

Outreach Seminar:

Business Opportunities in World Bank-Funded Projects

FY 2014

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World Bank Lending

Lending, Trends, and Project Development Cycle

Data as of Oct 2014



IBRD/IDA Lending in FY14

Fiscal Year 2014 = July 1, 2013 to June 30, 2014

339 Operations

IBRD

94 (28%)

IDA

245 (72%)

\$39.5 Billion

IBRD

\$18.2 billion (46%)

IDA

\$21.3 billion (54%)

FY13 Top Ten IBRD Borrowers

Borrower	No. of Projects	Commitments (US \$M)	Percentage of Total Amount*
Brazil	8	2,019.0	11.1%
India	16	1,975.0	10.8%
China	12	1,615.0	8.9%
Ukraine	3	1,382.0	7.6%
Romania	2	1,373.6	7.5%
Philippines	2	1,279.0	7.0%
Morocco	4	1,095.7	6.0%
Indonesia	4	1,072.4	5.9%
Colombia	3	870.0	4.8%
Tunisia	4	426.2	2.3%
*FY 14 Commitment Total		39,511.4	

Basic Lending Instruments

Investment Lending

- For goods, works, and services
- Predefined specific project
- Long-term focus (5 to 10 years)
- Broad range of sectors
- Procurement & implementation schedule defined
- 69% of all Bank lending in FY13

