

EIB Guide to Procurement

- **Documentation**

- Guide to Procurement, version dated February 2004

- <http://www.eib.org/publications/publication.asp?publ=44&categories=105&goPL=Go>

EIB Guide to Procurement

- **General aspects- EIB Statute**
 - Ensure that funds are employed as rationally as possible in the interests of the Community,
 - Neither the Bank nor the Member States shall impose conditions requiring funds lent by the Bank to be spent within a specific member State,
 - The Bank may make its loans conditional on international invitation to tender being arranged.

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- **General Aspects-The Bank's Policy**
 - Goods and services under its financing are of appropriate quality, acquired at economic prices and in a timely manner,
 - In EU Member States applicable Community Directives to be followed,
 - Outside EU, the principles of the EU Directives to be followed, with procedural adaptations, in line with stipulations of the respective mandate.

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- **General Aspects-Eligibility**
 - In general, firms originating from any country in the world are eligible to tender for works, goods and services.

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- **General Aspects-Respective roles for Bank and Promoters**
 - Promoters
 - Implementation of project, incl. all aspects of procurement process,
 - Bank
 - Not party to resulting contracts
 - Has right and obligation to ensure respect of:
 - Inside EU-Community provisions
 - Outside EU-relevant criteria with regard to proper management of its financing and to ensure that procurement procedures are fair, transparent, non-discriminatory and that the tender selected is economically the most advantageous.

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- **General Aspects-Ethical Conduct**
 - Bank's policy requires promoters, tenderers, suppliers and consultants under Bank-financed contracts to observe the highest standards of ethics during procurement and execution of such contracts.

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- **Operations within the EU**
- Legal framework set by Community Directives
- Bank to verify.

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- **Operations outside EU**

- the principles of the EU Directives to be followed, with *procedural* adaptations.

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- **Operations outside EU**

- Types of financing

- Co-financing of projects, (EIB <50% of project cost)-with WB, EU, Regional Development Banks, private institutions/banks.

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- **Operations outside EU**
 - Joint co-financing: same contract financed by Bank+others, apply wider eligibility, but at least EU States and beneficiary country,
 - Parallel co-financing: each separate project component financed by single financier, with its own criteria.

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- **Operations outside EU**

- Selection of Procurement Procedures-Public sector, applying to
 - Public Authorities
 - In addition: In the case of gas, heat, electricity, water, transport, exploration or extraction of oil, gas, coal or other solid fuels, ports and airports and telecommunication:
 - Public undertakings and privately-owned entities, that have been granted special or exclusive rights and operate in non-liberalised markets.

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- **Operations outside EU**
 - Selection of Procurement Procedures-Public sector
 - International
 - » Open-with Publication in OJEU
 - » Restricted-with Publication in OJEU-(pre-qualification)
 - » Negotiated-with publication in OJEU
 - » Negotiated-established shortlist,
 - National
 - » National Competitive Bidding
 - » Local shopping, direct contracting
 - » (Force account, direct labour-promoters own staff).

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- **Operations outside EU**
 - Selection of Procurement Procedures-Public sector
 - Thresholds for national precedures, to be agreed between the Bank and the promoter and depend on nature of project, experience of promoter, local conditions
 - Max thresholds
 - works
 - » 5 M EUR,
 - goods and services
 - » 400 k EUR, electricity, gas, water, transport
 - » 600 k EUR, telecommunications
 - » 200 k EUR, other.

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- **Operations outside EU**
 - Selection of Procurement Procedures-Private sector
 - Encouragement to publish in OJEU and adopt open or restricted procedures
 - In any event, fair transparent procedure, economically most advantageous, quality, competitive pricing, timely implementation, no discrimination
 - For larger contracts at least consultation of 3 companies from at least 2 different countries.

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- **Operations outside EU**
 - Selection of Procurement Procedures-Specific operations
 - Concessions
 - Concessionnaire selected after competitive tendering procedure
 - » Own choice, but Bank encourages publication in OJEU for investment programme
 - Concessionnaire not selected after competitive tendering procedure
 - » Public sector procedures
 - EPC contracts under concessions- same as above.

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- **Operations outside EU**
 - Prohibited practices
 - The Bank will cancel all or part of its financing for a contract, if promoter or supplier has engaged in prohibited practice
 - Covenant of Integrity attached to tender
 - Promoter/Bank/Auditor right of inspection of contractor/supplier.

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- **Consulting Services outside EU**
(Public Sector)

≥400 k EUR – open or restricted procedure with publication OJEC

<400 k EUR – negotiated procedure (max 7 candidates)

≥100 k EUR at least 5 candidates of at least 3 different nationalities

< 100 k EUR at least 3 candidates of at least 2 different nationalities

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- **Consulting Services outside EU
(Private Sector)**

As contracts in private sector

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- **Conclusion**
 - Read Guide to Procurement
 - For details (always specific issues) promoter to contact Bank
 - In exceptional cases direct contact with contractors.