

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > [PSLO\\_Tribune\\_home](#)

*"The World Bank has been in continuous contact for many years with thousands of intermediary organizations worldwide. This time, with the Private Sector Liaison Officer (PSLO) Network we are in constant dialogue with faces, with people who will be able to tell us what we have to do to perform our core mission of poverty alleviation better."*

**James D. Wolfensohn, President of the World Bank.**

## ▼ Issue no. 2, April 2004

- ▶ **Canada, First Step towards the Globalization of Enterprise Outreach Services (EOS)**  
Ian Goldin, Vice President of External Affairs, Communications and United Nations Affairs (EXT) ●●●●
- ▶ **From Strategic Communication to Capacity Enhancement**  
Gilles Garcia, Enterprise Outreach Services manager ●●●●
- ▶ **Patricia Veevers-Carter new MIGA Contact Point in Europe for PSLOs**  
Patricia Veevers-Carter, MIGA's Representative in Europe ●●●●
- ▶ **Towards one Common Set of Investment Climate Indicators?**  
Michael Klein, Vice-president of the Private Sector Development (PSD) Network at the World Bank and Chief economist of the International Finance Corporation (IFC) ●●●●
- ▶ **PSLOs can play a crucial role in fighting HIV/AIDS**  
Debrework Zewdie, Director of the World Bank's Global HIV/AIDS program ●●●●
- ▶ **Cancun, the Doha Agenda, and the PSLOs**  
Richard Newfarmer, Economic Advisor in the World Bank's Trade Department and Development Prospects Group ●●●●
- ▶ **The Role of PSLOs in World Bank Carbon Finance Business**  
Veronique Bishop, Lead Infrastructure Specialist in the World Bank's Carbon Finance Business ●●●●
- ▶ **European Infrastructure Companies, Innovative PPP and the PSLOs**  
Jamal Saghir, Director of the World Bank's Energy and Water Department ●●●●
- ▶ **The New Frontiers of Procurement**  
Nadjib Sefta, Regional Procurement Advisor for MENA ●●●●
- ▶ **Global Development Learning Network (GDLN) can Add Value to PSLO work**  
Laurent Porte, Program Officer, GDLN services, WBI ●●●●
- ▶ **The PSLO Network in Europe** ●●●●
- ▶ **The PSLO Network in Canada** ●●●●

The PSLO Tribune is prepared by staff of the Enterprise Outreach Services desk of the World Bank Vice Presidency for Europe.

For more information, go to [www.worldbank.org/business-europe](http://www.worldbank.org/business-europe).

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# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > **PSLO Tribune 2 - Canada, First Step towards the Globalization of Enterprise Outreach Services (EOS)**

## Canada, First Step towards the Globalization of Enterprise Outreach Services (EOS)



I am very pleased with the inaugural meeting of our Canadian Private Sector Liaison Officers (PSLOs) network, which took place in our Washington offices on March 11 and 12. I would like to thank Executive Director Marcel Masse and François Pagé, the private sector advisor in the Executive Director's office, for their continuous support of our External Affairs team responsible for Canada, which comprises Lester Dally and Christiane West, who also helped make this inaugural meeting happen.

Seven PSLOs from British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec and New Brunswick, supported by representatives from the Department of International Trade and the Canadian Embassy, gathered in Washington for the first PSLO training and information sessions for Canada. The meetings, which were a combination of practical sessions and policy discussions, had the underlying theme, "how Canadian companies eager to engage in developing countries can better take advantage of the business opportunities offered by the World Bank Group."

The Canadian PSLO network aims to help the Bank Group get closer to companies in Canada, while at the same time fostering more interest by Canadian companies in developing countries. This new network will benefit from the five years of experience accumulated by the 19 European PSLOs already operating in 17 countries across Europe. I am convinced that fruitful synergies between these two networks will be a source of new ideas that will help the Bank Group better carry out our core mission of poverty reduction.

I am a strong supporter of the PSLO network, which is part of a global Enterprise Outreach Services (EOS) concept launched by our European External Affairs colleagues. The network's fast expansion will not only serve the needs of the European, Canadian and other local private sectors but will ultimately contribute to unleashing the potential of the private sector to spur economic growth and development in developing countries.

Today, there is a wide consensus that the private sector is an essential partner in development. Without the private sector, economic growth is stagnant and thus impacts the capacity for poverty reduction in developing countries. The Bank has a responsibility to ensure that the private sector actively participates in the development agenda by investing in developing countries.

These new PSLOs based in strong Canadian intermediary organizations will benefit from their close contacts with both the Bank Group and their local business community. This will enable the Bank Group to help engage Canadian companies more effectively in developing

countries by strengthening trade relations and bringing foreign direct investment where it is most needed; by engaging them on global issues of interest to the development community; and finally, by making sure that all Canadian companies wanting to work with the World Bank Group are provided with equal opportunities to access our products and services.

The addition of seven PSLOs from Canada raises the total number of PSLOs worldwide to 26. The next step will be to launch PSLO networks in developing countries to facilitate interaction between developed and developing countries leading to mutually beneficial economic growth. Promising prospects exist for a swift expansion of the PSLO network in India. Other countries such as Brazil, South Africa, China or Russia should follow.

I would like to extend a welcome and my best wishes to the new PSLOs from Canada. I would also like to thank my European colleagues, Jean-François Rischard, for his initiative in launching the network, and Gilles Garcia, who is managing the network, for his efforts to make this a truly global undertaking. Within a year or two, we can expect to see an enhanced network of dedicated World Bank Group business spokespersons covering the world.



# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > PSLO Tribune 2 - From Strategic Communication to Capacity Enhancement

## From Strategic Communication to Capacity Enhancement



*Gilles Garcia, World Bank Enterprise Outreach manager in Europe, the "coach" of the PSLO network, share views, prospects and challenges on EOS Globalization.*

***The first issue of the PSLO Tribune was launched in November 2003. What do you want to highlight in this second issue?***

The first thing I want to highlight, with Ian Goldin's opening statement, is the Bank's decision to globalize our European based Enterprise Outreach Services (EOS) activities. This has led us, after wide consultations within the Bank and with [our PSLOs](#), to revisit the EOS business model and define a globalization strategy. The first step of this globalization strategy was actually taken in early March in Washington with the training of our newly founded Canadian PSLO network. Other PSLO networks should emerge now in developing countries too, like in India and possibly Brazil soon.

The second thing I want to highlight, with the interviews of Michael Klein, Richard Newfarmer, Jamal Saghir, Debrework Zewdie and Véronique Bishop, is the importance of better engaging the European private sector on global issues of strategic importance to developing countries like [Investment climate](#), [Trade](#), [Public-Private Partnership](#), [HIV/AIDS](#) or [Global warming](#) and the role the European PSLOs can play in facilitating this engagement.

Finally I want to highlight, with the interview of Laurent Porte, the importance of new technologies like [GDLN](#) and e-learning to "scale up" our [Enterprise Outreach Services in Europe](#) and outside Europe.

***Precisely, it took you five years to establish the PSLO network in Europe. You are now expanding the network to Canada and soon India but how much time will it take for EOS to become really global?***

The answer to your question depends on our ability to train the PSLOs who are joining us; honestly, I, for the first time, now completely understand what Jim Wolfensohn means when he talks about "scaling up".

The way we have trained our European PSLOs over the past five years has been a bit of a luxury, with yearly sessions organized in Europe, Washington or in field offices. These excellent 10 to 15 [training seminars](#) offered to the PSLOs in recent years - the [last one](#) in Washington in November 2003 - were tremendously important. These seminars are the core of what the Bank needs to offer the PSLO network in order to make it work

efficiently. However, the needs today are such that with networks emerging in Canada, India and soon worldwide, we will need to make much wider use of IT technologies such as the GDLN or e-learning.



