

**Global Green Growth Institute**  
Council of GGGI  
Written Procedure  
2 December 2014

## **Decision on the revisions to the Procurement Regulations**

The Council,

*Taking note of* the discussions at the fifth session of the Council regarding the Procurement Regulations; and,

*Further noting* the informal consultations held with the members<sup>1</sup> regarding the revisions to the Regulations;

1. *Approves* the Procurement Regulations, as attached in annex 1.

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<sup>1</sup> Denmark and Norway



**PROCUREMENT REGULATIONS**

**FOR THE**

**GLOBAL GREEN GROWTH INSTITUTE**

**PREAMBLE**

Through these Procurement Regulations, the Council issues the broad legislative directives governing the procurement activities of the Global Green Growth Institute (“GGGI”). The Council hereby promulgates the Procurement Regulations of GGGI.

These Procurement Regulations are intended to provide a suitable and uniform framework to govern procurement procedures across all GGGI offices and activities.

These Regulations are effective from 1 January 2015 by approval of the Council on the same date.

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# Article 1

## DEFINITIONS

- a. **“Agreements on Contribution to GGGI”** or **“Contribution Agreements”** – Means an agreement, MoU or other forms of written arrangement on the terms and conditions of a financial or non-financial contribution to be provided to GGGI by one or more contributors. Contribution Agreements shall not be subject to the Procurement Regulations.
- b. **“Consultant”** – An entity or individual that is responsible for providing Project Consulting Services to GGGI in accordance with a Procurement Contract or Framework Agreement.
- c. **“Direct Procurement Contract”** – An exceptional method to issue a Procurement Contract or Purchase Order without prior competition.
- d. **“DoA”** or **“Delegation of Authority”** – The GGGI internal system that sets out the decision-making responsibilities within GGGI.
- e. **“Engagement Agreement”** – Includes letters of appointment for staff members as defined in the GGGI Staff Regulations, and agreements for secondees, visiting scholars, visitors-on-loan or interns as provided in the GGGI Policy on Opportunities for Visiting Persons to and from GGGI or other relevant GGGI regulations or rules.
- f. **“Ethics”** – Is the discipline relating to right and wrong, moral duty and obligation, moral principles and values, and to moral character.
- g. **“Institutional Arrangements”** – Means a cooperative arrangement between GGGI and one or more other institutions, such as intergovernmental organizations, international non-profit organizations or governments, on the institutional level, in the form of an agreement, MoU or other forms of written arrangement, where each party contributes their own resources to realize a common goal, based on Article 16 of the GGGI Establishment Agreement which provides “GGGI may establish cooperative relationships with other organizations, including international, intergovernmental and non-governmental organizations, with a view to further the objectives of GGGI”. Institutional Arrangements under these Regulations shall be narrowly construed and applied, to prevent any procurement activity to fall under the definition.
- h. **“Procurement”** – All activities rendering a financial commitment for GGGI, except employment contracts and Institutional Arrangements.
- i. **“Procurement Contract”** – Legally binding and enforceable agreement, in writing between two or more parties, creating mutually and equally burdening obligations.
- j. **“Procurement Officer”** – A person responsible for undertaking procurement-related activities within GGGI.
- k. **“Purchase Order”** – A unilateral order of low value goods or services by submission of a document to a Supplier or Consultant.
- l. **“Services”** – Services performed under a Procurement Contract by a Supplier or Consultant. It is a collective name for Project Consulting Services and Administrative Support Services.
- m. **“Supplier”** – An entity or individual that is responsible for providing goods, Administrative Support Services, or works to GGGI in accordance with a Procurement Contract or Framework Agreement.
- n. **“Tenderer”** – A Supplier or Consultant that is invited to, or has submitted a Proposal or Quotation, but a Procurement Contract has not been signed.

- o. **“Value for Money”** – Means procurement taking into consideration all life cycle costs, and include e.g.: fitness for purpose; a potential Supplier or Consultant’s experience and performance history; flexibility (including innovation and adaptability over the lifecycle of the procurement); CSR; environmental sustainability (such as energy efficiency and environmental impact); maintenance and service; and other whole-of-life costs.

