



World Bank

Doing Business under WB Funded Projects

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Presentation Overview

- ⇒ Procurement Responsibilities and Principles
- ⇒ Selection of Consultants
- ⇒ Procurement of Goods and Works
- ⇒ Africa Strategy; Role of Private Sector
- ⇒ Sanctions
- ⇒ Tips
- ⇒ Loan Commitments
- ⇒ Sources of Information



Project Cycle: The Procurement Perspective

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Country Assistance Strategy; Country Director Responsible, with inputs from Bank Sector staff, Task Managers, Govt Ministries, NGOs, Private Sector, etc..

PROJECT IDENTIFICATION: Country Director sets up work programs with sectors/networks, choose task manager to oversee projects identified; Project Concept Note(PCN) is prepared

PROJECT PREPARATION: Borrower activity. Often needs assistance. Consultants hired to assist feasibility studies, design analysis etc. Bank provides funds for preparatory work (e.g.PPF advance). Some procurements (mainly consultants) start at this stage.

PROJECT APPRAISAL: Task manager chooses team (WB economists, sector specialist, procurement specialist, sometimes external consultants, etc.); General Procurement Notice (GPN), preparation of bidding docs may start at this stage.

LOAN NEGOTIATIONS: Agreements include procurement arrangements

**IMPLEMENTATION
COMPLETION REPORT**

PROJECT SUPERVISION: Includes Procurement Implementation Supervision, Ex-Post Reviews/Audits of contracts etc.

IMPLEMENTATION: Specific Procurement Notices (SPN), Bidding, Contract Awards etc. in full swing. Work underway.

LOAN APPROVAL, SIGNING AND EFFECTIVENESS: Presented to Board by Task Manager & Country Director; Approved by Board. Effectiveness may take a few months, **but some planned Procurement activities continue.**



