

A Brief Report on the Business Outreach Workshops

World Bank and URTF financed Operations in Ukraine

June 2023

A Brief Report on the Business Outreach Workshops (May-June 2023) World Bank and URTF financed Operations in Ukraine

Purpose

The World Bank and the Ministry of Economy in Ukraine conducted Five (5) Business outreach workshops to provide valuable information about opportunities in the Ukraine emergency assistance and reconstruction program to the business community in Ukraine and beyond. The workshop's goal was **to provide information on governing procurement policies and business opportunities for the private sector under the World Bank and Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF) financed program.**

The workshop announcements were widely publicized through the offices of the World Bank Executive Directors, the website, UN Development Business, Invitation from the Deputy Minister, Ministry of Economy, Email communication with the US Department of Commerce, ProZorro Portal, Ukraine Chamber of Commerce, European Chamber of Commerce (Ukraine), American Chamber of Commerce (Ukraine). and Confederation of International Contractors Associations (CICA). Participants had the option to participate virtually through links provided in the invitations or physically face to face. Most participations were by the virtual mode.

Participation, Questions and Feedback

Over 100 participants, including advisors from the World Bank's Executive Director's offices, participated in the hybrid outreach workshop **conducted in Washington**, **DC on May 11, 2023**, for the private sector in the USA. Opening remarks were made by Simon Chirwa; Practice Manager, Procurement- Europe and Central Asia, World Bank; Nadiya Bigun, Deputy Minister, Ministry of Economy, Ukraine: and Danica Starks, Advisor to the US Executive Director, World Bank.

Over 400 participants from **Ukraine, EU, non-EU, Australasia and Japan** participated in the virtual outreach workshops **conducted from Vienna, Austria on June 5, 6, 7 and 9, 2023**. Opening remarks were made by Arup Banerjee, World Bank Regional Country Director for Eastern Europe (June 7th), Gevorg Sargsyan, Country Manager, Eastern Europe (June 5th), Sevara Melibaeva, Lead Transport Specialist and Program Leader (June 6th), and Nadiya Bigun, Deputy Minister, Ministry of Economy, Ukraine (on all days).

All participants expressed deep satisfaction with the content of the workshop presentations and thanked the presenters for the very substantive and comprehensive content, which included links to several useful and important documents. All presentations are attached to this note. Also attached is the workshop agenda and the list of questions that were raised by the participants along with the answers.

Brief Contents and Workshop Presenters

An overview of

- the World Bank's Ukraine portfolio was provided by Klavdiya Maksymenko, Senior Country Officer responsible for Ukraine;
- the **Framework Projects** (RELINC and REPOWER) were provided by Sevara Melibaeva, Lead Transport Specialist, Program Leader;
- the emergency response activities in the **Health Enhancement and Lifesaving** Project **(HEAL)** were provided by Olena Doroshenko, Senior Economist in HNP;

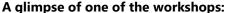
Hanna Medvednikova, Director of the Public Procurement and Competition Policy Department, Ministry of Economy, Ukraine made a presentation on **Ukraine's Public Procurement Legislation; Complaints Handling Mechanism, Prozorro System, Logistics, Payments, Warranty and After Sales Service Requirements.**

The main presentation on Governing Procurement Policies, **Business Opportunities and Doing Business under WB-URTF financed investment projects in Ukraine** was provided by V.S. Krishnakumar (Krish), International Procurement Consultant, World Bank (Former Practice Manager – Procurement, Europe and Central Asia, World Bank).

The workshop was moderated by Atin Kumar Rastogi, Senior Procurement Specialist, Anjani Kumar, Senior Procurement Specialist, and Dmytro Donets, Procurement Specialist with the support of Olga Gubareva, Program Assistant and Daria Gulei, Program Assistant.

Key Takeaways and Lessons Learned

The workshops were highly valued and well-received by participants from various countries. The workshops provided the information about World Bank's portfolio in Ukraine and World Bank Ukraine Relief, Recovery, Reconstruction and Reform Trust Fund (URTF) emergency program. Participants gained valuable insights into the procurement rules and procedures of both Ukraine and the World Bank, while also learning tips for preparing successful bids and proposals. Additionally, the workshops provided mechanisms for addressing bidders' complaints. Moreover, the workshops deliberated the challenges that the business community anticipates in their participation and contract execution within the current situation in Ukraine. However, many participants were looking for information relating to specific sectors or projects. It is therefore recommended that Project Implementing agencies with the support of the World Bank conduct project/sector-specific workshops where detailed information could be provided. Operating context is dynamic and therefore, it would be important that the tender document provide bidders a synopsis of the operating conditions at the time of tender launch.





