



**African Development  
Bank  
2018**

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## Doing Business in African Development Bank Funded Projects

### Market Overview

The [African Development Bank](#) (AfDB) Group is a regional multilateral development finance institution established to contribute to the economic development and social progress of African countries that are the institution's Regional Member Countries (RMCs). The AfDB was founded following an agreement signed by member states on August 14, 1963, in Khartoum, Sudan, which became effective on September 10, 1964. Non-regional member countries were allowed admission in 1982, and the United States joined in 1983.

As the premier development finance institution on the continent, the AfDB's mission is to help reduce poverty, improve living conditions for Africans and mobilize resources for the continent's economic and social development. The AfDB headquarters is officially in Abidjan, Côte d'Ivoire.

The AfDB comprises three entities:

**The African Development Bank:** The African Development Bank is the Group's parent organization. It has 81 member countries, made up of 54 independent African countries (regional members) and 27 non-African countries (non-regional members). This is the largest source of funding by far, accounting for roughly \$6.27 billion of total operations in 2017.

**The African Development Fund:** The African Development Fund (ADF) is the concessional window of the African Development Bank (AfDB) Group. It provides concessional funding for projects and programs, as well as technical assistance for studies and capacity-building activities for the least developed African countries. Concessional funding includes loans that are extended on more generous terms than market loans. The ADF operations accounted for \$2.3 billion of total operations in 2017.

**Nigeria Trust Fund:** The Nigeria Trust Fund (NTF) is an agreement between the Bank Group and the Nigerian government. The NTF is a self-sustaining revolving fund. Its objective is to assist the development efforts of the Bank's low-income regional member countries whose economic and social conditions and prospects require concessional financing. NTF operations totaled \$10.3 million in 2017.

**Opportunities** for U.S. firms come in three categories:

**Project Procurement** A member country government receives funds from the African Development Bank Group for a public works project (goods, works, consulting, and advisory services). That government then runs a public competition and selects vendors. 75% of the AfDB's resources are devoted to project procurement. The other 25% is split among corporate procurement and private sector opportunities.

**Corporate Procurement** The African Development Bank itself runs a competition for consulting/advisory services, often in relation to AfDB Group funded projects.

**Private Sector Solutions** U.S. and other AfDB member country private sector firms partner with the AfDB Private Sector Department on loans, equity investments, technical and guarantee assistance, advisory services and other solutions in support of private sector activities.

The risk insurance services of the [AfDB](#) and the [ADF](#) are similar to those of the U.S. Government's [Overseas Private Investment Corporation \(OPIC\)](#), which can help U.S. firms engage the world's most challenging environments with a greater sense of confidence.

Much of the information needed to participate in AfDB Group funded projects is country specific. As such, many segments of a traditional Country Commercial Guide are not included here. To learn more about country-specific aspects of doing business in countries of interest, see each country's [Country Commercial Guide](#). In addition, one should also review the [AfDB's Country Strategy Papers](#), which outlines the Bank's goals, as well as country specific information.

Understanding how to approach these opportunities requires careful analysis and a strategic approach. This guide will facilitate that process.



## **Market Challenges**

### **PROJECT PROCUREMENT**

When the AfDB finances a project, all responsibility for its implementation, and for the award and administration of related contracts, rests with the borrower. Competing successfully depends on the ability to do business in the country in which the project will be implemented, and with the borrowing government that runs the competition. The AfDB operates under its standard [Procurement Procedure](#), which highlights important information for borrowers, as well as interested businesses. Bidders on AfDB Group funded projects must be nationals of one of the 81 member countries. Interested bidders may be able to access important resources and documents via the [AfDB's Resources for Businesses Guide](#).

In addition, The AfDB hosts a service for consultants, known as the [Database on Consultants \(DACON\)](#). It is a database of individual consultants and consulting firms. Interested parties may register themselves as an individual consultant, or register a consulting firm. The AfDB utilizes this resource to judge the acceptability of consultants proposed by borrowers if applicable. Registration with E-Consultant does not constitute pre-selection of consultants however. For project procurement, E-Consultant will only be used if the borrower's [Expression of Interest \(EOI\)](#) did not produce any adequate candidates. For more information, consult the [AfDB Acquisition of Consultancy Services](#).

Knowledge of the local language, culture, business practices, legal system, and other local conditions is essential. Tariffs, quotas, restricted or prohibited imports, temporary entry of goods, standards, testing and certification requirements, labeling requirements, pricing, and other elements of doing business vary country by country. Firms with a local presence, whether through a partner or representative, or their own branch office or subsidiary, will be able to position themselves more effectively to compete than firms operating remotely. The AfDB's culture, and the continent in which it works, heavily relies upon a familiarity with the environment. Firms that conduct business at "an arm's length" will find less success than those who operate with a local presence.

of a procurement notice often find themselves at a competitive disadvantage. Firms with the patience and persistence to engage over time enhance their competitiveness by understanding stakeholder interests, providing input, and preparing bids based on a full historical understanding of the origins, context and development of the project.

On January 1, 2016, the AfDB implemented a new [Procurement Policy](#), which now includes a "value for money" model. These reforms give borrowers the flexibility to select vendors based on factors other than cost. This should favor firms capable of demonstrating value across the entire project life cycle. Projects in the pipeline prior to January 1, 2016 will continue under the previous rules regime which focuses on lowest cost.

### **CORPORATE PROCUREMENT**

The AfDB Group itself runs competitions for consulting and advisory services. These competitions are run through the [AfDB Vendor Kiosk](#). This kiosk is dedicated to vendors interested in supplying goods, works, and services for the AfDB's internal requirements, which excludes project related procurement and consultancy run through DACON. Prospective and current procurements are broadcasted by the AfDB via its [Corporate Procurement Portal](#). Further information for corporate procurement documents can be found under the [Forms & Documents Section](#).

As with Project Procurement, firms that begin focusing on a project once it appears on the portal will find themselves at a competitive disadvantage. Firms that engage over time enhance their competitiveness by understanding stakeholder interests, providing input, and preparing bids based on a full historical understanding of the origins, context and development of the project.

### **PRIVATE SECTOR SOLUTIONS**

The [Private Sector Department](#) plans, organizes and carries out the activities related to private sector project identification, preparation, appraisal, implementation and portfolio management. The Private Sector Department is comprised of four specialized divisions: The Infrastructure Finance Division, The Industries and Services Division, The Operations Support Division, and The Portfolio Management Division.

to engage in a private sector project with the AfDB. If deemed eligible, the bank will initiate an application review, which is comprised of a feasibility study, a business plan, and an environmental & social impact assessment. All proposals should be submitted to the [Director of the Private Sector Department](#). For more information regarding private sector proposals, consult the [AfDB's guide on Private Sector Operations](#).

Private Sector Department funded projects are private sector initiatives and are not subject to the rules and processes that govern project procurement. Selection of partners, and decisions on engaging a private sector endeavor are based primarily on the Private Sector Department's assessment of how the proposal complies with the [AfDB's Private Sector Development Policy](#). Vendor selection will be based on whether or not the bidder is eligible according to the [Eligibility Criteria](#), as well as how the proposal supports the [AfDB's Strategic Priorities](#). Projects that serve one of the [AfDB's High Five Goals](#) are strongly preferred.

## Market Opportunities

### The HIGH 5 FOR TRANSFORMING AFRICA

The AfDB is striving to complete its [High Five Goals](#). They include [Light Up and Power Africa](#), [Feed Africa](#), [Industrialize Africa](#), [Integrate Africa](#), and [Improve the Quality of Life for the People of Africa](#). In 2017, the AfDB approved \$3.94 billion (45.7%) to Improving the Quality of Life for the People of Africa, \$1.71 billion (20%) to Light Up and Power Africa, \$1.19 billion (13.8 %) to Industrialize Africa, \$1.18 billion (13.7%) to Feed Africa, and \$601 million (7%) to Integrate Africa. The High 5 Goals serve as priority areas that the AfDB will focus on to advance Africa's transformative agenda over the next 10 years. The AfDB hosts a database called the [High-Fives Application](#) which presents the current progress towards the completion of the five goals. In addition, it contains best practices, and useful information for bidders interested in participating in AfDB funded projects.

### PROJECT PROCUREMENT

AfDB funded projects are conducted in every country in Africa, with operations totaling 911 million in 2018 and from 2013 to 2018 a total of \$14.4 billion. Projects are classified and developed in [17 Topics Areas, 14 Sectors, and through numerous Initiatives & Partnerships](#).

