

European Bank for Reconstruction and Development

EBRD Procurement Policy activities

Jan Jackholt
Director
Procurement Function

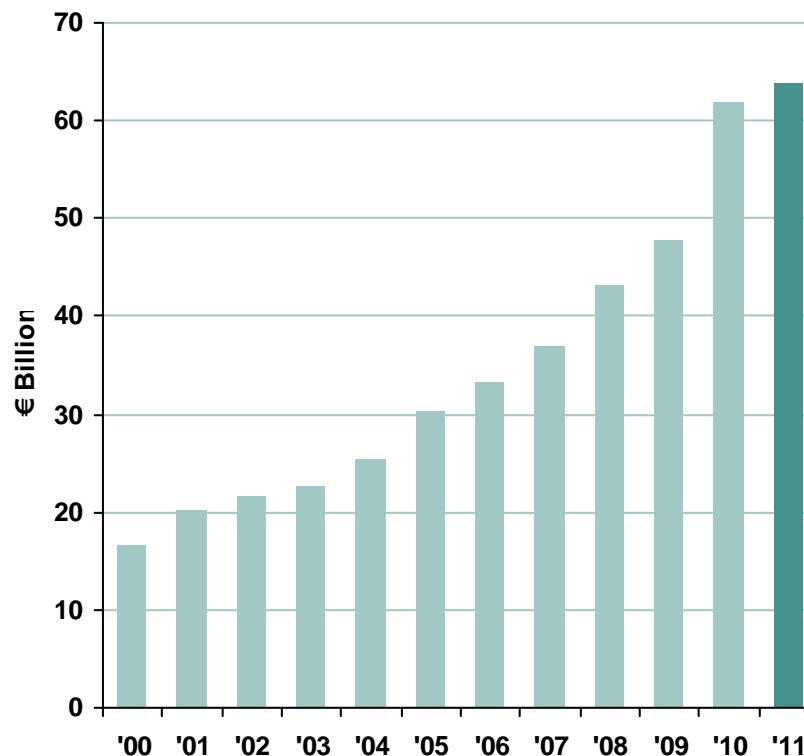
Budapest
November 2011

What is the EBRD?



European Bank
for Reconstruction and Development

- International financial institution, promotes transition to market economies in 29 countries from central Europe to central Asia
- Owned by 61 countries and two inter-governmental institutions
- Capital base of €30 billion*



