



## **SPECIAL STUDY**

# **EvD Evaluation of the LTP ANNEXES**

EvD ID: SS18-111

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**EBRD EVALUATION DEPARTMENT**



**European Bank**  
for Reconstruction and Development

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## Annex 1. Evaluation Matrix

Judgement criteria	Indicators	Sources of data
<b>EQ1: Has the LTP's approach to formulating priorities, selecting operations and deploying resources evolved in the last five years consistent with experience and commitments?</b>		
1.1. LTP OPs are aligned with the Bank's CRR/SCR and SIPs	<ul style="list-style-type: none"> <li>Relevant CRR/SCR/SIPs objectives and performance indicators are present in LTP's strategic documents</li> </ul>	CRR, SCR, SIPs, LTP OPs, interviews with LTT and bank stakeholders
1.2. LTP OPs are aligned with the country needs as defined in country diagnostics, CSs and ICGI MoUs	<ul style="list-style-type: none"> <li>LTP resources' deployment is directly correlated with the country needs;</li> <li>LTP's activities are planned in congruence with the scope of need, no "first come first served basis" approach is detected</li> </ul>	LTP OPs, LTP budget and staff structure, country diagnostics, CSs, CSDRs, ICGI MoUs and other relevant ICGI documents, interviews with LTT and bank stakeholders, interviews with country stakeholders, country/sector case studies
1.3. LTP OPs are aligned with Transition Concept 2016 and Enhanced and Structures Approach to Policy Reform Dialogue	<ul style="list-style-type: none"> <li>LTP's priorities and activities are congruent with six transition qualities and principles of enhanced policy reform dialogue</li> </ul>	LTP OPs, Transition Concept 2016 and Transition ToC, Enhanced and Structures Approach to Policy Reform Dialogue, interviews with LTT and bank stakeholders, country/sector case studies
1.4. Recommendations from 2012 EvD review have influenced the formulation of LTP priorities	<ul style="list-style-type: none"> <li>LTP's objectives are measurable and precise</li> <li>Evidence of increased focus on institutional capacity building and training of officials/judges</li> <li>Evidence of legal assessments and standards set (with LTP participation) being used in defining Bank's operational priorities and policy dialogue</li> <li>Ops include structured report of results</li> <li>Evidence of systemic collaboration with other organisations</li> <li>Evidence of more focus on (i) company law; (ii) secured transactions; (iii) LC markets</li> <li>LTP's expert pool and resources are used to strengthen and expand the impact.</li> </ul>	EvD 2012 Review, LTT OPs, interviews with LTT and bank staff, survey of key internal stakeholders
<b>EQ2: How do the LTP's individual activities contribute to the delivery of systemic policy results in COOs? Is sufficient evidence gathered, synthesised and shared across the Bank to support the LTP's strategic role in delivering the Bank's mandate?</b>		
2.1. Presence of systemic and synthetic LTP reports/products bringing together discrete project/activity outputs.	<ul style="list-style-type: none"> <li>Availability and accessibility of systemic/synthetic reports/products;</li> <li>These documents are referenced in the key banking and policy documents</li> <li>These documents are referenced in the COOs' key policy/legal documents</li> </ul>	LTP project and corporate documents, country legal assessments, COOs' policy/legal documents, country/sector case studies

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2.2. LTP's products are contributing to formulation of country/sector challenges and country/sector policy objectives	<ul style="list-style-type: none"> <li>Mid-term outcomes of LTP are integrated into country and sector strategic documents. Specifically these are: (i) improved matrix for benchmarking and comparison; (ii) standards/model laws accepted/understood, (iii) baseline and progress data for measuring progress in specific legal areas; (iv) new/improved laws/legal acts; (v) improved institutional capacities; (vi) improved capacity/skills of legal experts; (vii) Conducive environment for market efficiency,</li> </ul>	LTP project and corporate documents, CSs, CSDRs, sector strategies and delivery reports (if available), interviews and survey of EBRD staff, country/sector case studies
2.3. LTP products and knowledge repository is accessible internally and externally	<ul style="list-style-type: none"> <li>Documents/products are easily located</li> </ul>	Context analysis of Intranet and Internet, interviews and survey of EBRD staff and external stakeholders
2.4. LTP traces its inputs into Bank's strategic and policy work, and consistently strives to enhance its impact	<ul style="list-style-type: none"> <li>(Pro)activity of LTT specialists in pushing forward Bank's agenda through various internal fora and platforms (ICGI, SBI, Investment Councils Steering Group etc)</li> </ul>	LTP project and corporate documents, documents by other relevant departments, data on internal/external collaborative events and meetings, interviews with LTT and EBRD staff
<b>EQ3: Can change be observed in the uptake of LTP recommendations in the countries of operation and inside the Bank? Do changes appear to be sustainable?</b>		
3.1. Evidence of LTP's recommendations influencing decision making in the Bank	<ul style="list-style-type: none"> <li>Decision makers acknowledge LTP's significance</li> <li>LTP's resource allocations are focussing on the most pertinent issues</li> </ul>	Interviews and survey of EBRD staff, country/sector case studies, LTP budget and staff structure, project data
3.2. Country and operational lawyers and bankers are aware of the LTP's work/ recommendations in the related areas and are using them in their work	<ul style="list-style-type: none"> <li>Specialist EBRD staff acknowledge LTP's significance for successful delivery of their own work</li> <li>Specialist staff uses LTP's products/ recommendations while preparing core operations' documents</li> </ul>	Interviews and survey of EBRD staff, country/sector case studies, project documents, including documents on related investment operations
3.3. Evidence of the LTP's knowledge products and processes being used for capacity building in the Bank	<ul style="list-style-type: none"> <li>LTP products are used for delivering internal trainings, Policy Academy, specialised events</li> </ul>	Internal documents, interviews and survey of EBRD staff
3.4. Policy areas with high concentration of LTP activities see substantial and sustained improvement in a number of countries/regions (Policy Uptake)	<ul style="list-style-type: none"> <li>Evidence of qualitative change in policy areas where LTP supported long-term and consistent reforms/changes</li> <li>Policy stalls/reversals are due to country context rather than poor delivery of LTP activities</li> </ul>	EBRD Transition indicators, external data sources (government statistics and international indices), interviews with EBRD staff and

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		external stakeholders, survey of external stakeholders
3.5. Positive behaviour change could be observed among locals stakeholders	<ul style="list-style-type: none"> <li>• Stronger codes and practices ensuring rule of law and fair treatment of investors</li> <li>• Local stakeholders demonstrating higher degrees of understanding of the need of positive investment climate</li> <li>• Existence of partner coalitions in COOs</li> </ul>	EBRD Transition indicators, international rankings tracking perceptions/change of practices/behaviour, interviews with EBRD staff and external stakeholders, survey of external stakeholders
<b>EQ4: What are the LTP's objectives for external collaboration with other institutions and how well has it performed?</b>		
4.1. Effective partnerships and co-ordination with other IFIs, international organisations and donors	<ul style="list-style-type: none"> <li>• Joint/shared activities and projects in the countries with presence of other international partners with expertise in legal reform, its implementation and capacity building</li> <li>• Joint products</li> <li>• Sharing knowledge and resources</li> </ul>	LTP documents, interviews and survey of external stakeholders, country/sector case studies
4.2. Complementarity in actions with other specialised international partners	<ul style="list-style-type: none"> <li>• Use of EBRD (diagnostics) products by others</li> <li>• Use of others' (diagnostics) products by EBRD</li> <li>• Absence of overlaps between LTP activities and those of other relevant partners in COOs</li> <li>• Collaboration in the area of standard setting between LTP and other relevant international organisations (UNCITRAL, IAIS, IOSCO, BIS, OECD, UNCTAD, IMF/WB, etc)</li> </ul>	LTP documents, documents of relevant external stakeholders, interviews and survey of external stakeholders, country/sector case studies
4.3. High/sufficient level of satisfaction among LTP donors	<ul style="list-style-type: none"> <li>• Donors are satisfied with LTP's work and contribution to delivering Bank's mandate and their own strategies in respective COOs</li> </ul>	Donors' documents, interviews with donors, survey of external partners



## Annex 2. Methodology

The logic of the study was guided by the evaluation questions and underpinned by the evaluation matrix (Annex 1). In the reconstructed Theory of Change (Annex 3), EvD has identified focus areas for in-depth analysis.

The evaluation team used mixed methods in this evaluation. It included a quantitative analysis of the LTP portfolio from 2011-2018 and desk-based research of key documents at programme and project levels. This was complemented by a review of literature from external sources (including evaluation studies), particularly by international organisations with which the LTP collaborates in delivering its different products.

The evaluation team performed brief analysis of the entire LTP portfolio along the key criteria of effectiveness and efficiency. It then performed an in-depth review of three sectoral portfolios that include validations of each TC project for which the information was available. The cases were selected on the basis of the intensity and longevity of LTP's engagement, with the intent of presenting a diverse area of the LTT expertise. The following three deep-dive cases offered evidence for analysis of the results and impact, presented in the respective chapters:

- insolvency and restructuring plus activities in the area of enforcement;
- public procurement;
- ICT and knowledge economy.

Deep dive cases and validations of sectoral portfolios are presented in full in Annexes 7-9. They follow the LTP's theory of change developed by EvD and include focus on the LTP's impact and the sustainability of change.

Qualitative element of evaluation included a range of semi-structured interviews with internal and external stakeholders, both in EBRD HQ and in three countries of operations. Field missions were organised to Tunisia, Serbia and Ukraine. Specifically qualitative data was harvested through:

- 30 Internal in-depth semi-structured interviews in HQ and ROs, including all LTT counsels (see Annex 6 for full list);
- Semi-structured interviews with 57 external stakeholders in selected CoOs and with international partners (see Annex 6 for full list);
- Survey of core LTT stakeholders inside the bank (28 Participants, details in Annex 13);
- Survey of core external partners (37 Participants, details in Annex 12).

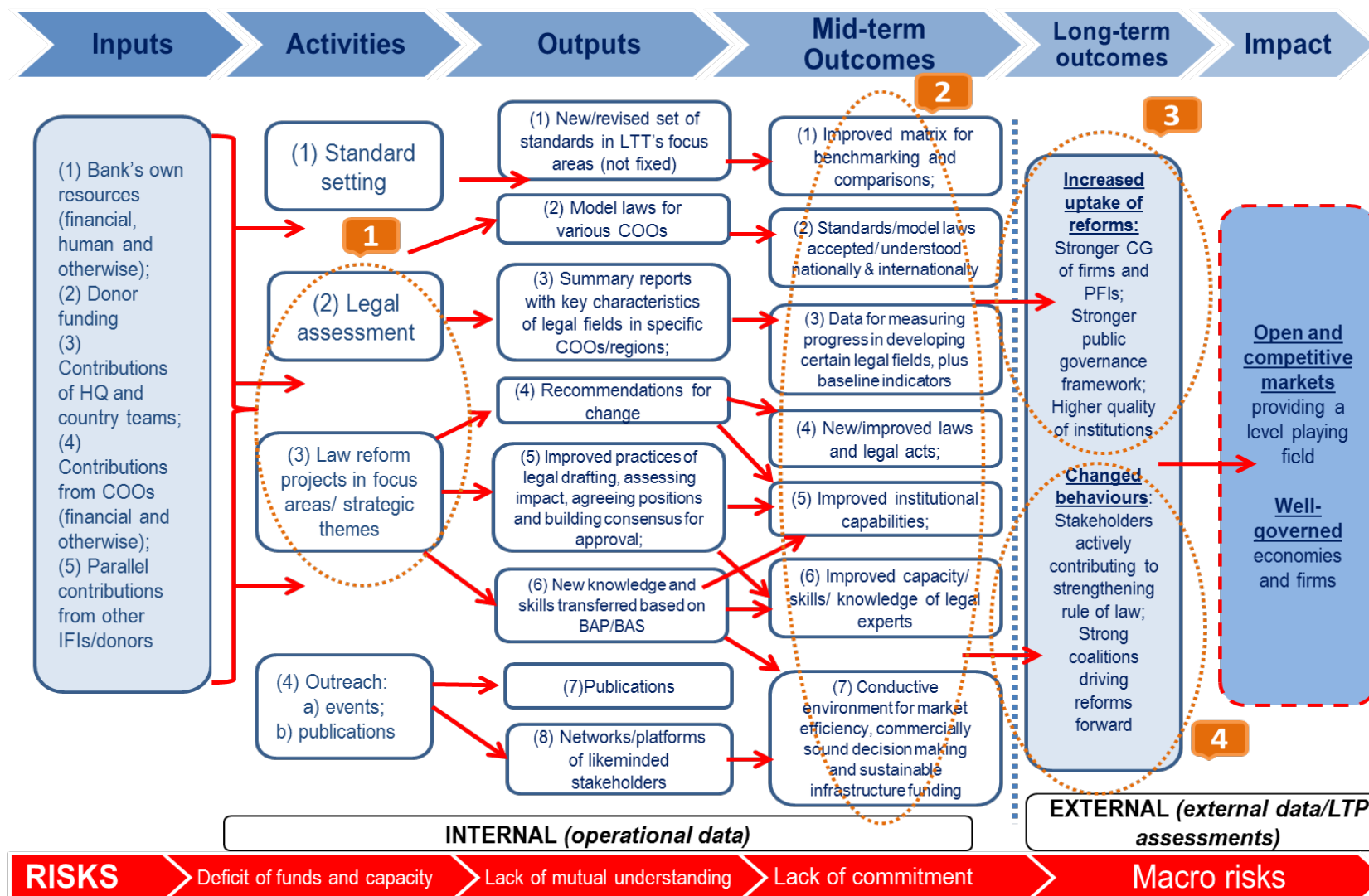
### Risks and limitations of the study

The LTP portfolio has a solid documentation track record and the evaluation team had access to a sufficient quantity of project-level information. However, the anticipated limitations pertaining to deficiencies in the Bank's TC information system and inconsistencies related to the project database did materialise in some segments of LTT portfolio. The completeness and accessibility of information was not universal. Different portfolios are led by different OLs that have to manage an extensive network of external consultants who deliver most of project outputs. Reporting in official TC repository – TCRS – is often incomplete and documents are saved at LTP's internal drives or file sharing platforms (Huddle). Although most of the requested information was provided, there were some gaps that the evaluation team was not able to fill in, particularly when there were staff changes and high pressure on delivering the work. LTP has quite limited administrative capacity and the OLs have to do a lot of administrative functions along with all other tasks they are responsible for.

The evaluation team has anticipated a potential risk of insufficient information on certain aspects, particularly in relation to policy reform dialogue, which is not (usually) documented in great detail. Collaboration and trust from management colleagues and local counterparts in the relevant countries was essential for obtaining a comprehensive picture of the LTP's interventions and impact through interviews and surveys. The team mitigated these risks by establishing a collaborative approach to conducting the study from the outset.

In most EBRD operations, measuring sustainability objectively is challenging as, after withdrawal, the Bank has no access to information and also no resources to undertake extensive/expensive studies to see how sustainable the intervention was. The LTP's activities are often multi-staged and long-term, supporting the same institutional partners continuously, which offers a better chance of measuring the sustainability of results.

## Annex 3. Theory of Change



## Annex 4. Evolution of priorities in LTP OPs

Period	Key points and quotes
2010-12 SGS09-341	<ul style="list-style-type: none"> <li>• “Allows for a fuller alignment of LTP activity with the Bank’s response to the financial crisis, while at the same time feeding into the CRR4 process.” (CRR4 expected to have a greater emphasis on TC and policy dialogue with regard to institutional quality).</li> <li>• <u>Priorities</u>: The scope of the LTP will widen, in part to remedy the shortcomings of legal frameworks that the financial crisis has exposed. Accordingly, more emphasis will be given to strengthening laws relating to debt restructurings and the insolvency of financial institutions. LTT will also further develop its expertise in areas of high relevance to the Bank’s business, e.g., debt enforcement mechanisms, agribusiness-related laws (such as facilitating pre-harvest financing), the regulation of credit bureaus, innovative aspects of telecoms regulation linked to the knowledge-based economy, as well as support for public-private partnership centres. The scope of the LTP will also broaden through an additional focus on public procurement law where the Bank has identified a strong need for policy dialogue and legal TC in its countries of operations.</li> <li>• <u>In geographical terms</u>, the LTP will concentrate on the early transition countries, south-eastern Europe, Ukraine and Russia. + explore opportunities in Turkey</li> <li>• The need to <u>assess the impact of technical cooperation</u>, including in the legal field, is gaining momentum both among fund providers and assistance implementers themselves. The task remains a challenging one, as the design of proper evaluation methodologies can be extremely complex and may require significant resources.</li> <li>• Identified directions: <ol style="list-style-type: none"> <li>1) Strengthening assessment tools – more hard data, focus on infrastructure regulation, insolvency, judicial capacity building and secured transactions;</li> <li>2) Widening comparative assessment work – including emerging markets into comparative assessment frameworks (Russia, Latin America);</li> <li>3) Deepening linkages with other Bank units – for example posting sector specialists in COOs with high needs (PPP in Moscow);</li> <li>4) Strategic importance of outreach work – in the light of the financial crisis. Proposed document summarising practical recommendations on how to deal with the consequences (banking sector regulation; credit and securities market and equilibrium between liberalisation and market protection);</li> <li>5) Considering the unfinished reform agenda in CEE – in specific areas, where highly additional;</li> <li>6) New approach to Turkish legal reform – recognising the challenges of advising on reform (pledge law, concession law, insolvency);</li> </ol> </li> </ul>



	<p>7) Introducing new sectors – public procurement and judicial capacity;</p> <p>8) Developing new impact assessment methodologies - exploring the feasibility of applying randomised evaluation techniques to legal TC (Moldova trial)</p> <ul style="list-style-type: none"> <li>• Sector focus areas: <ul style="list-style-type: none"> <li>1) Concessions/Public Private Partnerships (PPPs)</li> <li>2) Corporate Governance and Securities Markets</li> <li>3) Infrastructure Regulation and Competition</li> <li>4) Insolvency</li> <li>5) Judicial Capacity and Contract Enforcement</li> <li>6) Public Procurement</li> <li>7) Secured Transactions</li> </ul> </li> </ul>
<p><b>2012 Evaluation PE11-537</b></p>	<p><u>Findings</u></p> <ul style="list-style-type: none"> <li>• Emphasise training legal practitioners and establishing institutions and administrative competency</li> <li>• Short term projects vs long-term reform programmes; benchmarks and measurability</li> <li>• Gap analysis has enabled the LTP to address systemic issues</li> <li>• Strongest impacts where there was well developed in-house expertise and the ability to focus efforts for an extended period</li> <li>• Improve internal outreach: promote LTP work to Banking and liaise with other support units</li> <li>• Legal assessments are critically important; the LTP has an adequate repository that can contribute to the new SEMED region</li> <li>• Action plans lack clear objectives, milestones and timetables</li> <li>• The LTP has paid due attention to the simplicity and transparency of proposed legislation: continue this</li> <li>• Lack of hard evidence to assess the impact of some activities</li> <li>• Endogenous conditions can hinder LTP reform efforts</li> </ul> <p><u>Recommendations</u></p> <ul style="list-style-type: none"> <li>• Undertake a strategic review; re-orient focus in some areas; increased resources required to strengthen and expand impact</li> <li>• Continue updating legal assessments and fine-tuning set standards</li> </ul>

	<ul style="list-style-type: none"> <li>• Increase focus on projects supporting legal reform e.g. institutional capacity building and training for judges and officials</li> <li>• Set more precise and measurable objectives</li> <li>• Report on results</li> <li>• More systematic collaboration with other organisations</li> <li>• More focus on company law and secured transactions</li> <li>• More efforts at developing local capital markets</li> </ul>
2013-15 SGS12-252	<ul style="list-style-type: none"> <li>• <b>OP for this period takes on board EvD recommendations.</b></li> <li>• Factors influencing on changing the approach: the SEMED expansion, inter-IFI coordination, the crisis response, and country graduation, but also internal considerations, such as the CRR4 objectives, 2012 EvD's Study of LTP in 2001-2010, and the current reflection on how the Bank should step up its policy dialogue activities</li> <li>• Three pillars introduced:             <ol style="list-style-type: none"> <li>1. Support EBRD operational initiatives;</li> <li>2. Selectively address cross-cutting problems in the business environment;</li> <li>3. Integrate the LTP into Bank's PD agenda and develop a results framework</li> </ol> </li> <li>• <u>First Pillar</u>: SEMED expansion; food security; local capital market development; knowledge economy; EE, PS funding for infrastructure; CG in investee banks and companies; SME development ; rescuing distressed businesses; public procurement.</li> <li>• <u>Second Pillar</u>: insolvency systems and judiciary. Focus on areas where the EBRD has identified a comparative advantage over other IFIs</li> <li>• <u>Third Pillar</u> is a direct response to EvD Recommendations. (1) strengthening the use of LTT assessments (for country strategies, risk assessment); (2) better co-ordination with banking teams including more regular exchange sessions with MDs. (3) Closer links to ROs and SBS SCs to enhance their PD capacity (of which the LTT has a lot). (4) Improved results management – in close co-ordination with the Grant Steering Group, develop better baseline indicators for measuring outcomes and impact (outputs are good).</li> <li>• Three prioritisation factors will shape the focus of LTT work: (1) country opportunities; (2) Bank's investments; and (3) responsiveness to rapid changes</li> <li>• <u>Internal co-ordination</u>: focus on the Deauville Partnership for SEMED, DFI WG on CG in Investee Companies</li> <li>• <u>External co-ordination</u>: EBRD-UNCITRAL PP Initiative in CIS; IDLO partnership on judicial capacity; WB/IFC PSD support legislation work in SEMED; WB – collaboration with EIB and OECD on WB Development and Innovation Facility.</li> <li>• <u>Direct contacts with specialist counterparts</u>: UNCITRAL, UNECE, INSOL, OECD, UNIDROIT, EC, DFID, USAID, GIZ.</li> <li>• <u>Money</u>: 75% of work is TC funded, 40% of TC – from SSF</li> </ul>

<p>2016-18 SGS16-221</p>	<ul style="list-style-type: none"> <li>• <u>Shift to 10 country strategic themes</u> as basis for LTT work:             <ol style="list-style-type: none"> <li>1) PS competitiveness</li> <li>2) Entrepreneurship and SMEs</li> <li>3) Innovation and Knowledge Economy</li> <li>4) Resilient and Effective Financial systems;</li> <li>5) Development of Local Currency and Capital Markets;</li> <li>6) Economic Inclusion and Gender Equality;</li> <li>7) Good Governance;</li> <li>8) Integration and Trade;</li> <li>9) Infrastructure service/Energy Security;</li> <li>10) Green Economy Transition.</li> </ol> </li> <li>• <u>LTT work is guided by the Approach to Policy Reform Dialogue</u> (SGS15-220); it includes a three-step process of PD: (1) structured upfront country diagnostics; (2) a reality check – congruence with impact on private sector investments; (3) sufficient government buy-in (though signed MoU or letter of intent).</li> <li>• SCF 2016-20 emphasises the need for a more structured policy dialogue approach to contribute to the Bank's strategic orientations</li> <li>• Results are to be measured through CS results frameworks and at project level</li> <li>• <u>Objectives for the period:</u> <ol style="list-style-type: none"> <li>1) Country diagnostics (support to pilots in BiH, Egypt, Kazakhstan and Poland); traditional legal annex for all other CSs; assessments (concession/PPP, public procurement, factoring, insolvency laws);</li> <li>2) Knowledge-sharing products (Law in Transition; public events; internet and intranet);</li> <li>3) Country projects – in all regions and for all ten strategic themes</li> </ol> </li> <li>• <u>Activities:</u> promote international standards and best practice; prepare diagnostics; engage governments in policy reform dialogue; TC activities to upgrade legislative frameworks and build institutional capacity in commercial law; disseminate lessons learned</li> <li>• <u>Focus:</u> commercial and financial law.</li> <li>• <u>Geographical focus:</u> CEE and SEE (NPL under the umbrella of the Vienna Initiative); WB (dispute resolution and judicial capacity, ICT, resource efficiency); Greece and Cyprus (broadband and financial sector); Caucasus, Moldova and Belarus (PP, energy sector, ICT, transparency of extractive); Ukraine (PP and CG); CA (natural resources, SEI/REI, dispute resolution and judicial capacity); Kazakhstan</li> </ul>
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	<p>(Green economy, CG and PPP); Turkey (factoring, CG, EE, natural resources); Russia (existing – agri, creditors rights and CG); SEMED (all areas).</p> <ul style="list-style-type: none"> <li>• <u>Interesting point</u> – in the good governance strategic theme there is no mentioning of ICGI...</li> <li>• <u>Finance</u>: 50% of TC covered from SSF.</li> <li>• <u>International collaboration</u>: EBRD-UNCITRAL, Initiative for PP; EBRD-WTO initiative to facilitate GPA adhesion, IDLO, Vienna 2.0 on NPL collaboration with IMF, WB and EC. WB/IFC on PSD in SEMED.</li> <li>• There is no mention <u>of the three pillars</u> in the document.</li> </ul>
<p>2017-19 SGS17-099</p>	<ul style="list-style-type: none"> <li>• There is no explanation why 2017-19 was prepared after 2016-18. Implicitly the change is explained by the introduction of the new SIP 2017-2019 and Transition Concept in 2016.</li> <li>• <u>The same cycle of activities is underlined</u>: standards-diagnostics-develop TC-knowledge-sharing activities. (Dropped the "engage governments in policy reform dialogue" that was added in 2016 - or merge back into "develop TC". Also, standards and diagnostics tend to merge into one).</li> <li>• LTP objectives: <ol style="list-style-type: none"> <li>1) Promote international standards and best practice;</li> <li>2) Prepare diagnostics on legal, regulatory and policy matters;</li> <li>3) Develop TC activities with internal and external stakeholders;</li> <li>4) Knowledge-sharing activities.</li> </ol> </li> </ul>
<p>2018 SGS18-055</p>	<p>The rolling SIP presumably necessitates the annual OP and annual report.</p> <p>The OP consists of only a country-by-country list of what was done in 2017 and is intended to be done in 2018, with other material sourced from the OP 2017-2019 (activities by transition quality). The results framework is absent, as in all previous OPs.</p>
<p>LTP priorities as presented to external stakeholders</p>	<p>Ebrd.com gives the following LTP structure across three pillars: This text dates back to the 2013-15 Action Plan.</p> <ul style="list-style-type: none"> <li>• <u>First pillar</u>: The LTP supports EBRD operational initiatives in transition countries, such as promoting food security, energy efficiency, SME access to finance, the knowledge economy, local capital market development, and more efficient public procurement, as well as strategies and legal means for attracting private sector funding for infrastructure, and dealing with non-performing loans. This pillar also sees some new directions in the Programme, such as improving the corporate governance of EBRD investee companies.</li> <li>• The <u>second pillar</u> selectively addresses cross-cutting problems in the business environment of transition countries through institutional reforms and capacity building measures, especially in areas where the EBRD has identified that it has a comparative advantage over other</li> </ul>

international assistance providers. In particular, this will include measures to improve insolvency regimes and to strengthen contract enforcement, including by the courts.

