



# IFAD and its Procurement

UN Business Seminar  
October 2017

# What is IFAD



International  
Fund for  
Agricultural  
Development  
**(IFAD)**

- Established as an **international financial institution** and **specialized UN agency** in 1977 as one of the major outcomes of the 1974 World Food Conference
- Current membership: **176 countries**
- IFAD is the only IFI dedicated exclusively to **Rural/Agricultural Sectors**
- **Loans** and **grants** to governments of developing countries

# Investing in Rural People

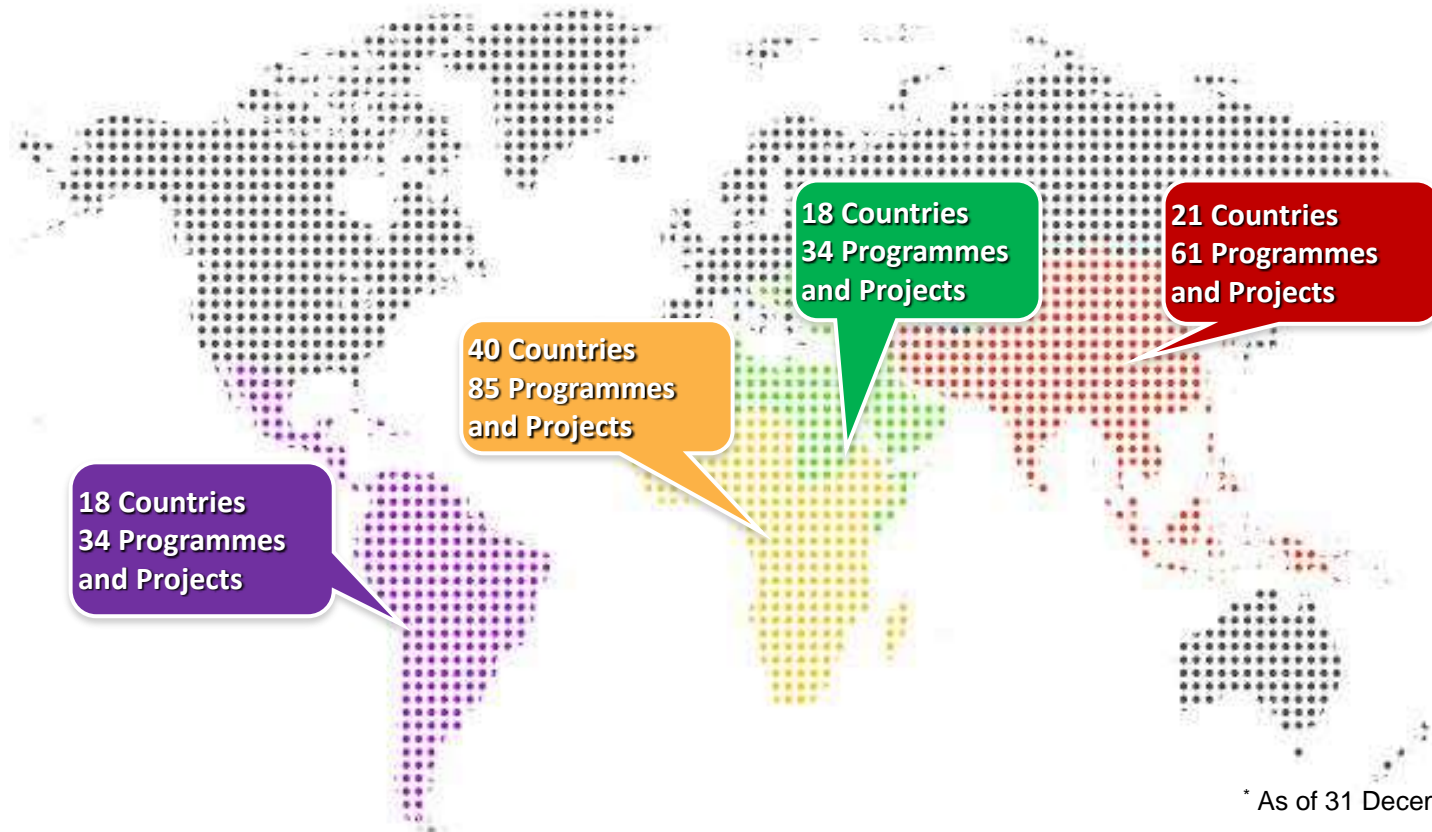


*Animated story about the  
power of a simple idea:  
Investing in rural people*

*“Making Good Things Grow”*

- **78% of the world’s population who live in extreme poverty are in rural areas (WB estimates)**
- **IFAD works where poverty and hunger are deepest:** in the most remote regions of developing countries and fragile situations, where few development agencies venture.
- By investing in rural people, and in small and medium-sized enterprises, our work **reduces poverty and hunger** and results in **greater resilience**, contributing to the achievement of **Sustainable Development Goals**.

