

African Development Bank **BUSINESS OPPORTUNITIES SEMINAR**



Nairobi, **Kenya**

October 02 - 04, 2017

Crowne Plaza Hotel

The Bank's Procurement Framework



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



AFRICAN DEVELOPMENT BANK 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



AFRICAN DEVELOPMENT BANK GROUP

The African Development Bank Group

30
Representations



AFRICAN DEVELOPMENT BANK GROUP



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

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

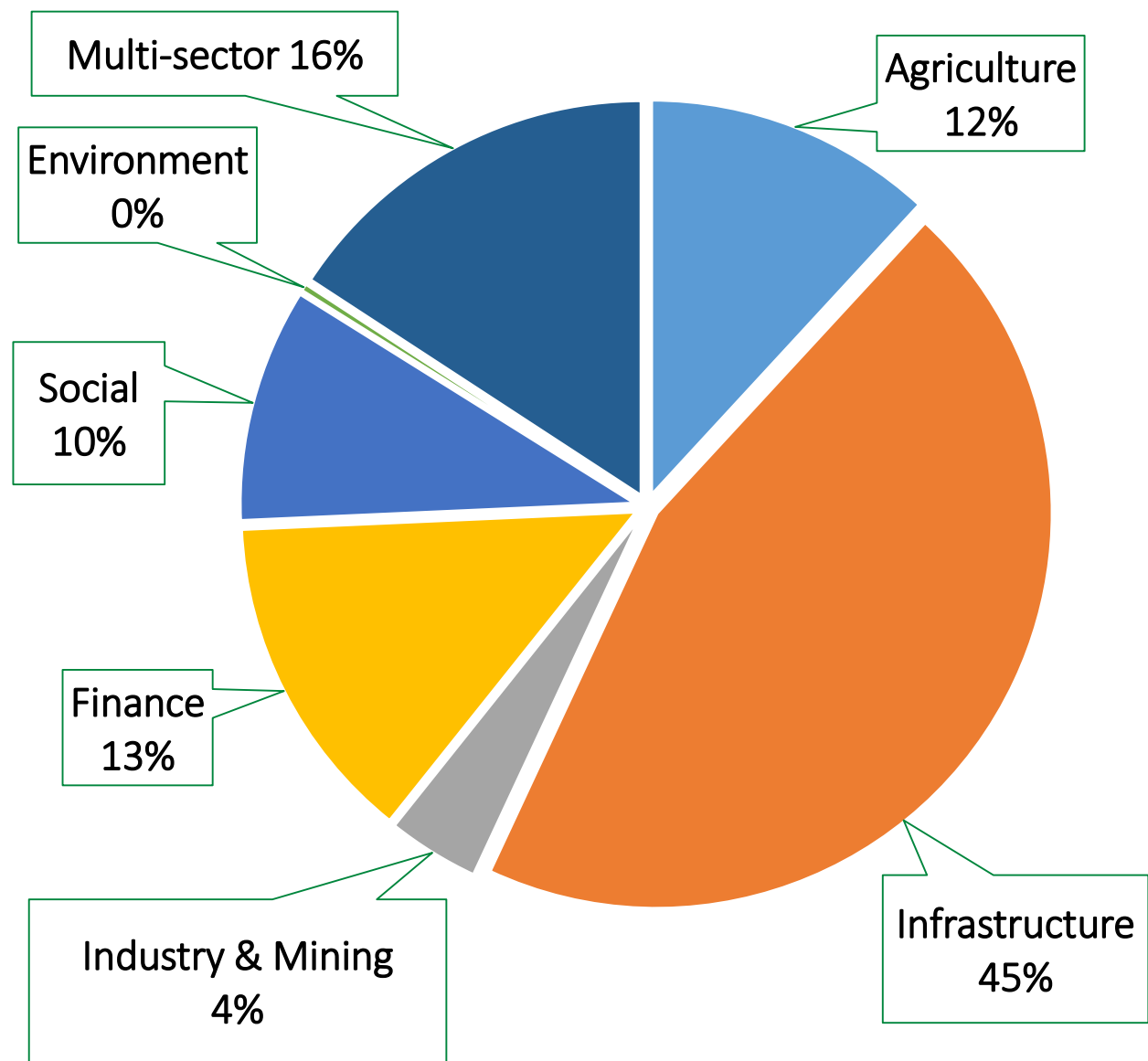
- Building regional infrastructure
- Boosting intra-African trade & investment
- Facilitating movement of people across borders



Improve the quality of life for the people in Africa

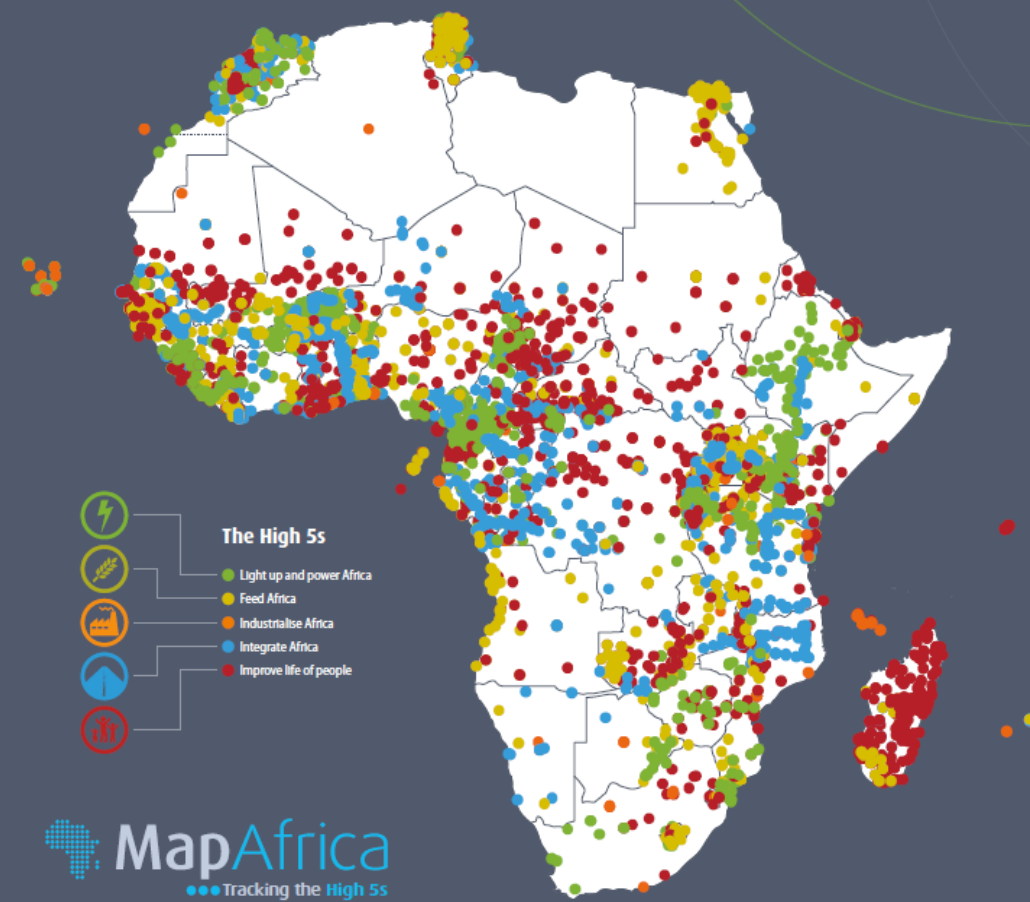
- Creating 80 million jobs
- Building critical skills
- Improving access to water & sanitation
- Strengthening health systems

