

The World Bank Group

IBRD IDA IFC MIGA ICSID

WORLD BANK



World Bank Procurement Opportunities

Procurement Seminar

The “World Bank Group”



⇒ International Bank for Reconstruction and Development (IBRD) 1945



⇒ International Development Association (IDA) 1960



⇒ International Finance Corporation (IFC) 1956



⇒ Multilateral Investment Guarantee Agency (MIGA) 1988



⇒ International Centre for Settlement of Investment Disputes (ICSID) 1966

Mission

Fight poverty and improve the living standards of people in the developing world.

Millennium Development Goals (MDGs)

Agreed to by 189 nations in 2000 at the United Nations Millennium Summit

The goals for sustainable poverty reduction set specific targets:

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Combat HIV/AIDS, malaria, and other diseases
6. Ensure environmental sustainability
7. Develop a global partnership for development

The “World Bank”

- Refers specifically to IBRD and IDA

IBRD:

- Aims to reduce poverty in middle-income and creditworthy poorer countries
- through loans, guarantees, and (non-lending) analytical and advisory services

IDA:

- Helps support the world’s poorest countries’ poverty reduction strategies
- with interest-free credits and grants

IBRD

<i>FUNDING</i>	Borrowings, Retained earnings, Paid-in capital.
<i>TERMS</i>	15-25 years with 3-8 year grace period. LIBOR plus fixed or variable spread.
<i>ELIGIBILITY</i>	Member countries with an annual per capita GPI \$826 to \$9,xxx; creditworthy for non-concessional lending, not graduated
<i>RECIPIENTS</i>	Governments, government agencies, and enterprises with GOVERNMENT GUARANTEE.
<i>LENDING COMMITMENTS</i>	FY2005 \$13.6 billion for 118 new operations.

IDA

FUNDING

Contributions from member governments;
allocation from IBRD net income;
and IDA reflows

TERMS

35-40 years with 10 year grace period;
0 % interest;
service charge of 0.75% on the disbursed balance

ELIGIBILITY

Member countries with an annual per capita GNI
below \$965 with exceptions; lack of
creditworthiness for non-concessional lending


RECIPIENTS

Member governments, but funds may be on-lent
to state or private organizations.

LENDING COMMITMENTS

FY2005- \$8.7 billion for 161 operations.

IBRD Loans and IDA Credits

- 
- ⇒ Administered by the same staff.
 - ⇒ Projects must meet the same criteria to qualify for financing.
 - ⇒ Same procedures apply for the procurement of goods and works.
 - ⇒ Same procedures apply for selection of consultants.

Functions of the World Bank

- 
- ⇒ Provide funds for development projects and programs
 - ⇒ Provide policy advice and technical assistance
 - ⇒ Promote knowledge sharing services

The World Bank

- ⇒ The first loans helped finance the reconstruction of the war-ravaged economies of Western Europe and Japan after World War II.
- ⇒ Today the Bank lends to the developing countries of Africa, Asia, Central Europe, Latin America, the Middle East and the former Soviet Union.

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BOARD OF GOVERNORS

made up of the Minister of Finance, or equivalent of each of the Bank's 184 member countries

EXECUTIVE DIRECTORS

24, representing the constituencies of the 184 member countries

THE PRESIDENT MANAGING DIRECTORS

OPERATIONS EVALUATION STAFF

VICE PRESIDENTS, OPERATIONS, FINANCE, LEGAL, etc.

