



The AfDB Group: Opportunities for U.S. companies

Elvire Kodio
Commercial Specialist
CS - AfDB Abidjan, Côte d'Ivoire



INTRODUCTION

Speaker:
Janelle Weyek
Senior Commercial Officer

What are MDBs?

- The five MDBs lend billions of dollars in developing countries for projects aimed at:
 - Accelerating economic growth and social development
 - Improving health and education,
 - Advancing infrastructure development
 - Encouraging level playing field, good governance, transparency, and rule of law











What are MDBs?

- Each MDB differs in:
 - Geographic coverage
 - Emphasis on public vs private projects
 - Overall development goals.
- When an MDB finances a project, all responsibility for its implementation rests with the borrower, with oversight and support from the MDB

Why Bid on MDB-Funded Contracts?



A large procurement market



- Opportunities to work globally
- Opportunities to enter developing markets



- Equal opportunity & fair treatment
- Certainty of process & high standards of integrity
- High certainty of payment



- Variety of contract sizes
- Opportunities suitable for SMEs to large multinationals



- Wide variety of sectors
- Demand for variety of specializations

MDB New Procurement Framework

BEFORE

AFTER

One size fits all

Limited options, very prescriptive

Fraud and Corruption 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 enabling value-for-money and innovation

Flexible, risk-based decision-making

Early, proactive market engagement

Capacity building

Dynamic risk management, enhanced integrity, fairness and transparency

Increased focus on contract management

U.S. & Foreign Commercial Service at the MDBs

The Commercial Service Liaison Offices are an integral part of U.S. representation, assisting U.S. companies on how to work with the bank, assist on procurement and contracting issues to ensure fair and equal treatment, and help increase the proportion of MDB projects won by U.S. firms.

Services include:

- Counseling on how to approach the MDB and borrowing governments.
- Meeting with MDB project managers to provide U.S. firms with updates on specific projects.
- Identifying upcoming projects that present a good opportunity for U.S. firms.
- Identifying funded projects with business opportunities for U.S. companies.
- Informing U.S. firms of relevant Invitations to Bid (specific procurement notices).
- Keeping U.S. firms informed of MDB procured contracts, including policy studies (on subjects such as gender, the environment, etc.) and goods/services directly procured by the MDB.



OPPORTUNITIES FOR U.S. COMPANIES AT THE AfDB

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Elvire Kodio
Commercial Specialist



AGENDA

- Introduction
- Opportunities for U.S. companies
- Steps for success
- Nigeria and the AfDB
- AfDB website & resources
- Working with CS AfDB



INTRODUCTION

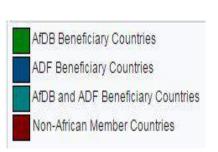
INTRODUCTION

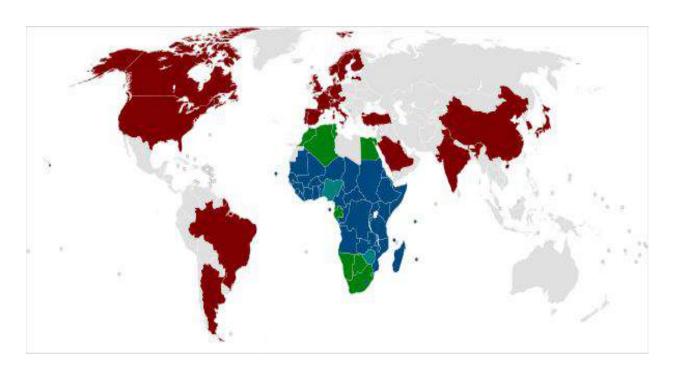


- •African nations founded the AfDB in 1964. The United States joined in 1983.
- •The AfDB Group provides assistance through two main windows the **African Development Bank (AfDB)**, which lends at market-based rates, and the **African Development Fund (ADF)**, which provides grants and concessional financing to the least developed countries of the continent. The Bank also manages Trust Funds.
- •In 2019, through over **293 project approvals** across the High 5 priority areas, the **AfDB approved a total of \$6.94 billion** in loans, equity investments, lines of credit, and guarantees, and **the ADF approved \$1.6 billion** in concessional loans and grants.

