



ADNOC Group

In-Country Value (ICV) Implementation Guidelines for Suppliers

(Effective from 15th March 2026 in ADNOC Group Companies)

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Dated

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1. INTRODUCTION

In November 2017, an In-Country Value (ICV) program was announced for ADNOC Group Companies with the following objectives:

- (a) Emiratization: creating additional employment opportunities for Emiratis in the private sector;
- (b) GDP Diversification: supporting UAE GDP diversification through sourcing more Goods and Services within the UAE; and
- (c) Strategic Considerations: localizing strategically critical parts of the value chain for selected Categories.

In 2019 and 2020, various Government and semi-Government Companies have joined hands to broaden the ICV certification process for Suppliers across various sectors in Abu Dhabi.

In 2021, the ICV certification program has been taken over by the Ministry of Industry & Advanced Technology (MoIAT), thereby expanding the certification process across the UAE covering all Emirates. As a result, the Government and many semi-government entities in UAE (hereinafter referred to as "Participating Entities") will be covered under the ambit of the certification program.

ADNOC is following the implementation of In Country Value program through its procurement tenders with prime focus on specific areas. In 2022, ADNOC had emphasized on Local Manufacturing preferences in Direct Purchasing, Emiratization in high value tenders and encouraging Taziz Investment.

Based on the continuous feedback channel, ADNOC has obtained constructive comments which has been reflected in this version of the guidelines, Rev. 4.0. Through this version of guidelines, the ICV implementation in all Purchase Orders and all low value tenders have been discontinued.

For ICV calculations, the following elements are considered in the ICV Certificate Score by Certification Body:

- (a) Goods Manufactured (only for Suppliers holding Industrial License)
- (b) Third Party Spend (only for Suppliers holding non-Industrial License)
- (c) Investment
- (d) Emiratization
- (e) Expatriate Contribution
- (f) ICV Bonus – i) Revenue from outside UAE, ii) Emirati Head count and iii) Investment Growth.
- (g) Advanced Technology & Sustainability Bonus

In order to recognize the private sector partners contributing to the UAE economy, ADNOC, as part of its procurement process, gives preference to the higher ICV suppliers.

The ICV certification process is therefore unified across whole of UAE i.e., the same ICV certificate can be used by Suppliers for their use. However, the ICV Program implementation methodology and usage of the ICV certificate" will be decided by each "Participating entity and incorporated by them based on their business requirements.

This document is intended to provide General information and guidance to the Suppliers on implementation process of ICV certification process in ADNOC Procurement process. The Specific RFT/RFQ instructions or Agreement provisions shall supersede any provision of this Guidelines.

2. DEFINITIONS

“ADNOC” means Abu Dhabi National Oil Company (ADNOC) P.J.S.C..

“ADNOC Group” means ADNOC together with each Company in which ADNOC (i) directly or indirectly controls fifty percent (50%) or more of the share capital, or (ii) controls less than fifty percent (50%) of the share capital but in respect of which ADNOC has, directly or indirectly, the ability to direct or procure the direction of the management and policies (whether through the ownership of shares, by contract or otherwise).

“Agreement” refers to all types of agreements entered into by the ADNOC Group with Suppliers for the procurement of Goods and Services.

“Audited Financial Statements” means Supplier's financial statement that has been prepared and audited by an independent certified public accountant in accordance with the International Financial Reporting Standards (IFRS).

“Bid” means a response to a Request for Quotation (RFQ) or Request for Tender (RFT).

“Bidder” means an entity that submits the Bid in response to an RFQ or RFT or any other form of invitation extended by the ADNOC Group.

“COMPANY” means the member of the ADNOC Group entering into an Agreement with the CONTRACTOR or SELLER requisitioning the GOODS or Services.

“CONTRACTOR” means a party to a Contract with a member of the ADNOC Group for the provision of Services and/or performance of works. The term "Contractor" is synonymous with the terms "consultant", "supplier" and "service provider"

“Empanelled Certifying Body” means a Company who has been authorized by MoIAT (Ministry of Industry and Advanced Technology) to issue the ICV Certificate.

“Framework Agreement” means an agreement between the ADNOC Group and a Contractor which provides the right to individual ADNOC Group companies to issue a Work Order for Services against the Framework Agreement, such agreements may be non-committal on the part of ADNOC.

“Group Company” means any company within the ADNOC Group, other than ADNOC (together, the **“Group Companies”**).

“ICV” or **“In-Country Value”** means In-Country Value program, which is an initiative to contribute to the development of the UAE by focusing on local suppliers, the development of UAE nationals and the localization of critical functionalities in the oil and gas Industry.

“ICV Certificate” means the certificate endorsed by an Empanelled Certifying Body issued to an ICV Certified Supplier stating the ICV Certificate Score.

“ICV Certificate Score” means the score reflected in the **Valid** ICV Certificate.

“ICV Certified Supplier” means a Supplier who has obtained a **Valid ICV Certificate**.

“ICV Improvement Plan (ICV IP)” means a plan detailing the Supplier's proposed annual ICV score to be attained by the Supplier annually (at the end of each Agreement Year) during the term of the Agreement.

“ICV Team” means the designated team in ADNOC HQ responsible for development, implementation, and governance of National ICV Program together with strategies to achieve ADNOC's ICV objectives, overseen by the Vice President of ICV & Industrial Development.

