Creating an enabling environment for business in international development

Enzo de Laurentiis
Chief Procurement Officer

August, 2018
The World Bank Group

GOVERNMENTS

- IBRD
  - Middle Income Countries

- IDA
  - Low Income Countries

PRIVATE SECTOR

- IFC
  - Foreign and Local Investors

- MIGA

ICSID

- Tribunal
Top Areas of Spend in FY18 (large contracts prior reviewed)

$11 Billion - 1600 Projects in 132 countries

- Transport 37%
- Water/Sanit/Waste 20%
- Energy & Extractives 16%

Source AO: BI – Information as of July 26, 2018
Why bid on World Bank contracts?

- Equal opportunity, fair treatment
- Certainty of process
- High standard of integrity
- High certainty of payment
- Billions of dollars worth of business
- Variety of contract sizes suitable for SMEs to large multinationals
- Wide variety of sectors so lots of opportunities for suppliers
- Opportunity for suppliers to enter developing markets
2017 Global Commitments by Region

- **Latin America and the Caribbean**: 16%
- **Sub-Saharan Africa**: 26%
- **Middle East and North Africa**: 11%
- **Europe and Central Asia**: 15%
- **South Asia**: 16%
- **East Asia and the Pacific**: 16%
The World Bank’s New Procurement Framework
Old Problems – New Solutions

- One size fits all, limited options, prescriptive
- F&C seen as primary challenge
- Mixed capacity - clients, suppliers and Bank
- Arms-length approach to markets
- Primary focus on selection phase

- Key focus on results
- Fit for purpose approach as enabler of value for money
- Flexible, risk-based decision-making
- Early, proactive market engagement
- Capacity building
- Dynamic risk management, with enhanced integrity, fairness and transparency
- Increased focus on contract management
Some Innovations

- Strategic procurement
- New suite of Standard Procurement Documents
- Rated Criteria
- Abnormally Low Bids/Proposals
- Sustainable Procurement
- Many new options and methods
- Value engineering
- ESHS provisions in works documents
- Enhanced complaints management
- Hand-on support
- Direct payment
- Beneficial Ownership
<table>
<thead>
<tr>
<th>RANK</th>
<th>COUNTRY</th>
<th>CONTRACT VALUE (USD)</th>
<th>% OF TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>India</td>
<td>1,627,688,651</td>
<td>16.97%</td>
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<tr>
<td>2</td>
<td>Ukraine</td>
<td>537,542,205</td>
<td>5.61%</td>
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<tr>
<td>3</td>
<td>Poland</td>
<td>466,054,304</td>
<td>4.86%</td>
</tr>
<tr>
<td>4</td>
<td>Bangladesh</td>
<td>379,928,618</td>
<td>3.96%</td>
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<tr>
<td>5</td>
<td>Tanzania</td>
<td>356,774,090</td>
<td>3.72%</td>
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<tr>
<td>6</td>
<td>China</td>
<td>340,942,742</td>
<td>3.56%</td>
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<tr>
<td>7</td>
<td>Kenya</td>
<td>299,552,529</td>
<td>3.12%</td>
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<tr>
<td>8</td>
<td>Egypt</td>
<td>247,262,641</td>
<td>2.58%</td>
</tr>
<tr>
<td>9</td>
<td>Georgia</td>
<td>244,670,093</td>
<td>2.55%</td>
</tr>
<tr>
<td>10</td>
<td>Lebanon</td>
<td>243,039,853</td>
<td>2.53%</td>
</tr>
<tr>
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<td>CONTRACT VALUE (USD)</td>
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<tr>
<td>1</td>
<td>India</td>
<td>2,024,273,015</td>
<td>21.11%</td>
</tr>
<tr>
<td>2</td>
<td>China</td>
<td>1,656,045,771</td>
<td>17.27%</td>
</tr>
<tr>
<td>3</td>
<td>Turkey</td>
<td>510,091,338</td>
<td>5.32%</td>
</tr>
<tr>
<td>4</td>
<td>Spain</td>
<td>367,891,262</td>
<td>3.84%</td>
</tr>
<tr>
<td>5</td>
<td>France</td>
<td>315,611,979</td>
<td>3.29%</td>
</tr>
<tr>
<td>6</td>
<td>Italy</td>
<td>304,893,112</td>
<td>3.18%</td>
</tr>
<tr>
<td>7</td>
<td>Poland</td>
<td>281,503,538</td>
<td>2.94%</td>
</tr>
<tr>
<td>8</td>
<td>Bangladesh</td>
<td>228,265,326</td>
<td>2.38%</td>
</tr>
<tr>
<td>9</td>
<td>Argentina</td>
<td>211,569,139</td>
<td>2.21%</td>
</tr>
<tr>
<td>10</td>
<td>Brazil</td>
<td>181,253,373</td>
<td>1.89%</td>
</tr>
<tr>
<td>11</td>
<td>United States</td>
<td>170,702,761</td>
<td>1.78%</td>
</tr>
</tbody>
</table>

