

# Syllabus/ Student Guide: “Bidding and Management of International Development Projects “

ESCUELA DE  
PROYECTOS INTERNACIONALES

## Syllabus (Student Learning Guide): Post-Graduate Course in “Winning and Managing International Development Projects”

### Contents:

In this postgraduate course, students will have to read and study 4 modules, consisting of presentation slides, exercises and readings, revise various complementary documents and browse websites, as well as read carefully the necessary instructions so as to understand properly the materials, complete and hand-in the exercises of each module, take a short test after each module, and finally take a multiple test Final exam.

With this Syllabus/Learning Guide, the student gets a short summary of each of the Modules and its exercises; the Guide contains all necessary instructions for completing the exercises, and carrying out a self-assessment or evaluation of his knowledge acquisition. The contents of the 8 Modules are:

MODULE 1: Review of the international development institutions and programs.

MODULE 2: Preparation for applying for tenders or grants issued by international development institutions.

MODULE 3: Project cycle management (PCM) of international development institutions.

MODULE 4: Preparation of expressions of interest and project proposals.

BACK-UP DOCUMENTS: 17 documents for reading and consultation that support the course materials: procurement procedures and regulations, consultant and supplier selection and bid evaluation of the different institutions and funds, readings and guides on project cycle management, logical framework approach, examples of pre-qualifications and proposals, etc.

### Objectives:

Developing a practical knowledge on the opportunities of international tenders of services, works and goods, within projects (loans and grants) financed by European and International Institutions.

Knowing how international projects of development are prepared, planned, managed and evaluated.

Getting an in-depth of the concepts and methods for developing and managing development projects, such as the Project Cycle Management approach of the European Commission (PCM), of the World Bank, the UN agencies; etc.; plus the basic Guides and methodologies for traditional project management. Practising the Logical Framework approach, including its various analyses and tools; this includes developing a full Logical Framework Matrix and all its back-up analyses and related charts and resources.

### Summary:

In this Postgraduate course we will study the opportunities for businesses and institutions provided by the projects (loans and grants) funded by the International Development Institutions. These institutions finance a large amount of projects, works and supplies for developing and transition countries, which are normally tendered or granted after a competitive bidding process. In the course, we will analyze the process of bidding and management of these international development projects, and we will learn how to negotiate and manage successfully consortia of different firms and contracts for executing these international projects.

### MODULE 1: THE MAIN INTERNATIONAL DEVELOPMENT INSTITUTIONS

Contents:

1.1 - The European Commission and the EIB

1.2 - The World Bank Group.

1.3 - The United Nations Agencies.

1.4 - Regional Development Bank: IADB (Inter-American Development Bank), ADB (Asian Development Bank), AfDB (African Development Bank), EBRD (The European Bank for Reconstruction and Development) and other sub-regional banks (CAF, BCIE, CDB; etc).

1.5 -The bilateral Aid Agencies of the main OCED countries.

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## Objectives:

Acquire a basic knowledge of the main International Institutions, their functioning, and the types of goods, services and work which they finance or tender directly or through beneficiary organizations. Become acquainted with the webs of the institutions, webs and email alerts of opportunities, training programmes, databases, etc. of tenders and grants, experts, etc.

## Summary:

In this module we will study the main International Institutions that finance development projects, the advantages and disadvantages of working with them, their programmes and credits, the opportunities for businesses offered by their procurement of goods, services (consulting, technical assistance, etc.) and work (construction, engineering, etc).

Many International Institutions have been created in last decades by the international community, featuring different purposes, although generally most of them are trying to promote economic and social development and to fight against poverty or to face problems of political, commercial and social scope. They are frequently referred as “multilateral financial institutions”, but there are some institutions that do not have a financial character- for example the European Commission, United Nations Agencies- and whose activity can be important as a source of opportunities for companies and institutions.

## MULTILATERAL DEVELOPMENT BANKS

This is, without any doubt, the most important group of institutions, due to the total volume of resources that they use to finance development projects and the volume of service acquisitions, works and goods carried out through their loans and non reimbursable grants.

These are the most important multilateral development banks:

**1. World Bank Group:** It was created after World War II (Breton Woods Agreement, together with the International Monetary Fund), with the aim to promote the economic reconstruction of the countries affected by the conflict. It consists of different institutions:

- a. The international Bank for Reconstruction and Development (IBRD): It is the “World Bank” strictly speaking. Its most important activity is to grant loans for financing countries featuring a medium level of development and similar conditions to those of the market (but always a bit more advantageous). The poorest countries receive funds from the next institution.
- b. International Development Association (IDA). It is the branch of World Bank that grants loans to the poorest countries and in more advantageous conditions than those of the market.
- c. International Finance Corporation (IFC) This is an agency of the World Bank Group whose objective is to support the development of the private sector by granting loans, investments and taking part in the capital of private societies or financial institutions.
- d. Multilateral Investment Guarantee Agency (MIGA): Its function is to grant guarantees to international investments that mitigate political risk, and to support developing countries, so that they can attract a greater volume of foreign investments.
- e. The International Centre for Settlement of Investment Disputes (ICSID): It is a more recent agency which provides settlement services relating to problems that may arise regarding foreign investments in developing countries.