Joint activity



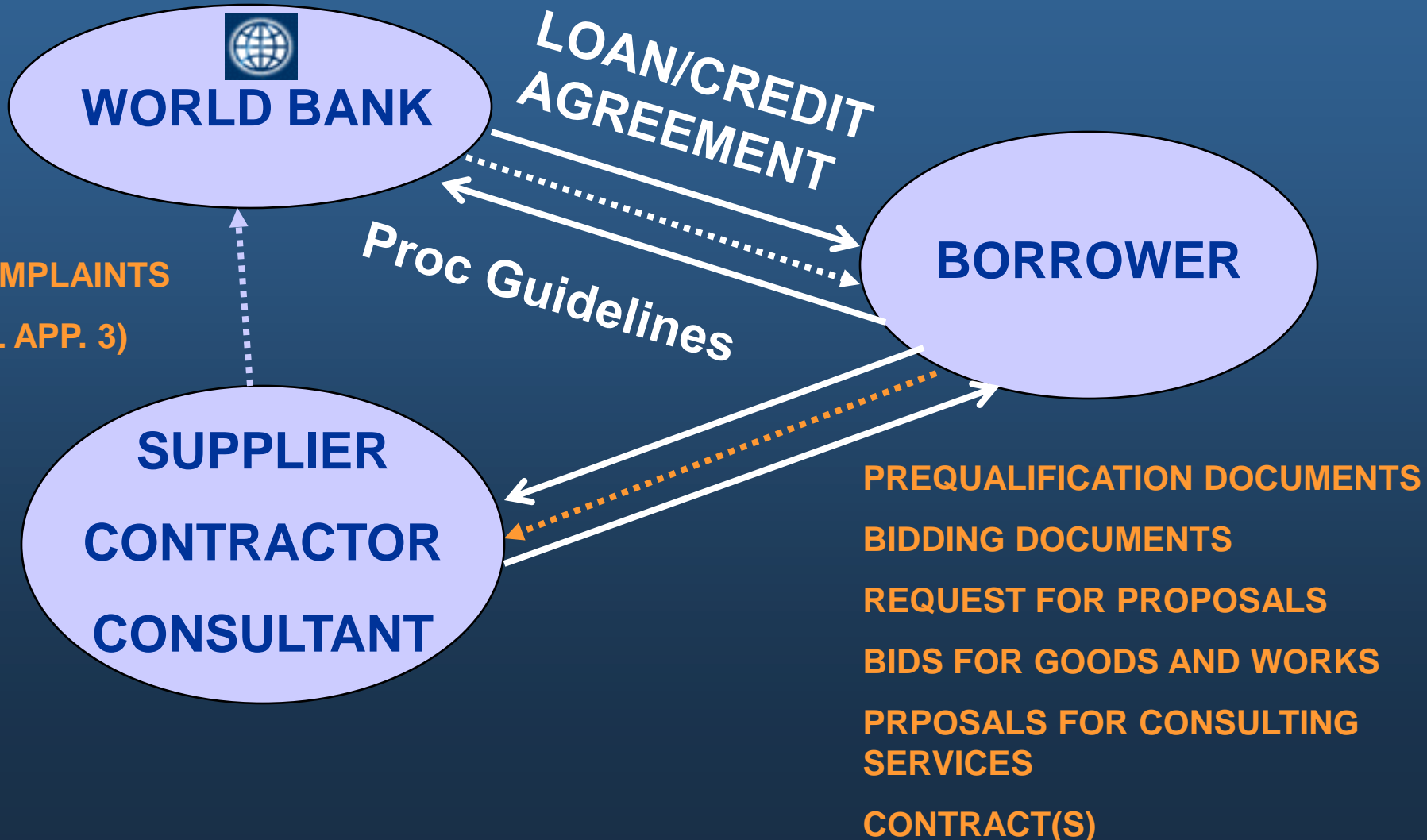
Client activity



Bank activity



ROLES IN PROCUREMENT PROCESS





THE BANK'S ROLE

- ⇒ Lend for Specific Projects
- ⇒ Appraise Projects and Assess Risk
- ⇒ Assist the Borrower
- ⇒ Provide Information on Projects
- ⇒ Monitor Compliance with Agreements



THE BORROWER'S ROLE

RESPONSIBLE FOR PROCUREMENT:

- ⇒ Prepares Procurement Plan
- ⇒ Prepares and issues Bidding Documents
- ⇒ Invites Bids
- ⇒ Receives and Evaluates Bids/proposals
- ⇒ Awards Contracts
- ⇒ Implements



