



Improving SMEs' Access to Cross-Border Public Procurement

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International Public Procurement : World Bank



WORLD BANK GROUP

Overview

The subjects involved in international public procurements are Benefactor Countries, Beneficiary Countries, companies and International Organisations (IO). International Organisations act to support developing Countries by financial assistance.

The World Bank has an important role in these activities. Its goal is to support the social and economic development of these countries reinforcing the infrastructures and the private business initiative.

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The content of this fact sheet represents the views of the author only and is his/her sole responsibility; it cannot be considered to reflect the views of the European Commission and/or the Executive Agency for Small and Medium-sized Enterprises or any other body of the European Union. The European Commission and the Agency do not accept any responsibility for use that may be made of the information it contains.

World Bank operational sectors

TOTAL CREDITS (IBRD + IDA) IN 2016

Sector	Million dollars
Agriculture	1,657
Education	1,309
Energy	2,645
Finance	458
Health	3,303
Industry	729
Communication	61
Government	2,836
Transports	2,039
Environment	1,132

World Bank organisation

World Bank is composed by five organisations:

- ◆ **International Bank for Reconstruction & Development (IBRD)** - it provides loans to developing countries' governments issuing bonds with AAA rating. The bonds price is between 58 and 60 billion dollars per year.
- ◆ **International Development Association (IDA)** - it provides loans to the governments of the low income economies: Bangladesh, India, Pakistan, Vietnam, Ethiopia, Ghana, Nigeria, Kenya, Tanzania and Mozambique.
- ◆ **International Financing Corporation (IFC)** - it supports the private sector investing in companies by medium-long term loans.
- ◆ **Multilateral Investment Guarantee Agency (MIGA)** - it promotes the growth of developing countries issuing guarantess on foreign direct investments against non commercial risks.
- ◆ **International Centre for Settlement of Investment Disputes (ICSID)** - it offers instruments and solutions for international investments disputes resolution.



Procurements for supply of goods and services

Procurement Framework: five main points

1. Procurement is an integrated activity of the World Bank
2. The system is based on the principle of Value for Money
3. The procurement procedure to be adopted is fixed with a Fit for Purpose approach
4. Local institutions can receive a technical assistance support
5. Rules are in line with the evolution of global market

Operational Procurement

The Operational Procurement concerns goods, works and services purchase in projects financed by the World Bank. The World Bank is obliged to ensure that the funds are used in accordance with the aims of the financing. The Beneficiary Country has the responsibility of the procurement management and of the contract.

Italy is at the third place among countries to which World Bank contracts are awarded, for an amount of 241 million dollars (data year 2015).

The main countries where the Italian companies were awarded contracts financed by the World Bank, between 2010 and 2015, are Egypt, Kazakistan and Argentina.

From a sectorial point of view, the most relevant contracts are concluded in the transports and energy sectors.

Corporate Procurement

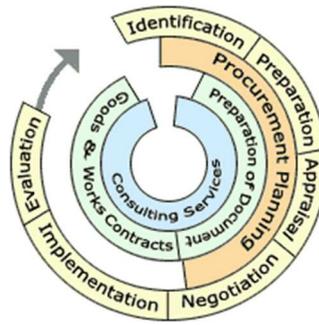
5% of tenders is awarded through *Corporate Procurement* for goods and services supply.

Corporate Procurement makes a distinction between two types of tenders:

1. Competitive Selection Process
2. Single Source Selection

Between 2014 and 2015 Italian companies were awarded 0,5% of these types of tender whereas US companies are at the first place for number of contracts awarded.

Project Cycle



1. Identification (Country Partnership Strategy)

The World Bank works with a borrowing country's government to identify the country's highest priorities for reducing poverty and improving living standards.

2. Preparation

The World Bank and the borrowing country's government agree on the *Project Concept Note*, a document containing project's aims, time needed for its realization and potential risks.

3. Appraisal and Approval

The borrowing country must approve a supply plan to be submitted to the World Bank. The bank institution will evaluate the feasibility and the objectives of the project, the country system and its ability in carrying out the project. Afterward the borrower and the World Bank must prepare the *Project Appraisal Document*, a document establishing terms, responsibilities and obligations of the parties.

4. Implementation

In this phase the following documents are prepared:

- **General Procurement Notice (GPN):** notice announcing that a call for tenders will be launched, but the details of the project are not specified. Therefore, the company does not have the necessary tools to evaluate the real interest in the project. The company can contact the project manager within the Bank to get more information.
- **Specific Procurement Notice (SPN):** notice announcing the opening of a call for tenders and specifying beneficiary, object, timing and characteristics. Specific qualifications may be required and it is important to have this information in order to purchase the tender documents only if having the necessary skills to participate in the project.
- **Request for Expression of Interest (REI):** used in tenders for consultancy services; the contracting authority invites potential competitors to express their interest in participating in the call for tender.

A single project can generate several tender procedures. The borrowing country has the task of periodically updating the WB on the progress of the project, in order to make it public through the *Report on the Status of Projects in Execution*.

5. Completion

The World Bank produces, in the context of the *Implementation Completion and Results Report*, a final specific report describing the correspondence of the project outcomes with the original objectives, problems encountered and solutions adopted.

6. Evaluation

The Bank's Independent Evaluation Group assesses the project performance and its sustainability in the long term.

Mistakes to avoid

- Incomplete bid
- Inadequate Bid Security
- Lack of supporting documents
- Lack of test reports, if required
- Expiry of the Bid Validity
- Absence of signature
- Partner of the proposed joint venture already taking part to another bid
- Conflict of interests.

Practical Tips

1. Choose projects that cover geographical areas about which you possess a deep knowledge
2. Look for information in time so as to provide the required documentation in details
3. Identify the experts with whom you intend to prepare the project
4. Propose a budget that will take into consideration needs as well as expected economic return
5. Highlight innovative solutions and bids

Keep updated

It is possible to consult databases to be updated on the tenders financed by the World Bank:

STEP	http://step.worldbank.org/	Systemic Tracking of Exchanges in Procurement
Database PROJECTS	http://www.worldbank.org/projects	It offers an overview of the active projects
UNDB (UN Development Business)	http://www.devbusiness.com/	Database of the United Nations including contract notices
eConsultant2	https://wbgeconsult2.worldbank.org/wbgec/index.html	It publishes consultancy services tenders
Contract Award Database	http://finances.worldbank.org/procurement	It contains awarded contracts
Procurement App	Available on Apple Store and iTunes	It contains awarded contracts

Social Networks

Twitter:
https://twitter.com/sesam_eu

YouTube:
www.youtube.com/user/pargovpl

Website:
www.sesamproject.eu

SESAM

Initiated in 2017, the project SESAM intends to improve SME's access to Cross-Border Public procurement. This project provides knowledge and support for a successful participation in public procurement within European Union, in particular in Germany, Italy, France and Poland.

The following tools are available for SMEs:

- ◆ Seminars
- ◆ Webinars
- ◆ Training sessions
- ◆ Factsheets and guidelines
- ◆ B2B (business to business) and B2P (business to procurer) events
- ◆ Lists of potential partners/public buyers
- ◆ Advisory service

Contacts

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Sources

Websites: www.worldbank.org

Bibliography: *Banca Mondiale - Un'opportunità per giovani e imprese* (Tindaro Paganini, Egea 2016)