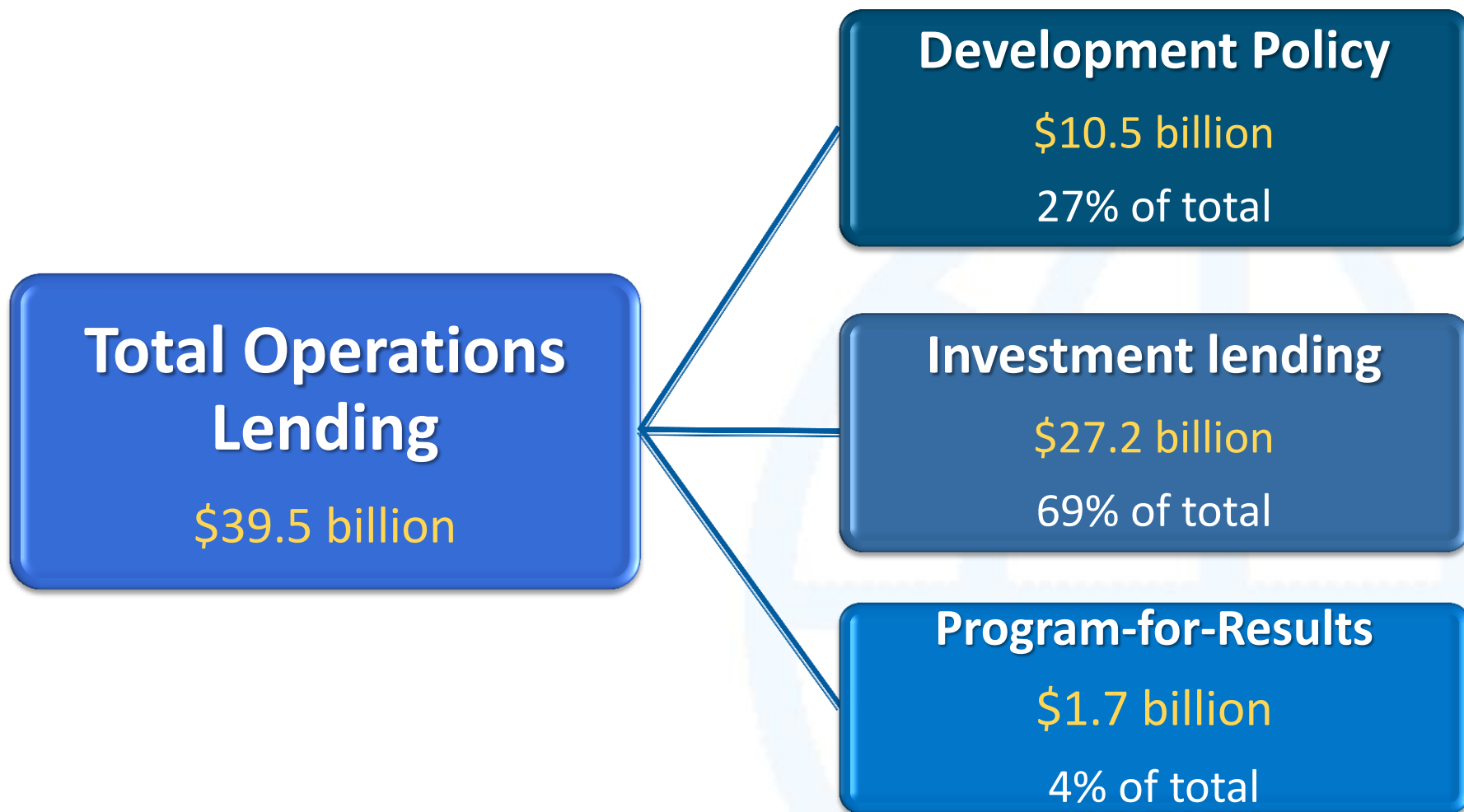
Development Policy Lending

- Support countries' policy and institutional reforms in a sector or the economy as a whole
- Short-term focus (1 to 3 years)
- Provide quick-disbursing financing
- 27% of total Bank lending in FY13

Program-for-Results

- Facilitates leveraging by financing a small part of a large government program
- Disbursements linked to results or performance indicators
- Use of country institutions to enhance partnerships
- Approved January 24, 2012 (FY12)
- 4% of all Bank lending in FY13