With that perspective in mind, we recently had discussions with the [World Bank Institute](#) (WBI) and the [Trust Fund](#) department about the feasibility of a new trust fund dedicated to capacity building programs designed for PSLOs. This idea emerged from the last Trust Fund Donors Conference which was held in Paris on March 15th and 16th. The donors contemplated the possibility of using the PSLO network more systematically as a complement to the [Consultant Trust Funds](#) (CTF) in order to provide consultants with a better access to business opportunities.

***To what extent do European PSLOs support this globalization process? Aren't they worried to see some kind of a privileged relation to the Bank being mainstreamed?***

If the PSLOs were reducing their collaboration with the World Bank to how much [procurement contracts](#) their domestic industry get, they would have reasons to be worried. However this is not the case. Our network is much more sophisticated and plays an increasing role both in shaping the Bank private sector dialogue in Europe and in bringing more trade and FDI where it is most needed.'

PSLOs themselves are and will play a key role in the globalization process by transferring their best practices as it is in their interest to expand the network and to potentially benefit from colleagues from all around the world who will share the same values and development objectives.

Mike Timmermans, our PSLO for the Netherlands, for example, is now conducting exploratory discussions in Poland on behalf of the Bank to establish a PSLO in Warsaw. Mike is also working at organizing a European Investors' mission to Afghanistan in the fall as a follow up of our [Afghanistan European Investment Forum](#) which took place in Berlin end of March.

Rasoul Mikkelsen, our Danish PSLO, is very involved in the discussions on CTF reforms and also in linking the European PSLO network to the [Asian Development Bank](#).

These activities really bring values to the work of the PSLOs who can only benefit from an extension of the PSLO network.

At the same time, the interview with Nadjib Sefta on the Bank's new procurement guidelines shows that the Bank does not underestimate the importance of procurement in its relation with the PSLOs.

***Shouldn't the PSLOs also aim at "scaling up" their enterprise outreach activities to***

### ***have a better impact on the ground?***



You are definitely right and let me just give you the example of Frédéric Szabo, our PSLO based in Morocco.

Frédéric is struggling to start off two very ambitious capacity building programs, one for the Chambers of Commerce, Industry and Services , and the other for the Regional Investment Centers in Morocco. I do hope he will succeed so we can use Morocco as a pilot to develop a set of programs for capacity building of business intermediary organizations throughout the Mediterranean. The WBI could market these programs in the [Middle East and North Africa](#) (MENA) region from the Marseille GDLN hub with appropriate regional financing.

This is definitely the way to go and I am also very pleased that, thanks to Audbjorg Halldorsdottir, our PSLO for Iceland, discussions are now coming into an active stage for the establishment of a GDLN studio in Iceland.

### ***We can see the opportunity for the Bank to get closer to the private sector worldwide with the PSLOs. But don't you also see risks in this expansion?***

The globalization of EOS is on a "franchise" basis. The concept was developed in Europe and has a five-year proven track record. We are now transferring our knowledge to the country directors interested in applying the concept in their country. They have to be aware that managing PSLOs require resources and a hands on management approach from the local WB office. If we don't dedicate the necessary resources to a close monitoring and coaching of the PSLOs, who are actually doing outreach activities on behalf on the Bank, we may be confronted at some point with reputation risks. Like any franchise, the human element is crucial and our ability to dedicate resources to support our network and the people in it is essential.

### ***Any plan to develop a European version of our most successful Development Marketplace (DM)?***

We have discussed with the [Development Marketplace](#) (DM) team in Washington the possibility of launching a European DM, with a regional or sector based focus, or a combination of both, to help, for example, promote the Knowledge economy in Accession countries or Youth Entrepreneurship in MENA. The feasibility of such a challenging project depends on the capacity of the Bank in Europe and the PSLOs to mobilize financing.

No doubt that DM, which was described in November 2002 by the Harvard Business Review (HBR) as an "entrepreneurial approach to the challenge of reducing global poverty," fits with Europe's aspirations.

The DM track record is very impressive. Since 1988, the World Bank has organized three global DMs awarding around US\$22 million to over 370 projects in more than 50 countries. The most recent DM took place in December 2003 when 47 winning projects shared US \$6.5 million, the highest ever DM award pool. While DM remains largely funded by the World Bank, we have seen increasingly more participation by organizations outside the Bank as financial partners.



For example, all of the [Country-level Marketplaces](#) that were held last year and which will

be held this year were financially supported by organizations such as [UNDP](#), [USAID](#), [Soros Foundation](#), and others. Some DM partners are also private companies such as [Union Fenosa](#) (Guatemala), [Mercedes Benz](#) (Vietnam), [Microsoft](#) (India), and [Cisco Systems](#) (Thailand).

In addition the last Global Competition itself had a number of non-World Bank funding sources; roughly one-quarter of the award pool came from external organizations.

Before we decide to go ahead with a European DM we need to assess with our teams in Europe, including the PSLOs, the possibility of raising such funds.

### ***How often will you publish this PSLO Tribune?***

As often as it is needed to better highlight the work of our PSLOs and better highlight how WBG staff is making use of this wonderful network.

Our first PSLO Tribune focused on the PSLOs themselves and their activities and collaboration with the World Bank Group. The purpose was to market their services to WBG teams eager to get closer to the European business community.

This second issue focuses on WBG programs and most recent priorities. In this issue, WBG experts share knowledge and expectations with the PSLOs.

We would like the next issue to focus on the impact PSLOs can have on the ground in one of our client countries. There are currently two country offices interested in hosting a PSLO field mission: [Yemen](#) and [Madagascar](#). We will decide in the coming months in which country the PSLOs, together with international investors, should go first.

In the next issue of the PSLO Tribune, we will also report on our 2nd Annual World Bank CEO Forum on Development, which will be chaired by President Wolfensohn in Luxembourg on May 14. Building on the 2003 Forum, which looked at the role of business beyond its traditional boundaries and the fight against corruption, this second CEO Forum will focus on three global issues-trade, investment climate and HIV/AIDS- which require urgent action from business leaders.



# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > PSLO Tribune 2 - Patricia Veevers-Carter new MIGA Contact Point in Europe for PSLOs

## Patricia Veevers-Carter new MIGA Contact Point in Europe for PSLOs



Since January 2004, **Patricia Veevers-Carter**, a Dutch national, is based in Paris as MIGA's Representative in Europe. Prior to her move, Patricia was based in Washington DC as MIGA's manager for infrastructure, oil, gas and mining. Patricia has worked for several international finance institutions, including the Inter-American Development Bank (IDB), where she developed IDB's guarantees products, as well as FMO, the Dutch development bank. Patricia started her career in development finance at UNDP in New York and UNCDF in Yemen. She is qualified as a chartered accountant with KPMG, London, and is a graduate of the London School of Economics.

### ***As a new Representative of MIGA in Europe what are your priorities?***

Having joined the Paris Office in January 2004 as [MIGA's](#) Representative in Europe, as well as Regional Manager for Europe and Central Asia (ECA), my main priorities are to act as facilitator for investors based in Europe who may be interested in a MIGA guarantee for their investment in any emerging market, as well as identify and manage the underwriting of investment projects in ECA. Given that MIGA currently has a heavy concentration of financial sector projects in ECA, I will be particularly focusing on outreach activities to non-financial sector companies.

### ***You were already quite familiar with our European PSLO network before moving to Europe, what do you expect from them? When should they ask support from you and when from Corporate communication at HQ?***

I would like the PSLO network to focus on the manufacturing sector, as there are so many players, large and small, and MIGA has relatively few staff to conduct an effective outreach program. The PSLOs would be an invaluable partner for MIGA to make more manufacturers aware of [MIGA's guarantee facilities](#) for their investments in emerging markets. PSLOs are welcome to contact me directly when there is an investor who seems very interested in a MIGA guarantee, and needs immediate follow-up.



For example, last week, a Danish company identified by PSLO Rasoul Mikkelsen contacted me directly, and we are already at the Definitive Application stage for a power project in Africa! For more general inquiries, it is best to contact Frederica Dal Bono at Headquarters in Washington DC.

