

Guidelines for the Use of Swiss Consultant Trust Funds



1. Introduction

■ Switzerland maintains six Consultant Trust Funds (CTF) at the Multilateral Development Banks (MDB) for the financing of consultancy services: an Infrastructure and a Constituency related fund at the World Bank, a fund for Central and Eastern Europe and the CIS at the EBRD, two funds for Developing Countries and for Eastern Europe and the CIS at the IFC, and a fund at the Inter-American Development Bank. In the course of this year a CTF will come into force at the African Development Bank.¹

■ The objective of these funds is to provide the MDB with means, so that they can carry out studies, appraisals and small technical assistance programs, which are complementary to their operations and might raise the development impact of their activities. Consultants from the donor countries are put in charge of the execution and implementation of these projects, which are supervised by the MDB. The Swiss CTF are partially tied to Swiss Consultants. The general objective, eligibility criteria and tying of the funds depend on the policy of the respective MDB.

■ Seco is responsible for the administration of the CTF on the Swiss side. It examines the CTF-proposals that are submitted by the MDB to Switzerland. It decides if the projects fulfill the criteria established by seco and the MDB. If seco gives the approval for the financing of a project, it transmits the project description to SOFI (Swiss Organization for Facilitating Investments). With the help of its database SOFI looks for appropriate Swiss consultants.² Subsequently it establishes a list with consultants and sends it to the corresponding MDB. Based on their internal procurement procedures the MDB select an appropriate consultant.

■ This guideline provides an overview on the Swiss Consultant Trust Funds and describes the concrete steps that a Swiss consultant has to take to apply for a CTF-mandate. For further information, please contact the MDB directly. If you have any comments on this guideline, please send them to seco (see contact address on page 11). Seco will make sure that this information is updated regularly. While every effort has been undertaken to ensure

¹ Switzerland also maintains a CTF at the Asian Development Bank, which however will be closed in 2005.

² For more information on SOFI see page 10.

the accuracy of these guidelines, seco cannot be held responsible for the information provided.

2. World Bank

■ Switzerland maintains two CTF at the World Bank. One fund concerns the lower income members of the Swiss led constituency countries and the other fund covers projects in the sector of infrastructure. The World Bank is planning to phase out the CTF in 2005. Instead, it will establish programmatic funds which are linked to particular development themes relevant to seco.

■ Activities financed through the CTF

Activities carried out by the Bank in furtherance of the Bank's business such as technical assistance, advisory services, due diligence activities, project preparations, etc.

■ Sectors and Countries

"Infrastructure CTF" All countries are eligible, but only the following sectors are eligible:
Energy and mining
Transportation
Water, sanitation and flood protection

"Constituency CTF" All sectors are eligible, but only the following countries are eligible:
Azerbaijan, Kyrgyz Republic, Tajikistan, Turkmenistan, Uzbekistan and Serbia and Montenegro

■ Nationality of the Consultants

All the resources of the CTF shall be used to finance consultancy services provided and executed by Swiss citizens or by a firm or other entity registered in Switzerland. If the consultant is not an individual, the firm or entity engaged may subcontract an aggregate amount to subcontractors who are not Swiss citizens (in the case of individual subcontractors) or to subcontractors that are firms or other legal entities, not being registered in Switzerland.

■ Selection of the Projects

Projects are identified by the World Bank only. Switzerland has no influence on the project selection other than the definition of the sectors or countries for which the funds should be used (see above).

■ Approval Thresholds

The World Bank can approve projects up to an amount of US\$ 100'000 without further authorization by Switzerland. Beyond this limit, the projects have to be submitted to Switzerland for approval.

■ Steps for the Consultants to take

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Information

Interested consultants should visit the following websites where the CTF-project proposals that were approved by seco are published:

www.worldbank.org (-> Business Center -> Consulting)

www.devbusiness.com

www.dgmarket.com

www.sofi.ch (-> Opportunities for International Consultants)

The summary in the above mentioned sources will provide the contact person in the World Bank and in the borrowing countries. When consultants find a project they are interested in, they should send their offer to this contact person.