IBRD/IDA FY14 Lending by Lending Type

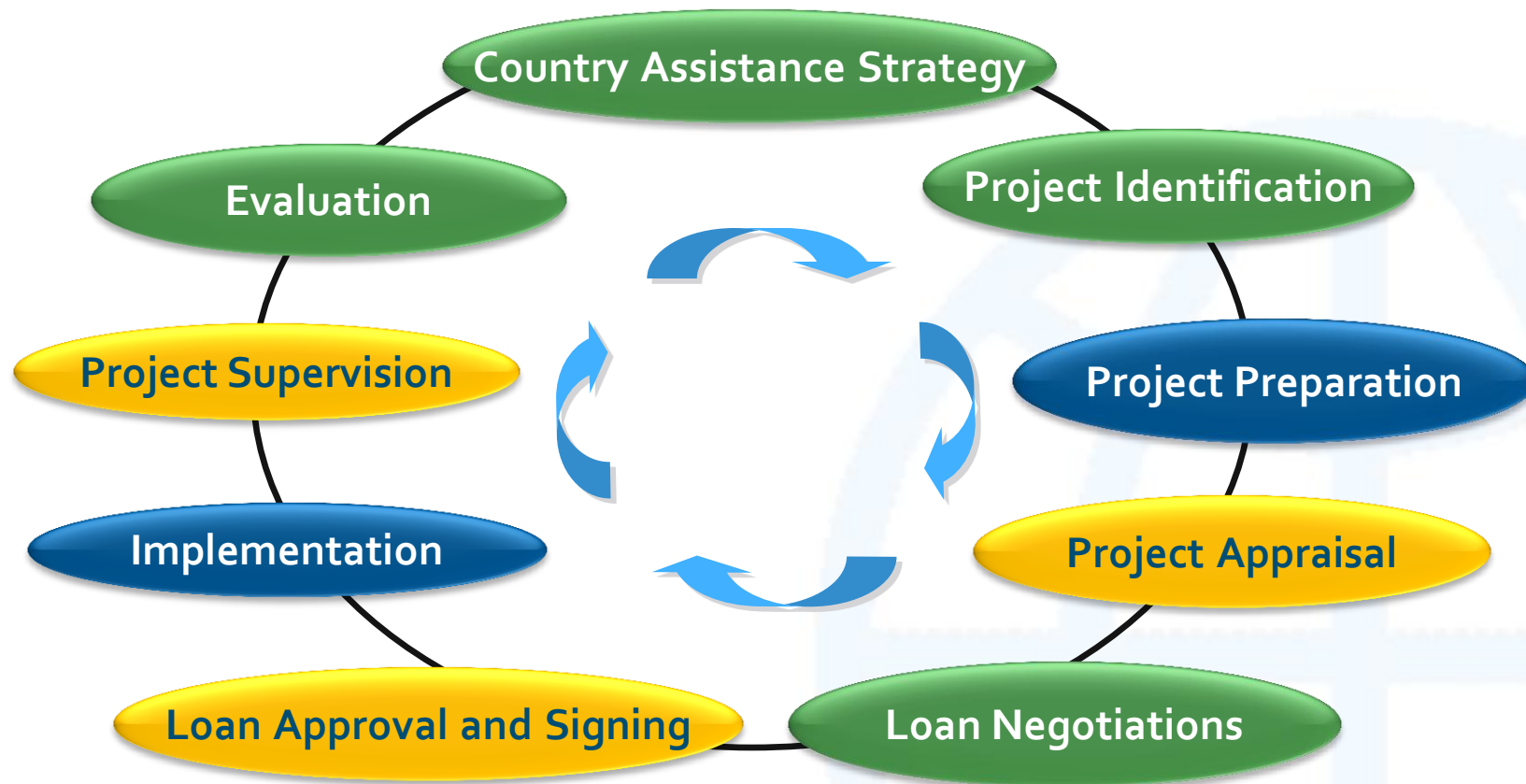


IBRD/IDA FY14

Project Volume Distribution by Region

Region	# Projects	Percentage	Amount (US\$M)	Percentage
AFR	137	40%	9,756.8	25%
EAP	56	17%	6,312.7	16%
SAR	41	12%	10,058.8	25%
ECA	43	13%	5,527.2	14%
MNA	21	6%	2,787.6	7%
LCR	41	12%	5,068.4	13%
Result	339		39,511.4	

Investment Project Cycle



Joint activity