AfDB Group contract awards to U.S. firms look small: just over \$45 million from 2013 to 2018 which account for 0.31 % of total AfDB funded projects. Of these projects, 73% were in services, 27% were in goods, and 0% in civil works. U.S. firms have a strong interest and advantage in services. However, U.S. firm participation, and competitiveness, may be much higher than the figures suggest. Procurement figures only include the bidder on record, not the subcontractors & suppliers, or if the bidder on record is a subsidiary of another (possibly) foreign firm.

Direct opportunities for U.S. firms come from member country governments that borrow funds from the AfDB to conduct specific Projects & Operations. All responsibility for selecting bidders and implementing the project lies with the borrowing country government, not the AfDB. All AfDB funded projects under the Project Procurement system are subject to the [Rules and Procedures for Procurement of Goods and Works](#), as well as the [Rules and Procedures for Recruitment of Consultants](#). Interested bidders may consult the AfDB website for [more information, and needed documentation](#) to participate in AfDB funded projects.

U.S. firms enjoy a strong reputation worldwide as suppliers of first-rate technologies and providers of specialized services. These goods and services often serve as vital components of a project, but they are usually not acquired by the borrowing government or the AfDB themselves. Instead they are acquired through the private sector by the primary contractors that win the contracts. By marketing to these primary contractors, U.S. manufacturers and service providers can enter into the supply chains that serve AfDB funded projects. U.S. firms can learn more about how to do this by contacting the U.S. Department of Commerce's [Commercial Liaison Office to the AfDB](#).

### CORPORATE PROCUREMENT

The AfDB Group itself runs competitions for consulting and advisory services, often in relation to AfDB Group funded projects. These competitions are run through [AfDB Vendor Kiosk](#). This only pertains to corporate procurements. Project procurements and private sector projects are run through their respective systems. This service is not equivalent to the [DACON Service](#); DACON is solely for consultants wishing to register themselves for Project Procurement Opportunities.

### PRIVATE SECTOR SOLUTIONS

The Private Sector Department offers assistance in two forms: [Lending Activities and Non-Lending Activities](#). Public and Private Entities may utilize Private Sector Department loans. The Private Sector Department's Non-Lending Activities include the [Fund for African Private Sector Assistance \(FAPA\)](#). FAPA is a multi-donor fund which provides grants for technical assistance and capacity building to African Governments, regional economic communities, and similar intergovernmental organizations. These investments support other AfDB funded projects in [Key Topics and Sectors](#). These include loans, equity participation, guarantees, technical assistance, and other financial/investment offerings, with special focus on infrastructure, commodities,



manufacturing, agribusiness, health and education, services, and financial markets. The Private Sector Department approved over \$64.58 million in operations as of July 2018. The FAPA Fund is estimated to be worth \$87.47 million, with 75 approved projects.

## **Market Entry Strategy**

The project life cycle is long, often beginning years before the first procurement notice is ever issued. AfDB and borrowing government officials seek input from stakeholders, including the private sector, throughout the project development process. Firms with patience and persistence to engage over time enhance their competitiveness by understanding stakeholder interests, providing input, and preparing bids based on a full historical understanding of the origins, context and development of the project. For many successful firms this process includes consulting the AfDB's website for:

[Country Strategy Papers](#) provide a detailed assessment of the political, economic, trade, and social context for each country. These papers also outline the Bank's strategy for each country's portfolio, expected outcomes, resources to be mobilized, and risks and mitigation measures.

[General Procurement Notice \(GPN\)](#) for alerts on upcoming tenders.

consulting contracts.

[Specific Procurement Notice \(SPN\)](#) for direct opportunities to bid on consulting, goods and works contracts.

[Project Cycle](#) for an understanding of how projects are identified, selected, conducted, and evaluated.

[Prior Projects and Operations](#) in conjunction with the [AfDB's MapAfrica Service](#) to get an understanding where projects are being conducted, by whom, and what they entail.

The [Selected Projects Page](#) for examples of good practices and highlighted successful projects.

[News publications](#), [Events](#), [Multimedia](#), [Social media](#), and other sources of information. This ensures the use of accurate, up to date information, as well as identifying future opportunities.

Firms benefit from familiarizing themselves with the business climate in countries in which projects of interest will be implemented, including local language, culture, business practices, tariffs, quotas, restricted or prohibited imports, temporary entry of goods, standards, testing and certification requirements, labeling requirements, pricing, and others.

## **PROJECT PROCUREMENT**

The responsibility for awarding contracts and implementing projects rests with the borrowing country government, not the AfDB. The strategy for approaching an AfDB funded project is comparable to that of any other public procurement opportunity. Firms with a local presence, whether through a partner or representative, or their own branch office or subsidiary, tend to position themselves more effectively to compete than firms that do not. Competing successfully depends on a firm's ability to conduct business with the borrowing government, as well as within the country itself.

U.S. firms enjoy a strong reputation worldwide as suppliers of first-rate technologies and specialized services. These goods and services often serve as project inputs, but are not procured directly. They are acquired through the private sector by the primary, winning contractor. By marketing to these primary contractors, U.S. manufacturers and service providers can get their offerings into the supply chains that serve AfDB funded projects.

## **CORPORATE PROCUREMENT**

Consultants wishing to offer services to the AfDB itself must register on the [Vendor Kiosk portal](#).

## **PRIVATE SECTOR SOLUTIONS**

Private Sector Firms seeking to establish a new venture or expand an existing one can submit an [investment proposal](#) directly to the [Director of the Private Sector Department](#). To be eligible for Private Sector Department funding, a project must be located in an AfDB member country, must be majority owned (51% or more) by private-sector investors, must be for the establishment, expansion, diversification and modernization of productive enterprises, and show evidence of strong integrity, good reputation, and adequate financial standing. More [Eligibility Criteria](#) may be found on the AfDB's portal under the Private Sector. It is strongly recommended to highlight how a project meets one or more of the AfDB High Five priorities, as well as what the development impact of the project will be.

Interested Private Sector Firms may apply for Private Sector Department investments via the AfDB website. Applications should include a description of the project, Sponsors including financial and managerial background, Cost estimates including foreign exchange requirements, A Financing plan indicating the amount of AfDB financing desired, Key technical and environmental features, Feasibility indicators, Business climate and market prospect including proposed marketing arrangements, and an Implementation plan including the status of required licenses, permits, and certificates. [Applications may be directly sent to the Director of the Private Sector Department](#) at the AfDB.

## Political Environment

The AfDB Group is a cooperative made up of countries in Africa. The African Development Bank's authorized capital is subscribed to by 81 [member countries](#) made up of 54 independent African countries (regional members) and 27 non-African countries (non-regional members). The institution's resources come from ordinary and special resources. Ordinary resources comprise of: The subscribed shares of the authorized capital, a portion of which is subject to call in order to guarantee ADB borrowing obligations; Funds received in repayment of ADB loans; Funds raised through ADB borrowings on international capital markets; Income derived from ADB loans; and other income received by the Bank, e.g. income from other investments.

[The Board of Governors](#) is the highest decision-making organ of the Bank, composed of one Governor and one Alternate Governor appointed by each Member Country. Each Governor represents his or her country and exercises a voting power proportionate to the capital subscription of his or her country. Governors and Alternate Governors are generally Ministers of Finance, or Economic Planning, Central Bank Governors, or other high-ranking officials. They serve for a term of five years.

[The Board of Directors](#) comprises 20 members who are neither governors nor alternate governors. Thirteen members are elected by the governors of regional countries and seven by the governors of non-regional member countries. Directors are elected for a term of three years renewable once. Each director appoints an alternate, but no alternate, except the United States Alternate, may be of the same nationality as their director.

Board members are responsible for the conduct of the institution's general operations. In this capacity, they exercise powers provided in the [Articles of Agreement](#) or other powers delegated to them by the board of governors from time to time.

Member countries are allocated votes at the time of membership and subsequently for additional subscriptions to capital. The United States is the largest non-regional shareholder holding 6.58% of the vote. Nigeria is the largest regional shareholder holding 8.90% of the vote.

For background information on the political and economic environment of individual AfDB borrowing member countries, please click on the link below to read [U.S. Department of State Background Notes](#), as well as World Bank Group publications like the annual [Doing Business](#) reports and [Worldwide Governance Indicators \(WGI\)](#).

## Selling US Products & Services

### Using an Agent to Sell US Products and Services

The AfDB Group does not require that foreign firms work through a local office in order to participate in AfDB funded projects. However, it is strongly encouraged to operate through a local office as the AfDB's business culture emphasizes local relationships and business savvy.