***PSLOs are very SME oriented. Could you tell us about two initiatives of interest to them: the "over the counter" kind of guarantees for small projects recently approved by the Board and the new facility for the Balkans?***



On March 4, MIGA's Board of Directors approved the Small Investment Program (SIP) to assist Small and Medium Investors (SMIs) access MIGA's guarantee services. SMIs are increasingly active in making cross-border investments, but they frequently lack sufficient access to finance, political risk insurance and other financial services. The initial SIP size is US\$150 million, for a period of 3 years. The SIP will offer a process that is adapted to the needs of SMIs, such as a single application, a standardized PRI package consisting of Transfer Restriction, Expropriation and War and Civil Disturbance, and a plain-vanilla contract, based on MIGA's new contract of guarantee. The maximum amount of guarantee is US\$5 million. There is no minimum amount. Please note, however, that SIP is not yet active, and we will let you know and give you training as soon as SIP comes on-line.

MIGA's Investment Marketing Department and the Austrian Government recently established the [European Investor Outreach Facility](#), based in Vienna. This facility will serve as a platform for the beneficiary countries (Serbia and Montenegro, Bosnia and Herzegovina, Albania, FYR Macedonia and Croatia) to strengthen their outreach efforts towards Western European investors. A set of focused investor outreach programs will be designed and implemented, in close cooperation with investment promotion intermediaries in the beneficiary countries.

To read **MIGA News**, [click here](#).

To read the **Annual Report 2003**, [click here](#).

To read more about **MIGA's Investment Marketing Services**, [click here](#).

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > **PSLO Tribune 2 - Towards one Common Set of Investment Climate Indicators?**

## Towards one Common Set of Investment Climate Indicators?



*The vice-president of the Private Sector Development (PSD) Network at the World Bank and Chief Economist of the International Finance Corporation (IFC), **Michael Klein**, positions the "Doing Business 2004" report on the World Bank Group's policy reform agenda. The report was successfully launched in Europe with the support of the European PSLOs and the Country Counselors.*

***The two pillars of the World Bank's poverty reduction strategy are investment climate to generate growth and social inclusion to make sure growth benefits all.***

***What is the specific value added of PSD in this context?***

The development debate in the 1980s and 90s was dominated by the big macroeconomic issues: stability, opening up economies to trade and investment, and the systemic transformation of the former Soviet states into free market economies.

In broad terms, what has been the outcome of this macroeconomic agenda? China and India are moving forward rapidly, but Latin America and Africa are not moving ahead, prompting people to ask what's happening here.

There are two views of the problems in Africa and Latin America. First, that traditional economic reforms don't work, and that instead we need something new, a remodeling of industrial policy. The second view, in contrast, says that we need to take a much closer look at what is happening in stagnant economies before we conclude that the reform agenda does not work. That is what we in PSD have been doing.

When we take a detailed look at the business environment in these regions, we are discovering that the details matter a lot: the difficulties involved in starting, running, growing and closing a business in many countries help explain why they have not done well. In PSD, we are putting together the data that makes this argument stronger. It isn't the only thing PSD does, but it informs a lot of our other work.

***What is the impact of business climate surveys on reforms and the work of the WBG/IFC on the ground?***

The detailed data by the [Investment Climate Assessments](#) (ICA) and the [Doing Business](#) report have helped to trigger reforms in more than 20 countries, not necessarily earth-shattering but nevertheless important reforms. Because the information we gather is hugely detailed, we have the ability to link it to underlying laws, which helps both design

reforms and make the case for them to happen.

The idea is not just to do good diagnostics, but to move to implementation of reforms. We now have 28 lending operations shaped by the work of the ICA. We also have prepared investment climate analyses that could underpin policy-based projects and traditional bank lending products in 40 countries – over and above the 28. Whether we issue the loans or not depends on other matters, but we have laid the groundwork.

Finally, we are supporting reform processes in countries, and we have helped instigate several business-government dialogues. Staff from the Bank and IFC are working on advocacy roles of business associations, establishing business forums and creating open conversations between governments and business that put difficult issues on the table. We have seen this lead to candid discussions in countries such as Vietnam, Senegal, Tanzania, Ghana and Cambodia. These initiatives won't reap rewards in and of themselves, but all good reforms require good business-government communication.

### ***How can you make sure Investment Climate Assessments (ICA) do not overlap with Foreign Investment Advisory Studies (FIAS) or Doing Business 2004?***

Why we do both ICA and Doing Business is an open question. If we knew which one was the best methodology, and were sure they were performing the same role, we could decide on one. But this field has a big void of policy relevant data.



Doing Business and the IC surveys do different things. The surveys ask the entrepreneur about the business environment and firm level performance – asking about financial and production data and whether you can relate enterprise performance to business climate. The survey methodology – representative samples in particular sectors – provides an in-depth look at the business environment.

Doing Business focuses on laws and regulations. It is economy-wide and relies on experts who work with a large number of firms. Consider one indicator: the time it takes to set up a new firm. Most business people do this only once in their careers. It may have been long in the past. The experts contributing to Doing Business – lawyers, accountants, business consultants – may work on 200 cases a year on the same issue. Doing Business gives a better up-to-date picture than a survey of business executives.

Remember that the details of business environment are new. The qualitative arguments have been around for a long time. A little duplication is quite positive as it will tell us whether our data is consistent or contradictory. For example, Doing Business suggests that China is better than India on all five indicators. This could be a fluke, or it could be because the Doing Business survey is done in only the largest cities of a country. It is useful to have state-level surveys, which in this case are broadly consistent with the Doing Business indicators.

Nevertheless, a little duplication goes a long way. This is a big operational challenge we are addressing, and there is clearly an issue of overload. We have put together an inventory of all surveys, alerting country directors of potential overlap.

Now, we need to streamline or harmonize in order to learn how to better perform diagnostic work. Second, we need to pull together best practice case studies from the 130 countries where we have prepared Doing Business reports. Third, we need to create a database of on-call experts who will be available to help with reform processes. Doing Business has already established relations with over 2000 experts, listed in the report and on the website, <http://rru.worldbank.org/>. We also have a review process to assess lessons learned from these various surveys and diagnostic tools.

For Bank staff, we are organizing 3-4 day workshops that cover everything from diagnosis of a business climate to implementation of reform policies. We want to involve staff from all different parts of the World Bank and IFC, and hold these workshops in four regional hubs in fiscal year 2005. These workshops would help people better understand the substance of investment climate assessments and reform processes and generate trust and team unity among World Bank Group staff.

***You have been going around the world disseminating the lessons from Doing Business 2004, what have you learned?***

I am seeing that the realization that the business climate matters is slowly coming into people's minds and the issue is starting to resonate. Details matter!



Wherever I go, I've never met a person hostile to this agenda; some were questioning, some were skeptical, and some were very excited. We are able to make the link between the big question of development and narrow it down to the details of what you can actually do on the ground in terms of having an impact on the law.

The benefits of Doing Business and ICA are demonstrated by revealing what the barriers of starting a business mean in practice and what business and government sitting around the table with us can make happen. Brazil was quite striking.

Doing Business is a new methodology. It has a very powerful attraction. And we will expand it over three years from four to eleven indicators, and possibly more at a later stage. We are clearly looking at something relevant and it is a contribution to the overall analysis of investment climate.

***Why does Doing Business include European/OECD countries?***

It is important to have global benchmarks to see how countries compare and highlight good practices that are relevant. Many countries aren't just interested in what their neighbors are doing. They want to see best global practices. Brazil for instance wants to see what OECD countries do. It is more powerful if you can make these kinds of comparisons.

