



# Consortium Building for IFI Success

Session 6

September 11, 2007

**Hussein Amery**

**Integrated Development Enterprise Associates**



# Workshop Overview



The workshop is designed to identify key elements of doing business with IFIs through the development of effective bidding practices bidding partnerships and consortia.



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

# Workshop Overview



- **Developing strategic alliances and partnerships for pursuing IFI projects**
  - ❑ **Identify / seek / find good local partners**
  - ❑ **Identifying Opportunities**
  - ❑ **Structure partnerships**
  - ❑ **Make partnerships work**





# Getting Involved in International Business Development



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

# International Development



Development is a complex, long-term process that involves all of the world's people, governments and organizations at all levels in the private and public sectors.

An overriding common purpose is the achievement of the Millennium Development Goals.



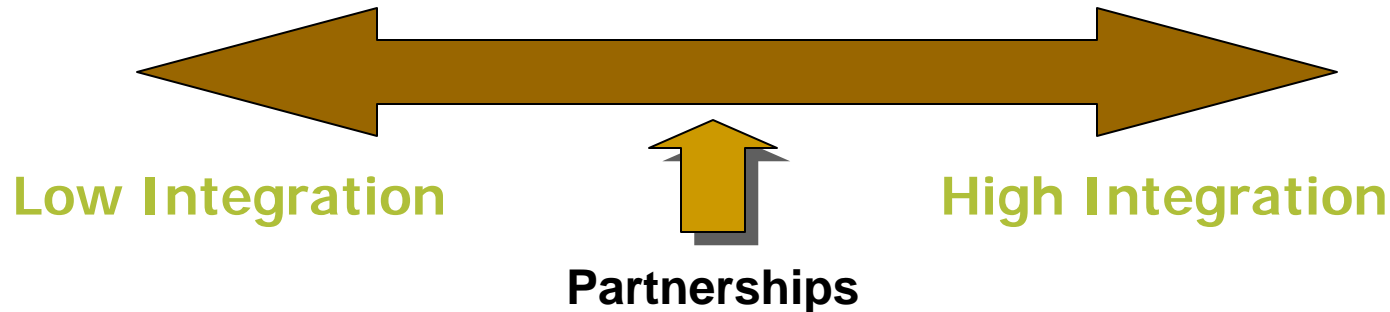
# The Strategic Approach to International Development Business



- Develop a strategy (*Country targets, sector focus; commit time & resources*)
- Knowledge (learn about IFI market, the IFIs, your sectors of activity)... *Information revolution.*
- Identify / Research Opportunities (i.e., projects in pipeline (MOS), procurement notices)
- ***Partner, partner, partner***
- **Participate in the bidding competition (EOIs, proposals)**



# Options for Foreign Market Entry

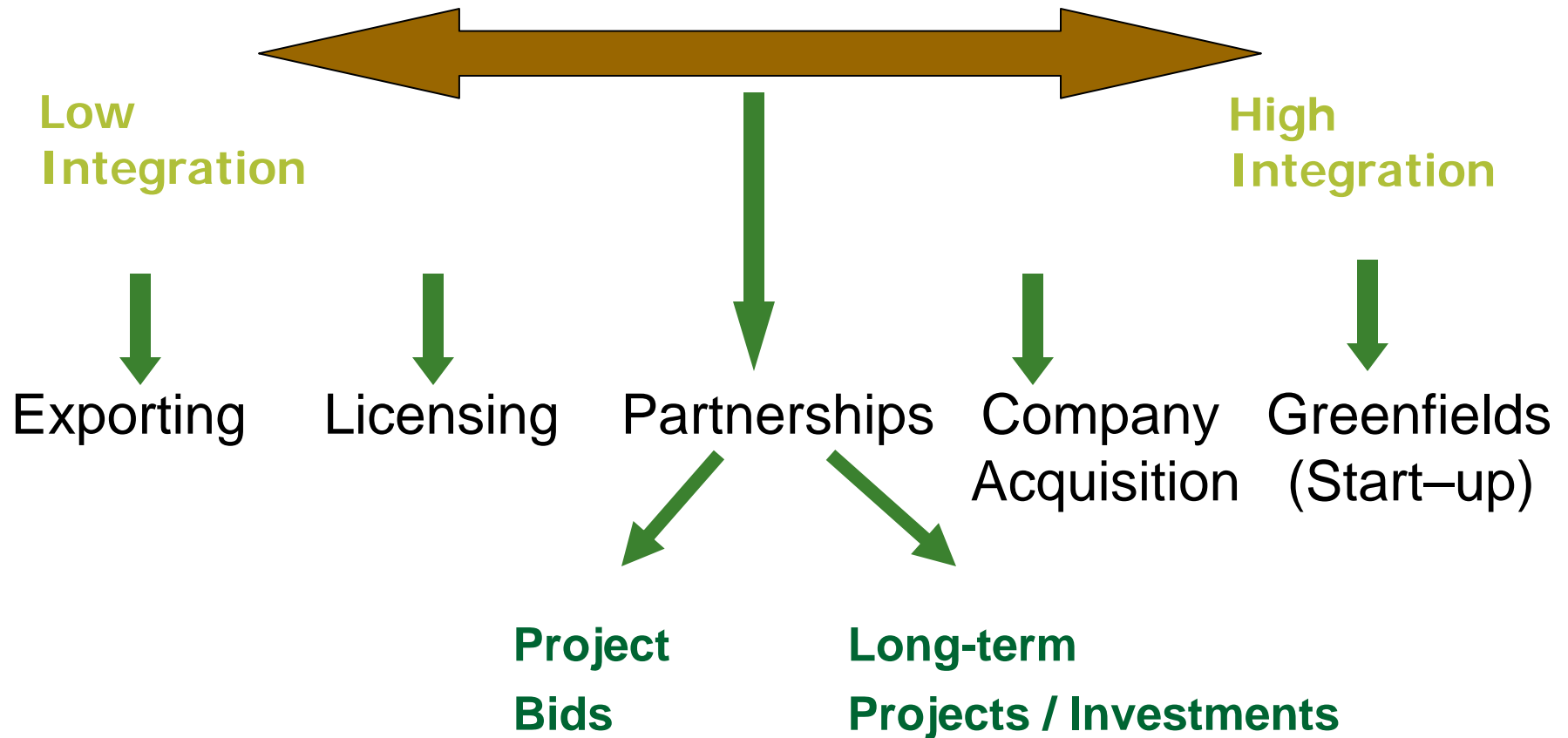


- Lower investment risk
- Minimal involvement
- Lower control
- Risk of unknown high