Each country has its own laws governing participation of foreign firms in its market. Laws defining forms of local entity (agent, representative, partner, distributor, etc.), what constitutes that entity, what constitutes a contract or agreement, obligations of parties to the agreement to one another, exposure to local taxation and labor laws, and other elements of doing business also vary country to country. Firms wishing to enter into any agreement should consult with competent host nation legal counsel to ensure that the agreement is in accordance with host nation laws and requirements.

To learn about requirements in countries of interest, see the "Using an Agent to Sell U.S. Products and Services" section of each country's [Country Commercial Guide](#). In addition, one should consult the [AfDB's Country Strategy Papers](#) for more information on conducting business and accessing the Bank's strategy in country.

### Establishing an Office

The AfDB Group does not require that foreign firms work through a local office in order to participate in AfDB Group funded projects.

Each country has its own laws governing the establishment of an in-country office of a foreign firm. To learn about the laws and programs governing foreign firms in countries of interest, see the "Establishing an Office" section of each country's [Country Commercial Guide](#). For background information on the political and economic environment of individual AfDB borrowing member countries, please read [U.S. Department of State Background Notes](#), as well as World Bank Group publications like the annual [Doing Business](#) reports and [Worldwide Governance Indicators \(WGI\)](#).

### Franchising

Franchisors have a few opportunities to participate in AfDB funded projects. Borrowing country governments are largely responsible for these opportunities. [Public-Private Partnerships \(PPPs\)](#) have emerged over the last decade as one of the best ways to foster development, fueled by insufficient investment, growing pressures on government budgets and a general concern about service provision by state enterprises and agencies. In order for more PPPs to emerge in Africa, countries need to improve the business environment. At present serious constraints exist in many countries. The AfDB is encouraging African countries to create the necessary legal and regulatory framework for PPPs; as well as facilitating networking and sharing of experience among regulatory agencies and other similar organizations. The Private Sector Department is a key player as lender and advisor to Regional Member Countries (RMCs) in supporting PPPs across The [AfDB's Areas of Focus](#). As such, most PPPs opportunities would be subject to the [Rules and Regulations governing Private Sector Investments](#).

### Direct Marketing

Direct marketing is not a viable means of engaging directly in AfDB Group funded projects. Whether project procurement for performance of public works projects, or corporate procurement for consulting/advisory services, procurements are initiated with the issuance of public tenders and are run through the competitive bidding process. Unsolicited proposals and offers are not considered. Private sector activities in partnership with the Private Sector Department involve investments rather than procurements. The Private Sector Department and in-country stakeholders are traditionally unresponsive to unsolicited approaches from afar. Interested firms should take care to familiarize themselves with the local culture, and business practices. To work with the Private Sector Department on Investments, please direct all applications and inquiries to the [Director of the Private Sector Department](#).

Direct marketers may find opportunity marketing vital components to contractors with a history of conducting AfDB funded projects. Identifying these contractors may be challenging. One can consult prior [AfDB Group Projects/Operations](#) to identify successful primary contractors. Privacy rules prohibit disclosure of information on bidders on active competitions.

## **Joint Ventures/Licensing PROJECT PROCUREMENT**

[AfDB Procurement Rules](#) allow for the participation of joint ventures and consortia. The scale and complexity of many AfDB funded public works projects provides excellent opportunities for bids by joint ventures and consortia of firms offering complementary capabilities. However, each country has its own laws, rules, requirements and other considerations regarding joint ventures and licensing agreements. To learn about conditions in countries of interest, see the “Joint Ventures/Licensing” section of each country’s [Country Commercial Guide](#) as well as the [AfDB’s Country Strategy Papers](#).

## **CORPORATE PROCUREMENT**

The AfDB Group frequently procures consulting and advisory services. Consultants wishing to offer services to the AfDB itself must register on the [Vendor Kiosk Portal](#). Bids submitted outside this system will not be considered. While eligibility requirements do not explicitly exclude the participation of joint ventures, firms interested in participating in the form of a joint venture should consult the [Rules for Corporate Procurement Activities](#) and the [Code of Conduct for bank, service providers, suppliers and contractors](#) to confirm how to register and remain eligible before competing for contracts.

## **PRIVATE SECTOR SOLUTIONS**

The Private Sector Department invests in projects designed to create or expand upon private sector enterprises in developing countries. Joint venture arrangements are common in Private Sector Department funded operations, and can even include the Private Sector Department itself as a joint venture partner. In order to partner with the Private Sector Department, interested private-sector firms must be compliant with the Private Sector Department’s [Eligibility Criteria](#). Proposals that serve one of the [AfDB’s High Five Goals](#) are strongly encouraged, as well as those that demonstrate well the development impact of the project

## **Selling to the Government PROJECT PROCUREMENT**

When the AfDB finances a project, the award and administration of contracts rests with the borrower. To participate in these projects, firms must position themselves to sell to borrowing government, not the AfDB. Each country has its own laws governing foreign firms selling to the government, including whether they can sell direct or must operate through a local entity (agent, representative, etc.). Countries signatory to multilateral agreements such as [the World Trade Organization’s \(WTO\) Government Procurement Agreement \(GPA\)](#), and [bilateral Trade Promotion Agreements with the United States](#), must abide by their commitments under those agreements in conducting procurements for AfDB funded projects.

To learn about specifics regarding selling to the government in countries of interest, see the “Selling to the Government” section of each country’s [Country Commercial Guide](#). In addition, the [AfDB’s Country Strategy Paper](#) resource is useful to consult for further information about the overall political, economic, trade, and social context of a particular country as well as the AfDB’s strategic plan and project portfolio for this country.

U.S. firms interested in specific AfDB funded projects should consider contacting the U.S. Department of Commerce’s [Commercial Liaison Office to the AfDB](#) and [Advocacy Center](#) early in the process and prior to bidding. Firms that engage early in the process are more successful at winning AfDB contracts.

## **CORPORATE PROCUREMENT**

The AfDB Group is a financial institution, not a government. The AfDB runs competitions for consulting and advisory services, often in relation to other AfDB Group funded projects. These competitions are run through the [Vendor Kiosk Portal](#). All **Corporate Procurement** opportunities are subject to the [Rules for Corporate Procurement Activities](#) and the [Code of Conduct for bank, service providers, suppliers and contractors](#). Unsolicited bids, as well as applications outside the [Vendor Kiosk System](#) will not be considered.

## **PRIVATE SECTOR SOLUTIONS**

The Private Sector Department operates like a private sector financial institution. The Private Sector Department is not a separate entity of the AfDB. Private Sector Department funded projects are private sector

initiatives/investments and are not subject to the procurement rules and processes that govern public works projects. Selection of partners, and whether to engage a proposal is based on the Private Sector Department's assessment of the firm according to its [Eligibility Criteria](#) as well as the criteria listed under the [Application Procedure Section](#). Projects geared towards the [AfDB's Strategic Priorities](#), [Areas of Focus](#), and the [AfDB's High Fives](#) are in high demand.

## **U.S. COMMERCIAL SERVICE LIAISON OFFICES AT THE MULTILATERAL DEVELOPMENT BANKS**

The AfDB often cooperates with other multilateral development banks on projects and investments. The [Commercial Service](#) maintains [Commercial Liaison Offices in most major Multilateral Development Banks](#): the World Bank, the Inter-American Development Bank (IDB), the African Development Bank (AfDB), the Asian Development Bank (ADB), and the European Bank for Reconstruction and Development (EBRD). These institutions provide billions of dollars to support projects aimed at generating sustainable economic growth and social development. The Commercial Liaison Offices help U.S. businesses learn how to get involved in bank-funded projects, and advocate on behalf of U.S. bidders. Learn more by contacting the Commercial Liaison Office to the World Bank (<http://export.gov/worldbank>), the Inter-American Development Bank (<http://export.gov/idb>), the African Development Bank (<http://www.export.gov/afdb>), the Asian Development Bank (<http://www.export.gov/adb/>), and the European Bank for Reconstruction and Development (<http://export.gov/ebrd>)

## **Selling Factors & Techniques**

### **PROJECT PROCUREMENT**

Understanding the institutional roles and responsibilities that apply throughout the project life cycle is key to targeting sales efforts effectively. Firms with a complete understanding of the project life cycle are more successful at winning AfDB contracts.

AfDB funded projects are developed by borrowing country governments according to the [Rules and Procedures for Procurement of Goods and Works](#), as well as the [Rules and Procedures for Recruitment of Consultants](#). Projects should be submitted using [Standard Bidding Documents](#) in order to be in compliance with AfDB rules and regulations. Countries receiving AfDB project funding must adhere to open international competitive bidding and procurement processes. Supplies and services needed to fulfill contracts are procured by primary contractors through private sector supply chains, not the AfDB. The AfDB does not procure goods or services for, or seek to influence the procurement decisions of borrowing governments or contractors. Unsolicited proposals are discouraged, as they circumvent mandatory processes.