<http://rru.worldbank.org/doingbusiness>

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > PSLO Tribune 2 - PSLOs can play a crucial role in fighting HIV/AIDS



## PSLOs can play a crucial role in fighting HIV/AIDS

*By better engaging the European private sector on World Bank Group (WBG) HIV/AIDS programs, **Debrework Zewdie**, Director of the Global HIV/AIDS Program at the World Bank, believes that PSLOs can contribute to the fight against the epidemic. Presently over 40 million people are infected with HIV/AIDS, and the numbers continue to rise.*

*Businesses can play a crucial role in confronting this epidemic. No global businesses can afford to ignore HIV/AIDS anymore.*

### **Why should the private sector get involved in the fight against HIV/AIDS?**

[HIV/AIDS](#) is not just a public health problem. It is a major development crisis. Because it kills so many adults in the prime of their working and parenting lives, it decimates the workforce, fractures and impoverishes families, orphans millions, and shreds the fabric of communities.

The impact of AIDS on the labor force is hitting both the public and private sectors. The epidemic is eroding productivity at just the time developing countries need to become more competitive to cope with rapid globalization. In the private sector, this raises the costs of doing business and deters investment. In the public sector, it depletes the already small corps of policy makers and managers on whom developing countries critically depend.

While the cost of addressing the disease within a workplace is manageable – workplace programs, education, advocacy, and peer counseling - the price of doing nothing can be significantly higher. AngloGold, one of South Africa's top mining groups, has stated that while HIV/AIDS programmes for its employees cost \$5 for every ounce of gold produced, inaction would cost \$9, almost twice as much (Source: Financial Times 28/11/03).

Several international companies have made public and global commitments to address the disease within their workplace and beyond to the communities in which they are living and working. DaimlerChrysler, BP, Heineken, and others are reaching around the world to make sure their employees have access to information and activities that will limit the risk and mitigate the impact of the disease on their industries and business interests.

To read more about the **business impact of HIV/AIDS**, [click here](#).

### **How can the private sector work with governments and multilaterals to contribute to solutions ?**

Confronting AIDS is not easy. Acting to fight it is even tougher. The fight requires resources, innovation and partnerships. While active government response is required to

effectively fight the epidemic, its resources are limited if every sector of society is not called on to join forces.

Private enterprises are able to reach out to the public sector and participate in the fight against HIV/AIDS in many ways. Many private companies are already implementing HIV/AIDS prevention, care and support and mitigation programs that can easily be scaled up.

- **Coverage and Influence.** A large proportion of Africans spend much of their lives working in private companies which are in unique positions to influence behavior both within their own work forces, their families and with the broader constituencies with which they deal;

- **Results Approach.** The "bottom line" discipline and the results-oriented approach with its emphasis on efficiency and effectiveness are important to HIV/AIDS programs. Many effective HIV/AIDS programs were initiated by and piloted in the private sector, both in Africa and around the world;

- **Special Expertise.** The private sector has various core competencies which could be of use. These include: financial and accounting skills, technical know-how, understanding of communications products, marketing and selling of products and services, marketing and selling products and services. It also possesses particularly valuable knowledge to reach and change opinions/behavior of large numbers of people;

- **Financial Resources.** Many private companies are prepared to shoulder a much higher percentage of the costs of HIV/AIDS programs than the public sector or other segments of civil society, thus leveraging donor funds.

The World Bank is working to stimulate tripartite relationships through the [Multicountry AIDS Program](#) (MAP), USD1.5 billion dollar package to fight HIV/AIDS around the world, but also through mainstreaming HIV/AIDS into the Bank's traditional lending portfolio. By recognizing the impact of HIV/AIDS on Education, Infrastructure, Health, and Industry, the Bank is working with government leaders, NGOs, Communities, Faith-Based Organizations and the private sector, to insure that leaders in all sectors and around the world are working together to stem the growth of the disease.

***Can you give some examples of ways the private sector can work with the Bank on HIV/AIDS programs / projects ?***

The funds of the Multicountry HIV/AIDS programs (MAP) are channeled from the Bank through [National AIDS Councils](#) (NAC) in order to reach to both the public sector and civil society. In each country, the private sector is under the civil society component and each NAC has developed an overall strategy to engage the private sector and a set of criteria and target programs and populations. In all cases, partnerships with NGOs and community based organizations are encouraged to deliver such programs.



On a national level, in 15 countries to date, the Bank supports the capacity building of business coalitions against HIV/AIDS and other business associations interested in supporting HIV/AIDS programs to reach out to the National HIV/AIDS Commissions for participation in policy development and funding. Among some of the countries where this collaboration is having an impact are: Malawi, Ghana, Mozambique, Kenya, Ethiopia, Nigeria and Namibia.

For international corporations, there are many ways in which to work in collaboration with the World Bank and national partners. For SMEs, the largest and fastest growing proportion of the private sector in Africa, the World Bank, partner agencies and national

governments are working on strategies to engage this critical sector through targeting the value chains, contractors and service providers of the large and international companies.

***Can you update us on the activities you have carried out so far with the private sector?***

The World Bank's [AIDS Campaign Team for Africa](#) (ACTAfrica) works with many private sector partners including: Business Coalitions against HIV/AIDS, Labor Unions, Employer Federations and Chambers of Commerce, NGOs and individuals, global and national companies in taking a proactive position to help drive the engagement of the private sector in National AIDS Strategies.

The World Bank works through both policy and operational support. Working in a convening role, ACTAfrica supports a process to bring stakeholders to consensus on the strategy and implementation of country private sector strategies.

In countries in which the World Bank's Multi-Country HIV/AIDS Program (MAP) is operating, ACTAfrica supports the development of public/private partnerships by advising on guidelines and principles to governments and National AIDS Commissions (NAC), integration of private sector policies in ministerial work plans, the private sector participation in drug therapy roll-out, and implementation of effective national workplace policies.

Studies conducted by the World Bank on the issues and options enabling companies to provide Anti-Retroviral Therapy to their workforce has led to effective collaboration between the government and companies in Malawi, Ghana, Cameroon, and Mozambique.

***Upcoming events / activities where we could involve the European private sector***

In May, the World Bank is planning with the support of the [European PSLOs](#) to hold a *European Private Sector Roadshow*. The Roadshow will consist of a series of seminars in several European countries, possibly Italy, the Netherlands, the UK and Luxembourg to be facilitated by Bank managers working in HIV/AIDS. On the final day of the Roadshow, HIV/AIDS will provide a key focus to the Second European CEO Forum on Development, on 14th March in Luxembourg.

The seminars will provide a forum in which the participants can share among each other and with the World Bank their ideas, experience and constraints in confronting or helping to address the HIV/AIDS epidemic for long term development.

The overall aim of the seminars is to equip the participants with concrete steps to implement effective HIV/AIDS workplace policies, through providing a space to articulate the essential policy, business, economic, medical and local imperatives that need to be understood by the private sector in order to design and to implement them.

To read more about the **World Bank's work on HIV/AIDS**, [click here](#).

To access **World Bank AIDS Economics**, [click here](#).

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > **Cancun, the Doha Agenda, and the PSLOs**

## Cancun, the Doha Agenda, and the PSLOs



*The next few months will be crucial to the fate of the Doha Development Agenda. In addition to stepping up its own trade-related activities, the World Bank's Trade team is strengthening its communications outreach to governments, NGOs and the private sector in an effort to support resuscitation of the negotiations and promote a pro-poor Doha outcome. We spoke with **Richard Newfarmer**, Economic Advisor in the World Bank's Trade Department and Development Prospects Group and lead author of [Global Economic Prospects 2004 : Realizing the Development Promise of the Doha Agenda](#), to find out why the Bank wishes to engage European companies and business associations on trade issues.*

### ***Where do things stand in terms of re-starting the Doha negotiations?***

The recent letter of US Trade Representative Robert Zoellick to the 148 members of the [World Trade Organization](#) (WTO) may help jump start the Doha talks, which have been effectively stalled since September. The US called for introducing new ideas and flexibility to move the talks forward. It, moreover, backs up that position with changes in the stance on agriculture it took in Cancun, calling for a phasing out of export subsidies by a fixed date, caps on production-limiting subsidies, and reductions in trade-distorting domestic subsidies and border protection in agriculture. Mr. Zoellick's letter also called for narrowing the negotiating menu by focusing the Singapore issues primarily on trade facilitation.

