



**AFRICAN DEVELOPMENT
BANK GROUP**

AFRICAN DEVELOPMENT BANK - FINANCING AND PROCUREMENT IN EGYPT

**Business Opportunities Seminar
April 2018**

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OUTLINE

1. Introduction to the AfDB Group
2. Procurement relationships and methods
3. Egypt – Contracts and Business Opportunities

1. Introduction to AfDB



THE AFRICAN DEVELOPMENT BANK GROUP

In Brief

Founded 1964

54 RMCs
26 Non RMCs

Capital=USD 95 billion

AfDB Group

African Development
Bank

African Development
Fund

Nigeria Trust Fund

Our Clients

Middle-Income
Countries

Low-Income Countries

Post-Conflict & Fragile
Situations

THE BANK'S ASSISTANCE TO AFRICA

Financing Products

Grants & Concessional Lending

Loans & Equity Investments

Type of Intervention

Projects & program-based operations

Technical Assistance
Non-project activities

Procurement

Goods

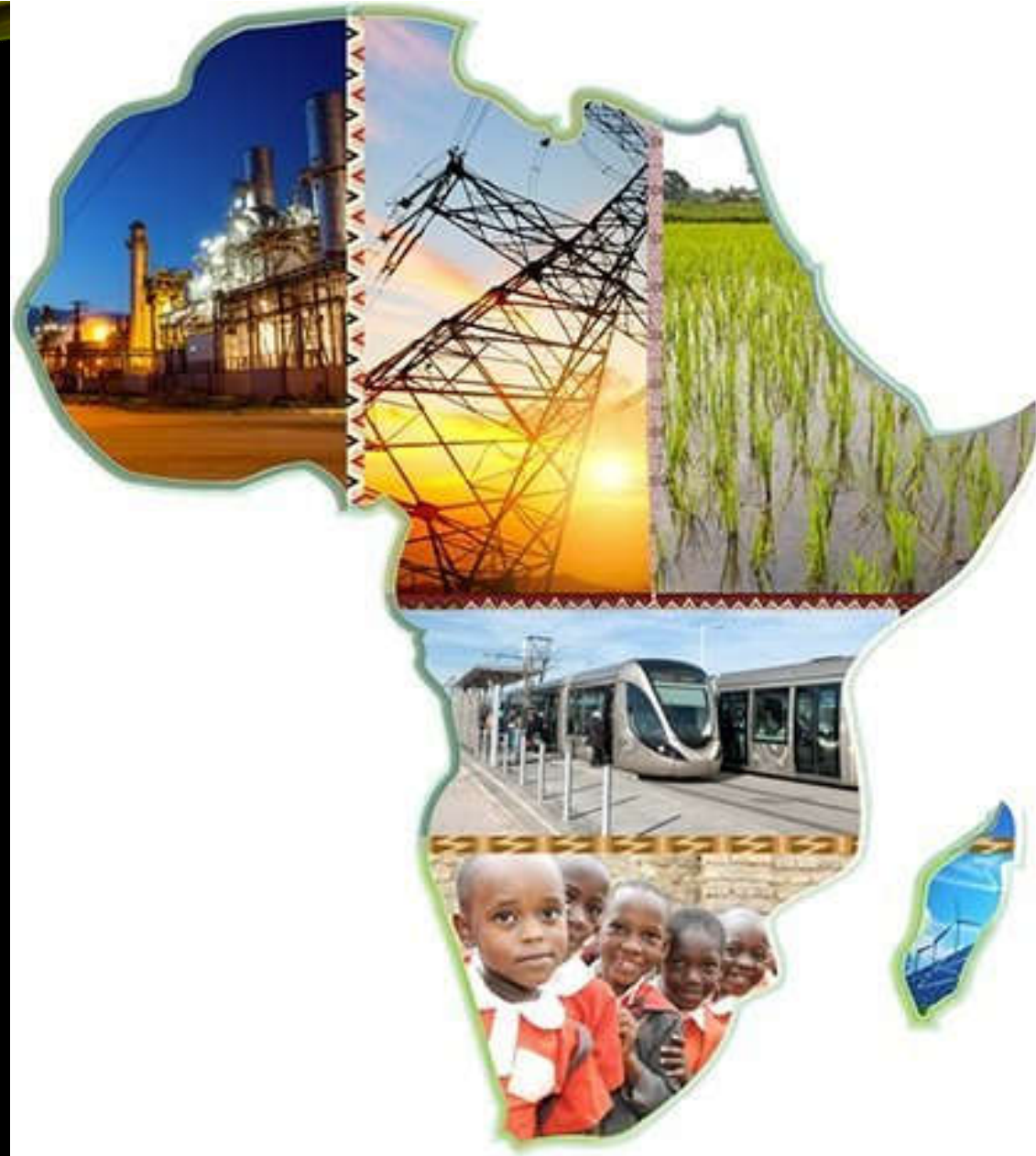
Works

Services

OUR **HIGH 5** PRIORITIES

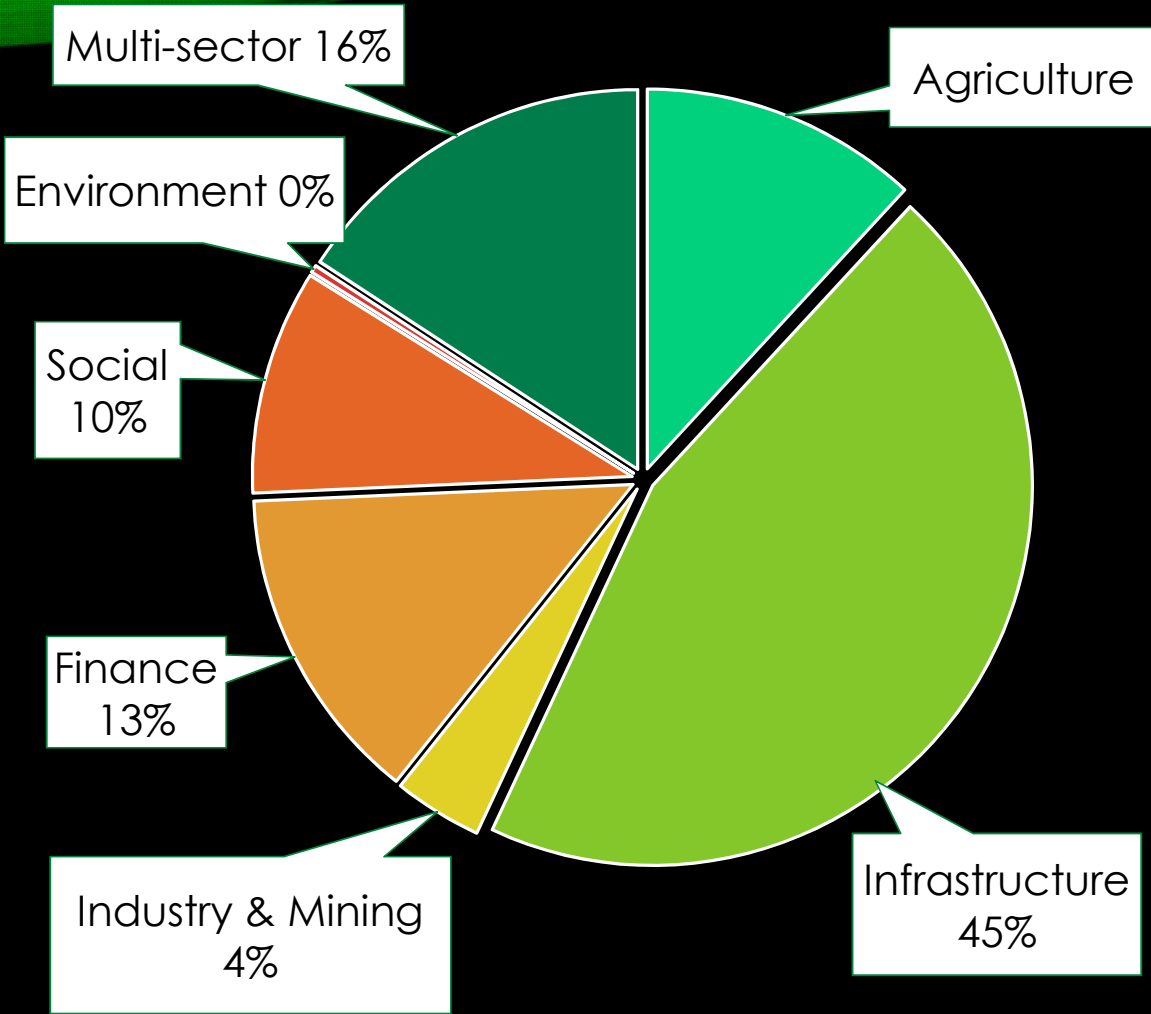
- Light p and power Africa
- Feed Africa
- Industrialise Africa
- Integrate Africa
- Improve the quality of life of the people of Africa