Traditional sales approaches to AfDB officials are unsuccessful and reflect poorly on the offering firm. Bidders on specific contracts should work directly with borrowing country governments, subcontractors, suppliers, and primary contractors. That being said, AfDB Private Sector Department staff may appreciate hearing from the private sector on trends and developments, proven approaches to solving emerging problems, and on issues that are featured at an industry association event or technical conference. Well-conceived fact-finding meetings, Brown Bag Lunches, and other such interactions free of overt reference to specific companies, brands, technologies, products, etc., can be useful tools. The [AfDB frequently holds events](#) that provide an excellent opportunity to network and learn what AfDB Group officials are thinking about key topics. U.S. firms willing to engage with AfDB Group officials and other stakeholders over time will broaden their networks, learn about and provide valuable input into priorities and the formation of future projects, and better position themselves to compete through established channels for projects that come through the pipeline as a result. The AfDB organizes two [Business Opportunity Seminars \(BOS\)](#) per year – traditionally one is held in Abidjan and one is held in a regional office country. BOS are two-day forums where senior Bank staff present to private companies and consultants on how to best position your bid, on the latest procurement rules, and on the Bank's current strategies and priorities. There are opportunities to meet one on one with Bank staff as well. Please contact the [Commercial Liaison Office to the AfDB](#) to register for the next BOS.

culture at the AfDB, while dynamic, maintains a necessary high level of professionalism. The AfDB emphasizes local connections, as the business culture is not geared toward conducting business from afar. Clear, concise, formal communication offers the best opportunity to be understood correctly and to reduce the risk of



confusion. Meetings at the Bank can be held in either French or English, it is recommended to inquire ahead of time as to which language will be used and to prepare for this.

## **CORPORATE PROCUREMENT**

Consultants wishing to offer services to the AfDB itself must register on the [Vendor Kiosk Portal](#). The kiosk provides the AfDB with a means to identify and select applicable firms for corporate opportunities. Companies should submit both a [Request for Proposal Quality and Price](#), as well as a [Request for Proposal Quality Based Assessment](#) for the contracts in which they are interested. The AfDB Group will then short-list qualified firms, who are then invited to submit proposals, which are then evaluated. Attempts to contact individual AfDB Group officials or otherwise circumvent processes as outlined in the [Vendor Kiosk Portal](#) are very unlikely to prevail, and can do reputational damage. Interested firms may consult the [AfDB's database for Corporate Procurement Contract Awards](#) for examples of successful projects.

## **PRIVATE SECTOR SOLUTIONS**

Companies and entrepreneurs seeking to establish a new venture or expand an existing one in a client country can submit an [investment proposal](#) directly to the [Director of Private Sector Development at the AfDB](#). To be eligible for AfDB Private Sector Department funding, a project must be located in an AfDB member country, must be majority owned (51% or more) by private-sector investors, must be for the establishment, expansion, diversification and modernization of productive enterprises, and show evidence of strong integrity, good reputation, and adequate financial standing. More [Eligibility Criteria](#) may be found on the AfDB's portal under the Private Sector. It is strongly advised to highlight how the proposed project helps the Bank to achieve one or more of the High Five Goals, as well as the project's intended development impact.

## **eCommerce**

E-commerce is not a viable means of engaging directly in AfDB Group funded projects. Whether it is Project Procurement, Corporate Procurement, or Private Sector activities, opportunities generally call for the execution of a full-scale project requiring a high degree of collaboration among stakeholders and on-the-ground in-country capabilities and commitment. The AfDB's business culture encourages a local presence. Operating at "an arm's length" on projects/opportunities will yield few results.

E-commerce suppliers may find opportunity marketing vital components to contractors with a history of conducting AfDB funded projects. Identifying these contractors may be challenging. One can consult prior [AfDB Group Projects/Operations](#) to identify successful primary contractors. Privacy rules prohibit disclosure of information on bidders on active competitions

## **Pricing**

### **PROJECT PROCUREMENT**

Price remains a key-determining factor in procurement decisions. The new procurement model should favor U.S. firms capable of demonstrating value across the entire life cycle of a project. To be applicable, the borrower must request the preferences and reflect them in procurement plans and bidding documents. AfDB loans are denominated in UAC (unit of account) or local currency. Public tenders issued by borrowing governments are typically denominated in local currency.

countries of interest to your firm see the "Pricing" section of each country's [Country Commercial Guide](#). For more information on each country's operating strategy and AfDB Group's goals in country, consult the [AfDB's Country Strategy Papers](#).

## **CORPORATE PROCUREMENT**

The AfDB itself runs competitions for consulting and advisory services, often in relation to other AfDB group funded projects. These competitions are run through the [Vendor Kiosk Portal](#). Tenders and contracts can be denominated in UAC and local currency. Bid evaluation criteria, stated in tender documents, typically include a weighted scale of both technical and financial considerations.

## **PRIVATE SECTOR SOLUTIONS**

Private sector activities in partnership with the Private Sector Department involve investments rather than procurements. Wherever possible the Private Sector Department denominates its operations in UAC.



## **Sales Service/Customer Support**

### **PROJECT PROCUREMENT**

On January 1, 2016 the AfDB Group implemented a comprehensive reform of its procurement system to reflect a “value for money” model that will give borrowers the flexibility to design projects, and select contractors based on factors other than cost. This should benefit U.S. firms capable of demonstrating value across the entire life cycle of a project, including after-sales service, training, and other forms of support key to the long-term success of a development project.

### **CORPORATE PROCUREMENT**

The AfDB itself runs a competition for consulting and advisory services, often in relation to other AfDB Group funded projects. These competitions are run through the [Vendor Kiosk Portal](#). Resulting contracts are for services that require a high degree of communication and collaboration with key stakeholders. Excellent customer service and support are often critical to a successful bid. This goes “hand-in-hand” with the AfDB’s business culture of local involvement and cooperation.

### **PRIVATE SECTOR SOLUTIONS**

The Private Sector Department’s mandate is to work with the private sector to address development challenges. Success in partnering with the Private Sector Department often depends on the ability to demonstrate a proven track record of partnering for development success over time, and a long-term commitment to all stakeholders involved in a proposed venture. Projects that address the [Private Sector Department’s Areas of Focus](#), as well as the [AfDB’s High Fives Goals](#) are preferred and are more likely to succeed.

### **Due Diligence**

When participating in an AfDB Group funded project, it is encouraged to partner with an overseas private-sector entity. U.S. firms should perform thorough due diligence on prospective private-sector partners before entering into any agreement, and work with competent legal counsel qualified in each country to ensure that agreements have the force of law in all applicable jurisdictions.

As another step in the Due Diligence process, the U.S. Commercial Service offers the International Company Profile (ICP) service. While many elements of the ICP are standard worldwide, local laws and other conditions sometimes require adjustments to the service offering in each country. To learn about ICP terms and conditions in countries of interest to your firm work with your local [U.S. Export Assistance Center](#) to contact the [Commercial Service](#) in each country.

(Please note that the ICP is not intended to be a substitute for a comprehensive due diligence review to meet obligations under the Foreign Corrupt Practices Act of 1977.)

## Trade Regulations, Customs, & Standards

Trade regulations, Customs and standards relevant to AfDB Group funded projects are specific to the countries in which the projects are implemented, not to the AfDB itself. To learn about these aspects of doing business in countries of interest, see the “Trade Regulations, Customs and Standards” section of each country’s [Country Commercial Guide](#), as well as [U.S. Department of State Background Notes](#), and World Bank Group publications like the annual [Doing Business](#) reports and [Worldwide Governance Indicators \(WGI\)](#).

## Investment Climate Statement

### **Openness to and Restrictions upon Foreign Investment**

Achieving AfDB Group priorities requires robust private sector involvement and growth. The ultimate goal is to achieve in-country development beyond the need of financial assistance. The AfDB Group supports borrowing countries in attracting, facilitating, and retaining domestic and foreign investment, as well as maximizing the positive spillover effects of private investment on the local economy.

The AfDB Group also advises borrowers of the risks that barriers to foreign direct investment can have on development. In some cases, these laws limit foreign ownership of key aspects of the project, or prohibit foreign ownership outright if the investment is deemed to be inconsistent with the [AfDB's own criteria](#), or the respective country's criteria. To learn about the climate for FDI in countries of interest, see the "Openness to and Restrictions upon Foreign Direct Investment" section of each country's [Country Commercial Guide](#). Information on how these policies apply to a given project may be included in the standard bidding documents. In addition, one should consult the [AfDB's Country Strategy Papers](#) for more information on investment climate.

