



African Development Bank Group

BUSINESS OPPORTUNITY SEMINAR

SESSION III – Procurement and AfDB's Policy Regarding Integrity and Anti-Corruption

Procurement Policy for Projects Funded by the AfDB Group

Abidjan, **Côte d'Ivoire**

March 22-23, 2018

AfDB Headquarters, Auditorium

Fiduciary Services & Inspection Department



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
26 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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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

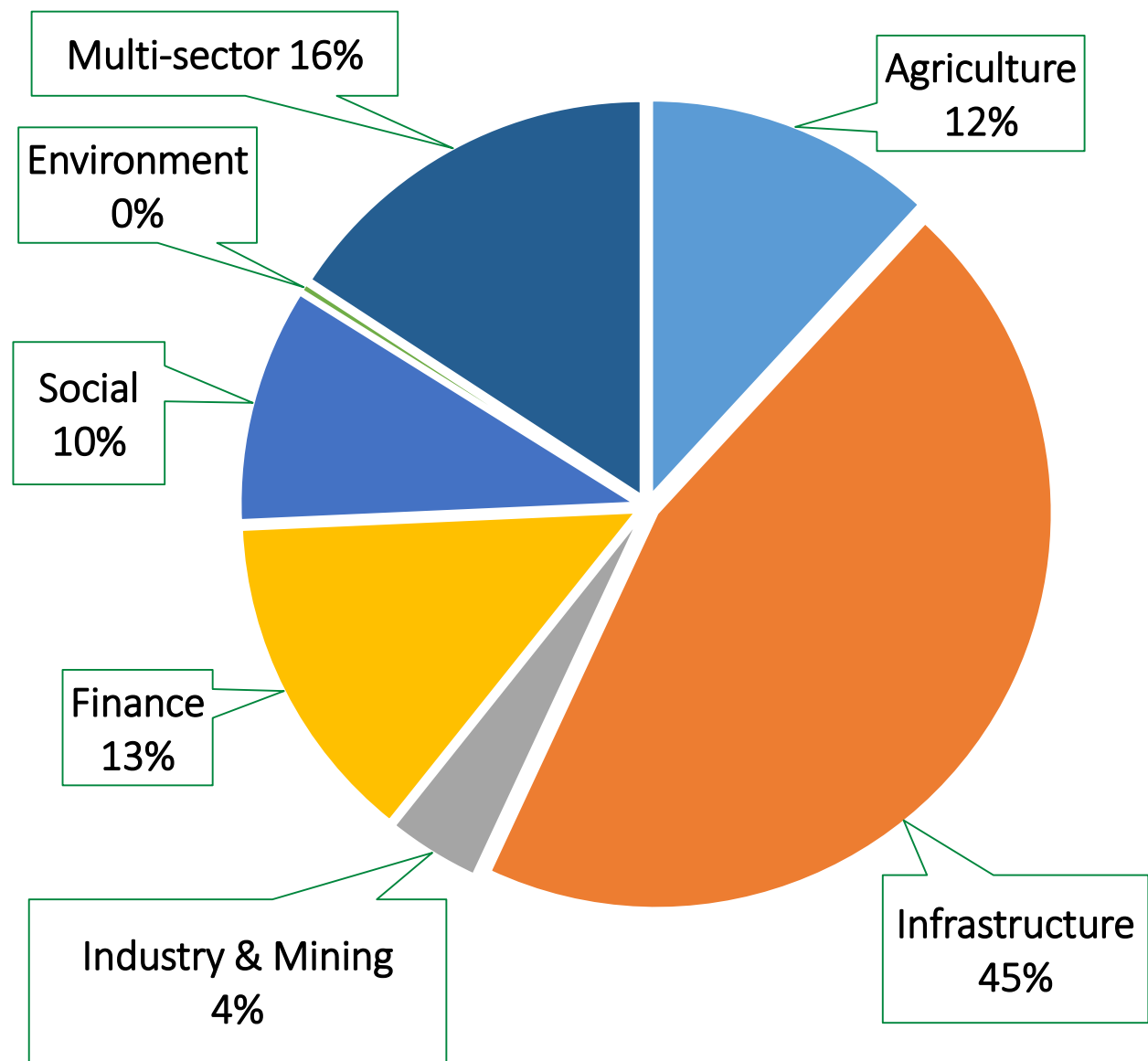
Works

Services



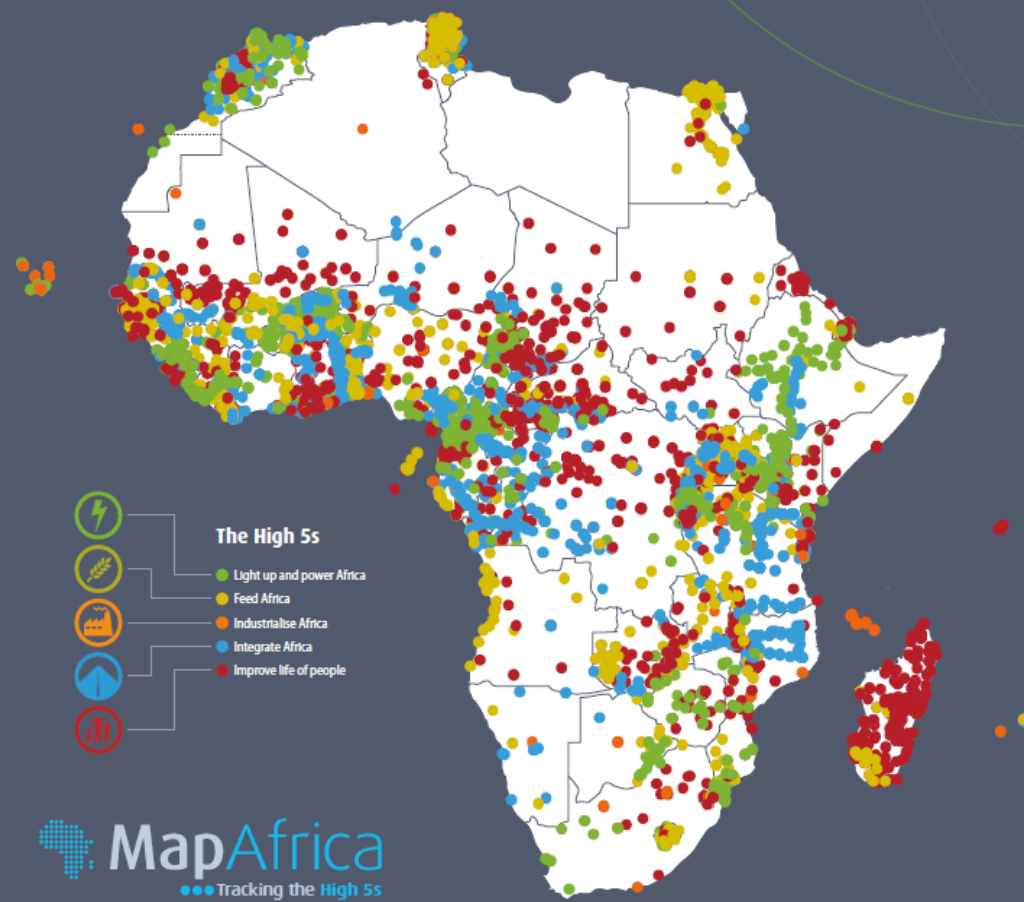
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Our Projects