“ICV PAYMENT” means the amount payable to the CONTRACTOR for achievement of the annual targets set out in the ICV Improvement Plan, as per the Agreement provisions.

“Local Manufacturer” means a supplier manufacturing goods within the United Arab Emirates.

“Long Term Pricing Agreement (LTPA)” means an Agreement which provides the right to issue Call-Off Order for Goods against the Long-Term Pricing Agreement. Such Agreements may be non-committal on the part of ADNOC.

“MoIAT” means the Ministry of Industry and Advanced Technology.

“National ICV Program” means the ICV Program implemented under the supervision of MoIAT which aims to achieve strategic localisation of supply chain and development of new local industries and services in turn contributing to the growth of the national GDP.

Participating Entities – All the entities who have implemented the In Country Value (ICV) program jointly are referred to as “Participating Entities”.

“Procurement Function” means the procurement organizations (e.g. divisions/ departments) of ADNOC Group responsible for procurement of goods and services.

“Request for Quotation (RFQ)” or **“Request for Tender (RFT)”** means a formal solicitation of a Bid or Bids for Goods and/or Services, prepared by the Procurement Function and issued to Bidders, Suppliers, and/or Contractors, comprising instructions to submit technical and commercial offers as per the applicable terms and conditions for the purpose of evaluation of the offer.

“SELLER” means the legal entity as defined in the Long-Term Purchase Agreement or identified as the “vendor” on the Covering Purchase Order, for the purposes of supplying and delivering the goods to the ADNOC Group.

“Valid ICV Certificate” means an ICV Certificate which remains in force and valid at any such given time between the ‘issue date’ and ‘valid until date’ specified in the ICV Certificate.

3. ICV CERTIFICATION

The ICV Certificate is issued to suppliers by authorized Empanelled Certifying Bodies appointed by Ministry of Industry and Advanced Technology (MoIAT), evaluating their contribution to the UAE economy. Certified suppliers are then able to submit the ICV Certificate to any of the Participating Entities in the program.

An ICV score is stated on the system-generated ICV Certificate reflecting the ICV contribution made by the Supplier in a Financial Year which is calculated based on a standard formula explained in the MoIAT website.

The process and steps to follow by suppliers, for ICV certification is available in the Ministry of Industry and Advanced Technology (MoIAT) website.

4. ICV CONSIDERATION IN ADNOC TENDERS & EFFECTIVE DATE

4.1 TENDER REQUIREMENTS

Starting from January 2018, ADNOC has introduced Bidders' ICV evaluation as part of its tendering process. In the tender evaluation, ADNOC reviews the Bidders' ICV contribution and gives preference to Bidders who have higher ICV contribution.

The ICV requirements are not applicable to,

- Purchase Orders of all values, except preference to Local Manufacturers.
- All other Low value tenders.

Note: Bidders to note that the ICV requirements stipulated in the RFQ (Request for Quotation) / RFT (Request for Tender) would take precedence over this Guidelines

The ICV Improvement Plan & ICV Payment calculation templates can be also downloaded from ADNOC website.

This ICV Implementation Guidelines for Suppliers will be implemented on Tenders issued after its Effective date of implementation.

4.2 ICV CERTIFICATE

(a) In all ADNOC tenders, Bidders are required to submit a copy of their Valid ICV Certificates generated in the ICV management system duly certified electronically by one of the ICV Empanelled Certifying Bodies along with the commercial Bids of the tender. The contents and calculation of ICV certificates, and the steps to obtain an ICV Certificate, is detailed in the "ICV Certification guidelines for Suppliers". These guidelines are available on the website of MoIAT (Ministry of Industry and Advanced Technology).

(b) The sample of ICV Certificate is as below:

IN-COUNTRY VALUE CERTIFICATE

Certificate No.: 000000
Issue Date: DD.MM.YYYY
Valid Until: DD.MM.YYYY

COMPANY NAME

00.00%

Company General Information

License No.: CN-000000
Company Type: SME in UAE
Financial Year End Date: DD.MM.YYYY
Company Based In: Within UAE
Company Business: SERVICE PROVIDER

For Cases of Re-Certification
Re-Certification (*) No.:
Reason for this Re-Certification:

Scan the QR code to verify status

Signed By
On behalf of Supplier:
Name: Manager Name
Designation: Manager

Verified as per ICV Agreed Upon Procedures (AUP) On behalf of Certification Body
Name: Manager Name
Designation: Partner
Company: Company Name
Certificate Issued Based on ICV Version: 3.0

Electronically signed by

- (c) Bidder to ensure the following:
- 1) The name of the Company on the ICV Certificate is the same as the bidding entity who will be awarded.
 - 2) The License number in the certificate is that of the bidding entity.
 - 3) The certificate is valid on the date of the commercial Bid submission.
- (d) A Bidder can participate in a tender without an ICV Certificate or a Valid ICV Certificate, however the ICV Certificate Score will be considered as zero and as a result the Bidder will have a lower rank in the order of preference.