World Bank activity



Borrower activity

Bank-Financed Procurement



Procurement in the Bank's Lending

Investment Projects/Programs

**Support to the public procurement systems'
reforms in Borrower countries**

Major Contracts Financed by the World Bank

Top Major Sectors in FY14 by Contract Amount

Transportation

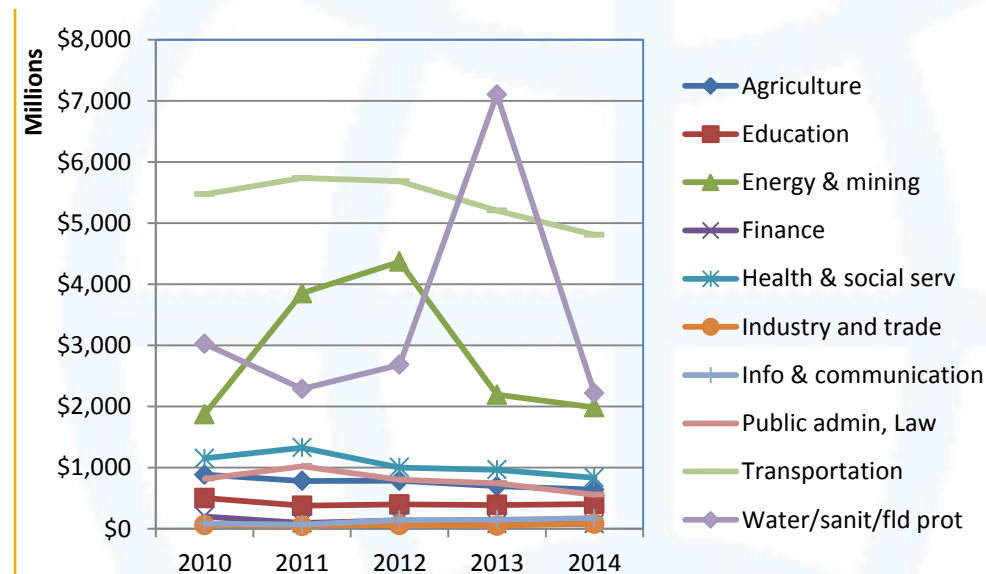
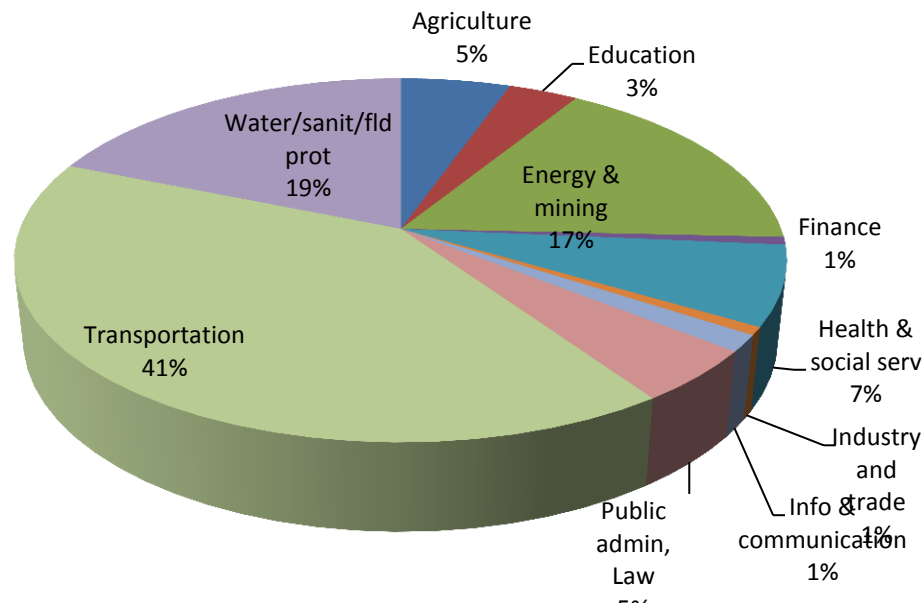
41%