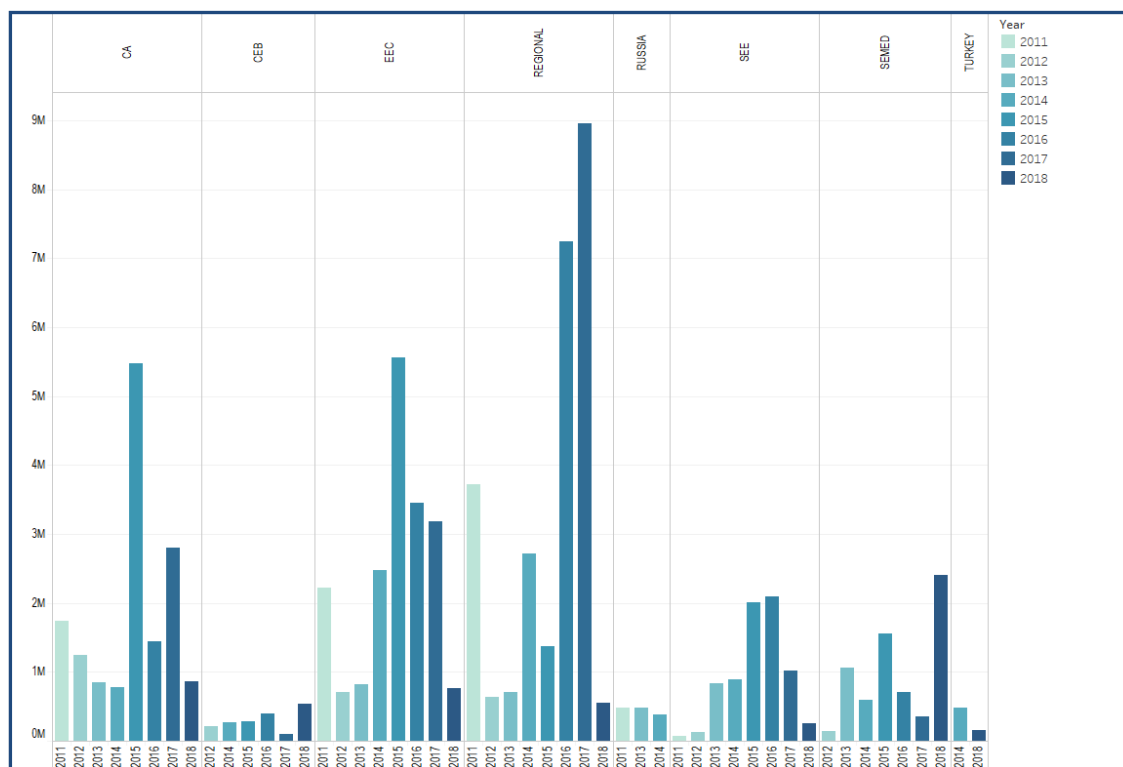
- The third pillar develops a results framework and integrates the Programme into the Bank's broader policy dialogue agenda.



## Annex 5. LTT portfolio trends and outreach activities

### 1. Portfolio trends

Chart 1.LTP Project approvals by year and region, € millions\*



Source : TCRS

\*2018 data from January – end October

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Chart 2. Volume and number of project and assignment approvals by year

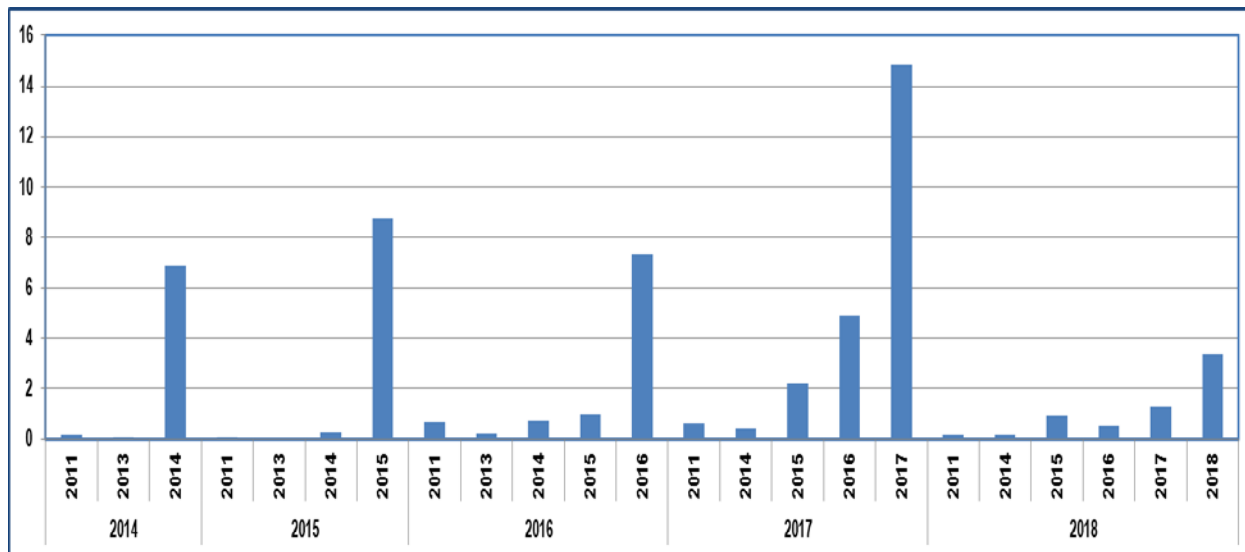
€ by year of project approval		# by year of project approval	
2011	8,250,882	2011	20
2012	3,075,269	2012	26
2013	4,758,449	2013	21
2014	8,597,292	2014	30
2015	16,259,617	2015	41
2016	15,353,228	2016	38
2017	16,415,251	2017	36
2018	5,537,995	2018	20

€ by year of assignment approval		# by year of assignment approval	
2011	6,050,162	2011	45
2012	3,075,269	2012	32
2013	4,296,699	2013	28
2014	7,142,750	2014	41
2015	9,180,473	2015	70
2016	10,021,386	2016	98
2017	23,008,654	2017	111
2018	6,509,476	2018	47

Source : TCRS

Chart 3 Assignments by year, showing project approval year, € million\*

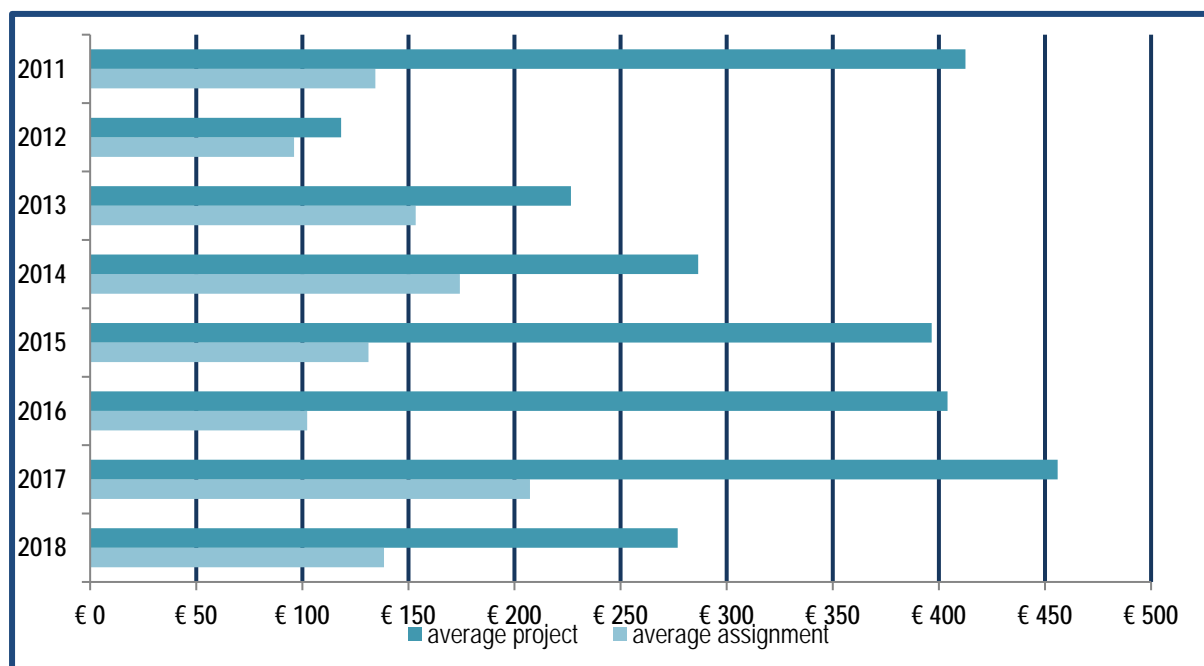


\* baseline horizontal axis represents assignment year, the level above shows project approval year

Source: TCRS

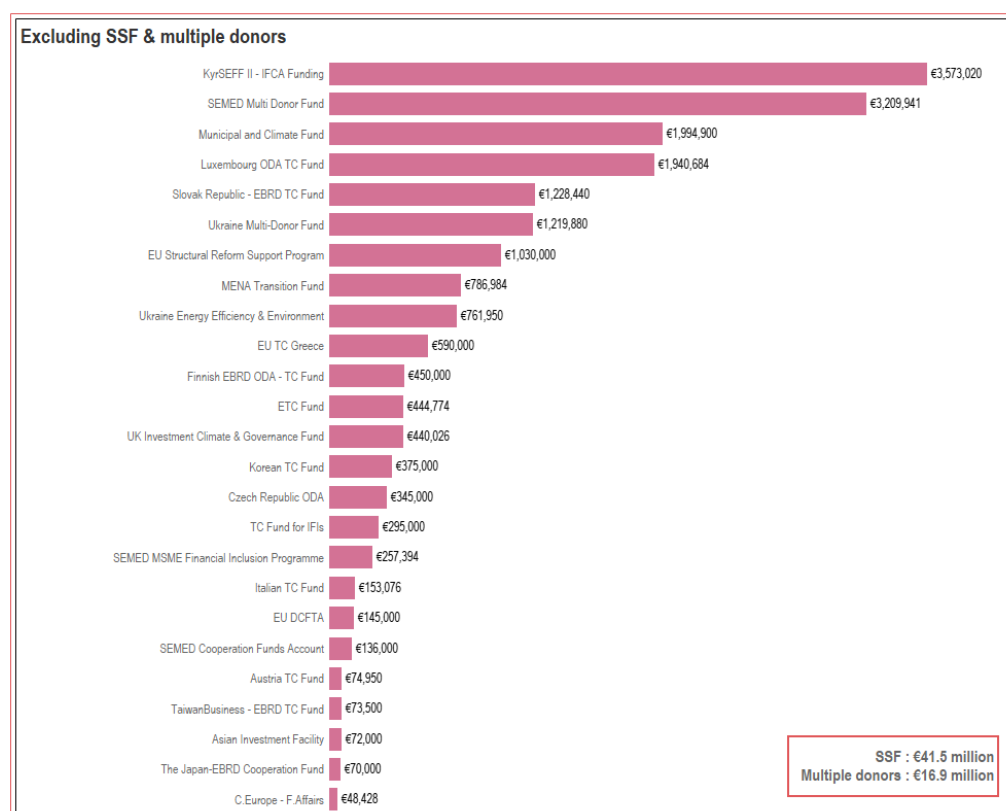
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Chart 4: LTT's average project and assignment size by year of approval (€'000)



Source : TCRS

Chart 5. Individual donors of LTP projects, including multi-donor funds 2011-2018\*



Source: TCRS

## 2. Outreach activities

### Legal assessments

Table 1. Legal assessments performed by LTP in 2011-2018\*

Year	Assessment/Study	Countries
2011	PPPs /Concessions Law Assessment	34
	Country Law Assessment	Egypt
	Credit information reporting systems	16
2012	ICT Sector Assessment	31
	The EBRD SEMED Public Procurement Sector Assessment	4
	Country Law Assessment	Tunisia
2013	Assessment of bailiffs and enforcement agents	13
	The EBRD Regional Public Procurement Legislation Self-Assessment	28
2014	Insolvency Office Holder Assessment	27
	Country Law Assessment	11
	Secured transaction assessment	24
2015	Country Law Assessment	19
2016	Corporate Governance in Transition Economies	Greece, Romania
	Country Law Assessment	2
	Assessment of the measures required for the implementation of the NDCs	Jordan, Morocco, Tunisia
2017	Corporate Governance in Transition Economies	31
2018	Account Blocking Study	BiH, FYRM, Montenegro, Serbia
	PPP/Concessions Law Assessment	37

Sources: Legal reform, external EBRD web, LiT

\*Completion of the assessment could happen in the following year, while some of them are organised in phases during a two-three year period

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## Training and capacity building

Table 2. Legal training performed by LTP in 2011-2018\*

Year	Training	Country	# people
2012	Judicial training in competition law	BiH	
2013	EITI training programme for central and local government, sector companies, civil society and the media	Mongolia	400
	Judicial training in competition law	Moldova, Mongolia & Serbia	n/a
	Commercial law disputes - training for judges	Albania, Bulgaria, Moldova, Montenegro, Tajikistan	900
	Training for Public Procurement officials	Armenia, Kyrg Rep, Mongolia, Tajikistan	400
	Communications Regulation	Kyrgyz Rep	20
	Communications Regulation	Mongolia	18
	Mining and Geology	Kyrgyz Rep	30
2014	Judicial training in competition law	Montenegro	n/a
	Capacity building of competition authorities	Moldova, Montenegro, Serbia	n/a
	International Best practice for energy regulation & increased tariff transparency - sector officials & industry reps	Tajikistan	n/a
	Judicial training - some in multiple subjects (e.g. 200 in Tajikistan on 4 subjects, 200 in Mongolia on 5)	Regional	900
2015	Judicial training in competition law	Jordan	n/a
	Capacity building of competition authorities	Jordan, Serbia	n/a
	Judges trained on competition and intellectual property law	Jordan	160
	Enforcement of judgements : civil bailiffs	Mongolia	200
	Corporate governance in banks : Bank of Slovenia staff and commercial bank representatives	Slovenia	85
	Judicial training - commercial law	Balkans	180
2016	Draft public procurement law - MinFin	Egypt	n/a
	Judicial training on 10 commercial law subjects : company law, contracts for the sale of goods and services, intellectual property, secured transactions, analysis of judicial decisions, insolvency, disputes in the mining sector, taxation and accounting skills.	Kyrgyz Rep	120
	Training of civil bailiffs (199) and bailiff trainers (11) on insolvency of legal entities, enforcement of Administrative court decisions and issues related to joint ownership of property	Mongolia	210
	Use of an online reporting platform for financial disclosure in EI sector : business, audit & NGO communities	Mongolia	30



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	Judicial training on commercial law subjects: land and property law, ADR and enforcement of judicial decisions	Montenegro	n/a
	Judges study tour to Italy	Montenegro	10
	Judges trained to delivery training to peers	Montenegro	10
	Training of trainers - commercial mediation : Chamber of Commerce and judiciary	Serbia	10
	Econometrics & advocacy : staff from Commission for the Protection of Competition	Serbia	n/a
	Judicial training : intellectual property matters	Tunisia	50
	Training to strengthen ability to protect competition policy in Ukraine : Anti-Monopoly Committee	Ukraine	100
2017	TUNEPS training workshops	Tunisia	1,700
	Support Division Inspections Reform Commission training for ministries & agencies staff	Serbia	n/a
2018	Corporate governance : Board and staff members KESH	Albania	15
	Corporate governance / reporting requirements: Capital Markets Board staff & representatives of listed companies	Turkey	120
	Corporate governance : government officials & representatives of SOEs	Ukraine	50
	Banking regulation / risk appetite frameworks for banks : risk managers and staff of National Bank	Slovenia	100
	PPPs/Concessions / legal & reg reqs,drafting PPP agreements, assessment of tender process : municipal officials & staff	Serbia	168
	Power & Energy / implementation of EU 3rd Energy package : Energy Reg Authority staff & commissioners	Bulgaria	15
	Power & Energy / Compliance with EU 3rd Energy package : staff from ERA & MinEcon& Industry & gas companies	Moldova	22
	Training for Insolvency and restructuring practitioners (IRPs)	Croatia, Cyprus	n/a

Source: LTP OPs, reports, LiT

\*The training info for 2011/2012 was challenging to extract, as in early OP reports LTT didn't give any indication of the exact year of the activity or the number of participants

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## Outreach and publications

Table 3. Key themes of Law in Transition journal, 2011-2020

LiT Year	Main theme	Other core themes	# downloads of e-journal
2011	Judicial Decisions Assessment		
2012	Developing capital markets		
2013	Financial Law reform		
2014	Enforcing court decisions	The role of EITI in sustainable resource development	
2015	Small business finance	A third decade of legal reform	53
2016	Natural resources and sustainable development	Non-performing loans, Covered Bonds reform, Egypt energy sector	289
2017	Promoting sustainable market economies through commercial law reform		316
2018	Promoting innovation and sustainable growth through law reform		263
2019	Better laws for better economies		79
2020	Fostering sustainable development goals		53

Source: LiT database; EBRD Communications Department

## Annex 6. Deep Dive Case : Insolvency and Debt Restructuring

Portfolio of 19 projects

### 1. Key Challenges

**Access to financing is key to a well-functioning market economy.** The availability of financing to expand assets and grow business is as important as the ability to wind-up less competitive businesses in times of distress. Therefore, an efficient insolvency and debt restructuring (IDR) regime is essential for a sound financial system, as it ensures the efficient redistribution of assets and provides safety in cases of financial distress/failure.

*Definition: insolvency is a situation when an individual or a company can no longer meet its financial obligations to its lenders (bankruptcy and liquidation are often used as alternative terms, although they refer to the legal proceedings).<sup>1</sup>*

The insolvency and debt restructuring framework requires a solid legal and regulatory component (covering financial, fiscal, administrative and civil elements); strong institutional capacity and expertise among insolvency professionals; availability of out-of-court procedures to speed up the process; effective court procedures and judges with relevant knowledge and experience, etc. There are specific features of the framework that are essential for the effective resolution of non-performing loans (NPLs), one of the most detrimental elements of the insolvency sector. The NPL framework, in turn, includes two sets of measures: (1) NPL resolution by the banks and (2) NPL transfer to specialised asset management companies for their ultimate resolution/enforcement.

#### Identifying the challenges

The EBRD's in-house expertise enables the Bank to carry out country assessments, measuring national legal and institutional systems in relation to insolvency and debt restructuring and defining gaps with well-established international standards and the minimum requirements essential for establishing smoothly-functioning insolvency and restructuring procedures. These assessments are led by a senior LTT expert, supported by several junior staff members; external consultants are often contracted to perform the in-country elements. Additionally, the team of economists in the Bank's Economics, Policy and Governance Department (EPG), with LTT's participation, perform semi-annual NPL assessments in the CESEE region on behalf of the founders of the NPL Initiative (or Vienna Initiative 2.0, see Box 1 below).<sup>2</sup> These assessments are often used by wider industry professionals and other IFIs as a source of objective country-level information. Likewise, the EBRD uses data and evidence produced by other international specialist organisations to get a complete picture of a country's specific challenges and needs and identify the scope of its own portfolio.

In the evaluation period of 2011-2018, LTP undertook four assessments:

- Insolvency Sector Assessment on Business Reorganisation in the EBRD Region (Project ID 10454) completed in 2018, funded by Shareholder Special Fund (SSF);
- Study on account blocking in Western Balkan countries and its impact on corporate reorganisation and restructuring (project ID 7213) completed in 2016, funded by Luxembourg ODA;
- Study on the legal framework for the enforcement of creditor claims in five EBRD countries of operations (Albania, Croatia, Cyprus, Greece, Ukraine; project ID 7559) completed in 2019, funded by SSF;
- Assessment of insolvency office holders completed in 2014 and updated in 2016, funded from LTP budget.

The assessments produce reliable and objective evidence; they also strengthen the EBRD's role as a recognised leader in the specific area of expertise. For example, a first-of-its-kind assessment of insolvency office holders in 2012-2014 was essential for establishing Bank's reputation in this area. It resulted in a build-up of demand from country stakeholders and a

<sup>1</sup> Investopedia <https://www.investopedia.com/terms/i/insolvency.asp>

<sup>2</sup> The most recent NPL Monitor for the CESEE Region which is used in this case study is for the second half of 2019, <http://www.vienna-initiative.com/assets/Uploads/2019/12/b1a8b819c3/npl-monitor-2019-h2-final-vii.pdf>

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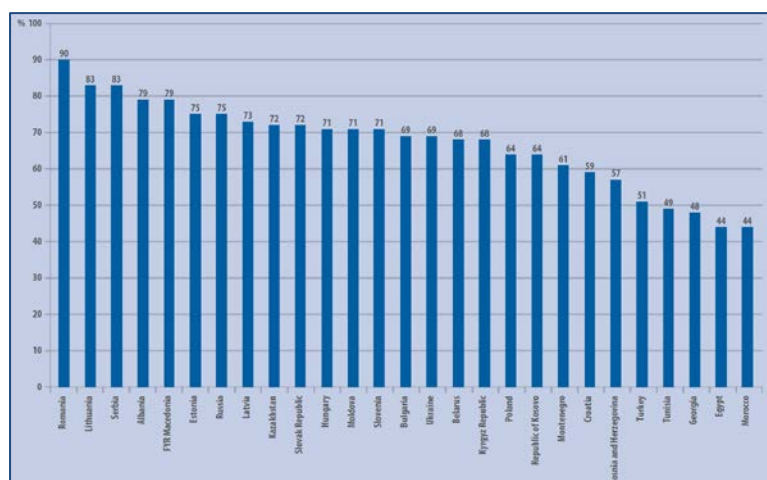
solid portfolio of TC projects (see chapter 3 below). Interviews with external stakeholders and survey results confirmed the Bank's and LTT's strong reputation in this area.