### Conversion and Transfer Policies

The AfDB Group recognizes Article XIV of the [Articles of Agreement of the International Monetary Fund](#), which allows countries to maintain restrictions on payments and transfers for international transactions in order to promote a stable exchange rate for the settlement of the country's balance of payments.

### **PROJECT PROCUREMENT**

Payments to or from countries that maintain restrictions will be subject to those restrictions for both payments and transfers. This includes interactions between contractors and borrowing country governments. To learn about conversion and transfer policies in countries of interest, see the "Conversion and Transfer Policies" sections of each country's [Country Commercial Guide](#). To learn about options for insuring against currency inconvertibility, you may wish to review the products offered by the U.S. Government's [Overseas Private Investment Corporation \(OPIC\)](#).

### **CORPORATE PROCUREMENT**

The AfDB Group itself procures consulting and advisory services, often in relation to other AfDB Group funded projects. Conversion and transfer policies are not a concern in these procurements. Contracts between consultants and the AfDB Group are denominated in UAC and local currency. Payments made by the AfDB Group directly to the consultant are subject to Conversion and Transfer Policies if denoted in a currency in need of conversion.

### **PRIVATE SECTOR SOLUTIONS**

[Private Sector Department activities](#) through the AfDB involve a number of different instruments, which include lending and non-lending services. Lending activities can include focused efforts on Industries & Services, Public-Private Partnerships (PPPs) & Infrastructure. Non-lending activities can include studies, initiatives, and new programs. The Private Sector Department recognizes that restrictions on conversion and transfers can reduce a country's ability to attract investors and develop local capital markets. When considering involvement in a Private Sector Department-supported project, U.S. firms should ensure that any restrictions on conversion and transfers of the host country would not prevent host country entities from meeting foreign currency liabilities or honoring financial obligations. To learn about conversion and transfer policies in countries of interest, see the "Conversion and Transfer Policies" section of each country's [Country Commercial Guide](#). To learn about options for insuring against currency inconvertibility, you may wish to review the products offered by the U.S. Government's [Overseas Private Investment Corporation \(OPIC\)](#).

### **Legal Regime**

#### Expropriation and Compensation

The AfDB Group operates in many challenging political and economic environments, including where risks of expropriation may be present. As such, the [AfDB offers partial credit and risk guarantees](#) to encourage investment and development.

To learn about policies regarding expropriation in countries of interest, see the “Expropriation and Compensation” section of each country’s [Country Commercial Guide](#). To learn about options for insuring against expropriation, you may wish to review the products offered by the U.S. Government’s [Overseas Private Investment Corporation \(OPIC\)](#). If in need of assistance with mediation and dispute settlement see the Dispute Settlement Section.

#### Dispute Settlement

The African Development Bank Group views [Corruption, Fraud and other Sanctionable Practices](#) as highly inimical to the achievement of its mandate. In order to spur sustainable economic development and social progress on the continent, the AfDB endorses a multipronged approach to combating these harmful practices.

#### PROJECT PROCUREMENT

Valid disputes must violate the [AfDB’s Sanctionable Practices under Section 4: “Sanctionable Practices.”](#) Should a dispute arise, applicable parties should make every effort to resolve any disagreement or dispute amicably by direct informal negotiation. The accusing party shall promptly issue a “Notice of Dispute” to the other party, addressing the disagreement or dispute, as well as providing all relevant information. If the issue remains unresolved after 45 days from the issuance of the “Notice of Dispute”, then either party may require that the dispute be settled via arbitration in accordance with the [UNCITRAL Arbitration Rules](#).

The Arbitral Tribunal shall comprise of one arbitrator jointly chosen by both parties. If both parties are unable to reach an agreement within 60 days of the Conciliation Notice, the [London Court of International Arbitration \(LCIA\)](#) shall become the appointing authority. Arbitration shall take place in a mutually agreed location, conversed in the English language. The resulting award is final and binding on both parties and will be in lieu of any other remedy.

For further information, consult [“Section 16.0 Dispute Settlement” of the AfDB’s General Terms and Conditions for the Purchase of Goods, Works and Services](#). In addition, Dispute Resolution can also be found under the General Conditions of Contract (GCC) in a [standard bidding document for Goods, Works and Services](#). Specific requirements for dispute resolution vary on the Special Conditions of Contract (SCC) as specified in the agreed upon contract. Consult the specific project contract for more details on dispute resolution for the project in question.

To learn about dispute settlement mechanisms in countries of interest, see the “Dispute Settlement” section of each country’s [Country Commercial Guide](#).

#### CORPORATE PROCUREMENT

Complaints regarding the AfDB’s Corporate Procurement Award Procedures should be addressed to the [Director of the General Services and Procurement Department](#).

Award protest procedures are available only to participating bidders in the procurement process that were not awarded a contract. Non-responsive, late, or cancellation of submissions constitutes disqualification from the Award Protest Procedure. An unsuccessful bidder must inform the Director of General Services and Procurement Department in writing within 7 days of receiving the AfDB’s regret letter or debriefing, whichever is earlier. Protest notifications must include: Protestors name, address, phone number, fax, email address, Bank tender reference, a detailed statement of the grounds for protest, and copies of all relevant documents supporting the protestor’s statement.

Protest notifications submitted after the 7 day period, or lack a basis for protest will not be considered. Upon receipt of a written protest, the Director of General Services and Procurement Department shall provide the protestor with a written acknowledgement within 5 working days, initiate a review of the protestor’s allegations, and following the conclusion of the review, notify the protestor in writing of the decision and the basis which it was made.

Decisions of the Director of General Services and Procurement Division will be final and conclusive unless within 7 working days from the receipt of the decision, the protestor files a written appeal to the [Vice-](#)

[President of Corporate Services](#). The Vice-President of Corporate Services will examine the appeal. The determination by the Vice-President of Corporate Services will then be final and conclusive.

[For more information, consult “Section XII. Dispute Resolution” under the AfDB Group’s Award Protest Procedure.](#)

## **PRIVATE SECTOR SOLUTIONS**

Given the nature of the Private Sector Department’s activities, the rules that govern dispute settlements for project and corporate procurement do not apply. All Private Sector Department funded projects are subject to the [AfDB’s Private Sector Development Policy](#). For more information on dispute settlements in regards to the Private Sector, contact the [Director of the Private Sector Department](#).

## **INDEPENDENT REVIEW MECHANISM**

The mandate of the [Independent Review Mechanism](#) (IRM) is to provide people adversely affected by a project financed by the AfDB Group, with an independent mechanism through which they can request the AfDB to comply with its own policies and procedures.

A request may be filed by: A group of 2 or more people in the country or countries where the AfDB Group project is located, an appointed local representative acting on explicit instructions as an agent for the adversely affected people, a foreign representative acting as an agent for the adversely affected people, or the Boards of Directors of the AfDB Group.

A request should contain the following: A reference to the project which states all relevant facts including harm suffered, how parties have been or are likely to be materially and adversely affected, an explanation of how AfDB Group Policies were violated when requesting a compliance review, an indication if there has been any previous communication between the affected parties and the AfDB Group regarding the issue raised in the request, and an explanation if all of the above information cannot be provided. All requests must be submitted in writing, dated, and signed by the requestors and contain their names, contact addresses, and an address to which correspondence shall be sent. Requestors and other interested persons may request that their identities be kept confidential. Requests should be submitted in either English or French; however, requests may be submitted in a local language if it is impossible to obtain a translation.

For further information on Request Life Cycles and IRM submissions, consult the [Independent Review Mechanism’s Operating Rules and Procedures](#).

### **Right to Private Ownership and Establishment**

To learn about policies regarding private ownership rights in countries of interest, see the “Right to Private Ownership and Establishment” section of each country’s [Country Commercial Guide](#). As well, contact the [U.S. Commercial Officer to the AfDB](#) for more information.

### **Protection of Property Rights**

To learn about policies regarding protection of property rights in countries of interest, see the “Protection of Property Rights” section of each country’s [Country Commercial Guide](#). As well, contact the [U.S. Commercial Officer to the AfDB](#) for more information.

### **Transparency of the Regulatory System**

To learn about the transparency of regulatory systems in countries of interest, see the “Transparency of the Regulatory System” section of each country’s [Country Commercial Guide](#). As well, contact the [U.S. Commercial Officer to the AfDB](#) for more information.