Water/ Sanit/ flood

19%

Energy and Mining

17%



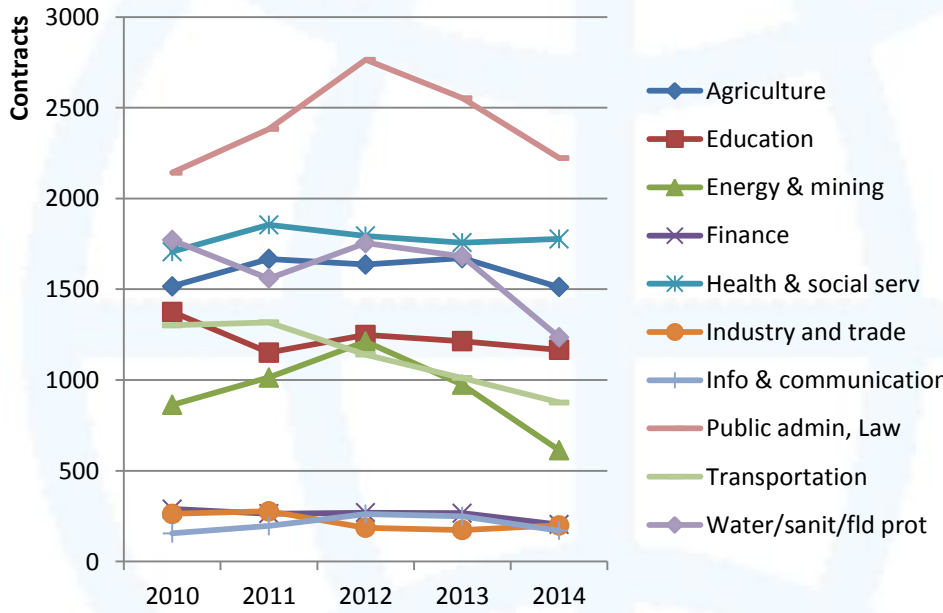
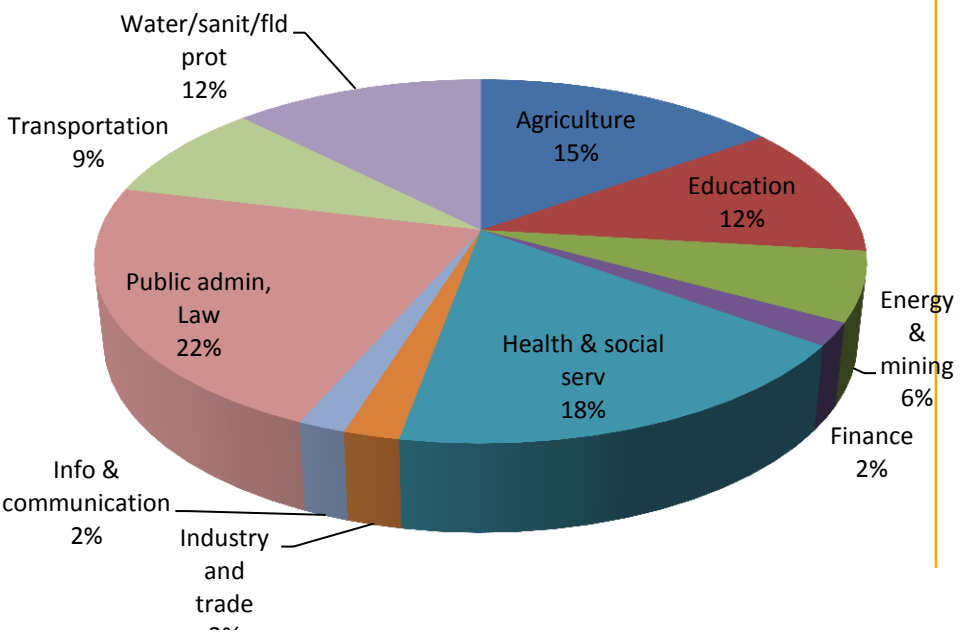
Major Contracts Financed by the World Bank