Our Projects



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

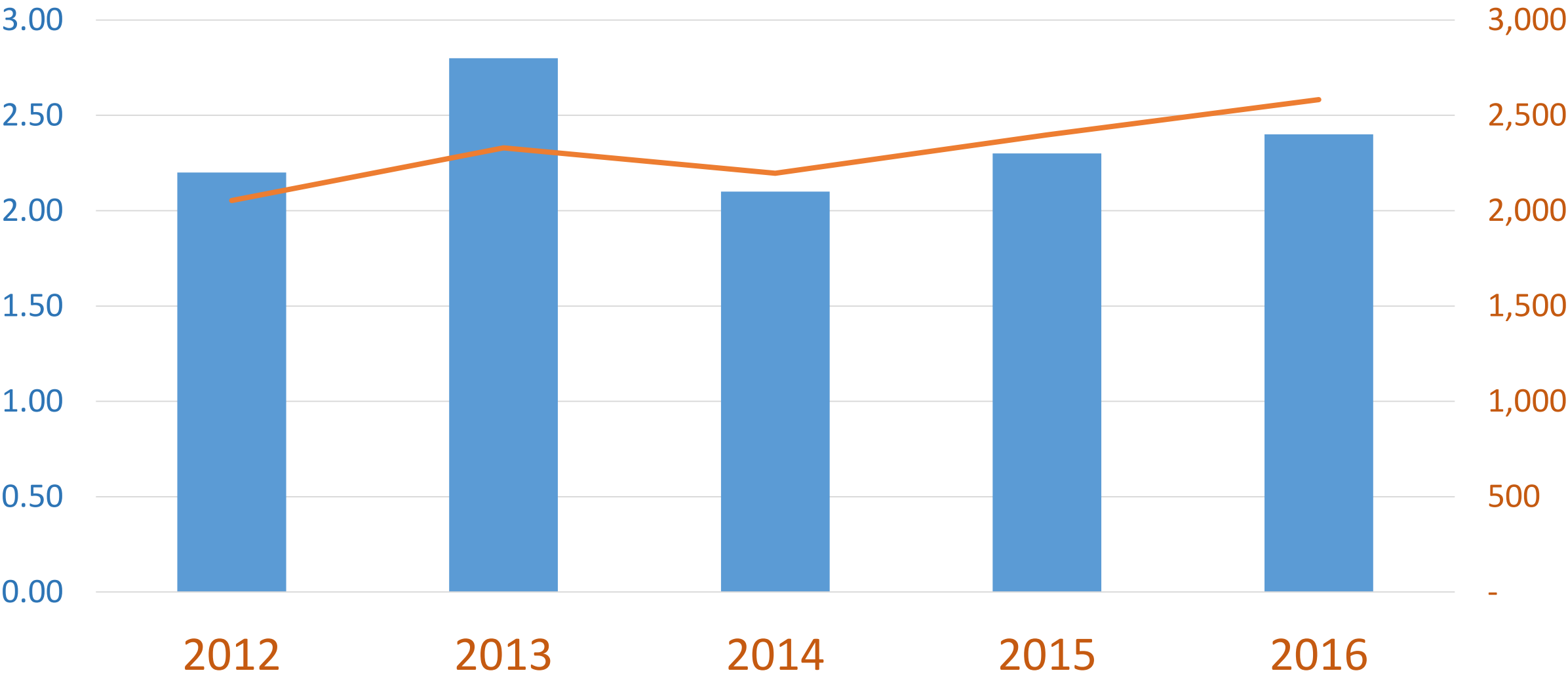


2. Bank-Financed Contracts Data