Cumulative commitments of €63.7bn

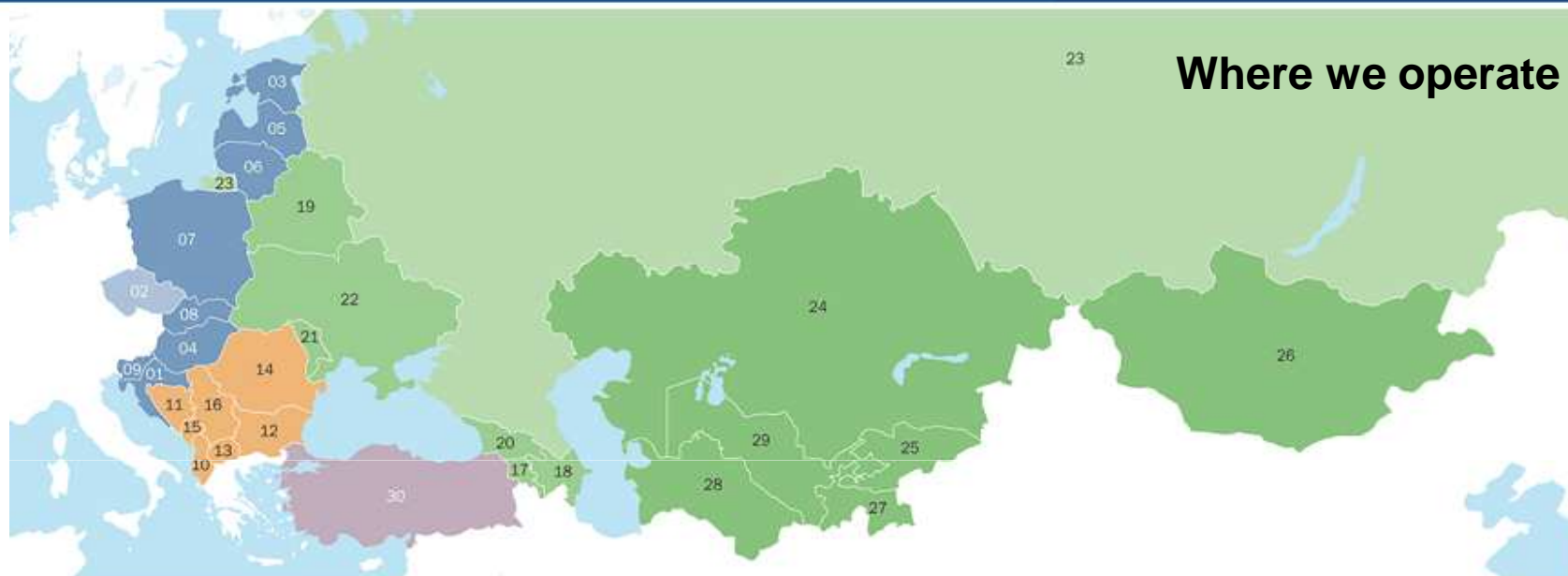
Note: Unaudited as at 30th June 2011

A network of 33 offices in 29 countries

More than half our bankers based in the region



European Bank
for Reconstruction and Development



Where we operate

Central Europe and the Baltic states	South-eastern Europe	Eastern Europe and the Caucasus	Russia	Central Asia	Turkey
01 Croatia	10 Albania	17 Armenia	23	24 Kazakhstan	30
02 Czech Republic*	11 Bosnia and Herzegovina	18 Azerbaijan		25 Kyrgyz Republic	
03 Estonia	12 Bulgaria	19 Belarus		26 Mongolia	
04 Hungary	13 FYR Macedonia	20 Georgia		27 Tajikistan	
05 Latvia	14 Romania	21 Moldova		28 Turkmenistan	
06 Lithuania	15 Montenegro	22 Ukraine		29 Uzbekistan	
07 Poland	16 Serbia				
08 Slovak Republic					
09 Slovenia					

*as of the end of 2007, the EBRD no longer makes investments in the Czech Republic.

** Expansion of the Bank's region of operations to include Southern and Eastern Mediterranean, initially Egypt, Morocco, Tunisia and Jordan is under consideration

Geographic Expansion of the Bank's Region of Operations



SOUTHERN AND EASTERN MEDITERRANEAN

- The Board of Governors of the EBRD has approved the expansion of the Bank's operations to the Southern and Eastern Mediterranean because the Bank supports economic transition, understanding that well-functioning market economies are inclusive as well as competitive.
- The Bank has an effective business model that it can use to address new challenges, not only through projects but through engagement with society, aiming to transfer and adapt the political and economic transition experience from Eastern Europe to this new region

EBRD was established to promote transition to market economies by investing mainly in the private sector but also in the Sovereign and Sub - Sovereign Public Sector

Loans

- Senior, subordinated, convertible
- LT (up to 10y or more) or ST revolving
- Floating/ Fixed rates
- Choice of currencies (€, US\$, RUB etc.)

Equity

- Common stock or preferred
- Minority position only (up to 35%)
- Mezzanine
- Other
 - guarantees
 - currency swaps

The Bank share the same procurement principles as most IFIs

But:

- Aligned to principles of WTO Government Procurement Agreement
- Eligibility to participate is open to firms from all countries including non-shareholder countries (except countries subject to UN Chapter VII sanctions)
- Specific rules for sub-sovereign clients
- Only restriction is capability to fulfil the contract
- No domestic preference
- Only internationally recognised contracts can be used
- Only IFI to have principles for private sector procurement
- Separate concession policy for engagement with the private sector party of a concession arrangement

Note:

- The Bank's PP&R are not based on the EU Directives even though both are aligned to the GPA

Harmonisation of Procurement Procedures between the IFIs

- Banks have different objectives, related policies and statutes which provides the limit for harmonisation (examples are eligibility, definition of prohibited practices, financing instruments)
- In spite of the above, IFIs have made considerable progress in harmonisation of procurement procedures through harmonisation of Standard Tender Documents for Goods, Works and Consultancy Services
- Cross debarment is now effective between the World Bank, Asian Development Bank and EBRD. Other IFIs soon to follow
- **Harmonisation is a tool for effective joint co-financing**