# Where we work



# IFAD invests in rural people

Since 1978, IFAD has..

- invested about **US\$17.6 billion** in grants and low-interest loans to developing countries through rural development projects
- supported **1,013 programs and projects** in partnership with **123 recipient governments**
- empowered approximately **459 million people** to grow more food, better manage their land and other natural resources, learn new skills, start small businesses, build strong organizations and gain a voice in the decisions that affect their lives.



# IFAD's Projects and Main Areas

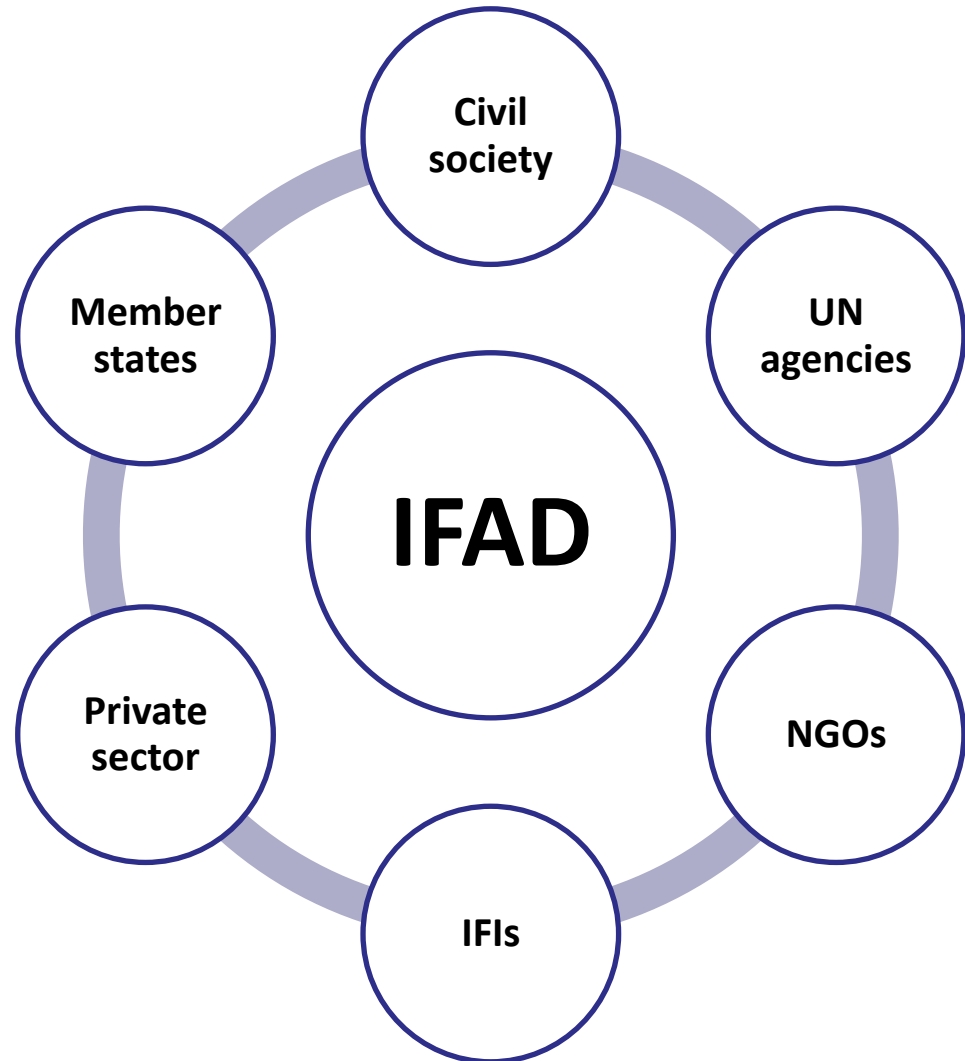
- **Climate change and agricultural development**
- **Financial services for smallholder farmers**
- **Rural infrastructure**
- **Livestock**
- **Fisheries**
- **Capacity-and institution-building**
- **Storage/food-processing/marketing**
- **Research/extension/training**
- **Small and medium scale enterprise development**