### **Efficient Capital Markets and Portfolio Investment**

The AfDB’s [Private Sector Department](#) helps develop local capital markets through assisting African governments improve the business enabling environment, and creating a strong demonstration effect by assisting entrepreneurs to achieve success. The Private Sector Department helps member countries develop stronger capital markets through [Non-sovereign guaranteed lending](#), and [non-lending activities](#) such as

studies and initiatives. In addition to these activities, the AfDB offers [Partial Risk and Credit Guarantees](#) to encourage investment.

To learn about capital markets in countries of interest, see the “Efficient Capital Markets and Portfolio Investment” section of each country’s [Country Commercial Guide](#).

### **Competition from State-Owned Enterprises**

To learn about policies regarding competition from State-Owned Enterprises (SOEs) in countries of interest, see the “Competition from State-Owned Enterprises” section of each country’s [Country Commercial Guide](#).

### **PROJECT PROCUREMENT**

According to the [AfDB’s Procurement Policy](#), only eligible firms may bid on goods, works, and consulting services for contracts financed by the AfDB Group. SOEs are eligible to bid on AfDB Group funded projects if they can establish to the AfDB’s satisfaction that they are: legally and financially autonomous, operate under commercial law, and are not dependent agencies of the borrower or sub-borrower. The only exception to this is if the Bank is satisfied that the resulting conflict-of-interest situation will be resolved. For more information on SOE eligibility, consult the [AfDB’s Procurement Policy](#).

### **CORPORATE PROCUREMENT**

SOEs are eligible to register as vendors to and to compete for contracts with the AfDB Group so long as they observe the [AfDB’s Code of Conduct for Service Providers, Suppliers, and Contractors](#).

### **PRIVATE SECTOR SOLUTIONS**

SOEs may participate in Private Sector Department funded projects if they meet its [Eligibility Criteria](#), and the [Private Sector Department’s Development Policy](#).

#### **Corporate Social Responsibility**

Good corporate governance plays an important role in promoting both economic efficiency and equity (through lower cost of capital, larger capital markets, higher market valuation of firms, and profits). A significant number of RMCs continue to face endemic problems such as corruption, institutional instability, lack of transparency and accountability, and a weak rule of law. The AfDB is committed to improving Corporate and Social Responsibility within its member countries, which is ultimately governed by the [AfDB’s Corporate Governance Strategy](#).

To learn more about Corporate Social Responsibility in countries of interest to your firm see the “Corporate Social Responsibility” section of each country’s [Country Commercial Guide](#).

### **Political Violence**

Given the nature of the AfDB Group’s member countries, the AfDB is committed to reducing the levels of violence and strengthening fragile and weak states. Under the [Fragility & Resilience Initiative](#), the AfDB provides supplemental resources, arrears-clearance, access to debt relief, and support to critical capacity building interventions to member states in need.

“Political Violence” section of each country’s [Country Commercial Guide](#).

For up-to-date information on political and security conditions in countries of interest, please refer to the State Department Consular Bureau’s Travel Warning and Country Specific Information at <http://www.travel.state.gov/>. U.S. Citizens traveling overseas are encouraged to register with the [Smart Traveler Enrollment Program \(STEP\)](#) so that U.S. Embassies can contact you and your loved ones and provide assistance in an emergency.

U.S. businesses and organizations overseas are also welcome to inquire at the Embassy about joining the [Overseas Security Advisory Committee \(OSAC\)](#).

## Corruption

Corruption and other [Sanctionable Practices](#), raise the costs and risks of doing business in countries of interest. These practices have a negative impact on both market opportunities for U.S. companies overseas, and the broader business climate.

It is important for U.S. companies to assess the business climate in the markets of interest, as well as operate an effective compliance program to prevent and detect corruption and other sanctionable practices. U.S. individuals and firms operating or investing in foreign markets should be familiar with the anticorruption laws of the foreign country (and the United States) to ensure compliance.

**The African Development Bank Group:** The African Development Bank Group views corruption, fraud and other sanctionable practices as highly inimical to the achievement of its mandate. In order to spur sustainable economic development and social progress on the continent, AfDB endorses a multipronged approach to combating these harmful practices. The [AfDB's Integrity and Anti-Corruption Department](#) (IACD) has the overriding mandate to carry out independent investigations into allegations of corruption, fraud and other sanctionable practices in AfDB Group Financed Operations.

The Integrity and Anti-Corruption Department's investigative powers promote tighter adherence to the highest standards of corporate governance and integrity. This strategy is reflected in its composition. The IACD is comprised of two divisions: the [Integrity and Prevention Division \(IACD.1\)](#) and the [Investigations Division \(IACD.2\)](#). The IACD does not make sanction decisions. IACD.2 receives allegations of sanctionable practices and conducts investigations. It then forwards its report to the relevant authority under the Bank's sanctions process.

[The IACD's Strategy](#) relies on: Proactive prevention through risk assessments, sensitization programs, and due diligence, mainstreaming integrity issues into AfDB Group operations and activities, providing technical support to regional member countries in integrity issues and enhancing accountability, participation in international and regional integrity initiatives, and investigations, sanctions and other deterrence processes.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for U.S. persons and businesses (domestic concerns), and U.S. and foreign public companies listed on stock exchanges in the United States or which must file periodic reports with the Securities and Exchange Commission (issuers), to offer, promise or make a corrupt payment or anything of value to foreign officials to obtain or retain business. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. In addition to the anti-bribery provisions, the FCPA contains accounting provisions applicable to public companies.

The accounting provisions require issuers to make and keep accurate books and records and to devise and maintain an adequate system of internal accounting controls. The accounting provisions also prohibit individuals and businesses from knowingly falsifying books or records or knowingly circumventing or failing to implement a system of internal controls. In order to provide more information and guidance on the statute, the Department of Justice and the Securities and Exchange Commission published *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, available in PDF at: <http://www.justice.gov/criminal/fraud/fcpa/guidance/>. For more detailed information on the FCPA generally, see the Department of Justice FCPA website at: <http://www.justice.gov/criminal/fraud/fcpa/>.

**Other Instruments:** It is U.S. Government policy to promote good governance, including host countries' implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions negotiated under the auspices of the OECD (Anti-bribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements.



**OECD Anti-bribery Convention:** The Anti-bribery Convention entered into force in February 1999. As of January 2016, there are 41 parties to the Convention, including the United States (see <http://www.oecd.org/corruption/oecdantibriberyconvention.htm>). Major exporters China and India are not parties, although the U.S. Government strongly endorses their eventual accession to the Anti-bribery Convention. The Anti-bribery Convention obligates the Parties to criminalize bribery of foreign public officials in international business transactions, which the United States has done under U.S. FCPA.

**UN Convention:** The UN Convention entered into force on December 14, 2005, and there are 178 parties to it as of January 2016 (<http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>).

The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption, from basic forms of corruption such as bribery and solicitation, embezzlement, and trading in influence to the concealment and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Anti-bribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery.

**AS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States Parties in areas such as mutual legal assistance and technical cooperation. As of January 2016, the OAS Convention has 34 parties (<http://www.oas.org/juridico/english/Sigs/b-58.html>) and the follow-up mechanism created in 2001 (MESICIC) has 31 members ([http://www.oas.org/juridico/english/mesicic\\_intro\\_en.htm](http://www.oas.org/juridico/english/mesicic_intro_en.htm)).

**Council of Europe Criminal Law and Civil Law Conventions on Corruption:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention on Corruption, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on whistleblower protection, compensation for damage relating to corrupt acts, and nullification of a contract providing for or influenced by corruption, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 49 member States (48 European countries and the United States).

See [http://www.coe.int/t/dghl/monitoring/greco/general/about\\_en.asp](http://www.coe.int/t/dghl/monitoring/greco/general/about_en.asp).

As of January 2016, the Criminal Law Convention has 44 parties and the Civil Law Convention has 35 parties.

See:

<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=173>;  
<http://conventions.coe.int/Treaty/Commun/QueVoulezVous.asp?CL=ENG&NT=174>

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize “active bribery” of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic “passive bribery” (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative website: <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department’s U.S. and Foreign Commercial Service can provide assistance with navigating the host country’s legal system and obtaining a list of local legal counsel.



**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. and Foreign Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at [www.trade.gov/cs](http://www.trade.gov/cs).

