

# ASIAN INFRASTRUCTURE INVESTMENT BANK

**Business Opportunities Seminar**

**AIIB Procurement**

**Istanbul – March 29, 2019**



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As at March 10, 2019 unless otherwise stated.

The Asian Infrastructure Investment Bank (AIIB) is a multilateral development bank with a mission to improve social and economic outcomes in Asia. Headquartered in Beijing, we began operations in January 16, 2016 and have now grown to 93 approved members worldwide. By investing in sustainable infrastructure and other productive sectors in Asia and beyond, we will better connect people, services and markets that over time will impact the lives of billions and build a better future.



#### **MEMBERS**

70 Members, 23 Prospective



#### **PROJECTS APPROVED**

Guided by AIIB thematic priorities



#### **TOTAL INVESTMENTS AND LOANS**

Projects funded will better connect people, services and markets to promote sustainable development and prosperity

# Procurement Policy

The application of the Bank's Procurement Policy aims to support recipients of Bank financing to achieve the successful implementation of projects through efficient, fair, ethical and transparent processes that optimize both value for money and social and environmental sustainability.

The Bank's Procurement Policy and its Interim Operational Directive: Procurement Instructions for Recipients describes the Bank's Core Procurement Principles, objectives and requirement for operational procurement conducted under both public and private sector Bank financed projects.

Fundamentally aligned to other MDB procurement guidelines and rules including the new WB Procurement Framework and regulations released on July 1, 2016.

International open competitive tendering is the preferred method of procurement to be followed under a Bank financed project. Other methods may be applied provided the Recipient demonstrates to the Bank's satisfaction that proposed procurement method adequately reflects the requirements of the Bank's Core Procurement Principles

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# Procurement Policy - Core Procurement Principles and Standards

## Core Procurement Principles

- Economy.
- Efficiency.
- Effectiveness.
- Fairness: Good Governance.
- Value for Money.
- Fit for Purpose.
- Transparency.

## Procurement Standards

- Strategic procurement.
- Transparent, open International competitive processes.
- Optimal balance between price and quality to generate sustainable desired outcomes.
- Credible recourse and impartial, equitable dispute resolution.
- Quality assurance compliance checks third party verification.
- Credible mechanism to address complaints of tenderers (works, goods and consulting services).

# Procurement Policy

The Bank permits firms and individuals from all countries to offer goods, works and services for Bank financed projects regardless of whether the country is a member of the Bank.

The Bank reviews the Recipient's strategy for procurement delivery to establish whether it demonstrates economy and efficiency, is fit for purpose and delivers value for money.

Procurement documentation (tender documents RFPs etc.) is to be aligned, where appropriate, to MDB harmonized standard documentation.

## New Provisions

Stand Still Period prior contract award and intention to award a contract.

Abnormally Low Tenders (ALT).

Strengthened provisions to enforce Environmental, Social, Safety requirements.

# Procurement Policy

Notices of procurement opportunities will be published on the AIIB website:

(<https://www.aiib.org/en/opportunities/business/investment-procurement/index.html>) and the UN Development Business online portal.

Fiduciary review and oversight of procurement will be maintained by the Bank throughout the procurement process from tender preparation through to, and including, contract administration.

The Recipient may use its applicable procurement system for certain Bank financed contracts providing the Bank is satisfied that the procurement system for these contracts is consistent with the Bank's Core Procurement Principles and procurement standards.

The preferred selection method for consultants is international open competition with an emphasis on the quality of the consultant. Other selection methods may be applied providing the Recipient demonstrates to the Bank's satisfaction that the proposed procurement method adequately reflects the requirements of the Core Procurement Principles.



## Project Delivery Strategy (PDS)

Recipient is required to develop a PDS for successfully delivering the project and is part of the project preparation process.

The PDS should address how procurement activities support the project's development objectives and will deliver the best VFM under a risk managed approach.

The level of detail and analysis in the PDS is proportional to the risk, value and complexity of the project.

An outcome of the PDS is a Procurement Plan on which the financing of the project is based and the Bank' review requirements are identified (prior, post, selective)



# Project Delivery Strategy (PDS)



# Procurement Methods

Goods, Works, Supply and Installation and Non Consulting Services.

Default: International Open Competitive Procedures (depending on contract estimated value, risks).

Universal Eligibility, Notification, Standard Tender Documents, International Model Forms of Contracts, Public Tender opening, Open data.

Multi stage tendering.

Other options:

Selective Tendering (Pre-qualification), Limited Tenders, Direct Contracting, National Competitive Tendering.

Request for Quotations (low value off the shelf items).

E-Procurement.

# Procurement Policy – Considerations

Advance contracting.

Retroactive financing.

Use of the Recipient's country based procurement system and procedures.

Co-financing:

Joint: Lead co-financier's procurement guidelines and disbursement processes are applied for all co-financed project components.

Co-lenders project agreement required.

Parallel: The co-financier's own procurement guidelines and disbursement processes apply to the project component to be specifically financed by the co-financier.

## Policy on Prohibited Practices

The Bank has a Policy on Prohibited Practices which ensures that the Bank does business with trustworthy parties who adhere to the highest integrity standards.

The Bank has established a regime for the sanctioning of firms and individuals that are found to have engaged in specified forms of fraud and corruption in connection with Bank financed projects. This policy is applicable to all Bank financed procurement.

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# Questions & Answers

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