

Flanders International Business siness Weeks 2023



PUBLIC PROCUREMENT IN AFRICA Tips & Tricks





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Should you target public procurement or not?

- It will cost you a lot in terms of money and time, and you will need some dedicated personnel
- What is your sector of activity? Are your goods, services, works needed for public purposes?
- Head contractor versus minor partner in a joint venture or even subcontracting? Are you mentioned in the contract – what are your responsibilities?
- Public procurement may vary from simple to complex
 - ✓ Goods, services, consultancy, works
 - ✓ Investment projects versus institutional/corporate procurement
 - ✓ Financed by World Bank or other multilateral development bank (MDB) or not



World Bank loans – largest borrowers

TABLE 28 IDA TOP COUNTRY BORROWERS, FISCAL 2022

MILLIONS OF DOLLARS

COUNTRY	COMMITMENTS
Nigeria	2,400
Bangladesh	2,161
Congo, Democratic Republic of	2,125
Ethiopia	1,904
Kenya	1,800

COUNTRY	COMMITMENTS
Niger	1,728
Uganda	1,715
Tanzania	1,650
Mozambique	1,287
Cameroon	1,120

TABLE 22 IBRD TOP COUNTRY BORROWERS, FISCAL 2022

MILLIONS OF DOLLARS

COUNTRY	COMMITMENTS
India	3,986
Indonesia	2,604
Colombia	2,130
Morocco	1,830
Argentina	1,795

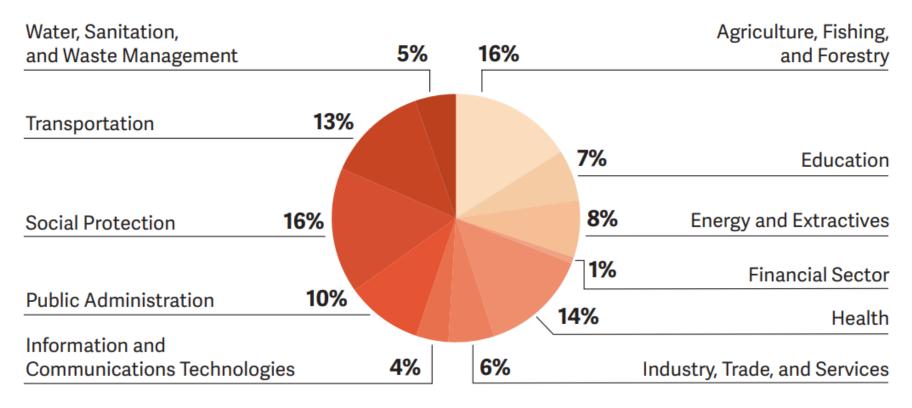
COUNTRY	COMMITMENTS
Türkiye	1,591
Philippines	1,578
Ukraine	1,572
Angola	1,310
South Africa	1,230



World Bank loans - sectors

IBRD AND IDA LENDING BY SECTOR • FISCAL 2022

SHARE OF TOTAL OF \$12.6 BILLION





Advantages of public procurement in Africa?

- The needs and opportunities in Africa are enormous billions of euros procured by governments each year
- Wide variety of sectors and a demand for specializations
- From big contracts to small SME oriented contracts (but, small = local procurement!)
- Most countries French or English Belgian companies may be an alternative for French companies in French speaking countries
- In case of MDB financed procurement, bigger chance of fair treatment and high certainty of payment,...



Challenges of public procurement in Africa?

- Red tape, slow processes
- Unreasonable low prices, state support or untransparent practices (China, India,...)
- Political influence & deals, putting foreign experts on key positions within or close to procuring agencies
- Corruption: if you give in once, it may become a part of your business model!
- Also, you may get debarred by the multilateral development banks (MDB)

Do's



- You have to know the country well –political and socio-economic developments, local laws and habits and the development of the project
- Prepare a toolkit in advance with knowledge and references; don't wait until the tender is published
- Focus well & combine your country experience with technical experience
- Deadlines and formal aspects are crucial (Terms of Reference, signatures, lay-out, annexes,...)
- In case of doubt & questions, contact the procuring authority
- Take embassies and economic representatives in the loop



Dont's

- Never underestimate the time and effort you have to put in public tendering, esp. in the beginning
- As a contractor, consultant or provider of technical services you have to follow the project from the start
- For your first offer, don't take the lead but rely on a strong partner (joint venture or subcontracting)
- If you copy-paste from earlier proposals, take care to adapt to the project/tender
- Don't think layout & language are not important put yourself in the position of an evaluator!

What can FIT do for you in the field of public procurement?



Support you with the decision to enter in the market of pulic procurement or not and decide on your strategy



Support you in navigating the websites of the MDB: don't loose your time finding the right info



Info on new public procurement practices of MDB and governments,...



Seminars and workshops in Brussels



Trainings on strategy, writing a good proposal,...



Organize field missions to African countries with a focus on MDB and government projects



Payment issues

Many payment problems in SSA are caused by governments/central banks (lack of foreign currency)

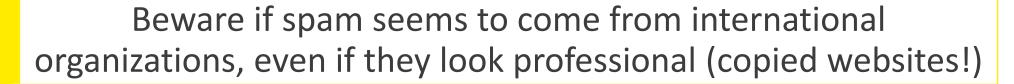
You don't know your client well: 100% advanced payment or documentary credit (expensive); Credendo

Trusted client: limited advanced payment; Credendo

World Bank, African Development Bank, UN, EU: procurement is monitored and you are sure you will be paid



Spam



Is the first message personalized? Did you initiate the contact?

It makes sense to bid through a *trusted* partner, not someone who acts as an intermediatary on short notice

International organizations do not buy consumer products or industrial equipment



Case study Rwanda



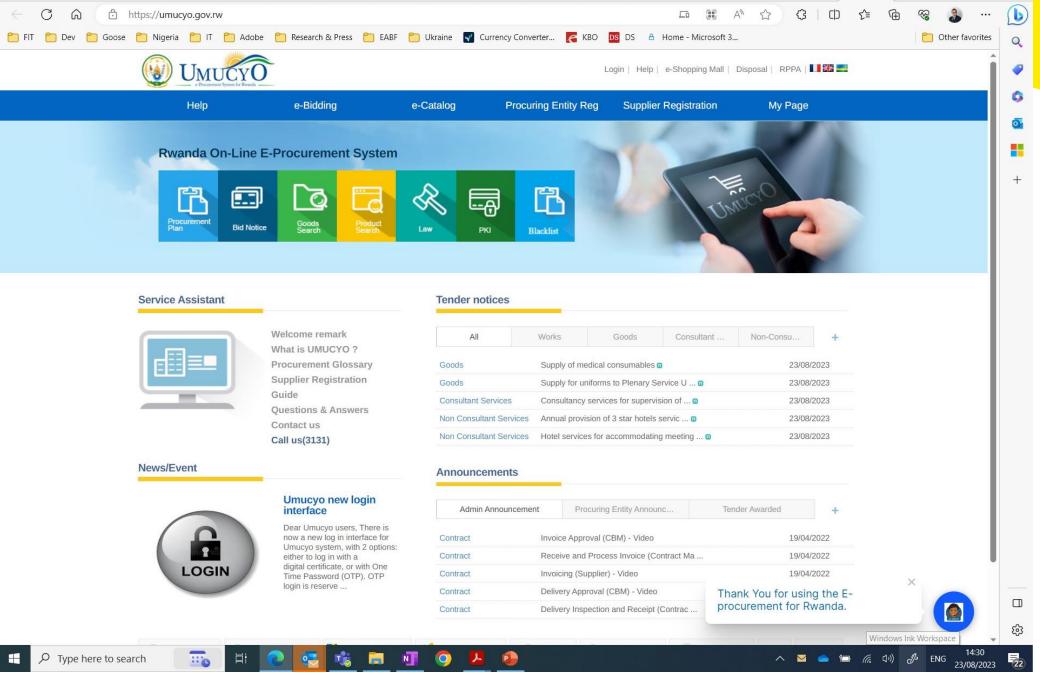
Rwanda assessment

Pro

- Central procurement agency: <u>Rwanda Public Procurement Authority</u>
- Alignment to IFI public procurement rules; E-Procurement

Contra

• Non competitive methods used a lot, esp. for lower value contracts



PANEL DISCUSSION Public procurement in Egypt, Morocco and South Africa

Panel:



Haguer MAGDI Flemish Economic Representative Cairo



Sam ABOSI Flemish Economic Representative Casablanca



Luc FABRY Flemish Economic Representative **Johannesburg**



Johan MALIN Project Manager IFI



Q & A SESSION



Any questions?



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