

## **ADB Business Opportunities Fair**









## **Introducing ADB**

Why do Business with ADB? 21 March 2012

Hamid Sharif
Principal Director
Central Operations Services Office
Asian Development Bank





- The Role of the Asian Development Bank
- Fundamental Principles of ADB's
   Procurement Guidelines

ADB Business Opportunities



## ADB Asian Development Bank



#### A regional multilateral development bank ...

- Established in 1966
- A partnership of 67 countries
- 42 client countries
- 28 offices worldwide



Our shared vision is of an Asia and Pacific region free of poverty: a vision of thriving, modern economies well integrated with each other and with the world.

Haruhiko Kuroda President, Asian Development Bank



#### **ADB Portfolio**





#### **Strategic Agendas**

- Inclusive Social Development
- Environmental Sustainability
- Regional Cooperation for poverty reduction

## **Five Core Specializations**

- Infrastructure
- Environment including climate change
- Regional Cooperation and integration
- Financial sector development
- Education

ADB's Long-Term Strategic Framework: Strategy 2020 (published 2008) http://www.adb.org/documents/Policies/Strategy2020/Strategy2020-print.pdf



### **ADB's Partners**



- Governments
- Private sector
- Non-government organizations
- Development agencies
- Community-based organizations
- Foundations
- Professional Organizations

Almost all **ADB** projects rely on **Consultants** and **Contractors** 



### ADB Lending Resources\*



#### **Ordinary Capital Resources**

- Capital Stock . . . . . . . . . . . . . . . . . \$ 162.49 billion
- Amount Paid-In . . . . . . . . . . . . \$ 8.15 billion
- Callable Guarantees . . . . . . . \$ 154.34 billion

## **Asian Development Fund**

Contributed . . . . . . . . . . . . . . . \$ 36.45 billion



### **ADB** Assistance



Λ	lain	Instrument	S Operations	Disbursement
			• • • • • • • • • • • • • • • • • • •	

Loans 2011: \$12.6bn 2011: \$7.7bn

Grants 2011: \$844m 2011: \$674.0m

Technical Assistance 2011: \$359m 2011: \$227.7m

Advice and Knowledge Management

#### Lending

- Dominantly in public sector to Government
- ADB assists private enterprises in developing countries through equity investments, guarantees, and loans.
- AAA credit rating helps mobilize funds for development activities



## ADB Largest Borrowers



2007	2008	2009	2010	2011
Pakistan	India	Indonesia	India	India
Viet Nam	PRC	PRC	PRC	PRC
India	Pakistan	Viet Nam	Bangladesh	Viet Nam
PRC	Indonesia	India	Viet Nam	Pakistan
Indonesia	Philippines	Philippines	Indonesia	Uzbekistan
Bangladesh	Viet Nam	Bangladesh	Uzbekistan	Bangladesh



## ADB Why pursue ADB contracts?



#### **ADB Oversight**

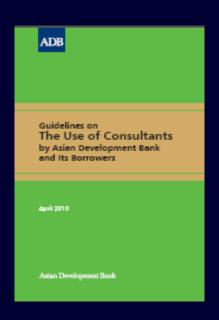
- ADB (under TAs) or Borrower select and recruit Consultants
- The Borrower (Executing Agency) is responsible for all procurement of goods and works
- ADB reviews the procurement activities to ensure that the ADB Guidelines are followed



#### **Guidelines**



 Policies and procedures on the selection, contracting and monitoring of consultants for loan and technical assistance projects, conducted by ADB or Borrower/ Executing Agencies





 Policies and procedures for the procurement of goods and works conducted by the Borrower/ Executing Agencies



## Guidelines



## **Fundamental Principles**

- Transparency
- Fairness
- Economy and Efficiency
- Promotion of Domestic Industries
- Source of Goods & Services (Eligibility)