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World Bank Lending

Trends & Project Development Cycle

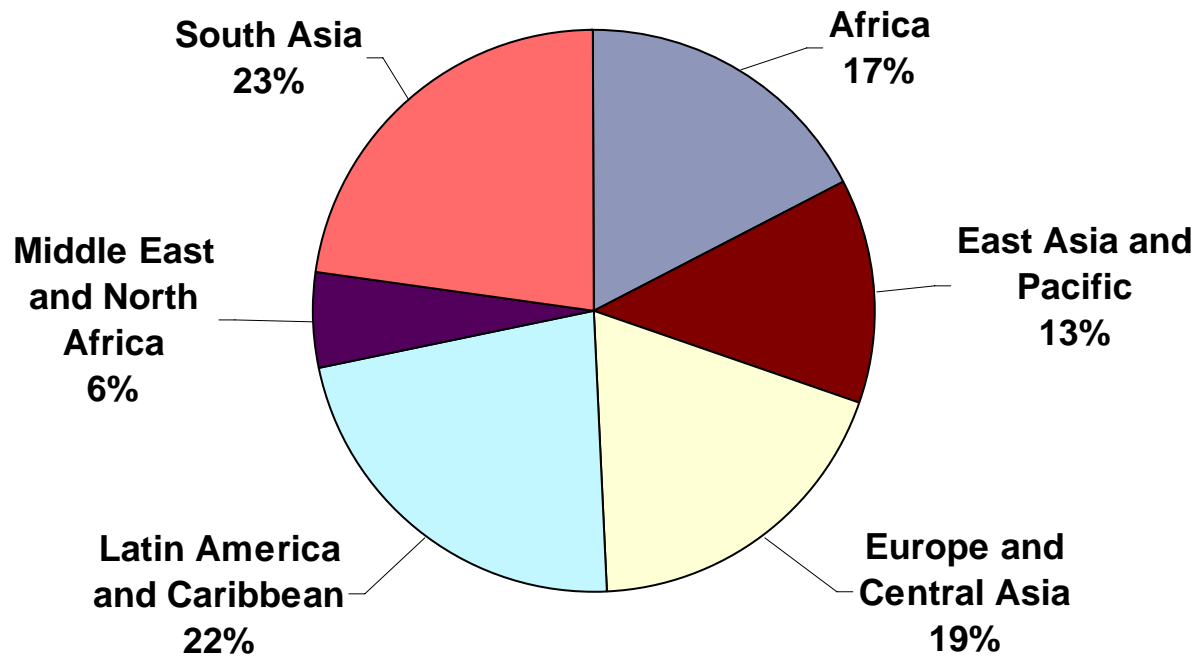
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IBRD/IDA Lending in FY2005

(July 1 - June 30)

- ⇒ FY2005 was at the highest level in six years (FY00–FY05)
- ⇒ 279 projects
 - ⇒ IBRD 118, IDA 161
 - ⇒ 13% increase over FY2004
- ⇒ \$22.3 billion
 - ⇒ IBRD \$13.6 billion, IDA \$8.7 billion
 - ⇒ 10% increase over FY2004

IBRD/IDA/Guarantees FY2005 by Region, \$22.3 Billion



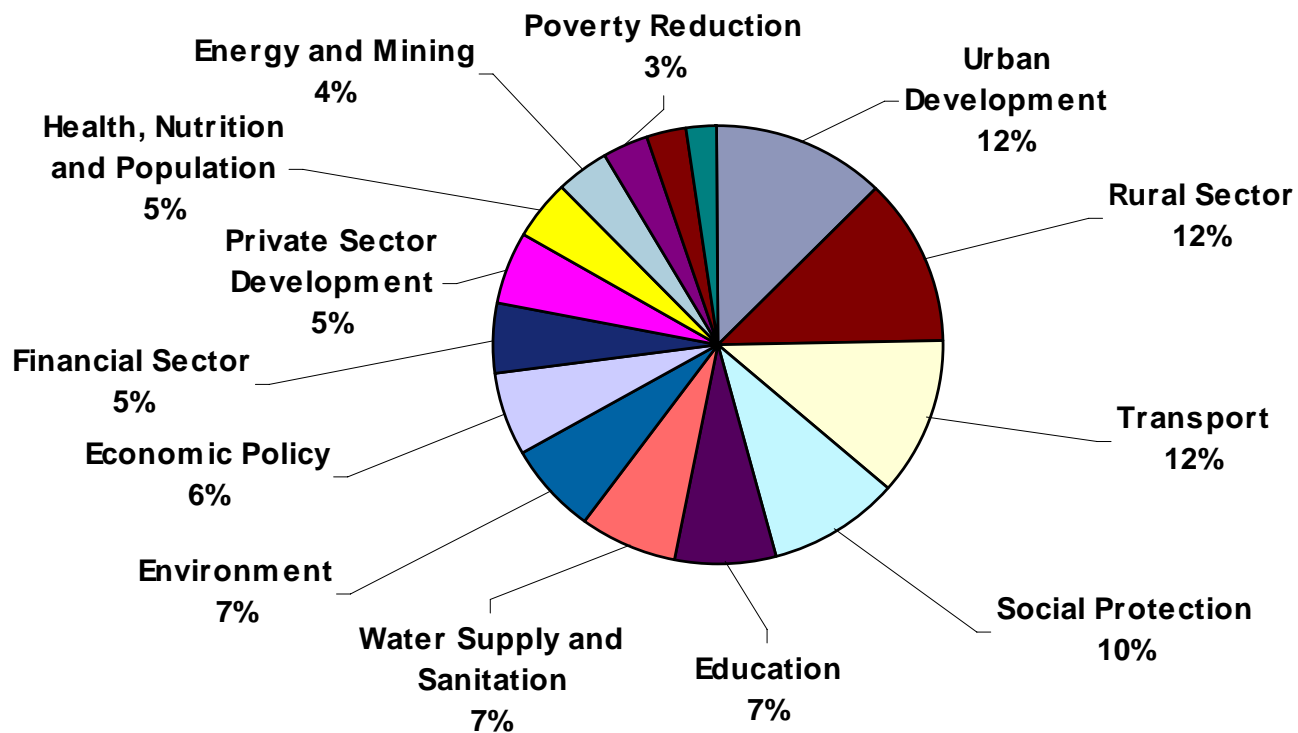
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FY05 TEN LARGEST IBRD / IDA BORROWERS

