

# AfDB BUSINESS OPPORTUNITIES SEMINAR



## The Bank's Procurement Framework

**June 20 - 21, 2017**

**African Development Bank**  
**Headquarters' Building Auditorium**  
**Abidjan, Côte d'Ivoire**



**AfDB BOS**



AFRICAN DEVELOPMENT BANK GROUP



# Outline

1. Introduction to the AfDB Group
2. Bank-financed contracts data
3. Procurement relationships, methods and safeguards
4. Information on Business Opportunities



# 1. Introduction to the AfDB Group



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# The African Development Bank Group

## AfDB Group

African Development  
Bank

African Development  
Fund

Nigeria Trust Fund

## In Brief

Founded 1964

54 RMCs  
27 Non RMCs

Capital=USD 95 billion

## Our Clients

Middle-Income  
Countries

Low-Income Countries

Post-Conflict & Fragile  
Situations



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# The African Development Bank Group

30  
Representations



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# A solid institution to pursue Africa's development goals

FitchRatings

MOODY'S

STANDARD  
& POOR'S



Japan Credit Rating Agency, Ltd.

Critical  
development  
mandate

Solid financial risk  
management

Robust  
capitalization

Diversified  
funding profile

Aaa/AAA/AAA

"Our assessment of  
AfDB's financial profile  
as very strong, predominantly  
reflects an improvement in  
the Bank's capital adequacy."

S&P

September 2015

Strong levels  
of liquidity

Preferred  
creditor status

Strong support  
from shareholders

Intrinsic financial strength bolstered by shareholders' support



# The Bank's Assistance To Africa

## Financing Products

Grants & Concessional  
Lending

Loans & Equity  
Investments

## Type of Intervention

Projects & program-  
based operations

Technical Assistance  
Non-project activities

## Procurement

Goods

Works

Services



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# The Ten Year Bank Strategy 2016-2025

The High 5  
Le Top 5 for transforming Africa  
pour transformer l'Afrique



## Light up & Power Africa

- +162 GW electricity generated
- + 130 million on-grid connections
- + 75 million off-grid connections



## Feed Africa

- + 150m people adequately fed
- + 100m people lifted out of poverty
- + 190m hectares with restored productivity



## Industrialize Africa

- Industrial contribution to GDP increased by 130%
- 35 special economic zones supported
- 30 PPPs developed & strengthened



# The Ten Year Bank Strategy 2016-2025



## Integrate Africa

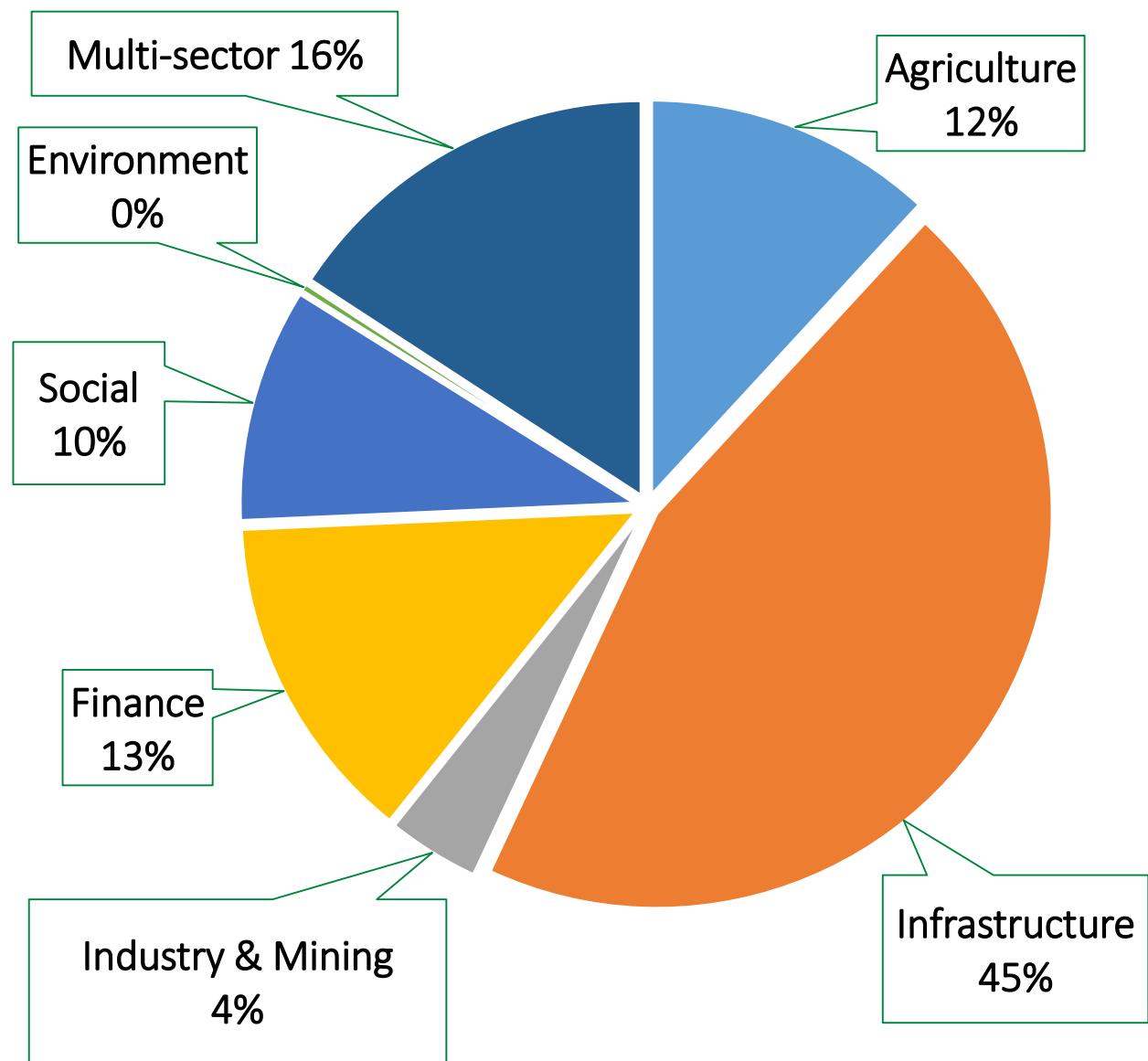
- Building regional infrastructure
- Boosting intra-African trade & investment
- Facilitating movement of people across borders