Databases

The consultants have the possibility to subscribe to the following database:

www.dgmarket.com (-> DACON). DgMarket provides information on various consulting and procurement opportunities in the World Bank Group and the UN system. Also see:

www.worldbank.org (-> Business Center -> Consulting) and

www.sofi.ch (-> Opportunities for International Consultants)

Neither individual consultants nor consulting firms need to be listed in any of the above databases to be considered for an assignment with the World Bank Group.

However, after the consultants have been selected to undertake a consulting contract or study, they have to be registered with the World Bank as a vendor (link: <http://info.worldbank.org/vendorkiosk>).

This information is reviewed to ensure that firms are financially sound, have references from other clients, are legally registered entities in their countries, and carry the required levels of general workmen and liability insurance before they can be hired by the World Bank Group. Only consulting firms who have not worked with the World Bank before or have not worked for the Bank Group in the last years need to register. Vendor registration is only for consulting firms. Individual consultants need to get a personal reference number (UPI), which they receive from the World Bank or IFC once they are selected.

Policies and procedures

For World Bank policies and procedures on CTF the consultants may consult the World Bank website: www.worldbank.org (→ About us → Organization → CFP → Trust Fund → Consultant Trust Fund).

Procurement

The projects will be tendered according to the internal procedures of the World Bank as follows:

Projects under 50'000 USD:

Projects over 50'000 USD:

a direct contracting is made

the mandate will be given to an *individual consultant* by a selective procedure, based on a short list

Projects over 150'000 USD: the mandate will be given to a *consultant firm* by a selective procedure, based on a short list

■ Contacts

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Trust Fund Strategy and Donor Relations (TFS)
Concessional Finance and Global Partnerships (CFP)/World Bank
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Swiss Executive Office for the World Bank, IFC and MIGA
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Registration
IBRD/IFC Consulting Firm Registration:GProcurement@worldbank.org
SOFI Consultants Database: consultants@sofi.ch

3. International Finance Corporation (IFC)

■ Switzerland maintains two CTF at the IFC.³ One fund (IFC/CTF General) finances projects in developing countries and the other one (IFC/CTF East) funds technical assistance projects in Eastern Europe and CIS countries.

■ Activities

- Sector studies and identification of investment opportunities, project related pre-feasibility and feasibility studies, reform of government regulations and laws affecting the private sector, including privatization assistance and capital market development work requested by governments, training and capacity strengthening work requested by companies or governments,

³ The IFC is the private sector arm of the World Bank.

- strategy or policy formulation
- others to be mutually agreed

■ Sectors

Financial sector development, infrastructure (energy, telecommunication and transport), environment and clean production technology, privatization and enterprise restructuring and tourism.

■ Countries

CTF/IFC (General): Bolivia, Burkina Faso, Egypt, Ghana, Honduras, India, Indonesia, Ivory Coast, Morocco, Mozambique, Nicaragua, Nigeria, Pakistan, China, Peru, South Africa, Senegal, Tanzania, Tunisia, Vietnam + regional activities or projects,

CTF/IFC (East): Albania, Azerbaijan, Bosnia Herzegovina, Bulgaria, Kyrgyzstan, Macedonia, Romania, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan and regional activities or projects.

■ Nationality of the Consultants

Both funds are partially tied, and require that: a) at least 50 percent of an approved grant be used to Swiss consulting firms and individuals, b) no more than 25 percent of an approved grant be used to hire consultants who are nationals of the recipient country, and c) no more than 25 percent of an approved grant be used to hire consultants who are nationals of donor countries that have reciprocal untied fund arrangements with IFC that permit part of their grants to be used to consultants who are nationals of other donor countries.

Up to 25 percent of the two funds can be used to fund technical assistance projects that cost \$50,000 or less. For these projects, 75 percent of the funds will have to be used to hire Swiss consultants.

