



**Development
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**DBN GUIDELINES FOR PROCUREMENT IN DBN-FUNDED AND
DONOR-SUPPORTED PROJECTS
APPROVED JANUARY 2025**

Approval:

Signed on behalf of the document approver: _____

A handwritten signature in black ink, appearing to read 'J. Steytler', written over a horizontal line.

John Steytler

EXCO Chairperson

14 November 2024

Name

Designation

Date

B. Contact Information And Relevant Dates

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C. Document Circulation

Strategy and Business Development	1 st review
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D. Version Control and Change History

Version number	Approval date	Changes approved by	Change History	Author
202501	January 2025	EXCO	New Guidelines	Lending and Client Support

E. Triggers for Policy Review (tick all that apply)

	Standard review is timetabled as per the Policy Matrix	
X	A gap has been identified	
	Additional knowledge or information has become available to supplement the policy	
	External factors such as:	
	Policy is no longer relevant/current due to changes in external operating environment	There are changes to laws, regulations, terminology and/or government policy
	Changes to funding environment, including requirements of funding bod(y)ies	
	Internal / organisational factors such as:	
	A stakeholder has identified a need, e.g. by email, telephone etc.	A serious or critical incident has occurred, requiring an urgent review
	Need for consistency in service delivery across the organisation	Separate, stand-alone policy is now acceptable
	A near miss has occurred, requiring a review to prevent a serious/critical incident in the future	
	Other (please specify):	

1. PURPOSE

These Guidelines are made applicable to procurement of goods, services and works for projects funded by the Bank, as well as those implemented or managed by project executing entities or project sponsors/proponents (the Beneficiary Institutions).

DBN recognizes the importance of and reaffirms its commitment to fair and transparent procurement processes in all aspects of its operations in performing its duties as a development finance institution, as in any potential roles of the Bank in the delivery of multilateral sources of finance.

This Guideline is aligned to and should be read in conjunction with the policies and legislation as listed below, including, but not limited to:

- i. DBN Credit and Equity Investment Policy
- ii. Public Procurement Act, 2015 (Act No. 15 of 2015)
- iii. DBN Code of Business Conduct and Ethics Policy
- iv. DBN Environmental and Social Management Policy

Noting that donor policies and requirements may change from time to time, adherence to the procurement standards of multilateral/donor funds, where applicable (e.g. GCF's Policy on Prohibited Practices) must be maintained.

2. PRINCIPLES

The Public Procurement Act, 2015 (Act No. 15 of 2015) regulations and codes of good practice ensures free access to the ordering and purchasing process, competitive bidding principles vis-à-vis equal treatment of competitors and transparency in the choice of service providers in accordance with the Competition Act, 2003 (Act No. 2 of 2003),

- 2.1 Taking into consideration the potential role of the Bank as an accredited entity to multilateral funds (e.g., GCF or Adaptation Fund), the Bank will ensure that the financing is used with due attention to the following considerations: interest and attention to investment in low-emission and climate-resilient development through mitigation and adaptation projects. The need for economy and efficiency in the implementation of the project, including the procurement of the goods and works involved; and
- 2.2 the importance of fairness and transparency in the procurement process
- 2.3 In addition to the abovementioned principles, emerging best practice in procurement requires that procurement policy increasingly demonstrates alignment with:

- i. Non-discrimination and equal treatment of candidates (including considerations of gender and disability)
- ii. Adherence to transparent tendering processes and procedures.
- iii. Dispute resolution procedures.
- iv. Best value for money, and
- v. Adequate ex-post communication and publication of beneficiaries.

3. PROCEDURE

3.1 Applicability of Guidelines

- 3.1.1** These Guidelines must be applied to all procurement undertaken by the Bank in its role in the financing and oversight of projects and programmes financed in whole, or in part by donors/multilateral funds, administered by the Bank, technically or financially, as required by donors/multilateral funds..
- 3.1.2** The scope further addresses grant award funding and/or partnerships with agencies which may be entered with the Bank. Beneficiaries, agencies or service providers are required to adhere to the policies and procedures stipulated in this Guideline.
- 3.1.3** The Beneficiary Institutions should follow the stipulated procurement procedures to ensure that the procurement process is carried out in accordance with the those agreed and deemed appropriate by the Bank.

3.2 Non-compliance with this Guideline

- 3.2.1** Specifically for projects/activities funded entirely or in part by donors and multilateral institutions, the Bank requires that goods, services and works are procured in accordance with these Guidelines. If procurement is not carried out as agreed between the Bank and the Beneficiary Institutions, the Bank will apply its discretion to cancel the portion of financing allocated to the activities/goods that have not been procured in accordance with the Guidelines. Further, the Bank reserves the right to rescind any awards/contracts that were issued on the basis of incomplete, inaccurate or misleading information, or where the terms of the contract have been substantially modified without DBN approval.

3.3 Fraud and Corruption

- 3.3.1** The Act reiterates the zero-tolerance approach to fraud and corruption in the procurement of goods, services and works. The Bank does not tolerate any bribery, corruption or any unethical conduct. As such, the Bank prohibits any reward by interested parties to its personnel who may be involved in the procurement process.

3.3.2 The Bank will require that Beneficiary Institutions observe the highest standard of ethics during the procurement and execution of contracts. In pursuance of this requirement, in the context of these Guidelines, the Bank reserves the right to suspend or debar a supplier on grounds outlined in the Act and its supporting Risk Appetite Statements.

3.3.3 When the contract is to be financed wholly or partly by the multilateral finance institutions (e.g., GCF), the contract documents shall include an undertaking by the contractor that no fees, gratuities, rebates, gifts, commissions, or other payments, except those shown in the bid, have been given or received in connection with the procurement process or in contract execution.

3.4 Type of Procurement

3.4.1 The types of procurement are set out within the Act, regulations and codes of best practice. These are applicable for different types of procurement, such as consultants, contractors and service providers. The Beneficiary Institutions shall select the appropriate method for the specific procurement. The specific procurement rules and procedures to be followed in the implementation of projects depend on the circumstances of the particular project. The PMU will offer expert advice on the selected method of procurement, notwithstanding any technical compliance elements to be addressed.

3.5 Audit of Procurement Activities

3.5.1 The Lending and Client Support Department will make provision for regular oversight. The Risk and Compliance Department will be responsible for undertaking the internal audit of the procurement function. This will be achieved through consistent monitoring and review to identify, assess and address existing or potential issues that may hamper the achievement of the project/programme objectives.

3.6 Contract Award and Publications

3.6.1 The notification of bidding opportunities is essential in competitive bidding. For projects as required by donors and multilateral funds the Beneficiary Institution is required to prepare, publish and submit a general procurement notice to the Bank.

3.6.2 DBN will disclose information regarding beneficiaries and projects on its official website as required by donors and multilateral funds. This will include the publication of procurement policies and procurement awards.

3.6.3 Following receipt of notification of the contract being awarded, the Bank shall publish, on its official website the results identifying the bid. This information would include; (a) name of each bidder who submitted a bid; (b) bid prices as recorded at bid opening; (c) name and evaluated

prices of each bid that was evaluated; (d) name of bidders whose bids were rejected and the reasons for their rejection; and (e) name of the winning bidder, and the price it offered, as well as the duration and summary scope of the contract awarded.

3.7 Complaints and Dispute Resolution Process

3.7.1 These Guidelines make provision for procedures and processes for managing the resolution of procurement disputes in relation to projects funded in full or in part by multilateral funds such as the GCF. This includes procedures to address potential conflicts of interest, disclosure requirements and the designation of the officer duly responsible for resolving potential conflicts of interest.

3.7.2 “dispute” refers to a disagreement between (i) the Beneficiary Institutions or DBN Bank as the Accredited Entity and (ii) the Petitioner over any claims, disputes or complaints arising out of or relating to any aspect of a solicitation, bid, or failure to conduct a solicitation or bid, any decision to award or any decision to reject a proposal for award in connection with the procurement of those contracts for projects/programmes financed by the DBN and/or financed by multilateral funds.

3.7.3 The Public Procurement Act, 2015 (Act No. 15 of 2015) states that all procurement contracts must include, amongst other conditions, detailed procedures on how disputes between parties is to be resolved.

3.7.4 Disputes and complaints by suppliers, contractors and consultants will be handled by the Marketing and Corporate Affairs Department and reported to the CEO on how the complaint has been or is to be resolved. This is detailed in the DBN Customer Service Charter.

4. Procurement Plan

The Beneficiary Institutions shall prepare and furnish to DBN for its approval, a procurement plan acceptable to DBN setting forth:

4.1.1 the particular contracts for the goods, works, and/or services required to carry out the project; and

4.1.2 the proposed methods for procurement of such contracts.

4.1.3 The Beneficiary Institutions, suppliers or contractors shall update the procurement plan annually or as needed throughout the duration of the project. The Beneficiary Institutions shall implement the procurement plan in the manner in which it has been approved by DBN.

4.1.4 Many donors and/or multilateral funds, require submission of a procurement plan as part of the proposal submission. Revisions to approved procurement plans are subject to the prime donor’s

prior review and approval. Sub-recipients are also required to submit a procurement plan to DBN as and when required by multilateral funds.

- 4.1.5** DBN will satisfy itself through reviews and other modalities that the procurement process is carried out in accordance with the provisions of the contract agreement and the Procurement Plan. The procurement plan shall specify which review procedures shall apply in respect of the different categories of goods, works and consulting services to be financed, in whole or in part under the contract agreement.

5. MONITORING AND REPORTING

- 5.1** The Lending and Client Support Department will oversee the procurement by beneficiary institutions, executing entities or project sponsors and enforce guidelines that apply to the projects in which DBN would serve as the Accredited Entity, and therefore to all contracts for goods and works financed in whole required by donors/multilateral funds.

The Risk and Compliance Department will be responsible for undertaking the internal audit of the procurement function. This will be achieved through consistent monitoring and review to identify, assess and address and existing or potential issues that may hamper the achievement of the project/programme objectives.

- 5.2** Lending and Client Support Department will provide feedback to The Management Credit and Investment Committee (MCIC). MCIC will ensure procedures and practices for the assessment of the procurement procedures of beneficiary institutions, executing entities or project sponsors.

6. GOVERNANCE

6.1 Structure

The Lending and Client Support Department will oversee the implementation of procurement processes undertaken by beneficiaries with respect to projects funded, in consultation with the Procurement Management Unit (PMU). The procedures will be monitored at regular intervals, which will be determined at the inception of the project and will be dependent on the nature of the project.

6.2 Ownership and Review

The ownership of this Guideline is vested with the DBN EXCO. This Guideline is valid for three (3) years from the date of approval and should be reviewed within three (3) months of its anniversary. All necessary changes should be effected as arise from business and legislative needs.

6.3 Approval by EXCO

This policy shall be approved by DBN EXCO. Management shall ensure that this policy is implemented within their respective areas of responsibility.

End!