As for specific challenges, a few of the Bank's CoOs are encumbered by a **significant NPL ratio** (proportion to total gross loans): Ukraine has the highest, at 50.8%, Greece - 42.2%, and Cyprus – 20%. None of these three countries are members of the Vienna 2.0 (NPL) Initiative, led by the Bank. Among the members, Albania and Croatia have the highest NPL ratio – 11.2% and 9.34% respectively (2019).<sup>3</sup>

The Study on the legal framework for the enforcement of creditor claims identified specific challenges in these five countries. For example, it noted that *"Ukrainian statutory framework for security and enforcement appears comprehensive on paper, but in practice enforcement is not straightforward."*<sup>4</sup> There is a strong preference for court-led enforcement as it offers a higher degree of protection for creditors, while out-of-court enforcement can entail serious procedural obstructions by debtors. In Albania, enforcement is handled solely through courts, resulting in excessively lengthy the procedures. The Greek enforcement system is also heavily reliant on judicial intervention and driven by public auctions; the legal framework has substantial room for improvement.

In terms of the **capabilities of insolvency professionals** (insolvency office holders, IOH), the LTT 2012-2014 assessment revealed a great variety among the regimes and institutional setups. In two thirds of countries there is no regulatory body for the IOH profession, meaning that the standards and quality of their work is unsupervised and might be compromised. Only in countries with regulatory control and supervision – through self-regulated association or a stand-alone regulatory agency – is the quality of the profession higher. In countries where oversight is delegated to the government, or non-existent, the quality of the profession and the results it delivers are observed to be low.<sup>5</sup> Chart 1 illustrates the total result achieved by each country, while Chart 2 provides the average score in each of seven dimensions across the four groups of countries identified.

Chart 1. Development of the IOH profession in the EBRD's CoOs, total score\*



\*Bar chart indicates the percentage of overall results achieved by the assessment countries. A result of 100% is intended to signal the existence of a comprehensive regulatory and/or professional framework

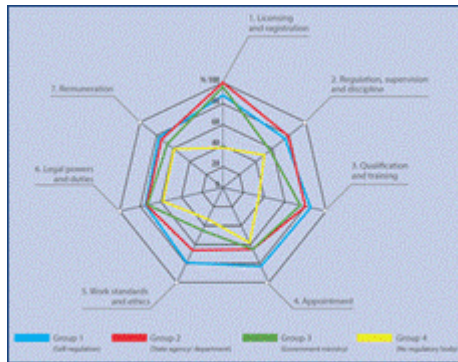
Source: 2012-14 EBRD insolvency office holder assessment

<sup>3</sup> NPL Monitor for the CESEE Region, 2H 2019, <http://www.vienna-initiative.com/assets/Uploads/2019/12/b1a8b819c3/npl-monitor-2019-h2-final-vii.pdf>

<sup>4</sup> LTT Study report "On the legal framework for the enforcement of commercial creditors' claims in selected EBRD countries of operations (Albania, Croatia, Cyprus, Greece and Ukraine), 2019

<sup>5</sup> IOH assessment, 2014

Chart 2. Assessment results by groups of CoOs and benchmarks\*



\*Aggregate performance of the four groups with respect to each of the assessment benchmarks. Each benchmark has a maximum score of 100%, which illustrates the existence of a comprehensive regulatory and/or professional framework

Source: 2012-14 EBRD insolvency office holder assessment

All these instruments help LTT to identify the challenges that it is able to address through the range of tools and expertise at its disposal. This work is closely co-ordinated with the respective country teams as well as other specialist and banking teams (financial institutions in particular). As a rule, LTT addresses one challenge at a time, making sure there is a commitment, and provides expert support through focused TC projects.

## 2. The EBRD's approach and objectives in the area of insolvency and debt restructuring

### Advancing international standards

LTP's activities in the sphere of insolvency and debt restructuring are largely driven by the objective of helping its countries of operation to comply with international standards and best practices. Given the variety of local legal frameworks and traditions, it is difficult to prescribe specific procedures and tools. Therefore most international frameworks are principles-based – meaning they do not dictate detailed guidance, but offer standards as a reference point for national governments to establish and maintain their insolvency and debt restructuring regime and provide a range of options from the regulatory toolkit.

LTT uses two main international principle-based standards in its activities: (1) UNCITRAL Legislative Guide on Insolvency Law (2005) and (2) World Bank's Principles for Effective Insolvency and Debtor Creditor Regimes (2015). These two sets of rules served as a basis for the Insolvency and Creditor Rights (ICR) Standard (2011) which was established by the Financial Stability Board – an international organisation responsible for monitoring and making recommendations about the global financial system. The ICR Standard was established in order *"to represent the international consensus on best practices for evaluating and strengthening national insolvency and creditor rights systems."*<sup>6</sup>

In its work, the EBRD recognises the variety of legal systems in the regions of its operations and adjusts recommendations accordingly. However, it has developed ten core principles for an Insolvency Law Regime (ILR)<sup>7</sup> that should be incorporated and effectively implemented in all contexts regardless of the legal framework. These principles stipulate that the IRL should:

- (1) at all times promote economy, transparency and speedy resolution;
- (2) provide clear tests for the initiation of an insolvency proceeding and should require notice to be given to all known creditors of such proceeding;
- (3) permit both bankruptcy (liquidation/wind-up) and restructuring (reorganisation/workout);
- (4) provide for immediate interim conservatory and protective measures;

<sup>6</sup> WB website about ICRS

<sup>7</sup> <https://www.ebrd.com/what-we-do/sectors/legal-reform/debt-restructuring-and-bankruptcy.html>



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- (5) where liquidation is appropriate, the ILR should strive to interfere as little as possible with the efficient realisation by secured creditors of their security;
- (6) treat like parties in a like fashion;
- (7) provide for the independent review of transactions and actions by the debtor and the imposition of sanctions in case of misconduct;
- (8) where reorganisation is appropriate, the ILR should permit new priority financing during the restructuring process;
- (9) the Insolvency Administrator should be an impartial third party;
- (10) facilitate cross-border insolvencies.

## Fitting in the context

**Given the significant geography of EBRD operations, there are several clusters of countries that require a distinctive approach to insolvency and debt restructuring issues.** In some countries insolvency activities are deeply rooted into the Vienna Initiative (see the Box 1), while in others they are closely co-ordinated with joined-up international efforts to address the most significant challenges, usually in the presence of an IMF restructuring programme. Twelve EU countries need to comply with the EU's regulations and standards and LTP's activities are therefore closely co-ordinated with the European Commission and in many cases are funded through the Structural Reform Support Service. It should be noted that some EU countries, such as Hungary, Slovenia, Croatia and Latvia, faced particularly acute insolvency and debt problems in the wake of the 2008 global financial crisis. Greece and Cyprus became new EBRD countries of operation in 2015 (with a temporary mandate that will run out in 2025), with the specific objective of receiving the Bank's assistance in addressing the debt and insolvency crisis.

**LTP's activities in the EU countries** require flexibility and a high degree of co-ordination. Until recently the EU offered no strict guidance in the area of insolvency and debt restructuring, allowing each government to pursue its own policies. However, it has recently approved a number of new Directives, specifically on Insolvency Proceedings<sup>8</sup> and on Preventive Restructuring Frameworks, with the objective of increasing the efficiency of restructuring, insolvency and discharge procedures.<sup>9</sup> It will result in a greater coherence of national regimes, meeting minimum standards in procedures and professional qualification, as well as simplify cross-border insolvency and restructuring procedures, therefore allowing for a greater integration of the EU capital markets. In several countries the EBRD is helping partner governments to translate the EU Directives into national legislation and regulations. It also helps to build institutional capacity and enhance the standards of insolvency and restructuring professions, whose regulations and standards vary greatly from country to country. Currently and most recently, LTT is helping the governments of Greece, Cyprus and Croatia to strengthen their insolvency and restructuring practitioners (IRPs). These projects are financed through the EU's Structural Reform Support Service and implemented in close coordination with the European Commission.

**Twelve of the EBRD CoOs are members of the Vienna Initiative** (see Box 1), seven of which are EU members and the remaining five are not. Ten years after it was established, this initiative still offers an invaluable platform for coordinating the efforts of governments, central banks, international financial institutions and private banks active in the CEE region, aimed at addressing the consequences of previous financial crises and preventing future ones. While many issues have been resolved successfully, others persist. According to a Vienna Initiative discussion paper: *"Empirical evidence from CESEE countries confirms that non-performing loans on bank's balance sheets indeed create uncertainty and weight on their ability to resume lending, and thereby aggregate demand and investment. Moreover, unresolved NPLs suppress economic activity of currently overextended borrowers and trap resources in unproductive uses"*.<sup>10</sup>

**Box 1. Vienna Initiative**

The Vienna Initiative was launched in January 2009 as a public-private platform for policy makers and banking industry specialists with the objective of resolving the debt crisis and sustaining financial stability in the countries of central and eastern Europe. Among its co-founders are leading IFIs (IMF, EIB, the World Bank Group), European Commission, European Central

<sup>8</sup> Regulation EU 2015/848

<sup>9</sup> LIT article 2019 – Catherine Bridge-Zoller

<sup>10</sup> Discussion paper of the WG on NPLs in CESEE <https://www.imf.org/external/region/eur/pdf/2012/030112.pdf>

Bank, national banks, regulatory and fiscal authorities from a number of CEE countries as well as the largest EU banking groups. The EBRD is one of the co-founders and responsible for managing the initiative.

Facing dynamic challenges, the Vienna Initiative was relaunched at the end of 2011 in order to minimise the systemic risks in emerging Europe and to ensure close coordination between home and host countries in monitoring potential risks and creating a platform for rapid reaction in the case of crisis. A number of off-shoots were launched to address specific problems, in particular the NPL Initiative, which was launched in 2014 to specifically address the problem of a rapidly increasing NPL ratio. Another working group is focusing on the opportunities and challenges of new technologies in the financial sector and the emergence of Fintech as a mainstream segment of financial services.

All LTP's activities are congruent with the priorities of the EBRD's country strategies, particularly those in the most recent strategy format, which was launched in 2017 and includes priority policy objectives.

### 3. Solutions Offered by LTP

The Legal Transition Team (LTT) provides support and advice in designing, improving and implementing insolvency and debt restructuring frameworks in the EBRD's countries of operations which are complementary to the work of other departments and teams. Specifically these are Financial Institutions banking team, EPG, Local Currency and Capital Markets Department (LC2), Corporate Recovery, Risk, country teams in dozens of EBRD countries of operation (COOs) and others.

LTP's support is provided in the form of technical cooperation (TC) projects funded by various donors, including the Bank's own Shareholders Special Fund (SSF). TC projects focus on specific and often tightly-contained issues depending on country need and the degree of sophistication of the financial system: drafting legislation and supporting the establishment of insolvency institutions, building their capacity, support in creating/upgrading legal enforcement mechanisms. This work is always grounded in a thorough review of the country's legal and regulatory systems and recommendations emanating from these reviews (see Chapter 1).

The evaluation team, with LTT's help, identified 19 projects in the portfolio of insolvency and restructuring projects implemented in the evaluation period, which include a cluster of capacity building/training projects for bailiffs, judges and mediators working solely in the area of IDR. These were reviewed and validated project-by-project with details available in Annex 10. The geography of the projects spanned 14 countries, five of which are EU members (Bulgaria, Cyprus, Croatia, Greece, Hungary) with the other nine being Armenia, Kosovo, Albania, North Macedonia, Mongolia, Serbia, Tajikistan, Tunisia and Ukraine.<sup>11</sup> Unlike other LTP sectors, there are no regional programmes/frameworks for insolvency and restructuring, funded from multiple sources. Only one project, related to skills improvement, was focused on several countries simultaneously. Setting aside legal assessments, which were excluded from the evaluated portfolio, the activities included all the above-mentioned types of support and collaboration. The table below summarises the key activities, as well as the main stakeholders and identified deliverables (which are the immediate results of the projects, i.e. outputs).

Table 1. LTP's activities in Insolvency and Restructuring portfolio by country, 2011-2018

Country	Activity	Stakeholder	Deliverable
Bulgaria	Training for judges in insolvency matters, with the focus on accounting	National Institute of Judges	1) Training modules prepared; 2) training delivered to judges and trainers; 3) e-module developed and institutionalised; 4) conference to disseminate results led to another project in three other countries
Croatia	(a) Support to insolvency framework; (b) strengthening framework for IR practitioners	Ministry of Justice	1) Report with recommendations to strengthen insolvency procedures; 2) training for 170 members of judiciary; 3) IRP training methodology developed.
Cyprus	Implementing insolvency and restructuring processes	Government	Action Plan to improve efficiency of operations of the Insolvency Service – key regulator, responsible for licensing and

<sup>11</sup> It includes three regional legal assessments projects which are discussed in Chapter 1

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			supervision. First stage of AP – institutional restructuring - implemented
Hungary	Analysis of corporate restructuring and insolvency	National Bank, Ministries of Justice, National Development, and National Economy	Report with recommendations on corporate restructuring and consensual settlement
Greece	Regulation of insolvency practitioners	Ministry of Justice, Transparency and Human Rights	1)Report with recommendations; 2) examination and licensing requirements for insolvency practitioners (Presidential decree)
Armenia	Strengthening insolvency and restructuring framework	Ministries of Justice and Finance, Self-Regulatory Organisation of Bankruptcy Managers	1)Bankruptcy Law review performed; 2) IOH assessment performed; 3) Tax Code review delivered with recommendations for change.
Mongolia	Capacity building of bailiff service	Ministry of Justice and Home Affairs, General Executive Agency of Court Decisions, Supreme Court	1)Law on Enforcement of Court Decisions approved by Government; 2) recommendations on institutional changes approved; 3) training of bailiffs and training of trainers delivered; 4) training institutionalised and handbooks prepared
Mongolia	Strengthening legal framework for NPL resolution and debt restructuring	Bank of Mongolia	1)Report for Phase I of the project including recommendations on amendments to NPL legislation; 2) revisions to the proposed legislative amendments; 3) assistance with the legislative process provided to the selected Mongolian authorities
Kosovo, Albania, North Macedonia, Croatia	Training for judges in insolvency matters, with the focus on accounting	National Judicial Academies	1)Training modules prepared; 2) training delivered to judges in three (out of 4) countries; 3) e-module developed and institutionalised
Serbia	Assessment of impediments on sale of NPLs	Ministry of Finance, National Bank	Report with the recommendations of legal and regulatory changes to remove impediments to NPLs sale (joint initiative with other IFIs)
Serbia	Implementation of Consensual Financial Restructuring Law	Chamber of Commerce and Industry	1)Amendments to the Law approved to make it more effective; 2) institutional capacity of CCI is enhanced; 3) electronic system for managing cases launched and sustained; 4) greater awareness among businesses across all regions.
Serbia	Judicial capacity building in insolvency, with the focus on reorganisation	Judicial Academy	1)Handbook of reorganisation cases; 2) training of judges; 3) e-module prepared and institutionalised in the Academy
Tunisia	Strengthening insolvency and restructuring framework	Ministry of Justice	1)Roadmap of reforms to enhance qualifications and capacity of IOH, judges and conciliators to comply with the new Law standards; 2) judges were trained
Tajikistan	Building capacity of bailiff service	Ministry of Justice	1)Functional analysis of bailiff training needs with the action plan; 2) review of legislative and institutional challenges with recommendations.
Ukraine	Restructuring of Ukraine's financial sector	National Bank, Ministry of Finance	1) Enacted Law on Financial Restructuring (2016); 2) Arbitration institution created; 3) procedures established for out-of-court debt restructuring mechanism; 4) 25 completed financial restructuring procedures for UAH 27.5 billion (€1 billion) (2019)
Ukraine	Building capacity of bailiff service	Ministry of Justice	1)Functional analysis of bailiff training needs performed; 2) training plan prepared; 3) action plan for creating private bailiff system prepared; 4) recommendations included in Enforcement System Reform Strategy 2018-2021.

Source: EvD's elaboration based on available project progress and completion reports

The effectiveness of the solutions offered by LTP is greater when they are delivered jointly with other like-minded international partners. Sometimes the intervention is led by the EBRD with the engagement of other stakeholders; in other cases the EBRD is part of a larger effort (NPL work in Serbia). Often, the EBRD engages professional international organisations, such as IDLO, when delivering specific projects or assignments, particularly in the area of training and capacity building. The commitment of local stakeholders is always a precondition for launching a project, although it should be noted that it is not a permanent phenomenon. Changes in the government or shifting priorities sometimes lead to weaker commitment and projects that do not deliver results beyond outputs (see Chapter 4).

**In terms of efficiency of implementation**, stakeholders noted that the level of expertise and professionalism of LTT staff is very high and there is a good balance between international and local consultants, while the LTT lead counsels have a very good grasp of the local context across the geographies. There was a certain fluidity of staffing due to personal circumstances, and in several countries it was noted that the transition from one OL to another was not always smooth, with a certain degree of lost context and delayed implementation in the process. The central location of LTT counsel and limited ability to travel frequently to CoOs with IDR projects meant that there was heavy reliance on external consultants, who were not always successful in delivering unambiguous advice. This was true in smaller countries, where there are a few professional legal companies which are simultaneously involved in deals (on the Bank's or the client's side) and in policy dialogue and legal advice delivery. Some government institutions noted that a clearer demarcation of Chinese walls between the investment and advisory segments of EBRD activities is essential. In other cases banking colleagues had to engage more closely with certain activities, as LTT has no presence on the ground and requires support in maintaining continuous dialogue with the core stakeholders, particularly where challenging relations have to be actively managed. Overall, LTT's relations with the government, judiciary and non-governmental sector beneficiaries were characterised as positive. There were cases where local professional associations and chambers of commerce were used to host new institutions in alternative dispute resolution.

## 4. Project Results and Impact

The evaluation team has performed a desk-based validation of 19 projects, and an in-depth review of projects in Ukraine, Serbia and Tunisia, which were visited for stakeholder interviews. The results from two surveys of internal and external stakeholders also provided some insights.

As project documents do not offer any reference to long-term outcomes and impact, EvD reconstructed those using a Theory of Change developed for LTT evaluation (Annex 3) and adapted to the IDR sector. This is presented in Chart 5 at the end of this case study. Most reports contain information on achieving outputs and outcome indicators, although sometimes these notions have been used interchangeably: outputs were identical to outcome indicators and vice versa. The direct results of the project actions were sometimes identified as outputs, rather than mid-term consequence of those actions.

### Outputs and mid-term outcomes

Out of 19 projects, 12 had clearly identified outputs and outcome indicators. Other projects used a different format in their design and reporting documentation, identifying the goal and deliverables. Although the evaluation team used this information for analysis, formal validation of the results was not possible. For one project there were no reports available (#1756 Greece).

Table 2 provides an analysis of the achievement of projects results as identified in project progress or completion reports (self-assessment performed by OLs). Usually there are no quantitative targets (except in the area of training and capacity building) and achievement is marked in a binary way – yes or no (with the option of partial achievement).

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Table 2. Achievement of project outputs and outcome indicators as identified at approval (self-assessment)<sup>12</sup>

#	Projects	Total outputs	Achieved/ partly/ not achieved	Total outcome indicators	Achieved/ partly/ not achieved
1	#154 Hungary: Analysis of corporate restructuring and insolvency	1	1 / 0 / 0	2	2 / 0 / 0
2	#249 Bailiff service capacity building (Mongolia)	5	5 / 0 / 0	3	3 / 0 / 0
3	#334 Accounting skills training for judges in insolvency matters in Albania, Croatia, Kosovo and North Macedonia <sup>13</sup>	3	2 / 0 / 1	2	2 / 0 / 0
4	#1168 Serbia: Assessment of impediments to sale of NPLs	4	3 / 1 / 0	1	0 / 1 / 0
5	#1579 Judicial capacity building in insolvency (reorganisation cases). Serbia	4	0 / 0 / 4	2	0 / 0 / 2
6	#1756 Greece: Assistance to the Hellenic Financial Stability Fund on board review of four Greek systemic banks*	n/a	n/a	n/a	n/a
7	#3127 Bulgaria: LTT/Accounting skills for judges in insolvency matters**	n/a	n/a	n/a	n/a
8	#5033 Support for effective implementation of the Consensus Financial Restructuring Law (out of court restructuring) in Serbia**	n/a	n/a	n/a	n/a
9	#6632 Strengthening Tunisia's insolvency and restructuring framework***	11	3 / 0 / 8	11	3 / 0 / 8
10	#6731 Support for the restructuring of Ukraine's financial sector***	5	5 / 0 / 0	5	5 / 0 / 0
11	#6831 Tajikistan: Bailiff service capacity building	2	2 / 0 / 0	2	2 / 0 / 0
12	#7656 Support for the Croatian insolvency framework	2	2 / 0 / 0	2	2 / 0 / 0
13	#8039 Strengthening Armenia's insolvency and restructuring framework****	5	3 / 0 / 2	5	3 / 0 / 2
14	#7112 Ukraine: Bailiff service capacity building (Phase 1)	3	3 / 0 / 0	3	3 / 0 / 0
15	#9118 Supporting the framework for insolvency and restructuring practitioners (Cyprus)**	n/a	n/a	n/a	n/a
16	#9119 Support to strengthen the framework for insolvency and restructuring professionals in Croatia**	n/a	n/a	n/a	n/a
17	#9665 Supporting the framework for insolvency and restructuring practitioners in Greece**	n/a	n/a	n/a	n/a
18	#10594 Support to Supreme Judicial Council of Armenia with operational assistance and capacity building for the new Armenian insolvency court*	n/a	n/a	n/a	n/a
19	# 8488 Strengthening the legal framework for non-performing loans resolution and debt restructuring in Mongolia	4	4 / 0 / 0	4	4 / 0 / 0

\*No reports available for the project

\*\*Reports are available however without clearly identified outputs and outcome indicators

\*\*\* Outputs are identical to outcome indicators

\*\*\*\*Not achieved are marked as "too early to say" in project reports

Source: EvD's elaboration based on available project progress and completion reports

In 12 projects, out of a total of 49 outputs, 33 were achieved, one partly achieved and 15 not achieved. In terms of outcome indicators, out of a total of 42, 29 were achieved, one partly achieved and 12 not achieved. In some cases, it was a specific component of the project which didn't progress, in others, the whole set of activities was performed however the uptake by

<sup>12</sup> Table excludes two projects identified in portfolio for which documents were not available and ID were either invalid or repetitive - #3139; "second" #5033 Strengthening the legal framework for non-performing loans resolution and debt restructuring in Mongolia

<sup>13</sup> There is "clone" project with the same name but different ID for which no documents are available - #3139.