- Higher investment risk
- Maximum involvement
- Higher control
- Risk of unknown still high



# Partnerships



## Business Development Unit



To do effective development, you must have organization, focus and leadership

- Establish a Business Development Unit with a mandate
- Identify targets and strategy for Market involvement



# Unit Development



Build and Staff a Business Development Unit with leaders and doers

- Leaders

1. Appoint Manager or Director of Business Development or Project Officer

2. Identify Regional, Sub-Regional, Country specialists

3. Personnel for Specialized Proposal services

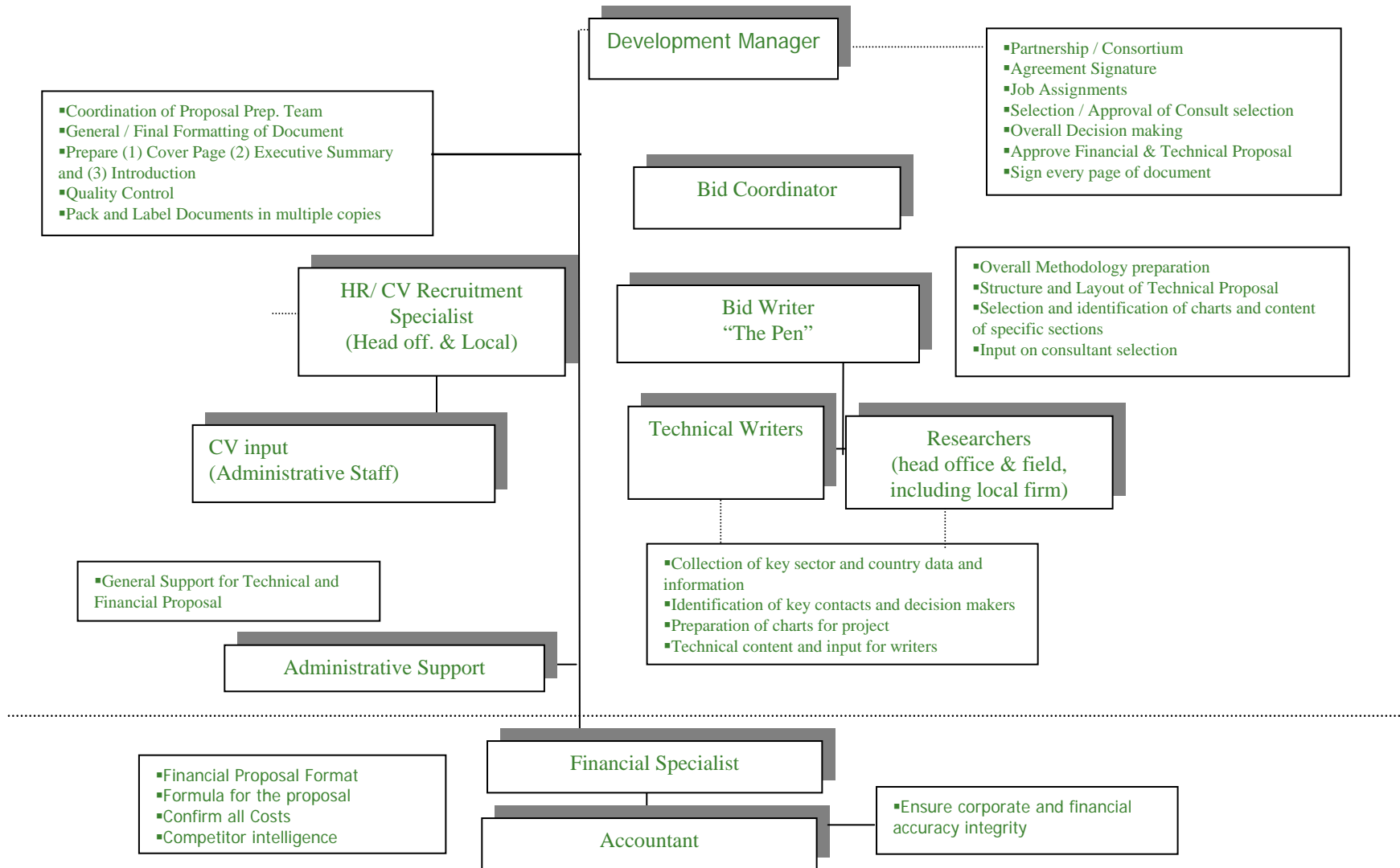
1. Writer(s)
2. Researcher(s)
3. Contract Negotiation
4. Project Implementation



# Effective Bidding Team



TECHNICAL



# Market Intelligence



- IFI procurement requires a commitment to the region/country
  1. Identify Country Development Priorities, Potential Opportunities and Donor Priorities
  2. Be Aware of the culture and environment of which you are proposing to work in
  3. Identify key local actors and potential partners



# Market Intelligence



- Early identification of opportunities allows for better marketing
  1. Identify opportunities at the approval stage of the project cycle of IFIs
  2. Conduct Site Visits to target countries / Establish a Local presence
  3. Secure Local/ International Partners, Contracted Agents, or Network of institutions
  4. Talk to others Canadian and international firms working in the market
  5. Contact IFIs and IFI Liaison Offices
  6. Work with Canadian Trade Commissioners