<https://vimeo.com/218791930>



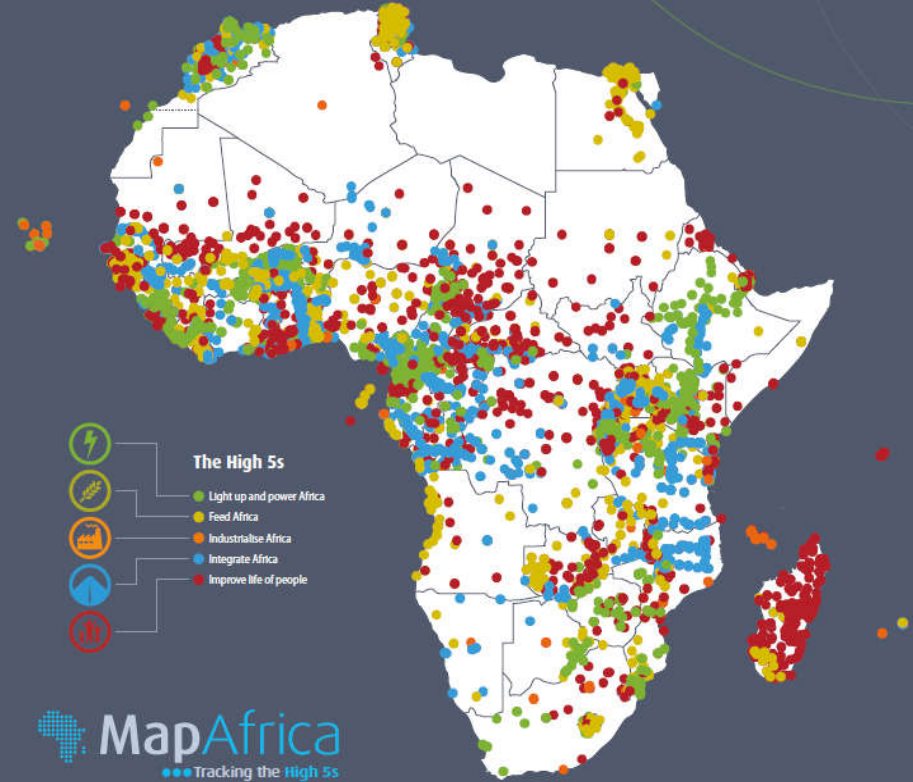
OUR PROJECTS

Approvals 1967-2017: \$ 135 billion



Delivering impact in the Bank's five priority areas

This map plots the geographic location of the 745 Bank operations that were approved between 2002 and 2015 in each of the High 5s.