## **ADB Anticorruption**



## Fairness is a two-way process



# Goods and Works - Contracts Awarded



#### (Loans and Grants) 2009 - 2011

	\$100,000 - \$1M	\$1M - \$20M	above \$20M
Average Number of Contracts per year	2,921	922	100
Average Contract Size	\$400,000	\$4m	\$52m
Cumulative Value of Contracts Awarded (2009-2011)	\$3.3bn	\$10.5bn	\$15.8bn



## Consulting Services - Contracts Awarded

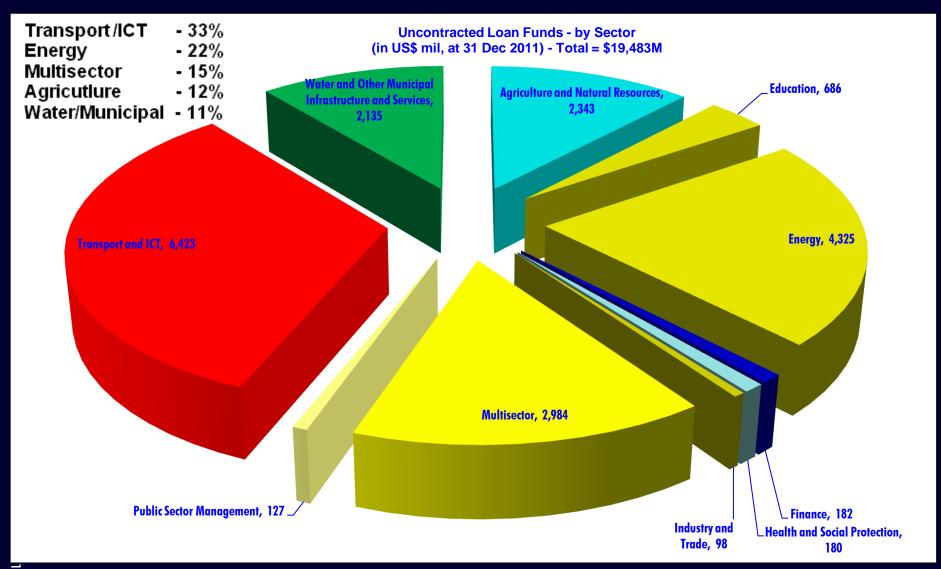


2009-2011	Average No. of Contracts per year		Average Contract Size		Cumulative Value of Contracts Awarded (2009-2011)		
	TOTAL	Firms	Individuals	Firms	Individuals	Firms	Individuals
ADB Administrative Budget (Staff Consultants)	1,142	49	1,093	\$80,000	\$20,000	\$11.7m	\$77.5m
ADB Technical Assistance	1,969	192	1,777	\$620,000	\$40,000	\$357.5m	\$201.6m
ADB Loans	632	-		-			



## ADB ADB's opportunities...1



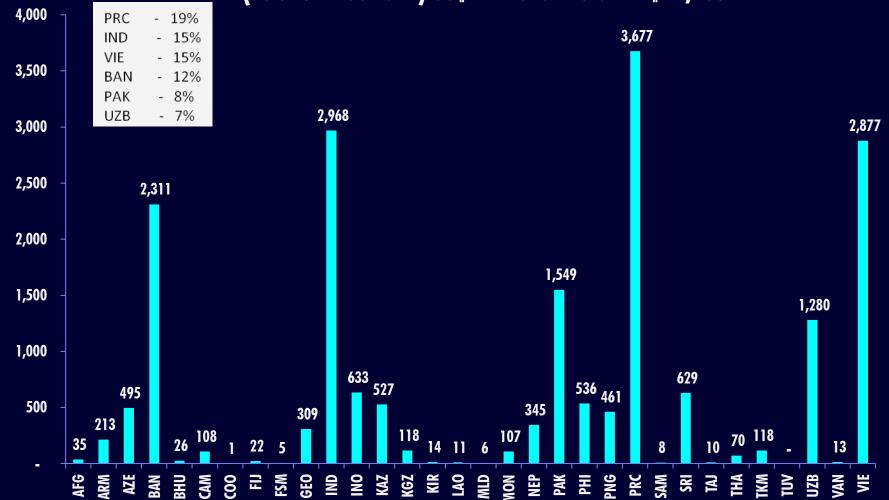




### ADB's opportunities...2



Uncontracted Loan Funds by Country
(as of 31 Dec 2011) US\$ Millions - Total = \$19,483M