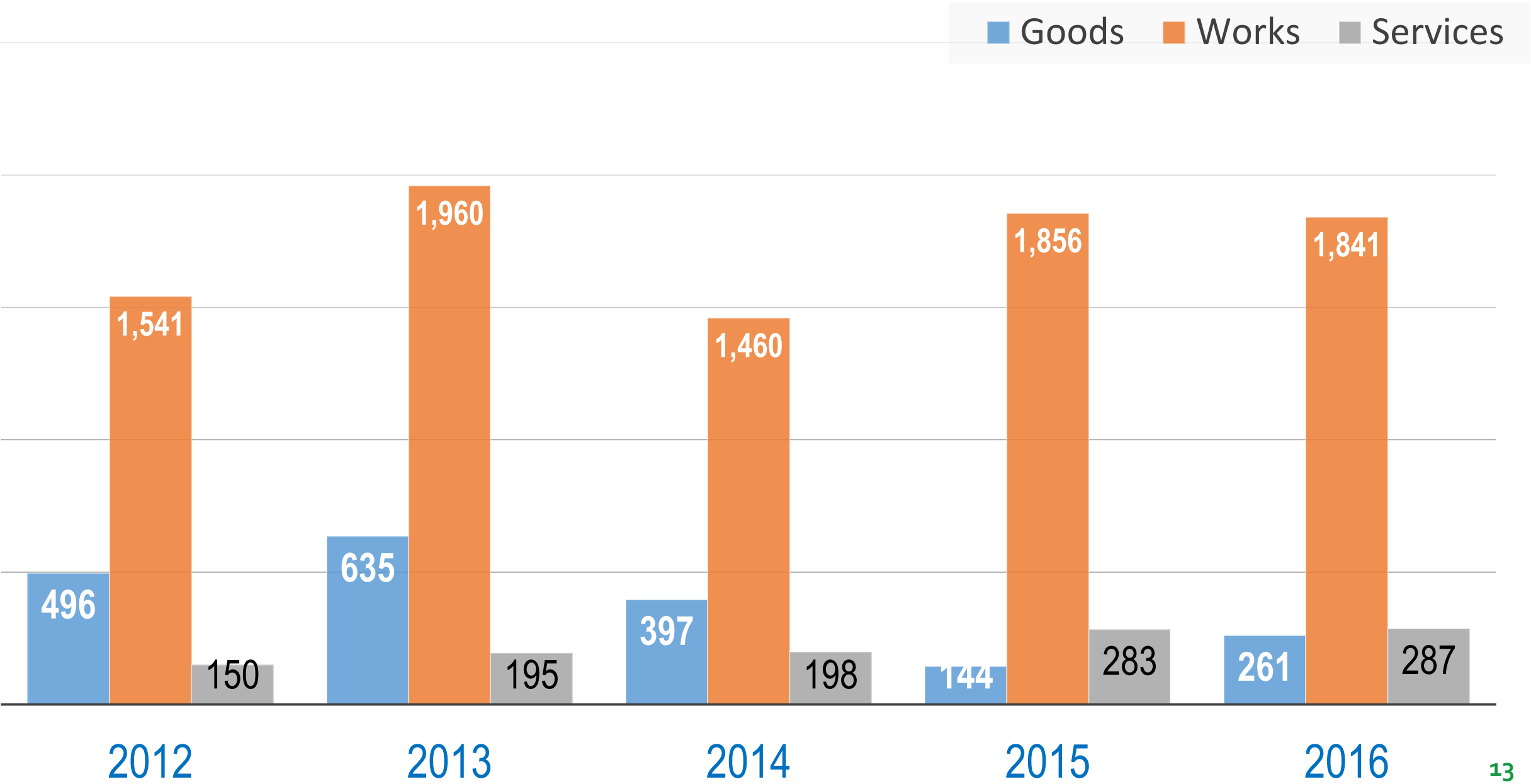


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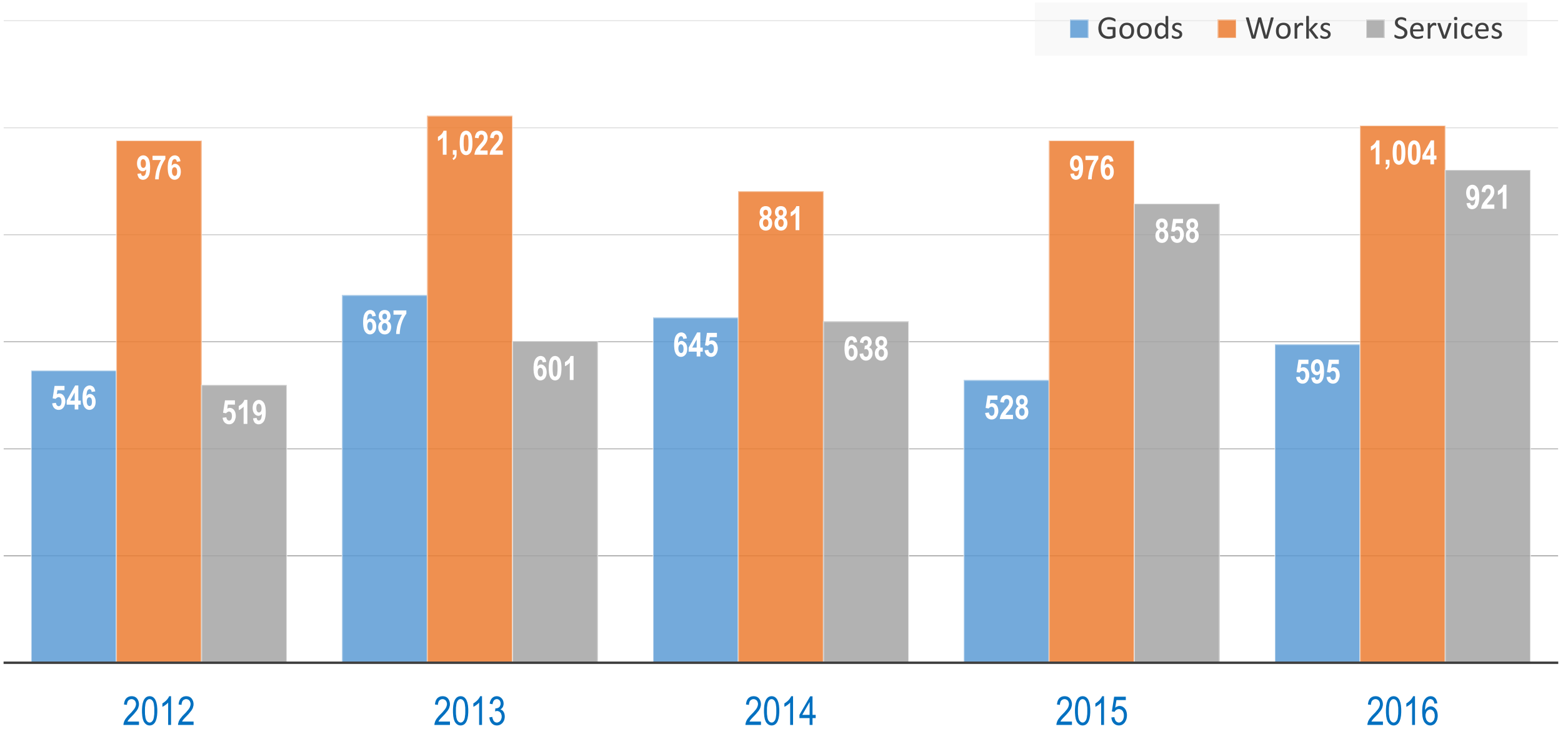
Billion USD