# IFAD's Partnership

**Partnerships**  
are central to IFAD.

Our partners include:



# Procurement at IFAD

## Corporate Procurement



- Most of high value procurement is centralised at **IFAD HQ**, carried out by the Procurement Section
- Procurement in **IFAD Country Offices** is delegated or carried out by the hosting organizations

## Project Procurement

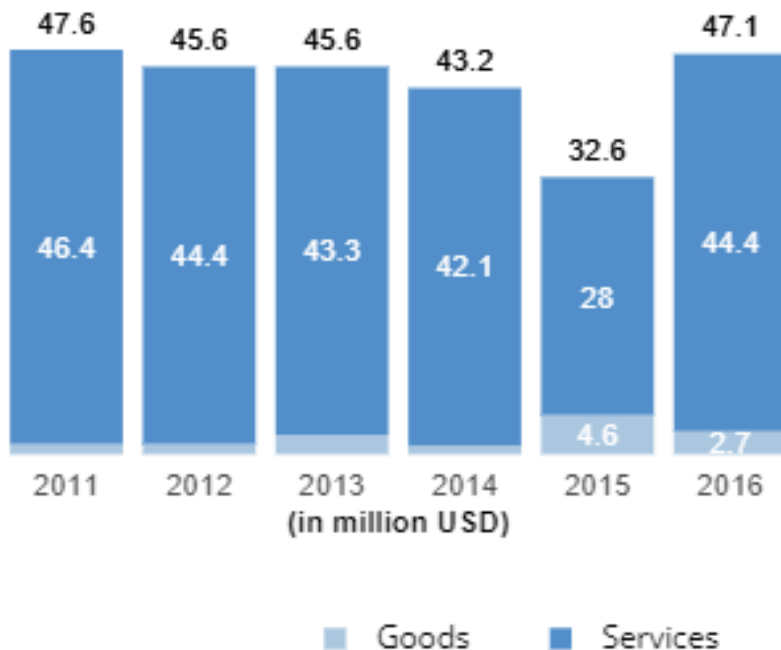


- **Carried out by the Borrowers / Recipients (not done by IFAD!)**
- IFAD's Direct Supervision of Projects include monitoring of Procurement