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

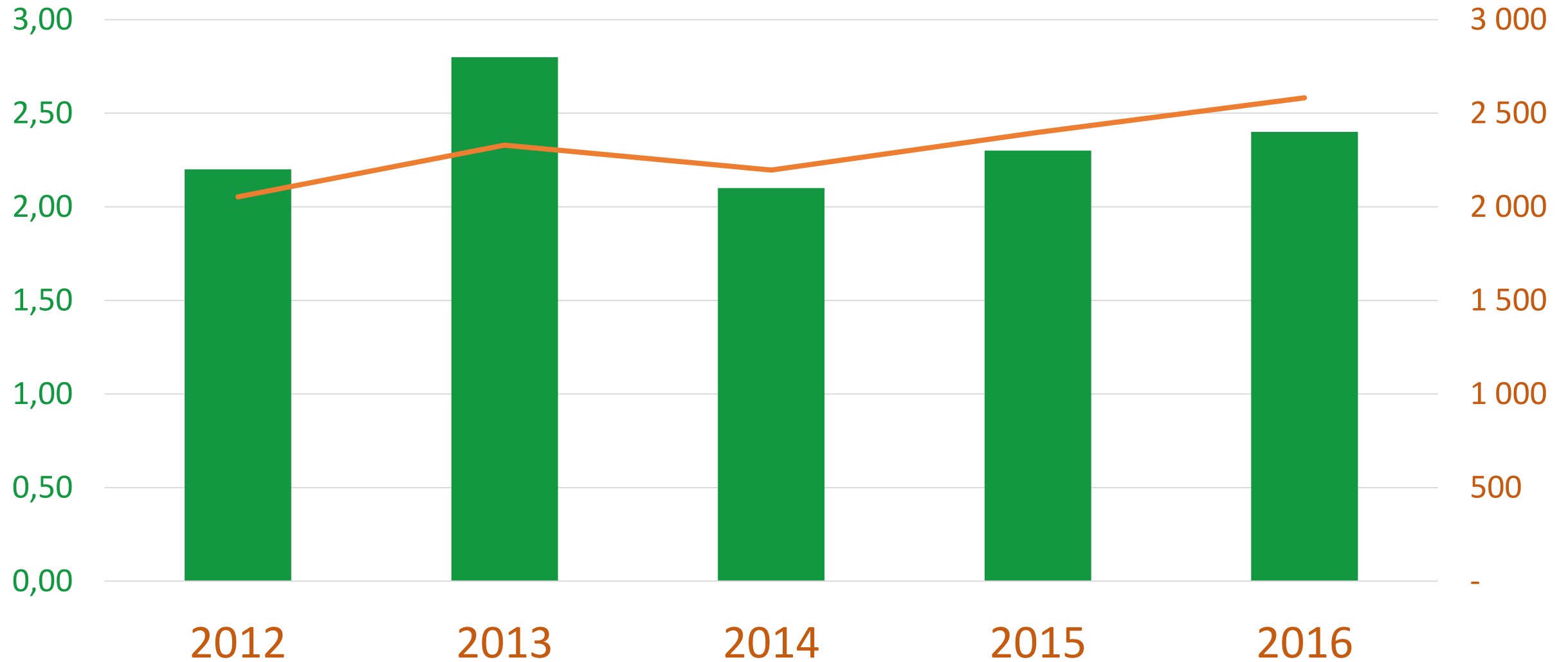