BEFORE



AFTER

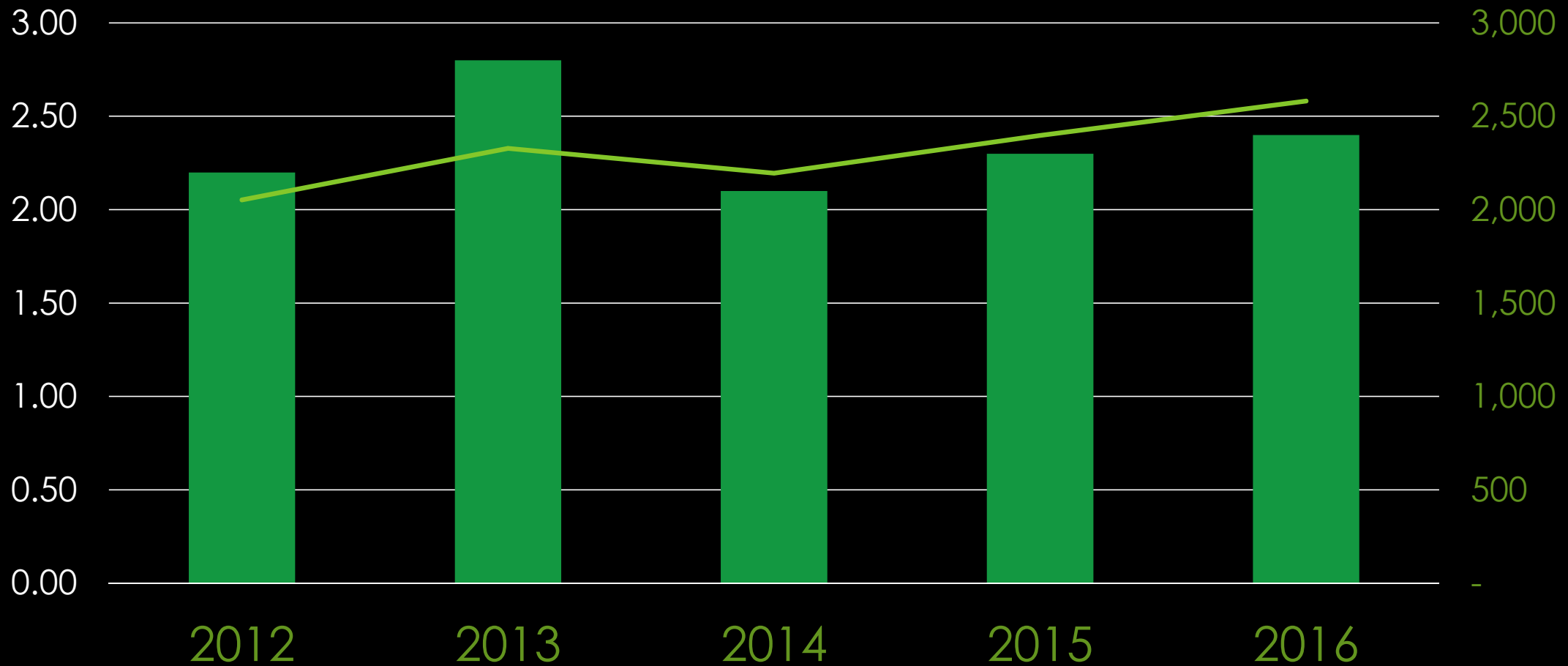


2. Procurement relationships and methods

CONTRACTS

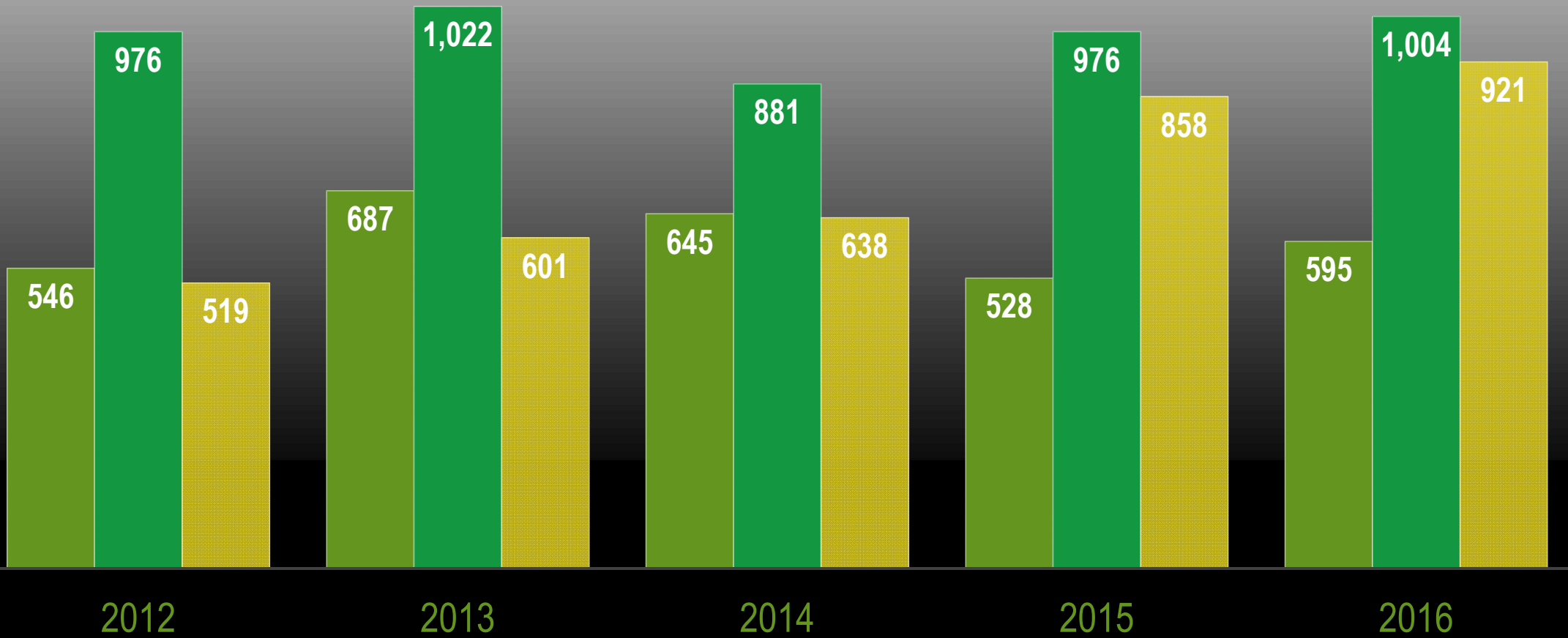
■ Value — Number

Billion USD

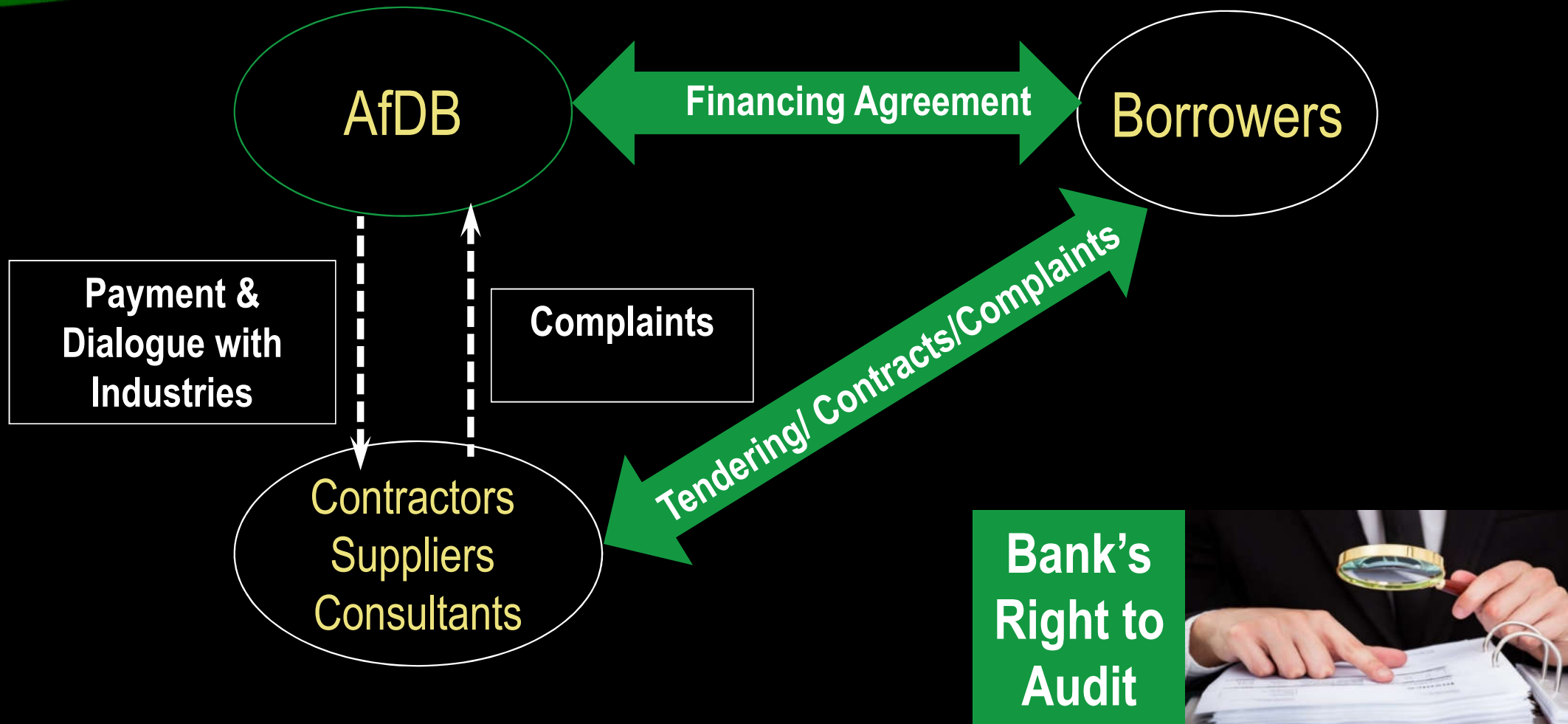


DISTRIBUTION OF CONTRACTS BY NUMBER

■ Goods ■ Works ■ Services



PROCUREMENT RELATIONSHIPS



ROLES & RESPONSIBILITIES



- Advertises and Issues Bidding Documents
- Evaluates and Selects
- Awards and Signs Contract
- Publicizes tender results
- Supervises Contract Execution

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

- Prepares SBDs for Use by Borrowers
- Provides Free Access to UNDB & AFDB
- Ensures processes meet procurement principles
- Provides of “No objection”
- Seeks appropriate redress from borrowers
- Imposes sanctions in case of Fraud & Corruption

Bank is not a party to Contract



MAIN FEATURES OF THE BANK'S PROCUREMENT FRAMEWORK

- ✓ Value for money
- ✓ Risk based fit for purpose approach
- ✓ Use of Borrower procurement system at times
- ✓ Capacity building at country level
- ✓ Beneficial ownership
- ✓ Development of national industries
- ✓ Fragile situations
- ✓ Co-financing



SELECTION OF PROCUREMENT SYSTEM



Risk-based assessment of the Borrower Procurement System



