



# The Barbados Coalition of Service Industries

## Did You Know?

Weekly Learning Piece  
Issue #20 – October 27

### IFI-Funded Projects – Procurement

The multi lateral development banks or international financial institutions (IFIs) award contracts worth approximately 30 billions dollars each year. Under the technical assistance obligations provided for by GATS, technical consultancy firms in particular may enjoy some advantage in bidding on IFI projects.

#### **Getting IFI-Funded Projects**

Personal contacts with IFI officials are extremely useful if you wish to become involved in IFI-funded projects. As a first step, you need to be registered with the appropriate IFI. A list of the IFIs are attached (link is directly to the opportunities offered through the IFI).

The World Bank and IDB maintain a joint database on consultants called DACON (DAta on CONsultants), the database contains information on consulting firms with five or more staff. The registration system is used by the World Bank and its borrowers to asses the qualifications of consulting firms proposed for short lists, or to prepare short or long lists of consultants invited to make proposals. You will need to be registered in DACON and with the United Nations Development Programme (UNDP) in order to be able to bid on upcoming projects.

To register contact:  
DACON Registration Centre  
A11 – 501  
World Bank  
1818 H Street N.W.  
Washington, D.C. 20433  
USA  
Tel: 1-202-458-4095  
Fax: 1-202-522-3317  
Web: [www.wbdacon.com](http://www.wbdacon.com)

Over 90% of IDB consulting and service contracts are issued directly by the borrower, with the approval of IDB. The IDB neither chooses nor recommends consulting firms. Consequently , there is no formal registration process. However, when asked for a recommendation on a contractor, IDB utilizes the DACON system.

## Project Stages

To be successful in acquiring IFI-funded work, you will want to get involved as early as possible in the project development cycle. If you make contact early in the design process, you can both influence that design and substantially improve your firm's position for subsequent work in association either with that project or with projects of a similar nature. These are the typical stages that any project moves through:

**Identification** - Projects are typically identified in the context of national or sectoral analyses. The ideas may come from governments, IFI missions, United Nations agencies, or private-sector contractors. This is the ideal stage at which to get involved, though you will need to be prepared for a long hiatus between identification and actual implementation.

**Preparation** – This stage develops an idea into a detailed proposal considering the technical, economic, financial, social and institutional aspects of the project. The IFI frequently arranges consulting (prefeasibility) services to assist in this stage. If you wish to serve as a prime contractor, you should be involved in discussions no later than this stage.

**Appraisal** – The borrower (recipient government) reviews the proposal.

**Negotiations and Board Approval** – The borrower and the IFI negotiate the terms of the loan.

**Implementation and Supervision** – The project is put out to bid, the contract is awarded and the work is undertaken under the supervision of an IFI project officer.

While the project life cycles for the various IFIs differ slightly, the earliest opportunities with the greatest potential are always those in which your firm introduces the project concept to the borrowing government or agency and then partners the borrower in presenting the project proposal to the appropriate IFI. If your firm is seen by the borrower as key in the process of securing funding and if at the same time the lender is confident that a secure professional relationship exists between your firm and the borrower, your firm's prospects of successfully procuring the contract are greatly enhanced. Be prepared for the long haul. The process of project identification and proposal preparation can take years to complete.

If you would like any of the previous learning pieces, the newsletter or for any further information on IFIs, or if you have any questions or comments, please contact the secretariat at 429-5357 or at [bcsl@sunbeach.net](mailto:bcsl@sunbeach.net).

Source: International Trade Centre's, *Successful Services Exporting- a handbook for firms, associations and governments*

This handbook will soon be available from the BCSl secretariat.