4.3 ICV IMPROVEMENT PLAN

- (a) Supplier shall submit the ICV Improvement Plan, for any Agreement which has a duration for a period more than 12 months.
- (b) Based on the requirements specified in the RFT/RFQ, the Supplier shall fill either the “Company Specific” or “Agreement specific” ICV Improvement Plan template. The templates can be downloaded from the ADNOC website.
- (c) The ICV Improvement Plan will be a contractual commitment linked to a payment against the actual ICV achieved vis-à-vis the ICV committed as per the ICV Improvement Plan.
- (d) In the RFQ/RFT, ICV Improvement Plan (Company Specific or Agreement Specific) and number of years required to be filled by Bidders in the ICV Improvement Plan. e.g., if the Agreement duration is 36 months the Improvement Plan shall be for 3 years, if the duration is 38 months, the Improvement Plan shall be for 4 years.
- (e) When the ADNOC tender requires, the Supplier shall submit an ICV Improvement Plan along with the commercial Bid. If the ICV Improvement Plan Template and type of ICV Improvement Plan are not provided in the tender documents, Supplier shall approach ADNOC Procurement Function to provide the same.
- (f) The ICV Improvement Plan is of two types:
 - (i) Company Specific ICV Improvement Plan
 - (ii) Agreement Specific ICV Improvement Plan

The details of the two types of ICV Improvement Plan are as follows:

- (i) **Company Specific ICV Improvement plan.**
 - a) In Section A of the template, the Bidder has to fill the following details:

Section A: Tender Information			
Tender No.		ADNOC Group Company	
Agreement Type		Supplier Type	
Total Duration (Years)		Agreement Description	
Supplier Name			

- Tender Number
- Agreement Value
- Agreement Type
- *Select from the value list –*
 - LTPA
 - Contract
- Total Duration (years)
- ADNOC Group Company
- Supplier Name
- Supplier Type
- *Select from the value list –*
 - Goods Manufacturer
 - Service Provider
- Agreement Description

b) The extract of the ICV Improvement Plan Sections B is as follows:

ICV Plan Proposed by suppliers		Actions proposed by suppliers to achieve committed ICV	
Upon completion of (Agreement Year)	Planned ICV % (expected as per ICV certificate)	Sr. No	Description
Year 1		1	
Year 2		2	
Year 3		3	
Year 4		4	
Year 5		5	
AVERAGE			

In sub section 1 'ICV Plan proposed by suppliers' – the Supplier shall fill the ICV% expected for your Company upon completion of each year of the Agreement. The ICV% planned shall be as per the expected Company's Valid ICV Certificate Score at the end of each Agreement Year.

The Planned ICV% shall be calculated by Supplier aligned the ICV formula / components as published in the Ministry of Industry & Advanced Technology (MoIAT) website.

In sub section 2 – 'Actions proposed by Suppliers to achieve committed ICV'

The Supplier shall also indicate the brief actions to achieve the planned ICV% for the Agreement proposed by the Supplier.

(ii) **Agreement Specific ICV Improvement Plan**

Unless otherwise specifically requested by ADNOC Procurement Function in the RFT, Supplier shall not submit Agreement Specific ICV Improvement Plan.

a) In case the Supplier is required to submit an "Agreement specific" template, the Supplier shall fill the following information:

Section A: Tender Information			
Tender No.		ADNOC Group Company	
Agreement Type		Supplier Type	
Total Duration (Years)		Agreement Description	
Supplier Name			

- Tender Number
- Agreement Value
- Agreement Type
- *Select from the value list –*
- ADNOC Group Company
- Supplier Name
- Supplier Type
- *Select from the value list –*

- *LTPA*
- *Contract*
- Total Duration (years)
- *Goods Manufacturer*
- *Service Provider*
- Agreement Description

b) The extract of the ICV Improvement Plan Section B is as follows:

Section B: In-Country Value Committed (To be filled by the Supplier and submitted with the bid)			
ICV Plan Proposed by suppliers			
Upon completion of (Agreement Year)	Planned Revenue from the Agreement (USD)	Planned ICV % (expected as per Agreement ICV certificate)	ICV Value in USD
Year 1			-
Year 2			-
Year 3			-
Year 4			-
Year 5			-
TOTAL	-		-
WEIGHTED AVERAGE			0.00

Actions proposed by suppliers to achieve committed ICV	
Description	
As per Annexure to ICV Improvement Plan	

In the above section, Supplier is required to provide the following:

- Revenue expected from the Agreement per year which shall add up to the total Agreement Value (USD).
 - Yearly Planned ICV% during the Agreement - Supplier shall consider the Agreement level ICV% for planning the ICV progress during the Agreement duration.
 - The Planned ICV% shall be calculated based on the ICV formula as published in the Ministry of Industry & Advanced Technology (MoIAT) website. Suppliers may use the ICV Certificate template to calculate the Planned ICV% in Section B.
 - All components to calculate the Third-Party cost (only for Service Provider) shall be specifically for the Agreement.
 - Investment, Emiratization & Expat contribution shall be on the Company level. Further, the Bonus components ie; ICV Bonus and Advance Technology & Sustainability Bonus, will not be included in the ICV % calculation.
 - Provide Actions proposed by the Supplier to achieve the committed ICV % for Agreement.
- (i) If the Bidder is a JV or Consortium then the ICV Improvement Plan shall also be submitted by the JV/Consortium.
- Third Party Spend (as applicable) shall be specifically for the Agreement.
 - The 'Investment', 'Emiratization' and 'Expat contribution' shall be the weighted average of the partners' scores in these attributes as per their latest valid Company ICV Certificate based on their equity stake in the JV/Consortium. The below example may be followed:
 - with equity stake of 70%, 20% and 10% respectively, the 'Investment', 'Emiratization' and 'Expat contribution' of the JV will be calculated as =

$$0.7 \times \text{'Investment', 'Emiratization' and 'Expat contribution' of Partner A} + 0.2 \times \text{'Investment', 'Emiratization' and 'Expat contribution' of Partner B} +$$