On February 10-11, the WTO General Council met to appoint the Chairs for the various negotiating groups, and this clears the way for resuming Doha negotiation groups. Individual groups will need to frame their own work program, based on the existing end of year deadline for conclusion of negotiations. The US has suggested that WTO members seek to agree to new frameworks for negotiation by mid-year, and convene another WTO Ministerial in Hong Kong by the end of 2004. The EU has supported this subject to progress. Many other WTO members have expressed concerns that an end-year Ministerial is too ambitious, but a final decision will await the next General Council meeting in May. Thus, it may yet be possible to make progress in 2004. However, much work needs to be done and all countries should come forward with new ideas.

### ***What is the Bank's role in facilitating the Doha process?***

The Bank has been engaging in an active dialogue with major participants in the Doha round, both developing and developed countries. A joint letter -- from Messrs. Koehler and Wolfensohn to leaders of all WTO members was sent in November stressing the importance of a concerted effort to revitalize the Doha negotiations. President Wolfensohn and senior management of the Bank held several meetings during the last six months with key players, including Commissioners Lamy and Fischler of the EU, USTR officials, as well as senior trade officials and stakeholders in developing countries -- all with the objective of stressing the importance of the development process in reviving the Doha Agenda as soon as possible.

The Bank's fundamental role, however, is to provide analyses of the development consequences of alternative proposals. We try to maintain an arm's length distance from the negotiations themselves because countries around

the world have to come up with the set of mutually agreed policies that suit their quite divergent interests. That said, we have worked hard to put technical analyses -- based on well-grounded research -- into the policy discussions on issues of importance to developing countries. These range from our work on market access issues in [agriculture](#), labor-intensive manufactures, and [services](#) to the regulatory agenda implicit in [TRIPS](#), [investment](#), [competition](#), and [trade facilitation](#). Beyond this, we are working with countries to provide resources -- analytical and financial -- where requested to help countries design programs that improve their competitiveness and implement trade reforms.

***Why engage the European private sector / trade or business associations? And what are the main messages you want to put across to this constituency? What do you expect as an outcome of this private sector outreach ?***

The EU is central to a pro-poor outcome from the world trade talks. On the one hand, EU businesses have an interest in helping developing countries realize their growth potential because most large companies either export to or have investments in developing countries. On the other, as a group, EU companies, like their counterparts based in the US and Japan, have an interest in sourcing imported inputs from the most efficient sources, and this often means reducing barriers to imports from developing countries. And ultimately any trade-induced increases in growth and productivity will be reflected in rising employment and national wages in Europe.

Finally, they have an interest in reducing the inefficiencies associated with domestic policies that impede their long-term competitiveness and productivity growth -- and right at the top of these are agricultural protection and subsidies; these drive up the cost of domestic food, with adverse impacts on wage demands, and of course on budget deficits that will ultimately put upward pressure on global interest rates.

Promoting renewed progress on the Doha Agenda by reducing these inefficient policies can have a positive role in promoting more rapid growth in the EU at the same time it helps developing countries raise their own standard of living.

***How can the PSLO Network best help your outreach efforts?***

[The PSLO network](#) constitutes an important channel for the Bank to exchange views with the private sector, learn from them, and hopefully disseminate knowledge that the Bank has generated. We hope to tap the PSLOs' extensive knowledge of the private sector in their respective countries to reach the companies and business associations most interested, and open to discussing the Bank's trade agenda / activities and possible areas of convergence. For example, working with Philippe Gautier of the French Business Association, [MEDEF](#) (*Mouvement des Entreprises de France*), we were able to arrange the participation of World Bank Trade Director Uri Dadush in the first meeting of MEDEF's committee on multilateral trade. This meeting allowed Mr. Dadush to present some of the possible benefits to French companies of a successful Doha round, the negative consequences of agricultural subsidies, and the potential risks associated with a failure to re-launch the negotiations.

Members of the World Bank Trade Team will be in Europe for various events over the next nine months (including the [ABCDE Europe Conference](#), the 2nd Annual CEO Forum, and the launching of the World Bank's *Global Development Finance 2004* report), and we hope to take advantage of our presence in Europe to meet with companies and business associations in as many European countries as possible. We therefore anticipate working closely with the PSLO network for help in arranging and strategizing such meetings.

To read more about the **World Bank's work on trade** please click [here](#).

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > **PSLO Tribune 2 - The Role of PSLOs in World Bank Carbon Finance Business**

## The Role of PSLOs in World Bank Carbon Finance Business



*In Paris for a workshop she organized on "Tools for Risk Mitigation and Clean Infrastructure", we caught up with **Veronique Bishop**, Lead Infrastructure Specialist in the World Bank's Carbon Finance Business (CFB) to discuss ways in which the PSLO network can be leveraged to engage European companies and donors in the new carbon funds.*

**Can you give us an update on the status of the carbon funds since your last meeting with the PSLOs in June 2002?**

The [Prototype Carbon Fund \(PCF\)](#), having received additional contributions in 2002 from some of the six governments (four of which are European) and 17 companies (nine of which are European) that are participants, is now fully subscribed at \$180 million. The PCF has currently over 30 projects under preparation with emission reduction purchase contracts under negotiation for about US \$166 million.

The Carbon Finance Business (CFB) has subsequently introduced two new *targeted* funds for which the CFB is currently seeking subscriptions from both the public and private sectors: the [Community Development Carbon Fund \(CDCF\)](#), which will provide carbon finance to small-scale projects in the poorer rural areas of the developing world, and the [BioCarbon Fund](#), which will aim at delivering cost-effective emission reductions, while promoting biodiversity conservation and poverty alleviation. The target size for both of these funds is \$100 million.

We also have several funds financed by individual countries. First, through the [Netherlands Clean Development Mechanism Facility](#), the CFB is purchasing 21 million tons of CO<sub>2</sub> equivalent to emission reductions (ERs) from developing countries on behalf of the Dutch government, with an option on an additional 11 million tons (total value of about \$150 million). Second, we have agreed in principle to purchase an additional 5 million tons of ERs on behalf of the Dutch government from economies in transition (notably Ukraine, the Baltics, Romania and Bulgaria) through the Netherlands Joint Implementation Facility (subject to internal Bank approvals). Third, the Bank has recently entered into agreement with the Italian government for the establishment of [the Italian Carbon Fund](#) which is seeking subscriptions from Italian companies. Finally, the CFB is in discussions with other OECD governments (that are also CDCF participants) to develop additional funds.

Therefore, as one can see, the Bank now offers several carbon finance products demonstrating the Bank's client countries effectiveness in undertaking carbon finance projects. Their products are undoubtedly of interest to European companies, either as investors in carbon funds as they work towards complying with their emission reduction commitments (under the Kyoto Protocol, the European Emissions Trading Scheme, or other regimes), or as investors in their own projects from which we would purchase emission reductions.

**How can the PSLO network help in 'marketing' these funds to the European private sector ?**

[The PSLO network](#) could be critical to the World Bank's Carbon Finance Business, as the credibility of the [Kyoto Protocol](#) rests on being able to attract emission reduction buyers to viable projects, and the PSLOs are well positioned to find both. Furthermore, we received feedback from the participants of our Risk Mitigation Workshop.

Most of them showed a particular interest in having a contact point, who, concerning the range of World Bank Group (WBG) products, could provide them with information on the WBG's relevant risk mitigation instruments, especially as risk mitigation is essential to being able to invest in projects in our client countries. The PSLOs could be this first point of contact; and thus, push us to more frequently give out the PSLO's contact information to the many European companies who have expressed interest in the funds.

