

IMPLEMENTATION INSTRUCTION FOR THE **USE OF** **BID SECURING DECLARATION** **(BSD)**

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1. Objective



The purpose of these guidelines is to provide a clear and consistent framework for the application of the Bid Securing Declaration (BSD) in IsDB-financed procurement. The BSD is intended to strengthen bidder discipline, safeguard procurement integrity, and mitigate risks associated with bid withdrawal, non-signing of contracts, or other non-compliant bidder behavior, particularly in high-risk or critical procurement situations.

2. Legal Basis and Institutional Coordination



The BSD shall be implemented in accordance with the Bank's Procurement Policy, Integrity Framework, and applicable sanctions regime. The BSD template shall be prepared/updated and periodically reviewed in close coordination with the Legal (LGL Operations) unit as per DoA 3.3 to ensure enforceability and consistency with the Bank's debarment and sanctions procedures. Any updates to the template or enforcement provisions shall be cleared as per DOA 3.3 prior to use.

3. Scope of Application



The use of BSD shall be **selective and risk-based** and may be applied during project preparation or procurement planning where the procurement is assessed as critical. Circumstances warranting the use of BSD may include, but are not limited to:

- high-value or strategically important contracts;
- complex or multi-component procurement packages;
- Low-value, low-risk procurement packages are scattered across the region/country and are primarily targeted at smaller contractors
- limited market competition or repeated procurement failures;
- past instances of bid withdrawal, refusal to sign contracts, or weak bidder performance;
- fragile or low-capacity institutional environments, such as but not limited to fragile banking sector or co-financed operations.

The justification for using BSD shall be documented in the procurement strategy and cleared through the appropriate internal review process.

4. BSD Template and Disclosure



The BSD template approved by the Bank shall be included in the relevant bidding documents. Bidders shall be required to sign and submit the BSD as part of their bid, acknowledging their obligations and the consequences of non-compliance. The BSD shall clearly state the conditions under which sanctions may be triggered.

5. Triggering Events and Sanctions



The BSD shall specify that sanctions may be imposed in cases including, but not limited to:

- withdrawal of a bid during the bid validity period without acceptable justification;
- refusal to sign the contract after notification of award;
- failure to provide required performance security afterwards, where applicable.

In line with GEID's recommendation, violation of the BSD may result in **debarment for a defined duration**, consistent with the Bank's sanctions framework.

6. Coverage of Debarment



Any debarment arising from a breach of the BSD shall apply to **all future IsDB-financed procurement processes across all member countries**, irrespective of the project or sector, for the duration specified in the sanction decision.

7. Roles and Responsibilities



- **Beneficiary (EA):** Ensure proper inclusion of BSD in bidding documents and compliance with the approved template.
- A bid securing declaration (or bid security) is responsive only if its validity covers the bid validity period, usually extending a few days beyond it as stipulated in the Bidding Document. If the EA needs more time, it must formally request bidders in writing to extend both the bid validity and the bid securing instrument; otherwise, bidders may withdraw without penalty. A Bidder may decline the extension request without triggering the Bid-Securing Declaration or resulting in automatic suspension from eligibility for participation in any procurement process or contract. Any BSD with validity shorter than the bid validity period is non-responsive
- **PPFM Staff:** Assess the need for BSD on a risk basis, review justification, and ensure consistency in application.
- **GC/Legal Operations (LGL):** Provide clearance on the BSD template and advise on enforcement and sanction-related matters.
- **Group Integrity and Ethics Department (GIED):** Support investigation and sanction processes, where applicable.

8. Monitoring and Review



The application of BSD shall be captured in OMS as a requirement as part of regular procurement oversight and portfolio reviews.

Lessons learned and implementation challenges shall be periodically reviewed to inform refinements to the guidelines and future policy enhancements.



For any additional information, please visit
<https://www.isdb.org/project-procurement/>