Top Major Sectors in FY14 by Number of Contracts

Public Admin & Law
2,223 (22%)

Health & Social Services
1,777 (18%)

Agriculture
1,512 (15%)



Roles in Bank-Funded Projects

Bank Role

- Identify project/program
- Appraise project/program and assess risk
- Share knowledge and information
- Supervise project/program
- Monitor compliance with Agreements

- Identify project/program
- Design, prepare and plan the project/program
- Apply for the loan/credit
- Implement project/program
- Monitor compliance with Agreements

Borrower Role

Bank's Role in Procurement

Bank's Role in Procurement

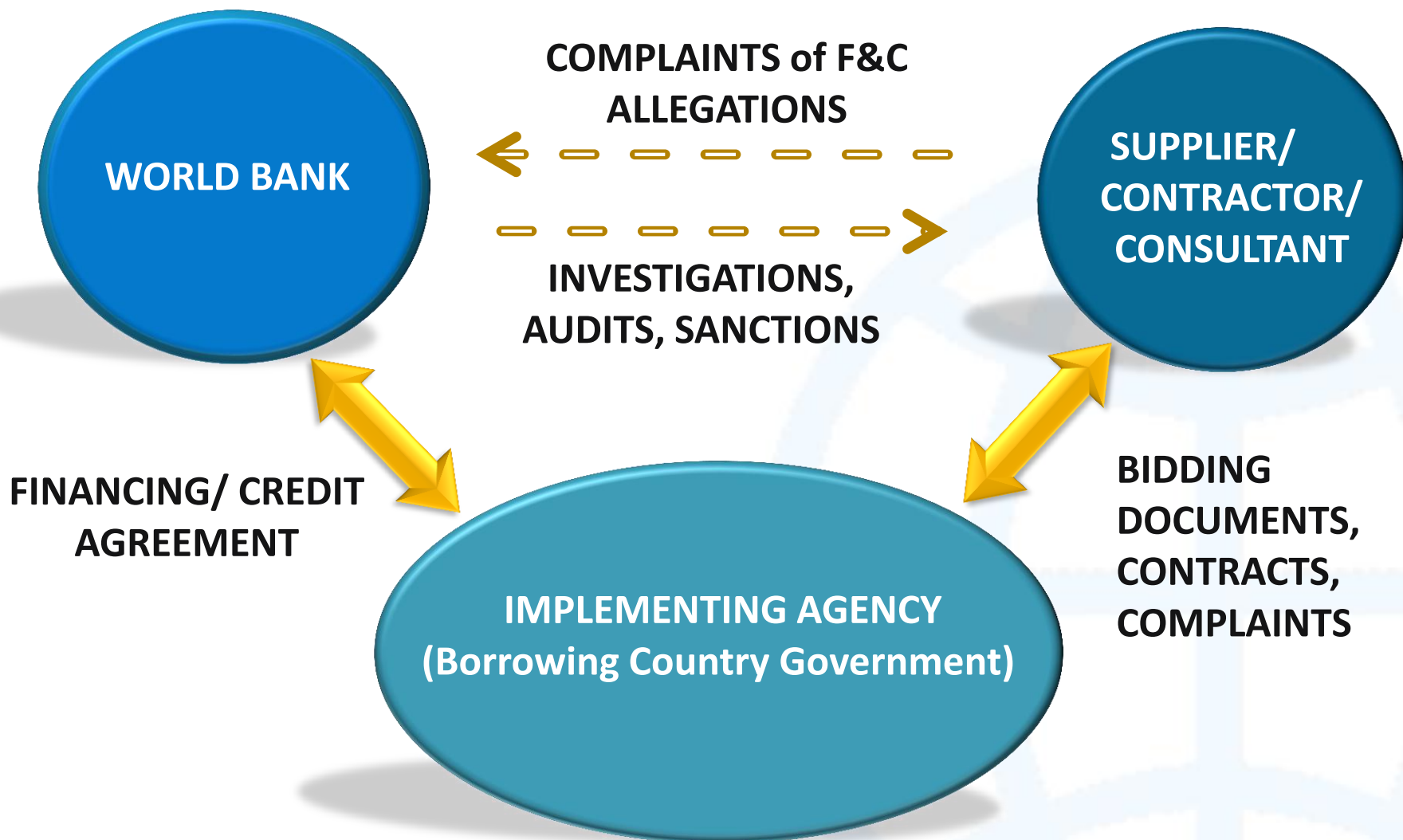
- Assess Borrower's public procurement system, procurement capacity of project implementing agency, and potential procurement risks
- Assist borrower in procurement planning
- Provide procurement training, knowledge, and best practice sharing
- Monitor compliance with financing agreement and Procurement Plan
 - Prior review, post review, independent reviews
- Investigate allegations of fraud and corruption; apply sanctions if determined as a result of investigations

Borrower's Role in Procurement

Borrower's Role in Procurement

- Prepare Procurement Plans
- Advertise upcoming bidding opportunities
- Prepare and issue bidding documents
- Receive and evaluate bids/proposals
- Award contracts
- Implement contract; pay supplier/contractors/consultants
- Monitor compliance with Loan/Credit Agreement and Procurement Plan
- Arrange for project/program audit

Contractual Relationships



Revision of the Procurement and Consultants Guidelines

January 2011,
updated in July 2014

Procurement Guidelines

Goods and Works

- I. Introduction**
- II. International Competitive Bidding**
- III. Other Methods of Procurement**
- IV. Appendices**

Consulting Services

- I. Introduction**
- II. Quality- and Cost-Based Selection**
- III. Other Methods of Selection**
- IV. Types of Contracts and Important Provisions**
- V. Selection of Individual Consultants**
- VI. Appendices**

January 2011 Revisions

2011 Revisions

- The 2011 revisions do not, in a major or material way, change the existing Bank procurement policy framework including methods and procedures.

Main Reasons for Revisions

- (1) Evolution of Policies
- (2) Harmonization Effort
- (3) Reflection on Practical Experience & Industry Trends

(1.) Evolution of Policies

Eligibility

Revised to ensure consistency with sanctions reforms and between both Guidelines.

Conflict of Interest (COI)

Used to be in Consultant Guidelines only, now in Procurement Guidelines as well. The text is also expanded to allow for a full treatment of COI.

Use of country systems (UCS)

Introduced as a new method under the Piloting Program.

Fraud and Corruption (F&C)

- Sanctions reforms are aligned: temporary and early temporary suspension, cross-debarment, and corporate cross-debarment (GSD).
- Applicable sanctions procedures in contracts with UN agencies are defined.
- Due diligence requirements before awarding contracts are clarified.
- INT contact information for reporting F&C allegations is included.