COUNTRY	IBRD / IDA COMMITMENT AMOUNT (\$M)	SHARE OF TOTAL IBRD / IDA COMMITMENTS
INDIA	2,886	12.9%
TURKEY	1,800	8.1%
BRAZIL	1,772	7.9%
CHINA	1,030	4.6%
INDONESIA	917	4.1%
COLOMBIA	912	4.1%
PAKISTAN	847	3.8%
ROMANIA	782	3.5%
VIETNAM	699	3.1%
BANGLADESH	600	2.7%
TOTAL	12,245	54.9%

IBRD/IDA FY2005 Lending by Sector



Trends

- ⇒ Increase in program-based lending to support development of economic sector: Social Protection, Rural and Urban Development, etc.
- ⇒ Emphasis on the creation of capacity in countries: public sector management, community participation
- ⇒ Smaller contract size -- more contracts awarded to local firms

Types of Operations

Investment Projects

- ⇒ Predefined specific project
- ⇒ Procurement and implementation schedule defined

Development Policy Support

- ⇒ Policy and economic reform
- ⇒ General imports, (negative or positive list)

Program Operations

- ⇒ Multi-year investment program
- ⇒ Investments not precisely pre-defined

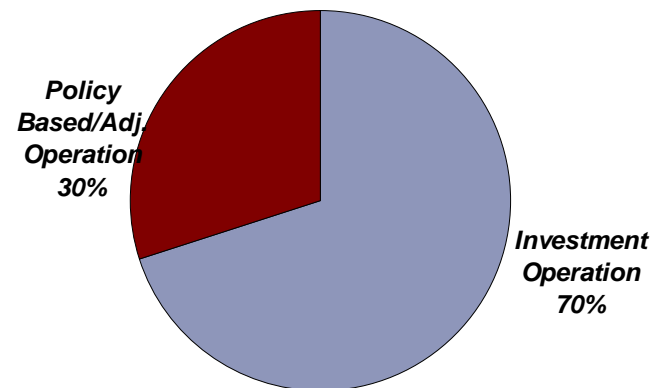
IBRD/IDA FY2005 Lending More for Investment Operations