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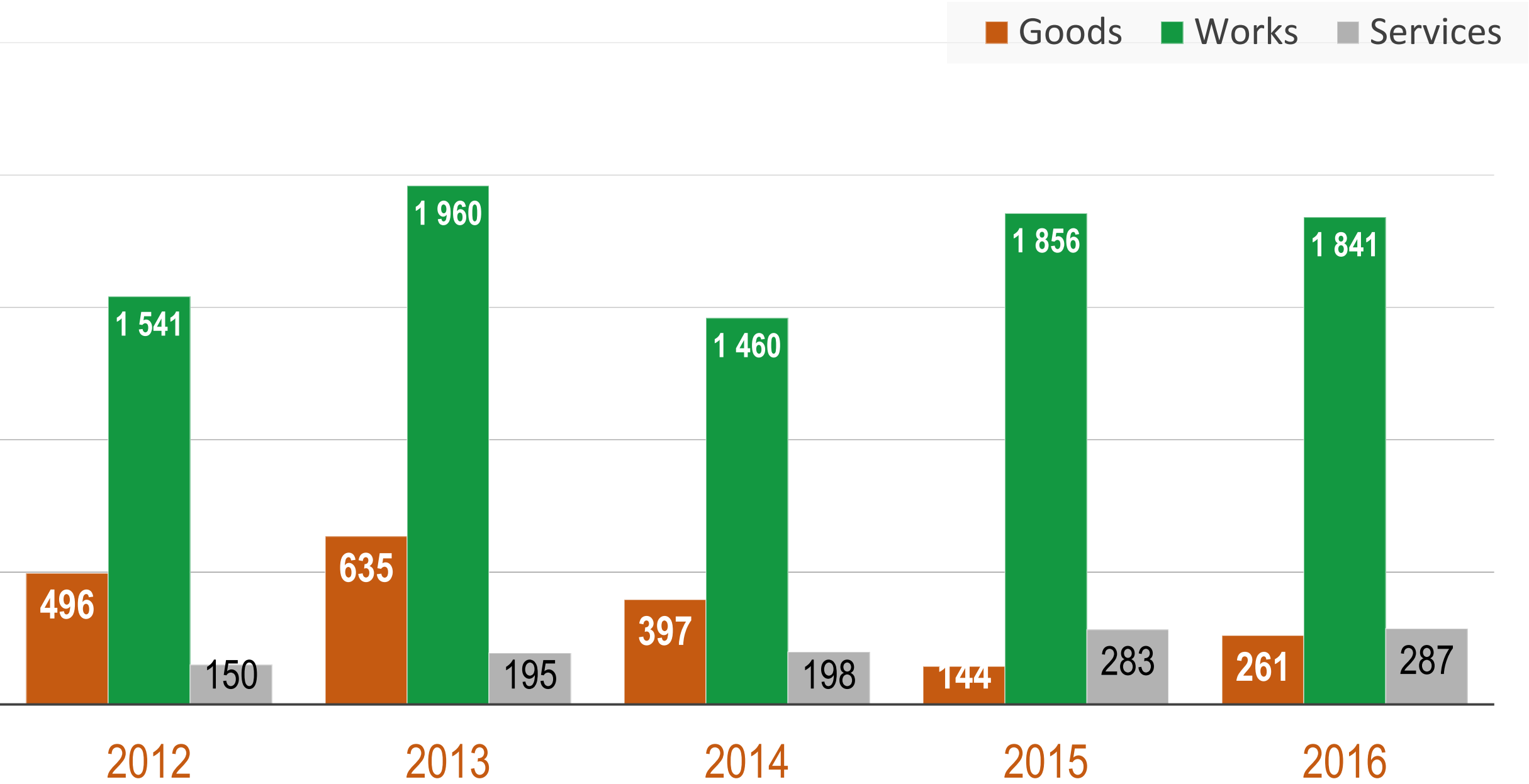
Size of Operations