# IFIs: The MDBs



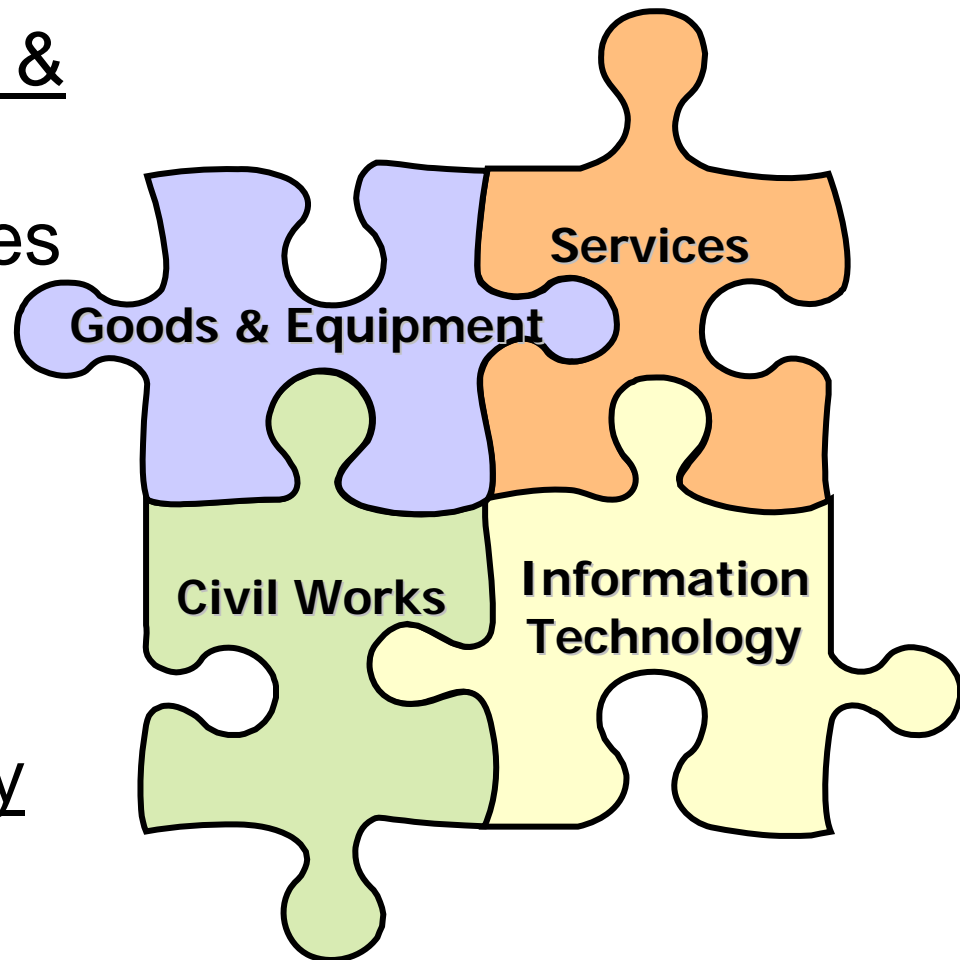
Asian Development Bank (ADB)	Inter-American Development Bank (IDB)	World Bank (WB)	African Development Bank (AfDB)	Caribbean Development Bank (IDB)	European Bank for Reconstruction and Development (EBRD)
<p><u>Location:</u> Manila Regional, resident offices <u>Member</u> <u>Countries:</u>62 <u>Borrowing</u> <u>Members:</u> 41 <u>Canadians on</u> <u>Staff:</u> 46 <u>Canadian</u> <u>Participation:</u> voting power: 4.6% permanent seat on 12-member Board</p> <p><a href="http://www.adb.org">www.adb.org</a></p>	<p><u>Location:</u> Washington <u>Member</u> <u>Country:</u> 46 <u>Borrowing</u> <u>Members:</u> 26 <u>Canadians on</u> <u>Staff:</u> 25 <u>Canadian</u> <u>Participaton:</u> voting power: 4% permanent seat on 14-member Board</p> <p><a href="http://www.iadb.org">www.iadb.org</a></p>	<p><u>Location:</u> Washington 109 Regional, field, liaison offices <u>Member</u> <u>Countries:</u> 184 <u>Borrowing</u> <u>Members:</u>142 <u>Canadians on</u> <u>Staff:</u> 218 <u>Canadian</u> <u>Participation:</u> voting power: 3.05% 5th place with 5 others permanent seat on 24-member Board</p> <p><a href="http://www.worldbank.org">www.worldbank.org</a></p>	<p><u>Location:</u> Tunis 7 regional offices, one in London <u>Member</u> <u>Countries:</u> 77 <u>Borrowing</u> <u>Members:</u> 53 <u>Canadians on</u> <u>Staff:</u> 9 <u>Canadian</u> <u>Participaton:</u> voting power: 3.3% permanent seat on 18-member Board</p> <p><a href="http://www.afdb.org">www.afdb.org</a></p>	<p><u>Location:</u> Barbados <u>Member</u> <u>Countries:</u> 25 <u>Borrowing</u> <u>Members:</u>17 <u>Canadians on</u> <u>Staff:</u> 1 <u>Canadian</u> <u>Participaton:</u> voting power: 9.5% permanent seat on 24 member Board</p> <p><a href="http://www.caribank.org">www.caribank.org</a></p>	<p><u>Location:</u> London 32 regional offices <u>Member</u> <u>Countries:</u> 60 <u>Borrowing</u> <u>Members:</u>27 <u>Canadians on</u> <u>Staff:</u> 1 <u>Canadian</u> <u>Participaton:</u> voting power: 3.4% permanent seat on 23-member Board</p> <p><a href="http://www.ebrd.com">www.ebrd.com</a></p>



# Four Main Types of Procurement



- Procurement of Goods & Equipment
- Procurement of Services (Consulting / TA)
- Procurement of Civil Works
- Procurement of Information Technology



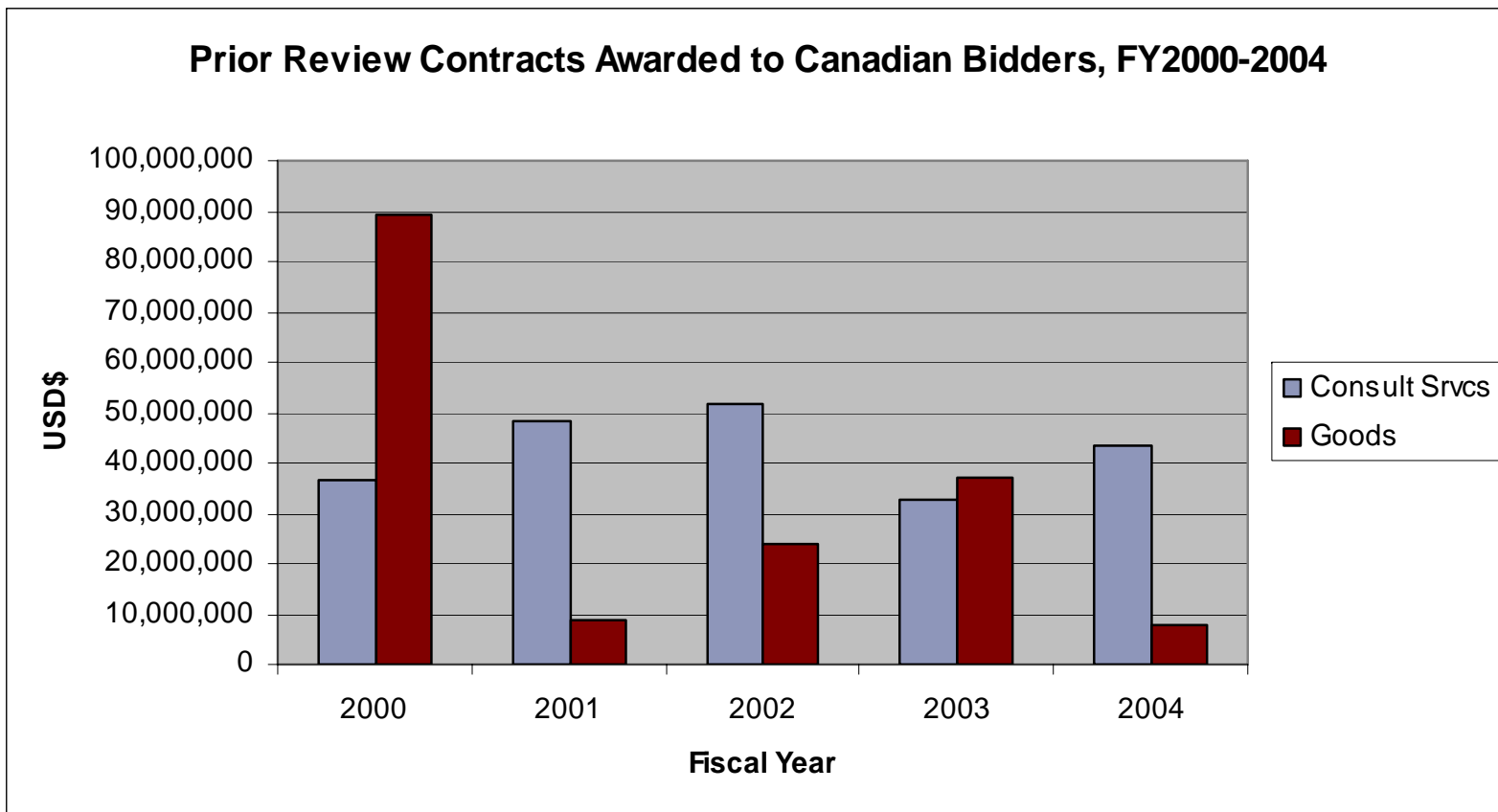
# Awarding of Contracts at the World Bank



- All contracts must be awarded to the lowest evaluated responsive bid, based on the evaluation criteria set forth in the bid documents (not necessarily the lowest priced bid).
- Other factors, such as quality, durability, availability of after-sale service and training may also be taken into account.



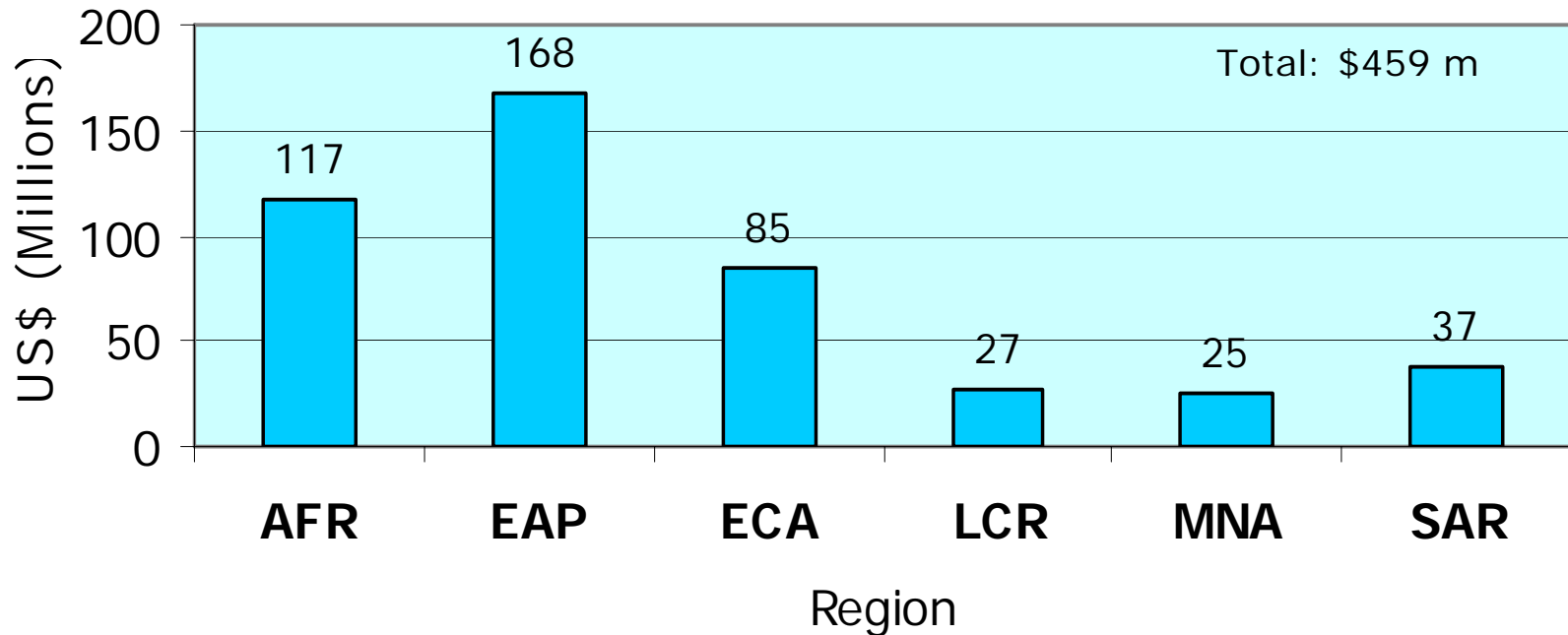
# WB Contracts Awarded to Canada 2000-04



# WB Canadian Contracts by Region



Regional Distribution of Prior Review Contracts:  
Canadian Firms 1999-2004



# Contracts at the World Bank



- There is no quota system that links the award of contracts to the size of contributions or share of membership by a country in the Bank
- All goods or works must be internationally advertised by placing a General Procurement Notice in a United Nations publication, Development Business



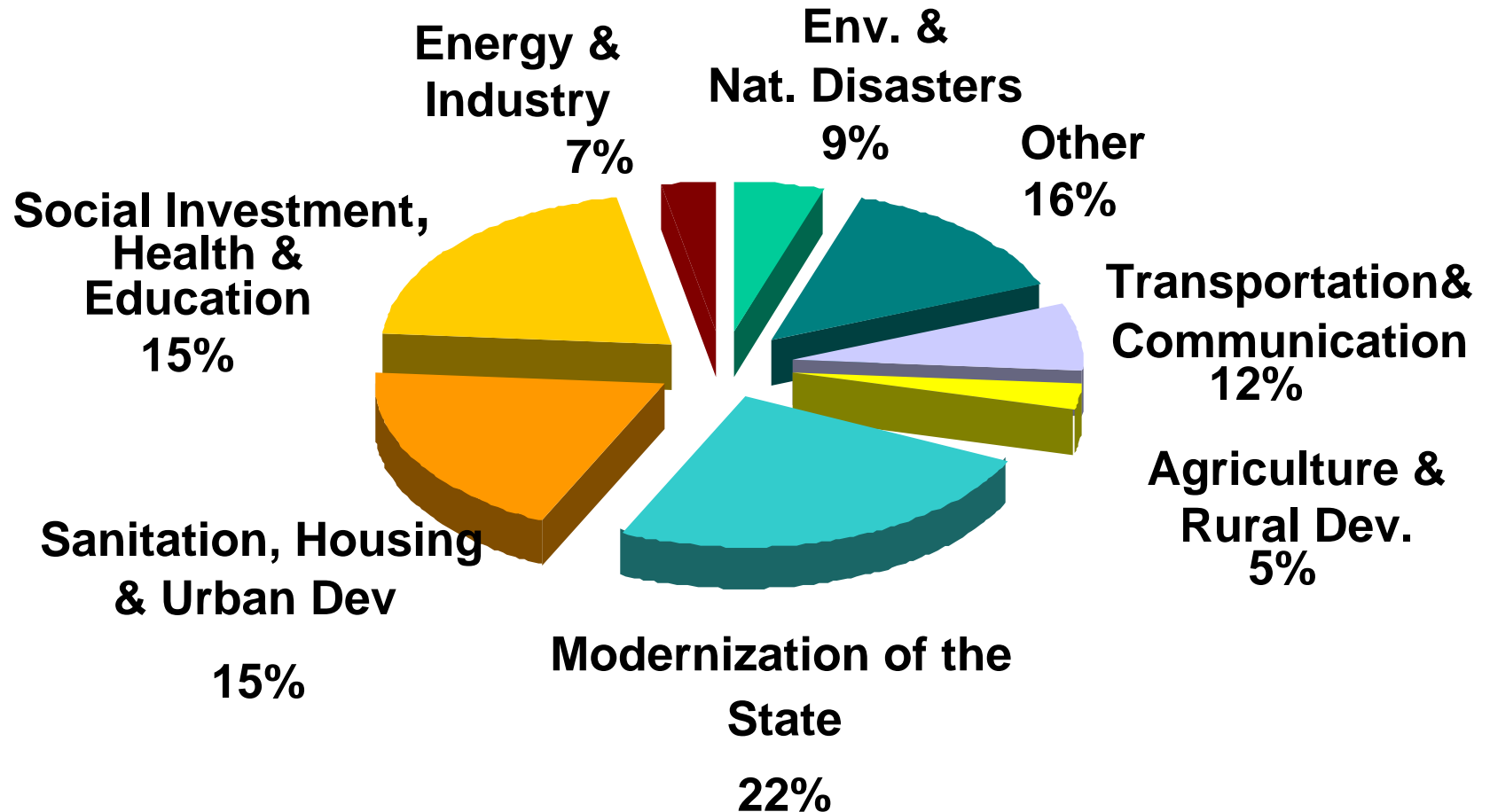
# World Bank Selection Process



- Principal World Bank steps in the Project process are:
  - ☞ preparing the assignment terms of reference;
  - ☞ preparing the cost estimate - the budget;
  - ☞ preparing a short list of firms;
  - ☞ determining the selection procedure;
  - ☞ sending the letter of invitation to submit a proposal to the firms on the short list;
  - ☞ evaluating the firms' proposals and selecting a firm for contract negotiations; and
  - ☞ negotiating a contract with the selected firm.



# Inter-American Development Bank: Sector Priorities (2006)



# Asian Development Bank



## Sectoral Priorities

- Transport & Communications
- Finance
- Social Infrastructure
- Energy
- Agriculture & Nat. Resources
- Multisector



# African Development Bank



## Sectoral Priorities

- **Agriculture and Rural Development**
- **Social Sector**
- **Finance**
- **Power**
- **Multisector**



# Caribbean Development Bank



## Sectoral Priorities

- Transport and Communications
- Agriculture, Forestry, and Fishing
- Financing
- Power, Energy, Water
- Social Services



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success



# Consortium Building = Partnering for Success



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

## Why are partnerships important?



- Combine efforts to take advantage of opportunities
- Greater capacity to provide suitable and more diverse services
- Learn from partners, explore holistic approaches
- Enhance advocacy position, influence and credibility



## What will make partnerships work?



- Defining realistic scope (specific and limited vs. potential for evolvment) and benefits of partnership
- Breaking new ground and acknowledge differences in approaches
- Developing effective and transparent communication strategy
- Building trust through sharing of decision-making and planning and implementation of initiatives
- Working together to enrich each other's knowledge and build capacity
- Sharing responsibility and costs



# Benefits vs. Risks



- Enhanced capacity
- Creative solutions from differing perspectives
- Profits or profit margins increase
- Effective use of limited resources
- Improved and enhanced communication
- Sharing of knowledge and experience
- Application of best practices
- Unreasonable/unmet expectations
- Transaction costs: time, money, opportunities foregone
- Loss of trust or commitment between partners
- Development of interdependence between partners
- Differences in values and interests ('cultural clashes')
- Financial losses
- Legal disputes

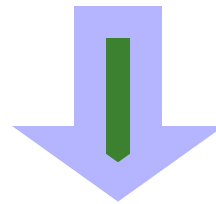


# Why Partnering



- Partnering now has a financial imperative in most IFI funded technical assistance contracts.

**QCBS**



**‘Quality Cost Based Selection’**



# Importance of Partnerships



- IFI contract award trends: companies from developing and transition countries winning more and more and more and more of the business



## Local Content Criteria: Prequalification and Proposal Evaluation



- Having local content is now imperative in order to earn points in most technical/ consulting proposal evaluations
- Prequal / Shortlisting: Local content can account for 5-10 points (out of 100)
- Most World Bank RFP's now prescribe 10-20 points (out of 100) for local partner / content.



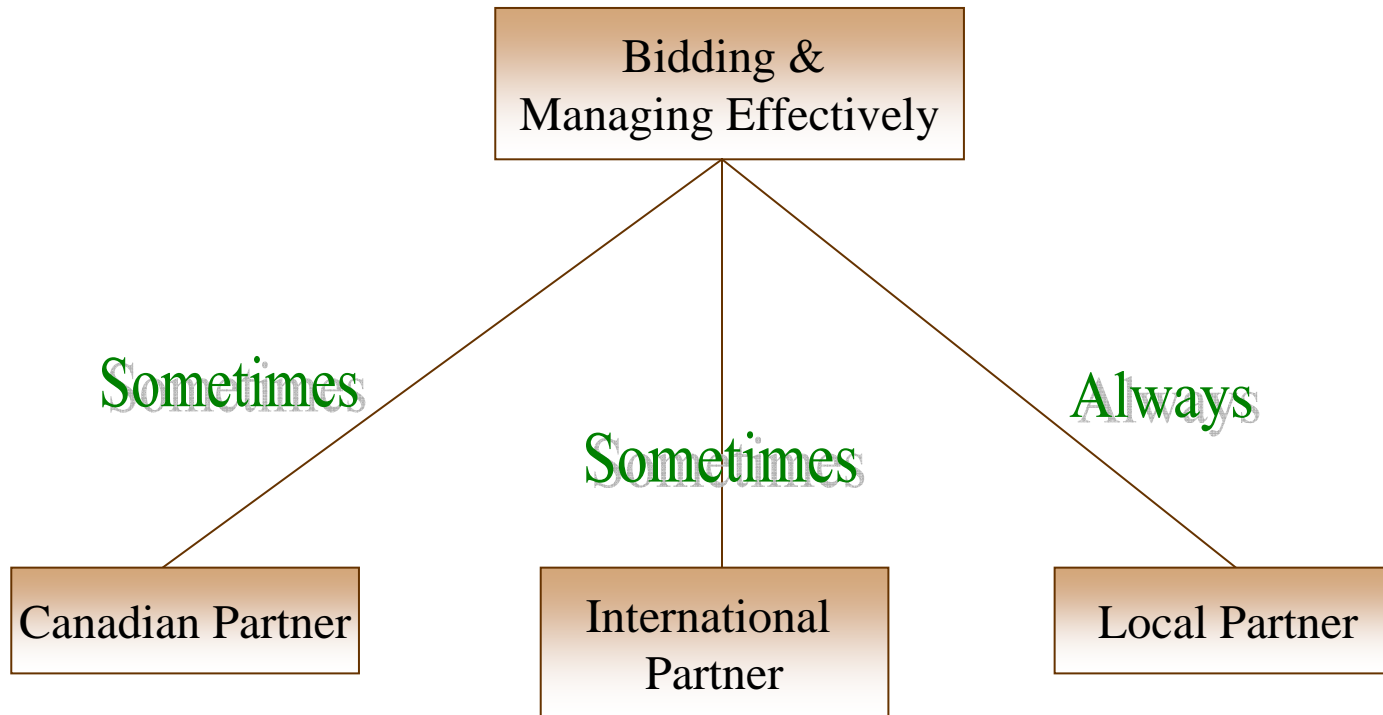


## Experts agree...

- Partner selection is one of the critical strategic decisions.
- Most successful firms credit good partnership as the most key success factor; and
- most firms who fail blame weak partnership as the main failure factor...



# Selecting Partners



# Preparing to Partner



- Step 1: Finding a Partner
- Step 2: Considering potential partners
- Step 3: Partnership assessment
- Step 4: From exploration to commitment
- Step 5: Negotiating conditions of partnership
- Step 6: Confirming partnership commitment





## Step I: Finding a Partner

- Profiling partner – Role? Size? Resources
- Searching for and Identifying prospective partners
- Short listing 2-3 best prospects;
- Contact and meet prospects: Site Visit.



# Case Study 1: Brazil



1. A request for Expression of Interest (EOI) has just been published for a project in Brazil.
2. You are a consulting firm with expertise and experience in this area, but you've never worked in Brazil and you don't speak Portuguese.
3. How do you find a local partner?  
You've got 30 days.



# How to find Partners



- Recommendations
  - ❑ From other Canadian firms (CIDA Lines of credit)
  - ❑ From IFI project officials
  - ❑ Canadian embassies (*and reciprocal*)
  - ❑ Trade missions (i.e., Team Canada)
  - ❑ Chambers of Commerce
  - ❑ Industry associations
  - ❑ World Bank / IDB contract listings



# How to Find Partners



## Searchable contract data bases:

- [www.worldbank.org/sprojects/AdvancedContract.asp](http://www.worldbank.org/sprojects/AdvancedContract.asp)
- <http://condc05.iadb.org/idbppi/asp/mainpage.asp>
- [www.adb.org/Documents/ADBBO/contracts.asp](http://www.adb.org/Documents/ADBBO/contracts.asp)

## Other key sources of info on local consultants:

- [www.developmentex.com](http://www.developmentex.com)
- [www.dgmarket.com](http://www.dgmarket.com)
- [www.consultingbase.com](http://www.consultingbase.com)



# Register Your Firm - DACON



## DACON Database - Data on Consultants

- Computerized registry of consulting firms
- Harmonized: A firm can send the same forms (AfDB WB, IDB, ADB)
- Mandatory at AfDB, Asian Development Bank and Caribbean Development Bank.
- Should be reviewed and updated as necessary



## Development Gateway Market

[www.dgmarket.com](http://www.dgmarket.com)



- DACON is a database of consulting companies maintained by the World Bank and the Inter-American Development Bank (IADB).

- You can search the DACON at:

<http://www.dgmarket.com/dacon/Home.do>



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

## At DACON, you can:



- Browse companies and access their registration profiles and information about their past projects. Right now full profiles are available to World Bank, Inter-American Development Bank and African Development Bank and is included in the dgMarket subscription.
- Search for companies and access their registration profiles and information about their past projects. You can search for companies by country, sector, size and keywords
- Register your company with DACON for free or update an existing profile.
- If you have any questions, please send an email to: [dacon@dgmarket.com](mailto:dacon@dgmarket.com)



## ADB Data on Consulting Firms



- ADB's DACON is a list of firms and other organizations from the ADB's member countries that are qualified to provide consulting services for ADB projects.
- The DACON contains information on the experience and capacity of the firms and organizations.
- ADB requires firms or organizations to register in the DACON so that the ADB can consider them for shortlisting for a technical assistance project.

<http://www.adb.org/Consulting/dacon.asp>



# ADB Data on Consulting Firms



- The term "firm or organization" covers all sources of consultants, such as consulting firms, government agencies, public sector organizations, national and international institutions and non-government organizations.



# ADB Registration of Firms: DACON Requirements



- Experience in fields of expertise
- Minimum of 5 full-time professional staff
- Established at least 2 years
- Completed 3 major projects



# ADB Registration of Individuals: DICON



- Experience in fields of expertise
- 3 years of experience in primary field
- No close relative in ADB



# Good vs. Bad partner



## Characteristics of a good partner:

- Motivation and determination
- Trust and support of purpose and cause of the partnership
- Competence
- Willingness to share authority, credit and responsibility
- Interest in contributing resources to the partnership
- Interest in achieving desired results
- Transparency

## Characteristics of a bad partner:

- Hidden motivations
- Unreliability
- Multiple agendas
- Tokenism
- Corruption
- No sharing of risk, responsibility, accountability and costs



# How to Find a Partner



- Complete a prospective partner profile
  - \* A matrix... criteria, qualities, skills, qualifications
- Use a checklist approach (evaluate strengths/weaknesses)
- Travel to the Country



# Profiling – Partner Criteria



## Qualifications

- Knowledge and expertise in the sector
- Project experience (including in projects funded by World Bank, bilateral donors, etc.)
- Relationships and reputation in the country
- Domestic and international experience of firm (export success?)

## Qualities (Skills)

- Honesty, integrity
- Communication skills
- Languages
- Work Ethic



# Selecting Prospective Partners



Do background check (trust but verify)

Check credentials, reputation

Do they have a website?

Have they worked with other foreign firms?



# Meet and Interview Prospective Partners



- Try and schedule meetings to take place in their offices (*permits you to assess human resources, technical capabilities, etc.*)
- Cross-cultural sensitivities (be prepared to socialize, get to know each other).
- Partner relationships a two-way street: always remember they are interviewing you as well.



# Selecting the right partner



Skills compliment and capabilities (includes Human Resources assessment, compatibility of organizational structures, quality of management, technical capability)

- Knowledge of technology and of local market
- Domestic and international experience of firm (export success?)
- Financial strength (consider cash infusions)
- Personal chemistry



# Choosing Overseas & Domestic Partners



- ❏ Partners should be prepared to jointly participate in all aspects of the project cycle (identification, design, management, monitoring, evaluation and reporting).
- ❏ Overseas and domestic partners selected/identified must have the capacity to meet project needs (maximize local partner input)





## Choosing Overseas & Domestic Partners

- ☞ Choose a firm which would continue from the feasibility study stage to project preparation and from project preparation to the execution stage
- ☞ Choose a firm which has carried out pre-investment studies for a project and is technically qualified to undertake the preparation services
- ☞ Overseas and domestic partners must be prepared to invest both financially and in terms of human resources.



# Structuring the Partnership



- Short term (joint bid); Subcontracting agreement
- Memorandum of Understanding
- Issue of Exclusivity (I.e., On bids)
- Long term (joint venture)





## Before teaming...

- ...with another business you should do a thorough check on its financial and business standing, in particular with IFIs.
- You can ask your potential partner for an exchange of financial information—which should not be a problem if you both sign a confidentiality agreement.
- Encourage them to look into your track record as well



# Structuring the Partnership



- Consider “tripartiate” deals (multi-dimensional alliances, ie., consortia);
- Seek “win-win” deals
- State your principles; and vice versa
- Be patient... Fools rush in. Date a while.



# A Teaming agreement should include:



- Protection of confidentiality and data exchanged while negotiating the teaming agreement and writing the proposal;
- Whether the subcontractor will be allowed to participate in negotiations with the government agency;
- How/when the subcontractor will be paid;
- At what point the teaming agreement will no longer be in effect.





# Identifying Bidding Partnership Opportunities



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

## Identifying IFI Opportunities = know when to Partner



- ❑ Identify opportunities through Development Business , Development Gateway, IFI Net or the Roadmap to International Development Business
- ❑ Review opportunities published on the Web site of in-country news papers and public documents
- ❑ Review Ongoing project contract awards and programs for potential sub-contract work



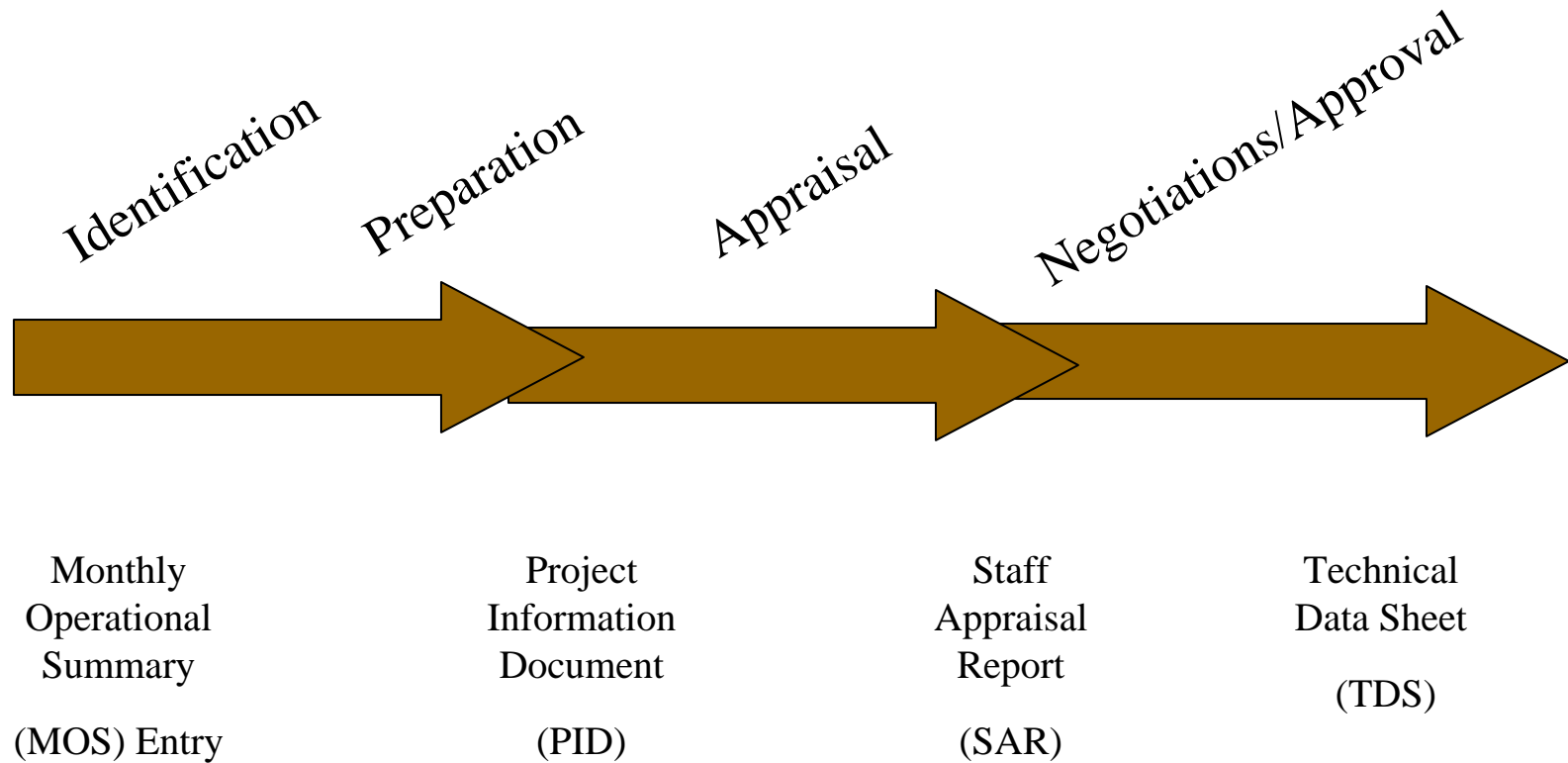
## Identifying IFI Opportunities = know when to Partner



- ❑ Identify status of project in project cycle – look for Board Approval and establishment of Project Coordination or Implementation Units.
- ❑ Don't Partner too early; sometimes projects change, don't get approved or get cancelled.



# Resource Documents Released During WB Project Development



<b>Project Cycle</b>	<b>What Type of Opportunity?</b>	<b>Who?</b>	<b>How to Find out More? (what information is publicly available)</b>
<b>Identification</b>	Short-term, individual	WB/ADB	MOS
<b>Preparation</b>	Short-term, individual and competitive	WB/ADB and Borrower	MOS, PID
<b>Appraisal</b>	Short-term, individual	WB/ADB	PAD/SAR, Project Proposals
<b>Negotiation</b>	--	WBIADB and Borrower	GPN
<b>Implementation and Supervision</b>	Competitive (>US\$ 200K) and short-term individual	Borrower	SPN/RFP, MCAN
<b>Evaluation</b>	Short-term, Individual	WB/ADB	--

# Development Business

[www.devbusiness.com](http://www.devbusiness.com)



- Electronic version of Development Business now is the rule.
- EOI submissions and goods/equipment bids are often due 30 days from the on-line publication date, not from the issue date.
- You should log in and check for new procurement notices every few days.



# Roadmap to International Development Business



Industry Canada/Industrie Canada has a Roadmap to International Development Business

Presents a comprehensive, practical business guide on pursuing international development business service opportunities through projects funded by United Nations agencies and the major International Financial Institutions

[http:// http://strategis.ic.gc.ca/ridb-ml](http://http://strategis.ic.gc.ca/ridb-ml)



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

# IFI Net



**[www.infoexport.gc.ca/ifinet](http://www.infoexport.gc.ca/ifinet)**

- IFI Business Guides
- Success stories/case studies
- Summary of key info sources
- Free to weekly IFI newsletter
- Part of the Department of Foreign Affairs and International Trade - Virtual Trade Commissioner **[www.infoexport.gc.ca](http://www.infoexport.gc.ca)**



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success



# AfDB Opportunities



## The AfDB Business Bulletin

This monthly bulletin includes lists of projects in the pipeline, general and specific procurement notices, short lists of approved consultants, lists of awarded contracts and other key information relating to the AfDB procurement process and project cycle.

## Quarterly Operational Summary

The information provided in this publication relates to projects in regional member countries, for which financing has been approved by the Boards of Directors of the Bank Group during the last six months and those expected to be submitted for approval during the next six months.





- ADB offers many opportunities for contractors, consultants, investors, and job applicants.  
<http://www.adb.org/Opportunities/>  
contains information about proposed projects and contract awards.

## E-NOTIFICATION

Receive ADB updates in your inbox.

[Register Now](#)

## Opportunities

- [Business Opportunities](#)
- [Private Sector Finance](#)
- [Cofinancing Opportunities](#)
- [Institutional Procurement](#)
- [Employment Opportunities](#)
- [Internship and Research Fellowship Programs](#)
- [ADB - Japan Scholarship Program](#)



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success



## IDB Projects Online

- IDB Projects Online helps individuals and firms looking to participate in Bank projects by providing the information they need, when they need it.



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success



# Making it Work



Hussein Amery, Integrated Development Enterprise Associates  
Consortium Building for Success

# Advice in building relationships



- After choosing potential partner, establish mutual ideas, goals, and philosophies;
- Define what roles each partner will play during the course of the project, it should be defined and clearly documented for future reference;
- Plan and schedule meetings regularly.



# Making The Partnership Work



- Communicate often... (the marriage parable: partners can drift)
- Consider exchanges of personnel... (good human resource development for both partners, integrates people bonds)
- Assign appropriate staff to the relationship



# In Order for the Partnership to Last



- Be aware and accept a wide range of cultural diversity;
- Be aware of partner's social and cultural values, religion, and identity;
- Understand how differences may impact the partnership;
- Have knowledge of partner's culture.
- Have knowledge of the history of partner's country.



# For More Information



**Integrated Development Enterprise  
Associates**

**Hussein M. Amery, M.A.**  
Chief Executive Officer

**IDEA**  
150 Breezehill Ave. North  
Ottawa, Canada K1Y 2H8  
Tel. 613-725-9568  
Fax. 819-777-3969  
Email: [amery@ideacanada.ca](mailto:amery@ideacanada.ca)  
[www.ideacanada.ca](http://www.ideacanada.ca)

**SIAS IDEA**  
116 Promenade du Portage  
Gatineau, Quebec J8X 2K1  
Tel. 819-777-6096  
Toll Free 1-866-756-6096  
[amery@siast.sk.ca](mailto:amery@siast.sk.ca)  
[www.ossias.sk.ca](http://www.ossias.sk.ca)

**Hussein Amery**  
Senior Advisor  
Business Development



**Ottawa Bureau**  
116 Promenade du Portage, Lower Level  
Gatineau, Quebec J8X 2K1  
Phone: (819) 777-6096  
Toll Free: (866) 756-6096  
Mobile: (613) 290-6385  
Fax: (819) 777-3969  
E-mail: [amery@siast.sk.ca](mailto:amery@siast.sk.ca) or  
[husseinamery@rogers.com](mailto:husseinamery@rogers.com)  
<http://www.sias.sk.ca>



Putting Knowledge to work.



**Hussein Amery, Integrated Development Enterprise Associates**  
Consortium Building for Success