AfDB BUSINESS OPPORTUNITIES SEMINAR

The Bank’s Procurement Framework

June 20 - 21, 2017
African Development Bank
Headquaters’ Building Auditorium
Abidjan, Côte d’Ivoire
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
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
The African Development Bank Group

30 Representations
A solid institution to pursue Africa’s development goals

“Our assessment of AfDB’s financial profile as very strong, predominantly reflects an improvement in the Bank’s capital adequacy.”
S&P
September 2015

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
The Ten Year Bank Strategy 2016-2025

**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

- Multi-sector: 16%
- Environment: 0%
- Social: 10%
- Finance: 13%
- Industry & Mining: 4%
- Agriculture: 12%
- Infrastructure: 45%
- Environment: 0%
- Social: 10%
- Finance: 13%
- Industry & Mining: 4%
- Agriculture: 12%
- Infrastructure: 45%

Total Cumulative Approvals (1967-2016) amounts to 131 billion USD
2. Bank-Financed Contracts Data
Size of Operations

Billion USD

Value

Number


0.00  0.50  1.00  1.50  2.00  2.50  3.00

2,000  2,500  3,000

0  500  1,000  1,500  2,000  2,500  3,000
3. Procurement relationships, methods and safeguards
Procurement Relationships

- AfDB
- Borrowers
- Contractors
- Suppliers
- Consultants
- Payment & Dialogue with Industries
- Complaints
- Financing Agreement
- Tendering/Contracts/Complaints
- 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
- 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
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

- Economy
- Efficiency
- Equity
- Effectiveness
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

BPSs cannot be relied upon due to risks and other factors

In FCS, emergency situations or when joint co-financing

Use of Borrower Procurement System in FULL

Use of Bank’s PMPS

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

When Using Third Party PMPs

- Procurement Reports and Audits

Independent Procurement Review
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
Important General Information

- Project information:

- AfDB Procurement Policy and Procedures:

- AfDB Standard Bidding Documents:

- ADF / ADB eligibility rule
Specific Information

• General Procurement Notice (GPN):

• Specific Procurement Notice (SPN):

• UNDB journal / AfDB website
Procurement

The fiduciary responsibility in its charter requires the African Development Bank to ensure that the proceeds in the projects and programs financed by the Bank are utilized for the purposes for which they were granted. The charter also requires that proper procurement processes in Bank funded projects. Accordingly, the Bank requires procurement of goods, works and services. Financial and non-economic procurement in Bank financed projects. The procurement procedures should be transparent and consistent with the principles of good governance.

透明性是透明度和一致性的基本原则。

General Procurement Notices (GPNs)

- **15/04/2017**
  - **GPN – Tunisia - Programme d'appui aux PME pour améliorer leur accès au financement non bancaire (191 KB)**

- **15/05/2017**
  - **GPN – Sierra Leone - Rehabilitation and extension of Besieko distribution system (111 KB)**

View more

Invitation for Bids

- **15/06/2017**
  - **SPN – Sudan - Building Capacity for Inclusive Service Delivery (BCISD) (197 KB)**

- **15/06/2017**
  - **USG, Uganda - Construction of Shikoko - Masawo gravity flow scheme water and sanitation project in Sheema district - Phase I (223 KB)**

www.afdb.org
Link for Bank statistics on procurement:
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
Wining 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