Use of Borrower Procurement System in FULL

BPSs cannot be relied upon due to risks and other factors



Use of Bank's Procedures

In FCS, emergency situations or when joint co-financing



Use of third Party rules and procedures

PROCUREMENT METHODS

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Goods & Works

Open Competition

Detailed specs

Price major factor

No negotiation

One envelope /
Multistage

Consultancy Services

Shortlisting

TOR's

Price can be a minor

Negotiation usual

Two envelopes

APPROACH TO PRIVATE SECTOR OPERATIONS

- ✓ Accepted commercial practices
- ✓ Conformity with the Procurement Plan
- ✓ Fair market price
- ✓ Adapting to various business models (PPP, etc.)
- ✓ Post review
- ✓ Ensuring Economy, Efficiency, Transparency and Open Competition for large contracts
- ✓ Performance and contract management
- ✓ Eligibility



3. Egypt contracts & Business Opportunities



General Information

- Project information:
<http://www.afdb.org/en/projects-and-operations/project-portfolio/>
- AfDB Procurement Policy and Procedures:
<http://www.afdb.org/en/projects-and-operations/procurement/new-procurement-policy/>
- AfDB Standard Bidding Documents:
<http://www.afdb.org/en/projects-and-operations/procurement/resources-for-borrowers/standard-bidding-documents/>

Specific Information

- General Procurement Notice (GPN):
<http://www.afdb.org/en/projects-and-operations/procurement/resources-for-businesses/general-procurement-notices-gpns/>
- Specific Procurement Notice (SPN):
<http://www.afdb.org/en/projects-and-operations/procurement/resources-for-businesses/specific-procurement-notices-spns/>
- UNDB journal/On-line and AfDB website

WINNING CONTRACTS²⁹

Anticipation

- Know your strengths, target your sector(s) and country(ies)
- Study the Bank portfolio, and identify projects under preparation and appraisal
- Subscribe to updates and alerts on the Bank's project portfolio and Tender Notice
- Study national market, establish partnerships with other firms at national level
- Identify executing agencies in countries beware of conflict of interest
- Study the Bank Procurement Policy Framework, Bank and Borrower SBDs

Bidding Period

- Seek clarifications from contracting agency
- Prepare proposals/bids in accordance with ToRs and specifications
- Demonstrate technical and financial strengths and track record in specific fields
- Don't contact the Bank
- Avoid underbidding
- Demonstrate compliance with the Bank fraud/corruption Policy requirements