Distribution of Contracts By Value (Million USD)



Distribution of Contracts By Number



AfDB Group Funded Projects in Kenya

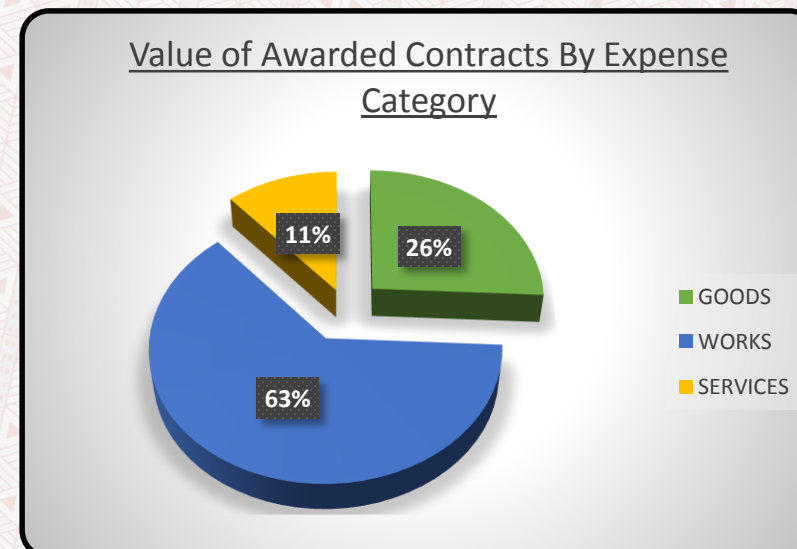
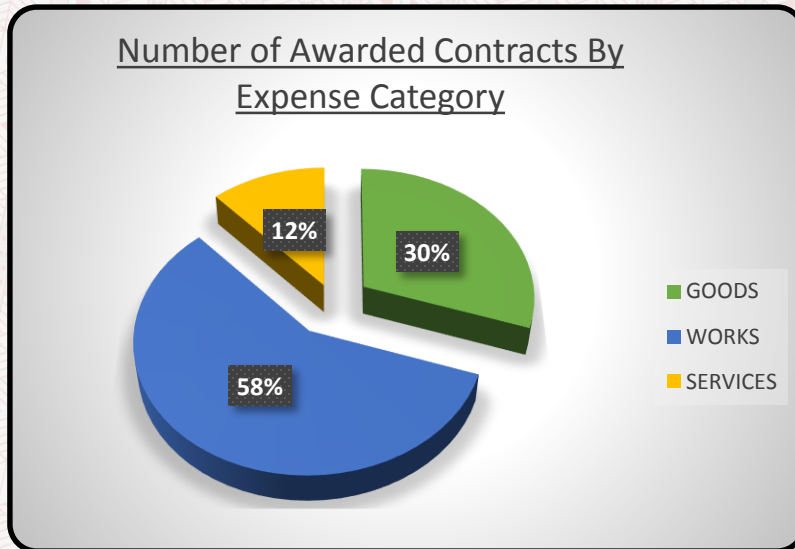
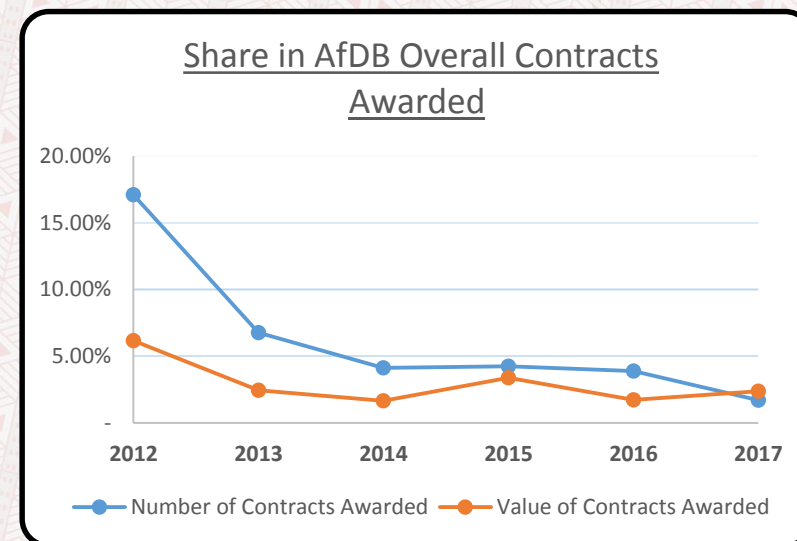
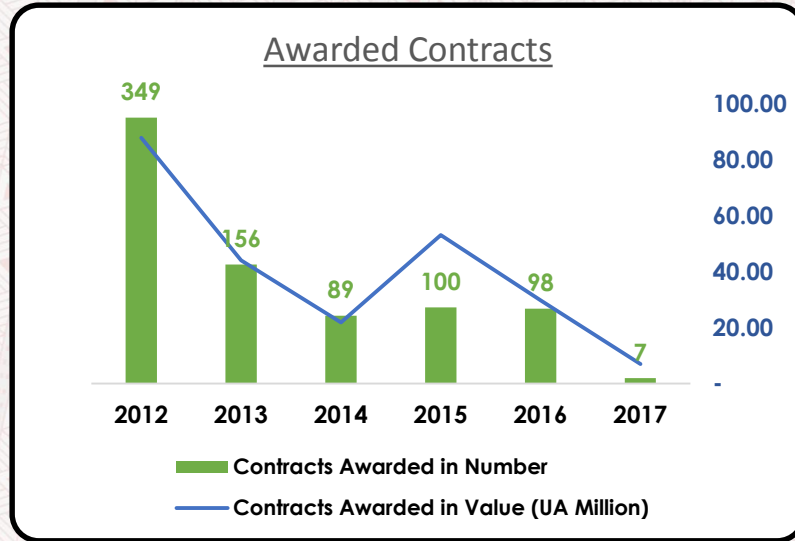
Sectors	2012		2013		2014		2015		2016		2017	
(Value in UA Million)	Nb	Value	Nb	Value	Nb	Value	Nb	Value	Nb	Value	Nb	Value
Agriculture	43	3.99	22	2.55	28	6.10	61	4.68	25	3.44	4	3.84
Communications	-	-	-	-	-	-	-	-	-	-	-	-
Environment	-	-	1	1.33	6	0.21	5	0.49	8	0.52	-	-
Finance	-	-	-	-	1	0.52	2	0.15	-	-	-	-
Ind/Mini/Quar	-	-	-	-	-	-	-	-	-	-	-	-
Multi-Sector	1	1.11	2	0.13	-	-	3	0.13	4	0.35	-	-
Power	-	-	1	0.30	-	-	7	38.25	1	3.84	2	2.78
Social	271	19.57	88	24.37	45	7.05	10	6.75	37	14.13	1	0.35
Transport	1	2.28	5	2.12	2	0.37	5	0.91	9	4.59	-	-
Water Sup/Sanit	33	60.87	37	13.29	7	7.64	7	1.74	14	2.84	-	-
Total	349	87.82	156	44.09	89	21.89	100	53.10	98	29.70	7	6.97