We also hope that the PSLOs can take a more pro-active role in alerting the firms in their network about the value of carbon finance in their business. An excellent opportunity to do this, and also for the PSLOs themselves to increase their understanding of carbon finance and to interact with the major players of the industry, is to participate in our upcoming [First Global Carbon Trade Fair](#) which will take place in Cologne, Germany, on the 9th to the 11th of June, 2004. The Fair, organized in cooperation with the [International Emissions Trading Association](#) and Koelnmesse (IETAK), will bring together more than 250 participants: donors and shareholders from the Bank's Carbon Finance Business, service providers from the carbon market, companies from the renewable energy sector (equipment suppliers, engineers, etc.), representatives from the 'host' countries (developing and transition countries taking part in the Bank's carbon fund initiatives), and Non-Governmental Organizations (NGOs). Because of their likelihood to benefit from carbon finance, we are making an effort to invite European manufacturers who specialize in equipment used for renewables and energy efficiency.

### ***What do European companies have to gain by participating in these funds?***

The Bank's carbon finance products are helping to create an environment in which the private sector can, more profitably, support climate-friendly, and environmentally, socially responsible projects. European companies can benefit from this by either participating (i.e. investing) in the funds, or by investing in climate-friendly projects--or both. *Participants* can expect to obtain a pool of low-cost, high-value emission reductions from a variety of projects, that can be used to either help them meet their own obligations under the European Trading Scheme (or eventually, the Kyoto Protocol) or to trade in the secondary market. They benefit from the expertise of the World Bank as fund manager to screen, originate and manage carbon finance projects, and to diversify risk. Participants also gain access to the best market intelligence and research on the carbon market. They also have the opportunity of "learning by doing" and of exchanging contacts and information with the CFB and other leading players of the carbon market. This could lead them to additional business opportunities as well. *Project investors* also obtain benefits such as receiving a high-value, hard-currency revenue stream through the sale of emission reductions from projects that have a positive, sustainable development impact.

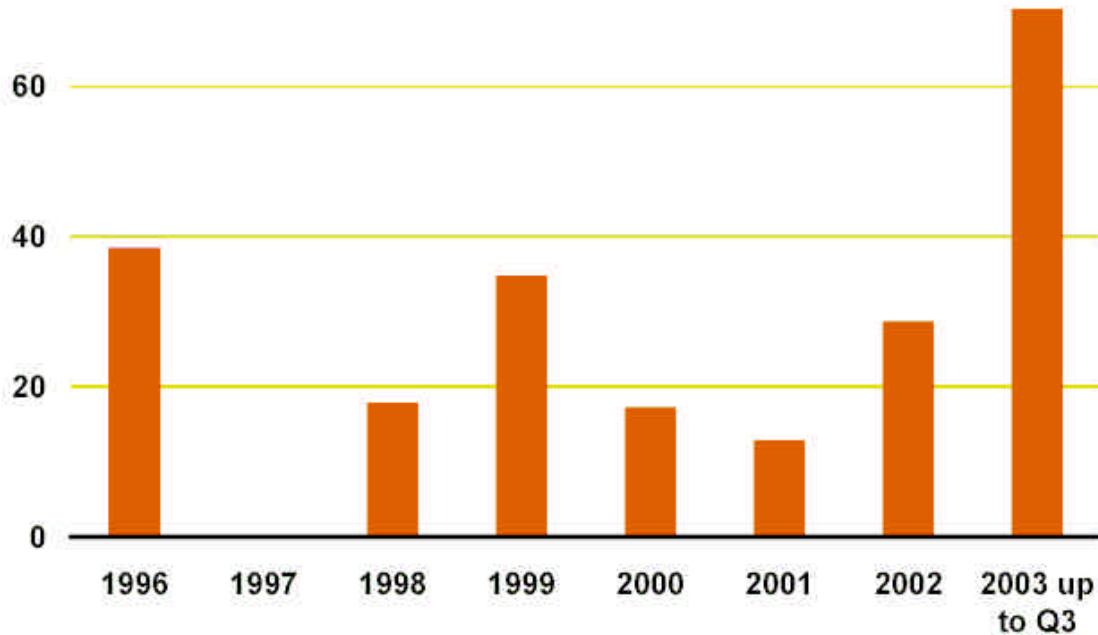


Therefore, as participants in the carbon funds or as project sponsors, companies can advance their corporate responsibility agendas, learn more about carbon market instruments, and gain competitive advantage.

### ***What happens if Kyoto doesn't enter into force?***

Entry into force hinges on ratification by Russia, where a decision is pending. A flurry of press reports around the December climate change conference in Milan have quoted informed sources saying that Russia will definitely ratify -- or alternatively that it won't! My personal view is that Russia will ratify once it has resolved several broader trade and energy policy questions, and once its financial interest in ratifying is clarified. For this, an offer needs to be on the table. But regardless of Kyoto's fate, the carbon market is here to stay, with the European Emissions Trading Scheme scheduled for kickoff in 2005 and other countries stating that they will abide by their Kyoto commitments independent of its entry into force. This is borne out by the annual doubling of the carbon market, despite continued uncertainty around Kyoto—documented in a study we issued last week on ["State and Trends of the Carbon Market 2003"](#).

FIGURE 2: VOLUME OF PROJECT-BASED EMISSION REDUCTIONS TRADED PER YEAR (million tCO<sub>2</sub>e)



#### What are the most interesting opportunities for carbon finance?

A huge range of industries stand to gain from selling emission reductions—renewable energy, biomass power generation, waste management, cement, aluminum, and fertilizer to name a few. Carbon sales can provide a quality, hard-currency cash flow for European companies investing in environmental projects in the Bank's client countries. They are especially promising for projects that reduce methane emissions. For example, capturing fugitive methane emissions (e.g. from coal mines or landfills) can generate over Euro 50 per 1000 cubic meters of methane. This OECD-sourced cash flow from a high creditworthy off taker can provide a valuable counterbalance to a project's local-currency revenues, and can be used to secure project financing. We therefore look forward to working with the PSLO network in 'promoting' the unique benefits of the Bank's carbon funds to appropriate European companies.

*The Kyoto Protocol, which was adapted under the UN Framework Convention on Climate Change (UNFCCC), commits industrialized countries to reducing their carbon emissions by an average of 5.2 percent below their 1990 levels in the period 2008-2012. Two of the flexibility mechanisms incorporated in the Protocol – the Clean Development Mechanism (CDM) and the Joint Implementation (JI)- enable industrialized countries to meet some of their obligations through projects generating emission reductions in developing countries and economies in transition. The World Bank's carbon finance business leverages new public and private investment into such projects, significantly contributing to other WBG efforts to mainstream climate mitigation and adaptation concerns in developing countries. For more information, see the [World Bank Carbon Finance Booklet](#).*

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > PSLO Tribune 2 - European Infrastructure Companies, Innovative PPP and the PSLOs

## European Infrastructure Companies, Innovative PPP and the PSLOs

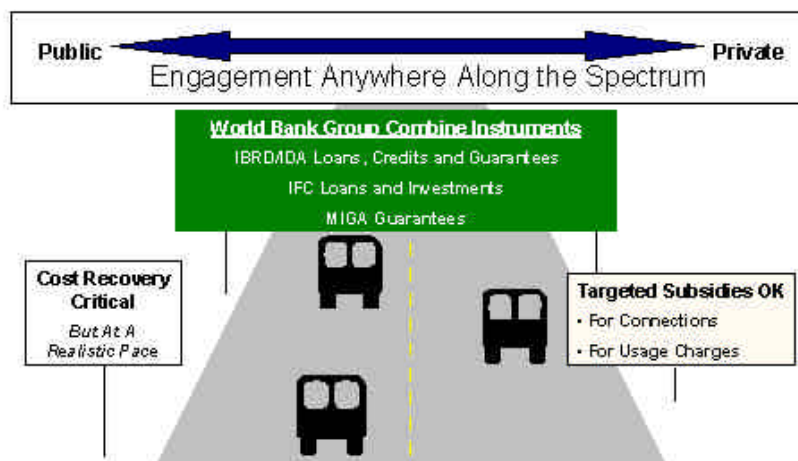


The World Bank Group is revitalizing its activities in infrastructure development guided by a new [Infrastructure Action Plan](#) which envisages using new and / or existing instruments more effectively, including a spectrum of public-private partnerships (PPPs) and projects financing at regional, national and sub-national levels. **Jamal Saghir**, Director of the World Bank's Energy and Water Department, explains how the Bank will support public-private partnerships (PPPs) and the importance of European private sector investment in infrastructure in developing nations.