(2.) Harmonization Efforts

Harmonization Efforts

- Sanctions provisions, in particular, cross-debarment and definitions of fraud, corruption, collusion, and coercive practices are aligned with 4 MDBs:
 - African Development Bank
 - Asian Development
 - European Bank for Reconstruction and Development
 - Inter-American Development Bank.
- Provisions of harmonized master bidding documents and consultants' RFP are reflected in clarified Guidelines' clauses and terminology related to bidding process and contract terms.

(3.) Reflection on Practical Experience

Eligibility

- Government-owned enterprises: requirements on documentation to establish eligibility of such enterprises are added.
- Involvement of civil servants in Bank-financed projects is clarified.

Advertisement

- Requirements change – posting in dgMarket is no longer required, only in United Nations Development Business (www.devbusiness.com) and Bank's external website.
- Advertisement in borrower's electronic portal of free access is now an alternative to national gazette, not "in addition".
- For consulting assignments, the advertisement should include short listing criteria.

(3.) Reflection on Practical Experience

Mis-procurement

- Has been expanded to include the application of this sanction when the lowest bid/successful proposal is no longer valid as a result of prolonged and unjustified delays by the borrower.
- The Bank's right to declare mis-procurement and cancel the funds when the borrower or beneficiaries are engaged in F&C has been added.

Publication of award of contracts

- A new provision in Appendix 1 consolidates all requirements previously found in different Sections.

Post review

- Possibility of relying on independent reviews, depending on assessed risks and scope of project, is added.

(3.) Reflection on Practical Experience

PROCUREMENT GUIDELINES

Revisions of ICB provisions (Section II)

- Provided clear definition of single responsibility under turnkey contracts, and use of two-stage bidding procedures.
- Reintroduced 1995 provision on domestic preference (deleted in 2004) for single responsibility contracts.
- Specified conditions for use of national language.
- Clarified difference between performance security and retention money.
- Use of international arbitration and use of a neutral venue no more recommended but required.
- Simplified electronic bid opening procedure .
- Clarified procedure for rejection of all bids (to prevent outright rejection).
- Clarified process of evaluation of prices for three groups of goods and price adjustment procedure.

(3.) Reflection on Practical Experience

PROCUREMENT GUIDELINES

Revisions to Non-ICB Methods (Section III)

- **NCB (para 3.3-3.4):**
 - Comparison of all bids and award on the basis of the total cost at destination (including all taxes and duties).
 - Borrowers to have an independent protest mechanism.
 - Participation of foreign firms is on the same terms as national bidders.
 - Borrower's debarments can be recognized.
- **Shopping (3.5):**
 - Threshold for Goods remains \$100,000, for Works is now \$200,000.
 - If a Borrower obtains less than 3 quotations, "No Objection" is required to proceed.
 - Requirement to obtain 3 quotations is clarified – should be from qualified firms.

(3.) Reflection on Practical Experience

PROCUREMENT GUIDELINES

Revisions to Non-ICB Methods (Section III) (cont.)

- **Direct Contracting (DC) (3.7-3.8):**
 - Natural disasters and emergency situations declared by the Borrower shall be recognized by the Bank as such to use it as a justification for DC.
 - Procurement from UN agencies in case of natural disasters and emergencies.
- **Procurement under PPP, concessions:**
 - Procurement procedures and options for selecting a concessionaire/ entrepreneur have been clarified.
 - A provision covering treatment of exceptional cases has been added.

Framework Agreements (3.6)

- Introduced as an alternative method to NCB and Shopping.

Procurement of Consulting Services



Scope of Business Opportunities for Consultants in World Bank Projects

Study, design, supervision of Projects

Technical assistance

Institutional strengthening

Consultant Selection

Basic Principles

- Economy and Efficiency
- Fair Selection Process
- Development of national consultants' industry
- Transparency

- Public advertisement of large assignments
- Standard Request for Proposals and contract forms
- Different selection methods are specified in the financing agreement

Bank Guidelines

Selection Methods

- **Quality- and Cost-Based Selection** **QCBS**
- **Quality-Based Selection** **QBS**
- **Fixed Budget** **FBS**
- **Least Cost Selection** **LCS**
- **Consultants' Qualifications** **CQS**
- **Single Source Selection** **SSS**

Borrower's Role

Borrower's Role in Consultant Selection

- Short lists, invites, and selects
- Negotiates and contracts
- Manages the contracts and makes payments

Short List

Short List

- Six firms with a wide geographic spread.
- No more than two from any one country.
- At least one firm from a developing country unless no qualified one is identified.
- Shortlist may comprise all national firms for smaller contracts under thresholds set by the Bank.
- All short listed firms must be qualified.
- The shortlist should comprise consultants of the same category – if it is mixed, the selection method should be QBS or CQS.