0.1 x 'Investment', 'Emiratization' and 'Expat contribution' of Partner C

- when equity stake of partners is not available, the 'Investment', 'Emiratization' and 'Expat contribution' of the JV will be calculated as =

(Investment', 'Emiratization' and 'Expat contribution' of Partner A +
Investment', 'Emiratization' and 'Expat contribution' of Partner B +
Investment', 'Emiratization' and 'Expat contribution' of Partner C) ÷ 3 (no. of partners)

- c) The CONTRACTOR shall be obliged to engage one of the Empaneled Certifying Bodies to conduct an Agreement-specific audit for each Agreement Year and shall obtain the "Agreement specific ICV Certificate" from the same Empaneled Certifying body to monitor the actual ICV achievement against the ICV committed for the Agreement Years. The CONTRACTOR shall continue to engage the same Empaneled Certifying body for the specific Project throughout for the project audit /certification, unless specific approval is obtained from ADNOC ICV team/MolAT.
- d) Where 'Agreement specific ICV Improvement Plan' with ICV threshold is requested by Procurement Function as part of RFT instruction and, RFT instructions call for separate Technical Bid, ICV Envelop and Commercial Bid Submissions, following to be noted:
1. In the "ICV Envelope" Bidders shall submit the ICV Improvement Plan with the Price Figures (Column Titled – Phased Revenue from the Agreement & ICV value in USD) blanked out. The annual ICV target figures (Column Titled – Planned ICV %) and the weighted Average ICV figure shall be visible in the ICV Improvement Plan in ICV envelope.
 2. In the "Priced Envelope", the ICV Improvement Plan with same annual ICV target figures and the weighted Average ICV figure as in the "ICV Envelope" and the phased revenue and ICV value shall be visible.

This will ensure the confidentiality of the Commercial Bid which will be opened after the ICV threshold verification.

- e) For Joint Venture (JV) or Consortium arrangements, only one unified ICV Improvement Plan should be submitted on behalf of the JV/Consortium. In cases involving Agreement Specific ICV Improvement Plans, the successful Bidder—whether operating as a JV or Consortia (collectively referred to as Contractor/JV Partners)—should note that all partners within the JV/Consortium will be regarded as a single entity, jointly and severally responsible for fulfilling the Agreement requirements. Partners in the JV/Consortium will not be considered separately as subcontractors or vendors to JV/ Consortia. All JV/Consortium members are required to appoint the same Empanelled Certifying Body to perform an Agreement-specific audit and to issue an Agreement Specific ICV Certificate at the conclusion of each Agreement Year.

4.4 BIDDERS INVESTED IN TA'ZIZ INDUSTRIAL PARKS IN RUWAIS

To promote Investors in Ta'ziz Industrial Park, the bidding entity established and operating in Ta'ziz Industrial Park will receive additional credits during bid evaluation. The mechanism that will be followed is as under:

- (a) In their technical Bids, Bidders shall be required to provide supporting document to prove that the bidding entity is established and operating from the Ta'ziz Industrial Park.
- (b) For such Bidders, whose facilities have been established and operating in Taziz will receive a "Taziz credit" of 10% on their ICV Combined score during the commercial

evaluation.

Note: "Taziz credit" is not applicable to tenders following ICV Threshold approach.

- (c) The mechanism to consider the "Ta'ziz credit" during the commercial evaluation is included in Section 5 below.
- (d) TAZIZ Industrial Park Investment related documents are not required from Bidders, for tenders following ICV threshold approach.

4.5 **BIDDERS PROPOSING FUTURE INVESTMENTS IN MANUFACTURING FACILITIES** (For Changing the Contracting Entity During the Execution of the Contract).

A Bidder can propose setting up a new Manufacturing facility in UAE, as a separate legal entity to manufacture and supply the tendered goods under the Agreement in their technical bid. Bidder also need to confirm that the contracting entity shall be changed to the new entity during the Agreement execution after being prequalified to supply the goods to ADNOC. The proposal will be technically and legally evaluated by ADNOC. Only if the bidder's proposal is found technically acceptable and legally compliant, the proposal shall be considered for evaluation.

Bidder can propose an ICV Improvement Plan considering the new entity from the year of commencement of operations. The ICV Improvement Plan duly filled and signed based on this proposal should be submitted only in the commercial Bid.

This ICV Improvement Plan shall then be included in the Agreement, if the bidder is successful, and monitored throughout the duration of the Agreement for compliance with actual supply from this new facility. In the event the bidder is unable to establish the facility, get it prequalified and assign the contract to the new entity as per their proposal, it will be considered as material breach of Agreement, and ADNOC shall enforce its rights as per the Agreement provisions.

