



**AIIB Policy on
Corporate Procurement
May 7, 2020**

1. Authority

1.1. The Articles of Agreement of the Asian Infrastructure Investment Bank (AIIB or “the Bank”) provide, in Article 26, that the Board of Directors shall be responsible for the direction of the general operations of the Bank and shall, in particular, establish policies of the Bank and take decisions on delegation of authority to the President under Bank policies.

2. Application

2.1. This Policy has been adopted by the Board of Directors and governs all corporate procurement of the Bank.

2.2. This Policy shall apply to the procurement of all goods, works, general services and consulting services required by AIIB to fulfill its institutional requirements, using the Bank’s administrative budget or capital expenditure budget.

2.3. This Policy may also be applied to the procurement by the Bank of goods and services in its provision of technical assistance to Members of the Bank.

3. Principles

3.1. The principles governing the Bank’s corporate procurement are based upon AIIB’s core values: Lean, Clean and Green.

3.2. In the context of corporate procurement, “Lean” means ensuring the optimal use of the Bank’s resources to achieve the best results in corporate procurement in terms of quality, economy and efficiency; “Clean” means that the Bank’s corporate procurement is transparent and undertaken in accordance with AIIB’s Policy on Prohibited Practices; “Green” means that the Bank is mindful of the need for its corporate procurement to be sustainable both environmentally and socially.

3.3. The Bank is governed by the following principles with respect to all corporate procurement. The Bank adheres to these principles in a balanced manner, to ensure that corporate procurement always reflects all three of AIIB’s core values:

3.3.1. **Quality and Economy**—The Bank shall award corporate procurement contracts taking into account “best value.” Best value is defined as the

outcome that provides the optimal balance of quality and cost. Best value is most often achieved through competitive procurement. Competitive procurement is the Bank's preferred approach to corporate procurement.

3.3.2. **Efficiency**—The Bank's corporate procurement activities shall be carried out in an efficient manner to ensure effective use of AIIB's resources and the timely delivery to the Bank of goods, works, general services and consulting services that are fit-for-purpose.

3.3.3. **Transparency**—The Bank is committed to achieving a high level of transparency in the corporate procurement process. The Bank shall advertise opportunities that are subject to competitive procurement. The competitive procurement procedure and contract award criteria shall be transparent to all parties who participate in the competition. An annual report on corporate procurement shall be published on the Bank's website.

3.3.4. **Integrity and Ethical Standards**—The Bank shall require all parties, including bidders, consultants, contractors, suppliers and Bank staff to observe the standards of integrity and ethics during the procurement, administration and implementation of corporate procurement contracts. The Bank takes action in accordance with AIIB's Policy on Prohibited Practices in connection with a prohibited practice (as defined in said Policy) and the Bank's Code of Conduct for Bank Personnel, and the Bank's Code of Conduct for Board Officials.

3.3.5. **Environmental and Social Sustainability**—As reflected in the Bank's Environmental and Social Framework, AIIB is committed to environmental and social sustainability. The Bank shall respect the applicable standards required by the country or countries where the goods, works, general services and consulting services will be procured and used. The Bank shall procure, whenever possible, environmentally preferred and energy-efficient goods, works, general services and consulting services. The Bank shall only engage consultants, contractors and suppliers that adhere to environmental, labor and social standards that are equivalent to relevant provisions of the Bank's Environmental and Social Policy and applicable law.

3.4. Exceptions to competitive procurement shall only be allowed in limited, predetermined circumstances as specified by the President in the Directive on Corporate Procurement.

4. Eligibility

4.1. The Bank may procure goods, works, general services and consulting services from any country unless AIIB's Board of Directors decides otherwise. Any country excluded by the Board of Directors will be listed in a schedule that will be published alongside this Policy.

- 4.2. A party wishing to enter into a corporate procurement contract with the Bank must meet the qualification requirements required by the Bank for the contract.
- 4.3. The Bank may declare a party ineligible for a particular corporate procurement contract if the Bank decides there would be a “conflict of interest” in that party bidding for or executing the contract. For the purposes of corporate procurement, the Bank considers a conflict of interest to be a situation in which a party has interests that could improperly influence, or be perceived to improperly influence, that party’s performance of its official duties, responsibilities, or contractual obligations or compliance with applicable laws and regulations or that such conflict of interest may contribute to or constitute a prohibited practice under the Bank’s Policy on Prohibited Practices.
- 4.4. A party may be deemed ineligible for any corporate procurement contract if found to be in breach of the Bank’s Policy on Prohibited Practices.

5. Delegation of Authority

- 5.1. The President shall give effect to this Policy and shall ensure the efficient and effective functioning of the Bank’s corporate procurement of goods, works, general services and consulting services. To this end, the President shall adopt one or more Directives that will establish controls and processes to ensure that all corporate procurement is undertaken by the Bank in accordance with this Policy and that the corporate procurement resources of the Bank are well managed. Through any such Directive, the President may delegate to other AIIB officials such authority as the President considers necessary.
- 5.2. The President shall establish under a Directive a Corporate Procurement Committee, which shall review proposed corporate procurement contracts of significant value and proposed corporate procurement contracts of significant importance to the Bank.
- 5.3. The President shall establish under a Directive a complaint mechanism for bidders to submit complaints to the Bank with respect to a competitive procurement process and the related contract awards.
- 5.4. The President shall prepare an annual report on Corporate Procurement, which shall be presented to the Board of Directors for information and publish the report on the Bank’s website within three months of the end of each calendar year.