Value Number

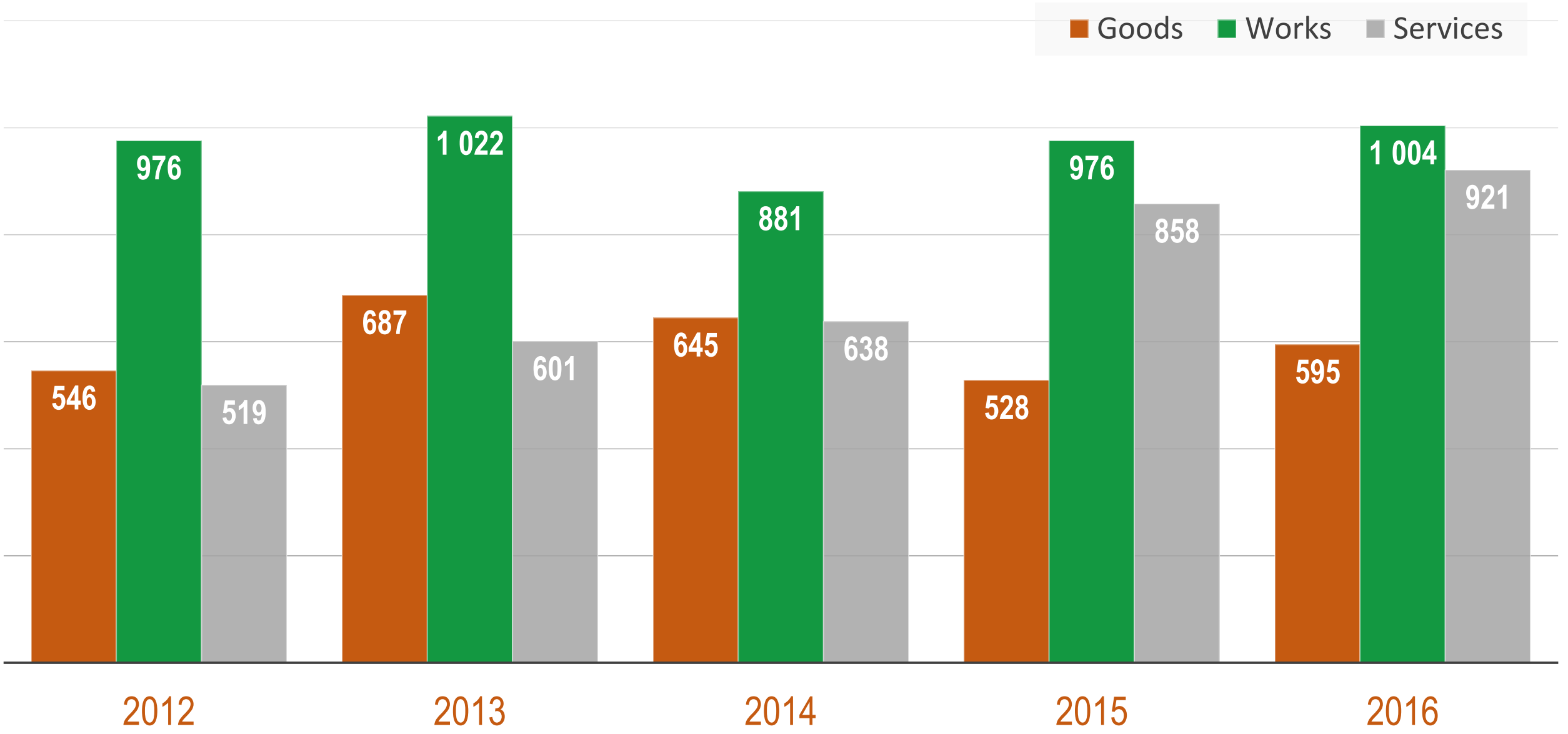
Billion USD



Distribution of Contracts By Value (Million USD)