Contracts won by Kenyan Firms (2012-2016)

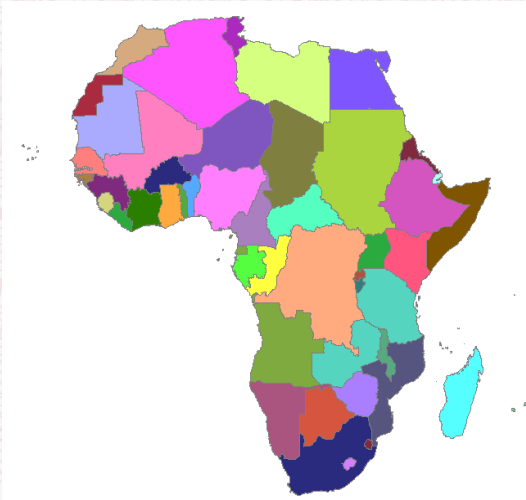
Expenses Categories	Contracts Awarded				
By Number	2012	2013	2014	2015	2016
GOODS	72	64	26	30	46
WORKS	262	77	46	51	24
SERVICES	15	15	17	19	28
Total	349	156	89	100	98
By Value (UA Million)	2012	2013	2014	2015	2016
GOODS	13.96	23.63	5.59	3.83	12.62
WORKS	69.41	16.87	14.83	46.71	1.43
SERVICES	4.45	3.60	1.47	2.55	15.66
Total	87.82	44.09	21.89	53.10	29.70

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

Contracts Awarded to Kenyan Firms



Kenyan presence should be improved



Share in AfDB Overall Contracts Awarded

	2012	2013	2014	2015	2016
By Number	17%	7%	4%	4%	4%
By Value (UA Million)	6%	2%	2%	3%	2%