BANK'S PROCUREMENT REVIEW

- ⇒ **PROCUREMENT PLAN**
- ⇒ **SCHEDULING**
- ⇒ **PRIOR REVIEW**
- ⇒ **MODIFICATIONS**
- ⇒ **POST REVIEW**



Bank's Review

Procurement Process FlowChart v6.docx

Prior Reviews Above Certain Thresholds

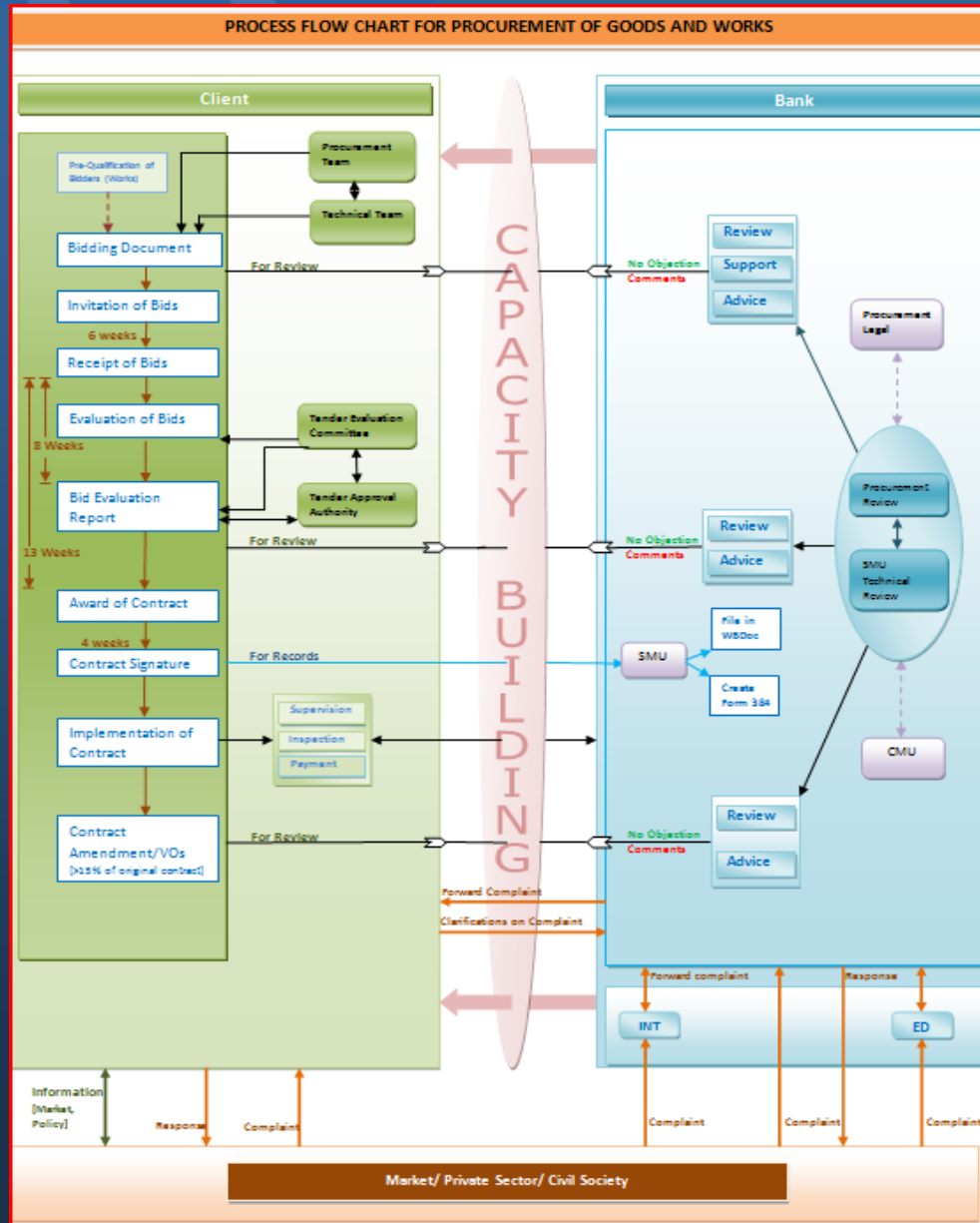
- ⇒ Example in AFR: >\$5 million for Works
 - ⇒ >\$0.5 million for Goods

Bank's Internal Thresholds Review and Clearance:

- ⇒ Operations Procurement Review Committee (OPRC):
 - >\$50 million/Works; >\$30 million/Goods; >\$15 million/Consultants
- ⇒ RPM: \$25 to \$50 million/Works; \$10 to \$30 million/Goods; \$3 to \$15 million/Consultants
- ⇒ Procurement Specialists/Proc Accredited Staff

The World Bank Group

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Role/Responsibility of World Bank Staff

Staff must maintain strict neutrality and impartiality throughout the process and are prohibited from:

Recommending to Borrowers that they use particular firms or consultants

Participating (except for the fiduciary review functions) in evaluation of bids or proposals

- World Bank staff also cannot take over any activity that is the exclusive responsibility of the Borrower



PROCUREMENT PRINCIPLES

- ⇒ Need for economy and efficiency
- ⇒ Give all eligible (qualified) bidders opportunity to compete
- ⇒ Encourage development of national industries in borrowing countries
- ⇒ Procurement process to be transparent

Procurement Guidelines

World Bank staff and Borrower use two key procurement documents to guide them throughout a project's life. These are:

Guidelines (goods & works):
*Procurement Under IBRD Loans
and IDA Credits*

Red Booklet

Guidelines (consultants):
*Selection and Employment of
Consultants by World Bank
Borrowers*

Green Booklet



The two booklets are the main source of reference for Bank staff, Borrowers, and the business community who are involved in procurement or contracting for projects financed through World Bank loans and credits



