

Reforms in Road Financing Policies

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Programme

- Introduction
- Procurement in Public Sector
- The 10 common issues in Procurement
- FIDIC Conditions of Contract
- Challenges for IFIs (International Finance Institutions)
- Conclusion

Introduction

- Public sector financed by IFIs (WB, EBRD...)
- IFIs have a set of Bidding / Tendering procedures
- Reforms needed in Procurement and Contract administration stages
- Different stages before construction or implementation
- Issues during Procurement stage

Procurement in Public Sector

- Obligation of clients to establish a PIU
- Increase Technical, financial and legal expertise
- Increase Project Managements tools and techniques
- Increase procedures based on fundamental principles of non-discrimination, fairness and transparency
- Increase training for all appropriate staff
- Code of ethics in place

Procurement in Public Sector

Develop a strategy for the Project

- Allocation of functions (design?)
- Allocation of risks
- Financing (Clients, Contractors, PPPs.....)
- Duties and obligations of the parties
- Prequalification of tenders / 1 or 2 stages
- Resolution of conflicts

Selection of the appropriate form of Contract

Selection of Contractors and Consultants

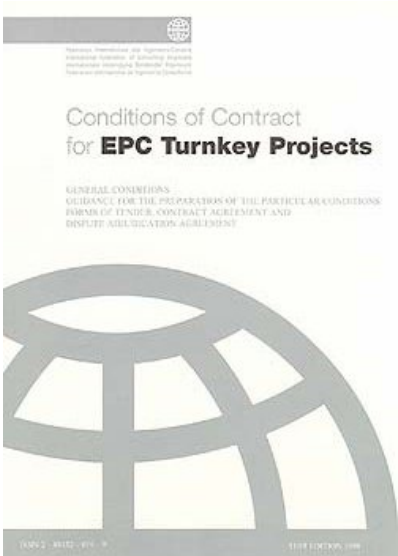
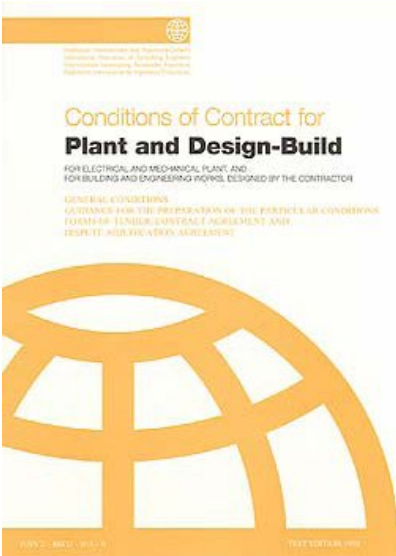
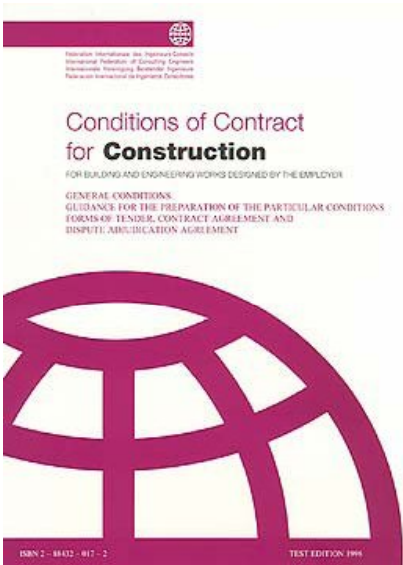
The 10 common issues in Procurement

1. Strategy selection
2. Risk mitigation
3. Unbalanced and unfair conditions of contracts
4. Inaccurate data
5. Rushed tender/bid stage
6. Abnormally low tender/bid
7. Tenders/Bid exceeding Client's budget
8. No offers received
9. No responsive offers
10. Fraudulent Practices

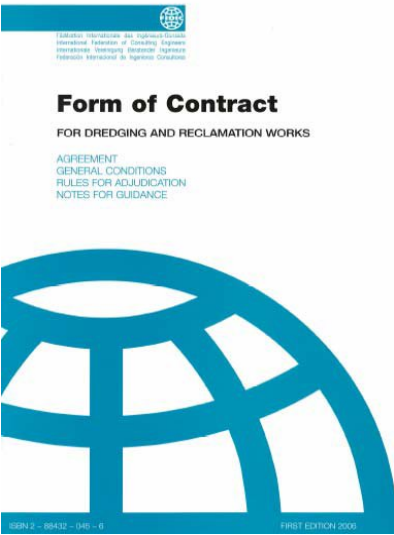
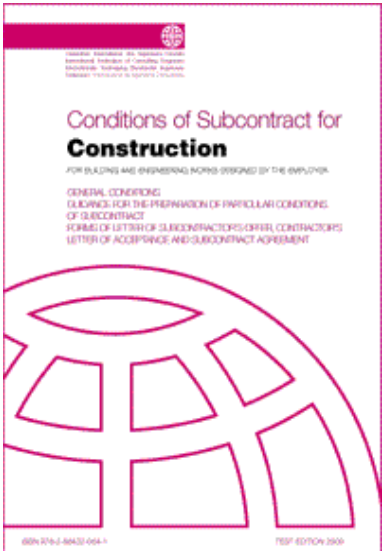
FIDIC - The organization

- Fédération International des Ingénieurs Conseils
- Founded in 1913
- First conditions of Contracts in 1957
- Contracts Conditions
1963,1977,1987,1999,2005,2006,2010,2011
,2013,2017
- International committees to improve contracts
- 102 members associations
- Web site : www.fidic.org

FIDIC - The 4 books 1999



FIDIC – Others books



Challenges for IFIs

- Many IFIs have not yet followed the way impuised by the World Bank (01/07/2016)
- Maintaining AAA credit rating despite the hostile operating environment
- Innovation and modernisation to tackle corruption and weak clients
- Increase donor grants
- Continuing to help the poor

Challenges for IFIs

- Reforms to strengthening the national laws and regulations
- Increase of technical, legal and financial audits during procurement stage
- Increase of technical, legal and financial audits during implementation of works and services
- Sanctions for non compliant players
- New suite of FIDIC Contracts edition 2017

Conclusion

- Special need to improve roads worldwide
- Politicians have a real challenge to reform their respective countries
- Stabilization of economy, reassure investors, construction companies
- Importance of Procurement stage for the success of road projects
- IFIs should continue improving their rules and provide effective guidance