## Improve the quality of life for the people in Africa

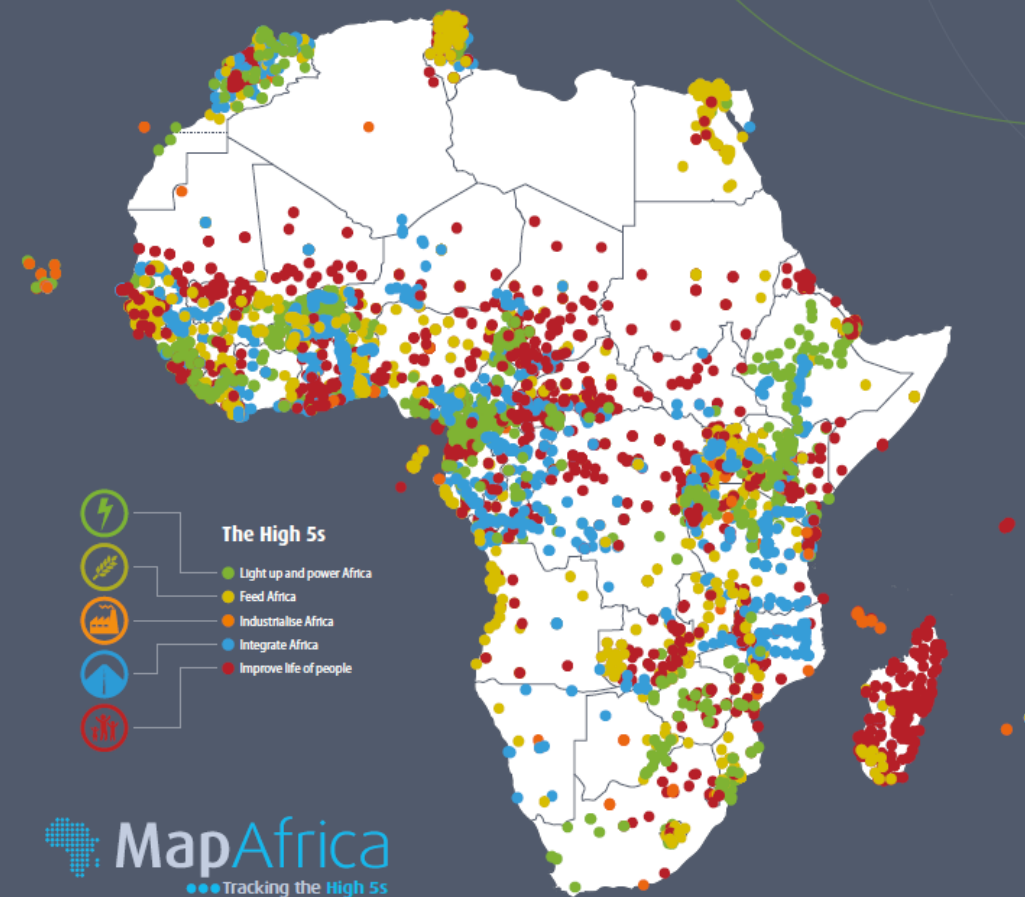
- Creating 80 million jobs
- Building critical skills
- Improving access to water & sanitation
- Strengthening health systems

# Our Projects



## Delivering impact in the Bank's five priority areas

This map plots the geographic location of the 745 Bank operations that were approved between 2002 and 2015 in each of the High 5s.



Total Cumulative Approvals  
(1967-2016) amounts to  
**131 billion USD**



## 2. Bank-Financed Contracts Data



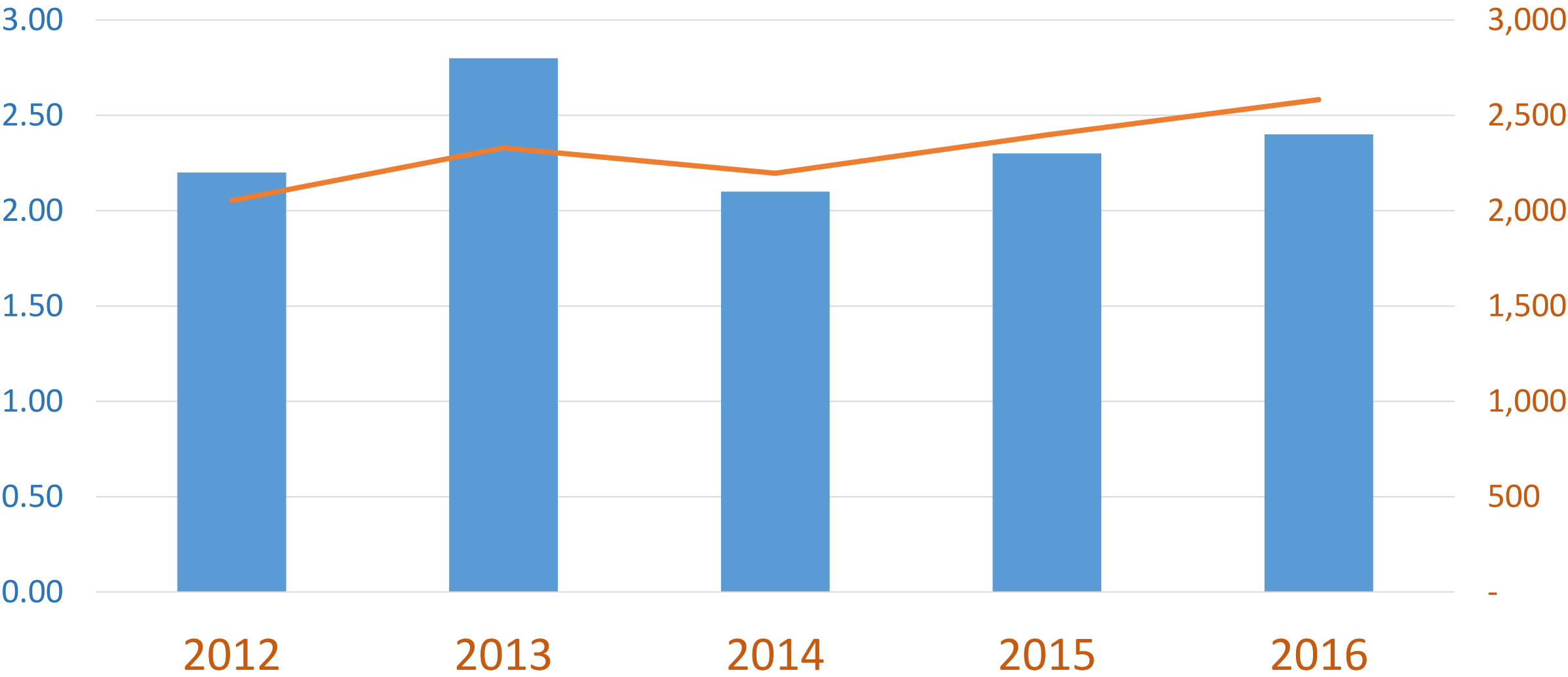
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# Size of Operations