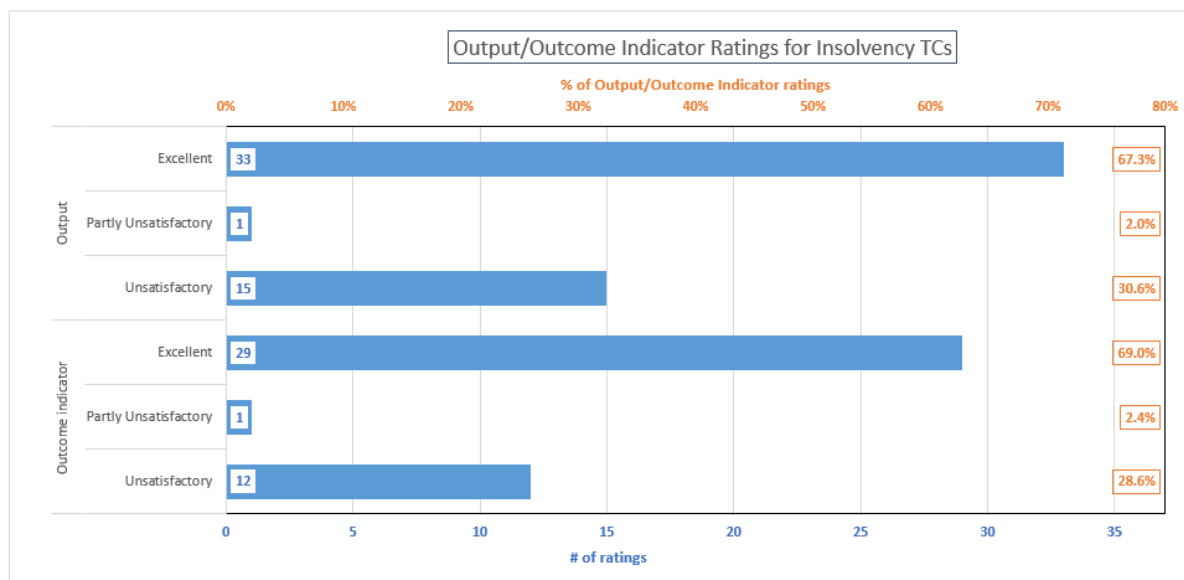


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local partners was partial and some recommendations were rejected or put on hold. In one case there was a “too early to say” assessment which EvD transformed into not achieved for the purposes of this report.

Chart 3 below presents a summary of output and outcome indicator achievement ratings as presented in 12 project self-evaluation reports. A quarter of outputs and circa 30% of outcome indicators were rated as unsatisfactory (not achieved), while 72.5% of outputs and 68% of outcome indicators were rates as excellent.

Chart 3. Ratings of 12 IDR projects with available data



Source: TCRS reports

\* 154, 249, 334, 1168, 1597, 6632, 6731, 6831, 7656, 8039, 7112, 8488

During interviews with EvD, local stakeholders shared their views on the effectiveness of LTT's work in IDR. For example, in Ukraine, government officials, local lawyers and representatives of the Independent Banking Association (who was a key partner in the “Support to the restructuring of Ukraine's financial sector” project and is hosting the Secretariat for financial restructuring), noted the EBRD's key role as a trusted advisor in resolving NPL issues, given its extensive market experience in Ukraine and other countries facing similar challenges. The Bank's ability to mobilise resources quickly, to deploy highly qualified and experienced consultants (often selected jointly with the local counterparts), to deliver projects and liaise effectively with the key decision makers, distinguished it from other IFIs and donors working in the financial sector. It demonstrates a great degree of flexibility and responsiveness to local context (for example when law approval and enactment is delayed), and joins its voice to other key international stakeholders (IMF, World Bank, EU, US and others), thus increasing pressure on political leadership to reform.

### Long-term outcomes

It was noted earlier that many projects lacked actual outcomes, and the evaluation team used assumed outcomes (for each project in Annex 10), along the results chain presented in Chart 5. These long-term outcomes can be grouped into three types of immediate project results, however they could not always be verified.

### Training and capacity building activities:

- Critical mass of judges, IOHs, conciliators and other legal professionals have sufficient skills and knowledge to review court cases dealing with insolvency matters (Armenia, Tunisia).

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- Motivation of IOHs has improved, supervision of their activities has been strengthened, and the bias towards liquidation has been removed, due to enhanced capacity and amended payment schemes for IOHs (Tunisia, Croatia, Cyprus, Greece).
- The quality and speed of insolvency resolution has improved, which enhances trust in the system among market operators and prompts behavioural changes in the rule of law (Bulgaria, Croatia, Cyprus, Greece, Serbia, Kosovo, North Macedonia, Tunisia).
- An institutional setup for continuous improvement of skills and oversight over the quality of court decisions is established. An administration system for case management has been established and functions effectively (Armenia).
- Effective functioning of the bailiff service has led to greater compliance with court decisions and enhanced investors' trust in the legal enforcement system (Tajikistan, Mongolia, Ukraine); it combines both public and private components (Ukraine).
- Increased uptake of enforcement reforms across institutions (Ukraine).

**Reports and action plans produced:**

- Reduced information asymmetry and objective characteristic of challenges in NPL resolution has prompted the development of relevant legislation and regulatory acts to remove the impediments. Changed behaviour of key stakeholders (Hungary, Serbia).
- Viable institutional platform for effective out-of-court NPL resolutions (Corporate Debt Restructuring Committee) has been established and is functioning effectively and sustainably (Mongolia).
- Insolvency framework has been improved by the removal of the existing legal impediments and enhanced implementation practices/standards (Croatia, Armenia).

**New institutions created:**

- New institutional capabilities for voluntary, mediation-based, out-of-court, financial restructuring procedures are used more widely for NPL resolution, reducing the burden on courts. This contributes to higher standards of corporate governance in banks and companies, and positively affects the behaviour/level of trust of key stakeholders who have greater access to information and instruments aimed at restructuring problem debt (Serbia, Ukraine).
- Direct financial effect of the work of the Secretariat for Financial Restructuring and Arbitration Committee – UAH 27.5 billion (€1 billion) in 25 completed financial restructuring procedures (2019) (Ukraine).
- Well-functioning enforcement system for court decisions that includes clear legislation; implementation tools and administrative capacity of the leading agency (Mongolia).

These definitions are similar to formulations of the country's priority policy objectives (PPOs), that have been formulated for each country since 2018. For example, one of PPOs for Armenia in 2018 was *"Improve the efficiency of the Armenian insolvency and restructuring frameworks through the enhancement and reform of the Bankruptcy Law and the Tax Code"*.<sup>14</sup> Unfortunately, the timeline of this evaluation does not allow the use of PPOs for validation purposes, but it is important to highlight that PPOs and the priorities of EBRD country strategies could and should be used explicitly by LTT in building full project results-chain.

**Impact**

**This evaluation has focused on the long-term results of the EBRD's legal transition support and the impact it might have on a country's performance in terms of the rule of law and beneficial investment climate.** The impact has two dimensions: increased uptake of reforms and changes in stakeholder behaviour. The former is embodied in the quality of the legal and regulatory environment and reduced impediments to insolvency and debt restructuring, and could be characterised by some parameters of the financial system (share and volume of NPLs). It can be measured with a range of quantitative, and

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<sup>14</sup> EPG's database of PPOs available on intranet

some qualitative. The behavioural changes can only be assessed with qualitative tools, as this requires a perception of behaviour and attitudes, and the degree of trust between the Bank and its stakeholders in the CoOs.

**Assessment of changes in attitudes and behaviour is subjective, but may be enhanced through a triangulation of different perspectives.** As with any policy advice and consultancy, mutual trust is being built gradually. According to LTT colleagues, and other EBRD experts, initial discussions with counterparties often involve elements of misunderstanding and a lack of trust. When facing particularly challenging situations, such as record high NPL levels or a systemic crisis in the financial sector, national regulators and decision makers might be particularly sceptical. However, consistent dialogue, jointly with other international partners, helps to build relationships and leads to engaged partners. Central banks and the Ministry of Justice in Hungary and Cyprus were initially sceptical, but the quality of expertise and the solutions offered contributed to more positive attitudes. Speaking in unison with other IFIs and international partners helps to achieve a higher degree of trust and greater reform appetite – diverging views and conflicting advice from different consultants may add to confusion and undermine trust in the quality and rigour of advice.

**Impact is not identified for individual LTP projects, which is acceptable practice for the scale of interventions. However, nor is it identified for the LTT IDR sector portfolio;** no targets are set to help assess the progress achieved. On the one hand, it is understandable given highly volatile political will, election cycles, and macroeconomic instability in many countries of operation, and the multitude of partners involved in the majority of initiatives. However, the longevity of LTP's engagement in this area and its level of expertise provides sufficient opportunity to identify the intended contributions to a country's progress in relation to better IDR framework standards and improved implementation and enforcement practices.

**Validating the impact achievement is challenging.** This is particularly the case with capacity building activities for judges and other legal professionals, as neither LTP, nor the partners involved in project implementation, nor the evaluation team, have access to court statistics that would help to determine shifting patterns in the quality of decision-making and court procedures. An exit questionnaire, or a questionnaire filled out by training participants, shortly course completion is a good tool for measuring the direct output of a project (quality of training), however it is not suitable for measuring the degree of utilisation of new skills and knowledge in work practices, and the enhancement of the latter.<sup>15</sup>

**Some other aspects are easier to measure, for example NPL resolution.** For others, a number of proxy indicators could be employed to assess changes in the legal and regulatory framework. These are widely used by international stakeholders and the EBRD itself in calculating a country's transition indicators along specific qualities – in this case resilient and well-governed.

**The evaluation team identified the following assumed impacts for a cluster of IDR projects:**

- Open and competitive markets: reduced share of NPLs; increased recovery rates; reduced length of IDR procedures
- Well-governed economies: improved DB insolvency ranking and score

Table 3 below presents key indicators for the evaluation period, while the analysis below illustrates the progress achieved by countries with LTP's IDR projects.

<sup>15</sup> Such questionnaires is a normal practice in all LTT projects, and IDLO sometimes organises survey of participants several months after the completion of course, according to its own evaluation of some of the projects (Tajikistan, Mongolia). Those are available at IDLO website.

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Table 3. Selected Impact Indicators for countries with IDR projects

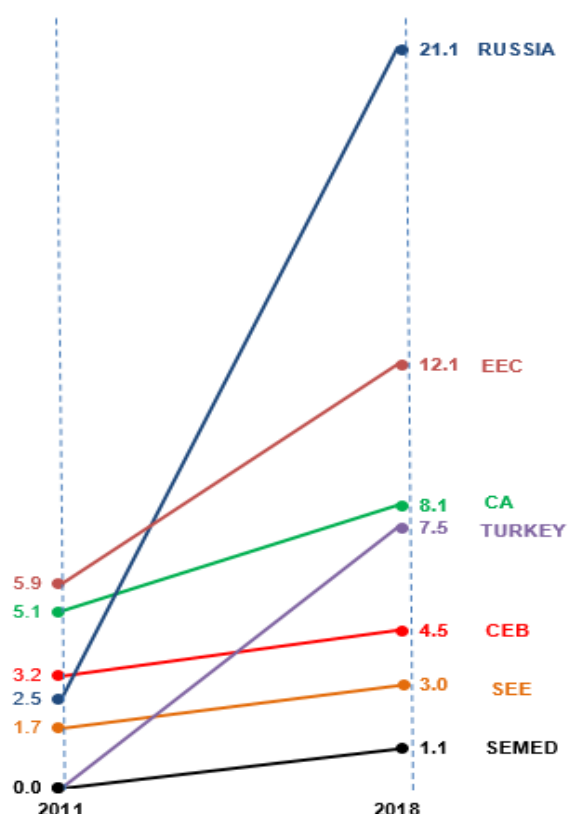
Country	DB Insolvency rank 2014	DB Insolvency rank 2020	DB Recovery rate, % 2014	DB Recovery rate, % 2020	NPL ratio, % 2011	NPL ratio, % 2015	NPL ratio, % 2019
Bulgaria	92	61	32.6	37.7	14.97	20.9	7.3
Cyprus	24	31	70.5	73.8	9.99	44.7	20
Croatia	98	63	30.3	35.2	12.27	17.1	9.4
Hungary	70	66	38.3	44.2	13.68	12.7	2
Greece	87	72	34	32	14.43	33.4	42.2
Armenia	76	95	36.4	39.2	3.42	29.2	11.87
Kosovo	83	48	35.3	39.6	5.67	7.2	2.4
Mongolia	133	150	21.6	18.2	n/a	n/a	n/a
North Macedonia	53	30	43.8	48	9.52	11	5.4
Serbia	103	41	29	34.5	n/a	22.8	5.2
Ukraine	162	146	8.2	9	14.73	24.3	50.8
Tajikistan	81	153	35.8	29.6	7.19	n/a	n/a
Tunisia	39	69	52	51.3	n/a	n/a	n/a

Sources: WB Doing Business Reports 2014 and 2020; Vienna Initiative NPL Monitor for the CESEE 1H 2016 (June 2015 data), 2H2019 (June 2019 data) <https://npl.vienna-initiative.com/npl-monitors/>; IMF data on NPL (Q2 2015; Q3 2019) <https://data.imf.org/?sk=51B096FA-2CD2-40C2-8D09-0699CC1764DA&sid=1485372998373>

Some countries where LTT was consistently engaged in improving the Insolvency Law Regime achieved significant progress in reducing the rate of NPLs, although this was in the later period (2015-2019). This is particularly true for Serbia, Bulgaria, Hungary, Cyprus and Croatia, as well as Kosovo and North Macedonia (table 3). In Hungary, NPL volume reduced from €5.9 billion to €1.1 billion 2015-2019, and in Serbia from €3.6 billion to €1 billion. Although, if analysed across the entire evaluation period of 2011-2018 and by EBRD region, all of them actually experienced an increase in the NPL ratio, sometimes a dramatic one (Chart 4).

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Chart 4. NPL Ratio in EBRD's regions of operation, 2011-2018



Source: EvD elaboration based on IMF data

The most notable deterioration is observed in Ukraine and Greece, as both faced substantial economic crises in this period. Although the volume and share of NPLs decreased gradually in Ukraine, and in 2019 alone fell from 52.9% to 48.4% of the total loan portfolio (with the biggest drop in the State Owned Banks segment from 55% to 49.3%). The National Bank of Ukraine highlighted that the out-of-court settlement procedures enabled by the Secretariat established with the LTT's support, was one of the biggest contributing factors to this positive dynamic.<sup>16</sup>

Scores and ranking in the World Bank's Doing Business Insolvency rating improved significantly for some countries: Serbia, Bulgaria, Croatia, Kosovo, North Macedonia, as well as Ukraine and Greece. Hungary's progress was less prominent, while Tunisia, Tajikistan and Mongolia have worsened their positions. For example, recent analysis of situation in Mongolia suggests that *"there has been limited progress on modernizing insolvency laws and industry best practises. The same goes for inefficiencies in how repayments of debt are enforced and the government's debt restructuring mechanisms."*<sup>17</sup> EBRD's Transition Report 2019-2020 noted that in June 2019 NPLs in Mongolia reached 10.5% of total loans and implementation of the NPL Resolution Strategy remains one of the main priorities for 2020.<sup>18</sup>

Very few countries managed to reduce the period for resolution, which remains above the OECD average (1.7 years), significantly in some cases (3.5 years in Greece, 3.3 in Bulgaria and 3.1 in Croatia), although Tunisia has very healthy period of 1.5 years.

<sup>16</sup> National Bank of Ukraine press release, 10 February 2020 - [https://bank.gov.ua/news/all/u-2019-rotsi-chastka-nepratsyuyuchih-kreditiv-u-bankah-vpershe-za-ostanni-roki-znizilasya-nijche-50?fbclid=IwAR3dyuuu7wLVWCcZYy-QC4dtK69FbxI5p7OYTPbGvxVq\\_QEeKb4fJhBeM](https://bank.gov.ua/news/all/u-2019-rotsi-chastka-nepratsyuyuchih-kreditiv-u-bankah-vpershe-za-ostanni-roki-znizilasya-nijche-50?fbclid=IwAR3dyuuu7wLVWCcZYy-QC4dtK69FbxI5p7OYTPbGvxVq_QEeKb4fJhBeM)

<sup>17</sup> EUROMONEY, December 2019 <https://www.euromoney.com/article/b1jhzc8xqjff/financial-sector-threatens-mongolias-recovery>

<sup>18</sup> EBRD Transition Report 2019-2020, Mongolia country profile

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Recovery rates increased in some countries (Hungary, Croatia, North Macedonia, Kosovo), and decreased in others (Greece, Mongolia, Tajikistan and Tunisia). Cyprus has the highest level of recovery at 73.8%, while Ukraine has the lowest rate at 9% in 2020.

The EBRD's own Judicial Decision Assessment is a good benchmark for assessing this specific segment of ILR. However, it is not performed at regular intervals and the 2011-12 study can provide only a baseline measure, progress against which could (potentially) be evaluated if another assessment is performed in the future.

## Conclusions

LTT provides advice and capacity building in the critical areas of insolvency and debt restructuring, supporting local stakeholders in translating international standards and models into their national legal and regulatory regimes.

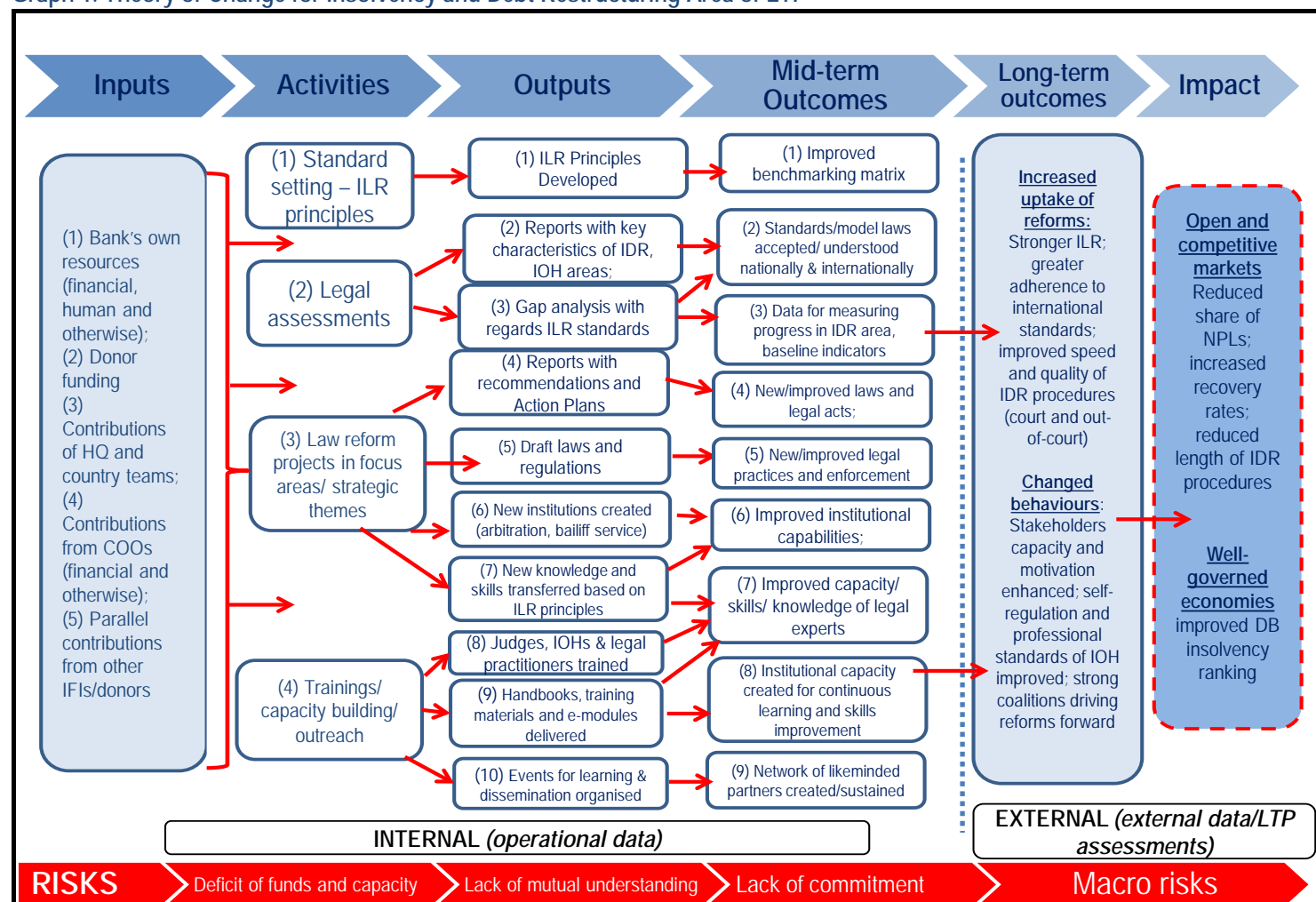
Its legal assessment stream of work helps to identify gaps with the best practices and to design support programmes that are the most relevant and necessary in specific countries.

Interventions in 14 countries over a substantial period of time have resulted in the adoption of important legislation and regulations, as well as institutional changes that enable quicker and higher quality procedures. The high quality of expertise, flexibility, and mostly timely interventions are praised by local stakeholders. The involvement of local business associations and chambers of commerce enhances the potential sustainability of new reforms and institutions, while support in sustaining training and capacity building activities in local judicial training institutions creates a foundation for continuous skills improvement. However, the lack of resources in national budgets remains a critical impediment to institutionalisation and sustainability.

Gradually enhancing the skills and knowledge of judges and legal professionals in the areas of insolvency, restructuring and accounting, as well as strengthening the legal framework and implementation practices for bailiffs and insolvency office holders, improves understanding of the IDR issues and prevents IOHs from choosing default bankruptcy procedures, which are more streamlined and provide guaranteed fees. It also reduces pressure on the court system.

The lack of a consistent results chain for the portfolio, and deficiencies in project level results frameworks, makes it difficult to validate the long-term results and the impact of LTT's IDR activities in countries with focused assistance. However, analysis of external data and project-by-project validation has allowed the identification of crucial areas of change where IDR activities have contributed over time. Quite a few countries in the EBRD's regions improved their insolvency frameworks as per the World Bank's Doing Business Insolvency rating, increased recovery rates from IDR procedures, and substantially decreased their portfolio of non-performing loans. Hungary, Bulgaria, Croatia, Cyprus and Serbia are notable examples. However, others still face great challenges (Ukraine, Greece) and in some instances situation have deteriorated (Tunisia, Mongolia). Political will to adopt and implement the necessary reforms is not consistent in some countries, and reversals are possible.

Graph 1. Theory of Change for Insolvency and Debt Restructuring Area of LTP



## Annex 7. Deep Dive Case: Public Procurement Case

Portfolio of 27 projects

### 1. Key Challenges

Public procurement spending constitutes a significant share of national economies, representing between 12-14.5% of national GDP and around a third of public expenditure.<sup>19</sup> In OECD countries alone it amounts to over €6 trillion a year; in the middle- and low-income countries the absolute amount is less, however the share in public expenditure is usually bigger. When used efficiently and strategically, public procurement can deliver a high level of public services and goods; provide value for money; contribute to the market development with higher productivity rates; promote greater inclusion, innovative and green solutions. When regulated and implemented inadequately, with a high degree of opacity and limited access for market operators, public procurement can represent the biggest source of corruption and inefficiencies in public sector, and a big impediment to the development of a country's private sector. The evidence suggests that public procurement is the most vulnerable for corruption, where more than half of all foreign bribery cases occurred in relation to obtaining a public procurement contract.<sup>20</sup> And while it is challenging to calculate the total direct and indirect costs of corruption in public procurement, some estimations suggest significant losses. For example, CoST (Construction Sector Transparency Initiative) estimated that between 10-30% of the investment in publicly funded construction projects might be lost through mismanagement and corruption.<sup>21</sup>

Given its fundamental role in market development, public procurement was an intrinsic element of the EBRD's activities from the outset, specifically regulated by Article 13 of the Agreement establishing the EBRD. The Bank's procurement function ensures that the procurement of goods, works and services financed by the Bank is compliant with the EBRD Procurement Policies and Rules (PPRs). The Procurement Policy Department (PPD) is responsible for the complex procurement function in the Bank, and in its policy component the Legal Transition Programme makes an important contribution in supporting local authorities in the countries of operation (CoOs) *"to promote procurement as an efficient transition tool"*.<sup>22</sup> In this case study, the evaluation team limits its review to the activities initiated and implemented by the Legal Transition Team only. There is a significant number of policy and regulatory initiatives in CoOs that have a direct connection to the Bank's operations in the public and private sector, that are led by PPD, however those are not subject of the current evaluation. There are also a number of joint initiatives, which are acknowledged in the text when information is available.