Procurement Guidelines

Goods and Works

- ⇒ **Introduction**
- ⇒ **International Competitive Bidding**
- ⇒ **Other Methods**
- ⇒ **Appendices (includes guidance to bidders)**

Consulting Services

- ⇒ **Introduction**
- ⇒ **Quality and cost-based selection**
- ⇒ **Other Methods**
- ⇒ **Appendices (includes guidance to consultants)**



SELECTION METHODS

- ⇒ Quality- and Cost-Based Selection (QCBS)
- ⇒ Quality-Based Selection (QBS)
- ⇒ Fixed Budget (FB)
- ⇒ Least Cost Selection (LCS)
- ⇒ Consultants' Qualifications (CQ)
- ⇒ Single Source Selection (SS)



Making the Shortlist

- ⇒ Begin research early in the project cycle
- ⇒ Express interest promptly, selectively
- ⇒ Expression of Interest (EOI):
 - Brief information on firm's qualifications
 - Relevant technical and regional experience
- ⇒ Identify national partner firm, consultants, where required. Check Debarred List



Preparing the Proposal

- ⇒ Pre-proposal visit , where required
- ⇒ Address the Terms of Reference (TOR) clearly, comprehensively
- ⇒ Emphasize innovative technical solutions
- ⇒ Qualified Consultants in Key Staff positions
- ⇒ Firm Provides Strong Technical Leadership



Preparing the Proposal

- ⇒ Cite directly relevant technical and regional experience
- ⇒ Involve national partner consulting firm or individual consultants, where required
- ⇒ Do not vary from standard RFP forms
- ⇒ Make sure that your proposal is carefully prepared and easy to evaluate: use charts, diagrams, color



Equipment/Civil Works

- ⇒ International competitive bidding for large contracts
- ⇒ International advertising
- ⇒ Use of English, French or Spanish
- ⇒ National Language
- ⇒ Public bid opening
- ⇒ Use of Standard Bidding Documents
- ⇒ Contract awarded to lowest priced “responsive bid”
 - Meets technical requirements
 - Documentation is prepared correctly and submitted on time



OTHER METHODS

⇒ LIB - Limited Int'l Bidding

- Direct invitation to suppliers

⇒ NCB - National Competitive Bidding

- Country's rules with some modifications if necessary

⇒ SHOPPING

- Price quotations from at least three suppliers

⇒ DIRECT CONTRACTING

- Reconstruction, spare parts, etc.



Africa Regional Strategy Role of Private Sector

- ⇒ **Governance and Public Sector Capacity: Foundation**
- ⇒ **Promotion of Private Sector as Driver of Growth**
- ⇒ **Development Problems: Corrupt and Lethargic Procurement Practices**
- ⇒ **Strengthen Citizen's Voice – Social Accountability**
- ⇒ **Private Sector to Join the Voice**



Sanctions

- ⇒ **World Bank Listing of Ineligible Firms & Individuals**
- ⇒ **Temporary Suspension** (List Bank and Borrowers/Grant Recipients)
- ⇒ **Debarment (Public List)**
- ⇒ **Cross Debarment (WB, AfDB, ADB, EBRD & IADB)**
- ⇒ **Definitions: Corrupt; Fraudulent; Collusive; Coercive and Obstructive Practices.**
- ⇒ **Bank's Right to Audit: Bidders; Suppliers; Contractors; Consultants; Sub Contractors; Sub-Consultants etc. In the BD/RFP/Contracts**



A Few Key Tips

- ⇒ Respond precisely to technical specifications.
- ⇒ Unclear? Ask up front, do NOT guess or assume.
- ⇒ Submit bid/proposals in time. Bids that are even one minute late will be rejected.
- ⇒ Bid Security
- ⇒ Assess the competition. Compete where YOU are competitive.
- ⇒ Beware of 'Double Agents'
- ⇒ Check the Debarred List ...