■ Selection of the Projects

Projects are identified by the IFC only. Switzerland has no influence on the project selection other than the definition of the sectors or countries for which the funds should be used.

■ Approval Thresholds

IFC can approve projects up to an amount of US\$ 50'000 without further authorization by Switzerland. Beyond this limit, the projects have to be submitted to Switzerland for approval.

■ Steps for the Consultants to take

Information

Interested consultants should visit the following websites where the CTF-project proposals that were approved by seco are published:

www.devbusiness.com

www.dgmarket.com (-> DACON)

www.sofi.ch (-> Opportunities for International Consultants)

As to the databases, policies, procedures and procurement the same rules as for the World Bank are applicable (see on page 2 and 3).

■ Contacts

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Fax: 001-202 477 91 10

Registration
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IFC Consultants Unit: Mwaghazi Mwachofi; Tel. 001-202-473 0231
SOFI Consultants Database: consultants@sofi.ch

4. European Bank for Reconstruction and Development (EBRD)

■ Switzerland maintains a CTF at the EBRD to finance projects and studies in Central and Eastern Europe and the CIS countries.

■ Activities financed through the CTF

Preparation, appraisal and supervision of EBRD financed projects as well as other technical assistance activities to be agreed upon in Central and Eastern Europe and the CIS countries.

■ Sectors

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Privatization, enterprise restructuring (esp. SMEs), financial sector development, infrastructure (energy & energy efficiency, telecommunications, transport) and environment.

■ Countries

Central and Eastern Europe and CIS countries with special emphasis on Albania, Azerbaijan, Bosnia Herzegovina, Bulgaria, Kyrgyzstan, Macedonia, Romania, Russia, Tajikistan, Turkmenistan, Ukraine and Uzbekistan.

■ Nationality of the Consultants

The fund is partially tied. Assignments with a value of EUR 50'000 or less have not to be submitted to Switzerland by the EBRD. Up to 25% of total funds may be used for such assignments amounting to EUR 50'000 or less. The consultants recruited shall mainly be of Swiss nationality or employees of Swiss consulting firms; however up to 25% of funds may be used for consultants from Bank's countries of operation.

Assignments with a value of more than EUR 50'000 have to be submitted to Switzerland by the EBRD. At least 50% of the resources have to be used to finance consultants of Swiss nationality or employees of Swiss consulting firms, up to 25% of the funds for consultants from Bank's countries of operations, and up to 25% of funds for consultants from the other shareholder countries of the Bank that maintain similar arrangement to which consultants of Swiss nationality or employees of Swiss consulting firms are eligible to apply.

■ Selection of the Projects

Projects are identified by the EBRD only. Switzerland has no influence on the project selection other than the definition of the sectors or countries for which the funds should be used.

■ Approval Thresholds

The EBRD can approve projects up to an amount of Euros 50'000 without further authorization by Switzerland. Beyond this limit, the projects have to be submitted to Switzerland for approval.

■ Steps for the Consultants to take

Information

Interested consultants should visit the following websites where the CTF-project proposals that were approved by seco are published:

www.ebrd.com - procurement; on this page (under procurement notices) the consultant services and the existing offers as well as the guidelines for engagement of consultants are published.

www.sofi.ch (-> Opportunities for International Consultants)

Databases

A new selection of consultants system (“e-Selection”) will be launched in the second quarter of 2005. The e-Selection system will enable consultants to register, receive email alerts, express interest and submit proposals on consulting assignments over the internet. The Bank’s staff will evaluate and select consultants based on an IT module. The objective is to simplify processes for selection of consultants for Bank staff and to facilitate the interaction of consultants with the Bank. The second phase of this project will extend the e-Selection system to the Bank’s clients engaging consultants funded by TC funds.

www.sofi.ch (-> Opportunities for International Consultants)

■ Contacts

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Fax: +44 20 7338 6538
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SOFI Consultants Database : consultants@sofi.ch

5. Inter-American Development Bank (IDB)

■ Switzerland maintains a CTF at the IDB in order to finance projects and studies in Latin America.