AfDB Shareholding

- 54 African Countries (Regional Member Countries)
- 27 non-African Countries (non-Regional Member Countries)







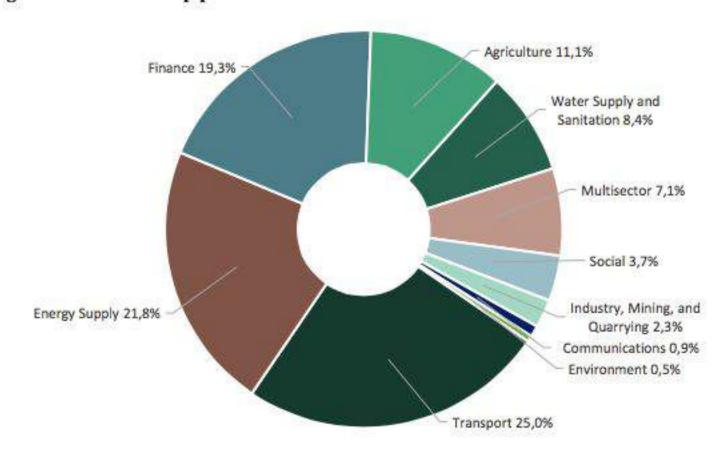
THE HIGH 5 PRIORITIES

The High 5s – accelerate Africa's transformation

Delivering on the Bank's Ten Year Strategy to achieve inclusive growth and help Africa gradually transition to green growth



Figure 2.4: Bank Group portfolio distribution across sectors at end 2019







3 TYPES OF OPPORTUNITIES

- <u>Project Procurement</u> An AfDB borrowing country government borrows funds from the AfDB Group for a public works project (goods, works, services); that government runs a public competition and selects vendors.
- <u>Corporate Procurement</u> The AfDB Group itself runs a competition for services, goods and works for its internal needs.
- <u>Private Sector Operations</u> U.S. and other AfDB member country private sector firms partner with AfDB Private Sector Operations on financing solutions in support of private sector activities.



TRANSPORT - EBONYI STATE RING ROAD PROJECT



Project description

The Ebonyi State Ring Road Project aims to provide improved and sustainable access to economic opportunities and social services, and to enhance the capacity of relevant government institutions to enhance the socio-economic development of the State.

Procurement needs:

- Consultancy for environmental and safety services
- Consultancy for the supervision of the Abakaliki ring road
- Construction of road
- Financial auditing



AfDB Commitment: USD 41 million Status: Implementation



ELIGIBILITY CRITERIA PRIVATE SECTOR OPPORTUNITIES

Must be incorporated in a member country Must be majority owned by private sector Project must be commercially viable Project sponsor must be in good standing with the Bank Project must aim at max. development impact The AfDB's max. participation 33%



FOCUS: FINANCING SOLUTIONS IN THE ENERGY SECTOR

LENDING

- Fully flexible loans for Middle-Inco me Countries
- Standard private sector loans

GUARANTEES

- Partial Risk Guarantee
- Partial Credit Guarantee
- Breach of contract

EQUITY

- Ceiling of 25% ownership
- Example:
 Private
 Equity
 Portfolio
 targeting
 clean
 energy
 projects

TRUST FUNDS

- SEFA
- FEI on-grid,
 FEI off-grid
- PEVP



STEPS FOR SUCCESS

U.S. firms who win AfDB-supported contracts do these three things simultaneously:

They have experience in Africa

They develop relationships with the AfDB

They bid on projects

Know your market/client

- Read the Project Summary documents, notices, and Country Strategy Papers.
- Register for automatic alerts for projects/consultancy opportunities. Write or call the named Point of Contact to clarify project specifications.
- Review contract award notifications: look at possibility of serving as a subcontractor or supplier to a prime.

Execute your strategy

- Leverage your local presence or local contacts.
- Understand and be prepared for realistic timelines regarding financing, production, and resources.
- Demonstrate your proven expertise, highlight the development impact, and the value for money.
- Submit your bid, or partner to be a supplier or sub-contractor.

What if you don't win

Ask for a debrief, and please bid again!



NIGERIA AND THE AfDB





NIGERIA COUNTRY STRATEGY PAPER 2020 - 2024

Strengths

- Largest African economy in GDP terms
- Major oil and gas producer in Africa and 4th globally

Opportunities

- Untapped agriculture potential
- Untapped renewable energy potential (solar, wind...)