4.6 **PREFERENCE TO LOCAL MANUFACTURERS – For DIRECT PURCHASE OF GOODS**

(i) ADNOC Group intends to promote local manufacturing units bidding directly for a tender. Accordingly, preference will be given to local manufacturing Bidders. Bidders meeting all the below criterias will be recognized as Local Manufacturers and considered for preference:

1. Bidder holding an industrial license and is pre-qualified in ADNOC Commercial Directory as a Local Manufacturer for that Product Group and directly participates in ADNOC Tenders.
2. Local Manufacturer shall prove in their Technical Bids that the Products and or Materials supplied by them under the Agreement will be produced in the UAE, by providing a formal undertaking.
3. More than 50% of the total quoted cost is for items produced in the UAE.

(ii) Bidders shall be segregated into 2 pools as follows:

1. Pool 1- Local Manufacturers meeting the criteria in i) above.
2. Pool 2- Non – Local Manufacturers supplying the tendered goods.

5. **COMMERCIAL EVALUATION**

5.1 **ICV OVERALL SCORE CALCULATION -GENERAL**

The ICV ranking of each Bidder shall be derived based on the “ICV Overall Score” of the Bidder. The ICV Overall Score of a Bidder shall be calculated as under:

- A. ICV Combined Score - calculated based on the weighted average of ICV Certificate and ICV Improvement plan.

if, x%- Weightage for ICV Certificate, & y% - weightage for ICV Improvement Plan

(Where x%+ y% = 100%; and y% > x%).

Note - x% & y% will be decided for each tender.

then, ICV Combined Score = [ICV% in Valid ICV Certificate x x% + Average ICV% committed for the Agreement duration in the ICV Improvement Plan x y%]

+

- B. Ta'ziz credit = 10 % of ICV Combined score (item A. above)

Based on the ICV Overall Score obtained, the ICV ranking of the Bidder is determined.

5.2 ICV OVERALL SCORE CALCULATION OF JV/CONSORTIA

In case of Bid submission as Joint Ventures/Consortia, following to be noted:

i. Joint Ventures / Consortia

In relation to Suppliers submitting a Bid as either a Joint Venture or Consortium, the ICV Overall Score shall be calculated as under:

- i. *ICV Combined Score = [ICV Certificate% JV/Consortium (see note below) x x% + Average ICV% committed for the Agreement duration in the ICV Improvement Plan x y%]*

+

- ii. *Ta'ziz credit = 10 % of ICV Combined score (item i. above) in case Partner(s) has invested in Ta'ziz in proportion to the equity shares.*

(Where x%+ y% = 100%; and y% > x%).

Note - x% & y% will be decided for each tender.

Note - ICV Certificate% JV/Consortium is calculated based on the as under:

Example -

In the case of JV/Consortium having three partners – A, B and C

- With equity stake of 70%, 20% and 10% respectively, ICV Combined Score of the JV is calculated as: $ICV_{JV} = 0.7 \times ICV_A + 0.2 \times ICV_B + 0.1 \times ICV_C$
- If equity stake of the partners is not available, the ICV Combined Score of the JV is calculated as: $= (ICV_A + ICV_B + ICV_C) \div 3$ (no. of partners)

5.3 ICV OVERALL SCORE CALCULATION EXAMPLE

An example of ICV Overall Score calculation is presented below for ready reference

Note - the weightages assigned for ICV Certificate & ICV Improvement Plan to calculate the combined ICV in the below table is an example and are not standard weightages. These will be decided and changed for each tender

Bidder	Price Quoted (AED)	Price Ranking	ICV Certificate (%)	ICV IP (%)	Combined ICV % (A)	Taziz Invest (Yes/No)	Taziz Credit (B)	Total (A+B)	ICV ranking
A	100	L1	30	50	42	Yes	4.2	46.2	H4
B	120	L2	40	45	43	Yes	4.3	47.3	H3

C	130	L3	36	50	44.4	No	0	44.4	H5
D	140	L4	45	60	54	Yes	5.4	59.4	H1
E	150	L5	40	55	49	No	0	49	H2

5.4 ICV EVALUATION OF EPC / CONSTRUCTION TENDERS

5.4.1 Threshold Cases

For high value critical tenders, ADNOC may specify minimum ICV score requirements. In such cases the evaluation process will be informed to all Bidders in the RFT.

6 POST AWARD MONITORING AND PAYMENT

- a. The ICV Improvement Plan submitted by the Bidder will be included in the Agreement and it becomes one of the contractual obligations for the Supplier /Contractor to achieve the ICV Improvement Plan targets.
- b. To ensure that the Contractor meets the ICV Improvement Plan obligations, 5% of each invoice shall be kept on hold by ADNOC and shall be released based on actual ICV progress achieved vis-à-vis the targets stipulated in the ICV Improvement Plan.
- c. For those Agreements which have a Company Specific ICV Improvement Plan, after completion of each Agreement year, the Contractor shall be obliged to submit the valid Company ICV Certificate approved by MoIAT to demonstrate the actual ICV achievement vis-à-vis the ICV committed for the Agreement. This certificate should be valid on the relevant Agreement year completion date. (Note: Financial Year indicated in the ICV Certificate is not considered for the ICV Payment).
- d. For Agreements with an Agreement-specific ICV Improvement Plan, the Contractor is required to engage an independent audit firm from the list of Empanelled Certifying Bodies recommended by the Ministry of Industry and Advanced Technology (MoIAT) on their website, to conduct Agreement specific audit & issuing ICV Certificate. The chosen Certifying Body must conduct an Agreement-specific audit of the total expenditure incurred for the Agreement each year and issue an Agreement-specific audit report and Agreement-specific ICV Certificate from the same Certifying Body. Unless otherwise prior approval from ADNOC, Contractor shall continue to engage with the same Certifying Body for the full Duration of Agreement for the Agreement specific Audit and issuance of ICV Certificate.