The United States provides commercial advocacy on behalf of exporters of U.S. goods and services bidding on public sector contracts with foreign governments and government agencies. An applicant for advocacy must complete a questionnaire concerning its background, the relevant contract, and the requested U.S. Government assistance. The applicant must also certify that it is in compliance with applicable U.S. law, that it and its affiliates have not and will not engage in bribery of foreign public officials in connection with the foreign project, and that it and its affiliates maintain and enforce a policy that prohibits bribery of foreign public officials. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel, and reported through the Department of Commerce Trade Compliance Center "Report a Trade Barrier" Website at [tcc.export.gov/Report a Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp). Potential violations of the FCPA can be reported to the Department of Justice via email to [FCPA.Fraud@usdoj.gov](mailto:FCPA.Fraud@usdoj.gov).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals and issuers to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding actual, prospective business conduct. The details of the opinion procedure are available on DOJ's Fraud Section Website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa) and general information is contained in Chapter 9 of the publication *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, at <http://www.justice.gov/criminal/fraud/fcpa/guidance/>.

Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies information to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the [Office of the General Counsel, U.S. Department of Commerce](#). More information on the FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials, and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

Information about the U.S. Foreign Corrupt Practices Act (FCPA), including *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, translations of the statute into numerous languages, documents from FCPA related prosecutions and resolutions, and press releases are available at the U.S. Department of Justice's Website at: <http://www.justice.gov/criminal/fraud/fcpa> and <http://www.justice.gov/criminal/fraud/fcpa/guidance/>

The U.S. Securities and Exchange Commission FCPA Unit also maintains an FCPA website, at: <https://www.sec.gov/spotlight/fcpa.shtml>. The website, which is updated regularly, provides general information about the FCPA, links to all SEC enforcement actions involving the FCPA, and contains other useful information.

General information about anticorruption and transparency initiatives, relevant conventions and the FCPA, is available at the Department of Commerce Office of the General Counsel website: <http://www.commerce.gov/os/ogc/transparency-and-anti-bribery-initiatives>

The Trade Compliance Center hosts a website with anti-bribery resources, at <http://tcc.export.gov/Bribery>. This website contains an online form through which U.S. companies can report allegations of foreign bribery by foreign competitors in international business transactions

Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.

Information about the OECD Anti-bribery Convention including links to national implementing legislation and country monitoring reports is available at: <http://www.oecd.org/corruption/oecdantibriberyconvention.htm> See also Anti-bribery Recommendation <http://www.oecd.org/daf/anti-bribery/oecdantibriberyrecommendation2009.htm> and Good Practice Guidance Annex for companies: <http://www.oecd.org/daf/anti-bribery/44884389.pdf>.

GRECO monitoring reports can be found at: [http://www.coe.int/t/dghl/monitoring/greco/evaluations/index\\_en.asp](http://www.coe.int/t/dghl/monitoring/greco/evaluations/index_en.asp)

MESICIC monitoring reports can be found at: [http://www.oas.org/juridico/english/mesicic\\_intro\\_en.htm](http://www.oas.org/juridico/english/mesicic_intro_en.htm)

The Asia Pacific Economic Cooperation (APEC) Leaders have also recognized the problem of corruption and APEC Member Economies have developed anticorruption and ethics resources in several working groups, including the Small and Medium Enterprises Working Group, at <http://businessethics.apec.org/>, and the APEC Anti-Corruption and Transparency Working Group, at <http://www.apec.org/Groups/SOM-Steering-Committee-on-Economic-and-Technical-Cooperation/Working-Groups/Anti-Corruption-and-Transparency.aspx>. For more information on APEC generally, <http://www.apec.org/>.

There are many other publicly available anticorruption resources which may be useful, some of which are listed below without prejudice to other sources of information that have not been included. (The listing of resources below does not necessarily constitute U.S. Government endorsement of their findings.)

Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in approximately 180 countries and territories around the world. The CPI is available at: <http://www.transparency.org/research/cpi/overview>. TI also publishes an annual *Global Corruption Report* which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/research/gcr>.

The World Bank Institute's Worldwide Governance Indicators (WGI) project reports aggregate and individual governance indicators for 215 economies over the period 1996-2014, for six dimensions of governance (Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption). See <http://info.worldbank.org/governance/wgi/index.aspx#home>.

The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at: <http://data.worldbank.org/data-catalog/BEEPS>. See also the World Bank Group *Doing Business* reports, a series of annual reports measuring regulations affecting business activity, available at: <http://www.doingbusiness.org/>

The World Economic Forum publishes every two years the *Global Enabling Trade Report*, which assesses the quality of institutions, policies and services facilitating the free flow of goods over borders and to their destinations. At the core of the report, the Enabling Trade Index benchmarks the performance of 138 economies in four areas: market access; border administration; transport and communications infrastructure; and regulatory and business environment. See <http://www.weforum.org/reports/global-enabling-trade-report-2014>.

Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which typically assesses anti-corruption and good governance mechanisms in diverse countries. For more information on the report, see <https://www.globalintegrity.org/global-report/what-is-gi-report/>.

## **Bilateral Investment Agreements**

Bilateral, multilateral agreements and taxation treaties affect AfDB Group funded projects. In countries that the United States has Trade Promotion/Free Trade Agreements, U.S. firms bidding on projects may utilize competitive advantages over firms from countries that do not have the same agreements. Vice versa, in countries that the United States does not have Trade Promotion/Free Trade Agreements, U.S. firms may be disadvantaged against firms from countries that do have such agreements.

To learn about the status of bilateral trade and investment agreements in countries of interest to your firm see the “Bilateral Investment Agreements” section of each country’s [Country Commercial Guide](#).

## **OPIC and Other Investment Insurance Programs**

The U.S. Government offers loans and guarantees, political risk insurance and support for private equity funds through the [Overseas Private Investment Corporation \(OPIC\)](#). These services help U.S. firms engage with confidence in over 150 countries, including some of the world’s most challenging operating environments.

In addition to OPIC, the AfDB Group offers both [Partial Credit and Risk Guarantees](#) in order to help eligible borrowers to obtain financing from third party lenders, including the capital markets. Partial Credit Guarantees can be utilized to support mobilization of private funds for project finance, financial intermediation and policy-based finance. Partial Risk Guarantees on the other hand, cover private lenders against the risk of a government, or a government-owned agency, failing to perform its obligations vis-à-vis a private sector project.

To learn about OPIC and other investment insurance programs in countries of interest to your firm see the “OPIC and Investment Insurance Programs” section of each country’s [Country Commercial Guide](#).

## **Labor**

AfDB Group funded projects take into account social safeguards and labor considerations. It emphasizes projects that encourage opportunities for the youth in Africa. [AfDB Selected Projects](#) serve as excellent guides for designing and executing future projects.

To learn about labor laws and conditions in countries of interest to your firm see the “Labor” section of each country’s [Country Commercial Guide](#).

committed to improving labor force conditions in its member countries. Projects channeled through the [AfDB’s Employment Topic of Interest](#) serve to further progress towards the AfDB’s main goals.

## Trade & Project Financing

### Methods of Payment

#### PROJECT PROCUREMENT

When the AfDB Group finances a project the responsibility for its implementation (e.g., award and administration of contracts and facilitation of payments), rests with the borrower. Borrowers may require bidders to state the portion of the proposal representing local costs. Payment shall be made in the currency in which payment has been requested by the bidder. Projects are denominated in both UAC and local currency. Forms of payment, including bank transfer, letter of credit and certified check, and the timing of payment are stipulated in the contract between the contractor and the borrowing government.

Subcontractors and suppliers are paid by the primary contractor, which is subject to methods and terms agreed upon by the parties involved. To learn about conditions in countries of interest, see the “Methods of Payment” section of each country’s [Country Commercial Guide](#).

U.S. exporters may wish to consider using the export credit insurance programs offered by the [Export-Import Bank of the United States](#), the official export credit agency of the United States which assists in financing the export of U.S. goods and services to international markets.

For further inquiries regarding payment in relation to AfDB Group funded projects, consult the [AfDB’s Procurement Policy for Goods, Works, and Services](#).

#### CORPORATE PROCUREMENT

The AfDB Group itself procures consulting and advisory services. These procurements are run through the [Vendor Kiosk Portal](#). Projects and payments are denominated in both UAC and local currency. Payments are made directly to the consultant from the AfDB Group. For more information on payments from the AfDB Group, consult [AfDB Rules for Corporate Procurement Activities](#).

#### PRIVATE SECTOR SOLUTIONS

Private Sector Department activities include Non-Sovereign Guaranteed lending activities, studies, initiatives, and new programs. The Private Sector Department denominates its projects in UAC, and local currency. Payments to U.S. firms will reflect the currency stipulated in the contractual agreement. For more information on payments from the Private Sector Department, consults the [AfDB’s Private Sector Development Policy](#).