Source AO: BI – Information as of July 26, 2018
## FY18 Top Ten Consulting Service Countries

<table>
<thead>
<tr>
<th>RANK</th>
<th>COUNTRY</th>
<th>CONTRACT VALUE (USD)</th>
<th>% OF TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>France</td>
<td>72,305,184</td>
<td>6.12%</td>
</tr>
<tr>
<td>2</td>
<td>India</td>
<td>70,888,753</td>
<td>6.00%</td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>41,874,308</td>
<td>3.54%</td>
</tr>
<tr>
<td>4</td>
<td>Korea, Republic</td>
<td>38,859,766</td>
<td>3.29%</td>
</tr>
<tr>
<td>5</td>
<td><strong>United States</strong></td>
<td><strong>36,214,892</strong></td>
<td><strong>3.06%</strong></td>
</tr>
<tr>
<td>6</td>
<td>Canada</td>
<td>33,462,546</td>
<td>2.83%</td>
</tr>
<tr>
<td>7</td>
<td>Netherlands</td>
<td>29,518,546</td>
<td>2.50%</td>
</tr>
<tr>
<td>8</td>
<td>Spain</td>
<td>29,303,902</td>
<td>2.48%</td>
</tr>
<tr>
<td>9</td>
<td>Italy</td>
<td>28,760,049</td>
<td>2.43%</td>
</tr>
<tr>
<td>10</td>
<td>United Kingdom</td>
<td>26,485,459</td>
<td>2.24%</td>
</tr>
</tbody>
</table>

Source AO: BI – Information as of July 26, 2018
USA: FY18 Contract Awards by Procurement Category

- Non-Consulting Services: $36M
- Civil Works: $50M
- Consultant Services: $82M
- Goods: $3M

Source AO: BI – Information as of July 26, 2018
FY18 Sector Distribution of Awards to USA

- Health & Social Services: 46%
- Energy & Extractives: 30%
- Transportation: 11.8%
- Agriculture: 4.6%
- Info & Communication: 3.6%
- Public Admin: 1.7%
- Water/Sanit/Waste: 1.1%
- Unassigned: 1.1%
- Others: 0.8%

$171 Million

Source: AO, BI – Information as of July 26, 2018
## USA: FY18 Top Ten Suppliers

<table>
<thead>
<tr>
<th>RANK</th>
<th>SUPPLIER</th>
<th>CONTRACT VALUE (USD)</th>
<th># OF CONTRACTS</th>
<th>% OF TOTAL VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IMA (INTERCHURCH MEDICAL ASSISTANCE)</td>
<td>76,094,307</td>
<td>2</td>
<td>44.58%</td>
</tr>
<tr>
<td>2</td>
<td>ANDRITZ HYDRO CORPORATION -JV</td>
<td>49,694,874</td>
<td>0.33</td>
<td>29.11%</td>
</tr>
<tr>
<td>3</td>
<td>HJI GROUP CORPORATION</td>
<td>9,736,176</td>
<td>4</td>
<td>5.70%</td>
</tr>
<tr>
<td>4</td>
<td>SHELADIA ASSOCIATION INC (SHELADIA) ASO. With ABDU</td>
<td>8,265,768</td>
<td>1</td>
<td>4.84%</td>
</tr>
<tr>
<td>5</td>
<td>THE BOSTON CONSULTING GROUP, INC.</td>
<td>5,656,880</td>
<td>1</td>
<td>3.31%</td>
</tr>
<tr>
<td>6</td>
<td>ACDI VOCA</td>
<td>5,179,190</td>
<td>1</td>
<td>3.03%</td>
</tr>
<tr>
<td>7</td>
<td>IOS PARTNERS, INC,</td>
<td>1,732,313</td>
<td>2</td>
<td>1.01%</td>
</tr>
<tr>
<td>8</td>
<td>ENTERPRISE ELECTRONICS CORPORATION (EEC)</td>
<td>1,560,349</td>
<td>1</td>
<td>0.91%</td>
</tr>
<tr>
<td>9</td>
<td>BOSTON CHILDREN'S HEALTH INTERNATIONAL</td>
<td>1,480,233</td>
<td>1</td>
<td>0.87%</td>
</tr>
<tr>
<td>10</td>
<td>COOPERATIVE FOR ASSISTANCE AND RELIEF EVERYWHERE (CARE)</td>
<td>1,131,250</td>
<td>1</td>
<td>0.66%</td>
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</tbody>
</table>