#### Complementarity of actions

Public procurement is one of the latest core streams of work added to the LTP portfolio. It was launched in 2009 when a consultant was hired on a two-year fixed contract financed jointly by LTT and PPD. The main task was to identify challenges and to help partner government agencies to improve policy, legal and regulatory areas of public procurement, which are not directly related to the Bank's investment operations. The position of lead counsel in public procurement became permanent in 2011 and is based in LTT. As the EBRD was a relative latecomer to the area of public procurement (PP), with many MDBs and international development agencies having a substantial track record and large portfolio of activities, it was essential to define the niche areas where LTP work could be additional and relevant for local stakeholders. The EBRD's predominantly (but not exclusively) private sector investment experience offers a valuable different perspective, although with limited leverage on the partner governments as, unlike other MDBs, the Bank has limited policy exposure.

The need to carefully craft assistance that is relevant and complementary prompted LTP PP practice to establish extensive collaboration and partnership links with various stakeholders. Among them are: international organisations

<sup>19</sup> World Bank "Benchmarking Public Procurement 2017" available at <http://documents1.worldbank.org/curated/en/121001523554026106/Benchmarking-Public-Procurement-2017-Assessing-Public-Procurement-Regulatory-Systems-in-180-Economies.pdf> and OECD "Report on the Implementation of the Recommendation of the Council on Public Procurement" C(2019)94/FINAL available at [https://one.oecd.org/document/C\(2019\)94/FINAL/en/pdf](https://one.oecd.org/document/C(2019)94/FINAL/en/pdf)

<sup>20</sup> OECD Foreign Bribery Report (2014)

<sup>21</sup> Matthews, P. 2016. "This Is Why Construction Is So Corrupt." February 4. World Economic Forum, <https://www.weforum.org/agenda/2016/02/why-is-the-construction-industry-so-corrupt-and-what-can-we-do-about-it/>

<sup>22</sup> Terms of Reference for the Bank's Procurement Function, EBRD internal document, June 2018



that set standards and frameworks (i.e. UNCITRAL, WTO, OECD, EU, SIGMA); other IFIs and development organisations; civil society organisations (i.e. Transparency International, Open Contracting Partnership); philanthropist organisations and impact investors (i.e. Luminate, Western NIS Enterprise Fund) etc. During the interviews conducted in two countries performed in the framework of this evaluation (Ukraine and Tunisia, 2019) as well as interviews conducted earlier (in Kyrgyz Republic and Egypt, 2017) the stakeholders confirmed strong engagement and the additionality of LTP's actions to other initiatives. However, it should be noted that collaboration is not universal and, according to LTT colleagues, in some countries/regions partnerships are difficult to build and sustain due to the limited desire of certain stakeholders to collaborate and share information. One example of difficult relations and lack of collaboration in the PP sector was with the World Bank SEMED office (in Dubai). These issues are usually resolved with a change of personnel in the specific office/function.

### Identifying country challenges

Unlike many other areas of LTP work, PP receives limited attention in EBRD banking operations (these are covered by the activities of PPD) and therefore not that many needs are formulated at the request of the bankers. On the other hand, the role of country teams and other policy departments is essential. Being at the forefront of policy engagement dialogue, these departments have direct and up-to-date information on country needs, and can identify systemic issues that reappear in various operations and require legal or institutional solution. Their in-country presence ensures continuous dialogue, which is otherwise difficult to maintain for HQ-located LTT.

One of the main instruments that helps LTT to identify specific challenges faced by different countries with respect to public procurement is legal assessment. In 2010 LTT, jointly with PPD, conducted the first in-house assessment of the public procurement sector in 29 CoOs, and in 2011-2012 performed a similar exercise in four SEMED countries to which the EBRD extended its activities (Egypt, Jordan, Tunisia and Morocco). It included a high-level review of "law on the books" and "law in practice" through a questionnaire with a total of 297 questions grouped into three pillars and 15 chapters. Assessment was built around the EBRD's 11 Core Principles on an Efficient Public Procurement Framework, which are: (1) accountability; (2) integrity; (3) transparency; (4) competition; (5) economy of the process; (6) efficiency of the public contract; (7) proportionality; (8) uniformity; (9) stability; (10) flexibility; (11) enforceability.

The resulting scores in 2010 were compared to the benchmark – a composite category based on international standards, models and best international practices – on a scale from 0 to 100%. All countries were sorted into five groups depending on the level of compliance: "very high" compliance (over 90%, Hungary was the only country), "high" (76-90%, Estonia, Latvia and Lithuania) "satisfactory"/"medium" (60-75%, 20 countries<sup>23</sup>), "low" (50-59%, Ukraine and Tajikistan) and "very low" (less than 50%, Azerbaijan, Turkmenistan, Uzbekistan).<sup>24</sup>

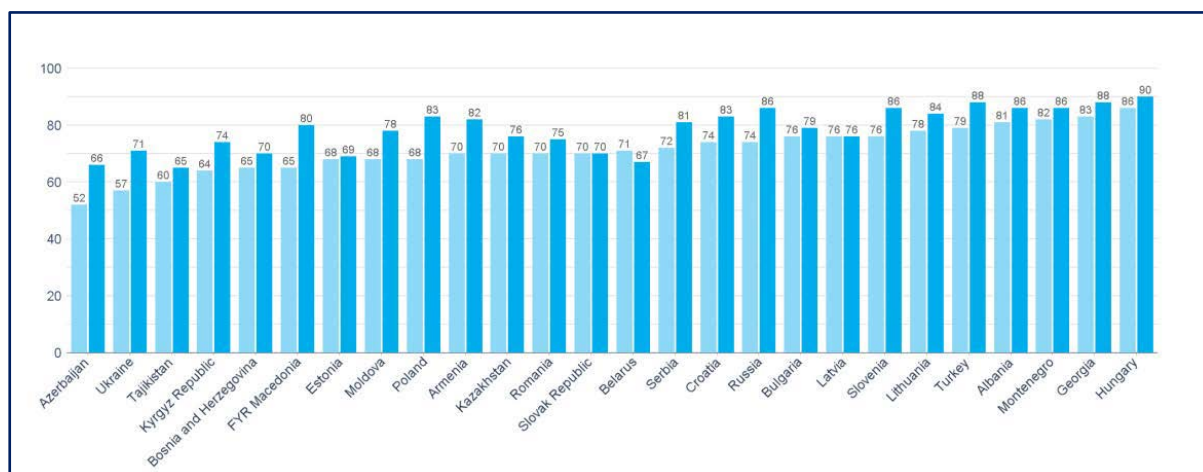
In 2012 LTT performed an interim self-assessment in the original 26 countries (minus Turkmenistan, Uzbekistan and Mongolia) to see what progress had been achieved in national public procurement legislation (excluding practices). It demonstrated that several countries had achieved significant progress – Ukraine, Azerbaijan and North Macedonia by about 20 percentage points, with the group of leaders remaining largely the same (Hungary, Georgia, Turkey and Montenegro). Latvia and Slovak Republic had made no progress while Belarus showed some regress. **Overall, the average score for the group of 26 countries increased from 71 to 78 and none of the countries was in the "low compliance" category, which demonstrates clear progress even in a relatively short period of time.**<sup>25</sup>

<sup>23</sup> Albania, Armenia, Croatia, Kyrgyz Republic, Poland, Romania, Turkey, Belarus, Bosnia and Herzegovina, Bulgaria, Northern Macedonia, Georgia, Kazakhstan, Moldova, Mongolia, Montenegro, Russia, Serbia, Slovak Republic, Slovenia

<sup>24</sup> EBRD Public Procurement Assessment, 2011 <https://www.ebrd.com/downloads/legal/procurement/ppreport.pdf>

<sup>25</sup> Law in Transition 2013 "Measuring Success in Public Procurement Reform"

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Chart 1. Progress in national public procurement legislation development in 26 EBRD CoOs, 2010-2012

Note: This chart presents the scores from 2010 and 2012 for the quality of the national legal framework (law on the books) for transition countries. The scores have been calculated on the basis of a legislation questionnaire, based on EBRD Core Principles and answered by local legal advisors (2010) and national regulatory authorities (2012). Total scores are presented as a percentage, with 100 per cent representing the highest performance.

Sources: LTT, Law in Transition 2013

The 2012 Assessment in four SEMED countries identified significant gaps in both quality of legislation and practices of public procurement. And while each country had its own unique gaps and challenges a number of common issues were identified that require improvement. These are: (i) unifying the public procurement law and making it more comprehensive; (ii) strengthening governance-related aspects of the institutional framework; and (iii) enabling independent review and remedies procedures, providing a fundamental guarantee of a fair system of public contracts.<sup>26</sup>

No further in-house assessments have been performed since then, so unfortunately it is difficult to assess long-term trends in the area of public procurement. Since 2015 LTT has contributed to the development and launch of the OECD Methodology for Assessing Procurement Systems (MAPS) – a universal assessment tool, which evaluates public procurement systems in their entirety, regardless of country's income or development status. It helps to identify the gaps in the procurement systems along four core areas (see Box 1 below) and supports countries in implementing modern procurement systems that are compliant with the key international standards and SDGs in terms of sustainability, inclusivity, innovation and efficiency.<sup>27</sup> Having a universal assessment system used across the world makes comparability easy, although at the time of evaluation the breadth of assessments was not robust enough to make any chronological comparisons.

Many TC projects, particularly regional frameworks like UNCITRAL and WTO GPA, contain an assessment of the specific elements of national procurement legislation as their integral component. More details are provided in Chapter 3 below.

<sup>26</sup> Law in Transition 2013 "SEMED: Searching for the Best Reform Concept"

<sup>27</sup> OECD Directorate of Public Governance <https://www.oecd.org/gov/public-procurement/methodology-assessing-procurement/>

### Box 1. OECD MAPS

The OECD Methodology for Assessing Procurement Systems (MAPS) was initially developed in 2003-04 as a joint initiative of WB and OECD DAC. During the period 2015-2018 it was substantially redesigned in a collaborative effort, that included an MDB working group, where the EBRD was an active member and contributed financially through one of its TC projects.

Finalised in 2018, MAPS so far has been used in about dozen countries, including one EBRD CoO, Kazakhstan.

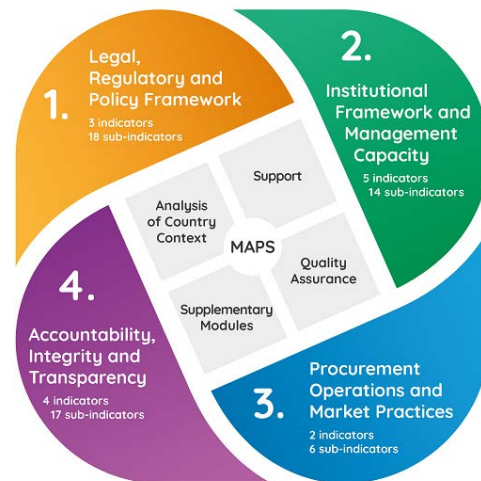
MAPS is organised around four pillars:

- (i) Legislative, Regulatory and Policy Framework;
- (ii) Institutional Framework and Management Capacity;
- (iii) Procurement Operations and Market Practices;
- (iv) Accountability, Integrity and Transparency of the Public Procurement System

It has six supplementary modules that focus on specific areas of:

- (1) e-procurement, (2) procuring entities, (3) professionalisation,
- (4) public-private partnerships and concessions, (5) sector markets, (6) sustainable public procurement.

Source: OECD



As indicated in other cases and in the main report, in their current scope and frequency legal assessments are good for ex-ante evaluation of needs and designing technical assistance projects, however they are not a suitable instrument for assessing the impact. They are not carried out regularly enough to consistently observe changes in national contexts. Therefore, other measures have to be utilised (see Chapter 4 below).

## 2. The EBRD's approach and objectives in the area of public procurement

LTT's main objective in public procurement is to support CoOs in adopting internationally recognised standards and principles, transposing them into local legislation and regulations, assisting countries in implementing and overseeing a procurement function that is in line with the best practices and in agreement with the local context. In many cases TC projects in the PP sector support not only reform design, legal drafting and strategic planning, but also implementation stages of the reform, as well as the functioning of the oversight systems, often with the involvement of civil society organisations, and enforcement frameworks involving special government agencies (i.e. tribunals or anti-monopoly committee). These activities involve all four stages of LTT's "virtuous cycle" – standard setting, legal assessments, legal reform projects and outreach & dissemination.

Over time the priorities and core elements of procurement systems has evolved. Largely due to the emergence of new global agendas that shape international development and trade (SDGs, G20 principles for promoting integrity in public procurement, open contracting global principles etc), technological advancements, expansion of digital technologies in the public and private sectors, etc. In the evaluation period (2011-2018) the scope of engagement in the PP area expanded from efficiency, value for money and effectiveness to include a digital agenda (e-procurement and open data standards), inclusion (SMEs and women), a green agenda (i.e. energy performance contracts), strengthened enforcement, public oversight (through CSOs), and others.

## Advancing international standards

There are a number of fundamental standards and model laws/principles that are incorporated in the LTP's own operating principles and the approach it employs. Often EBRD/LTT experts take part in the process of defining/refining those, in close collaboration with the key responsible agencies. Among the key standards and models are:

- **United Nations Commission on International Trade Law (UNCITRAL) Model Law on Public Procurement (2011):** contains procedures and principles aimed at achieving value for money and avoiding abuses in the procurement process. It promotes objectivity, fairness, participation, competition, integrity and transparency<sup>28</sup>, as well as principle-based approach driven by practice, which is "technology neutral" in order to ensure that frequent shifts in the technological capabilities and technologies does not undermine the fundamental legal basis and could be used through secondary legislation and regulations.<sup>29</sup>
- **World Trade Organisation Government Procurement Agreement (WTO GPA) (2014):** regulates procurement of goods and services by the public authorities of the parties to the agreement, based on the principles of openness, transparency and non-discrimination. Its objective is to open up national procurement to international competition by giving enforceable access to the GPA parties' procurement markets, with the estimated value of US\$1.7 trillion.<sup>30</sup>
- **EU Public Procurement Directives (2014):** Directive 2014/24/EU on public procurement and Directive 2014/25/EU on procurement by entities operating in water, energy, transport and postal services sectors. Revised directives aim to integrate "common societal goals in the procurement process, including environmental protection, social responsibility, innovation, combating climate change, employment, public health and others"<sup>31</sup>
- **OECD Recommendation of the Council on Public Procurement (2015):** sets a new standard for public procurement internationally, supporting a comprehensive and integrated approach to the procurement cycle reflecting the growing interest in transforming public procurement into a strategic policy lever for governments. The Recommendation contains twelve integrated principles: transparency, integrity, access, balance, stakeholder participation, efficiency, e-procurement, capacity, evaluation, risk management, accountability and integration
- **Open Contracting Data Standards (OCDS) developed by Open Contracting Partnership:** enables disclosure of data and documents at all stages of the contracting process by defining a common data model. Created in 2015 as an offshoot of World Bank/ Omidyar initiative, it supports organisations to increase contracting transparency, and allow deeper analysis of contracting data by a wide range of users.<sup>32</sup>

In many cases these standards and models are used to construct a bespoke approach to assisting the country, depending on its transition status and geopolitical location. EU member states and accession countries, as well as countries that have Deep and Comprehensive Free Trade Agreements with the EU, have to comply with the EU regulations and *acquis*. OECD members have higher compliance obligations with the OECD Recommendation, although it is universal in nature and is applied globally regardless of the country development level. Those countries that are members or aspiring members of WTO GPA require support with transposing it into national legislation, implementation and enforcement. The UNCITRAL Model Law is a standard used in many developing and developed economies, while a growing number of countries are committing to OCDS standards in public procurement.

Often LTT launches joint projects with the above-mentioned organisations, where the EBRD through multiple donor sources provides funding while professional organisations and their experts lead implementation, with the LTT's close involvement and overall management (see Chapter 3 below).

<sup>28</sup> UNCITRAL

[https://uncitral.un.org/en/texts/procurement/modellaw/public\\_procurement#:~:text=Purpose,abuses%20in%20the%20procurement%20process.&text=The%202011%20Model%20Law%20replaces,of%20Goods%2C%20Construction%20and%20Services](https://uncitral.un.org/en/texts/procurement/modellaw/public_procurement#:~:text=Purpose,abuses%20in%20the%20procurement%20process.&text=The%202011%20Model%20Law%20replaces,of%20Goods%2C%20Construction%20and%20Services)

<sup>29</sup> EBRD Law in Transition 2020 "Transformational change: EBRD-UNCITRAL Public Procurement Initiative revolutionises electronic public procurement"

<sup>30</sup> WTO GPA Secretariat

<sup>31</sup> EU

<sup>32</sup> Open Contracting Partnership <https://standard.open-contracting.org/latest/en/>

### Internal coordination

LTT's PP function emerged as joint initiative with PPD and **internal collaboration was always essential for the success of the programme**. However, due to the nature of interventions, the awareness of PP activities and achievements is relatively low, as it does not directly contribute to the investment operations. There is a low level of familiarity among bankers and the demand for outreach/ knowledge products is much higher outside than inside the Bank. LTT PP materials and topics are rarely included in internal training/knowledge exchange events such as Policy Academy or communities of practice.

Among banking colleagues, country heads and directors are crucial LTT stakeholders as they lead in formulating country priorities and policy objectives (PPOs) that respond to the most pressing challenges. Currently, only a few country strategies define the PP area as a priority (as part of a larger effort to make private sector more competitive and better regulated; i.e. Tajikistan, Moldova, Mongolia, Kyrgyz Republic, Tunisia, and Egypt). However, when PP activities are conducted, they usually have a positive systematic effect on the investment climate as a whole, particularly in well-governed and competitive transition qualities, through enhanced levels of transparency, integrity, compliance and lower business and investment risks.

**Key internal collaborations** beyond the traditional partnership with PPD team include:

- (i) supporting SME access to PP – SME Finance and Development team;
- (ii) procurement monitoring, oversight and review by the third sector – with Civil Society Engagement Unit;
- (iii) digital technologies, e-procurement – with Economics Policy and Governance;
- (iv) green auctions – with E2C2 and intra-team collaboration with LTT counsel in the green and climate change area;
- (v) emerging gender inclusion component in procurement – with Gender and Inclusion team.

## 3. Solutions Offered by LTP

The evaluation team identifies 35 projects launched/implemented during the period 2011-2018, 27 of which were selected for validation/review, excluding activities like events, assessments, or training for judges.<sup>33</sup> Out of these 27 operations seven are regional facilities comprising a significant number of individual assignments, often funded by various donors. These facilities usually provide funding for a number of countries that are either in the process of joining international organisations, or transposing international model law into their legislation, or are enhancing the access of certain business segments to public procurement markets, specifically SMEs. Table 1 contains details of the LTT PP portfolio grouped by topic.

**The geography of implementation of PP projects is wide and includes 20 CoOs in all regions of EBRD operations:** Armenia, Azerbaijan, Belarus, Bulgaria, Cyprus, Egypt, Georgia, Jordan, Kazakhstan, Kyrgyz Republic, Moldova, Mongolia, Montenegro, Northern Macedonia, Poland, Romania, Tajikistan, Tunisia, Turkey, and Ukraine. Three countries are EU members and three have accession status. Some have a higher density of PP activities along multiple strands, i.e. Georgia, Kyrgyz Republic, Moldova, Tunisia, Ukraine.

Overall, five projects are supporting WTO GPA accession/membership compliance, two projects – transposing the UNCITRAL Model law in national legal frameworks, six projects – e-procurement system and open data standards, three projects – PP policy advice, and four – monitoring, oversight and enforcement. The largest source of funding in the period 2011-2018 was the EBRD's own Shareholders Special Fund (SSF), followed by Ukraine MDA, SEMED MDA, ETC MDA, as well as the TC funds of the governments of Korea, Czech Republic and Slovakia.

<sup>33</sup> Excluded OpIDs #9875, 5151, 4981, 4956, 4939, 818, 679, 194

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Table 1. LTP's activities in the Public Procurement portfolio by country, 2011-2018

Activity	Countries	Stakeholders	Deliverable
Support in accession to WTO GPA	Armenia, Azerbaijan, Belarus, Georgia, Jordan, Kazakhstan, Kyrgyz Republic, Moldova, Montenegro, Northern Macedonia, Tajikistan, Turkey, Ukraine	Government agencies responsible for PP and trade	1) Negotiations completed successfully; 2) membership status acquired; 3) reporting modules created to comply with WTO GPA requirements; 4) WTO GPA commitments compliant with other trade commitments, i.e. Eurasia Economic Union Treaty; 5) international fora organised; 6) outreach and training activities in COOs and internationally
Approximation of national legislation to UNCITRAL Model Law	CIS countries, Mongolia, SEMED countries	Government agencies responsible for PP	1) assessment of country legal framework; 2) primary and secondary legislation; 3) action plans and advice in implementation; 4) business models and open source architecture; 5) electronic framework agreements; 6) publications; 7) websites
Public procurement review function and tribunal capacity building	Georgia, Moldova, Tunisia, Ukraine	Government agencies responsible for PP, independent review and tribunal authorities (Anti-Monopoly Committee)	1) Legal review and recommendations for improvement (incl. approximation to EU standards); 2) new PP review and tribunal bodies established; 3) training and capacity building activities and materials, including e-solutions; 4) system for electronic submission of complaints; 5) capability of staff to review complaints and make decisions on remedies
Support in strategic planning and legislative drafting of e-procurement system and its implementation	Bulgaria, Moldova, Ukraine		1) E-procurement concept; 2) primary and secondary legislation; 3) implementation models; 4) pilot of e-procurement procedures and instruments; 5) trainings and capacity building activities; 6) design and implementation of green auctions (Ukraine)
Monitoring and oversight of e-procurement system, open data standards	Ukraine, Cyprus	Government agencies responsible for PP, CSOs	1) e-systems of monitoring and oversight based on OCDS and proprietary software; 2) streamlined and simplified systems to file complaints and follow review process; 3) institutional (CSO) and individual capacity (experts) to monitor and analyse big data in public procurement, spot irregularities and log complaints with respective review body; 4) feedback loops from PP M&E – improved standards, procedures and practices of procuring bodies and vendors.
Support in ensuring access of SMEs to public procurement markets	Jordan, Kyrgyz Republic, Poland, Romania, Tajikistan, Tunisia, Jordan	Government agencies responsible for PP and SME support, business associations and individual companies	1) Primary and secondary legislation; 2) implementation models; 3) electronic platforms; 4) helpdesk established; 5) reporting and monitoring modules created; 6) improved skills in policy development and implementation; 7) trainings/capacity building activities for contracting authorities and SMEs (including e-modules)
Advice on public procurement policy and strategy	Armenia, Egypt, Jordan, Tunisia	Government agencies responsible for PP	1) Review and assessment of local legislation; 2) recommendations for change; 3) advice and support in implementation, including working models from other countries with similar challenges (transition-to-transition activities)
Support in learning and capacity building activities in the PP area	Ukraine, regional programme		1) Manuals (paper and electronic) and modules of e-courses or real-life trainings for PP professionals working along entire PP cycle



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Source: EvD elaboration based on TCRS reports and LTT project documents

In terms of implementation, senior counsel provides in-house expertise in the PP area, ensuring that the entire range of projects is of a high standard, delivered efficiently and appropriately, are relevant for the local context and compliant with best international standards and practices. They are leading work on legal assessments, international collaborations and partnerships, as well as regular donor coordination meetings for the entire EBRD region (held annually at EBRD HQ) and in separate countries of operation. They are responsible for designing projects, coordinating with other EBRD teams and getting their inputs; selecting consultants; managing their assignments; monitoring and evaluating their work; preparing publications (hard copies and electronic), and presenting at international fora and professional/ coordination meetings. **Evidence from the interviews and survey of external stakeholders suggests that the quality of expertise and the level of professionalism in the PP area is very high, although capacity is overstretched and the delivery suffers from delays.**

**As in all other sectors, the bulk of implementation work is performed by external consultants** and counsel ensures quality control and oversight of their work. It is a challenging task given the geographical scope of activities in the PP sector and a number of projects/assignments. In multiple projects there were problems with selecting consultants and the inadequate services they provided (i.e. Moldova, Ukraine, Mongolia, Tunisia); also there were funding gaps that undermined the ability to mobilise consultants in a timely manner. Support staff at HQ, interns and short-term local consultants help to coordinate in-country activities, under the leadership of the PP lead counsel. Consultants used for project implementation are often from the countries of operations that achieved significant success with similar reforms (i.e. Georgian consultants working in Ukraine, Ukrainian consultants working in Moldova and Tunisia etc).