BIDDERS RECOURSE

(Appendix 3 of the Guidelines)

- ⇒ Address all queries or complaints to the client - the borrower
- ⇒ Copy queries/complaints to World Bank Task Team Leader
- ⇒ Write to your embassy in borrower's country or commercial attaché in Washington to expedite
- ⇒ Bidders may request a debriefing



How to Track Opportunities

⇒ World Bank website
www.worldbank.org

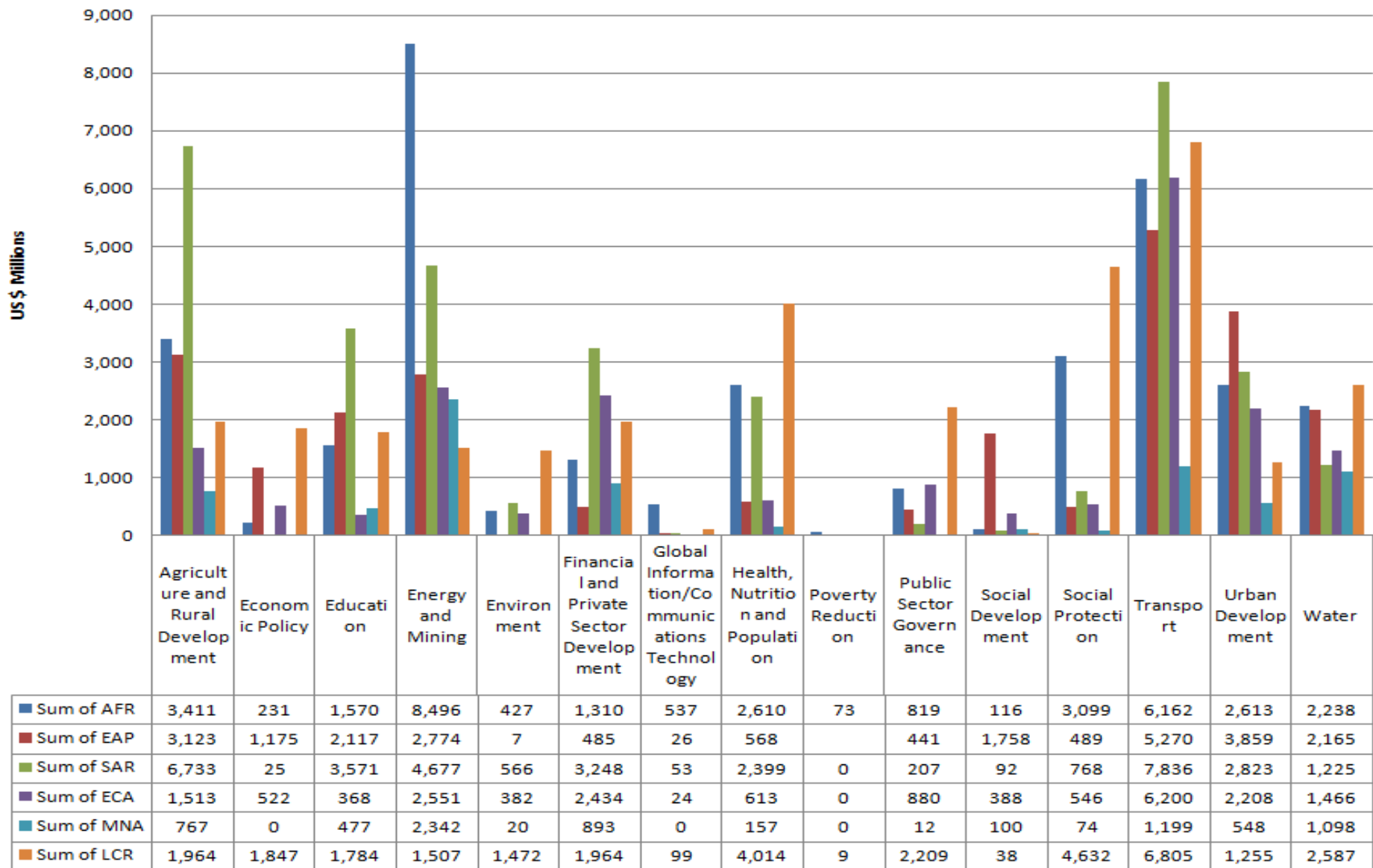
- Country Assistance Strategy
- Sector Support Strategy
- Monthly Operational Summary
- Project Information Document
- Project Appraisal Document