Consultants' Strategy

1

Target assignments based on regional experience and technical qualifications

2

Obtain background information on project:

Country Assistance Strategy (CAS)

Sector Strategies

Project Appraisal Document (PAD)

Project Information Document (PID)

3

Understand roles of Borrower and Bank

4

Target marketing at appropriate time

Making the Short List

Making the Short List

- Identify national partner firm, sub-consultants.
- Monitor advertisements systematically.
- Express interest promptly, selectively.
- Expression of Interest (EOI):
 - Brief information on firm's qualifications
 - Relevant technical and regional experience
 - Reference to previous similar assignments.

Preparing the Proposal

Preparation Steps (Part 1)

- Conduct a pre-proposal visit (if indicated in RFP).
- Fully address the Terms of Reference (TOR).
- Emphasize innovative methodology.
- Offer qualified consultants or key expert staff positions.
- Assign a strong project manager.

Preparing the Proposal

Preparation Steps (Part 2)

- Cite directly relevant technical and regional experience and prior experience with similar assignments.
- Involve national partner consulting firm or individual consultants.
- Avoid deviation from standard RFP forms.
- Pay attention to presentation by using charts, diagrams, color, etc. where possible.

Procurement of Goods, Works, & Services



International Competitive Bidding (ICB)

International advertising

www.devbusiness.com
and www.worldbank.org

Standard Bidding Documents

www.worldbank.org/procure

Public bid opening

**Evaluation and comparison
of bids**

International Competitive Bidding (ICB)

**Contract awarded to lowest evaluated
“responsive bid”**

Publication of the award of contract

Domestic Preferences under ICB Appendix 2

ICB - Payment Conditions

Exchange rate fixed

Price adjustment

No financing requirement

Letters of Credit

Direct payment

Advance payments

Other Methods

Limited International Bidding (LIB)

Direct invitation to suppliers

National Competitive Bidding (NCB)

Country's rules with some modifications if necessary

Shopping

Price quotations from at least three suppliers

Direct Contracting

Reconstruction, spare parts, etc.

Other Methods

Force Account

Use of the Borrower's own personnel and equipment

Performance-Based Procurement

Payments made for measured outputs

Community Participation in Procurement

For project sustainability or specific social objectives

Basic Actions to Ensure Competitiveness

- Be informed about the country, project, processes, and competition
- Identify local partners and possible associations
- Understand local customs, laws, markets
- Respond adequately to technical specifications
- Submit timely and high-quality bid/proposals
- Contact the Implementing Agency to address any need for clarifications or other concerns

The World Bank Group

IBRD IDA IFC MIGA ICSID

Business Opportunities



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](#)
- [Contract Awards](#)
- [United Nations Development Business](#)
- [REOI](#) for consultants hired by World Bank

Learn More

Procurement website

www.worldbank.org/procure

- Procurement & Consultants Guidelines
- Standard Bidding and Proposal Documents
- Guide to Business Opportunities
- Other

Anti-Corruption Information

Anti-Corruption Guidelines

- [Guidelines on Preventing and Combating Fraud and Corruption in Projects](#)
- [Guidelines on Preventing and Combating Fraud and Corruption in Programs for Results](#)

Debarment List

- Procurement Website > [List of Debarred Firms](#)
(left side of page)

Guidance to Bidders/Consultants

Appendix 3 of the Guidelines

Bidder's Role

- Address all queries or complaints to the client (the Borrower)
- Send copies of communications to the Bank or write to the Bank directly when borrowers do not respond promptly, or if the communication is a complaint against the Borrower.
- Address to World Bank Task Team Leader, copy to Country Director and Regional Procurement Manager
- Bidders may request a debriefing

Thank You

Questions and Answers Session