**One of the weaknesses identified during the evaluation is the efficiency of project document management and access.** It was particularly challenging for the PP portfolio. This evaluation was conducted at a time when LTT was experiencing gaps in administrative capacity (staff being on leave, interns leaving/not yet arriving, local coordinators changing). Due to the scope and diversity of the PP portfolio, with a large number of countries and local consultants/coordinators involved, and close engagement with the international partners implementing the project (i.e. UNCITRAL Secretariat), TCRS is not used consistently as repository of the project progress and completion reports. Instead, the collaborative platform Huddle is used, and LTT gave EvD access to some of the PP projects and programme documentation, although it was incomplete (and EvD had no means of checking how incomplete). The reliance on Huddle was justified as the Bank's proprietary systems that allow remote access to external consultants are not comprehensive or reliable enough. A case of major loss of information in proprietary data software was reported several years ago, which resulted in higher reliance on Huddle rather than the Bank's own TC project database. **TCRS's deficiencies have been identified in multiple evaluation studies before and the current case confirms that it urgently needs revamping.**

## 4. Project Results and Impact

The evaluation team performed desk-based reviews of 27 projects, and in-depth validations of projects in Ukraine and Tunisia,<sup>34</sup> which were visited for stakeholder interviews. Six of these projects are completed while the rest are ongoing. A project-by-project analysis is presented in Annex 10 of the main report, however it does not include project ratings, as EvD currently does not rate individual TC projects. Additionally, evaluators used evidence from two studies performed recently on topics that cover some elements of the LTP PP portfolio: "EBRD Support to Investment Climate Activities" and "EBRD-Ukraine MDA". Results of two surveys of internal and external stakeholders provided qualitative data for specific projects and the PP programme in general.

### Outputs and mid-term outcomes

**Out of 27 projects, only half (14) had clearly identified outputs and outcomes.** Other projects used a different format in their design, identifying the goal and deliverables. Although the evaluation team used this information for analysis, a formal results' review was impossible. **EvD had no documentation for six projects and no progress/completion reports for seven projects (as marked in Table 2), therefore the review was performed for only half of the identified portfolio.**

<sup>34</sup> Evaluation team also visited Serbia however there are no PP projects in this country

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Table 2 provides analysis of the achievement of project results as identified in project progress or completion reports (self-assessment performed by OLs). Usually there are no quantitative targets (except in the area of training and capacity building) and achievement is marked in a binary way – yes or no (with the option of partial achievement). It should be noted that TCRS reports monitor/assess progress against set outputs and outcome indicators. There are no output indicators as such and there is one defined mid-term outcome for each project (when a report is available).

**Table 2. Achievement of project outputs and outcome indicators as identified at approval (self-assessment)**

#	Projects	Total outputs	Achieved/ partly/ not achieved/ too early	Total outcome indicators	Achieved/ partly/ not achieved/ too early
1	# 327 EBRD GPA TC Facility - support in accession to the agreement on government procurement of the world trade organization (regional)	13	12 / 0 / 0 / 1	10	9 / 0 / 0 / 1
2	#520 EBRD UNCITRAL Public Procurement Reform Initiative (regional)	15	10 / 0 / 0 / 5	14	9 / 0 / 0 / 5
3	#597 Public Procurement: Policy Advice and Legislative Drafting for eProcurement reforms	8	8 / 0 / 0 / 0	5	5 / 0 / 0 / 0
4	#620 Review and assistance with developing draft legal framework on public procurement (Egypt)	5	0 / 0 / 0 / 5	4	0 / 0 / 0 / 4
5	# 627 Tunisia: Facilitating participation from small and medium enterprises (SMEs) in public tenders conducted on the Tunisian eProcurement system (TUNEPS)*	6	0 / 0 / 0 / 6	4	0 / 0 / 0 / 4
6	# 628 Tunisia: Tribunal Capacity Building for Public Procurement Review Body in Tunisia	2	0 / 0 / 0 / 2	2	0 / 0 / 0 / 2
7	# 676 EBRD GPA Technical Cooperation Facility Montenegro: Follow-up Assistance in WTO Government Procurement Agreement Accession	2	2 / 0 / 0 / 0	2	2 / 0 / 0 / 0
8	# 943 Bulgaria: Policy Advice and Implementation Support for eProcurement Reform in the Public Procurement Sector (Extension)**	n/a	n/a	n/a	n/a
9	# 1187 Moldova: Policy Advice and Support in Legislative Drafting for eProcurement Reforms	10	10 / 0 / 0 / 0	6	6 / 0 / 0 / 0
10	# 1188 Tribunal Capacity Building for Public Procurement Review Body in Moldova	3	0 / 0 / 0 / 3	2	0 / 0 / 0 / 2
11	# 1189 EBRD GPA TC Facility: Development of Technical Cooperation with Azerbaijan, Belarus, Jordan, Kazakhstan and Turkey	3	0 / 3 / 0 / 0	2	0 / 0 / 0 / 2
12	# 1192 Developing New Audit Methodology for Electronic Public Tenders	6	No reports	4	No reports
13	# 1273 Capacity Building of Ukrainian Anti-Monopoly Committee*	7	2 / 1 / 0 / 4	6	2 / 1 / 0 / 3
14	# 1476 Ukraine: ProZorro Project Implementation Support	17	11 / 0 / 0 / 6	12	7 / 0 / 0 / 5
15	# 1591 Regional: Support with the implementation of the WTO GPA standards	n/a	n/a	n/a	n/a
16	# 4545 SEMED Public Procurement Policy Advice	No documents			
17	# 5236 SEMED Public Procurement Policy Advice	No documents			
18	# 5056 Public Procurement Distance Learning Tool Development and Pilot	No documents			
19	# 5485 EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	No documents			
20	# 5583 LTT/Capacity Building of Public Procurement Review Body in Ukraine	No documents			
21	# 6391 Georgia: Public Procurement Policy Advice and Support in Accession to the WTO GPA - National WTO GPA Documents and Outreach Activities	No documents			
22	# 7214 Institutional Capacity Building for Public Procurement Review Body in Georgia	No reports			



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23	# 7399 The Kyrgyz Republic: Facilitating the participation of small and medium enterprises (SMEs) in public tenders conducted on the electronic public procurement system	6	4 / 0 / 0 / 2	5	2 / 1 / 2 / 0
24	# 8163 Jordan – Facilitating participation from small and medium enterprises (SMEs) in public tenders conducted on the Jordanian eProcurement system (JONEPS)	n/a	n/a	n/a	n/a
25	# 8259 Regional: Implementation of Open Data Standards for Monitoring and Public Access to Public Procurement Information (Cyprus)	n/a	n/a	n/a	n/a
26	# 8264 Regional: Facilitating Access to Public Contracts for Small and Medium Enterprises	n/a	n/a	n/a	n/a
27	# 8280 Electronic procurement reforms in the public sector	5	0 / 0 / 0 / 5	5	0 / 0 / 0 / 5

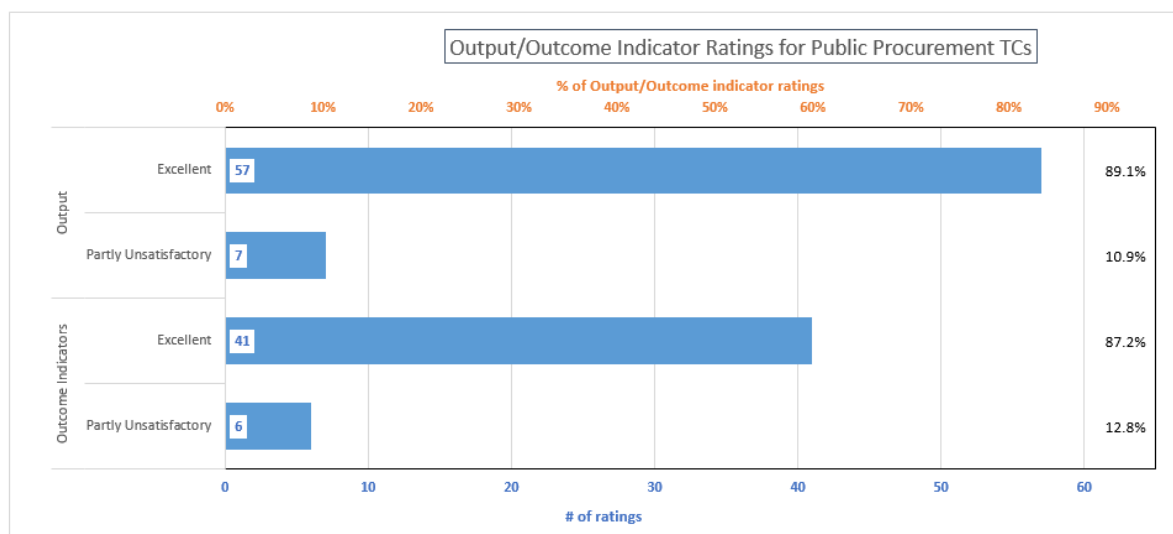
\*Projects for which EvD was able to review “too early to report” rating after in-depth validation (see text below)

\*\*Project designed before RF were launched so results chain is not available

Source: EvD elaboration based on TCRS reports and LTT project documents

Chart 3 below presents a summary of ratings of achievements of outputs and outcome indicators as presented in 12 project self-evaluation reports. The sample is different from EvD's as it includes events and excludes some TC projects (see notes under the graph). The chart does not include rating “too early to report”, therefore the range of assessments is either excellent or partly unsatisfactory. Among 64 outputs 89% were rated excellent and 11% as partly unsatisfactory; among 47 outcomes 87% were rated as excellent and 13% as partly unsatisfactory. At the same time Table 2 above illustrates that out of 122 total outputs 59 are “too early to report” and among outcome indicators – 48 out of 95. It is a significant number and some of those are for initiatives launched a considerable time ago

Chart 3. Ratings of 12 Public Procurement projects\* with available data



\*Projects #194 and #818 were not reviewed as they were one-off knowledge exchange events. Ten other projects are: #327, 520, 597, 676, 943, 1187, 1189, 1273, 1476, 7399

Source: TCRS reports

As in other sectors of LTP, there are cases when there is a clear misunderstanding of what represents an output (immediate result of intervention, such as action plan, draft law or training materials) and what represents an outcome (mid-term result, such as implemented action plan, approved law, or enhanced knowledge/skills X number of people), and how to measure those through relevant indicators. For example, project #327 lists among its outcome indicators “A report on the WTO GPA standards in the context of the EAEU Treaty is provided to the Client” and “Technical meetings with

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*authorities take place", which are clearly outputs.<sup>35</sup> Potential outcome indicators of those could be "Clients take informed decisions about legal changes that are congruent with both WTO GPA and EAEU Treaty commitments" and "authorities' understanding of the technical details related to inter-relations between WTO GPA and EAEU commitments is enhanced and used effectively in negotiations".*

**Project mid-term results** could be grouped along four main streams:

- (1) Legal and regulatory framework in the public procurement sector is compliant with international standards and models; their implementation is largely in line with best practices; gaps are identified and are being addressed. In Armenia, Kyrgyz Republic, Tajikistan, Mongolia and Tunisia, PP legislation is compliant with the UNCITRAL model law and clear benchmarks are established in terms of existing gaps. Montenegro (2015), Ukraine (2016) and Moldova (2016) became WTO GPA members and Armenia renewed its commitment under WTO GPA 2012. Accession negotiations are ongoing for Tajikistan, Georgia and Kyrgyz Republic.
- (2) New e-procurement platforms are created (ProZorro in Ukraine, MTender in Moldova, zakupki.gov.kg in Kyrgyz Republic); efficiency and effectiveness of existing platforms are enhanced (in Mongolia and Tunisia); data is generated and is accessible for enhancing decision making and control over PP.

Armenia, Moldova and Ukraine have committed to publish data for the whole procurement cycle in OCDS and are implementing this commitment, while Mongolia, Belarus, Tunisia, Kazakhstan, Kyrgyz Republic and several Balkan countries are working on integrating OCDS into their PP systems.<sup>36</sup> Additionally (at least) three countries launched an oversight and compliance mechanism based on OCDS that is driven by the non-governmental sector or a strong coalition of private and non-governmental stakeholders (Ukraine, Moldova, Kyrgyz Republic).

- (3) New institutions are created or existing institutions have major improvements in their capacity to plan, implement, monitor, review and enforce newly approved PP policies and legal acts.

In Ukraine a new Public Procurement Department was created from scratch, first as an arm-length agency with special status, and later as an integral part of the Ministry of Economy and Trade, as well as a dedicated State Enterprise managing the e-procurement system ProZorro (in collaboration with many international counterparts, including but not limited to the EU, OECD, GIZ, WNISEF, Luminate). Ukraine's Anti-Monopoly Committee as the agency responsible for the review and complaint mechanism has greater capacity to take well-informed decisions. In Moldova, Georgia, Tunisia and Kyrgyz Republic the capacity of policy planning, implementation and review bodies is enhanced.

- (4) New opportunities for local companies are created through enhancing SME access to PP

New instruments created to facilitate SME participation in PP, including framework agreements, enhanced accessibility of small value PP, such as e-catalogues in Ukraine, Moldova, Kyrgyz Republic (see Box 1), Tunisia.

#### **Box 1. Enabling SME access to e-procurement in the Kyrgyz Republic by LTT and SME F&D (#7399)**

This project is an example of multi-party collaboration, where the EBRD is engaged with IFCA, EIB, ADB and WB to open up the public procurement market for Kyrgyz SMEs. With the lead lawyer from LTT and dedicated Advice to Small Business team (ASB) on the ground, the TC project (funded from the SSF and Korea) is helping the Kyrgyz Government counterparts to increase SME participation in public tendering through making small-value purchases simple and accessible. Although a new e-procurement system was introduced in 2014, it was mainly regulating large-value purchases, cutting off SMEs from participation. The EBRD supported government counterparts in developing the amendments to the Law on Public Procurement introducing electronic catalogues. The law was enacted in June 2019 and the new eCatalogue shopping system Tandoo was launched by the Ministry of Finance. It enables SMEs to take part in supplying government institutions and public companies with standardised goods through a simple and streamlined registration procedure. In order to promote the system, in 2020

<sup>35</sup> #327 TCRS Progress report

<sup>36</sup> OCPD Annual Report 2018 <https://www.open-contracting.org/wp-content/uploads/2019/03/OCP-AnnualReport-2018.pdf>

LTT (jointly with the ASB team in Kyrgyz Republic and in close partnership with the Chamber of Commerce) is running a series of training courses for SMEs that should reach 1400 active suppliers.

It is important to note the internal synergies that contributed to this project. Not only it is a good illustration of productive collaboration between the LTT and ASB teams, it also involves collaboration with the Governance team. The Investment Council, supported by the EBRD through its Investment Climate and Governance Initiative (ICGI), was one of the contributing factors in launching the project. As a platform for engaging with the government and business representatives, at one of its meetings the Council discussed opportunities for enabling local SMEs to benefit from public procurement through an e-platform. LTT presented the positive effect it had on the economies of other CoOs (i.e. Georgia, Estonia, Ukraine) and secured political commitment for pushing the reform forward.

*Source: EvD SS "EBRD's Investment Climate Support Activities"; Law in Transition 2020*

### Long-term outcomes

Many projects lacked meaningful long-term outcomes with linkages to impact, and the evaluation team used a theory of change constructed for this study to fill in the gaps in the results chain (see Chart 2 at the end). Although, in many ways the PP stream of work follows a cycle, when the short-term results of one project (membership in WTO GPA or compliance with UNCITRAL principles) become preconditions for launching a new one that takes the system one step further (launching an e-procurement system, automated risk identification systems, and civic control over PP), thus delivering a chain of results. Therefore, it was easy to identify long-term outcomes, however these could not always be verified, even for projects with accessible reports.

There are not many coherent long-term stories about the stages of LTT's work in specific countries in either annual LTT reports or country reports (CSDR), which tend to present the results of the most immediate projects and initiatives. LTT does produce one source of well-articulated stories with a clear chain of results – the annual Law in Transition journal. However, as is the case with all other reports and summative knowledge pieces, it is difficult to understand the entirety of commitments/scope of work from a collection of various success stories. There are hardly any cases of "failed" stories which are equally important for learning and advancing the support package offered by LTT.

Along four main streams of work the following long-term results were identified and reviewed/verified when possible:

**(1) A country's PP legal and regulatory framework is compliant with international standards and models; their implementation is largely in line with best practices; gaps are identified and are being addressed.**

- Compliance with the UNCITRAL model law and clearly identified gaps unlocked public procurement reforms with clear priorities to build (i) competitive; (ii) well-governed; (iii) transparent PP markets with (iv) offering greater value for money and lower corruption risks to (v) wide group of market operators, including in the SME segment and women's businesses. Countries: Armenia, Kyrgyz Republic, Tajikistan, Mongolia and Tunisia.
- Membership in WTO GPA opened new international markets for Montenegro, Ukraine, Moldova, Armenia, although businesses need more support to harness those opportunities. In Ukraine international suppliers from 40 countries are registered with ProZorro system.
- **In Ukraine** LTT, jointly with PPD, has worked on multiple strands of public procurement reform in Ukraine since 2010 (seven TC projects in total). Substantial donor assistance and advice were provided by multiple other donors, international organisations, philanthropic and civil society organisations. The EBRD's support included identification of gaps and benchmarking of Ukrainian PP system vis-à-vis best practices; assistance in developing new legislation and regulations (Public Procurement Law) in line with the UNCITRAL Model Law principles and that ensured compliance with the WTO GPA standards and requirements; amending legislation in several instances to absorb new changes and opportunities provided by revamped procurement systems; conducting accession negotiations (to WTO GPA); developing implementation tools; preparing a reporting mechanism to comply with best international practice etc.
- **In Moldova** LTT has delivered/is delivering five projects. As in Ukraine, the country benefited from the full cycle of assistance, starting with identifying the gaps and helping to match international standards (UNCITRAL, EU 2-14 PP Directives) and acquiring membership in international organisation (WTO GPA); revision of legislation and regulatory base, creation/turnaround of existing policy institutions, implementation and review bodies;

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launch of the MTender e-procurement system which is a similar hybrid model based on open Application Programming Interface (API) and compliant with OCDS. Particular progress has been achieved since 2015.

**(2) New e-procurement platforms are created; efficiency and effectiveness of existing platforms are enhanced; data is generated and is accessible for enhancing decision making and control over PP.**

- Many CoOs are compliant with open government standards and OCDS, using open access software and publicly accessible single databases, with API-enabled integration of various modules that provide real-time data for potential bidders. Efficient feedback loops enable refinement of PP legislation and regulations, tools and control mechanisms, enabling further innovations.
  - **In Ukraine** Building upon the achievements of the new Public Procurement Law (2014), the EBRD extended its support to developing and piloting large-scale use of the e-procurement system ProZorro.<sup>37</sup> Triggered by high demand for increased transparency and reduced corruption, a coalition of Ukrainian CSOs (led by Transparency International), businesses and Government launched ProZorro, a hybrid system that uses a centralised database with multiple trading platforms (often pre-existing) for procuring public goods, works and services. Starting from a handful of organisations and large-sum procurement, the system is now universal and mandatory for all public institutions, local governments, SOEs, in small or large-scale purchases. It is based on open-source software and compliant with OCDS ensuring full proactive disclosure of information, which is publicly available for everyone to monitor and analyse. It is one of the most advanced e-procurement platforms based on block chain technology and OCDS. ProZorro received a number of international awards, including the 2016 World Procurement Award, the 2016 and 2017 Davos Awards, and the 2016 Open Government Award.
  - **ProZorro has saved US\$3.8 billion (UAH100 billion) in public funds in 2015-2019**, which is substantial given a total public procurement market of €20 billion.<sup>38</sup> In 2019 the number of registered suppliers reached 50,000. The share of procured value through competitive procedures increased from 25% to 70%; the number of new bidders reached 31,000 in 2018 and the number of online platforms participating in ProZorro increased from 0 to 20.
  - **In Moldova** the MTender system development and launch faced many challenges, mostly due to political changes and lack of consistent willpower for reforms on the government side, although the role of a strong business-civic reform coalition was crucial. MTender is being launched in stages since 2018 (in 2019 it was 60% ready) with 97% of all public agencies and SOEs using it and 4,700 suppliers registered. In first 15 months of its work it saved €29.9 million or 14% on competitive tenders. There was a 30% increase in the number of new participants in public tenders.<sup>39</sup>
- (3) New institutions are created or existing institutions have major improvements in their capacity to plan, implement, monitor, review and enforce newly approved PP policies and legal acts.**
- Moldova, Tunisia, Ukraine, Kyrgyz Republic, Georgia have or are in the process of having better skilled and organisationally more efficient PP review bodies independent in their function. Streamlined and electronically enabled complaint and dispute resolution systems are integrated with the procurement platforms, reducing the speed of process and enhancing its quality.
  - In Ukraine the capacity building of independent monitoring and oversight experts through the DoZorro community created a new M&E culture in public procurement. A large cohort of CSOs (25) and individual volunteers (1,000) across all regions of Ukraine are now fluent in the public procurement system and can identify risks/corruption cases, report them, and follow enforcement actions. In 2018 alone the DoZorro network revealed

<sup>37</sup> This initiative was funded by the Ukraine MDA along other donors, namely WNISEF (US\$ 290,000) and GIZ (US\$ 423,000). TI is the lead partner in this initiative and in fact is the guardian of the “electronic” keys to the ProZorro platform (so the Government could not interfere in the system). Sources: <http://www.ebrd.com/documents/ogc/public-procurement-in-ukraine-a-system-transformed.pdf>, <https://www.open-contracting.org/2018/01/12/learning-insights-latest-impacts-emerging-ukraines-ProZorro-reforms/>, <https://joinup.ec.europa.eu/document/ProZorro-public-procurement-platform-spreads-its-wings-ProZorro>, “Law in Transition Journal” 2017, Public Procurement in Ukraine – a system transformed.

<sup>38</sup> Ukrainian Ministry of Economic Development and Trade

<sup>39</sup> MTender <https://mtender.gov.md/ru>

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violations in circa 12,000 tenders on ProZorro. In 2016-2018 it initiated reviews of 2,000 tenders that resulted in the removal of unfair conditions, and cancellation of dubious procedures.

- Created as a start-up, Ukraine's procurement institution was later reintegrated in the structure of MEDT as a highly professional policy making department, while an independent state-owned enterprise was established to manage ProZorro. Ukraine launched the Central Procurement Body (as arm-length state enterprise) which is responsible for streamlining large-scale low-specification purchases through framework agreements and eCatalogues (ProZorro Market).
- Moldova had a similar model of "start-up" reintegrated in the government, while Kyrgyz Republic and Tunisia are performing institutional improvements "in situ", although with lesser degree of public disclosure and transparency compared to Ukraine and Moldova.