**2. Asian Development Bank (ADB):** It was created in the 1970’s and is based in Manila (Philippines). It works in Asia and the Pacific. Its most active customers are the following (according to the amount of loans received): Philippines, China, Indonesia, Thailand and India. The bank lends funds to public sector for infrastructure projects and invests and grants funds to private sector.

**3. European Bank for Reconstruction and Development (EBRD):** It was created in 1990 for supporting economic transition towards a market economy in Eastern European countries and former Soviet Union countries. Its headquarters are located in London. It focuses mainly on private sector and reforms of economic systems directed to promote a market economy.

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**4. Inter-American Development Bank (IADB):** It is the main multilateral funding channel to South America. It was created in 1959 and its main activity is granting loans for carrying out projects, but also managing non reimbursable funds, specially the Multilateral Investment Fund. There are two different types of loans:

- Ordinary Capital Credit Funds: normal bank loans with variable or fixed interest.
- Concessional Resources with position Funds Operation Special: It is a soft window that provides loans to low interest rates to the less developed member countries.
- Concessional Resources with resort to the Special Operations Fund: It is a “soft window” that provides loans under low interest rates to less developed countries.

**5. Other Multilateral Banks:** the African Development Bank (AfDB), another multilateral bank that supports and borrows money to African countries; the Andean Development Corporation (CAF, according to its initials in Spanish) that deals with countries of the Andean Community; the Central American Bank for Economic Integration (CABEI), that works with Central American countries. the West, East and South African Development Banks, the Islamic Development Bank, etc. are other financial institutions that cover all type of projects contracting services, works and goods.

**6. The Agencies of the United Nations (UNDP, UNICEF, WFP, FAO, UNIDO, IAPSO, UNOPS, UN/PS, etc):** the numerous United Nations Agencies also buy annually thousand of million dollars USA of goods, works and services, which are bid on by means of international procedures. There is also a common supplier registry and management system to be found in the “United Nations General Marketplace” website, [www.ungm.org](http://www.ungm.org).

**7. EUROPEAN COMMISSION EXTERNAL AID PROGRAMME (EUROPEAID):** The executive branch of the European Union, the European Commission has a large cooperation programs with third countries (non members countries), which offer important business opportunities: in consulting and engineering, supply of goods, and carrying out works and projects. Among these programmes within the 1999 to 2006 programming cycle of the EU, it is worth mentioning:

**ALA Programme:** It is an aid programme directed to nearly 40 countries in Asia and Latin America: This is a program of reasonable interest for Spanish speaking companies, since it includes all the aid and projects oriented to central and South America, usual destiny for investments and an interesting region for Spanish companies.

**FED Programme:** This program includes all type of aid to nearly 80 countries in the ACP group- Africa, the Caribbean and the Pacific, that are generally less developed, financing all type of aid cooperation to development.

**Tacis Programme:** This programme is directed to the countries of the former Soviet Union. Its activities are based fundamentally in institutional reform projects (operation of the State, privatization) nuclear security and infrastructure projects.

**MEDA Programme:** This programme is directed to countries of the Mediterranean basin: Argelia, Cyprus, Egypt, Israel, Jordan, Lebanon, Malta, Morocco, Syria, Tunisia, Turkey, Palestine. It finances projects directed to reforming socio-economic structures, institucional strengthening, regional cooperation and environment.

**PHARE Programme:** It is directed to the former Socialist Eastern countries: now it is only operative in candidates countries, such as Croatia and newly EU-members, such as Bulgaria and Rumania. Their projects have basically been addressed to institutional strengthening and the investments related to the incorporation of the community heritage (Acquis Communaitare).

**ISPA Programme:** It is directed to PHARE programme countries. The programme offers the possibility to obtain financial aid to prepare the adhesion in the fields of economic and social cohesion and environment policy and transport.

**SAPARD Programme:** As well as IPSA, it is framed within the pre-adhesion strategy addressed to Eastern European countries which are target of the PHARE programme. Its objective is to favour the communitary heritage application in subject agricultural policy, as well as favour the agricultural generally and a well-balanced and sustainable rural development.

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**CARDS Programme:** It began in 2001 and is directed to Albania, Bosnia and Herzegovina, the countries of the former Federal Republic of Yugoslavia and Macedonia. Its main objective is to promote reconstruction, enable refugees return, and promote regional economic cooperation.

**Interregional Programmes and Framework Contracts:** This is a series of general programmes and contracts for all regions and all types of projects, either by its amount or to affect more than a region of the world.

### **MODULE 2: PREPARATION FOR BIDDING FOR INTERNATIONAL DEVELOPMENT PROJECTS.**

#### **Contents:**

1. Introduction and Defining the Projects Concept.
2. Project Cycle Management (PCM) of the different Institutions.
3. Introduction to the Logical Framework Approach.
4. The Work- plan and Schedule development.
5. Search of consortium partners and subcontractor: Pre-bid agreements, pricing management fees (%).
6. Conclusions and review.

#### **Objectives:**

Getting to know logical framework tools.

General analysis of the EC management cycle and identifying project tools.

**Summary:** In this module we will study what is the project cycle and its different stages. We will introduce concepts of Logical Framework Matrix. We will learn how to look for partners and make consortia.

Before analyzing what is a project cycle or the Logical Framework Approach, the following concepts have to be clear to us:

**Project cycle:** Set of tools used to facilitate the design and management of projects and programmes.

**Project:** Group of activities intended to reach a specific objective in a given time.

**Programme:** A series of projects whose objectives contribute to the main objective, at sectoral, national or even multinational levels.