## Article 2

### INTRODUCTION

#### **Regulation 2.1**

##### *Purpose*

The purpose of these Procurement Regulations of the Global Green Growth Institute (hereinafter “GGGI”) is to govern the activities of GGGI carried out for procuring goods, works and Services.

##### *Procurement Rules*

The Director-General shall provide and enforce Procurement Rules as he or she considers necessary in order to implement these Regulations.

#### **Regulation 2.2**

##### *Principles*

The Procurement Policy defines the scope and governing principles of all GGGI Procurement as:

- The overarching scope of GGGI Procurement is to achieve most Value for Money
- GGGI being substantially financed by tax money requires Transparency
- Having the GGGI Vision and Mission in mind, the GGGI Procurement should also include Sustainable Environmental Criteria and CSR Requirements
- All GGGI personnel involved in Procurement, and all Suppliers and Consultants under GGGI Procurement Contracts shall observe the highest standard of Ethics and comply with GGGI’s Code of Conduct
- All GGGI Procurement shall be conducted in a Professional manner

#### **Regulation 2.3**

##### *Applicability of Rules*

The Procurement Regulations shall apply to all activities carried out for procuring goods, works and Services for GGGI. However, these Procurement Regulations shall not apply to the acquisition of services provided under Engagement Agreements or to Institutional Arrangements.

The GGGI Procurement Regulations shall apply to all projects administered by cooperating institutions that do not have their own, or insufficient, procurement guidelines or for all projects directly supervised by GGGI.

## **Regulation 2.4**

### ***Procurement Ethics***

GGGI shall treat all Suppliers or Consultants in a fair and equal manner in accordance with the principles of fairness, integrity and transparency.

Nothing should prevent Suppliers or Consultants from competing for GGGI business on a fair, equal and transparent basis.

## **Regulation 2.5**

### ***Complaints and Appeals Mechanism***

A Supplier or Consultant that claims to have suffered or claims that it may suffer loss or injury because of the alleged non-compliance of a decision or action of GGGI with the provisions of these Regulations or the Procurement Rules may challenge the decision or action concerned. A two-tier mechanism shall be set up for the Complaints and Appeals Mechanism whereby the protest shall first be submitted to the Head of Procurement, who shall provide a written decision stating the basis upon which it was made. The protestor has the right to file a written appeal to an internal Independent Review Committee, whose decision will be final and conclusive.

## **Regulation 2.6**

### ***Fraud and Corruption***

GGGI requires that Suppliers or Consultants under the GGGI's Procurement Contracts observe the highest standard of Ethics during the procurement and execution of such Procurement Contracts.

GGGI may reject a proposal for award, cancel an award or debar a Supplier or Consultant if at any time it determines that the Supplier or Consultant has, directly or through an agent, engaged in coercive, collusive, corrupt or fraudulent practices, as defined in the GGGI Anti-Corruption Policy, in competing for, or in executing, a Procurement Contract.

In case that a staff member of GGGI violates the Procurement Rules, he or she will be subject to the disciplinary measures under GGGI's Staff Regulations and Staff Rules.

Consistent with GGGI's Disclosure Policy, this document will be disclosed in the public domain upon approval.
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## Article 3

### PROCUREMENT ACTIONS

#### **Regulation 3.1**

##### *Procurement Planning*

The Head of Procurement shall prepare and maintain annual procurement plans, based on information obtained from all Divisions and Departments of GGGI, to facilitate transparency and the effective and efficient purchase, delivery and final disposition of goods and services.

#### **Regulation 3.2**

##### *Description of Requirements*

Solicitation documents circulated by the GGGI to its Tenderers shall provide a clear, non-discriminatory and transparent description of requirements.

#### **Regulation 3.3**

##### *Methods of procurement and their conditions for use*

GGGI procurement shall make appropriate use of competition to achieve most Value for Money, e.g. by open procedures for high value procurement.

#### **Regulation 3.4**

##### *Selection of Evaluation Criteria and Methodology*

The evaluation criteria shall relate to the subject matter of procurement. The solicitation documents shall set out the evaluation criteria and the evaluation methodology to be applied.