# Corporate Procurement at IFAD

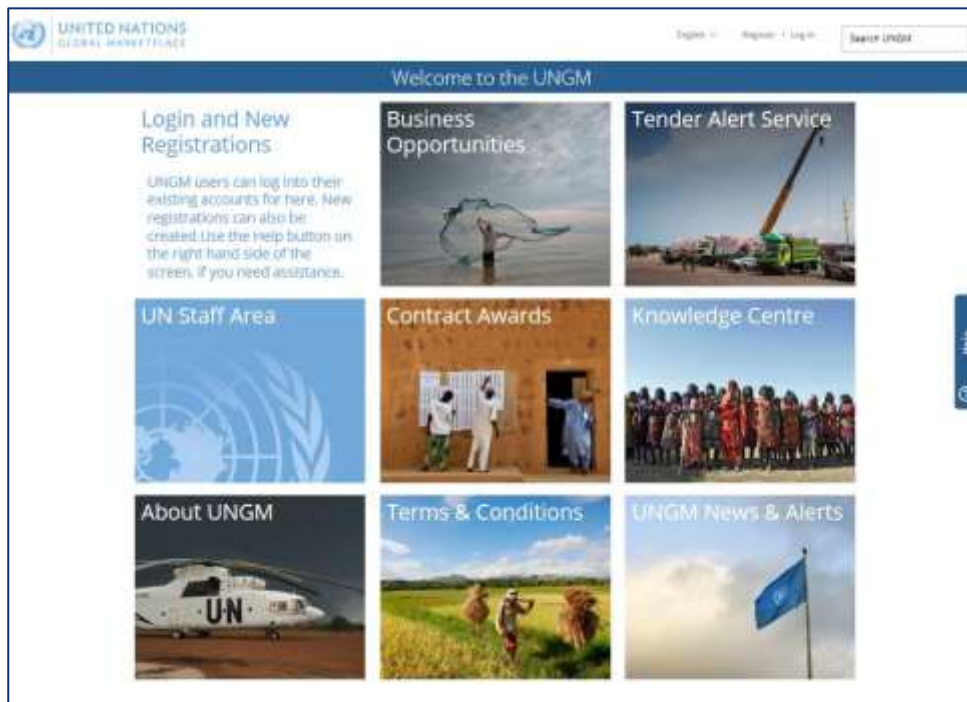
## IFAD's Procurement Volume



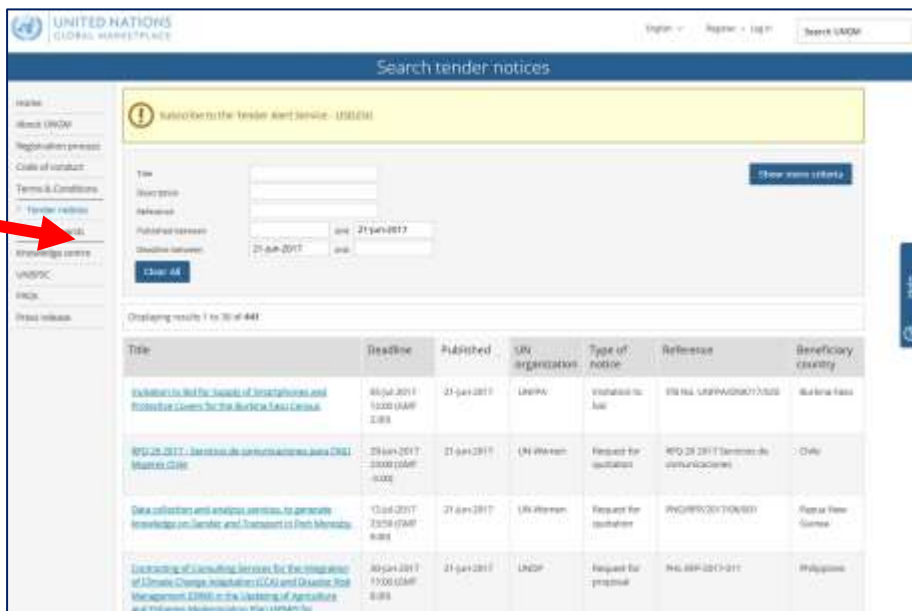
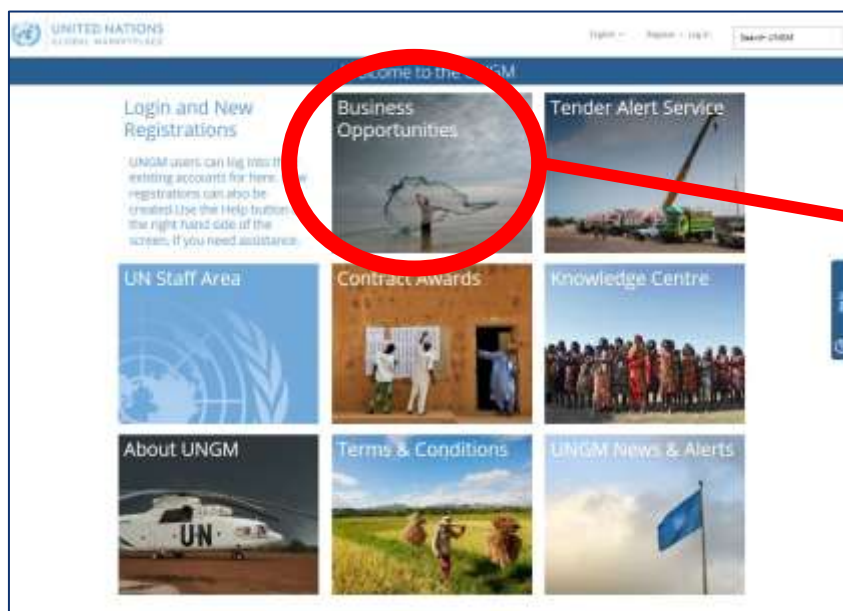
- IFAD procures approximately **45 million USD** annually.
- In 2016, IFAD purchased goods and services from vendors from **78 different countries**
- IFAD's **corporate procurement** includes:
  - **Commercial contracts**
  - Institutional Contracts with **non-commercial entities** (NGOs, UN agencies, non-profit organizations, etc.)