European Bank
for Reconstruction and Development

EBRD Procurement Policy activities



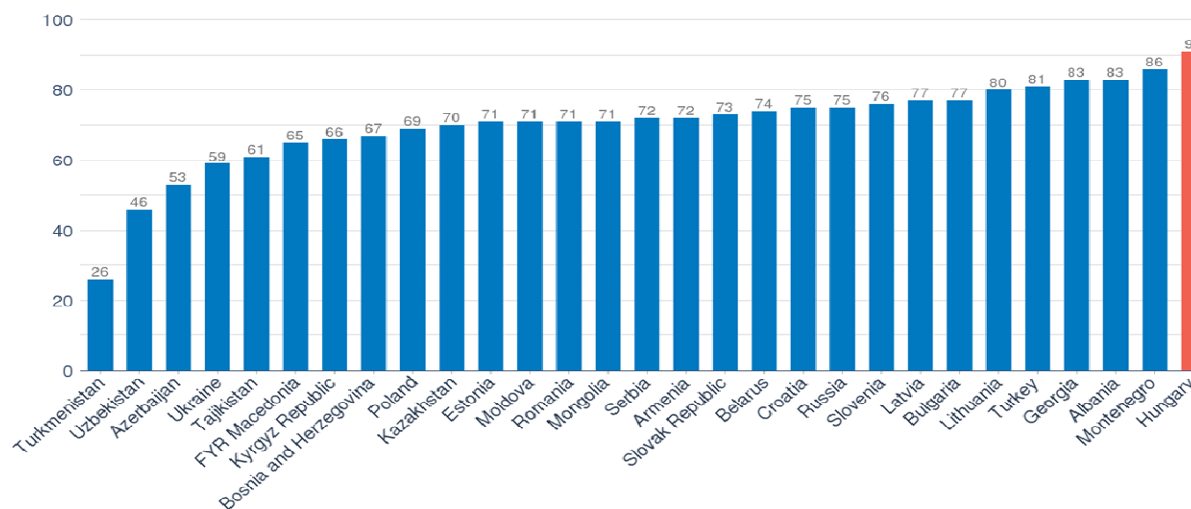
- **The first ever EBRD public procurement sector assessment (including remedies procedures) was conducted in 2010 as part of the EBRD's efforts to promote sound business practices in its countries of operations. The assessment of the public procurement sector, in line with the mission of the EBRD, intends to address efficiency and economy of the procurements and offer more insight into public procurement laws and practice in the EBRD countries of operations**
- <http://ppl.ebrd.com/launch>
- **Forged EBRD cooperation with OECD SIGMA, OSCE, UN, EU and IFIs operating in the EBRD region**
- **Developed by the Procurement Department and the Bank's Legal Transition Team**



Public Procurement officials from 13 EBRD countries at the launch of the report in St.Petersburg September 2011