■ Activities financed through the CTF

Pre-feasibility & feasibility studies, including environmental impact assessments, project appraisals, strategy or policy formulation, innovative evaluation-related activities, technical assistance and capacity building.

■ Sectors

While no target sectors have been identified, preference is given to activities in seco priority sectors which include private sector development, trade, environmental and clean technologies and infrastructure.

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■ Countries

Bolivia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Peru and regional projects of the Bank and the IIC.

■ Nationality of the Consultants

This fund is untied, but the IDB makes best efforts to consider Swiss consultants.

■ Selection of the Projects

Projects are identified by the IDB only. Switzerland has no influence on the project selection other than the definition of the sectors or countries for which the funds should be used.

■ Approval Thresholds

The IDB can approve projects up to an amount of US\$ 100'000 without further authorization by Switzerland. Beyond this limit, the projects have to be submitted to Switzerland for approval.

■ Steps for the Consultants to take

Information

The offers for CTF-projects are not yet published on the web page of the IDB. We suggest that the interested consultants contact the IDB (see the address below) in order to get to know more about the available offers.

Databases

The consultants have also the possibility to subscribe into the databank DACON (www.dgmarket.com/DACON)
www.sofi.ch (-> Opportunities for International Consultants)

Procurement

The projects will be tendered as follows:

Projects up to 30'000 USD:	a direct contracting can be made
Projects between 30'000 and 200'000 USD:	a short list of 3 to 6 companies will be elaborated by the team leader
Projects over 200'000 USD:	an open public bidding process takes place

See also: <http://condc05.iadb.org/> and <http://www.iadb.org/> (-> Trust Funds)

■ Inter-American Investment Corporation (IIC)

Since June, 1, 2004 the resources of the CTF at the IDB can also be used for the financing of projects from the Inter-American Investment Corporation (IIC), which is a member of the IDB-Group. For further information see: www.iic.int or the contact person at the IIC mentioned below.

■ Contacts

IDB

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IIC

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6. African Development Bank (AfDB)

■ A Swiss CTF is under preparation at the AfDB and will be launched in 2005.

7. Swiss Organisation for Facilitating Investments (SOFI)

■ SOFI was created in 1997 on the initiative of the Swiss State Secretariat for Economic Affairs (seco) in cooperation with KPMG. SOFI's role is to promote investment projects between companies in Switzerland and OECD countries, and counterparts in countries with developing and transition economies, and to enable the transfer of capital, technological expertise and managerial know-how through this process.

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■ Through the developmental impact of its activities in target regions, SOFI supports sustainable growth and improved living conditions, thereby leading to their gradual integration into the world economy.

■ SOFI operates as the Private Sector Liaison Office for the World Bank Group. In this capacity it informs Swiss companies about the products and services offered by the World Bank Group for financing projects in developing and transition countries, and alerts Swiss consultants to mandates within the framework of World Bank projects. SOFI is also mandated to help the Bank and other multilateral institutions identify Swiss consultants through the medium of a Swiss consultant database which it has developed and manages. Interested consultants can contact SOFI if they wish to be included in the database.

www.sofi.ch (-> Opportunities for International Consultants or consultants@sofi.ch)

■ Contact

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8. Swiss State Secretariat for Economic Affairs (SECO)

■ Seco maintains together with the Swiss Agency for Development and Cooperation a consultants database where consultants who are interested in preparing, implementing or monitoring seco-projects carried out in the framework of development cooperation can register. (Link: www.seco-cooperation.ch -> Offers -> Consultant Database).

■ If you wish any further information on the CTF, please contact:

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■ Links

www.seco-cooperation.ch → Development-Cooperation → Multilateral Financial Institutions
→ Trust Funds

www.sofi.ch
www.ifc.org
www.worldbank.org
www.adb.org
www.iadb.org
www.iic.int
www.ebrd.org