# Doing Business with IFAD

- Suppliers who want to do business with IFAD should register **with the United Nations Global Marketplace (UNGM) portal** ([www.ungm.org](http://www.ungm.org)).
- Registration is simple and **free** and gives access to a single portal for the **entire UN system**.
- Vendors need to agree on the **UN Supplier Code of Conduct** and declaration of eligibility and then specify the products and/or services they can offer.



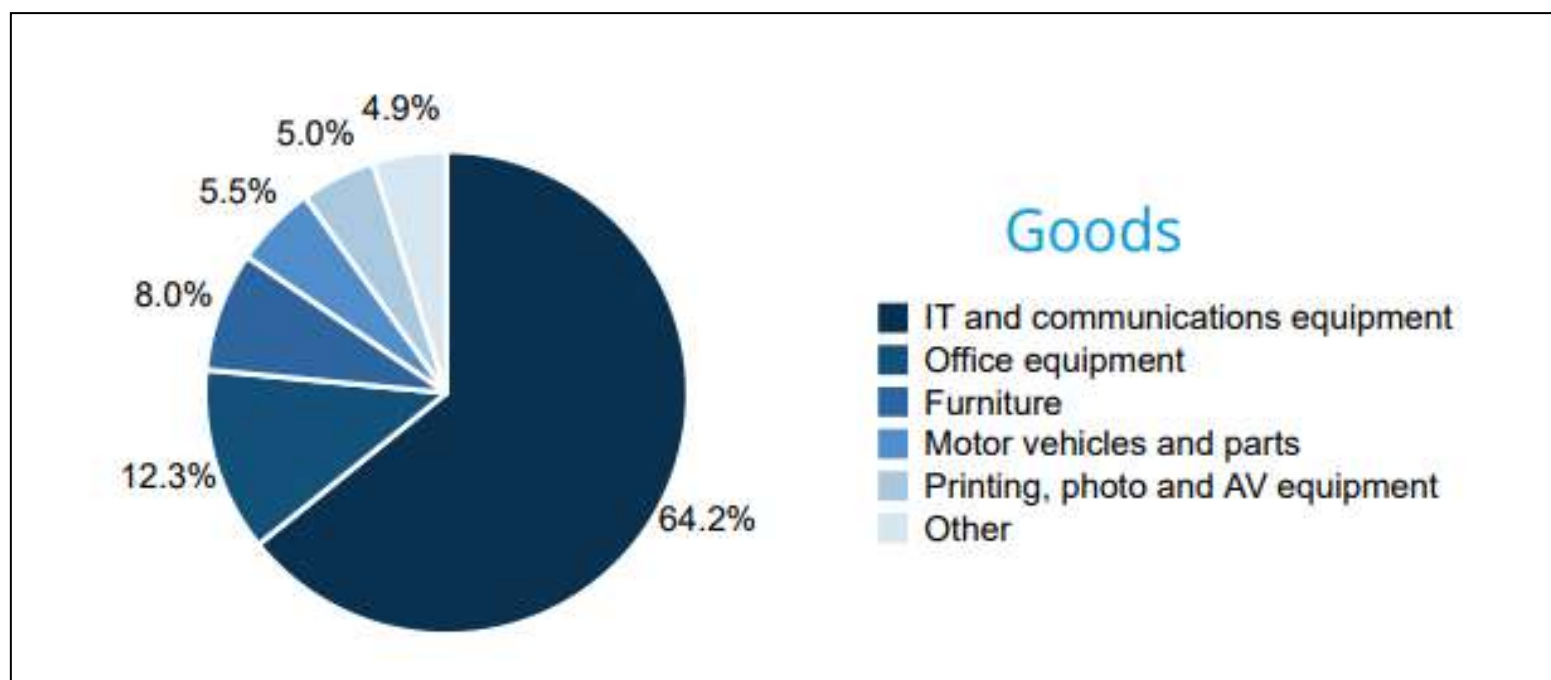
# How to find business opportunities



- Tenders above EUR 50,000 are published on the **United Nations Global Marketplace (UNGM) portal** ([www.ungm.org](http://www.ungm.org)) for international competitive bidding.
- **Tender Alert Service** may be an useful option to receive timely information on relevant business opportunities.