Distribution of Contracts By Number



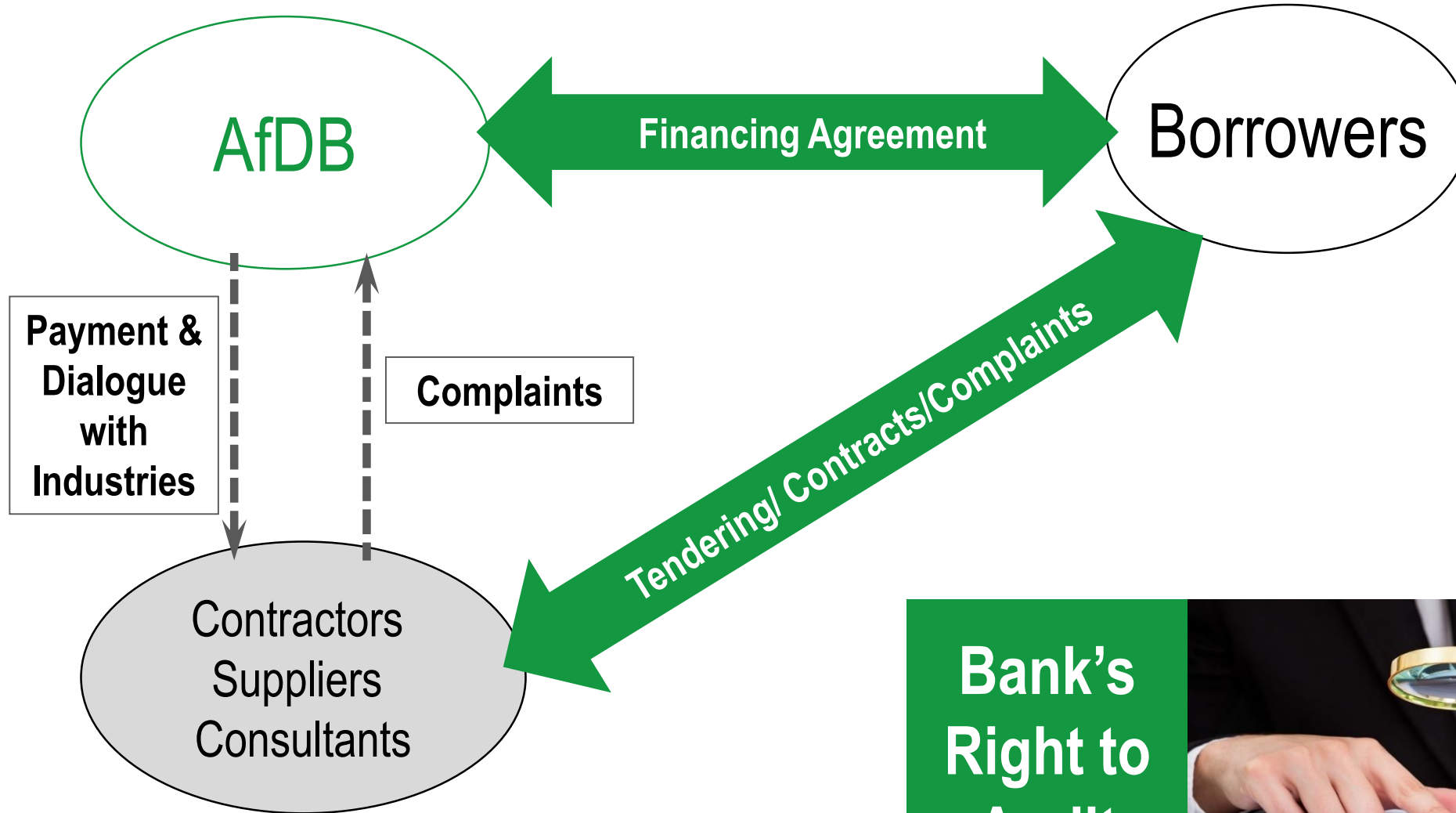


3. Procurement relationships, methods and safeguards



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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