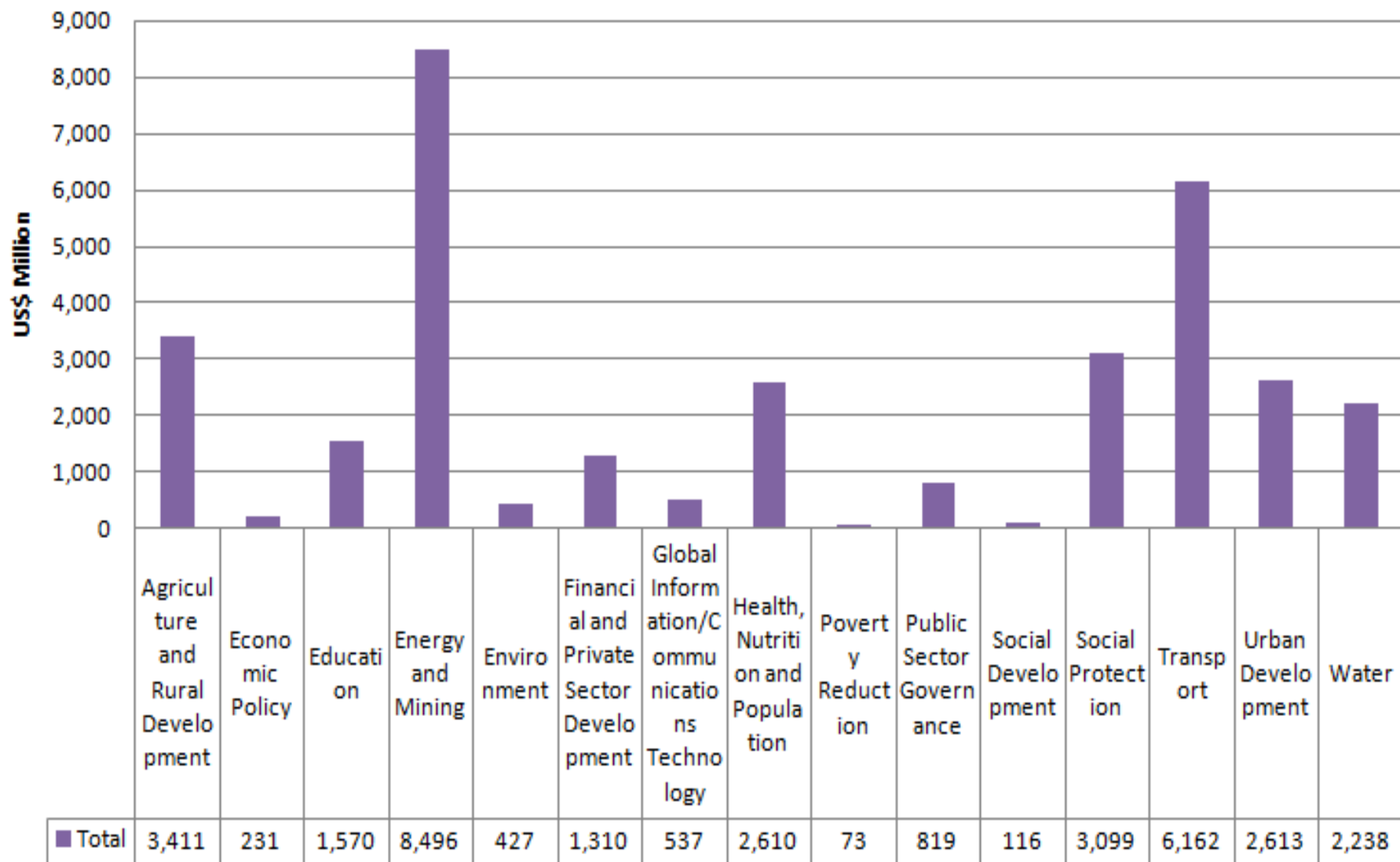
How to Track Opportunities

- ⇒ UN Development Business and dgMarket (fee-based online services)
- ⇒ www.devbusiness.com
www.dgmarket.com
- ⇒ Bank's External Website (Jan 2011 GLs)
- ⇒ General Procurement Notices
 - Requests for Expressions of Interest
 - Invitations to prequalify
 - Invitations for bids (also referred to as Specific Procurement Notices)

Investment Lending Current Net Commitments by Sector



Investment Lending Net Commitments by Sector (AFR only)





Learn more

www.worldbank.org/procure

Procurement guidelines

Standard bidding and
proposal documents

And more!