**Beyond providing a valuable historical perspective on PPP, important data on infrastructure financing, and lending for infrastructure development, how would you conceptually summarize the "WBG policy for PPP in Infrastructure" ?**

As part of the [Infrastructure Action Plan](#) (IAP), approved by the Board in July 2003, the Bank has made it clear that it will work across the spectrum of possible PPPs, providing both financing and knowledge resources :

### World Bank evolving model for Service Delivery



The type of financing provided will be driven by what the appropriate PPP demands: some

may require only contingent support, such as guarantees to mitigate risks; others may require loans or equity investments. Our work in the latter will be both on the specifics of individual transactions as well as broader sector and cross-sectoral policy issues. We are also committed to working with the full range of private providers in these sectors, from multinationals to small-scale local private players who are an important part of meeting the infrastructure needs of the poor.

***For which particular segments of infrastructure (transport, telecom, water, power, etc.) is the issue of PPP particularly relevant?***

We believe PPPs are relevant for all infrastructure sectors and as outlined in the Bank's Infrastructure Action Plan, it is important to consider the full range of options for public-private partnerships. These range from management contracts, which transfer only limited risks and responsibilities to the private sector, to concessions and asset sales.

The likely benefits flowing from these approaches will be different. In formulating an approach to public-private partnerships, governments should assess what particular issues need to be addressed, and thereby determine the role that needs to be performed by the private sector, keeping in mind that the public sector can have a financing and/or a risk bearing role in all of these arrangements. For example, under concessions and divestitures, the government can provide financial support through targeted subsidies.

Even telecommunications, which is more commercial than the other sectors, can benefit from targeted subsidies to extend access in rural areas, which would be one form of PPP. Realistically we would expect to see a requirement for a larger share of public funds and a lower share of user fees in sectors such as water and sanitation, or parts of transport (e.g. roads). However eventually we believe that this requirement will be seen across the infrastructure sectors.

***How would you characterize the relation of the WBG with leading actors in infrastructure worldwide (both the infrastructure companies and the banks financing infrastructure)?***

We are facilitator, financier (although minimal), policy advisor and 'honest broker' for the poor. We can also play a catalytic role in transactions and make them happen and provide "comfort" to sponsor and financier.

***Is there a distinctly 'European way' of approaching PPP in Infrastructure (e.g. affermage, management contract, BOT, etc.) ?***

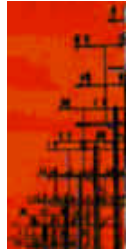
There is really not any single approach that can be regarded as "European". There are different approaches - from the UK's Private Finance Initiative to 'affermage', the lease model that France has used for more than 100 years which is a very good way of sharing the commercial risks on operation and maintenance by the private operator and the public sector responsible for building or expanding new facilities. Build-operate transfer (BOT) has flourished in transport and other sectors in Europe as well. One should also look at European innovation in project financing (Manche tunnel, etc).

***Why do you wish to engage the European private sector in a dialogue on PPPs in developing countries ?***

As you know, the flow of capital to the infrastructure sectors of developing countries has declined over recent years. In its role as a policy advisor and lender, the World Bank



clearly recognizes that the challenge is to identify major constraints on progress and determine how policymakers, multilaterals, and industry professionals can help improve the situation.



In talking to the European private sector, our objective should be to listen to the concerns of the industry and discuss ways to increase investments through successful well-designed transactions in the sector. We will also need to be ready to engage with them and follow up. Given the importance of European infrastructure companies' investment in developing nations, we need to hear their viewpoint on the prospects and the risks of PPPs, and to get their honest feedback on what the Bank Group has been doing and what it can do in the future to support PPPs that are beneficial for development.

In this respect, we hope to work with the PSLOs in the future in organizing well-designed events to reach key European infrastructure companies. The PSLOs can also be key in transmitting feedback on the concerns/needs of infrastructure companies in their respective countries vis à vis investing in developing countries and how the Bank can help.

# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#)

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## The New Frontiers of Procurement



*Stopping in Paris on his way back from the Middle East, we spoke with **Nadjib Sefta**, World Bank Regional Procurement Adviser for the Middle East and North Africa Region, to get an update on the Bank's involvement in the reconstruction of Iraq and to learn more about the Bank's new procurement guidelines which will come into effect May 1, 2004.*

### ***Can you update us on the status of the reconstruction plan for Iraq?***

Following the [donor conference in Madrid](#) in October 2003, the World Bank (WB) has held numerous discussions with the Iraqi Governing Council, the Coalition Interim Council and the donor community to prepare a program of technical assistance, emergency projects, and economic sector work over the next six to 12 months. This program is embodied in the [Interim Strategy for Iraq](#) recently approved by the Bank's Board, which has also authorized the Bank to act as administrator for the [Iraq Trust Fund](#). The Fund will finance this program.

The program has four main components: an 'umbrella' emergency infrastructure project covering several subsectors (approximately \$200-400 million), a community-based rural infrastructure project which will also help generate employment (\$100 million), an education project including rehabilitation of schools and school supplies (\$100 million), and a technical assistance project (\$5 to \$10 million).

### ***How will these projects be implemented, who will be in charge of procurement?***

The Bank's procurement team is focusing on ensuring sound procurement arrangements for the implementation of these projects starting with the evaluation of the existing institutions, local capacity, and the national procurement system in Iraq. Operating out of a temporary office in Amman, Jordan, the Bank will provide training on WB procurement procedures for the Iraqi PIU/Sector Ministry staff who will prepare and implement the projects, as well as for any other beneficiaries of the trust fund – for example, NGOs, community groups or the private sector may implement some of these projects.

World Bank procurement rules will apply to all projects implemented under the trust fund; therefore, bidding will be open to all World Bank members.

To read more about the Bank's assistance program for Iraq, click [here](#).

### ***Tell us about the new procurement guidelines – what are the fundamental changes?***

The [new guidelines](#) were the result of an exceptionally large consultation process including donors and the business community. Approved by the Bank's Board in November 2003, the guidelines will become effective as of May 1, 2004. It is important to note what has **not** changed with the new guidelines - all of the basic principles for sound procurement remain intact : economy, efficiency, transparency, and fairness of competition. The new guidelines aim to promote these four principles in a more efficient way. Taking into account public procurement best practices worldwide, the guidelines intend to simplify, modernize, and better integrate procurement into project objectives.

The changes also aim to harmonize WB procurement procedures with that of other international and regional development Banks.

Here are some of the most significant changes in the guidelines:

- The procurement methods and specific thresholds for the project will no longer appear in the project Loan Agreement but rather in the project **Procurement Plan** as prepared by the Borrower and agreed with the Bank during project negotiations. The Loan Agreement will refer to the Procurement Plan which will be subject to annual review and subsequently updated as needed.
- The **conflict of interest** clauses have been clarified, reinforced, and made more specific, thus eliminating ambiguity as to what constitutes a conflict of interest.
- **Eligibility clause:** the list of 'excluded' countries is discontinued; eligibility is open to consultants / bidders from ALL countries.
- **Fraud, corruption and misprocurement clauses** have been made clearer in order to reinforce the seriousness of these issues and to take into account feedback from actual cases; as is laid out in the procurement plan, misprocurement can be declared due to a lack of adherence to procurement methods.
- Inclusion of **e-procurement** to encourage Borrowers to announce offers and publish results electronically, hence reaching a wider audience and lowering transaction costs; submission of bids electronically is acceptable but only in countries where the system used has been deemed satisfactory by the Bank.
- Selection of consultants: for prior review contracts, the **shortlist must contain six companies** – not more and less only if there is a justifiable reason that six eligible companies could not be identified.
- For ICB, the Borrower may issue bidding documents in the **national language** in addition to one of the international languages (English, French or Spanish); the Bidder may submit a bid in either a national or international language.
- The guidelines provide more opportunities for Bidders to request a debriefing on why they were not selected; there is a freeze period if a complaint is received before the contract award.