AFDB PROCUREMENT STATISTICS FOR EGYPT

Awarded Contracts

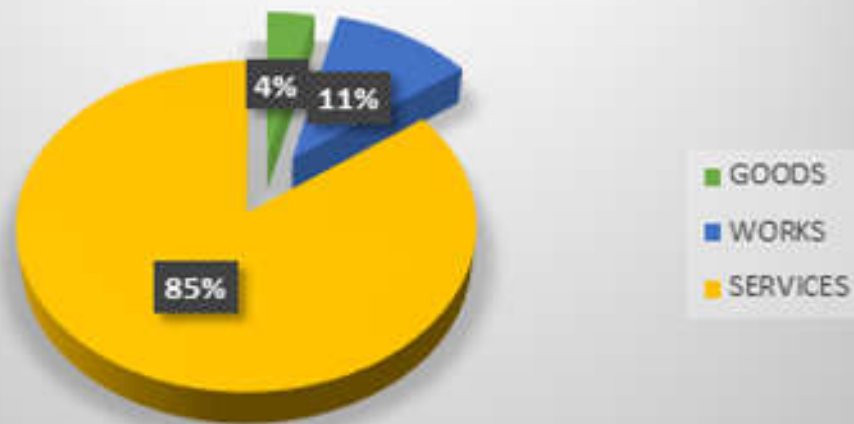


Share in AfDB Overall Contracts Awarded

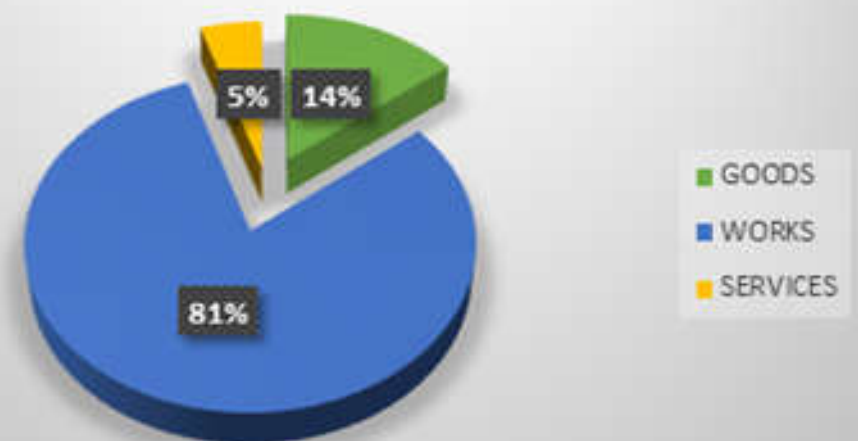


AFDB PROCUREMENT STATISTICS FOR EGYPT (CONT.)

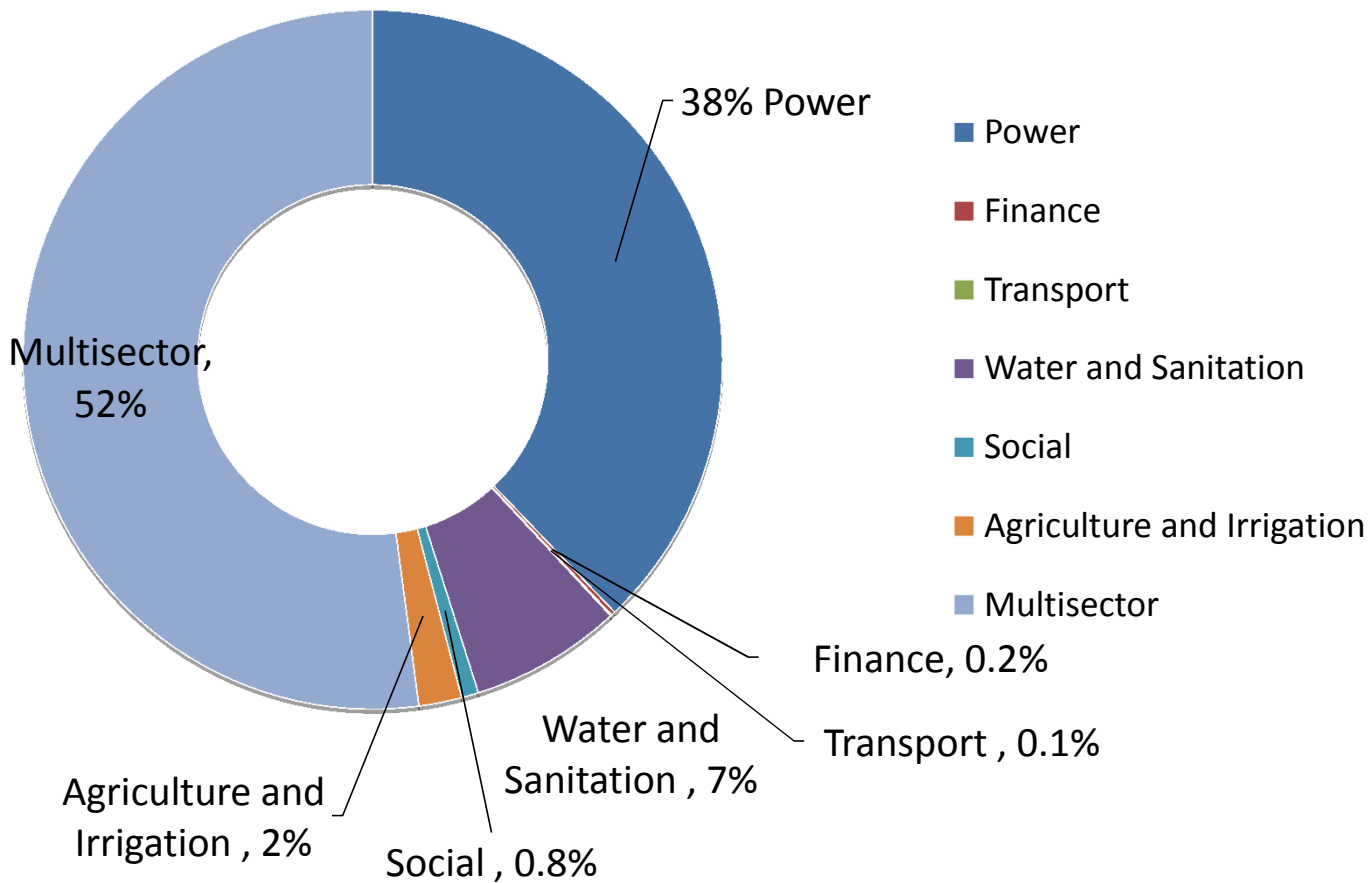
Number of Awarded Contracts By Expense Category