### **DEFINITION OF THE PROJECT STAGES**

Planning: Defining the basic principles of cooperation between financial Institutions and a particular country, considering the priorities and abilities of all agents involved.

Indication: Problems, needs and interests of the interested parties are analyzed. Different sectoral, thematic or prefeasibility studies of a project can be carried out.

Instruction: All important aspects of the idea of the project are examined. The beneficiaries and other interested parties would have to participate actively in the detailed description of the idea of the project.

Financing: The financial proposal is completed. A committee examines it. It is decided whether the project is to be financed or not.

Execution: It consists of determining the effectiveness, efficiency, sustainability and impact of a project. It must provide reliable and useful reports. This can be carried out during the execution, at the end of a project, or after the conclusion. Different conclusions and recommendations to be considered in future projects must be formulated.

### **THE LOGICAL FRAMEWORK APPROACH**

It is one of the main tools used in international organizations for designing, planning and monitoring projects.

It consists of: diagnosis tools, identification tools and logical framework matrix.

Among the tools of diagnostic we find:

Analysis of involved agents: we analyze the groups and organizations directly or indirectly involved in a project, as well as its interests, their potential and its limitations.

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It presents:

- Name of the groups of undefined involved people.
- Interests of the directly affected groups.
- Problems according to the way in which each interests group perceive them.
- Resources at each group’s disposal to collaborate or to object to providing a solution for the problem.
- Mandates of their organizations, their objectives and the mission they represent.

Problem Analysis: Useful for analyzing the actual situation, identifying the main problems of the project’s subject and defining the central problem of the situation.

Overview of identification tools:

Objectives analysis: It is about transforming into solutions the problems that we have already identified. It describes the situation that could exist after solving those problems.

Alternatives Analysis: Different alternative strategies are identified which, in case of being executed, they could contribute to promote the change of the present situation to “the wished” future situation.

### **THE LOGICAL FRAMEWOK MATRIX**

It is a tool used for conceptualizing, designing, executing, monitoring and evaluating projects.

It contains:

- Narrative summary of objectives and activities.
- Objectively verifiable indicators.
- Means of verification.
- Assumptions.

The matrix objective is to provide a structure to the planning process and to communicate essential information about the project.

When **searching for partners for consortia** it is necessary to consider some human factors, for example, their references and expertise, their human resources featuring technical knowledge, the information they may have about the project and the contacts in the country of execution, their possible weaknesses / bad experiences with the funding institution or the programme executor.

The ideal partner is the one that better complements the abilities of our company or institution (expertise, experience in the region, infrastructure and financial strength) and it is geographically located in another part of Europe in EuropeAid (Northern / Southern Europe, in one of the new EU countries, local partners).

Conclusions:

When designing a technical assistance project, it is necessary to have 25-30% of time to coordinate.

It is important to know which are the philosophies of the client, the institution and the beneficiary or executor.

The Logical Framework Matrix, the Schedule, the Budget (for the future financial proposal), the “Fiche of Projects” and the ToRs make up a package of documents that have to be solid and coherent with each other.

### **MODULE 3: PROJECT CYCLE MANAGEMENT OF DEVELOPMENT PROJECTS.**

**Contens:**

1. The International Development Project Cycle.
2. Project Cycle Management (PCM) and the Logical Framework Matrix
3. Projects Identification and its tools.
4. Project Formulation and Appraisal and its tools.
5. Project Charters or “ Fiches” and drafting Terms of the reference or statements of Work.
6. Project Implementation, Monitoring and Evaluation.
7. The EC Financial and Economic Analysis (Eco-Fin) and other methodologies of Financial Analysis
8. Conclusions and review.

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### Objectives:

Knowing all terminology relating to projects of the different Multilateral Funding Institutions.

Carrying out a general analysis of EC Management Cycle and identifying project tools.

Controlling all issues of Logical Framework: indicators, means of verification, hypothesis and risk analysis.

Carrying out an Economic and Financial Analysis. (Eco- Fin).

**Summary:** In this module we will study the fundamental tools of development project planning and monitoring: Logical Framework Approach and Management of Project Cycle of International Institutions. We will analyze everything relating to these public Project Management instruments, focusing on the differences and similarities of the different Multilateral Funding Institutions, as well as in the economic financial analysis (Eco- Fin) as a complement to the previously described tools.

### What is a **Development Project Cycle / international cooperation?**

According to the EC: The way in which the projects are planned and carried out follows a sequence that begins with the agreed strategy, which carry us to an idea for a specific action which is then formulated, executed and evaluated with the objective of improving the strategy and defining the future action.

World Bank: “The projects funded by the Bank are conceived and supervised according to a very well documented cycle”.

The main tools of the Project Cycle Management are:

Project Fiches and the technical assistance Terms of Reference.

Logical Framework Matrix that summarizes the project and helps in the monitoring of the results achieved against those planned at the beginning.

Reports on the progress and on the execution.

Independent evaluation report– intermediate and final.

**LFA (Logical Framework Approach)** it is an analytical process that includes analysis of the project stakeholders (beneficiaries and others, including donors), problem analysis, objective definition, strategy selection / alternatives, preliminary component definition and resources assessment, as well as Project management and follow-up systems.