Annex 1- Workshop Agenda

Time	Program
09:00 - 09:05	Opening Remarks and Setting Context – By the World Bank Management
09:05 - 09:10	Official Opening of the Event – By the Deputy Minister, Ministry of Economy, Ukraine
09:10 – 09:20	Briefing on World Bank Ukraine Portfolio and Rapid Damage & Need Assessment findings – By the World Bank Country Management Unit
09:20 – 09:40	Briefing on Framework Projects (RELINC, REPOWER and HEAL) – By the World Bank Task Team Leaders of the projects
09:40 – 10:00	Discussions (Q&A)
10:00 – 11:00	Business Opportunities and Doing Business (topics: where to find business opportunities for projects in Ukraine; major planned procurements; current risks and mitigation plans) – By the World Bank
11:00 – 11:15	Ukraine Public Procurement Legislations ; Complaints Handling Mechanism, Prozorro System, Logistics, Payments, Warranty and After Sales – By the Director of the Public Procurement and Competition Policy Department, Ministry of Economy, Ukraine
11:15 – 11:55	Discussions (Q&A)
11:55 – 12:00	Closing Remarks – By the World Bank and the Deputy Minister, Ministry of Economy, Ukraine

<u>Annex 2- Common Questions Raised by Participants and Bank Responses</u>

1. Is the WB involved in the evaluation process at all or it's completely done by Ukraine internally?

Answer: WB is not involved in the evaluation process. The Government of Ukraine through its designated Project implementing agencies is responsible for carrying out procurement activities which include planning, strategizing, receiving bids, evaluating bids, attending to complaints, and awarding and supervising contracts.

2. Does the World Bank provide oversight to the procurement process by the Government of Ukraine to ensure it is conducted per Bank Procurement Policies and procedures?

Answer: The World Bank provides oversight to procurement conducted by the Government on a risk-based approach through a combination of prior reviews and post reviews. High-risk and high-value contracts are prior reviewed by the Bank whilst low-risk, low value is reviewed after the fact on a sample basis annually. As to which contracts are subject to prior review, this is agreed with Government implementing agency in advance. Prior review involves review by the Bank bidding documents, evaluation reports, responses to complaints and any modification of the contract.

3. Will an international company be able to bid in English when there is an announcement about WB financed project through the Ukraine Prozorro system?

Answer: All procurements requiring international competition as agreed with the Government of Ukraine will be conducted in English. The Government is in the process of upgrading its Prozorro e-procurement system to allow for the use of the English language in addition to Ukrainian language. This upgrade is expected to be completed by the end of July 2023.

4. What value of procurement will require international competition?

Answer: The threshold for international competition is determined by the Bank based on market assessment. The current thresholds for Ukraine are US\$10 million for works, US\$2 million for goods and US\$300,000 for consultancy services. These thresholds are updated regularly and published on the Bank external website

5. Goods should be delivered to the border of Poland and the beneficiary takes the risk from the border to the final destination. What if the technical services are included in a contract and technical people who work on equipment need to be on-site to make installation, etc.?

Answer: The place of delivery is determined by the Government based on security considerations and the nature of specific goods. The place of delivery will therefore vary for each specific tender. Currently, most deliveries are made at border locations between Ukraine and other countries and the supplier is fully paid when this has been done. The government of Ukraine arranges transportation of goods from its borders to final locations of usage and the Bank has agreed protocols with the Government to ensure the goods are delivered where they are required. Installation of the goods is done by Government Teams and the supplier provides training to the Government teams. Depending on the criticality of the goods, Government may agree with the Supplier to provide on-site services taking into account security considerations

6. Is a contract considered to be completed once the goods are delivered at the border location? What about the risk transfer?

Answer: Yes, once goods are delivered to the designated border location the contract is considered completed. Once you delivered at the border, the risk transfers to the Ukrainian side and they take care of the cost of delivery within Ukraine.

7. Please let us know if there will be any further useful information about practical opportunities for private business, while all this is more for the government.

Answer: The information and materials provided during the workshop are for the private sector participation in Bank-financed tenders. In the future, the World Bank, in collaboration with the Government of Ukraine, may organize follow-on workshops for the private sector. For general information on business opportunities in Ukraine, the private sector is advised to contact their country embassies, chambers of commerce and relevant ministries in Ukraine.

8. You have planned several workshops. Will all workshops be the same (in substance) and repetition of today's presentations for different participants (target audience)?

Answer: Yes, the scope of the presentations will be the same, but the geographical location of the participants will be different. Since links had been given for all workshops, the private sector was free to attend and repeat.