Source AO: BI – Information as of July 26, 2018
## USA: FY18 Top Ten Consulting Service Providers

<table>
<thead>
<tr>
<th>RANK</th>
<th>SUPPLIER</th>
<th>CONTRACT VALUE (USD)</th>
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<tbody>
<tr>
<td>1</td>
<td>HJI GROUP CORPORATION</td>
<td>9,736,176</td>
<td>4</td>
<td>26.88%</td>
</tr>
<tr>
<td>2</td>
<td>SHELADIA ASSOCIATION INC (SHELADIA) ASSO. with ABDU</td>
<td>8,265,768</td>
<td>1</td>
<td>22.82%</td>
</tr>
<tr>
<td>3</td>
<td>ACDI VOCA</td>
<td>5,179,190</td>
<td>1</td>
<td>14.30%</td>
</tr>
<tr>
<td>4</td>
<td>IOS PARTNERS, INC,</td>
<td>1,732,313</td>
<td>2</td>
<td>4.78%</td>
</tr>
<tr>
<td>5</td>
<td>BOSTON CHILDREN’S HEALTH INTERNATIONAL</td>
<td>1,480,233</td>
<td>1</td>
<td>4.09%</td>
</tr>
<tr>
<td>6</td>
<td>NATHAN ASSOCIATES INC.</td>
<td>1,216,706</td>
<td>1</td>
<td>3.36%</td>
</tr>
<tr>
<td>7</td>
<td>COOPERATIVE FOR ASSISTANCE AND RELIEF EVERYWHERE (CARE)</td>
<td>1,131,250</td>
<td>1</td>
<td>3.12%</td>
</tr>
<tr>
<td>8</td>
<td>CARDNO EMERGING MARKETS USA LTD</td>
<td>921,762</td>
<td>2</td>
<td>2.55%</td>
</tr>
<tr>
<td>9</td>
<td>LYON ASSOCIATES, INC.</td>
<td>899,814</td>
<td>1</td>
<td>2.48%</td>
</tr>
<tr>
<td>10</td>
<td>DELOITTE CONSULTING LLC</td>
<td>893,740</td>
<td>1</td>
<td>2.47%</td>
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Source AO: BI – Information as of July 26, 2018
How to Identify Contract Opportunities

- Country Partnership Framework (CPF)
- Monthly Operational Summary
- Project Document
- World Bank website
- Financing App for real time info
- Historic Procurement data on major contract awards in Procurement App
- Procurement plan on WB site [www.worldbank.org](http://www.worldbank.org)
- General and Specific Procurement Notices on United Nations Development Business [www.devbusiness.com](http://www.devbusiness.com)
Steps in Identifying Contract Opportunities

- Identifying projects of Interest
  - Determine country and/or sector of interest

- Viewing procurement plans to identify planned procurement and timing under the project
  - Go to [www.projects.worldbank.org](http://www.projects.worldbank.org)
  - Select “browse by country” choose country
  - Under “Projects” tab, select the project of interest
  - Under “Procurement” tab select “plans” to view latest plan
  - Under “Procurement” tab select “Notices” to view notices
Steps in Identifying Contract Opportunities

- **Viewing procurement notices by country or sector**
  - Go to [www.projects.worldbank.org](http://www.projects.worldbank.org)
  - Select the “Procurement” tab
  - Select “browse by country” (or sector) choose (country or sector)
  - Select the “country/sector of interest
  - View list of notices and select notice of interest
Finances App
Conclusion

- The World Bank Procurement Framework:
  - Aligns with the role of procurement in modern government
  - Provides more choice and greater flexibility to deliver the desired outcome
  - More focus on VfM aspects, as opposed to cost only
  - Encourages innovation
  - More and earlier engagement with Business
  - More information and greater transparency on procurement through STEP
## Useful links for further information

<table>
<thead>
<tr>
<th>Link Description</th>
<th>URL</th>
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</thead>
</table>
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