The Logical Framework Approach presents two well defined stages:

Analysis stage: Stakeholders analysis, objective analysis, Strategies / alternatives analysis

Planning stage: Activities analysis, resources, indicators (and where to measure them), hypothesis or risks; they are summarized in the Logical Framework Matrix.

**LFM (Logical Framework Matrix):** is the result of the aforementioned analysis and is a matrix which is made up of four columns and four rows, which summarizes the key elements of a project before, during and after executing the project (it is possible to change or keep the same matrix throughout the project).

The first column of the Logical Framework Matrix describes a project level; it is also known as *Logic of intervention*.

The second and third columns: The Objectively Verifiable Indicators (OVIs) and the means of verification are very important for monitoring and assessing and belong to the *Horizontal Logic*.

The fourth column: Hypotheses are external factors that have the power to influence in the success of project, but are outside of the direct control of project management. They belong to the *Vertical Logic*.

The economic and financial analysis (Eco- Fin) is one of the most important ways of analyzing a project which is normally carried out simultaneously and as a complement to other analysis (institutional, environmental, political and social, etc.).

The financial analysis is focused on the point of view of the institutions or group of institutions (beneficiary, objective group, etc ). This analysis is carried out by means of two instruments:

Cost-Return Analysis: it values return by directly calculating monetary or “estimated” values. It includes cost recovery, etc.

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Cost- Effectiveness Analysis: it analyzes intangibles, compares the unit cost of several options, etc.

The economic analysis is carried out by means of two instruments:

The Effects Method: This method tries to quantify in the regional, national, or economic supranational level, by adding the indirect and secondary effects.

The Shadow Prices method: Shadow Prices are estimated so that they reflect approved prices by the project environment.

### **MODULE 4: PREPARATION OF EXPRESSIONS OF INTEREST AND PROPOSALS. Contents:**

1. Preliminary considerations before preparing Expressions of Interest or Pre-qualifications.
2. Preparation of Expression of interest or Pre- qualifications.
3. Preparation of the technical proposal.
4. Preparation of the financial proposal.

#### **Objective:**

Preparation of proposals: technical and financial.

Evaluation of these proposals.

**Summary:** In this module we will study how to prepare expressions of interest. We will learn how to prepare technical and financial proposals for international projects. Moreover, we will learn the different cooperation programs and will see some examples of the requirements needed to collaborate with International Institutions. Finally, we will analyze step by step the way in which an expression of interest is carried out.

In order to prepare the proposals we have a series of aids at our disposal, like for example:

**The ICEX FAIP Programme:** This programme is only thought for companies that have been preselected. It has to be requested a month before preparing the offer and possible expenditure are accepted up to 45 days after submitting the offer.

**The ICES ASIST Programme:** For this programme companies need an invitation, that is, companies have to demonstrate a certain experience in the International Fund markets. This is an annual programme that covers marketing and lobbying travel costs to IF headquarters and to third countries. It is open to all sectors, it is normally requested at the beginning of the year once a year, and it is necessary to indicate where we have the intention to travel to.

When **preparing a prequalification** it is necessary to take several factors into account:

Always respect the specific format for the EOIs of each Institution. Other formats are not accepted.

Make sure you submit it in the scheduled date.

Organize a preparation plan for the EOI / prequalification along with your consortium and local partners.

The formats for prequalifications must abide by a series of requirements:

Cover letter.

Identification of consortium members and signature of the leader, as well as the person representing the consortium.

Financial data of the last three years, invoicing, benefits, ratios, etc.

Areas of expertise: it is necessary to define in which technical subareas of Project the consortium has relevant experience.

*Example of prequalification requirements in a bidding procedure (Example of documents of IABD)*

Eligibility (Declaration of Nationality of the Company – Form 2- Section V) Identification of Bidder, Deed of partnership or Memorandum of association and their modifications, where applicable. For companies established in the Republic of Paraguay. These shall be registered in the Public Registry of Commerce and the Registry of Legal entities and Associations (Form 3 - Section V).
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Legal power in favour of the representative signing the proposal formalized in the presence of a notary, where power is granted for binding themselves on behalf of the bidder.  
Receipt of intention (optional for consortia), according to Form 4 Section V.

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### ***TECHNICAL PROPOSAL:***

There are different issues to consider before bidding and preparing a proposal:  
Documentation Study of the Tender dossier.  
Deep study of the Terms of Reference.  
Preparation of the team of experts or requested product.  
Technical proposal draft.  
Technical Proposal approach.  
Methodology and Organization.  
Preparation of the key CVs.  
Etc.

Most of the International Institutions have adopted the project cycle management model and the logical framework approach (LFA).

A proposal is mainly a document “selling” the qualifications, experience, methodology and practical results that we hope to achieve, but also part of the future contract, so a balance must be achieved.

### ***FINANCIAL PROPOSAL:***

- This proposal includes all type of expenses, fees, per diems etc
  - By providing the required information it is possible to speed up the process.
- In order to improve the proposal it is necessary to make concrete references to the requirements of the TORs, to use standard symbols, to add an INDEX and to be clear.