**(4) New opportunities for local companies are created through enhancing SME access to PP systems**

- A greater number of local SMEs are participating in PP in countries that delivered streamlined, transparent and effective e-procurement systems and new instruments for small value purchases and under-threshold procurement: Kyrgyz Republic, Ukraine, Moldova
- **In Ukraine** there was a substantial increase in the share of SMEs having access to public procurement – 80% of all bidders are SMEs and 75% of them won at least one tender. In 2015-2018, 200,000 companies, many of which are local SMEs, participated in procurement through the platform, ensuring an average 2.3 participants per tender. The average number of goods/service providers per single public institution increased from 3.4 to 5.9 (2015-2018). There were three million total procurement transactions for a total amount of UAH 1.7 trillion.
- In 2019 Transparency International Ukraine conducted a survey of companies using ProZorro which demonstrated the largely positive effects of the system.<sup>40</sup> 80% of respondents were satisfied with their work on the platform. 41% of users said they never encountered corruption in ProZorro, although the share of those who did was 24%. Overall the share of users who never experienced corruption in PP increased by 9% since the launch of the system.
- In Moldova the Joint EBRD/MTender survey of procuring entities and vendors demonstrated a positive change in perception: 72% respondents said it was easier to take part in PP and the same share said MTender helps to save money and time.<sup>41</sup>
- **In Tunisia** Thanks to the enhanced accessibility of public procurement system to SMEs through the e-procurement system the share of SMEs taking part in the tenders increased; the number of offers per PP bid increased from 2 to 17 in 2017-2019. The EBRD project enabled productive contacts between the state agency responsible for public procurement (HAICOP) and private sector companies. In the words of HAICOP leadership, it was the first contact of this sort and opened the way to a range of productive interactions.

## Impact

This evaluation has focused on the long-term result of the EBRD's legal transition support and the impact it might have on a country's performance in terms of the rule of law and beneficial investment climate. The impact has two dimensions: (i) increased uptake of the reforms and (ii) changes in the behaviour of stakeholders. The changes in behaviour could be assessed through qualitative tools only, as it requires perceptions of behaviour and attitudes, and the degree of trust between the Bank and its stakeholders in the countries. Interview and survey data were used for this and summary points are presented below.

<sup>40</sup> Transparency International Ukraine (2019) "The Other Side of ProZorro: Does Ukrainian Business Trust Public Procurement?" Survey of 599 procurement participants in ProZorro. <https://ti-ukraine.org/en/news/80-of-public-procurement-participants-are-satisfied-with-prozorro-electronic-platforms/>

<sup>41</sup> Open Contracting <https://www.open-contracting.org/2019/12/11/opening-up-moldovas-contracts-progress-and-challenges/#:~:text=MTender%20has%20allowed%20Moldova%20to,mandatory%20for%20all%20public%20procurement.&text=Moldova%20is%20one%20of%20the,landlocked%20between%20Ukraine%20and%20Romania>

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The uptake of reforms is embodied in the quality of the legal and regulatory environment and the greater effectiveness, efficiency and value for money of the national public procurement system, as well as its compliance with the greater societal goals (SDGs), openness and transparency values. Unfortunately, it remains challenging to consistently measure and compare the performance of national PP systems. It is a well-established fact that there is no universal international matrix that would allow relative assessment on a global scale, although smaller assessments are possible for groups of countries.<sup>42</sup> For example, the World Bank in its "Benchmarking Public Procurement 2017" noted that *"Despite its importance and the greater attention being paid to public procurement, global information about the public procurement market is still scarce."*<sup>43</sup> While evidence from OECD suggests that *"only 30% of OECD countries established key performance indicators measuring outcomes of procurement processes versus set targets... many OECD countries analyse public procurement data and indicators in a decentralised, non-systemic fashion"*.<sup>44</sup> And with regard to e-procurement OECD noted that *"even though e-procurement systems are major drivers of efficiency in public procurement, only a minority of OECD countries measure said efficiencies"*.<sup>45</sup>

EBRD countries of operation face similar challenges, although availability and breadth of data varies from country to country. LTT/PPD's Legal assessment in the PP sector, which provided a solid foundation for tracking progress in 2010-2012, has not repeated been in the same form and methodology since then and the evaluation team had no access to EBRD data on OECD MAPS toolkit, to the development of which the EBRD made a substantial contribution (see Chapter 1 above).

With the acknowledged limitation of reliable and chronologically comparable data on the national PP systems, the evaluation team used a number of available international indicators, that are illustrative, if not of the entire system, at least some of its crucial elements (see Table 3). These are:

- **Transparency International Corruption Perception Index (TI CPI) (2014-2019)** is the most widely used corruption measure. It scores countries based on how corrupt a country's public sector is perceived to be by experts and business executives. As PP is one of the core elements of the public sector and represents a significant share of public spending, it is a relevant measure.
- Among 17 countries with PP operations seven have improved their score in 2014-2019, including one case of substantial improvement – Belarus by 14 points. These are all in EEC and CA regions, plus Tunisia. Some countries regressed, such as Turkey, Egypt, Mongolia and Moldova.
- **OECD SME Policy Index** is a benchmarking tool used for assessing SME policy frameworks in emerging economies against 10 principles of the Small Business Act for Europe (SBA) and to monitor progress in policy implementation over time.<sup>46</sup> The Public Procurement sub-index could be a proxy for measuring the changes in SME's access to PP.
- Unfortunately it is not measured consistently for all countries in the same years, and not always repeated, therefore intra-regional comparisons are most suitable, although available only for EU's Eastern Neighbourhood countries (EEC). Analysis of 2016-2020 scores illustrates a consistent positive trend in SMEs' access to PP in all countries, with the greatest improvement observed in Moldova, Ukraine and Azerbaijan, which matches the map of intensive LTT PP efforts.
- **UN's E-Government Development Index (EGDI) (2010-2020)** is a composite measure of three important dimensions of e-government, namely: provision of online services, telecommunication connectivity and human capacity. It incorporates the access characteristics, such as infrastructure and educational levels, to reflect how a country is using information technologies to promote access and inclusion of its people. With increasing trends of digitalisation of public procurement, the index could be used as a proxy for assessing a government's technical capabilities to provide e-services, including in the PP area.

<sup>42</sup> OECD performs surveys of its 37 member countries on the implementation of 2015 Recommendations on Public Procurement, it also launched MAPS system which is voluntary assessment tool so far used by a limited number of member and non-member countries; Oxford University's Blavatnik School of Government conducts regular International Civil Service Effectiveness (InCiSE) Index for OECD members which in 2018 for the first time included procurement sub-index <https://www.cips.org/supply-management/news/2019/april/new-zealand-tops-list-for-procurement-effectiveness/>

<sup>43</sup> WB "Benchmarking Public Procurement: 2017. Assessing Public Procurement Regulatory Systems in 180 economies"

<sup>44</sup> OECD "Government at a Glance 2019"

<sup>45</sup> Ditto

<sup>46</sup> Index was developed in 2016 by OECD in partnership with the European Commission, EBRD, and European Training Foundation



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- All countries have positive trend in EDGI in 2010-2020, with notable progress achieved in EEC (Armenia, Azerbaijan, Georgia), Central Asia, Turkey and Tunisia.
- **UN's E-participation index (EPI) (2010-2020)** is derived as a supplementary index to EDGI and focuses on the use of online services to facilitate provision of information by governments to citizens ("e-information sharing"), interaction with stakeholders ("e-consultation"), and engagement in decision-making processes ("e-decision making"). It is a good proxy for the oversight function in procurement and SME access to PP.

Progress in EPI in the same period of time was more dramatic, which also illustrates the penetration of digital technologies and access to the internet across wide groups of population in all the EBRD's CoOs. Notable progress is observed in Georgia, Armenia, Tajikistan, Turkey; the least notable – in Jordan, Mongolia and Kazakhstan.

Table 3. Selected Impact Indicators for countries with PP projects

Country	UN EDGI 2020	UN EDGI 2010	UN EPI 2020	UN EPI 2010	TI CPI 2019	TI CPI 2014	OECD SME Policy Index PP dimension 2020/2019*	OECD SME Policy Index PP dimension 2016/2013**
Armenia	0.7135	0.4025	0.7500	0.0429	42	37	3.61	3.42
Azerbaijan	0.7100	0.4571	0.6905	0.1714	30	29	2.87	2.42
Belarus	0.8084	0.4900	0.7500	0.2429	45	31	3.15	3.21
Bulgaria	0.7980	0.5590	0.8929	0.3000	43	43	n/a	n/a
Egypt	0.5527	0.4518	0.5119	0.2857	35	37	n/a	3.1**
Georgia	0.7174	0.4248	0.6429	0.0571	56	52	4.26	4.04
Jordan	0.5309	0.5278	0.3333	0.2857	48	49	n/a	1.7**
Kazakhstan	0.8375	0.5578	0.8810	0.5571	34	29	n/a	n/a
Kyrgyz Republic	0.6749	0.4417	0.7143	0.4286	30	27	n/a	n/a
Moldova	n/a	n/a	n/a	n/a	32	35	3.86	2.89
Mongolia	0.6497	0.5243	0.6071	0.4286	35	39	n/a	n/a
Montenegro	0.7006	0.5101	0.5476	0.1571	45	n/a	3.87*	3.73
North Macedonia	0.7083	0.52611	0.8333	0.2143	35	45	4.49*	3.95
Tajikistan	0.4649	0.3477	0.3452	0.0286	25	23	n/a	n/a
Tunisia	0.6526	0.4826	0.6905	0.3000	43	40	n/a	3.5**
Turkey	0.7718	0.4780	0.8929	0.2143	39	45	3.66*	3.19
Ukraine	0.7119	0.5181	0.8095	0.2571	30	26	3.17	2.73

Countries not included due to low intensity of engagement: Cyprus, Poland and Romania

Sources: UN E-Government Knowledge Base <https://publicadministration.un.org/egovkb/en-us/Data/Country-Information/id/180-Ukraine/dataYear/2020> Transparency International CPI <https://www.transparency.org/en/cpi/2010> OECD "SME Policy Index "Eastern Partner Countries 2020", "The Mediterranean Middle East and North Africa 2014", Western Balkans and Turkey 2019"

Ukraine is the country with the largest concentration of LTP PP activities and these contributed, along with other multiple international initiatives, to qualitative changes. Among them:

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- (1) Ukraine has significantly advanced in the international transparency and e-governance ratings. It moved from the mid- to high-level group in UN's E-Government Development Index and in 2014-2020 its index rating increased from 0.5232 to 0.7119 with a shift of position from 87 to 69; UN's e-participation index increased almost two-fold from 0.4314 to 0.8095 and Ukraine's ranking progressed from 77<sup>th</sup> to 46<sup>th</sup> position.<sup>47</sup> Ukraine held 31<sup>st</sup> position in the Global Open Data Index in 2016 compared to 54<sup>th</sup> in 2015.
- (2) Ukraine still faces large and persistent challenges with corruption, although its TI CPI score improved slightly from 26 to 30 in 2014-2019. There is an observable improvement in the well-governed score in 2017-2019 from 3.58 to 4.87; and less observable in the competitive TQ score from 4.68 to 4.77.<sup>48</sup>
- (3) The cascading training/capacity building of the public agencies using the ProZorro system, as well as private companies, including SMEs, on the use of the system, led to a significant increase in competition in the area, and general reduction of costs. The use of a hybrid system, OCDS and open-source software is cost effective and completely transparent, and is spreading to other sectors with high corruption risks.
- (4) A similar online platform, ProZorro.Sale, was launched in 2017 for selling state and communal property and assets, NPLs (by Deposit Guarantee Fund), mineral extraction rights, rail car lease etc. In the period 2017-2019 ProZorro.Sale delivered UAH 21 billion (US\$840 million) income through 241,000 auctions on 50 market places.
- (5) The EBRD is now using ProZorro as an e-procurement standard and supports replication in a number of countries, including Moldova, the Kyrgyz Republic and beyond.

## Conclusions

- LTP's public procurement stream of work has established itself as a valuable element of systemic and non-transactional policy support and advice that contributes to the improvement of a country's investment climate. Countries with a high concentration of its activities saw significant improvements in institutional capacity and quality of the legal and regulatory base, particularly Armenia, Moldova, Kyrgyz Republic, Tunisia, and Ukraine. However, implementation and enforcement remains uneven and requires further improvement (Mongolia, Egypt).
- In countries where PP constitutes between 12-15% of GDP, irregularities are leading to a considerable loss of public funds and value through corruption and lack of transparency. Although there were significant improvements in the openness and accessibility of PP systems, including through the instruments of e-governance and e-participation, corruption remains a big problem in the majority of countries of operation. Among 17 countries with PP operations, seven (in EEC and CA regions, plus Tunisia) have improved their score in 2014-2019, including one case of substantial improvement – Belarus by 14 points. However other countries regressed: Turkey, Egypt, Mongolia and Moldova.
- Providing a full cycle of support in creating modern and efficient public procurement systems LTT, when enabled with sufficient resources and prioritisation by country teams, delivers significant results. Although measuring those remains difficult. LTP does not have a coherent results framework for its PP stream of work and its project and departmental reporting, when not missing, rarely delivers consistent results chains or long-term stories. These are particularly important when the results of one project are enabling the launch of another.
- LTT's capacity in the PP area is overstretched with insufficient administrative support and on-the-ground presence, which sometimes causes delays in delivery and challenges in communications. Document management requires significant improvement, as well as reporting standards and story-telling of the long-term impact in internal documentation.
- As in many other areas, LTP contributes meaningfully to creating international standards in the domain and assisting countries in applying those in their domestic context. Its legal assessments are important instruments for ex-ante problem identification, however they are not repeated consistently and can't be used to track their reform progress and impact.

<sup>47</sup> UN E-Government Knowledge Base <https://publicadministration.un.org/egovkb/en-us/Data/Country-Information/id/180-Ukraine/dataYear/2020>

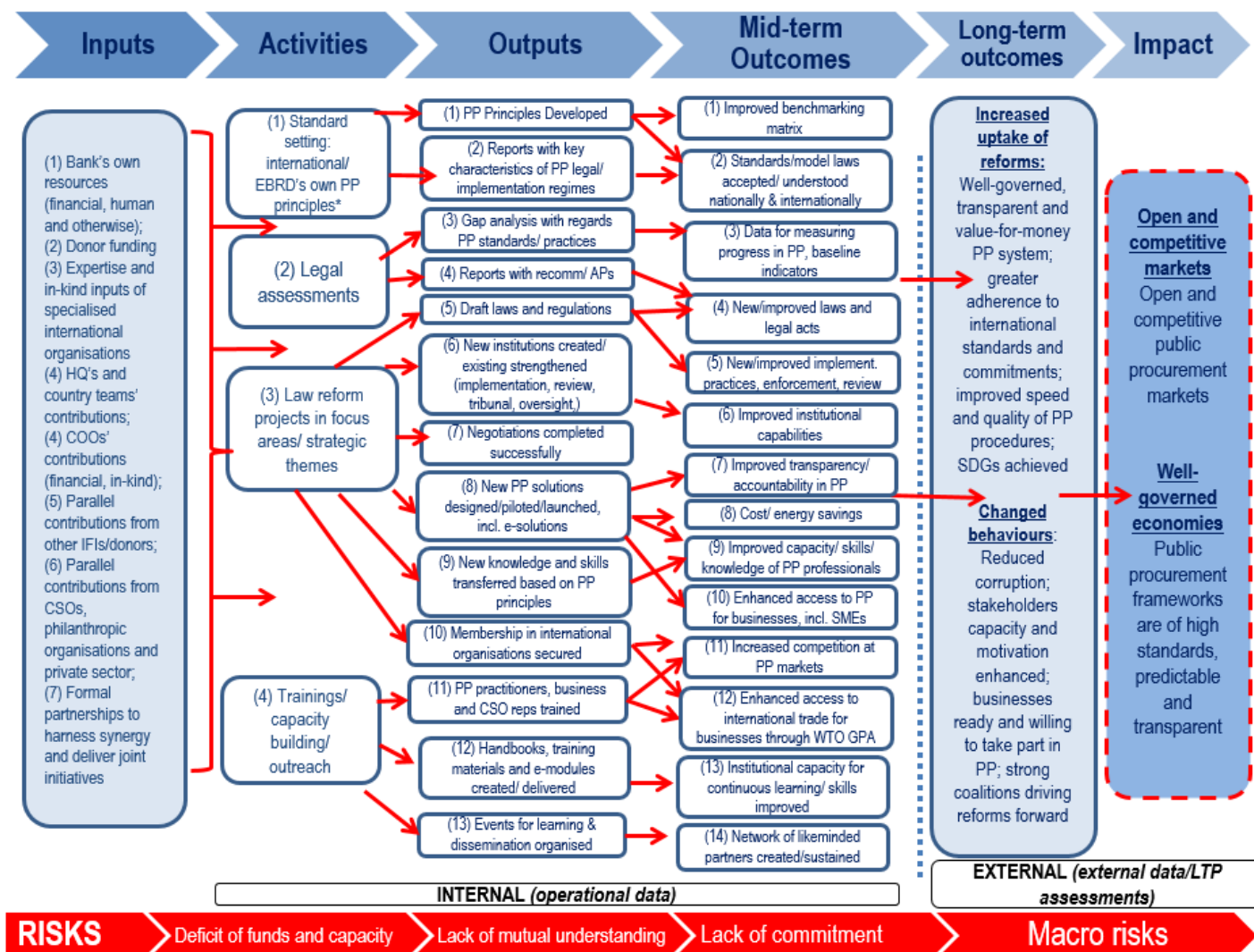
<sup>48</sup> Ditto. Scores range from 1 to 10. Some methodological changes affect compatibility of data.



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- Close partnership, including through TC financing frameworks, enables optimal utilisation of the expert capacity of specialised organisations, such as UNCITRAL and WTO Secretariats, Open Contracting Partnership. Being a relative newcomer to the public procurement area of development assistance, LTT pays close attention to being additional and delivering interventions that are greatly needed and can't be provided by other IFIs or donors. Its donor coordination efforts are strong in specific countries and internationally. Its close partnerships with the non-governmental sector and philanthropic organisations contributes to the quality and sustainability of results. LTP's flexibility and responsiveness, and the wealth of expertise and its localisation, were highly praised by multiple counterparts.
- As a non-transactional policy engagement and TC support, PP activities and their results have relatively low visibility inside the EBRD, although they are widely known externally. Given its complex effects on a country's investment climate along well-governed and competitive transition qualities, its internal footprint should be enhanced.

Chart 2. Theory of Change for LTP's public procurement stream of work



## Annex 8. Deep Dive Case: ICT and Knowledge Economy

Portfolio of 12 projects

### 1. Key Challenges faced by EBRD's countries of operation in the ICT and knowledge economy

ICT has been one of the EBRD's sectors of operation since its earliest days. Initially the focus was on fixed line telephony, later expanding to cover publishing, advertising, television and from the late 1990s mobile telephony and internet. In 2014 the Bank established the much broader Knowledge Economy Initiative (KEI) focusing on four work streams: innovation policy, information systems, technological upgrading in non-ICT sectors, and small technology-based companies. The KEI was intended to provide a framework for work the Bank was already undertaking not only in ICT but also across finance (private equity and venture capital funds), industry and commerce (technological upgrading) and property (technology parks). A new ICT Strategy approved alongside the KEI was designed to address the second (information systems) stream.

#### What do we mean by the Knowledge Economy?

Knowledge economies are economies which are directly based on the production, distribution and use of knowledge and information according to the OECD. "Knowledge is now recognised as the driver of productivity and economic growth, leading to a new focus on the role of information, technology and learning in economic performance."<sup>49</sup> The EBRD's KEI paper defines a knowledge economy as "an economy that is able to grow through innovation, or in other words, by increasing total factor productivity". It observes: "The ability to move towards a knowledge-based economy depends on the quality of the business climate, in particular on the implementation of the rule of law, and on a proper emphasis on innovation in a broad sense, including the use of modern information systems, technological upgrading across economic sectors, and development of smaller technology-based companies within a supportive ecosystem."<sup>50</sup>

#### Identifying the challenges

EBRD in-house staff lead regional and country assessments of legal and regulatory systems, normally with support from external consultants. These assessments contribute to the development of LTT's own action plans and provide detailed information for country and sector strategies and assessments of transition qualities and challenges. They draw on existing international indices and standards, supplemented where necessary by the Bank's own research and input from EBRD economists.

In 2012 and 2016 the Legal Transition Team conducted Bank-funded comparative assessments of the ICT sector in countries of operations including SEMED.<sup>51</sup> It updated a previous assessment in 2008. Consultants Premiere Dynamics Limited, Great Village International Consultants Inc, Cullen International and others contributed to the analysis, which was published on the Bank's website. The aim was to examine the legal and regulatory framework in countries influencing the decisions of investors in the electronic communications sector as to whether they would invest or continue to invest in the sector. It benchmarked conditions in each country against recognised international best practices from two principal sources: the World Trade Organisation (WTO) 1997 reference paper which was used by WTO members to open their markets for telecommunications services; and best practices found in the European Union (EU), where member states have implemented a harmonised and effective legal and regulatory framework since 1998 based on the 1997 WTO open market principles.<sup>52</sup>

<sup>49</sup> The Knowledge-based Economy, OECD, 1996

<sup>50</sup> BDS14-053

<sup>51</sup> [2012 Electronic Communication Sector Comparative Assessment](#)

<sup>52</sup> [http://www.wto.org/english/tratop\\_e/serv\\_e/telecom\\_e/telecom\\_posturuguay\\_neg\\_e.htm](http://www.wto.org/english/tratop_e/serv_e/telecom_e/telecom_posturuguay_neg_e.htm)

The EBRD developed its own knowledge economy index, launched in 2019, because of the limitations it found in existing indices. Its earlier analytical work leaned heavily on the World Bank's Knowledge Economy Index, European Commission's Innovation Union Scoreboard and the World Economic Forum's Global Competitiveness Index. This was developed by EPG with input from LTP.

### Specific challenges

LTT's 2012 Electronic Communication Sector Comparative Assessment placed countries in four groups. Broadly from lowest risk to highest risk these were: Group A - advanced transition (EU) countries; Group B - south-east Europe and Turkey; Group C - SEMED; and Group D - former Soviet Union and Mongolia. But there was a large degree of overlap between the poorer performers in a higher group and the best performers in a lower one. In particular, Georgia and to a lesser extent Moldova and Armenia stood out as Group D countries comparing well with all but EU countries.

The assessment identified key aspects of best practice missing in countries with higher legal and regulatory risk:

- Slow progress in fulsome implementation of market liberalisation, characterised by policy and state-ownership conditions that still favour incumbent operators over new market entrants (especially in Central Asia, Russia and Egypt).
- Slow progress in the implementation by national regulators of effective competitive market safeguards. The necessary steps here range from the relatively simple introduction of number portability and the removal of tariff subsidies, to the more complex regulatory mechanism of obliging dominant incumbent operators to give new market entrants access to existing telecommunications infrastructures in order to provide a competitive choice of modern services to consumers.
- The lack of adoption by policy makers and regulators of modern spectrum management methods to ensure that sufficient spectrum is available to satisfy market needs. The lack of available spectrum in some countries is likely to become a major concern, given the very high market demand for modern high speed internet and data services (mobile and fixed broadband services).

The main recommendation of the report on assessment was for the countries which were lagging behind to accelerate the adoption of legal and regulatory best practice. Existing market players and new entrants would benefit from better laws and regulations that are now common features in low-risk countries. Modern digital technologies can free up the previously monopolistic networks and give better consumer choice, quality and value for money, as well as driving innovation. More specific recommendations are to:

- Improve the speed and effectiveness of high-level decision making in the electronic communications sector by ensuring that sector policy is precise, more clearly stated and relevant to a broadband-enabled society.
- Improve the independence of regulation in the sector so that the decisions of the regulatory agencies are taken on the merits in a manner which fairly balances the interests of sector stakeholders, principally the consumers and investors. This often involves use of a transition to a "lighter touch" in regulation, leaving the decisions to the market, via consumer and investor choice (though the timing of such a transition will depend upon the maturity of the market in question).
- Remove unnecessary market entry barriers, such as lack of available spectrum and the requirement to obtain a licence even when scarce resources are not used, to better support market growth.
- Implement the normally expected competitive market safeguards so that consumers have more market choices and also that operators have greater and fairer wholesale access to existing infrastructures.
- Support "broadband for all" policies, bringing the benefits of the information society to all citizens, including, where necessary, appropriate, non-distortionary, state subsidies to encourage private investors to expand high speed infrastructures into the more remote areas.