9. Could you please, provide more details on the mentioned Agricultural and Food project in Ukraine in the amount of US\$200 million?

Answer: The Project is only under preparation and full information will be available when preparation is complete. We suggest going through the PAD and PP of Agriculture project when available. The information is available under World Bank Finances as well as by Googling the project ID as indicated in one of the slides that show all active projects in Ukraine. For more information and documents, hyperlinks are provided below: https://projects.worldbank.org/en/projects-operations/project-detail/P166941

10. Will the preferences for local bidders be applied within these projects?

Answer: For goods, domestic preferences will be applied at the request of the Government of Ukraine for specific projects/procurement in favor of domestic manufacturers. This will be reflected in the procurement/bidding documents/request for proposals. Consideration will also be given to promoting Small and Medium Enterprises (SMEs) as part of a sustainable procurement approach.

11. Do international companies registered in the European Union need to register in Ukraine to participate in the bidding process financed by the World Bank? Is it possible to get clarification?

Answer: No, registration is not required for participation in the bidding process, however, there is a requirement of registration in Ukraine for a winning international bidder. For details, please contact the Ministry of Economy in Ukraine and/or the implementing agency (contact details are available in the General Procurement Notice).

12. Please kindly provide the link to the World Bank public tenders for Ukraine procurement.

Answer: The links are provided on one of the slides under the Procurement/Business Opportunities presentation. World Bank External website and Procurement APP provide comprehensive information. For more information and documents, hyperlinks are provided in selected slides.

13. I have a question about the procurement under the REPOWER project: will these procurements be published in English?

Answer: Yes.

14. Will procurement conducted through UNOPS under RELINK project also be circulated via World Bank channels when they become available?

Answer: Yes. The links to procurement notices are in the slides provided You may also subscribe (for an annual fee) to UNDB for procurement notices and alerts, and also to the World Bank procurement notices with alerts (free of charge). Details with hyperlinks are provided in the PowerPoint presentation.

15. How relevant is basic as well as advanced IT infrastructure (computers, mobile phones/tablets, peripherals - like monitors, docking stations; as well as network equipment, server equipment) for these upcoming tenders?

Answer: Such needs will vary per Project requirements. Please refer to the Project Appraisal Documents and the Procurement Plans for more information.

16. Since we are still a small company, is there a possibility at all for smaller companies to participate in the tenders for IT infrastructure or is clusterization with other big actors the only way?

Answer: This will depend on the complexity, size, value of procurements, and the appropriate qualifications requirements for IT infrastructure. As part of its planning, Government conducts market and risk assessment to determine the size of the package and qualification requirements. For large IT infrastructure, small companies in Ukraine or outside could either joint venture or be a subcontractor/sub-supplier to a large international firm.

17. What will be the official platform where Ukrainian public tenders will be published?

Answer: Prozorro. https://prozorro.gov.ua/en. The same information is provided in the PowerPoint presentation. Companies that want to participate in the bidding process are required to register on the Prozorro platform.

18. Will there be a support service to facilitate participation in tenders?

Answer: There will be no support service either by the World Bank nor the Government of Ukraine for participation in tenders. However, there could be specific capacity development workshops or pre-bid conferences organized by the Government of Ukraine in collaboration with the World Bank. These workshops will be mainly to educate the private sector on the World Bank procurement regulations and documents, and public procurement rules and procedures in Ukraine, including the operations of Ukraine's Prozorro (e-procurement) system.

19. Question w.r.t. RELINC project and modular bridges. We see pictures of panel bridges (representing the term modular bridges I assume) in the presentation and a funding allocation of 23.5 MUSD. Our question: Is the world bank only interested in panel bridges? Panel bridges are not suited for highways. Box beam and girder bridges are very suitable to close the gaps on highways. The total budget also seems to be on the low end especially if demolition, substructure work and approach roads/ramps are included in the scope for the modular bridges. Please comment

Answer: This is a specific question, and a technical response was given by the Bank team during the Q&A session. However, further information can be obtained from the project implementing agency.

20. Are there some projects regarding the agricultural sector?

Answer: Yes. Information is in one of the slides with active project details.

21. I would like to know if the grant on Health is open for the participation of NGOs, international cooperation, etc.

Answer: This will depend on the project design and specific procurement/consultancy requirements, which are available in the Project Appraisal Document and Procurement Plans. You may also contact the implementing agency listed in the General Procurement Notice in case more information is needed.