### ***Auto- evaluation to verify the acquired knowledge.***

In order to verify the acquired knowledge in the modules, you will have to complete small exams (test type) after each module and at the end of the course. Some examples of exam questions are:

Please indicate the most correct option in each question:

#### **1. EuropeAid is:**

- a) The World Bank’s programme of cooperation to development for contries of the European continent.
- b) The external aid of the European Commision.
- c) The aid line to development created by the AECI (Spanish International Cooperation Agency).
- d) None of the above.

#### **2. World Bank:**

- a) It is the greatest financing source to world development.
- b) The World Bank consists of five institutions featuring different roles.
- c) It invests in aid projects in all the sectoral and functional areas.
- d) All of the above.

#### **3. A unique world- wide data base exists where all the different notices of international tenders can be found**

- a) True
- b) False

#### **4. All international tenders, regardless of their amount, must be published officially on the websites or official newsletters**

- a) True
- b) False

#### **5. International contracts of International Institutions:**

- a) There are only 1 type: goods.

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- b) There are 2 types: works and services.
- c) There are 3 types: works, supplies and services.
- d) They have no definition.

### **6. The rule of origin in the projects funded by International Institutions, implies:**

- a) Bidders and products must be original from beneficiary countries.
- b) Bidders and products must belong to donor countries.
- c) Bidders and products must be original from beneficiaries countries or belong to donor countries.
- d) It depends on the cases and institutions.

### **7. Purchasers in international tenders funded by International Institutions are:**

- a) Only governments of developing countries.
- b) The different United Nations agencies, the European Commission and Development Banks.
- c) Both A and B
- d) None of the above.

### **8. Project Cycle of a of an International Institution project:**

- a) It covers from the identification to the approval of the project.
- b) It covers from the identification to the execution of the project.
- c) It covers from the identification to the final evaluation of the project.

### **9. Logical framework Approach:**

- a) It is about applying logic and previous experiences in similar issues relating to methodology used in the projects presented by us.
- b) It is one the main tools of International Institutions for designing, planning and managing projects.
- c) It is a computer programme created by the European Commission for applying previous experiences to new projects.
- d) None of the above.

### **10. Logical Framework Matrix:**

- a) It contains a narrative summary of objectives and activities, indicators, means of verification and assumptions.
- b) It is modified throughout the project or programme.
- c) It provides the planning process of the project or programme with structure.
- d) All of the previous answers.

### **11. The Tenderer is:**

- a) The bidder selected after at the end of a bidding process.
- b) The companies taking part in an international bidding.
- c) The company acquiring goods, services or works in behalf of the contracting authority.
- d) The International Institution awarding the contract.

### **12. A contract of technical assistance is:**

- a) A Contract executed by a service provider and the contracting authority by virtue of which the service provider acts as a consultant, manages or oversees a project, provides experts or acts as a procurement agent.
- b) A Contract executed by a construction company and the contracting authority for carrying out works constructing infrastructures.
- c) A Contract executed by a construction company and the contracting authority for rendering services such as carrying out studies.
- d) A Contract executed by a construction company and the contracting authority whose object is financial purchase or leasing, renting or selling products; it can also include installation works, maintenance, repairs, training, after sales service, etc.

### **13. A Framework contract is:**

- a) Contract for a definite period of time for rendering a determined volume of a concrete category of services.

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- b) Contract for an indefinite period of time for rendering a determined volume of a concrete category of services.
- c) Contract for a defined period of time for rendering an indefinite volume of a concrete category of services.
- d) Contract for a definite period of time for rendering an indefinite volume of a concrete category of services.

### **14. A bidding (or tender) is:**

- a) The whole process consisting on opening to competition a contract which begins with the tender notice and ends up with the contract award.
- b) The whole process consisting on opening to competition a contract which begins without a previous notice by the beneficiaries proposal and ends up with an amount of money for carrying the contract out.
- c) The part of the process consisting on opening to competition a contract until this begins with the publishing of the tender notice
- d) None of the above

**Note:** Correct answers to the questions can be found at: [www.corpsolutions.net/documentos/Solucion.pdf](http://www.corpsolutions.net/documentos/Solucion.pdf)

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## EXERCICES AND COMPLEMENTARY INFORMATION

Exercises will be carried out throughout the modules. The following are some examples:

**EXERCISE MODULE 1:** Navigating through the different webpages of Institutions and becoming familiar with its navigation, in order to know better the different International Institutions, the projects and bidding notifications offered:

EuropeAid Programme of the EC: [www.europe.eu.int/comm/europeaid](http://www.europe.eu.int/comm/europeaid)

EBRD: [www.ebrd.org](http://www.ebrd.org)

WB: [www.worldbank.org](http://www.worldbank.org)

ADB: [www.adb.org](http://www.adb.org)

IADB: [www.iadb.org](http://www.iadb.org)

AfDB: [www.afdb.org](http://www.afdb.org)

CAF: [www.caf.com](http://www.caf.com)

UN (Suppliers Portal): [www.ungm.com](http://www.ungm.com)

For each institution:

- 1) Enter the “Business Opportunities” or “Procurement” sections and look for consulting opportunities and services (in EuropeAid by programme), see whether there are some open opportunities right now, forecasts, general notices, specific prequalification notices, EOIs, etc.
- 2) Enter the section “Projects” (in Multilateral Banks are normally loans, which are acquired later by means of local or international alerts), and consult the documents (Appraisal documents, Descriptions, etc.) belonging to some projects / loans in the countries you are interested.
- 3) Enter the publication sections of International Institutions and see which publications could be interesting, in a field of expertise or area of interest, specially for the possible preparation of an offer or proposal.