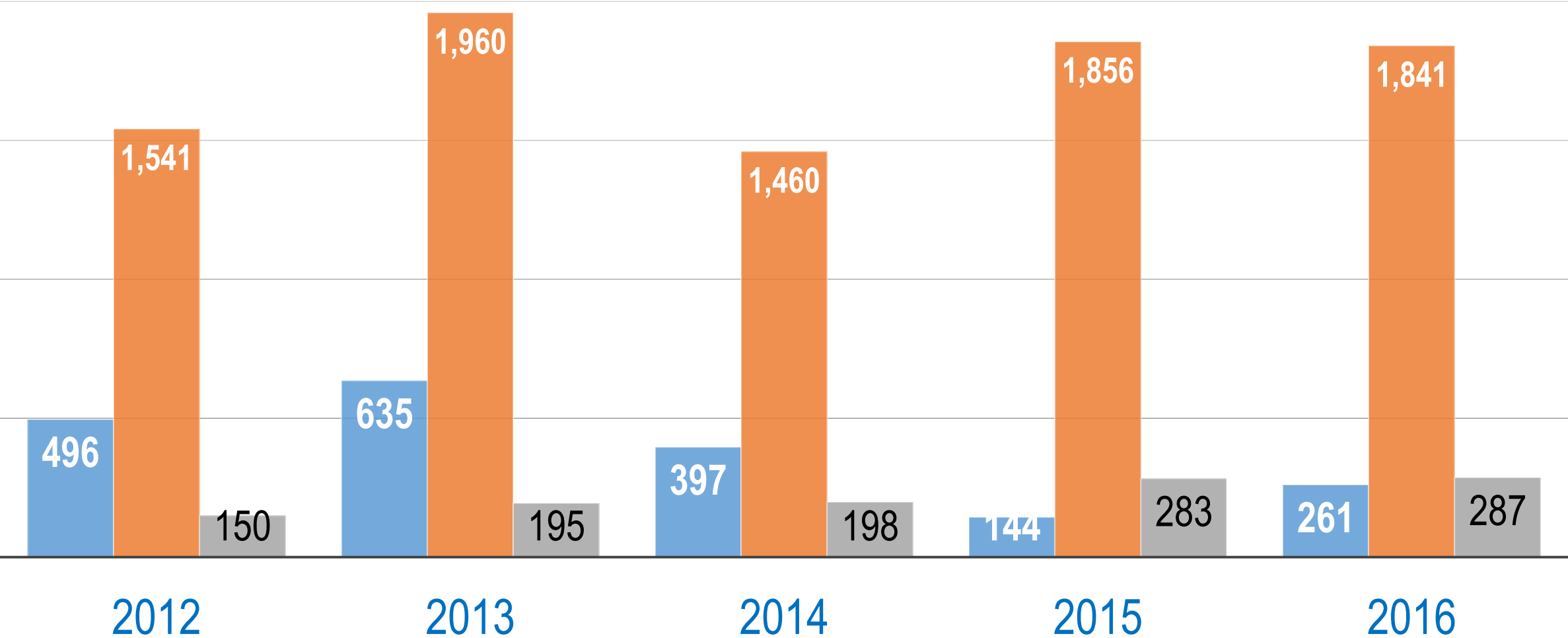
Value Number

Billion USD



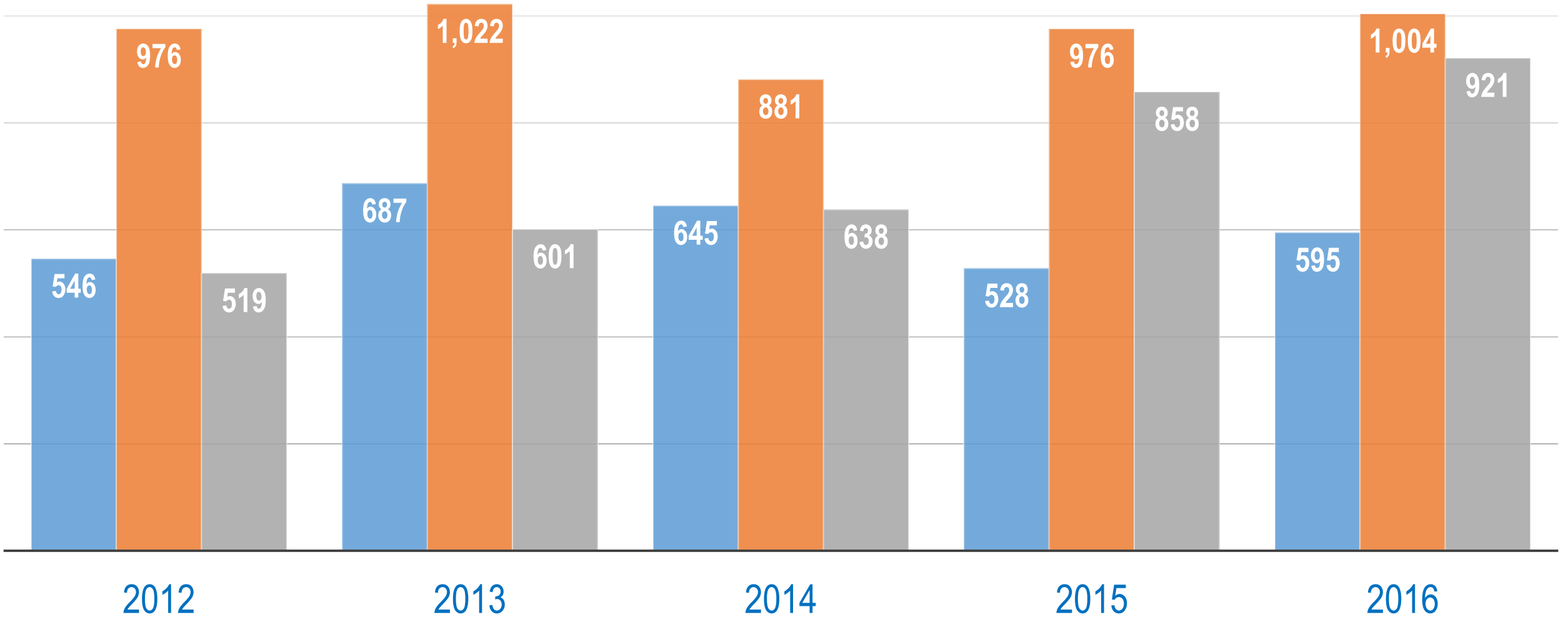
# Distribution of Contracts By Value (Million USD)

■ Goods ■ Works ■ Services



# Distribution of Contracts By Number

■ Goods ■ Works ■ Services





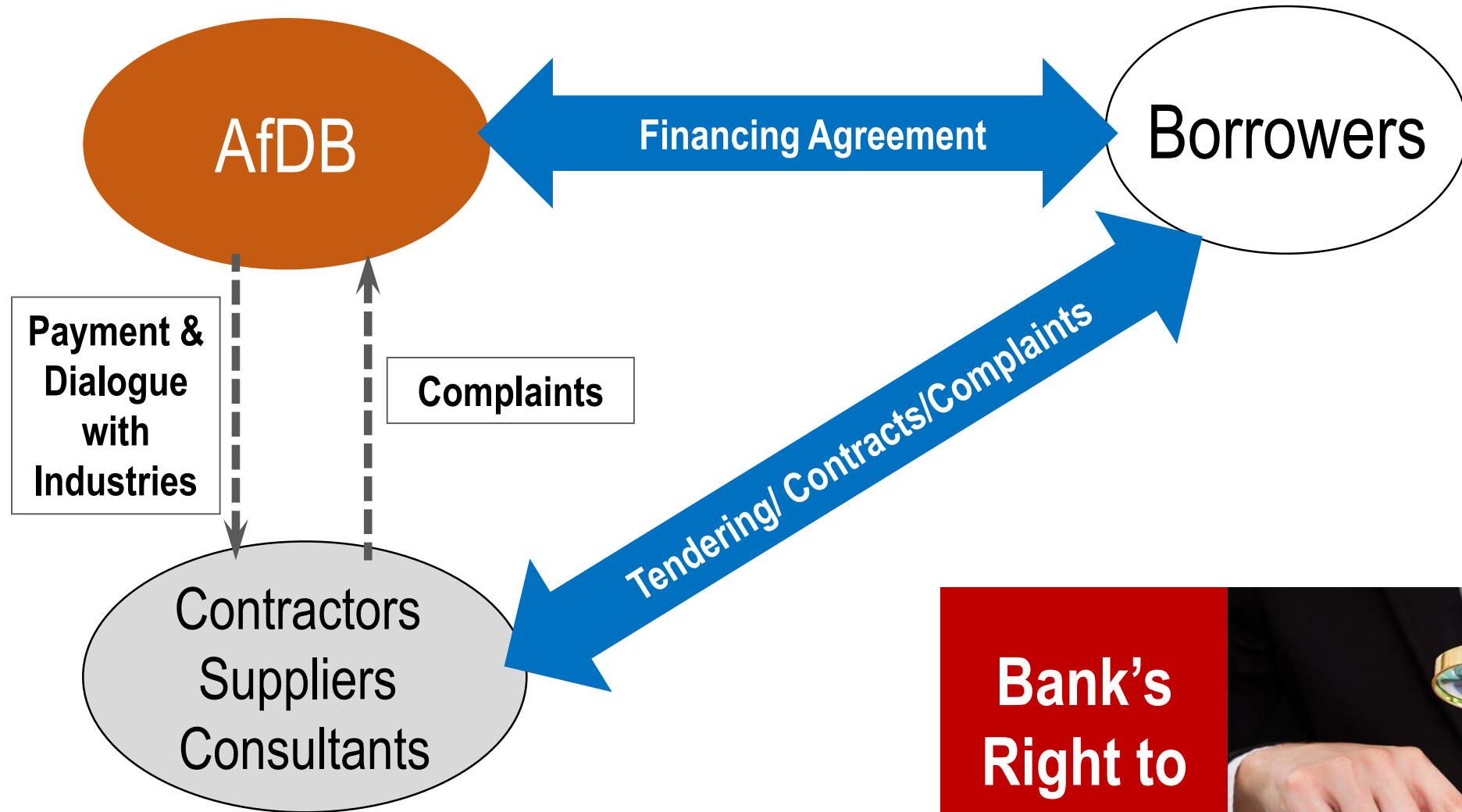


### 3. Procurement relationships, methods and safeguards



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# Procurement Relationships



**Bank's  
Right to  
Audit**





# Roles and Responsibilities



- Advertises and Issues Bidding Documents
- Evaluates and Selects
- Provides responses to complaints from bidders
- Awards and Signs Contract
- Publicizes tender results
- Supervises Contract Execution