#### U.S. GOVERNMENT TRADE FINANCING INSTRUMENTS

Several U.S. Government entities offer trade financing instruments to help U.S. exporters engage in challenging overseas markets with increased confidence. The [Export-Import Bank of the United States \(EXIM\)](#) offers short, medium, and long-term export credit, finance and insurance products to U.S. exporters. The [Overseas Private Investment Corporation \(OPIC\)](#) offers loans, guarantees, and political risk insurance to help mobilize U.S. capital overseas. U.S. firms should familiarize themselves with these programs, and which are available in each country of interest.

#### Foreign Exchange Controls

The AfDB Group recognizes Article XIV of the [Articles of Agreement of the International Monetary Fund](#), which allows countries to maintain restrictions on payments and transfers for international transactions in order to promote a stable exchange rate for the settlement of the country’s balance of payments.

#### PROJECT PROCUREMENT

Payments to or from countries that implement foreign exchange controls will be subject to controls. To learn about foreign exchange controls in countries of interest to your firm see the “Foreign Exchange Controls” section of each country’s [Country Commercial Guide](#).

#### CORPORATE PROCUREMENT

The AfDB Group itself procures consulting and advisory services. Payments made by the AfDB Group are directly to the consultant, thus foreign exchange controls do not apply.

## PRIVATE SECTOR SOLUTIONS

[Private Sector Department activities](#) through the AfDB involve a number of different instruments, which include lending and non-lending services. Lending activities can include focused efforts on Industries & Services, Public-Private Partnerships (PPPs) & Infrastructure. Non-lending activities can include studies, initiatives, and new programs. When considering involvement in a Private Sector Department-supported project, U.S. firms should take care to ensure that foreign exchange controls of the host country will not prevent host country entities from meeting foreign currency liabilities, or prevent foreign entities from repatriating profits.

### US Banks & Local Correspondent Banks

To learn about U.S. and local correspondent bank arrangements in countries of interest to your firm see the “U.S. and Local Correspondent Bank” section of each country’s [Country Commercial Guide](#). As well, contact the [U.S. Commercial Officer to the AfDB](#) for more information.

### Project Financing

In 2017 the AfDB Group financed roughly 249 operations (goods, works, and services), estimated to be worth \$8.6 billion. While some projects are fully financed by the AfDB Group, many are co-financed with borrowing governments themselves, other multilateral institutions, commercial banks, export credit agencies, and private sector investors. The AfDB only provides assistance to projects that lack access to capital from other sources.

## PROJECT PROCUREMENT

**The African Development Bank (AfDB):** As a multilateral development finance institution, the AfDB seeks to further the social and economic well-being of its regional member countries. To do so, the AfDB uses the leverage afforded by its AAA rating to lend at favorable terms to its borrower countries resources that have been raised in the international capital markets. The AfDB’s financial products comprise of loans (including synthetic local currency, and syndicated loans), guarantees, equity and quasi-equity, and risk management products. In addition to these products, the AfDB provides technical assistance (TA) through various grant funds, the aim of which is to support project preparation and other activities that contribute to the long-term success of AfDB-financed projects. For more information of the AfDB’s financing opportunities, consult the [AfDB’s portal on Financial Products](#).

**The African Development Fund (ADF):** The African Development Fund (ADF) is the concessional financing window of the Bank Group that provides low income Regional Member Countries (RMCs) with concessional loans and grants, guarantees as well as technical assistance for studies and capacity building in support of projects and programs that spur poverty reduction and economic development. ADF loans can be classified via [Country Classification or Differentiated and hardened financing terms](#). These classifications ensure that ADF resources are being channeled to the poorest countries. The ADF offers [Partial Credit and Risk Guarantees for low income countries](#) in order to stimulate capital markets and mitigate risk. In addition, the [ADF offers Debt Sustainability Services and Grants](#). Since 2005, the Joint World Bank-IMF’s Debt Sustainability Framework (DSF) methodology has been used to determine each country’s risk of debt distress, the applicable financing terms and eligibility to grants. U.S. firms interested in participating in high-risk markets should familiarize themselves with the ADF’s policies on [Enhanced Engagement in Fragile States](#), and its [Non-Concessional Debt Accumulation Policy](#).

**Trust Funds:** During the past decade, the development community has seen an evolution in the establishment and use of trust funds as an additional technical and financial instrument for cooperation and support, complementing traditional lending and donor aid. The AfDB supports multiple trust funds under its [Initiatives & Partnerships](#). Most notable of the AfDB’s trust funds is the [Nigeria Trust Fund \(NTF\)](#). Its objective is to assist the development efforts of the Bank’s low-income regional member countries whose economic and social conditions and prospects require concessional financing. NTF resources can co-finance operations with the AfDB and the ADF, as well as fund stand-alone operations, in both the public and the private sector. Supplementary loans for AfDB Group financed projects can also be considered. NTF resources are allocated to projects, and not to countries (unlike the African Development Fund). Proposals concerning the poorest ADF countries, countries with small ADF allocations, and fragile states are particularly encouraged.

For more information on the regulatory framework governing Trust Funds and Grants, contact the [U.S. Commercial Officer to the AfDB](#).

### **CORPORATE PROCUREMENT**

The AfDB Group procures consulting and advisory services. Corporate procurement draws from the same source of funding and is subject to the same rules as project procurement.

### **PRIVATE SECTOR SOLUTIONS**

[Private Sector Department activities](#) through the AfDB involve a number of different instruments, which include lending and non-lending services.

### **U.S. GOVERNMENT TRADE FINANCING INSTRUMENTS**

Several U.S. Government entities offer trade financing instruments to help U.S. exporters engage in challenging overseas markets with increased confidence. The [Export-Import Bank of the United States \(EXIM\)](#) offers short, medium, and long-term export credit, finance and insurance products to U.S. exporters. The [Overseas Private Investment Corporation \(OPIC\)](#) offers loans, guarantees, and political risk insurance to help mobilize U.S. capital overseas. The [U.S Trade & Development Agency](#) promotes economic growth in emerging economies by facilitating the participation of U.S. businesses in the planning and execution of priority development projects in host countries. The [Millennium Challenge Corporation](#) offers development assistance grants to countries committed to good governance, economic freedom and investments in their citizens. U.S. firms participating in AfDB funded projects should familiarize themselves with these programs, and which are available in each country of interest.

### **U.S. COMMERCIAL SERVICE LIAISON OFFICES AT THE MULTILATERAL DEVELOPMENT BANKS**

The Commercial Service maintains Commercial Liaison Offices in each of the main Multilateral Development Banks: the World Bank, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank, and the European Bank for Reconstruction and Development. These institutions lend billions of dollars in developing countries on projects aimed at accelerating economic growth and social development by reducing poverty and inequality, improving health and education, and advancing infrastructure development. The Commercial Liaison Offices help U.S. businesses learn how to get involved in bank-funded projects, and best position their companies for success. Learn more by contacting the Commercial Liaison Office to the World Bank (<http://export.gov/worldbank>), the Inter-American Development Bank (<http://export.gov/idb>), the African Development Bank (<http://www.export.gov/afdb>), the Asian Development Bank (<http://www.export.gov/adb/>), and the European Bank for Reconstruction and Development (<http://export.gov/ebrd>).



## Business Travel

### Overview

Information on business travel needed to participate in AfDB funded projects is specific to the countries in which the projects are conducted, not to the AfDB itself. To learn about the aspects of doing business in countries that interest your firm, see the “Business Travel” section of each country’s [Country Commercial Guide](#). Consider the information listed here when planning to visit the AfDB’s Headquarters located in Abidjan, Côte d’Ivoire.

It is also recommended to review the [State Department’s Travel website](#) to learn more about your destination in terms of visas, travel warnings, and other important things to know as you plan your visit.

### Business Customs

U.S. businessmen and women interested in visiting the African Development Bank in Côte d’Ivoire should take note of its [Visa requirements](#). All visitors are required to have a visa, except nationals of [ECOWAS member countries](#), as well as countries that have signed special travel agreements.

While conducting business in the AfDB, guests must present themselves in formal business attire. The official languages of the AfDB are English and French. The AfDB provides [Language Services](#), which include assistance with translations and interpretations.

The AfDB is located in the Greenwich Mean Time Zone (UTC). It is important to plan your meetings in advance, and to be flexible with AfDB staff’s schedule and travel plans.

Operating hours for the AfDB’s HQ are generally 8am - 5pm Monday - Friday, and closed Saturday and Sunday. The AfDB is closed on [national holidays](#) in Côte d’Ivoire.