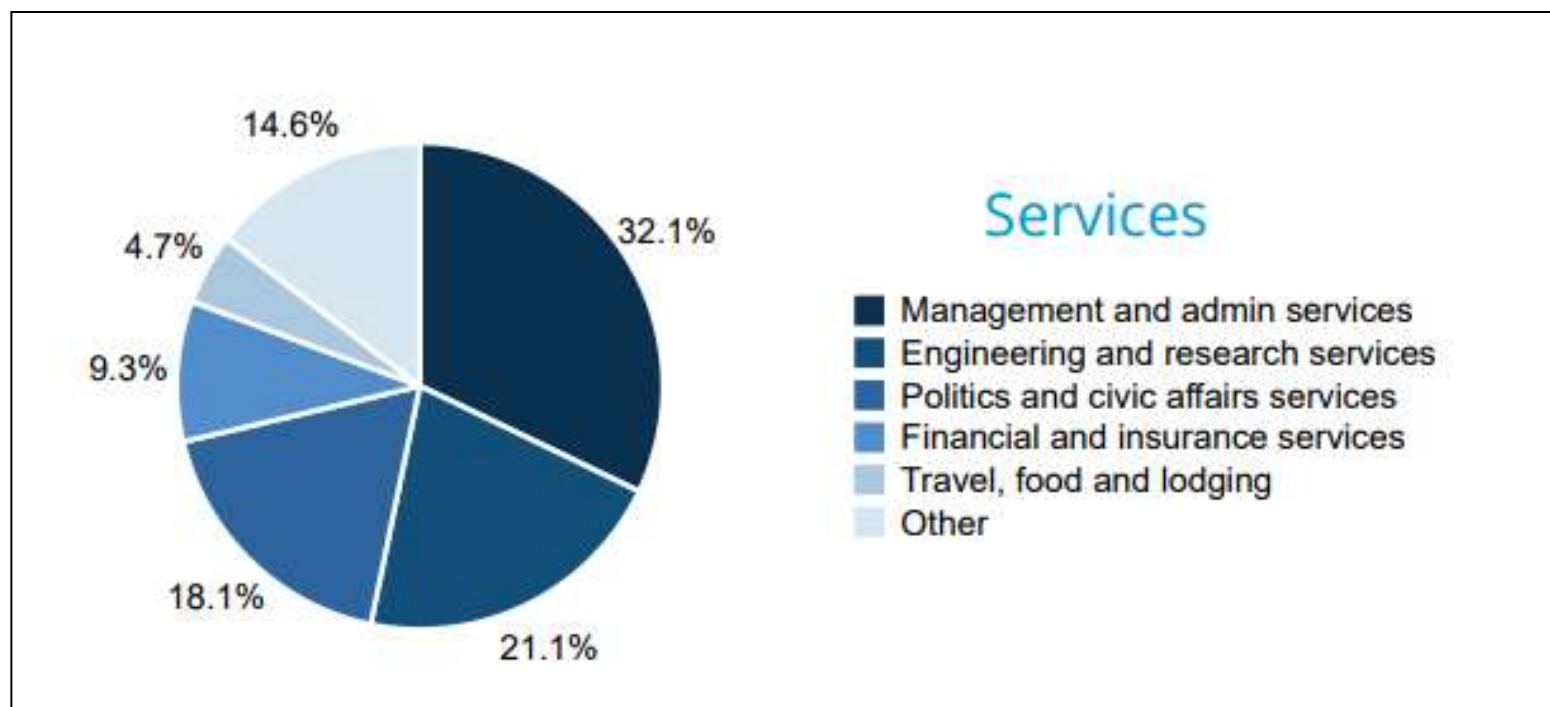
# Goods procured by IFAD

## Main categories of procurement of goods (2016)



# Services procured by IFAD

## Main categories of procurement of services (2016)



# UN Interagency collaboration

Increased participation in the **UN Global Marketplace** portal  
([www.ungm.org](http://www.ungm.org))



UNITED NATIONS  
GLOBAL MARKETPLACE

Collaboration with other UN Agencies , in particular .....

**Common Procurement Team (CPT)** with FAO and WFP,

- Share plans (tenders, training) and information
- Carry out joint tenders



COMMON PROCUREMENT TEAM  
OF FAO, IFAD, WFP

→ *Benefits include: Economies of scale, efficiency, access to others' contracts*

# Other business opportunities

## Project Procurement



- Project Procurement is **conducted by Borrowers/Recipients**, in accordance with the **national procurement regulations** (if consistent with the IFAD Project Procurement Guidelines).

### Methods for Project Procurement

- International competitive bidding (ICB)
- Limited international bidding
- National competitive bidding
- International or national shopping
- Direct contracting

**IFAD reviews the arrangements for procurement** of goods, works and services proposed by the Borrower/Recipient.

→ Post/Prior Reviews

→ 'No Objections'

# Other business opportunities

## Project Procurement



Development Business

(<https://www.devbusiness.com/>)



dgMarket

(<http://www.dgmarket.com/>)

- Many IFIs use online platforms such as **Development Business** and **DG Market** to advertise project procurement tender notices.



# Other business opportunities

## Competitive Grant Selections

Home | Who we are | What we do | What we work | Topics we cover | Our work | Newsroom | Evaluation

