and no more than six interested qualified and eligible consulting firms shall be requested to submit proposals for Quality- and Cost-based Selection (QCBS). Such consulting firms are generally identified and selected through submission and evaluation of expression of interest. NDF will, on request from the Client, assist in and advise on all parts of the procurement. The shortlist of consultants for services estimated to cost less than the threshold equivalent per contract defined in the financing agreement may comprise of entirely national consultants.

The Client shall prepare the Request for Expression of Interest, with weights for scoring submitted expressions of interest, and subsequently the Request for Proposal (RFP) with all relevant information including terms of reference, the proposed contract or terms, and the list of consultants requested to submit proposals. NDF recommends that the relevant standard format of RFP of NDF or the Partner Agency be used, adjusted to be compatible with these Procurement Guidelines and/or to meet any specific requirements made by NDF.

In selecting consultants, the Client shall ensure quality, economy and efficiency in the execution of the project. The evaluation of proposals shall follow the method specified in the RFP and ensure that the quality of services and nominated personnel are satisfactory.

Other Procedures

Selection Under a Fixed Budget. Services for assignments which NDF agrees meet the requirements of paragraph 3.5 of the World Bank Consultant Guidelines 2014¹ may be procured under contracts awarded on the basis of a Fixed Budget in accordance with the provisions of the World Bank Consultant Guidelines.

Least-cost Selection. Services for assignments which NDF agrees meet the requirements of paragraph 3.6 of the World Bank Consultant Guidelines 2014 may be procured under contracts awarded on the basis of Least-cost Selection in accordance with the provisions of the World Bank Consultant Guidelines.

Selection Based on Consultants' Qualifications. Services estimated to cost less than the threshold equivalent per contract defined in the financing agreement may be procured under

¹<http://pubdocs.worldbank.org/en/957681467229174705/ProcurementConsultantHiringGuidelinesEngJuly2014.pdf>

contracts awarded in accordance with the provisions of paragraph 3.7 of the World Bank Consultant Guidelines 2014.

Single Source Selection. Services for tasks in circumstances which meet the requirements of paragraph 3.8 of the World Bank Consultant Guidelines 2014 for Single Source Selection may, with NDF's prior agreement, be procured in accordance with the provisions of paragraphs 3.8 through 3.11 of the World Bank Consultant Guidelines.

Individual Consultants. Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the World Bank Consultant Guidelines 2014 may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.6 of the World Bank Consultant Guidelines.

6. Procurement in Private Sector Projects

NDF will satisfy itself that private sector partners use appropriate procurement methods which ensure a sound selection of goods, works, non-consultancy services and consultancy services at fair market prices and that they are making investments in a cost-effective manner. Careful procurement planning that takes into account the particular needs of the project is essential for NDF's evaluation and agreement. NDF will insist that any partner organisation has acceptable procurement guidelines and practices in place before approving any financing, and will offer assistance to new partners in the development of such guidelines and practices as necessary.

7. Responsibilities of the Client

The Client is responsible for the procurement and shall ensure that these Procurement Guidelines are followed in all procurement under the NDF financing. In particular, the following considerations shall be made:

- (i) Eligible and qualified bidders from all countries are given a fair opportunity to compete in providing goods, works and services for the project;
- (ii) Invitations for Bids, Bidding Documents, RFPs and shortlists of firms for contracts with estimated contract values above the thresholds defined in the financing, shall be subjected to prior review and no objection given by NDF before inviting for bids or requesting for proposals;
- (iii) For goods and works contracts with estimated contract value above the threshold defined in the financing agreement, the bid evaluation reports for goods, works and non-consultancy services shall be submitted to NDF for prior review and no objection before award of the contracts. In cases where the evaluation report recommends further negotiations with the lowest evaluated bidder, such negotiations shall not take place before NDF has reviewed the evaluation report and agreed that such negotiations can take place. The deliberations of negotiations shall be recorded in writing and shall, together with the final conclusion, be sent to NDF for review and no objection prior to award of contract. NDF may choose to participate in such negotiations;
- (iv) For consultancy contracts with estimated contract value above the threshold defined in the financing agreement, the report on evaluation of Technical Proposals for

Consultancy Services shall be submitted to NDF for prior review and no objection before opening the Financial Proposals. Similarly, the report on combined evaluation of Technical and Financial Proposals shall be submitted to NDF for prior review and no objection before starting contract negotiations and award of the contract;

- (v) negotiated contracts with contract value above the threshold defined in the financing agreement shall be sent to NDF for prior review and no objection before being signed by the Client or the suppliers; and
- (vi) signed copies of all contracts shall be sent to NDF for information and records. No disbursements related to financing of a contract will be made under the NDF financing before the signed contract is received by NDF.

NDF's review and monitoring of, and no objection to, the various contracts, is made for ascertaining their eligibility for financing by NDF, and shall not make NDF a party to the contracts or create any liability for NDF vis á vis the parties to the respective contracts or relieve the Client from its entire responsibility regarding the procurement.