The ICV Payment shall be released to the Supplier/ Contractor after completion of each Agreement year from the commencement date of the Agreement in line with Agreement Terms and Conditions. The ICV Payment mechanism for different types of ICV Improvement Plan is presented as Annexure- 1 which will also be part of the final Agreement.

For Joint Venture (JV) or Consortium arrangements, only one unified ICV Improvement Plan should be submitted on behalf of the JV/Consortium. In cases involving Agreement Specific ICV Improvement Plans, the successful Bidder—whether operating as a JV or Consortia (collectively referred to as Contractor/JV Partners)—should note that all partners within the JV/Consortium will be regarded as a single entity, jointly and severally responsible for fulfilling the Agreement requirements. Partners in the JV/Consortium will not be considered separately as subcontractors

or vendors to JV/ Consortia. All JV/Consortium members are required to appoint the same Empanelled Certifying Body to perform an Agreement-specific audit and to issue an Agreement Specific ICV Certificate at the conclusion of each Agreement Year.

- e. Depending upon the type of Improvement Plan, in the RFT/RFQ, ADNOC Group will specify the relevant ICV Payment mechanism. ICV Payment shall be calculated and paid as per ICV Payment wordings and ICV Payment calculation template which shall also be included in the RFT / Final Agreement.
- f. The screen shots of ICV Payment calculation sample template in line with the ICV Payment wordings specified in Annexure 1 is for reference purposes only. The Working sheets can be downloaded from ADNOC website (supplierhub.adnoc.ae).

ICV Payment calculation for Company Specific ICV Improvement Plan

ICV PAYMENT CALCULATION COMPANY SPECIFIC ICV IMPROVEMENT PLAN																
Agreement Number -				Agreement Description												
Contractor Name -																
Contract Value				Currency												
ICV Certificate score at Award(%)																
Duration (Years)																
Agreement Year Completion	Gross Invoice Amount Paid in the Year	Max ICV Payment	Plan	Actual	ICV payment due for the year	Held	Held to be Released									Total to be paid
							From Year 1	From Year 2	From Year 3	From Year 4	From Year 5	From Year 6	From Year 7	From Year 8	From Year 9	
			0.00	0.00												
Year 1		-			FALSE	-										-
Year 2		-			FALSE	-	FALSE									-
Year 3		-			FALSE	-	FALSE	FALSE								-
Year 4		-			FALSE	-	FALSE	FALSE	FALSE							-
Year 5		-			FALSE	-	FALSE	FALSE	FALSE	FALSE						-
Year 6		-			FALSE	-	FALSE	FALSE	FALSE	FALSE	FALSE					-
Year 7		-			FALSE	-	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE				-
Year 8		-			FALSE	-	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE			-
Year 9		-			FALSE	-	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE		-
Year 10		-			FALSE	-	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	-
TOTAL																

ICV Payment calculation for Agreement Specific ICV Improvement Plan

ICV PAYMENT CALCULATION AGREEMENT SPECIFIC ICV IMPROVEMENT PLAN											
Agreement Number -		Agreement Description									
Contractor Name -											
Contract Value				CURRENCY							
ICV Certificate score(%)											
Duration (Years)											
Agreement Year Completion	Gross Invoice Amount paid in the Year	Max ICV Payment	Cum Max ICV Payment	ICV Plan %	ICV Plan Value	Cumulative ICV Plan Value	ICV Actual %	ICV Actual Value	Cumulative ICV Actual Value	Cumulative ICV Payment to be released	ICV payment due for the year
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
		-	-		-	-		-	-	#DIV/0!	#DIV/0!
TOTAL	-	-			-	-		-	-	#DIV/0!	#DIV/0!

- g. Upon completion of each Agreement Year, to claim the ICV Payment once annually, the Contractor shall submit ICV Payment invoice in ERP/SAP system as a non-committed invoice with supporting documents.
- h. Framework Agreements & Work Orders
 - 1) Where the Framework Agreement includes ICV Improvement Plan, Work Order will follow the same ICV Improvement Plan included in the Framework Agreement. ICV Improvement Plan will only be applicable if the Work Order duration is above 12 months.
 - 2) Where the Framework Agreement does not include ICV Improvement Plan, but ICV Improvement Plan is included in the Work Order if the Work Order duration of more than 12 months.

For the ICV payment, ICV Improvement Plan in both the above cases, shall be effective from the Work Order Effective Date.

I.e; Year 1 of the ICV Improvement Plan shall start from Work Order Effective date.

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ANNEXURE – 1

PAYMENT MECHANISM FOR DIFFERENT TYPES OF ICV IMPROVEMENT PLANS

ICV PAYMENT WORDINGS for COMPANY SPECIFIC ICV IMPROVEMENT PLAN

A. Application Process:

1. CONTRACTOR shall be paid 95% of the eligible amount from each paid invoice and the remaining 5% shall be reserved as the ICV PAYMENT.