## EXERCISE MODULE 3: LOGICAL FRAMEWORK MATRIX

You manage a Spanish consulting company which wants to participate in an ICB project in Nicaragua on infrastructure improvement which is still in the prequalification stage. Your company is specialized in this sector.

Please find below the letter featuring the foreseen agreements and the different projects that are to be carried out.

Read the description and identify the project.

Fill in the three rows of the Logical Framework Matrix according to the indicators, hypotheses and means of verification.

**NOTE:** At the end you will find the Logical Framework Matrix to be filled in.

Taking into account the discussions and the work carried out in the workshop in Managua, on 27<sup>th</sup> September 2006, the NIP funds of the project are going to be awarded by means of two Financing Memoranda or FA):

FA 1) Sectoral Business Support –SBS (€ 21 M): supports mainly the programme PROMIPYME (although without ruling out other programmes that may arise during that period of time in the private sector area). The PROMIPYME has been formulated by the MIFIC and consists of three

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specific objectives: a) Improving the legal framework of the SMEs; b) Extending the use of Business Development Services among the SMEs; y c) Supporting SMEs in export and innovation. This Financial Agreement will be signed by the MIFIC, as the main institution in charge of the PROMIPYME.

FA 2) IBC project for improving investment and business climate and support to entrepreneurial competitiveness (€ 9 M + Government contribution): This Financial Agreement is divided in two components:

Component A- Improving Legal and Institutional Framework of Business and Investment Climate (€ 6 M): This component covers five areas of work (or subprojects): A.1) Technical assistance for improving competitiveness and simplifying the investment procedure, along with other administrative procedures, both for companies and private investors (€ 1 M); A.2) Support to automation and integration of Property Registers and land registries (€ 2 M); A.3) Supporting the National Standards and Quality System, especially for accrediting ISO standards and other quality standards, through a National Agency of Certification (€ 1 M); A.4) Improving monitoring and regulation of new Financing Instruments featuring wide access to financial resources for SMEs (€1 M); A.5) Improving the Transport, Logistics and Customs legislation and operational capacity for Regional Integration and the EU Agreement (€1 M).

This component shall be coordinated by the MIFIC, as the main actor in market organization and regulation, although the different actions will be executed by different public actors, in agreement with private actors where necessary.

Component B- Improving Competitiveness and Business Human Resources (€ 9 M): This component covers five help areas as well: B.1) Institutional Support and training for chambers and craft unions (€ 0,5 M); B.2) SMEs suppliers integration programme with foreign investors (€ 0.5 M); B.3) Creating two Technological Service Centres (CSTs, CITEs or technological centers, including a vouchers programme that provides access to services for SMEs (€ 2 M); B.4) Human Resources management capacity programme (3 M EUR); B.5) Supporting Business Support Centers in 8 territories (cities in 8 departments or regions (€3 M).

This component B shall be coordinated by a public-private entity, possibly the Competitiveness Presidential Commission or a similar entity, and each area or subproject shall be implemented by a non-profit private entity, such as a private foundation featuring supervision and directory with members of the public sector.

The PROMIPYME must develop now its Logical Framework Matrix and has established certain indicators for the monitoring. The Logical Framework for the IBC preliminary project- general and specific objectives of the project, results, indicators, means of verification and main hypothesis are detailed below, though they are still preliminary.

The appropriateness and pertinence of proposed interventions of components A and B, and of the indicative amounts by activity will be analyzed in depth in a formulation mission, which will be organized on the first term 2007. If it was considered appropriate, the number of areas and interventions shall be rationalized according to the amounts at our disposal.

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Logical Framework of the BIC Project 2007-10	Description	Indicators	Verification Sources	Main Hypothesis
<b>GENERAL OBJECTIVE</b>				
<b>SPECIFIC OBJECTIVE</b>				
<b>RESULTS</b>				
<b>ACTIVITIES</b>	<i>Do not</i>	<i>fill</i>	<i>this</i>	<i>row in</i>

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### **EXERCICE MODULE 2: PRELIMINARY NEGOTIATION OF AN INTERNATIONAL CONSORTIUM.**

You manage a Spanish Consulting company and would like to participate in a foreign trade EuropeAid Project in Jordan. The project is still in forecast (please see below). Your company is small, it invoices 500,000 euros and has ten employees. You would like to make up a consortium with different companies, where you would like to negotiate the following structure:

50% for the lead firm, a Dutch firm;  
35% for your firm;  
15% for a Jordanian partner firm;

**Indicate what strategy and negotiation tactics** you would follow with each of the members of the consortium, and write a memo or email to each member with the final proposal following a preliminary consortium meeting with the Dutch firm in Brussels.

### **INDIVIDUAL SERVICE CONTRACT FORECAST**

Building the Export Productive Sectors of the Hashemite Kingdom of Jordan

#### **1. Publication reference**

EuropeAid/122375/D/SV/JO

#### **2. Procedure**

Restricted

#### **3. Programme**

MEDA

#### **4. Financing**

Financing Agreement “Support to the Implementation of the EU-Jordan Association Agreement Programme”: Project No. JOR/AIDCO/2005/017-549

#### **5. Contracting Authority**

The Ministry of Planning and International Cooperation of the Hashemite Kingdom of Jordan

#### **6. Nature of contract**

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Fee Based Contract

### **7. Contract description**

To build export productive sectors that possess international competitiveness, in view of delivering sustainable export sales to the European Union and regional markets and attract new investment.