Procurement

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 [Strengthening Procurement Capacity in Developing Countries](#)

Shortcuts

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- ▶ [Consultant Guidelines](#)
- ▶ [Guide to Business Opportunities](#)
- ▶ [Eligibility for Procurement in Bank Operations](#)
- ▶ [How to Publish Procurement Notices and Contract Awards](#)
- ▶ [List of Debarred Firms](#)
- ▶ [Where to Report Fraud and Corruption](#)
- ▶ [Procurement Plans](#)
- ▶ [Summary and Detailed Borrower Procurement Reports](#)

Procurement

 Available in: [العربية](#), [Español](#), [Français](#)

The World Bank works to ensure that procurement in projects financed by the International Bank for Reconstruction and Development (IBRD) and or the International Development Association (IDA) is conducted in accordance with its Articles of Agreement. The articles require the Bank to make arrangements to ensure that loan proceeds are used only for the purposes for which the loan was granted. The articles require proper attention to be paid to economy and efficiency. Political and other non-economic influences or considerations must not influence procurement in Bank projects.

The Bank gives equal importance to supporting the management and reform of public procurement systems in borrower countries. Increasing the efficiency, fairness, and transparency of the expenditure of public resources is critical to sustainable development and the reduction of poverty.

This website contains four main topics:

- [Information for Borrowers](#)- a repository of information, documents, and guidance for government agencies responsible for implementing World Bank-financed projects.
- [Bidding/Consulting Opportunities](#)- a portal for the business community seeking to participate in business opportunities that are generated from World Bank-financed projects.
- [Public Procurement](#)- knowledge and information on public procurement systems, including [Country Procurement Assessment Reports](#).
- [Policies and Procedures](#)- a listing of World Bank

Announcements

- [Siemens - WBG Settlement Agreement](#)
- [e-Forum for Use of Procurement Country Systems](#)

Highlights

[Database of Contract Awards](#)
[Monthly Operational Summary - January 2010](#)
[Consulting Opportunities](#)



Procurement

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- ▶ [Procurement Plans](#)

Resource Guide to Consulting, Supply and Contracting Opportunities in Projects financed by the World Bank

 Available in: [Español](#), [العربية](#), [Français](#)

Each year, the World Bank lends billions of dollars to developing countries to support poverty reduction. The Bank provides loans, credits, guarantees, and technical assistance to member country governments, government agencies, or private institutions that can obtain their government's guarantee. Some of this lending comes in the form of *Development Policy Support Loans or Credits*. The proceeds of these loans are used by developing countries to mitigate the costs of wide-reaching policy reforms. *Investment loans or credits* provide financing for a wide range of activities aimed at creating the physical and social infrastructure necessary for poverty alleviation and sustainable development. Recipients of investment loans require goods, equipment, civil works and consulting services to carry out the activities under the loan/credit. Therefore, the projects supported by these loans or credits are a source of business opportunities for local and international firms/organizations.

For more information on World Bank lending policies and programs, [click here](#).

To see statistics on World Bank lending for fiscal year 2009 (July 1, 2008 to June 30, 2009), [click here](#).

Who can benefit?

Companies, academic institutions, non-governmental organizations (NGOs) and individuals from [member countries](#) of the World Bank are eligible to compete for these business opportunities. Within any given project, there can be literally hundreds of business opportunities varying in size from as little as a few thousand dollars to as large as tens of millions of dollars. How the World Bank and how borrowing countries buy or "procure" goods and services varies as well.

This guide is intended for people who would like to learn about the business opportunities that exist as part of World Bank investment loans. The guide is divided into the following sections: