

No.F.7/12/2021-PPD-I
Government of India
Ministry of Finance
Department of Expenditure
Public Procurement Division

264-C, North Block, New Delhi
dated 27th July, 2021

OFFICE MEMORANDUM

Subject: Projects funded by Multilateral Development Banks(MDBs)/ Bilateral Funding Agencies(BFAs) – applicability of procurement guidelines.

Currently many prestigious projects are being funded by the Multilateral Development Banks (MDBs)/ Bilateral Funding Agencies(BFAs). Such funds play an important role in the overall budgeting & funding of infrastructure. The procurement by executing agencies in such projects is governed by the conditions negotiated in the loan agreement. Usually such loan agreements specify that the procurements by the executing agencies shall be governed by the guidelines of the respective agencies. Cost effective execution of such projects is essential to ensure full utilization of available funds amidst fiscal constraints.

2. This Department vide OM No. F. No. 12/17/2019-PPD dated 15.05.2020 and 28.05.2020, amending Rule 161 (iv) of General Financial Rules (GFRs), 2017 had instructed that no Global Tender Enquiry (GTE) shall be invited for tenders up to Rs 200 crore. In exceptional cases, where the Ministry or Department feels that there are special reasons for GTE, it may record its detailed justification and seek prior approval for relaxation to the above rule from the Competent Authority i.e. Secretary (Coordination), Cabinet Secretariat.

3. Project executing agencies from time to time further award works to various Autonomous Bodies (ABs)/ Central Public Sector Enterprises (CPSEs) etc. as their contractors in the projects funded by MDBs/ BFAs. A doubt has arisen if this Department's instructions regarding GTEs as above will be applicable to such bodies/ enterprises selected by Project executing agencies in MDB/ BFA funded projects.

4. Considering all the factors and special circumstances, it is hereby notified that the Secretary of the Ministry/ Department responsible for execution of such projects shall be the Competent Authority for approval for issuance of GTEs by such Autonomous Bodies/ CPSEs etc.

5. This issues with the approval of Finance Secretary.

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21.07.2021*
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Director (Procurement Policy)
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To

1. Secretaries of all Ministries/ Departments, Government of India.
2. Secretary, Department of Public Enterprises with a request for issuing suitable instructions to CPSEs in this regard.