#### **Regulation 3.5**

##### *Direct Procurement Contract*

Direct Procurement Contract is contracting without competition and may be an appropriate method under exceptional circumstances, as defined in the Procurement Rules.

When Direct Procurement Contract is used, GGGI shall record the reasons in writing in a Justification of Direct Procurement Contract with supporting documentation. In case the Director-General approves Direct Procurement Contracting not covered by the specifically defined criteria in the Procurement Rules, this shall be reported to the AFSC.

#### **Regulation 3.6**

##### *Language*

All documentation regarding bidding shall be in English. Bids in other languages shall be considered if they are provided with strong justification and approved as per the DoA issued by the Director-General.

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## **Regulation 3.7**

### ***Bid Opening Procedure***

The official tender opening shall be performed by at least two employees of GGGI and be documented in opening minutes.

## **Regulation 3.8**

### ***Final Procurement Approval***

The Director-General shall be the final approver of all procurement actions, before the GGGI enters into a Procurement Contract with a Supplier. The Director-General may delegate authority to issue final approval for procurement actions up to a certain threshold, and such delegations shall be documented in a Delegation of Authority Manual.

## **Regulation 3.9**

### ***Conditions of Procurement Contracts***

The Procurement Contract documents shall clearly define the scope of work to be performed, the goods to be supplied, the consulting services to be delivered, the rights and obligations of the GGGI and of the Supplier, the final deliverables of the Procurement Contract and supplementary documents including financial reports and proof of spending. All participating bidders shall be aware of the general and special conditions particular to the Procurement Contract of the projects listed in the bidding documentation. Procurement Contract performance clauses shall include the obligation to comply with fundamental human rights as guaranteed by the ILO core conventions. The successful bidder shall not be allowed to alter the material terms of the Procurement Contract.

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## Article 4

### EVALUATION COMMITTEES AND CONFLICT OF INTEREST

#### **Regulation 4.1**

##### ***Conflict of Interest***

All members of any of the committees, involved in the procurement process, shall declare their conflict of interest, if any, and ask to be removed from the committee and procurement process. Any noticeable discrepancies, drastic scoring differences, suspected fraudulent activity, or other improper actions during the bidding process or improper discussions with Suppliers before award will be investigated. Any individual suspected of favouring one Supplier or proposal in a manner inconsistent with the evaluation guidance/criteria may face administrative action up to and including termination. The Supplier so involved may be removed from inclusion on future bidder's lists or may have its tender cancelled.

#### **Regulation 4.2**

##### ***Procurement Officer***

GGGI shall designate a Head of Procurement who shall be responsible for all procurement activities under the supervision of the Deputy Director-General for Management and Administration.

#### **Regulation 4.3**

##### ***Procurement Review Committee***

The Procurement Review Committee shall evaluate any high-value, critical or complex procurement proposals.

#### **Regulation 4.4**

##### ***Composition and Role of the Procurement Review Committee***

The Procurement Review Committee shall be chaired by the Deputy Director-General for Management and Administration and will consist of the Head of Legal, Head of Procurement and a Director from the relevant operational area. The Head of Procurement shall present the result of the Procurement Committees.

The Committee shall conduct the following tasks for all procurement actions:

- a) To review and confirm that the proposed procurement actions are based, inter alia, on compliancy, fairness, integrity and transparency, and, as such, are impartial;
- b) To provide general advice regarding the financial, commercial, operational implications of any proposed procurement action, comment where appropriate as to whether, in its view, the proposed action, inter alia, is in the best interest of GGGI, and advise whether the proposed procurement case is appropriate;
- c) To evaluate and review the adequacy or necessity of the requirement being met under the proposed procurement action related to the selection of Tenderer and award of Procurement Contract; and,
- d) To make a final procurement recommendation to the Director-General to approve Tendering process and Supplier or Consultant selection.

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## **Regulation 4.5**

### ***Composition of the Procurement Committee(s)***

The composition of a Procurement Committee is appointed by the Head of Procurement. In case of a Procurement with separate Technical and Financial Proposals, there shall be two Committees, one Technical Procurement Committee, and one Financial Procurement Committee.

## **Regulation 4.6**

### ***Expertise***

All committee members shall have appropriate technical, financial and/or procurement expertise and experience.