Note:

- a) The ICV PAYMENT deduction shall not be applicable for Provisional & Optional Sums in the Agreement.
 - b) For “Cost plus” line-item in the Agreement, where actual cost is reimbursed to CONTRACTOR with a mark-up, 5% ICV PAYMENT deduction will only be applicable on mark-up portion. 5% ICV PAYMENT deduction will not be applicable on the items where the CONTRACTOR is reimbursed Cost on actuals without any mark-up.
2. To claim the ICV PAYMENT, in accordance with the applicable articles of the General Terms and Conditions, the CONTRACTOR shall submit an invoice once annually, upon completion of each Agreement year.
 3. The ICV PAYMENT eligibility shall be calculated for each Agreement year as per section B below.
 4. To claim ICV PAYMENT, for Interim Agreement years, the CONTRACTOR shall submit an ICV CERTIFICATE valid# on the corresponding Agreement Year Completion Date or issued within 3 months following the respective Agreement Year Completion Date,

For the final Agreement Year completion, CONTRACTOR shall submit a ICV CERTIFICATE valid# on the Final Agreement Year Completion Date. For Agreements where issuance of COMPLETION CERTIFICATE / FINAL ACCEPTANCE CERTIFICATE is not applicable, CONTRACTOR Shall Submit an ICV CERTIFICATE covering the expiry of the TERM.

For example,

- if an Interim Agreement Year completes on 30.6.2022, then Supplier shall submit ICV CERTIFICATE valid# on 30.6.2022 or issued before 30.9.2022 to claim the ICV PAYMENT for that Agreement Year. For Final Agreement Year completes on 30.6.2022, then Supplier shall submit ICV Certificate valid# on 30.6.2022.

Valid ICV CERTIFICATE – The Agreement Year Completion Date (DD/MM/YYYY) shall fall on or between the ‘issue date’ and ‘valid until date’ specified in the ICV CERTIFICATE.

5. If any amounts relating to the ICV PAYMENT for the previous year were not paid as a result of the CONTRACTOR’s failure to achieve the ANNUAL ICV TARGET but the same target was partially or fully achieved in the current year, the CONTRACTOR may invoice for such amounts on a pro-rata basis or in full, together with any amounts due for achieving the ANNUAL ICV TARGET for the current year, in accordance with the process described in point 2 above and calculated as per Section B below.

This provision will be applicable only if the actual ICV CERTIFICATE score for the relevant year will be above the ICV CERTIFICATE Score submitted by the CONTRACTOR in the commercial Bid.

6. For the cases where the ICV deduction is applied for Invoices paid after Completion of the Agreement TERM, CONTRACTOR shall be reimbursed the amount as part of the “Final ICV PAYMENT”, for which the comparison of actual ICV achieved shall be with the ICV IMPROVEMENT PLAN target of the final Agreement Year. The actual ICV achieved shall be demonstrated by the CONTRACTOR through an ICV CERTIFICATE issued before the issuance of COMPLETION CERTIFICATE / FINAL ACCEPTANCE CERTIFICATE (as applicable) by COMPANY.

For the supply of GOODS under Long Term Purchase Agreements, where invoices are paid post-ICV deduction beyond the Long-Term Purchase Agreement duration, CONTRACTOR shall be reimbursed the amount as part of the “Final ICV PAYMENT”, for which the comparison of actual ICV achieved shall be with the ICV IMPROVEMENT PLAN target of the final Agreement Year. The actual ICV achieved shall be demonstrated by the SELLER through an ICV CERTIFICATE issued before the issuance of last GOODS RECEIPT NOTE.

7. If there is balance ICV PAYMENT to be claimed after Final Agreement Year Completion Date, such payment shall be termed as ‘Final ICV PAYMENT’. The Final Agreement Year ICV IMPROVEMENT PLAN Target will be extended and considered for such Final ICV PAYMENT.

To claim Final ICV PAYMENT, CONTRACTOR shall submit an ICV CERTIFICATE issued on or after the Final Agreement Year completion date; and before issuance of COMPLETION CERTIFICATE / FINAL ACCEPTANCE CERTIFICATE as applicable or EXPIRY of the TERM for the cases where COMPLETION CERTIFICATE or FINAL ACCEPTANCE CERTIFICATE is not applicable.

8. Final ICV PAYMENT can be claimed by CONTRACTOR only once within 3 months following issuance date of COMPLETION CERTIFICATE or FINAL ACCEPTANCE CERTIFICATE as applicable, or EXPIRY of the TERM for the cases where COMPLETION CERTIFICATE or FINAL ACCEPTANCE CERTIFICATE is not applicable. No ICV PAYMENT can be claimed by CONTRACTOR thereafter. All remaining amounts due to CONTRACTOR not meeting the ANNUAL ICV TARGET and/or not claimed within the above specified time will be retained by COMPANY.

For the supply of GOODS under Long Term Purchase Agreements, the SELLER shall claim Final ICV PAYMENT within three (3) months following the issuance of last GOODS RECEIPT NOTE. No ICV PAYMENT can be claimed by SELLER thereafter. All remaining amounts due to SELLER not meeting the ANNUAL ICV TARGET and/or not claimed within the above specified time will be retained by COMPANY.