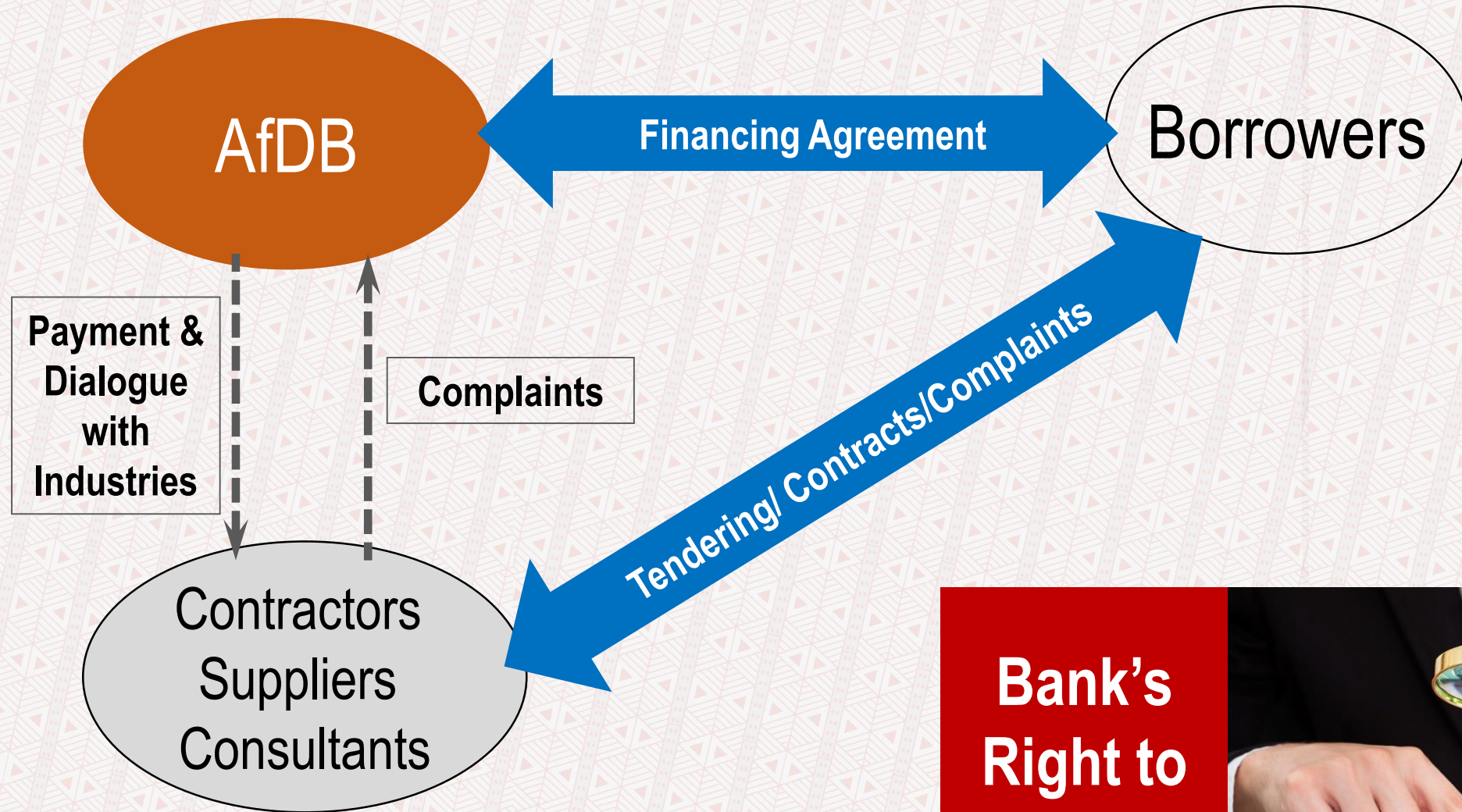


3. Procurement relationships, methods and safeguards



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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

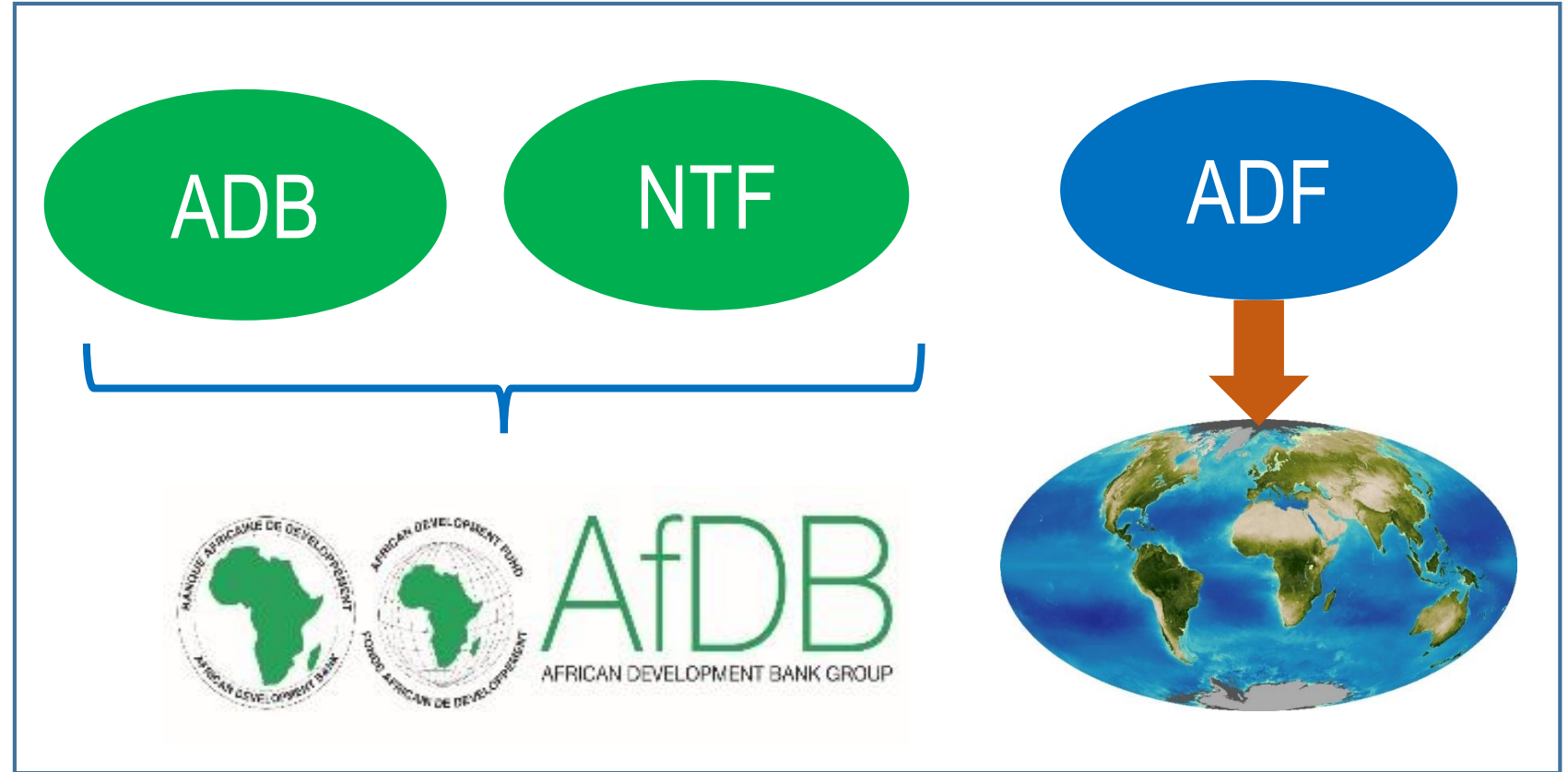
Bank provides non-objection and comments on each stage of the selection process