22. Is there any funding for projects being implemented or contemplated for the housing sector?

Answer: Yes. There is a project in the pipeline. Ukraine Housing Repair for People's Empowerment Project (HOPE). Once PAD is publicly disclosed, it will provide information. The project details can be found at the link below: https://projects.worldbank.org/en/projects-operations/project-detail/P181200

23. Do you foresee also grants for NGOs de-risking/implementation of projects?

Answer: Independent monitoring of the implementation of contracts by public and civil society organizations will be an important part of project implementation arrangements, especially for works contracts. We envisage that Government may hire NGOs on a contractual basis to further strengthen the monitoring of contract implementation. This will be project-specific, and more information could be obtained from Project documents.

24. Consultancy Services and Capacity building projects: Do you plan anything like that? and, if yes, what kind of measures the Ukraine government can put in place to assure an acceptable degree of security for international experts coming to Ukraine?

Answer: As the situation on the ground changes on a daily basis, please contact the Ministry of Economy and/or the concerned project implementing agency. There are also private security companies that are either currently operating in Ukraine or in the process of setting up their offices in Ukraine – you may also contact them for information on security matters.

25. I see that you will use Rated Criteria for evaluating procurement bids. How do you reconcile that with the fact the (Ukrainian)Restoration Agency will apparently use price as the only criterion?

Answer: As indicated in one of the PowerPoint slides, Rated Criteria will be **mandatory** for all international procurements financed by the World Bank. There are specific exceptions listed in the same <u>PowerPoint slide on Rated Criteria</u>. For details please refer to the guidance by following the link -https://thedocs.worldbank.org/en/doc/61a81c4c9c79428afa613f076fa8bb2e-0290032023/original/Evaluating-Bids-and-Proposals-with-Rated-Criteria.pdf

26. We are an NGO already operative in Ukraine in the protection and livelihood sectors, is there some grant facility or service tender for NGOs in the WB programs?

Answer: There are no direct grants to NGOs by the World Bank. The Government of Ukraine is the direct beneficiary of the loan or grant from the World Bank and URTF. Contracts to NGOs will depend on the project design and specific procurement/consultancy requirements, which are available in the Project Appraisal Document and Procurement Plans. You may also contact the implementing agency listed in the General Procurement Notice.

27. How can we best interface with the Ukraine team and WB team defining requirements on modular bridges to discuss the many options (which are probably less well known by the experts as Bailey-type bridges are very limited in use, especially in the overall large reconstruction effort which requires a quicker, safer, sustainable and greener approach than the bailey panel bridge type provides?

Answer: Please contact the implementing agency responsible for implementing the project. Contact details can be found in the General Procurement Notices and the Project Appraisal Document. You may refer to the documents in the <u>Repairing Essential Logistics Infrastructure & Network Connectivity (RELINC) Project</u>

28. I have contact with several Ministries in Ukraine. They all let us know they would like to make use of our services and expertise. Can you please explain what we have to do in order to see if the WB can fund these projects?

Answer: The Business Outreach Workshop with relevant presentations explained the process of identifying projects, leading to Project Appraisal Documents which are made public after the loan or grant has been approved by the Board of Directors of the World Bank. Please refer to the PowerPoint presentations that were distributed to all the participants.

29. Is the intent of subsequent programs and bid cycles to have Canadian Companies partner with Ukrainian entities to provide goods and services?

Answer: Canadian companies can partner with Ukrainian entities, depending on the types of goods and services. There will be no mandatory joint venture/partnership requirement in the procurement process.

30. Where is the intended work and labour force expected to come from – is there expected to be a labour shortage while undertaking such a monumental rebuild – if so, are there other locations that would be deemed possible labour supply pools?

Answer: The requirement of labor force will depend on the nature of the contracts to be executed. Nevertheless, the availability of the required labor force will have to be determined by the market analysis conducted both by the implementing agency and the private sector interested in participating

in the tenders. The summary of the <u>Project Procurement Strategy for Development</u> (which includes relevant market analysis done by the implementing agency) is available in the Project Appraisal Document of the respective projects.

31. Will there be, or are there any plans, to provide ongoing support to entities wishing to form partnerships/joint ventures with companies and organizations to be in a position to participate in the rebuilding of Ukraine?

Answer: This will be the responsibility of the private sector interested in participating in procurement/contracting opportunities under projects financed by the World Bank and URTF.

32. While we understand that the devastating war follows no set timeline or schedule, is there a target time frame for those wishing to participate and be ready to engage?

Answer: The timeline for implementation is in the respective Project Appraisal Documents. Given the fact the situation on the ground is still fragile, the timeline/schedule will be adjusted accordingly.

Annex 3- Presentations

Final-Ukraine-Reco nstruction-Ukraine-
REUNC and REPOWER projects.;
HEAL Project.pdf
World Bank Ukraine Portfolio.pc
MoE Presentation_World