Bank provides non-objection and comments on each stage of the selection process

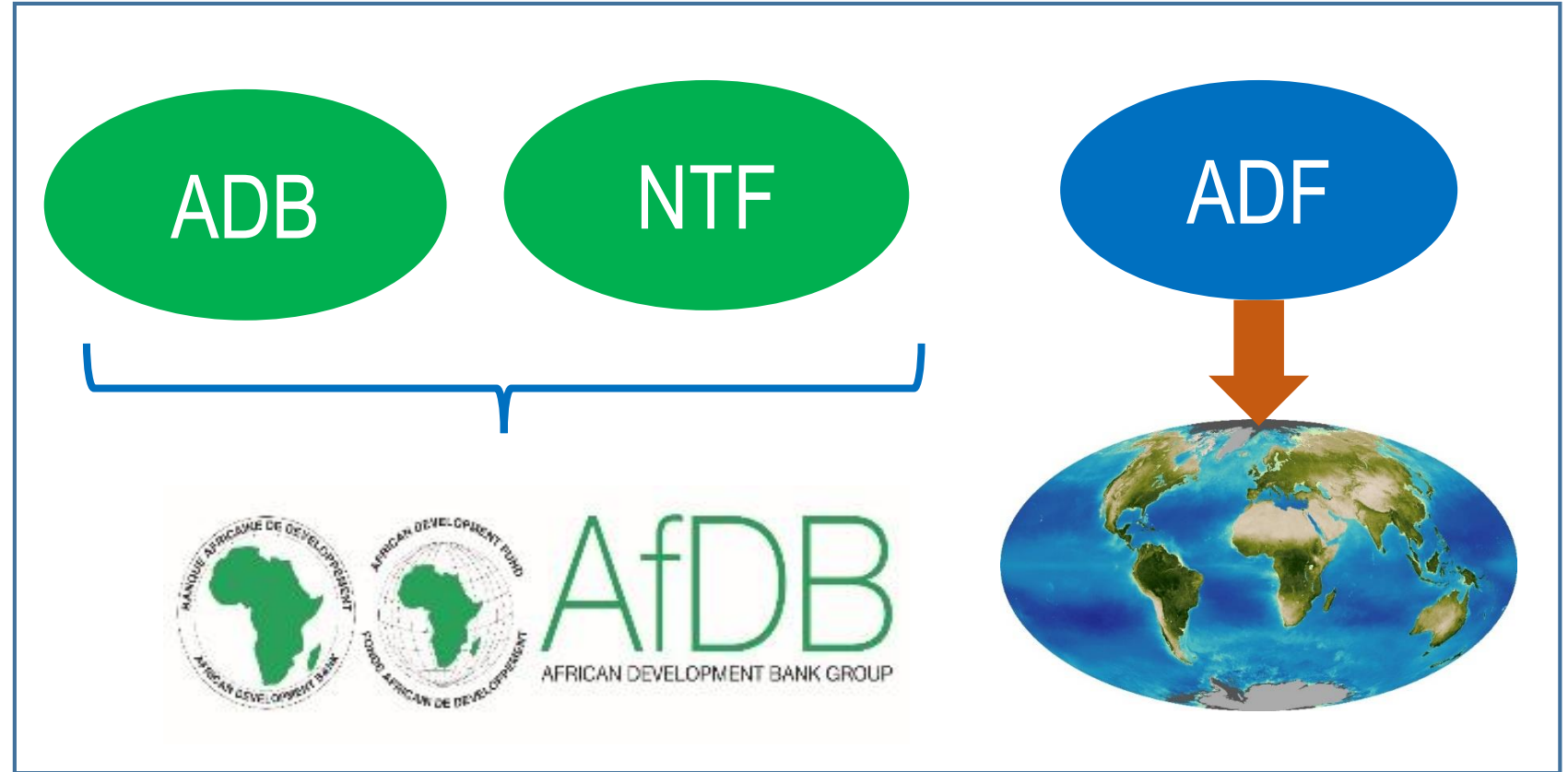


- Prepares SBDs for Use by Borrowers
- Provides Free Access to UNDB & AFDB
- Ensures processes meet procurement principles
- Provides of “No objection”
- Reviews complaints from bidders
- Seeks appropriate redress from borrowers
- Imposes sanctions in case of Fraud & Corruption