B. Calculation Formula:

$\frac{\text{ICV\% Actual Growth (*) for the Agreement Year}}{\text{ICV\% Planned Growth (**) for the Agreement Year}} \times 5\%^{\#} \text{ of the total gross value of paid invoices in the Agreement Year}$

* ICV% Actual Growth = Actual ICV% at the end of each Agreement year (as per the new Company level ICV CERTIFICATE valid as per item 3 above) minus ICV Certificate Score (%) of the Contractor submitted in the commercial Bid.

** ICV% Planned Growth = Planned ICV% at the end of each Agreement year (as per the ICV IMPROVEMENT PLAN) minus ICV CERTIFICATE Score (%) of the Contractor submitted in the commercial Bid.

Note:

1. Each ICV invoice should be supported by the Company level ICV CERTIFICATE of the Contractor as explained in item 4 above.

2. Financial year indicated in the ICV CERTIFICATE shall not be considered for the ICV CERTIFICATE validity purpose.
- c. The ICV PAYMENT calculation template attached herewith to be followed for calculating the ICV PAYMENT eligibility.

ICV PAYMENT WORDINGS

for

AGREEMENT SPECIFIC ICV IMPROVEMENT PLAN

A. Application Process:

1. CONTRACTOR shall be paid 95% of the eligible amount from each paid Invoice and the remaining 5% shall be reserved as the ICV PAYMENT.

Note.

- a) The ICV PAYMENT deduction shall not be applicable for Provisional & Optional Sums in the Agreement.
 - b) For "Cost plus" line-item in the Agreement, where actual cost is reimbursed to CONTRACTOR with a mark-up, 5% ICV PAYMENT deduction will only be applicable on mark-up portion. 5% ICV PAYMENT deduction will not be applicable on the items where the CONTRACTOR is reimbursed Cost on actuals without any mark-up.
2. The CONTRACTOR shall be obliged to engage one of the MoIAT (Ministry of Industry and Advanced Technology) approved Empanelled Certifying Bodies to conduct an Agreement-specific audit for each Agreement Year and shall obtain the "Agreement specific ICV CERTIFICATE" from the same Empanelled Certifying Body to monitor the actual ICV achievement against the ICV committed for all the Agreement Years.
 3. In accordance with the applicable articles of the General Terms and Conditions, the CONTRACTOR shall submit an invoice once annually, upon completion of each Agreement Year, for ICV PAYMENT for the relevant year. This Invoice shall be backed up with an Agreement Specific ICV CERTIFICATE covering the duration of the respective Agreement Year.
 4. ICV PAYMENT eligibility shall be calculated as per section B below.
 5. In the case of JV/Consortium, only one common ICV IMPROVEMENT PLAN (IP) of JV/Consortium to be submitted. Where the Contractor is a Joint Venture / Consortium consisting of two or more separate legal entities (acting collectively as the "Contractor"), the members of such Joint Venture / Consortium shall be assessed as one entity (with each member having joint and several liability under the Agreement). No members of the Joint Venture / Consortium shall be treated as subcontractors or vendors either to other members of the Joint Venture / Consortium or to the Joint Venture / Consortium itself during the ICV certification calculation.
 6. Any pending ICV PAYMENT shall be claimed by CONTRACTOR within 3 months after issuance of COMPLETION CERTIFICATE or FINAL ACCEPTANCE CERTIFICATE and no ICV PAYMENT can be claimed by CONTRACTOR thereafter. All remaining amounts due to CONTRACTOR not meeting the ANNUAL ICV TARGET and or not claimed within the above specified time will be retained by COMPANY.
 7. All remaining amounts due to CONTRACTOR not meeting the ANNUAL ICV TARGET and or not claimed within the above specified time will be retained by COMPANY.

B. Calculation Formula:

$\frac{\text{Cumulative Actual ICV Value Achieved* at the end of each Agreement Year}}{\text{Cumulative Planned ICV value to be achieved** as per the ICV IMPROVEMENT PLAN for the Agreement Year}}$	x	5% of the total gross value of the paid invoices in the Agreement Year
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*[The Gross Invoice paid in the Agreement year 1 x Agreement Specific ICV CERTIFICATE Score for the Agreement Year 1]

+

[The Gross Invoice paid in the Agreement year 2 x Agreement Specific ICV CERTIFICATE Score for the Agreement Year 2]

+

[The Gross Invoice paid in the Agreement year 3 x Agreement Specific ICV CERTIFICATE Score for the Agreement Year 3]

+

Continue for each Agreement year up to the completion of Agreement.

** [The Gross Invoice paid in the Agreement year 1 x Planned ICV Target in the Agreement Specific ICV IMPROVEMENT PLAN for the relevant Agreement Year 1]

+

[The Gross Invoice paid in the Agreement year 2 x Planned ICV Target in the Agreement Specific ICV IMPROVEMENT PLAN for the relevant Agreement Year 2]

+

[The Gross Invoice paid in the Agreement year 3 x Planned ICV Target in the Agreement Specific ICV IMPROVEMENT PLAN for the relevant Agreement Year 3]

+

Continue for each Agreement year up to the completion of Agreement.

Note:

- Each ICV invoice for any Agreement Year should be supported by the Agreement specific ICV CERTIFICATE of the Contractor issued for the corresponding Agreement Year
- At no stage, CONTRACTOR shall be entitled for cumulative ICV PAYMENT in excess of the total ICV PAYMENT deducted by ADNOC.

C. The ICV PAYMENT calculation template attached herewith to be followed for calculating the ICV PAYMENT eligibility.