Chart 1. Quality of PP legislation in EBRD countries of operations

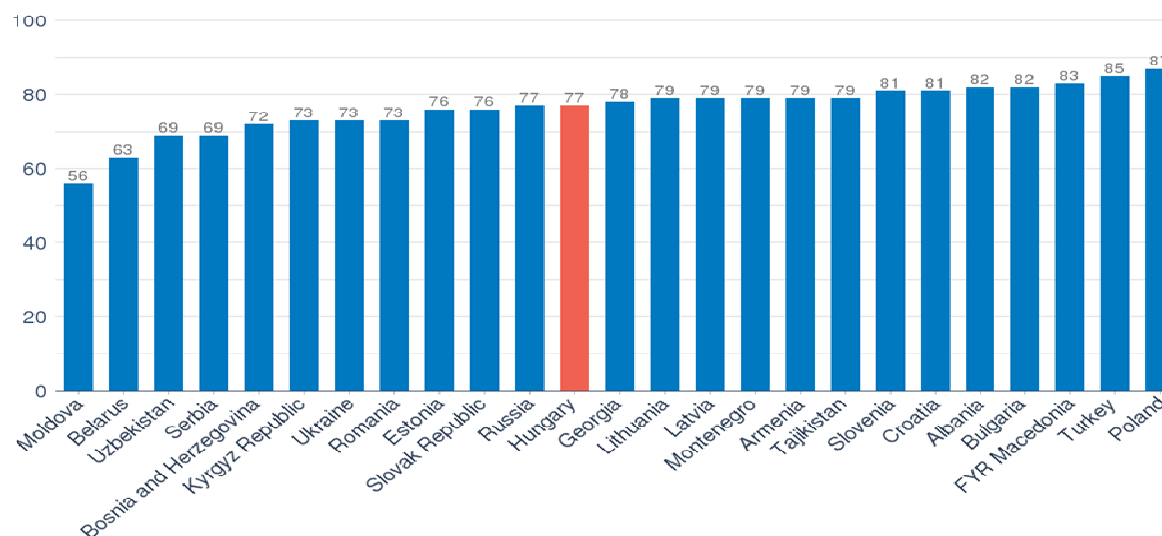


Note: The chart shows the score for extensiveness of national PP laws in the EBRD countries of operation. The scores have been calculated on the basis of a legislation questionnaire, based on the EBRD Core Principles for an Efficient Public Procurement Framework. Total scores are presented as a percentage, with 100 per cent representing the optimal score for these benchmark indicators.

Source: EBRD 2010 Regional Assessment of Public Procurement Legal Frameworks



Chart 6. Quality of PP practice in EBRD countries of operations



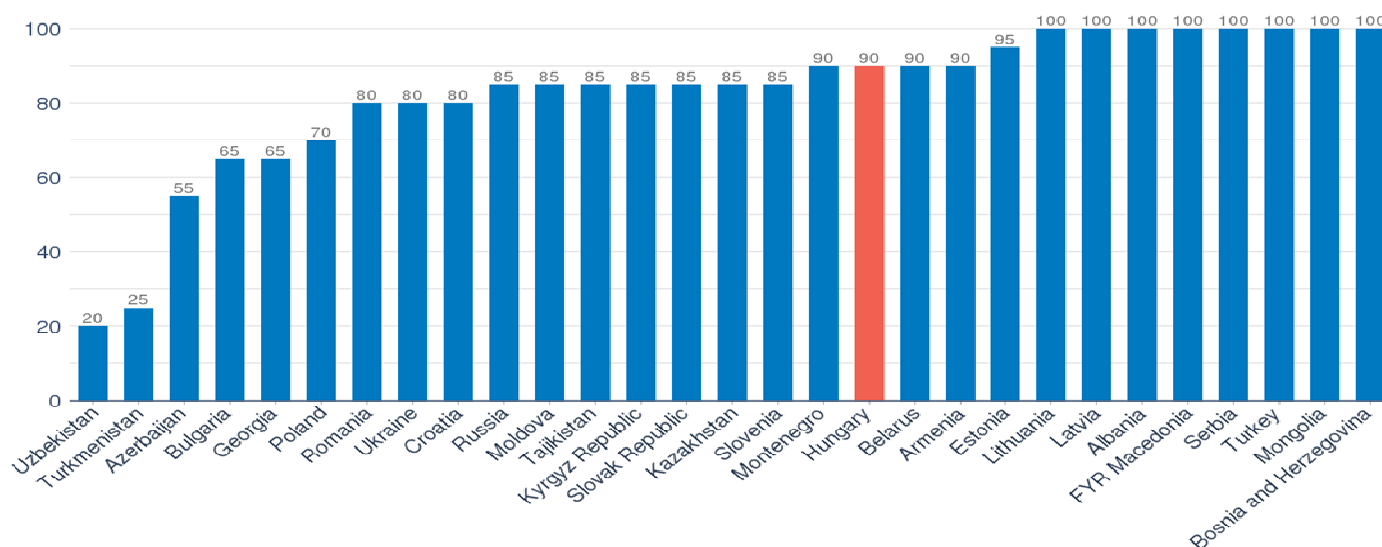
•No data available for Azerbaijan, Kazakhstan, Mongolia and Turkmenistan

Note: The chart shows the score for extensiveness and comprehensiveness of PP practice in the EBRD countries of operation. The scores have been calculated on the basis of a practice questionnaire, based on the EBRD Core Principles on rules for an Efficient Public Procurement Process. Total scores are presented as a percentage, with 100 per cent representing the optimal score for these benchmark indicators.