⇒ Investment operations

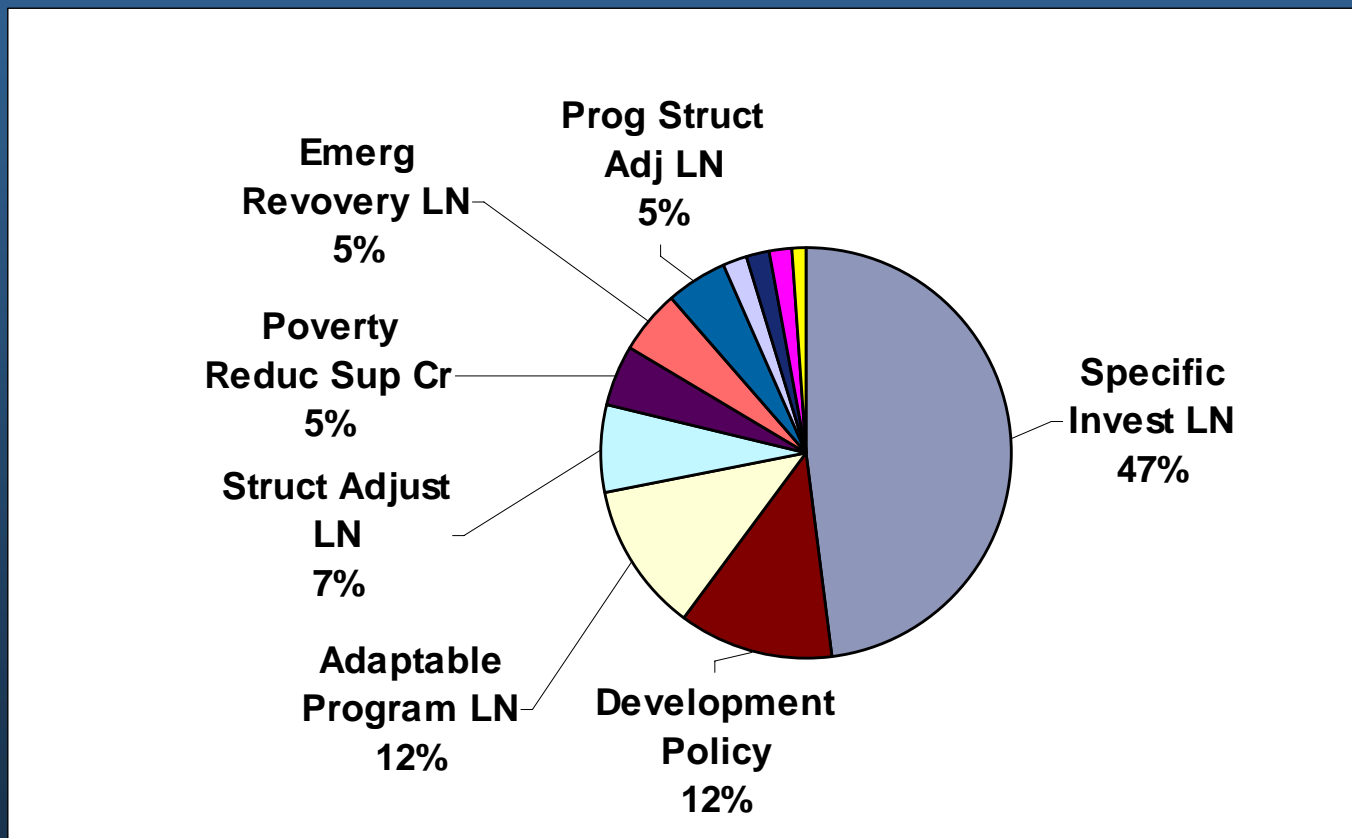
- \$15.7 billion
- 70% of the total
- 50% higher than FY00

⇒ Policy based/adjustment operations

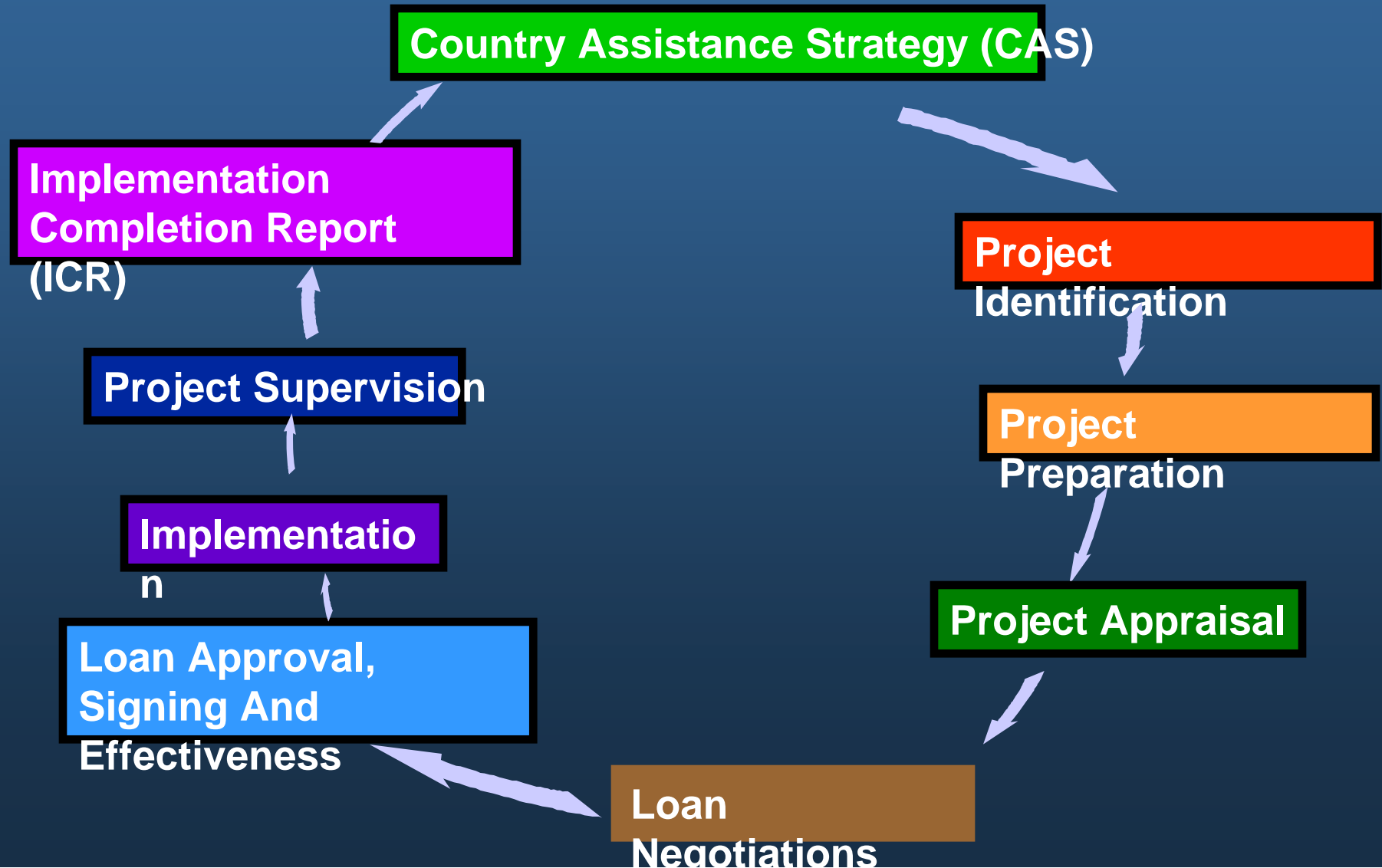
- \$6.6 billion
- 30% of the total



IBRD/IDA FY2005 Lending by Instrument



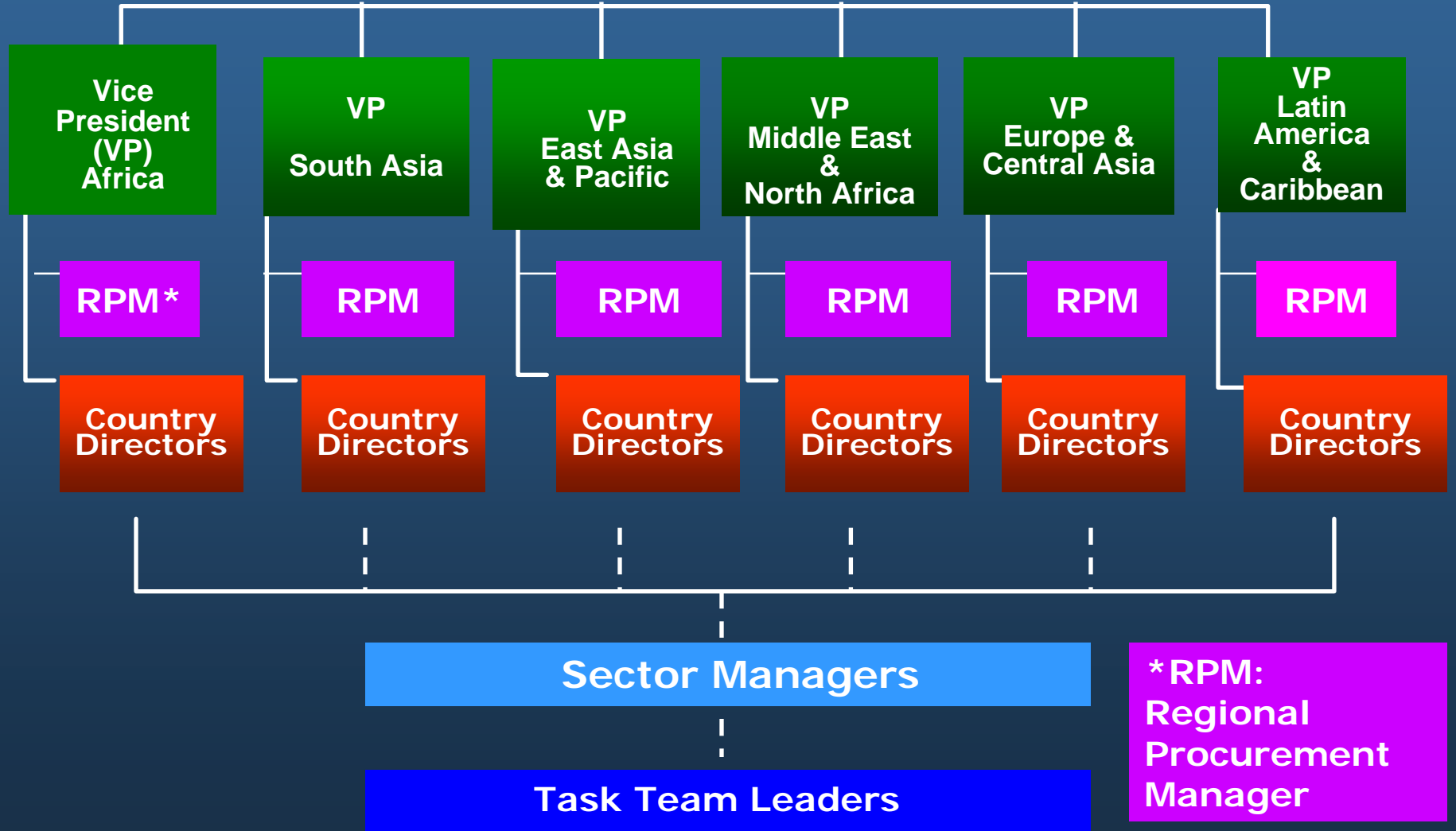
Investment Project Cycle



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Operations Staff



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Bank-Financed Procurement

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Procurement in the Bank's Lending

- ⇒ Investment projects/programs
- ⇒ Management and reform of public procurement system in borrower countries

The Bank's Role

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

The Borrower's Role

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

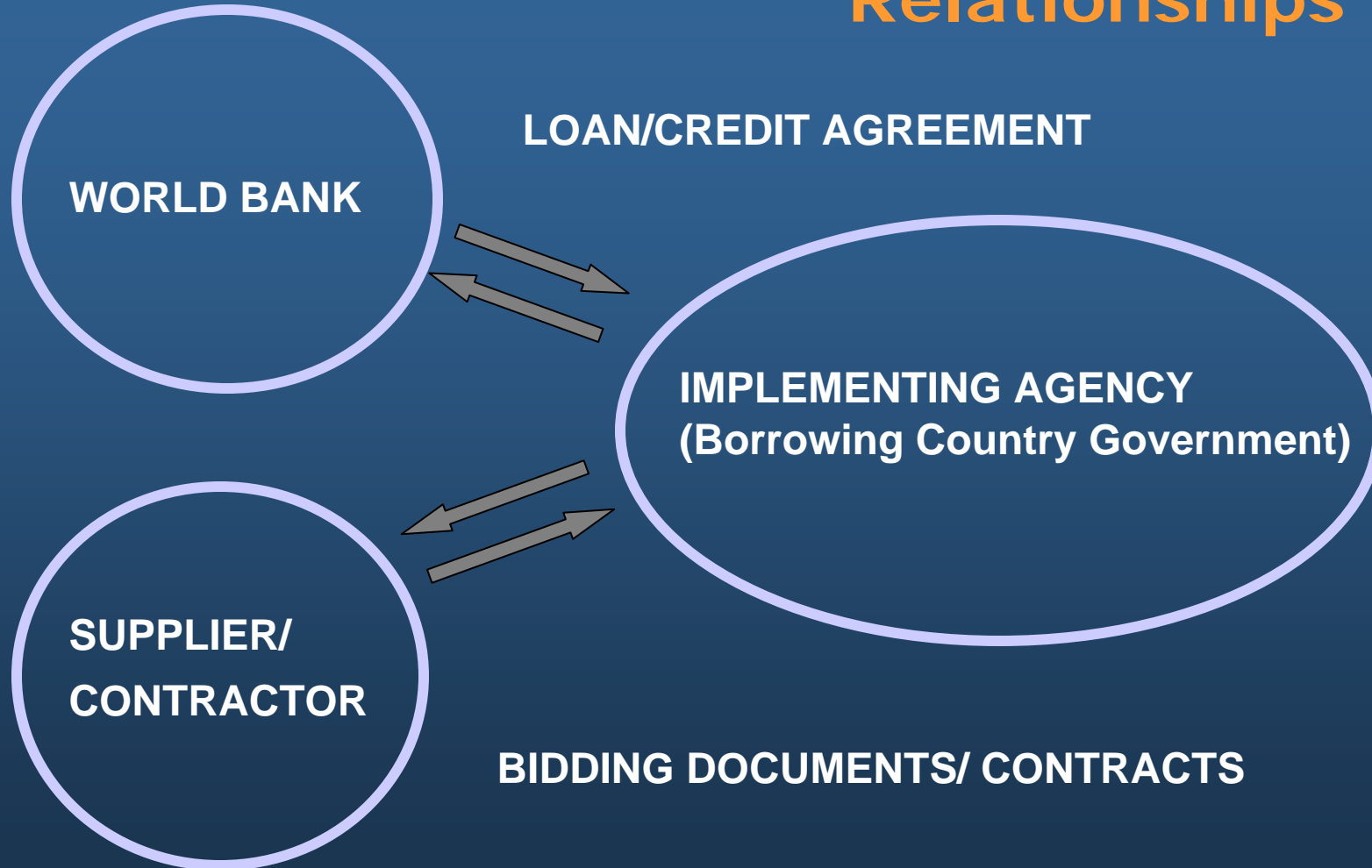
The Bank's Role in Procurement

- ⇒ Assess country system, project's procurement capacity and potential risks
- ⇒ Assist borrower in procurement planning
- ⇒ Provide procurement training/ knowledge sharing
- ⇒ Monitor compliance with loan/credit agreement and procurement plan
 - Prior review, Post review, Independent review
- ⇒ Translations

The Borrower's Role in Procurement

- ⇒ Design procurement plans
- ⇒ Prepare and issue bidding documents
- ⇒ Invite bids
- ⇒ Receive and evaluate bids/proposals
- ⇒ Award contracts
- ⇒ Implement/ contract payment
- ⇒ Monitor compliance with loan/credit agreement and procurement plan
 - Audit

Contractual Relationships



Considerations That Guide World Bank Procurement Policies

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

Procurement Guidelines

(May 2004)

Goods and Works

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

Consulting Services

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

Fraud & Corruption Provisions Guidelines (Para 1.14 or 1.22)

- ⇒ Corrupt Practice
- ⇒ Fraudulent Practice
- ⇒ Collusive practice
- ⇒ Coercive practices

Fraud & Corruption Provisions Definitions

Corrupt Practice

Offering, giving, receiving or soliciting,
directly or indirectly, of anything of value

Fraudulent Practice

Misrepresentation or omission of facts
to influence the procurement process or
contract execution

Fraud & Corruption Provisions

Definitions

Collusive Practice

A scheme or arrangement between two or more bidders, designed to establish bid prices at artificial, non-competitive levels.

Coercive Practice

Harming or threatening to harm, persons, or their property to influence their participation in a procurement process or contract execution.

Fraud and Corruption

- ⇒ Parties expected to observe highest ethical standards
- ⇒ Bank reserves the right to audit firm's accounts and records of the contract
- ⇒ Sanctions by Bank:
 - Will reject proposal for award
 - Cancel the portion of the loan
 - Declare firm ineligible for a limited period of time or indefinitely
 - List of debarred firms will be posted on the World Bank website:
<http://www.worldbank.org/debarr>

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Anti-corruption Hotline

Toll-free: **1-800-831-0463** (24 hours/day)

Collect call: **704-556-7046**

By mail: **PMB 3767**

**13950 Ballantyne Corporate Place
Charlotte, NC 28277, USA**

Department of Institutional Integrity (INT)

Phone: 202-458-7677 Fax: 202-522-7140

E-mail: investigations_hotline@worldbank.org

Website: <http://www.worldbank.org/integrity>

Click on "[Online Complaint Form](#)"

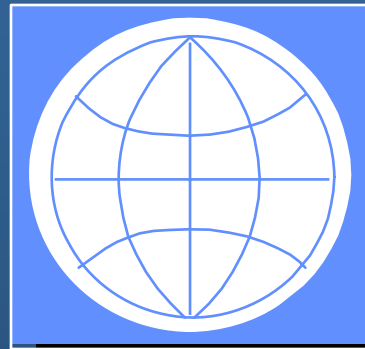
Anonymous calls are accepted.

Please be as specific as possible.

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Procurement OF Consulting Services

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SCOPE OF BUSINESS OPPORTUNITIES FOR CONSULTANTS IN WORLD BANK PROJECTS

- ⇒ **Study, Design, Supervision of Projects**
- ⇒ **Technical assistance and Institutional strengthening**

Basic Principles of Consultant Selection

- ⇒ High Quality Services
- ⇒ Economy and Efficiency
- ⇒ Fair Selection Process
- ⇒ Role of National Consultants
- ⇒ Transparency

Bank Guidelines For Consultant Selection

- ⇒ **Public notification for large assignments**
- ⇒ **Restricted competition**
- ⇒ **Standard Request for Proposals**
- ⇒ **Different selection methods are specified in the loan agreement**

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

- ⇒ **Short Lists, Invites and Selects**
- ⇒ **Negotiates and Contracts**
- ⇒ **Supervises, and Pays**

Short List

- ⇒ **Six Firms with a wide geographic spread**
- ⇒ **No More Than Two from Any One Country**
- ⇒ **Shortlist may comprise all national firms for smaller contracts.**
- ⇒ **All Shortlisted Firms must be Qualified**
- ⇒ **Participation of National Consultants encouraged**

Consultants' Strategy

- ⇒ Target assignments based on regional experience and technical qualifications
- ⇒ Obtain background information on project:
 - Country Assistance Strategy (CAS)
 - Sector Strategies
 - Project Information Document (PID)
 - Project Appraisal Document (PAD)
- ⇒ Understand Roles of Borrower and Bank
- ⇒ Target marketing at appropriate time

Making the Shortlist

- ⇒ **Contact, visit client before shortlisting.**
- ⇒ **Identify national partner firm, consultants**
- ⇒ **Monitor advertisements systematically**
- ⇒ **Express interest promptly, selectively**
- ⇒ **Expression of Interest (EOI):**
 - **Brief information on firm's qualifications**
 - **Relevant technical and regional experience**

Preparing the Proposal

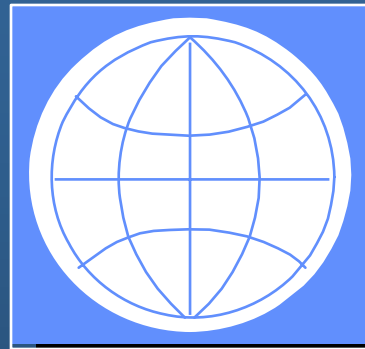
- ⇒ Pre-proposal visit
- ⇒ Address the Terms of Reference (TOR) clearly, comprehensively
- ⇒ Emphasize innovative technical solutions
- ⇒ Qualified Consultants in Key Staff positions
- ⇒ Firm Provides Strong Technical Leadership

Preparing the Proposal

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

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Procurement Of Goods, Works and Services

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International competitive bidding (ICB)

- ⇒ International advertising
 - UNDB online and Development Gateway's dgMarket
- ⇒ Standard Bidding Documents
 - Website: www.worldbank.org
- ⇒ Public bid opening
- ⇒ Evaluation and comparison of bids

International competitive bidding (ICB)

- ⇒ Contract awarded to lowest priced “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
- ⇒ Advance Payments
- ⇒ Letters Of Credit
- ⇒ Direct Payment

Other Methods

- ⇒ LIB - Limited International Bidding
 - Direct invitation to suppliers
- ⇒ NCB - National Competitive Bidding
 - Country's rules with some modifications if necessary
- ⇒ Shopping
 - Price quotations from at least three suppliers
- ⇒ Direct Contracting
 - Reconstruction, spare parts, etc.

OTHER METHODS

⇒ Force Account

- use of the borrower's own personnel and equipment

⇒ Performance-Based Procurement

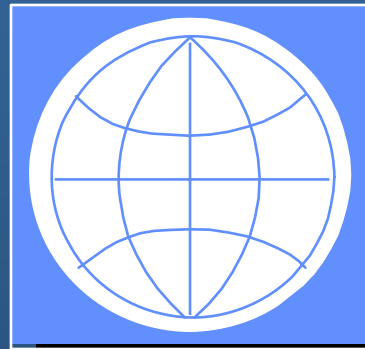
- Payments made for measured outputs

⇒ Community Participation in Procurement

- For project sustainability or specific social objectives

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Business Opportunities

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How to Track Opportunities

⇒ World Bank website

www.worldbank.org

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

How to Track Opportunities

- ⇒ UN Development Business and dgMarket (fee-based online services)
- ⇒ www.devbusiness.com
www.dgmarket.com
- ⇒ General Procurement Notices
 - Requests for Expressions of Interest
 - Invitations to prequalification
 - Invitations for bids (also referred to as Specific Procurement Notices)

How to win - briefly

- ⇒ Read everything you can
- ⇒ Make contacts in the country
- ⇒ Identify local partners
- ⇒ Respect local customs
- ⇒ Solve the client's problem. Don't impose your view.

How to win - briefly

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

Revisions to the Procurement and Consultant Guidelines May 2004

- ⇒ Eligibility extended to all countries
- ⇒ Borrowers may use e-procurement procedures (ranging from online advertising to full e-tendering)
- ⇒ Bid security at discretion of borrower
- ⇒ Advertising required in UNDB and dgMarket for all International Competitive Bidding and large-value (\$200,000) consulting contracts

Revisions – cont.

- ⇒ Enhanced disclosure of results
- ⇒ Fraud and corruption enhanced to include coercive practices
- ⇒ Borrowers to state in Bidding Documents if alternative bids will be considered
- ⇒ Annual or 18-month procurement plan – greater adaptability to project needs

Guidance to Bidders

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 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

Learn more

www.worldbank.org/procure

Procurement guidelines

Standard bidding and
proposal documents

And more!