Bank is not a party to Contract



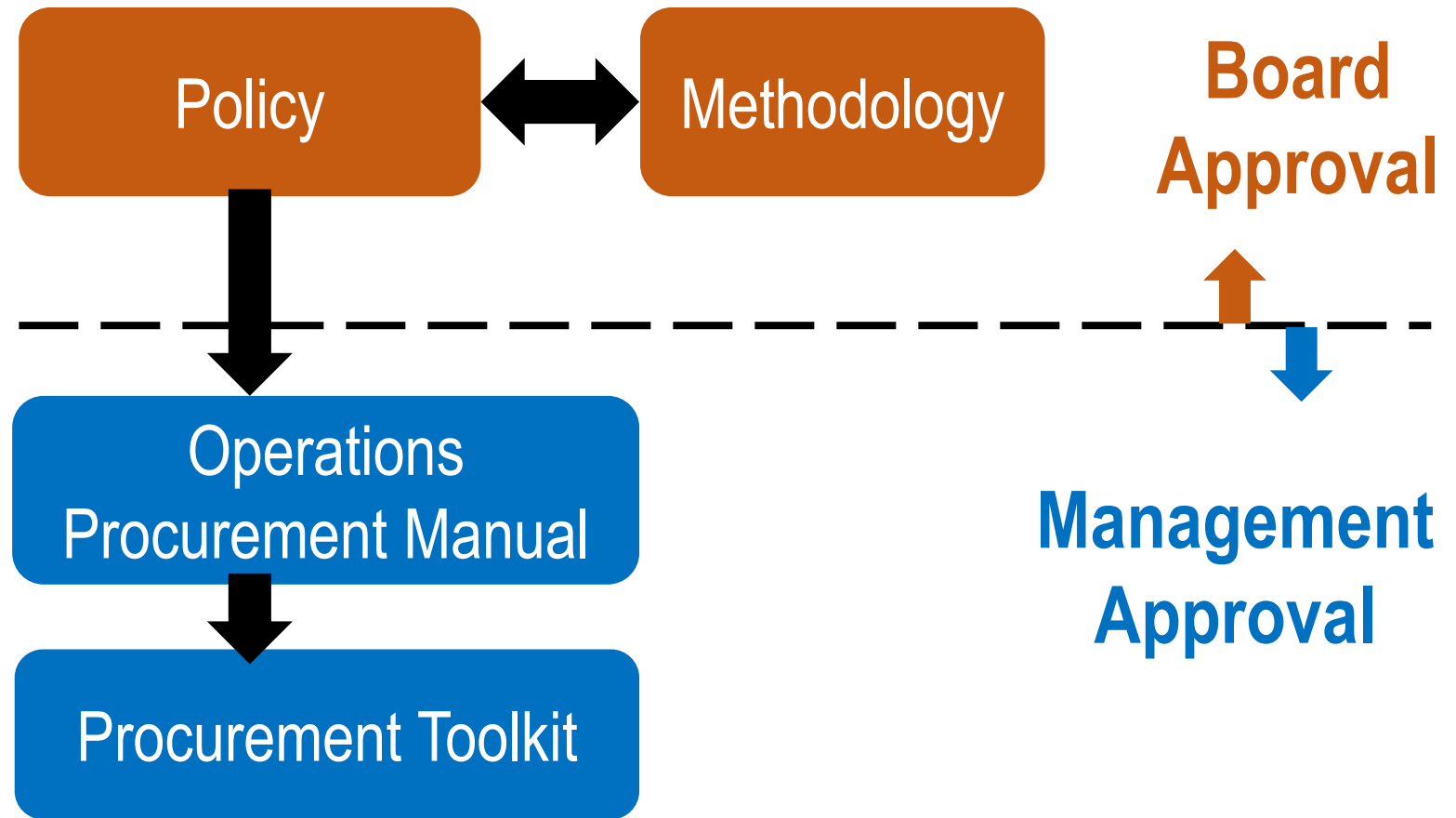
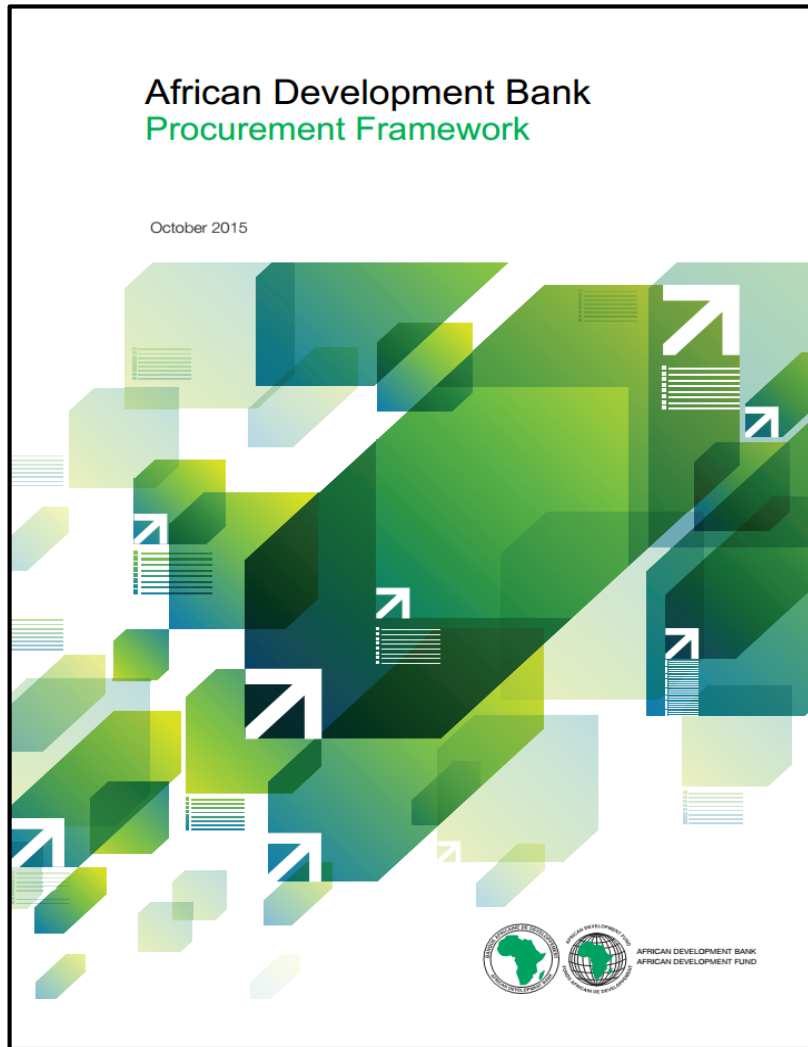
# Eligibility