### ***What are some of the trends you see ahead for development project procurement?***

There is a move to rely more and more on national procurement systems for Bank financed projects. For National Competitive Bidding (NCB), the local law is used to the extent possible. For instance, the projects based on Sector-Wide Approaches (SWAPs) and that involve several donors will rely more heavily on national procurement laws. Therefore, the Bank is putting more effort into working with Borrowers to assess and improve their national systems.

Along the same lines, the Bank is using more resources 'upstream' in the procurement process. For example, during the project preparation stage, the Bank uses more resources to ensure that the process is transferred entirely to the Borrower for implementation and for review. The Borrowers work more and more with support for our procurement staff in resident missions as the Bank decentralizes procurement to the field. In the South Asia region, for example, the Bank's procurement team is located almost entirely in the field. Decentralization is helping to scale up country ownership of the procurement process.

### ***In terms of the PSLOs' work in assisting companies in their respective countries to participate in WB procurement, what works best? How can this be developed?***

There is still an enormous need to build both the capacity of the Borrowers to manage the procurement process and the bidders to put together competitive bids. The most effective bid preparation practices need to be shared more widely. Bidders need to be well informed of their 'rights' in the context of the WB and national procurement rules. For example, there is a tendency for Bidders not to bill interest charges for late payments - this is a bad business practice and does

not help build the developing countries' business capacity. The PSLOs have a role to play in all of these areas.

Concerning procurement training, it is generally best to develop a partnership with a local institution. The PSLOs and WB can provide initial training which the institute can then take over for dissemination on a regular basis. Keep in mind that a one or two day training is generally not long enough to cover all aspects of Bank procurement – a week-long session is more realistic; the PSLOs could, for instance, start out by giving the basics the first few days, then bring in a WB expert on the last day to answer very specific questions. The PSLOs should also look into using the [Global Development Learning Network](#) (GDLN) as a means of delivering procurement seminars with the possibility of connecting, when necessary, with Bank procurement staff in Washington.

The PSLOs also play a key role in helping the Part II countries' private sector build capacity in bidding on Bank projects. As the PSLO network expands, the expertise and experience of the European PSLOs in WB procurement will be invaluable to new PSLOs in Part II countries. One could envisage the European PSLOs putting together procurement training sessions for their counterparts in Part II countries (possibly using the GDLN), and also assisting the new PSLOs organize training for local companies.



# The PSLO Tribune



[Home](#) > [The World Bank in Europe](#) > [Enterprise Outreach Services](#) > PSLO Tribune 2 - Global Development Learning Network (GDLN) can Add Value to PSLO work

## Global Development Learning Network (GDLN) can Add Value to PSLO work



The [Global Development Learning Network \(GDLN\)](#) is an interactive, multi-channel network using the latest in modern technology to help people link, share and work across borders. It is a worldwide association of partners including international development agencies, public and private sector organizations, NGOs, and educational and training institutions, all committed to engaging in dialogue and learning about development. With over 60 independent distance learning centers worldwide, and more than 30,000 people participating in GDLN events every year, the Network makes a real difference in knowledge sharing.

**Laurent Porte** of the [GDLN's Paris team](#) explain ways in which the PSLOs can use the GDLN to their advantage.

### **How can the PSLOs access the GDLN and how will using the Network enhance their current and future activities ?**

The PSLOs have already begun to take an interest in the GDLN. Pilot connection tests have been carried out between Paris and Reykjavik (Iceland's Ministry for Foreign Affairs and External Trade) and between Paris and Copenhagen (Danish Ministry of Foreign Affairs) with the help of Audbjorg Halldorsdottir and Rasoul Mikkelsen, the PSLOs for Iceland and Denmark respectively. Concrete proposals for broadcasts over the GDLN following these tests have yet to be scheduled however.

The GDLN Paris team would like to organize connection tests with all other PSLOs, either from the intermediary organizations where they are housed, or from other appropriate facilities (government, business or academic facilities – the GDLN can hook up with any location possessing videoconference equipment). Once the tests have been conducted, and there are no significant technical problems, a Memorandum of Agreement would be signed granting the PSLO (through their selected facility) access to the Network, including the opportunity to participate in GDLN learning programs, videoconferences with WB field offices and to connect with other PSLOs and the Paris and Washington offices for 'virtual' meetings and training.



As the number of events organized by the PSLOs increases, GDLN can be used as a money saving tool to bring

together companies, within their own country, within Europe and even with the participation of companies in developing countries. Training for example on World Bank procurement procedures could be conducted through the GDLN, with companies participating virtually; when WB speakers of interest to the private sector are unable to travel to certain European countries do to time constraints, the PSLOs can arrange for the companies in their country to be tuned into presentations in Paris or London, for example, via the GDLN. In this way the GDLN can clearly make the work of the PSLOs a bit easier, less costly and add increased participation at PSLO-organized events.

Furthermore, as the PSLO network is 'globalized' over the next few years to include Part II countries and other Part I countries (Canada, USA, Japan), the GDLN will become an essential tool for knowledge sharing and mentoring from the European PSLOs to their new counterparts throughout the world.

### ***How can the PSLO Network contribute to content provision ?***

The PSLOs have a wealth of knowledge and experience not only on WBG opportunities for the private sector but also on how to encourage private sector investment in developing countries, how to foster SME development, corporate social responsibility issues, etc. This knowledge can be formulated into courses or seminars to be delivered over the GDLN within Europe and with Part II countries as well (in the case of SME development or capacity building programs between chambers of commerce, for example). The current PSLOs may wish to develop a best practice course on the work they do to be shared with new PSLOs as the network expands.

We encourage the PSLOs to formulate ideas for potential courses and stand ready to help them with both content development and of course with any technical assistance required. *"We are always looking for ways to broaden the content base of the Network's programs and extend the GDLN to a wider audience,"* says Laurent Porte, *"the PSLOs can be of great help to us in this respect."*

### ***Tell us about the new GDLN center at the Milan Chamber of Commerce ?***

In April 2002, the [World Bank Institute](#) and the Italian government signed an agreement for "Cooperation on Technology and Development and Governance Issues using the GDLN". Part of this agreement includes the development of capacity building programs to be delivered out of a new GDLN center at the Chamber of Commerce in Milan (CCM). The CCM provides the physical infrastructure and technical equipment for the center and acts as the coordinating body for the delivery of learning programs. The new center will be officially opened in April 2004, however it is already functioning and will deliver its first course in February on "Knowledge, Innovation and Territorial Development" connecting sites in Jordan, Egypt, Turkey with the WB and OECD offices in Paris.

So, you see the possibility to host a GDLN center in a Chamber of Commerce or other intermediary organization is quite feasible. The PSLOs may want to explore options with their own host organizations for eventual use of the GDLN as a means of delivering capacity building programs between their intermediary organizations and intermediary organizations in developing countries.



The PSLOs may also be interested to know that the World Bank Institute, in partnership with the city of Marseille, France is opening a technical office in Marseille in April 2004 to serve as a ["knowledge hub"](#) for the Middle East and North Africa (MENA) Region. The objective of the hub is to build capacity for knowledge sharing and learning in the MENA region, focusing on four thematic areas : knowledge for development, urban management, governance and transparency and education and youth. The hub will include a GDLN center to facilitate knowledge sharing between Europe and the MENA region.

We look forward to working with the PSLOs and hope they will soon start to actively use the Network. In turn, we hope to draw upon their knowledge, contacts and outreach activities to enhance and expand the GDLN's private sector-related programs and to encourage greater usage of the Network among private sector institutions interested in development.

To read more about the **MENA Knowledge Hub in Marseille**, [click here](#).