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Procurement

The EBRD offers a range of procurement opportunities for suppliers, contractors and consultants. In 2006 EBRD-financed projects led to 98 public sector contracts, valued at €1.36 billion.

Procurement policies

The EBRD applies principles of non-discrimination, fairness and transparency to all contracts for works, goods and services. These principles, enshrined within the Bank's *Procurement Policies and Rules*, are designed to promote good practice and efficiency and to minimise risk in implementing Bank-financed projects. The EBRD expects all participants in the procurement process to observe the highest standards of ethics and conduct during the tendering and implementation of a contract.

Private sector clients can apply their own procurement practices, provided that the EBRD is satisfied that these practices are commercially sound and that fair market prices are obtained. The client must also ensure that conflicts of interest are avoided and that the best interests of all parties involved in the process are preserved. More precise rules apply to procurement in public sector operations where the EBRD requires clients to use structured, transparent procedures that maximise competition and fair treatment for all participants. The Bank reviews and monitors procurement closely at key stages of the process.

Procurement activities in 2006

In 2006 the EBRD continued to work actively with other multilateral development banks (MDBs) to harmonise procurement documentation for public sector projects. In November the EBRD hosted a meeting for MDBs' Heads of Procurement. This concentrated on the harmonising of documents and the sharing of procurement information and practices between institutions. It also discussed the harmonised

definitions of fraud and corruption as proposed by the IFI Anti-Corruption Task Force.

The EBRD continued to provide procurement support services throughout 2006. This included running procurement seminars and workshops for EBRD clients and their agencies in the Bank's countries of operations. The EBRD also ran workshops for businesses wishing to participate in procurement contracts resulting from EBRD-financed projects. Government representatives also participated in these workshops.

In 2006, EBRD-financed projects led to 98 public sector contracts valued at €1.36 billion – a record year by value – of which €776 million was financed by the EBRD. This compares with 122 contracts valued at €616 million in 2005. The value of contracts resulting from open tendering procedures in 2006 was €1.27 billion, or 93 per cent of all contracts by value. Contracts for transport and municipal and environmental infrastructure projects accounted for 37 and 51 per cent respectively (by value) of all public sector contracts awarded in 2006.

Although the number of public sector contracts associated with EBRD-financed projects has declined, the value of these contracts is higher than ever before. The increasing value of this business has also resulted in an increase in the number of "concerns" and formal complaints received by the Bank regarding procurement practices. In 2006 the EBRD received 12 concerns and 15 formal complaints compared with 12 and one respectively in 2005.

A "concern" is any issue that is brought to the attention of the EBRD by a tenderer regarding the procurement process or contract award. The concern

is referred to the contracting authority, which is expected to address and resolve the issue with the relevant party.

If the two parties cannot come to an understanding or an agreement, the concern is raised to the status of a complaint. At that point, the EBRD freezes the procurement process and an investigation is undertaken.

Procurement opportunities

To improve the awareness of procurement opportunities concerning EBRD-financed projects, the Bank regularly publishes information about forthcoming contracts on the procurement section of the EBRD web site: www.ebrd.com/oppor/procure.