Source: EBRD 2010 Regional Assessment of Public Procurement Legal Frameworks



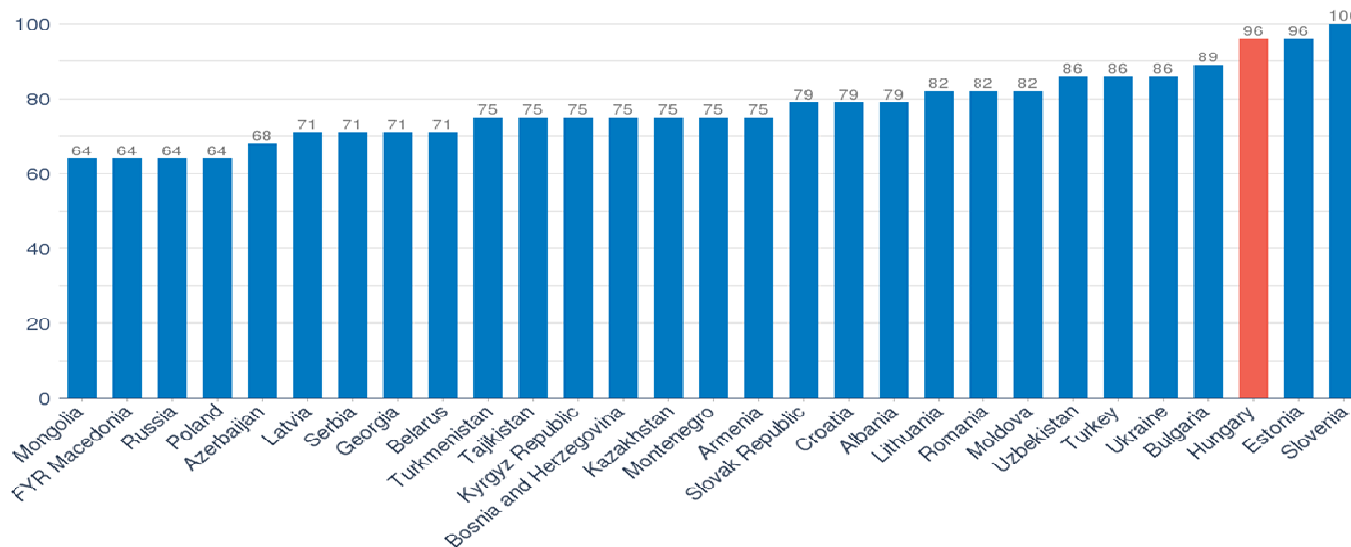
Chart 5. Quality of PP remedies legislation in EBRD countries of operations



Notes: The chart shows the score on basic function features of the PP remedies legislation for each country in the region. The score has been calculated on the basis of a checklist of questions regarding remedies procedures. Total scores are presented as a percentage, with 100 per cent representing optimum quality of basic functional features of the national PP remedies legal framework.

Source: EBRD 2010 Regional Assessment of Public Procurement Legal Frameworks

Chart 10. Quality of PP remedies practice in EBRD countries of operations



Notes: The chart shows the score on basic function features of the PP remedies in practice for each country in the region. The score has been calculated on the basis of a checklist of questions regarding remedies procedures. Total scores are presented as a percentage, with 100 per cent representing optimum quality of basic functional features of PP remedies practice.

Source: EBRD 2010 Regional Assessment of Public Procurement Legal Frameworks



- EBRD - UNCITRAL initiative is an initiative aimed at enhancing Public procurement regulation in the CIS countries and Mongolia in cooperation with OSCE and OECD SIGMA
- Technical cooperation programme designed to promote 2011 UNCITRAL Public Procurement Model Law and encourage the upgrading of public procurement regulation in CIS countries and Mongolia.
- First workshop to held in Armenia second in Moldova



European Bank
for Reconstruction and Development

Thank you