### **8. Indicative maximum budget**

EURO 2,500,000

### **9. Intended timing of publication**

10 January 2004

### **10. Additional information**

None

### **11. Legal basis**

Specific Financing Agreement “Support to the implementation of the EU-Jordan Association Agreement Programme: Project N° JOR/AIDCO/2005/017-549  
Meda Regulation (Council Regulation no EC/1488/96) and Meda II (Council Regulation N° 2698/2000

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### **EXERCISE MODULE 4: Preparation of the TOC, the schedule and the financial proposal for a project of the European Bank for Reconstruction and Development (EBRD).**

You manage a Spanish consulting and tourism services company and have agreed with an Austrian bank (its Croatian subsidiary) on bidding for a project in Croatia featuring the aim of carrying out a feasibility study of 13 hotel groups towards their privatization (see Invitation to bid attached in PDF, as a result of having submitted before a prequalification for this tender). This proposal's TORs have been summarized by an assistant in the schedule in two different stages: I. Diagnosis and revision of the 13 hotel groups and stage II: Restructuration plans of 4 selected groups, with a view to their offer for foreign investment. The experts required for the project are not specified in the TORs, but the bidder must propose a suitable team of experts.

#### **You have to prepare:**

A TOC of the technical proposal (based on the activities summarized in the schedule).

The schedule (the Project takes 10 weeks), filling in the format below with staff resources and days for each activity.

The financial offer in the attached format (with a maximum of 358,000 EUR as stated in the letter of invitation to bid).

**Note:** The invitation letter, schedule and format of financial offer below contain the necessary information for carrying out an index of a financial and a technical proposal. The Excel schedule attached describes the actions to be executed in the Project, according to the TORs attached to the letter of invitation. The rest of the bidding dossier presents the terms and conditions of the “Practical Guide to Contract Procedures to EC External Actions” which can be found on the website [www.corpsolutions.net/documentos/PRAG.pdf](http://www.corpsolutions.net/documentos/PRAG.pdf).

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### **Letter of Invitation to Tender for the project “Croatian Tourism Privatisation”:**

Dear Mr ...,

Re: Croatian Tourism Privatisation Framework (the “Project”)

Thank you for your recent expression of interest in the above Project.

As you are aware, the Croatian Privatisation Fund is planning to appoint a consultant to evaluate a portfolio of 13 tourist companies located primarily along the Croatian coastline, to establish tourism strategic investors’ investment criteria for Croatia, and to make proposals to restructure/reposition up to 4 companies within the portfolio. The contract will be financed through ICEX-EBRD Technical Co-operation Fund. According to Article 3 of the Agreement for ICEX-EBRD Technical Co-operation Fund, the consultants shall be Spanish firms or nationals. However, up to 20% of the contract value may be financed by the Balkan Region Special Fund (“BRSF”). There are no eligibility restrictions with regard to the nationality of consultants financed under the BRSF.

The Croatian Privatisation Fund is the Executing Agency for the Project. The consultant will be selected and engaged in accordance with the Bank’ s Procurement Policies and Rules.

If you are interested in undertaking this assignment, you are invited as one of the following 6 firms to submit a proposal, in accordance with the outline given in the attachment “Supplementary Information for Consultants”, for the services required under the Terms of Reference:

1. Your firm, Spain
2. Firm 2
3. Firm 3
4. Firm 4
5. Firm 5
6. Firm 6

The total budget available for this contract amounts to EURO 358,500. To enable you to submit a proposal, attached are the following documents:

Supplementary Information for Consultants  
EBRD Procurement Policies and Rules

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Curriculum Vitae format  
Breakdown of Costs format  
Terms of Reference  
Draft of the contract format under which the services will be engaged

Please note that your proposal must be prepared in accordance with the instructions given in the Supplementary Information for Consultants and annexes thereto. The financial proposal must be submitted in EURO. Your proposal will be considered on its merits, in accordance with the evaluation criteria outlined in the Supplementary Information for Consultants and, if selected, could eventually form the basis for negotiations and, ultimately, a contract between your firm and the Executing Agency. It is anticipated that contract negotiations with the selected firm will commence around 2nd September: and the assignment will commence around 9th September, and is expected to end around 18th November 200x.

The consultants should note that the contract for consulting services for this assignment will be with the Executing Agency. Under terms of the contract (as per annexed draft), payments to the consultants will be made in accordance with a schedule, agreed during negotiations.

Payments will be made to the consulting firms directly by EBRD pursuant to the terms of the contract between the Croatian Privatisation Fund and the consulting firm you are requested to hold your proposal valid for 90 days from the date of submission, during which time you will maintain, without change, the personnel proposed for the assignment and your proposed price. The Executing Agency will make its best efforts to select a consulting firm within this period.

Please note that the Executing Agency is not bound to select any of the firms submitting proposals. Further, as quality is an important selection criteria, the Executing Agency does not bind itself in any way to select the firm offering the lowest price.