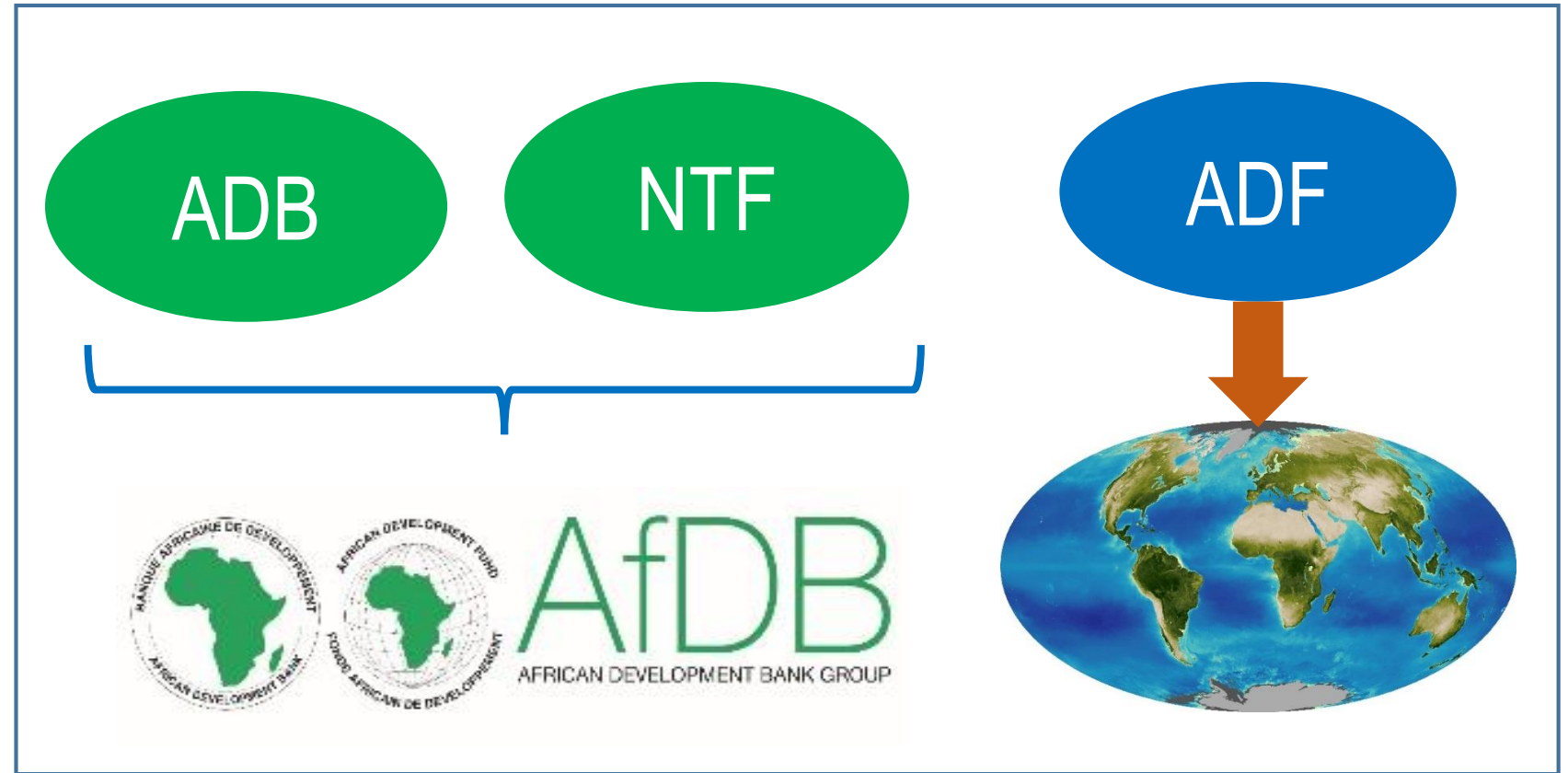
Bank provides non-objection and comments on each stage of the selection process



- 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:

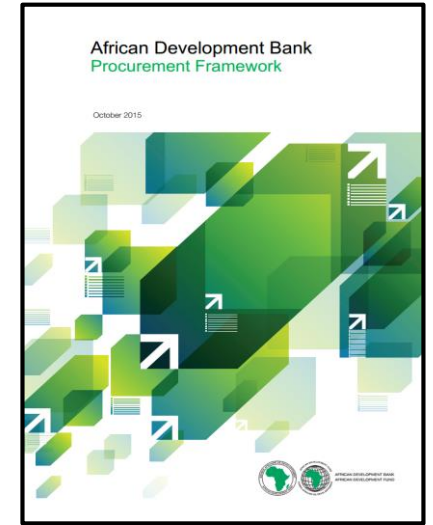
- ADB-ADF jointly co-financed contracts
- Reliance on BPS or Third Party rules and procedures
- The Bank/EBRD MRA (others under negotiations, e.g. EIB)
- Case by case