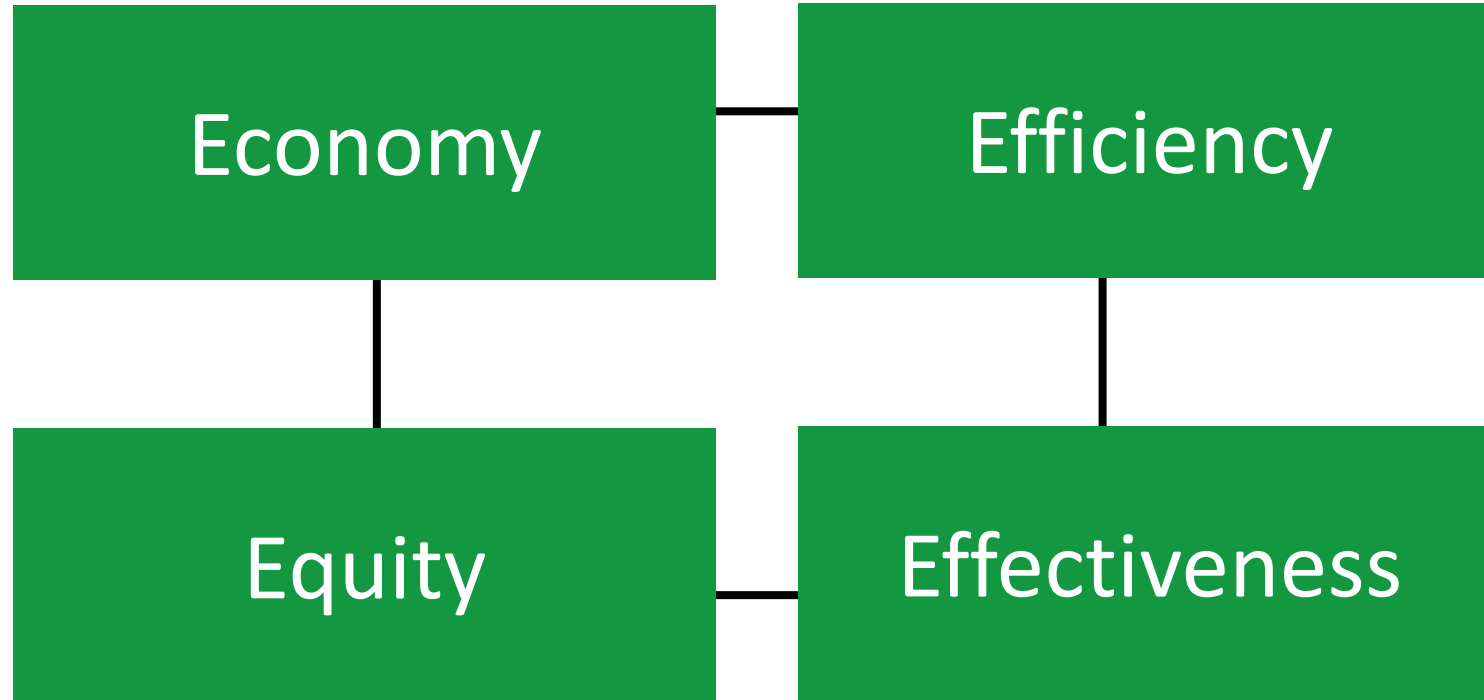
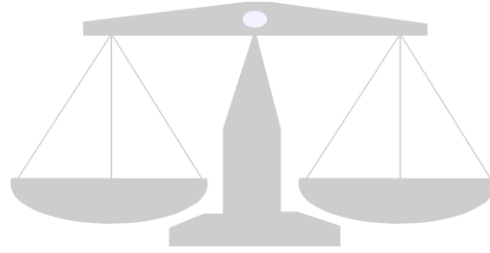
## Waivers:

- ADB-ADF jointly co-financed contracts
- Reliance on BPS or Third Party rules and procedures
- The Bank/EBRD MRA (others under negotiations, e.g. EIB)
- Case by case

# The Procurement Framework



# Procurement Principles





# Main Features of the Bank's Procurement Framework

- ✓ Value for money
- ✓ Risk based fit for purpose approach
- ✓ Use of Borrower procurement system
- ✓ Capacity building at country level
- ✓ E-Procurement
- ✓ Complaints
- ✓ ERSP



# Main Features of the Bank's Procurement Framework

- ✓ Beneficial ownership
- ✓ Development of national industries
- ✓ Fragile situations
- ✓ Co-financing
- ✓ Contract monitoring



# Selection of Procurement System



Risk-based assessment  
of the Borrower  
Procurement System



Use of Borrower  
Procurement System in  
FULL

BPSs cannot be relied  
upon due to risks and  
other factors



Use of Bank's PMPS

In FCS, emergency  
situations or when joint  
co-financing



Use of other  
internationally accepted  
Third Party rules and  
procedures



# Procurement Methods

## Goods & Works

Open Competition

Detailed specs

Price major factor

No negotiation

One envelope /  
Multistage

## Consultancy Services

Shortlisting

TOR's

Price can be a minor

Negotiation usual

Two envelope

# Bank Oversight



When Using **BPS**



Procurement  
Audits



When Using  
Bank's PMPs



Prior Review



Post Review



Others  
(with  
MOU)

When Using Third  
Party PMPs



Procurement  
Reports and Audits

Independent Procurement Review



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# Approach To Private Sector Operations

- ✓ Accepted commercial practices
- ✓ Conformity with the Procurement Plan
- ✓ Fair market price
- ✓ Adapting to various business models (PPP, etc.)
- ✓ Post review
- ✓ Ensuring Economy, Efficiency, Transparency and Open Competition for large contracts
- ✓ Performance and contract management
- ✓ Eligibility







## 4. Information on Business Opportunities



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# Important General Information

- Project information:  
<http://www.afdb.org/en/projects-and-operations/project-portfolio/>
- AfDB Procurement Policy and Procedures:  
<http://www.afdb.org/en/projects-and-operations/procurement/new-procurement-policy/>
- AfDB Standard Bidding Documents:  
<http://www.afdb.org/en/projects-and-operations/procurement/resources-for-borrowers/standard-bidding-documents/>
- ADF / ADB eligibility rule

# Specific Information

- General Procurement Notice (GPN):

<http://www.afdb.org/en/projects-and-operations/procurement/resources-for-businesses/general-procurement-notices-gpns/>