- 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



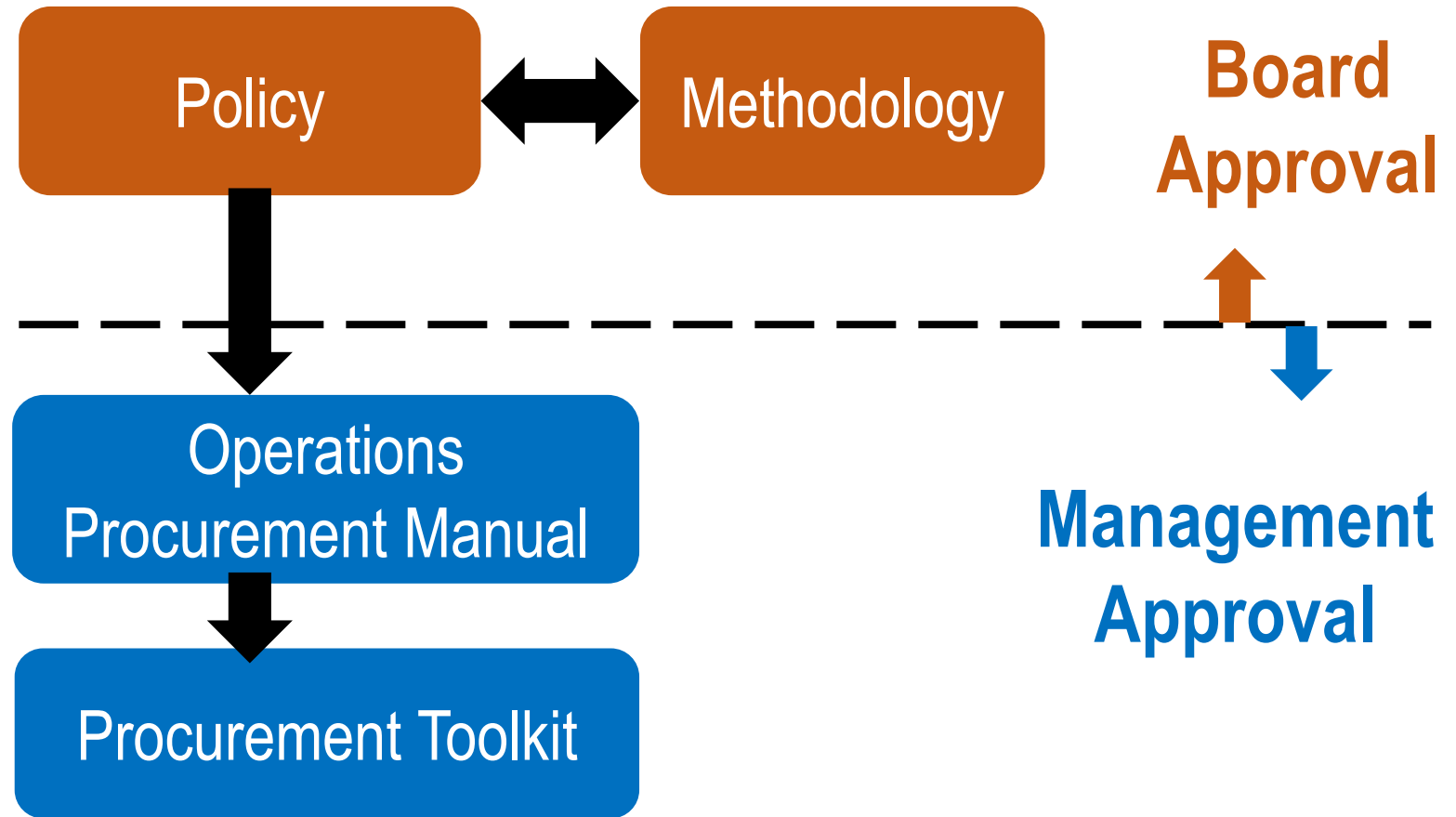
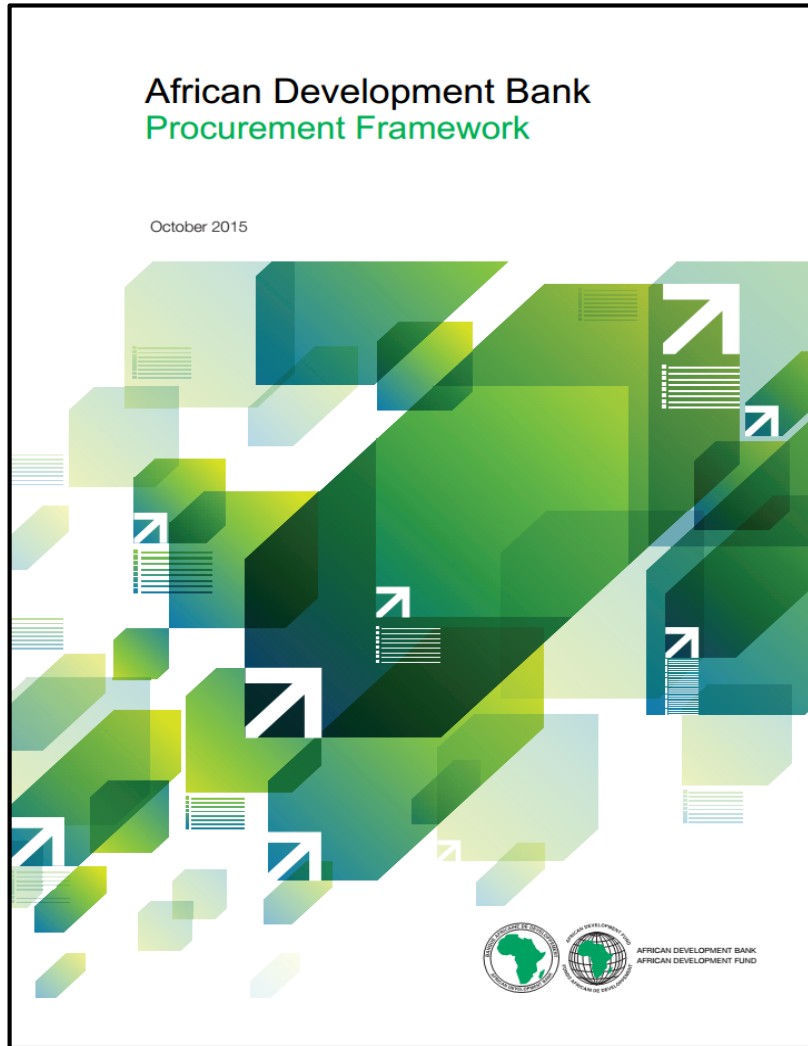
Eligibility



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



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



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

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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Procurement

Resources for Businesses

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)