The Procurement Framework

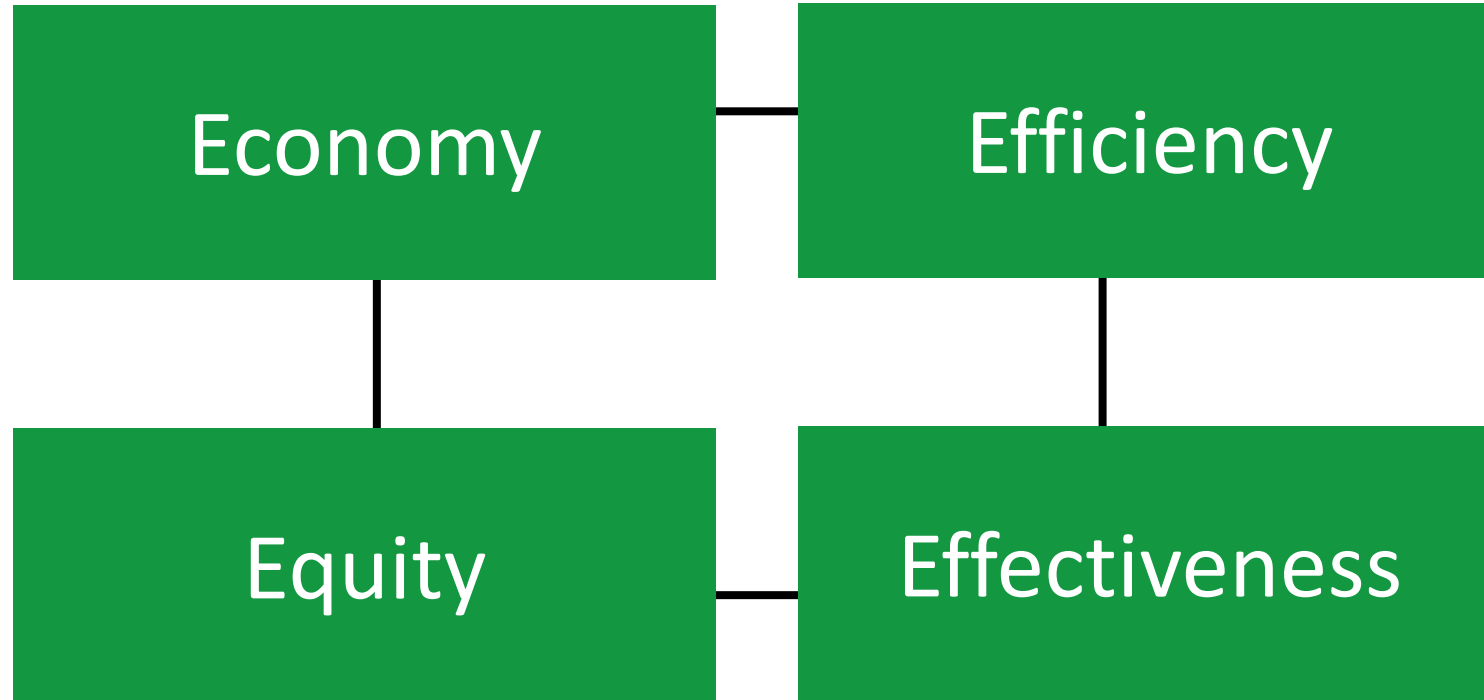
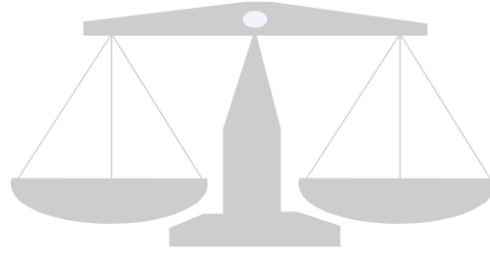
Board Approval	Policy	Largely a principles' based document, however it sets undisputable standards
	Methodology	Articulate the different concepts and gives guidance on how these terms will need to be implemented in practice



Management Approval	Operations Proc. Manual	Details the procedures including, the assessment of country systems and the various procurement methods
	Toolkit	Includes SBDs, Contract Forms, Guidance Notes, Case Studies, Sample Forms...etc.



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 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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Handling Complaints



- ✓ Central registry for complaints
- ✓ Included dedicated mail address in all Solicitation Documents
- ✓ PRC deliberations may be put on the website in redacted form
- ✓ When complaints are received under BPS, the Bank will make sure that the country process has been followed

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/>

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

Winning 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