# Local operating considerations



- Logistics transport methods, time, frequency, customs procedures and cost
- Availability of resources in country raw materials, equipment, spare parts, skilled and unskilled labor
- Insurances
- Security personnel, site, supply chain
- Financing bid security, cash flow, currency controls and risks
- Geophysical conditions

#### Possible sources of assistance:

- Government trade bodies and embassies (trade missions)
- Alliances or Joint Ventures with local organizations
- Local Consultants
- Security Advisors



# ADB Opportunities and partnerships

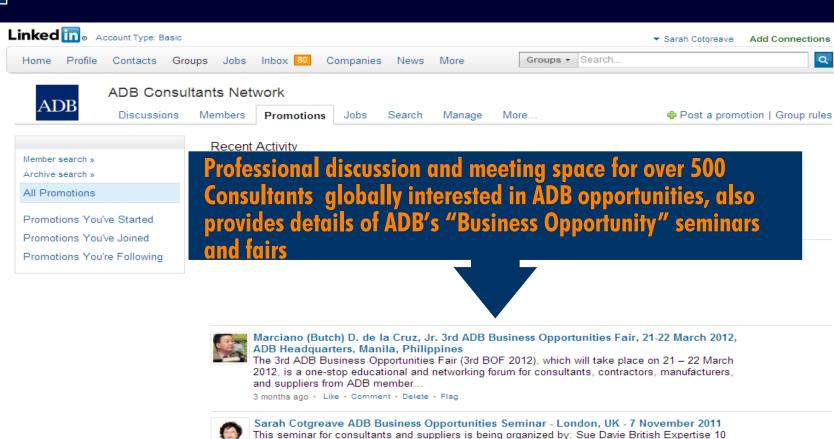


- Business Opportunities Seminars
- Trade Bodies and Associations
- Official ADB LinkedIn Networking Sites
  - ADB Suppliers Network:
    <a href="http://www.linkedin.com/e/qfo72y-gkf172wo-r/vgh/3796532/">http://www.linkedin.com/e/qfo72y-gkf172wo-r/vgh/3796532/</a>
  - ADB Consultants Network:
    <a href="http://www.linkedin.com/e/qfo72y-gkf0zuh8-6r/vgh/3796524/">http://www.linkedin.com/e/qfo72y-gkf0zuh8-6r/vgh/3796524/</a>



### **ADB Consultants Network**





Grosvenor Gardens London SW1W 0DH Email: sd@britishexpertise.org



Sarah Cotgreave ADB Business Opportunities Seminar - Wuhan City, PRC - 24-25 October
This Seminar for consultants will be held in Wuhan City, Hubei Province, People's Republic of China.

Please Contact: China National Association of Engineering Consultants (CNAEC) 11/F, East Wing of Sichuan Mansion No. 1...

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Sarah Cotgreave ADB Business Opportunities Seminar - Kuala Lumpur - 13-14 October 2011
Kuala Lumpur at Maytower Hotel & Serviced Residence, Jalan Munshi, Abdullah Contact: Diyana
Mohd Zaid International Division Construction Industry Development Board Malaysia Tel: +603 2617
0345/603 2617 0200 Fax...



## **Partnerships working** ADB in ADB DMCs



#### **Finding Partners:**

- This Fair
- Trade Bodies
- 2 official ADB LinkedIn Networking Sites
  - **ADB Suppliers Network:** http://www.linkedin.com/e/qfo72y-gkf172wo-r/vgh/3796532/
  - **ADB Consultants Network:** http://www.linkedin.com/e/qfo72y-gkf0zuh8-6r/vgh/3796524/







## Thank you