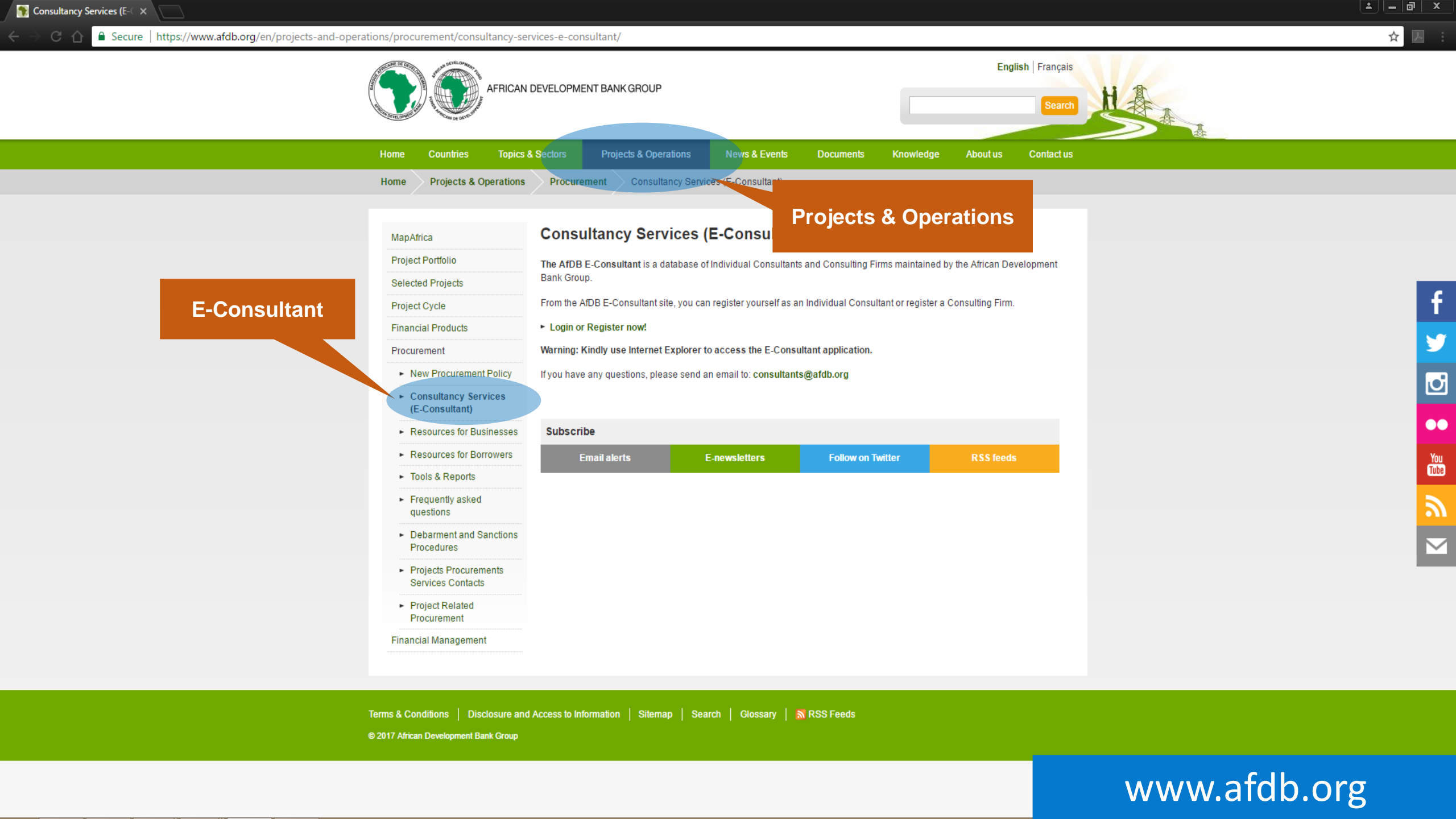
Date	Title:
15/06/2017	 GPN – Tunisie - Programme d'appui aux PME pour améliorer leur accès au financement non bancaire (191 kB)
15/06/2017	 GPN - Sierra Leone - Rehabilitation and extension of Bo-Kenema distribution system (111 kB)

[View more](#)

Invitation for Bids

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





E-Consultant

Projects & Operations



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MapAfrica

Project Portfolio

Selected Projects

Project Cycle

Financial Products

Procurement

► New Procurement Policy

► Consultancy Services (E-Consultant)

► Resources for Businesses

► Resources for Borrowers

► Tools & Reports

► Frequently asked questions

► Debarment and Sanctions Procedures

► Projects Procurements Services Contacts

► Project Related Procurement

Financial Management

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

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www.afdb.org

Procurement Statistics

Link for Bank statistics on procurement:

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



AFRICAN DEVELOPMENT BANK

The screenshot displays the African Development Bank Group website. The header includes the bank's logo, the name "AFRICAN DEVELOPMENT BANK GROUP", and language options for English and Français. A search bar is located on the right. The main navigation menu is green, with "Projects & Operations" selected. Below this, a secondary menu shows "Home", "Projects & Operations", "Procurement", "Tools & Reports", and "Procurement statistics". The "Procurement statistics" page is active, showing a sidebar with links to MapAfrica, Project Portfolio, Selected Projects, Project Cycle, Financial Products, and Procurement. The main content area is titled "Procurement statistics" and contains a section "Statistics on Contract Awarded through the Bank's financed projects". This section explains that the statistics show the distribution of contracts for goods, works, consulting services, and others. It lists four downloadable documents: "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 note encourages users to contact procurementstatistics@afdb.org for more information. At the bottom, there is a "Subscribe" section with buttons for "Email alerts", "E-newsletters", "Follow on Twitter", and "RSS feeds".

https://www.afdb.org/en/projects-and-operations/procurement-tools-reports/procurement-statistics/

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Project Portfolio

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Procurement

- ▶ New Procurement Policy
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- ▶ Resources for Businesses
- ▶ Resources for Borrowers
- ▼ Tools & Reports
 - ▶ Procurement reports
 - ▶ Procurement statistics
 - ▶ Bank Country Procurement Assessment (BCPA) Reports

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.

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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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