Value of Awarded Contracts By Expense Category



AfDB EGYPT PORTFOLIO



- 31 operations with commitment of 2.9 billion
- 9 public sector loans (90%) and 5 private sector projects (9%) and 17 grants (1%)
- 70% disbursement ratio
- \$ 580 million disbursed in 2017

CONTRACT OPPORTUNITIES

Goods & Works	Services (consultancies)
<ul style="list-style-type: none"> IT equipment 	<ul style="list-style-type: none"> Consultancy firm: Comprehensive training (IT, management, soft skills, language) for parliament staff
<ul style="list-style-type: none"> Equipment for training centre 	<ul style="list-style-type: none"> Consultancy firms: Feasibility studies; ESIA's. Individual consultants: capacity building; needs assessment; job creation and employment creation
<ul style="list-style-type: none"> Water quality & Environmental Devices; pumps; materials for pipeline factories 	<ul style="list-style-type: none"> Individual consultants: strategies; advisory role; marketing; change mngmt; treasury; microfinance.
<ul style="list-style-type: none"> Rehabilitation of subsurface networks in different regions 	<ul style="list-style-type: none"> Individual consultants: for automation of court. Consultancy firms: design and propose streamlined business processes; consultancy firm for Firm to develop platform for e-filing
	<ul style="list-style-type: none"> Consultancy firms: ICT infrastructure; ODA and Information Management Systems;
	<ul style="list-style-type: none"> Consultancy firms: design e-learning modules; media centre; Individual firms: design of e-learning Academy; complaints information



**AFRICAN DEVELOPMENT
BANK GROUP**

Building today
a better tomorrow



Thank You

Sectors (Value in UA Million)	2013		2014		2015		2016		2017	
	Nb	Value	Nb	Value	Nb	Value	Nb	Value	Nb	Value
Agriculture	-	-	-	-	-	-	-	-	3	0.02
Finance	-	-	-	-	-	-	-	-	1	0.07
Multi-Sector	-	-	14	0.22	8	0.11	5	0.49	11	0.57
Power	2	15.3	-	-	3	7.7	3	2.1	2	11.5
Social	4	0.23	1	0.24	8	0.1	-	-	1	0
Transport	-	-	-	-	1	1.45	-	-	4	2.25
Water Sup/Sanit	1	46	-	-	-	-	-	-	-	-
Total	7	61.5	15	0.46	20	9.36	8	2.59	22	14.4