Weaknesses

- High dependence on oil revenue (90% of exports)
- Physical infrastructure deficit

Challenges

- Rapid population growth rate
- Insecurity fueled by sporadic Boko Haram attacks

Source: Nigeria CSP 2020 - 2024





NIGERIA COUNTRY STRATEGY PAPER 2020 - 2024

To achieve the CSP's main objectives, the Bank deploy a combination of instruments in 2 priority areas



1 - Supporting infrastructure development



2 - Promoting social inclusion through agribusiness skills development



INDICATIVE OPERATIONS PROGRAM 2020 - 2024

INFRASTRUCTURE DEVELOPMENT		SOCIAL INCLUSION	
Qua Iboe power project	2024	Special agro-industrial processing zones	2021
Technical assistance to aviation sector	2021	Forest, land restoration and resilience project	2024
Bakassi deep seaport project	2023	Brass fertilizer project	2024
Kaduna City water & sanitation expansion project	2024	Inclusive higher education	2022
Support to health diagnostic infra. dvpt	2023	Technical and vocational education training skills for industry	2024

Source: Nigeria CSP 2020 - 2024



NIGERIA COUNTRY OFFICE

African Development Bank Group
1521 Cadastral Zone A0
Off Memorial Close
Central Business District
Abuja

Phone:

