Nordic Development Fund

Policy for Procurement in Projects

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1 INTRODUCTION

The Nordic Development Fund ("NDF"") is a joint international finance institution (IFI) of the five Nordic countries - Denmark, Finland, Iceland, Norway, and Sweden - established in November 1988. NDF's purpose is to advance Nordic climate leadership through innovative, catalytic and risk-tolerant concessional financing primarily in lower-income countries.

In fulfilment of its purpose, NDF co-finances projects together with strategic partners, such as multilateral development banks (MDBs), development finance institutions (DFIs), and other public and private partners, to develop and scale impactful climate and development projects to benefit those most vulnerable to climate change.

2 GENERAL PROCUREMENT PRINCIPLES

The general procurement principles of NDF follow internationally recognised MDB practice, e.g. as used by the World Bank and the Regional Development Banks.

In all projects where procurement financed with NDF proceeds take place, NDF requires that the following principles be applied

- the procurement process is fair and transparent and open to all eligible bidders without country or nationality-based preference;
- appropriate levels of competitive tendering ensuring economy and efficiency exist;
- the integrity of the process and ethical behaviour of all parties involved in the procurement is upheld;
- appropriate environmental, social and governance factors are taken into account.

3 PROCUREMENT POLICY

It is well established NDF policy that for co-financed activities / projects not managed by NDF, the leading MDB's or other lead partner's procurement guidelines will prevail ("Applicable Procurement Guidelines") and be used by the implementing agency or entity. This, subject to NDF being satisfied that the Applicable Procurement Guidelines are fair and transparent, aligned with and good international practice and that acceptable monitoring procedures are in place.

For procurement in trust funds administered by NDF, NDF's Procurement Rules for Institutional Procurement apply, as further specified in contractual and other documents applicable to the specific trust fund in question.

4 CLIENT IS RESPONSIBLE FOR PROCUREMENT

The financing agreement to which NDF is a party will set out the Applicable Procurement Guidelines.

The Client i.e. the entity responsible for implementation of a NDF financed project, such a as the recipient of NDF financing or an entity appointed by such recipient, is responsible for the procurement. Thereby the Client shall ensure that the objectives of this Policy is followed in all procurement under the NDF financing.

With respect to any instances of procurement taking place, the rights and obligations of the Client and the providers of goods, works and services for the project are governed by the respective procurement contracts entered into between the Client and the providers of goods, works and services, and not by this Policy or the financing agreement to which NDF is a party.

NDF's possible review, and no objection to procurement contracts (when such take place) , is made for ascertaining their eligibility for financing by NDF and shall not make NDF a party to the procurement 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.

NDF will satisfy itself that private sector Clients use appropriate procurement methods which ensure a sound selection of goods and services at fair market prices and that they are making their capital investments in a sound and 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 that any private sector Client has acceptable procurement guidelines and practices in place, aligned with MDB procurement guidelines, before approving any financing and will provide advice as needed to fulfil this requirement.