
III. AWARDING OF CONTRACTS

One essential condition for success in dealings with any international financial institution is knowing the path taken by a project, particularly between the initial study stage and the awarding of financing. Only with a good grasp of these mechanisms will firms be able to participate effectively.

Project preparation in the ADB is no different from that in other similar agencies such as the World Bank. The project cycle consists of five major stages: identification; preparation; evaluation; negotiation and granting of credit; and the implementation, execution and post facto evaluation of the project.

Identification

A project is chosen when there is agreement between the designated priorities of the borrowing nation's national development plan and the priorities of the Bank itself. During this phase, the Bank sends out its experts to conduct a preliminary in situ examination of the project and to make contact with the local authorities. At this stage, any information received may alert companies to possible opportunities in their own sectors of interest.

Preparation

This stage is the responsibility of the borrowing country. It involves many studies (technical, economic, financial, institutional and so on). The consultants are selected at this stage and their work will be decisive in determining the nature of goods and services required for the project. Suppliers of goods should obtain information regarding the types and specifications of equipment designated by the project's executing agency, the consulting engineers chosen to prepare the project, and the Bank project officer involved.

Evaluation

During this phase, the Bank's experts verify all the elements of the project. The purpose is to justify not only