+234 9 700 2092

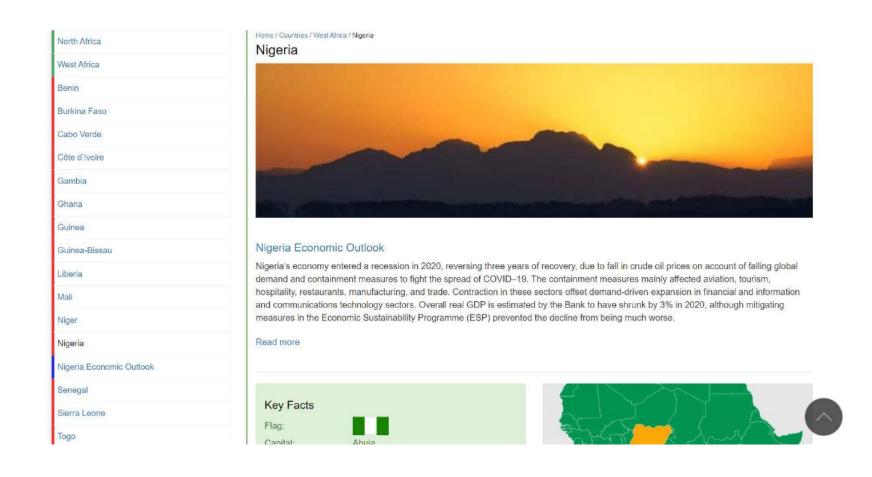
+234 9 700 2095

Mr. Ebrima Faal, Senior Director



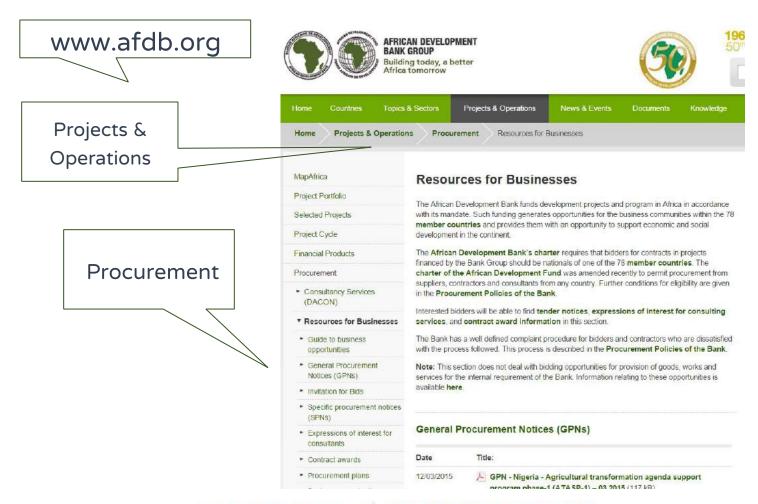


COUNTRY PAGES



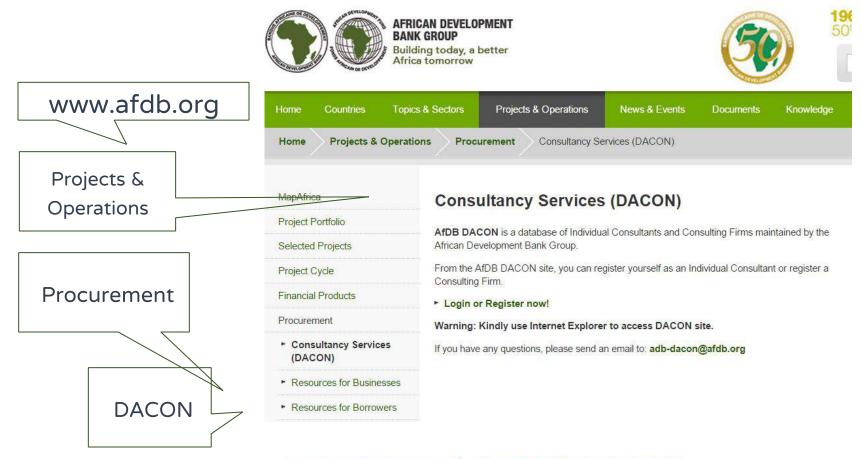


PROJECT INFORMATION





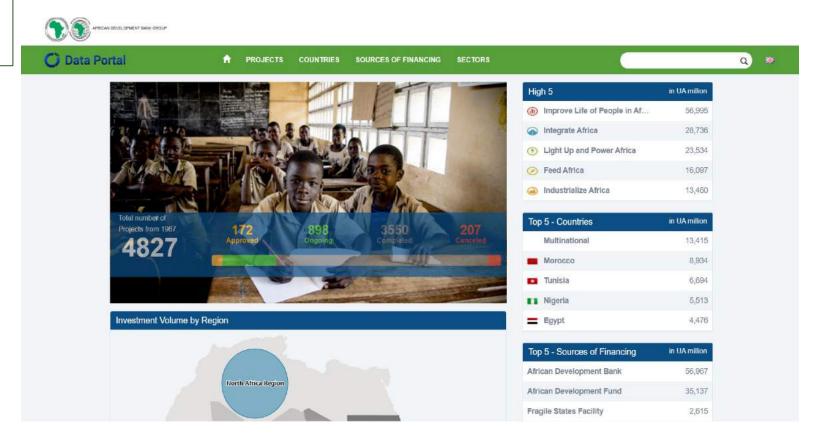
CONSULTANCY SERVICES





THE DATA PORTAL

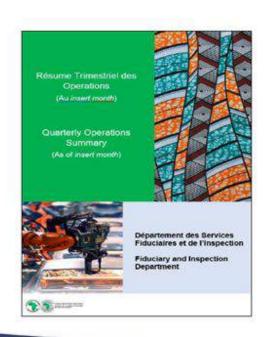
projectsportal.afdb.org





THE QUARTERLY OPERATIONS SUMMARY

https://www.afdb.org/en/documents /project-related-procurement/ quarterly-operational-summaryqos/





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IMPORTANT LINKS

General Procurement Notices

https://www.afdb.org/en/projects-and-operations/procurement/res ources-for-businesses

Specific Procurement Notices

https://www.afdb.org/en/documents/project-related-procurement/ procurement-notices/specific-procurement-notices

UN Business Development https://devbusiness.un.org/



WORKING WITH CS AfDB

AfDB COMMERCIAL LIAISON OFFICE

- Guide to Doing Business with the MBDs
- Visit <u>www.afdb.org</u>
- Contact us for information, a meeting, or one of our tailored services:
 - \square specific project information & navigating opportunities
 - meetings with key AfDB staff
 - ☐ developing a strategy on how to position the firm to win AfDB-financed contracts
 - ☐ assistance with procurement issues





AfDB COMMERCIAL LIAISON OFFICE

Office Phone: +225-27-22-49-43-57

From the U.S.: (301) 985-8627 ext. 4357

Janelle Weyek
Senior Commercial Officer
Janelle.Weyek@trade.gov

Elvire Kodio
Commercial Specialist
Elvire.Kodio@trade.gov



Merci – Obrigado – Shukran - Asante – Ameseginalehu – Dupe – Na Gode - Thank you – Ngiyabonga - Enkosi!