- Specific Procurement Notice (SPN):

<http://www.afdb.org/en/projects-and-operations/procurement/resources-for-businesses/specific-procurement-notices-spns/>

- UNDB journal / AfDB website





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## Projects & Operations

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  - Frequently asked questions
  - Debarment and Sanctions Procedures
  - Projects Procurements Services Contacts
  - Project Related Procurement
- Financial Management

## Procurement

The fiduciary responsibility in its charter requires the African Development Bank to ensure that the proceeds in the projects and programs financed by it are used only for the purposes for which they were granted. The charter also requires that proper the procurement processes in Bank funded projects. Accordingly, the Bank for procurement of goods, works and services. Political and other non-economic procurement in Bank financed projects. The procurement procedures should suppliers and consultants from **member countries** of the Bank. Transparency is

## Resources for Businesses

The Bank has developed **Rules and Procedures for Procurement of Goods and Works** and **Rules and Procedures for Procurement of Consultants** that govern Bank financed procurement. To assist borrowers, the Bank has, in collaboration with other Multilateral Development Banks, also developed **Standard Bidding Documents** that should be used for contracts financed by the Bank.

As a part of its development mandate, the Bank is equally active in supporting the development and reform of public procurement systems in borrower countries. As the expenditure through public contracts is a sizeable portion of Government expenditure, increased efficiency, fairness, transparency and equal opportunity are critical for sustainable development and poverty reduction. The pages in this section are arranged under the following main themes:

### General Procurement Notices (GPNs)

Date	Title:
15/06/2017	<b>GPN – Tunisie - Programme d'appui aux PME pour améliorer leur accès au financement non bancaire</b> (191 kB)
15/06/2017	<b>GPN - Sierra Leone - Rehabilitation and extension of Bo-Kenema distribution system</b> (111 kB)

[View more](#)

### Invitation for Bids

Date	Title:
15/06/2017	<b>SPN – Sudan - Building Capacity for Inclusive Service Delivery (BCISD)</b> (197 kB)
15/06/2017	<b>IFB - Uganda - Construction of Shuuku - Masyoro gravity flow scheme water and sanitation project in Sheema district - Phase I</b> (223 kB)



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Home Projects & Operations Procurement **Consultancy Services (E-Consultant)**

## Projects & Operations

## E-Consultant

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## Consultancy Services (E-Consultant)

The AfDB E-Consultant is a database of Individual Consultants and Consulting Firms maintained by the African Development Bank Group.

From the AfDB E-Consultant site, you can register yourself as an Individual Consultant or register a Consulting Firm.

► [Login or Register now!](#)

Warning: Kindly use Internet Explorer to access the E-Consultant application.

If you have any questions, please send an email to: [consultants@afdb.org](mailto:consultants@afdb.org)

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# Procurement Statistics

Link for Bank statistics on procurement:

<http://www.afdb.org/en/projects-and-operations/procurement/tools-reports/procurement-statistics/>

The screenshot shows the website of the African Development Bank Group, specifically the Procurement Statistics page. The URL in the browser's address bar is <https://www.afdb.org/en/projects-and-operations/procurement/tools-reports/procurement-statistics/>. The page features the AfDB logo and navigation menus. The main content area is titled "Procurement statistics" and includes a section for "Statistics on Contract Awarded through the Bank's financed projects". This section provides a detailed explanation of the data and lists several downloadable reports: "Procurement Statistics by Country (May 2017) (1.2 MB)", "Summary of Procurement Statistics by Country (May 2017) (158 kB)", "Summary of Procurement Statistics by Year (May 2017) (60 kB)", and "Listing of Awarded Contracts from 2012 to 2017 (May 2017) (4.3 MB)". A sidebar on the left contains a "MapAfrica" section and a "Tools & Reports" section with links to various procurement-related documents. A "Subscribe" section at the bottom offers options for email alerts, e-newsletters, Twitter, and RSS feeds. The page is designed with a green and white color scheme, reflecting the AfDB branding.

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## Procurement statistics

### Statistics on Contract Awarded through the Bank's financed projects

The following statistics give the distribution of contracts for goods, works, consulting services and others (including operating costs, food crisis expenses and personnel costs). The contracts referred to are those approved by the Bank and signed by Executing Agencies in borrowing countries. The data was extracted from the SAP Project Management System. It is to be noted that some of the contracts that are mainly paid through Special Accounts do not appear in these statistics.

- Procurement Statistics by Country (May 2017) (1.2 MB)
- Summary of Procurement Statistics by Country (May 2017) (158 kB)
- Summary of Procurement Statistics by Year (May 2017) (60 kB)
- Listing of Awarded Contracts from 2012 to 2017 (May 2017) (4.3 MB)

Those wishing to submit comments or questions, or to obtain additional information on procurement and fiduciary services under Bank-financed projects, are encouraged to directly write us to [procurementstatistics@afdb.org](mailto:procurementstatistics@afdb.org).

### Subscribe

- Email alerts
- E-newsletters
- Follow on Twitter
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# Wining Contracts Under Bank Financed Projects

## Anticipation

- Know your strengths, target your sector(s) and country(ies)
- Study the Bank CSP, Identify projects under preparation and appraisal
- Subscribe to updates and alerts on the Bank's project portfolio and Tender Notice
- Study national market, establish partnerships with other firms at national level
- Identify executing agencies in countries beware of conflict of interest
- Study the Bank Procurement Policy Framework, Bank and Borrower SBDs

## Bidding Period

- Seek clarifications from contracting agency
- Prepare proposals/bids in accordance with ToRs and specifications
- Demonstrate technical and financial strengths and track record in specific fields
- Don't contact the Bank
- Avoid underbidding
- Demonstrate compliance with the Bank fraud/corruption Policy requirements



# Winning Contracts Under Bank Financed Projects

## Contract Execution

- Perform as per the contract terms
- Control and avoid unfounded contract variations
- Variations above certain thresholds are not accepted by the Bank





# Thank You

Building today a better tomorrow



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