If your firm does not have the necessary expertise for a specific task, you may associate with another firm in order to ensure the effective use of local knowledge, support for institutional development and transfer of technology, you are encouraged to associate with qualified organisations and / or individual specialists from within Croatia for one or more tasks in part or in full. Your firm, however will be the lead consultant.

You should note that (i) if you combine the functions of consulting with those of contractors or manufacturers or (ii) if you are associated with, affiliated to, or owned by a contractor or manufacturer, you should include in your proposal relevant information of such relationships along with a statement to the following effect:

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You may limit your role to that of consultant and disqualify yourself and your associates / affiliates from work in any other capacity (including submitting proposals on any part of the project), except that of consulting services for follow-on services such as detailed design and supervision.

The contract with the consulting firm selected to undertake the project will contain an appropriate provision to this effect.

In order to familiarise yourselves with the Project and the local conditions you may wish to visit the Project area. In this case you should make contact with the local EBRD resident office (Andrew Krapotkin, tel. +385 1 4812400) and ensure that they are advised of your visit in adequate time to allow them make appropriate arrangements.

However, it should be clearly understood that any costs incurred by you for collection of preliminary information, for preparation of the proposal or for the subsequent negotiations, will not be reimbursable as a direct cost of the assignment.

If you request additional information, we would endeavour to provide such information expeditiously, but any delay in providing such information will not be considered a reason for extending the submission date of your proposal.

After selection, the firm submitting the first-ranked proposal will be invited to negotiate financial and other terms of the contract without delay. The representatives conducting negotiations on behalf of the consulting firm must have written authority to negotiate the financial and other terms and to conclude a binding agreement. Should the negotiations prove unsatisfactory, the firm submitting the next-ranked proposal will be invited for negotiations (and so on, if necessary, until an agreement is concluded). As soon as the contract is signed with the finally selected consulting firm, other shortlisted firms will be advised of the fact.

Your detailed technical proposal should be prepared in English in 4 copies, together with your financial proposal in English in 2 copies, and submitted in separate sealed envelopes indicating “Croatian Tourism Privatisation Framework “Technical Proposal” and “Croatian Tourism Privatisation Framework “Financial Proposal”, to reach the EBRD at the following address not later than 23 August:

Ms Larissa Gosling  
European Bank for Reconstruction and Development  
One Exchange Square  
London EC2A 2JN  
Tel: +44 20 7338 6338

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Fax: +44 20 73387451

your detailed proposal should be duly signed by the authorised representative of the firm and any evidence of authorised signatory must be disclosed (e.g. power of attorney or a letter of confirmation).

It is recommended that you send your proposal by international courier. The main sealed envelope must state the address designated for submission of proposals, name of the company, project title and the indication “Not to be opened before the opening session of proposals”. In addition, you should advise the EBRD by fax of the despatch of your proposal, including details of shipment and expected date of arrival of the EBRD and, within 10 days of receipt, to indicate whether or not you intend to submit a proposal.

Yours sincerely,

Carine Lucaccioni-French

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Tourism Privatisation Framework Proposal	Weeks after start-up										Total Number of Mandays Allocated
	1	2	3	4	5	6	7	8	9	10	
<b>Activities</b>											
<b>SET UP</b>											
Kick off Meeting and first visits of project team											
Discussion of approach and work-plan with beneficiaries											
Set up office and equipment											
<b>Phase 1 Assessment of market potential of the 13 pre-selected companies plus ranking of the companies</b>											
<u>Assessment of 13 pre-selected enterprises</u>											
<u>Diagnosis</u>											
Profile of each enterprise											
Market Potential											
Strategic Guidelines											
<u>Strategic Investors Demand</u>											
Investors relationship started											
Visits, interviews											
Assessment of demand for tourism companies in Croatia and requirements and expectations of strategic investors											
<u>Matchmaking identified requirements with existing companies and repositioning potential of companies</u>											
<u>Ranking of companies</u>											
<u>Progress Report</u>											
<b>Phase 2 Proposal of Restructuring Measures to Maximise Market Potential, Valuation of Restructured Companies and Final Report</b>											
<u>Selection of 4 companies</u>											
<u>Development of measures to maximise companies attractiveness</u>											
Restructuring measures and implementation scheduled agreed, signed and accepted											
4 Restructuring plans for development											
<u>Valuation of Companies</u>											
<u>Final Report</u>											
Total ManDays											

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**Financial Proposal for International Services Contract: EBRD**

<b>To the attention of:</b>	x	<b>Request for proposal:</b>
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**1. TEAM COMPOSITION AND FEES IN EUR**

Name of the expert	Position	Cat	Unit price	No. of working days	TOTAL PRICE
1.		I			-
2.		II			-
3.		III			-
4.		IV			-
5.		V			-
6.		VI			-
7.		VII			-
8.		VIII			-
9.		IV			-
<b>TOTAL OF FEES</b>					

**2. PER DIEM IN EUR**

Location	Number of days	Lump sum Amount/day	TOTAL PRICE
1   Foreign experts			-
2   Croat experts			-

**TOTAL PER DIEM OF EXPERTS**

-

**3. REINBURSABLE EXPENSES**

	Quantity	Unit Price	TOTAL PRICE
3.			-
4.			-
5.			

**TOTAL OF REINBURSABLE COSTS -**

<b>GRAND TOTAL</b>	
<b>PLACE AND DATE:</b>	<b>NAME AND SIGNATURE:</b>