### Calls for Proposals & Invitations to Bid

IFAD promotes a mechanism of allocation of grant financing based on IFAD priorities and demand and, as such, the preferred approach for selecting grantees is via competitive processes. The competitive selection of grantees for grants above US\$ 100,000 is implemented as follows:

**Option 1: Call for Proposal.** Based on the set corporate strategic priorities and the divisions' objectives, IFAD grant sponsors rally for launching calls of interest regarding specific themes or sectors. This approach aims at broadening the interest and breadth of possible responses to a given challenge, and at stimulating innovation. Applicants are requested to submit their offer, based on which the competitive assessment and decision takes place.

**Option 2: Invitation to Bid.** The competitive process is based on a Project Concept Note formulated by the IFAD grant sponsor. Applicants are requested to submit their offer, based on which the competitive assessment and decision takes place.

The solicitation of proposals can take place via IFAD website, advertisement and/or circular letters. At least 3 offers are obtained for the competitive review and selection. The Competitive Screening Evaluation Team evaluates all proposals against the following criteria: (i) Viability of the business proposition; (ii) Technical content; (iii)

- Grants with **value above USD 100,000.00** are selected through competitive selection processes
- Call for proposals for grants can be found on [IFAD's website](https://www.ifad.org/) or on the UNGM.
- Selected recipient enters into a Grant Agreement with IFAD.

# Thank you!

## International Fund for Agricultural Development

### Contact details

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