The follow-up paper in 2016 found a continuing lag in terms of the development of ICT and broadband penetration and use compared with EU countries, despite an annual compound growth rate of 44 per cent in broadband

**penetration since 2012.** It assessed the legal and regulatory frameworks covering ICT infrastructure in 20 countries of operations. It found a very high demand for broadband services and identified reducing the “broadband gap”, especially in rural areas, as the most important step for the countries assessed. To facilitate this, it recommended that national policies for the ICT sector should continue to emphasise the importance of a knowledge-based economy; the development of eGovernment services should be continued with measures to protect user data; and enablers fostering investment in essential ICT infrastructure should be put in place with a view to achieving universal access to high-speed broadband. The key enablers were identified as a clear broadband policy with clearly defined targets; a clear national broadband plan setting out specific legal and regulatory enablers, implementation measures and timetables making full use of competitive markets; and specific infrastructure projects in rural areas.

EBRD's 2013 Assessment of Transition Challenges identified the following specific key challenges in the three countries that have been chosen for deep dives in this study:

- **Serbia:** (i) privatising the fixed line incumbent Telekom Srbija; (ii) further increasing competition in the fixed line segment; (iii) further developing the telecommunications infrastructure (broadband internet); and (iv) further modernising the regulatory framework (aligning it with the EU 2009 regulatory framework).
- **Tunisia:** (i) completing the privatisation of the fixed-line incumbent and re-privatizing the recently frozen stakes in network operators; (ii) continuing to develop the telecommunications infrastructure (broadband internet); (iii) ensuring the independence and strengthening capacity of the telecommunications regulator; and (iv) improving the protection of intellectual property rights.
- **Ukraine:** (i) ensuring independence of the telecommunications regulator; (ii) further modernising the regulatory framework (implementing competitive safeguards); (iii) increasing competition in the fixed line segment; and (iv) further developing the telecommunications infrastructure (broadband internet).

The 2014 Knowledge Economy Initiative paper identified challenges in the economic and institutional regime, education and training systems, innovation systems and information infrastructure. The ICT strategy the same year noted that the OECD ICT Top Priorities Report (2012) and EU's Digital Agenda for Europe identified investment in broadband as a delivery mechanism as the top priority in the sector. 17 out of 34 COOs had privatised their telecom operator. The cost of fixed line development pointed to mobile technologies as the preferred method to expand communications in areas lacking fixed cables or fibre. Existing fixed line networks needed to be upgraded or digitalised for broadband, and there was a need for data centres.

The 2019 Knowledge Economy Index<sup>53</sup> specified four pillars: institutions for innovation, skills for innovation, the innovation system, and the ICT infrastructure. Each pillar had a number of “Dimensions” focusing on narrower elements, with 38 “Indicators” in total. It identified weak institutions for innovation as the most significant drivers of KE gaps between the EBRD regions and their OECD comparators. Usefully, it compared performance across several indicators in 2018 with the situation in 2011.

## 2. LTP's objectives in the area of KE and ICT

The Bank's definition of the Knowledge Economy is broader than just ICT. The Bank prepared the 2014 Knowledge Economy Initiative (KEI) and ICT Sector Strategy in parallel as complementary strategy documents. The ICT Strategy prioritises network expansion and access to communications (including broadband), privatisation of remaining public sector incumbent operators and support for innovative, advanced and transformational technologies. The KEI aims to improve the innovation business environment to encourage companies to innovate; develop access to information via availability of broadband, particularly in the regions; promote and support the ability of traditional industries to innovate; and help ensure access finance. It would do this through four streams:

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<sup>53</sup> <https://www.ebrd.com/news/publications/brochures/ebd-knowledge-economy-index.html>

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- Innovation policy stream: the Bank would work selectively to improve institutional frameworks and pursue policy dialogue, in cooperation with EU institutions and other IFIs where appropriate.
- Information systems stream: the Bank would invest in projects focusing on improving access to information, especially through development of ICT infrastructure (e.g. broadband internet) and services (e.g. data centre capacity).
- Technological upgrading stream: the Bank would invest in projects in non-ICT sectors supporting the implementation of new or best available technologies and developing transferrable skills.
- Small technology-based companies stream: the Bank would support mid-caps and smaller innovative companies developing new products, technologies or business models

**Due to the nature of the LTP's work, its focus is mainly on the innovation policy stream.** In some cases, legal transition work also contributed to the information systems stream, especially broadband roll-out and digital TV switchover.

The Legal Transition Programme Action Plan 2013-2015 ([SGS12-252](#)) said that the main focus would be the regulatory framework for data transfer and broadband expansion in order to promote competition and market-based tariffs. It specified four main directions in ICT:

- Systematic policy, legal, regulatory and institutional support for policymakers and regulators, concentrating on building and enhancing competition mainly through elimination of barriers to investment (programmatic training, engagement and follow-on practical implementation support) (this is currently envisaged in Armenia, Georgia, Kyrgyz Republic, and Mongolia).
- Ad-hoc policy, legal, regulatory and institutional support projects designed and implemented to support specific banking deals (e.g. tariffing or infrastructure access support to accompany a specific bank investment in a rural broadband project, or, support for digital broadcasting switchover planning or implementation to accompany a banking project financing the switchover) (in particular in Kazakhstan).
- Support to policymakers and regulators with respect to new areas of sector development, developments mostly driven by technology and economics, e.g. 4th generation mobile, infrastructure sharing (as part of the follow-on practical implementation support deriving from systematic support to the regulator that may be provided by the EBRD (at the moment envisaged in Armenia and Georgia).
- A possible new sub-focus supporting 'knowledge economy' aspects of the ICT Team's activities, e.g. e-society, intellectual property rights, broader business climate, ICT advisory.

The Legal Transition Programme 2016-2018 Operational Plan ([SGS16-221/Add1](#)) said that the LTP would work on the following:

- Development of policies and programmes supporting high-speed broadband internet;
- Building and strengthening competition in the ICT sector mainly through elimination of barriers to investment;
- Support for e-commerce frameworks, e-government e-procurement and intellectual property rights.

**ICT is one of the smaller sectors for the Bank and as a result it does not often feature explicitly as one of the top priorities in country strategies.** ICT/KE-relevant activities tend to be covered more broadly in objectives for the commercial or infrastructure sectors. For example, judicial capacity in the commercial sector features in several current country strategies across most regions, including Albania, Croatia, Cyprus, Jordan, Moldova, Mongolia and Central Asia. E-governance is an area of focus in the Kyrgyz Republic. Electronic communications development is mentioned for Hungary, Poland, Moldova (regional integration), Morocco (regional inclusion), Romania (broadband); and support to privatisation programmes in the sector in Cyprus and Latvia. In Tajikistan, an early transition country, telecommunications is a focus under the objective of improving public utilities. These examples show that ICT is mostly considered as a means of improving the business environment, inclusion and regional integration through access to broadband in particular.

### 3. Solutions Offered by LTP

The evaluation team identified 11 projects during the evaluation period, in Armenia, Bosnia & Herzegovina, Cyprus, Georgia, Kosovo, Serbia, Tunisia and Regional. Projects addressed ICT sector regulation, digital TV switchover and broadband infrastructure. The country with the most intensive intervention was Georgia, where there were three operations, two in the digital TV broadcasting sector and one in broadband rollout.

**Table 1. Scope of projects approved in the review period**

Project	Stakeholder	Scope/deliverables
#276 Regional - SEMED ICT Policy and Regulatory Development	EBRD	4 assessments of impediments and identification of appropriate responses 4 draft assistance programme and implementation plans
#314 Georgia - Communications Policy & Regulation Development (extension)	Ministry of Economy and Sustainable Development; National Communication Commission	Technical and costing specifications for digital broadcasting network Licence tender documentation Assistance with tendering process
#412 Cyprus - National Broadband Programme	Office of the Commissioner for Electronic Communications and Postal Regulation	Demand study; network design and model; cost and revenue analysis; cost and benefit analysis; policy, regulatory etc recommendations National Broadband Plan and combined final report
#494 Georgia - Digital TV Switchover Support (Phase II)	Ministry for Economy and Sustainable Development; Digital Switchover Agency	Support to DSA on consumer relations aspect of switchover, including public information campaign, quarterly surveys of consumers, and call centres operational Support to DSA on procurement of set-top boxes for vulnerable households
#1047 Georgia – ICT – Harmonisation of laws, regulation of next generation access and regulatory development	Ministry for Economy and Sustainable Development; National Communications Commission	Legal gap analysis Legislation action plan Textual revisions to laws/regulations Documented review, analysis, recommendations, consultations and draft decision
#1670 Serbia - National Broadband Implementation Programme	Ministry for Trade, Tourism and Telecommunications	Demand study; network design and model; cost and revenue analysis; cost and benefit analysis; policy, regulatory etc recommendations National Broadband Plan and combined final report
#1676 Bosnia and Herzegovina – Electronic Communications Sector Development	Communications Regulatory Agency	Support development, adoption and implementation of modern accounting separation and cost accounting principles reflective of the EU framework
#5182 Armenia - Communications Regulatory Development	Public Services Regulatory Commission	Draft regulations on market analysis, infrastructure access, number portability Recommendations on spectrum planning, PSRC market reviews, measures to promote universally available broadband, information for consumers Study visits to EU regulatory authorities
#7091 Kosovo - ICT Sector Capacity Building	Regulatory Authority for Electronic and Postal Communications	Training programme development and implementation Regulatory casework support
#9820 Regional - EBRD Survey of Investors – Broadband Infrastructure	EBRD	Design and implementation of survey of investors Analysis and reporting of results
#10211 Cyprus - ICT Business Support Programme	Office of the Commissioner for Electronic Communications and Postal Regulation	Provision of support to SMEs to exploit benefits of high-speed broadband, including support to e-service portal, and delivery of corporate/individual counselling and workshops



## 4. Results and Impact

EvD validated seven projects. Of the 11 projects, two were scoping exercises intended to identify potential areas of work for EBRD (projects #276 and #9820) and their impact is therefore not assessed. Two, though still active in the Bank's systems, did not proceed (#1676 and #10211). One (#1690) is still ongoing so full results are not yet available. Table 2 presents the aggregate results on achievement as self-assessed in Project Completion Reports (PCRs).

**Table 2. Achievement of project outputs and outcome indicators as identified at approval (self-assessment)**

#	Projects	Total outputs	Achieved/ partly/ not achieved	Total outcome indicators	Achieved/ partly/ not achieved
1	#276 SEMED ICT Policy and Regulatory Development	Scoping exercise			
2	#314 Georgia Communications Policy & Regulation Development (extension)	2	2/0/0	1	1/0/0
3	#412 Cyprus National Broadband Programme	1	1/0/0	1	1/0/0
4	#494 Georgia Digital TV Switchover Support (Phase II)	4	4/0/0	2	1/1/0
5	#1047 Georgia – ICT – Harmonisation of laws, regulation of next generation access and regulatory development	3	3/0/0	3	3/0/0
6	#1670 Serbia - National Broadband Implementation Programme	2	1/1/0	2	1/1/0
7	#1676 Bosnia and Herzegovina – Electronic Communications Sector Development	Did not proceed			
8	#5182 Armenia Communications Regulatory Development	3	3/0/0	2	0/2/0
9	#7091 Kosovo/ICT Sector Capacity Building	3	3/0/0	2	2/0/0
10	#9820 EBRD Regional Survey of Investors – Broadband Infrastructure	Scoping exercise			
11	#10211 ICT Business Support Programme – Cyprus	Did not proceed			

Annex 10 contains assessment sheets for the projects that were completed or are in progress. Assessments are based on project completion reports where available, supplemented by a review of other project documents – approvals, consultant reports – discussions with the LTT and meetings with stakeholders in Serbia. Project completion reports were available and correctly filed for all but one completed project (Armenia Communications Regulatory Development), where the consultant's final report was used instead. Most of the projects do not distinguish clearly between outputs and outcome indicators, and none reports on longer-term outcomes and impacts. Several projects have delivery of a plan or recommendation as an output, and approval or adoption of the plan as an outcome indicator (#412, #494, #1047, #1670). Some go a step further, with implementation as the outcome indicator: for example issue of an invitation to tender based on the documentation prepared by the consultant (#314), or distribution of set-top boxes (#494). The Kosovo ICT Sector Capacity Training (#7091) had the number of officials completing training and number of cases supported recorded as outcome indicators, duplicating outputs recording the delivery of training and report on casework support.

### Outputs and mid-term outcomes

EvD's assessments use the outputs and outcome indicators as defined at approval. In general, the consultants performed well and delivered the expected outputs. Where information is available, the performance of the consultants was praised and their outputs were almost universally accepted and even welcomed in principle, although further implementation was sometimes delayed.

Out of a total of 18 outputs, 17 were reported *achieved*. One output was only *partly achieved*: in project #1670, implementation of the pilot prepared by the consultants requires approval of the Prime Minister before necessary state funds can be released, therefore finalisation of the plan was delayed pending such approval.

Out of a total of 13 outcome indicators, nine were *achieved* and four *partly achieved*. Consumer surveys conducted as part of the Georgia Digital TV Switchover (#494) were delayed and therefore of less use than intended in informing the process.

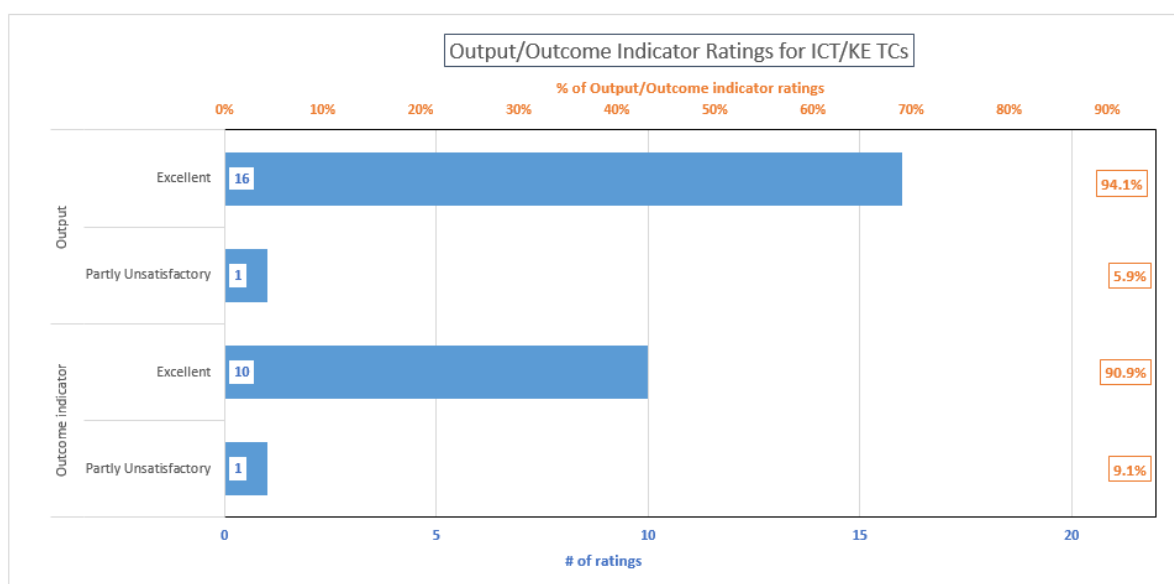


## Legal Transition Programme – Annexes

Approval of the Serbian National Broadband (#1670) pilot implementation plan is delayed as noted above, although the project report describes it as achieved because the outline plan has been accepted in principle by the ministry: the confusion between outputs and outcome indicators means that the project completion report shows the output as *partly achieved* and the corresponding outcome indicator as *achieved*. In the Armenia Communications Regulatory Development (#5182), the authorities have only partly adopted the recommendations and further progress seems unlikely without more fundamental reform.

Graph 1 below presents a summary of ratings of achievements of outputs and outcome indicators as presented in the project self-evaluation reports. The overwhelming majority of outputs and outcome indicators were rated *excellent*, with only one output and one outcome indicator rated *partly unsatisfactory*.

**Graph 1. Ratings of seven ICT/KE projects with available data**

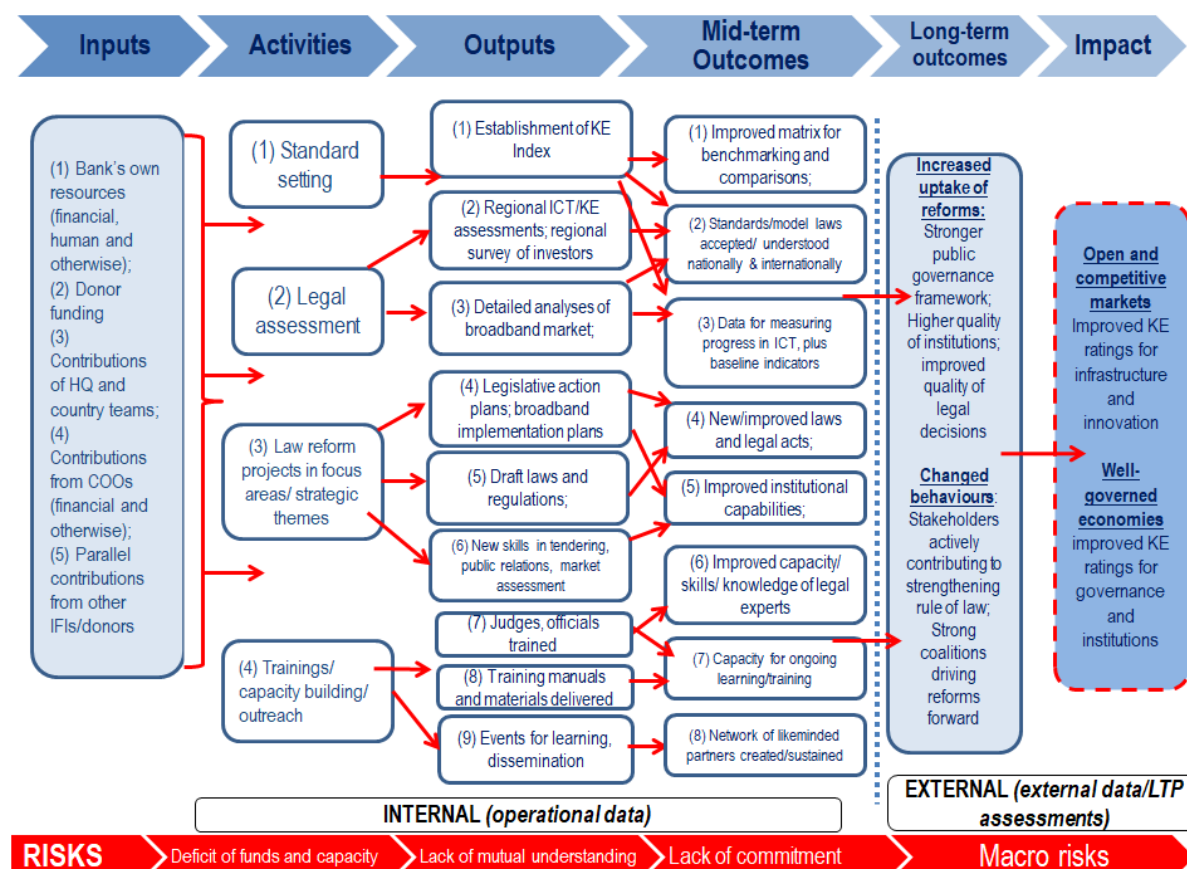


### Mid-term outcomes

Assessment of longer term outcomes and impact follows the theory of change developed for the study, set out in full in Annex 3. EvD has constructed a simplified results chain reflecting the specific activities planned or undertaken in the ICT/KE sector, shown in Graph 2 below. The framework reflects expected outputs and outcomes of projects, not all of which were achieved or could be validated.

## Legal Transition Programme – Annexes

Graph 2. Results framework for LTP activities in the ICT/KE sector



The LTP activities, outputs and immediate outcomes in the ICT/KE sector during the period under evaluation were intended to contribute to several of the mid-term outcomes shown in the results framework in graph 2.

- *Improved matrix for benchmarking and comparisons (outcome 1):* contribution to development of the KE index; comparative assessment of the ICT sector in countries of operations in 2012 and 2016.
- *Data for measuring progress in ICT (outcome 3):* detailed broadband market assessments (Armenia, Cyprus and Serbia).
- *New/improved laws and legal acts (outcome 4):* national broadband plans (Armenia, Cyprus and Serbia); legislative action plan (Georgia); draft laws and regulations (Armenia and Georgia).
- *Improved institutional capabilities (outcome 5):* skills transfer in tendering, procurement and public information (Georgia); officials trained and mentored at the regulatory agency (Armenia, Kosovo).
- *Capacity for ongoing learning/training (outcome 7):* training of judge trainers (Tunisia)

**Achievement of outcomes and impact was varied.** Georgia showed the best results, with a series of LTP interventions enabling the country to launch its digital TV switchover ahead of time, despite the process being behind schedule at the time of self-evaluation. EBRD and the consultants had to make persistent efforts to encourage the Government to agree to an open tender rather than allocating licences directly to the existing state-owned transmission operator. As a result, a local commercial operator won two contracts through a transparent tender process, and a workable division of responsibilities with the incumbent operator was achieved. The switchover was achieved with accompanying public information campaign and procurement of sufficient set-top boxes for vulnerable customers. The third Georgian project led to acceptance of draft legislation by the Government, but as of the last reporting date, further impact depended on its adoption by Parliament, still pending.

## Legal Transition Programme – Annexes

A project to devise a National Broadband Implementation Plan for Cyprus appears to have been well received and the implementation plan was approved by the regulator in 2017. However, it is early to assess its full impact while a planned follow-up project to support its implementation has not gone ahead.

**In Armenia and Serbia, projects did not proceed beyond the immediate outputs and outcomes because of a lack of practical support from the Government.** In Armenia, the Government accepted only some parts of the consultants' recommendations and draft text for a modern regulatory framework for the communications sector, and even less was adopted and implemented. The consultants' final report advised that effective implementation was unlikely to take place without a much clearer definition of an overall modern ICT sector policy, with implementation by an independent agency created for the converged electronic communications sector. Their view was that this did not appear likely to happen in the near future. In Serbia the client was much more welcoming of the consultants' deliverables but further progress was blocked pending Prime Ministerial approval of the pilot implementation plan and allocation of state funds required for this. The evaluation team visited Serbia as part of its fieldwork. The client reported that the consultants' work was "above expectations", providing tools such as a customised profitability model that could be adapted and used for different regions, as well as helping the client with its application for support to the EU WBIF. The client reported skills transfer from both the consultant and EBRD; in particular the LTP lead helped the local project manager develop skills in managing consultants and engaging effectively. The client commended EBRD's flexible and professional approach, and readiness to get into the details of the project and mentor local counterparts. EBRD delivered results with less burdensome procedures than other IFIs and donors. The lead consultant was Macedonian, which was appreciated because he had the necessary language skills and an understanding of the regional context and capacity of local partners. Another important asset was the EBRD's experience of similar projects in other countries facing a similar challenge, specifically Georgia. The project helped to integrate the digital and broadband agenda in a national strategy and programme of reforms for 2018-20 and 2019-21, but the Ministry lacked finance for implementation and hoped to obtain a loan from the EU or EBRD. The Foreign Investors' Council confirmed that it had observed no significant progress on the ground.

**The project in Kosovo was satisfactorily implemented but there was limited information on impacts.** The programme trained officials at the regulator, but did not have a strong results framework and there is no information on longer-term outcomes and impacts. Kosovo was not one of the countries selected for deep dive of the evaluation.

### Impact

**The impact of the projects is measured with reference to the Knowledge Economy Index.** Country assessments were conducted in 2011 and 2018, allowing a comparison to be made which largely matches the period covered by this study. Table 3 shows the developments in the country scores on the four pillars of the KE index between 2011 and 2018, for those countries in which LTP projects were implemented and for the EBRD region generally. Table 4 drills down into some of the sub-criteria of these scores. Dimension 3 of the index (Governance) is part of Pillar 1 and one of its indicators is Regulatory Quality; within the KE, this is the best direct measure of LTP success in the sector. Dimension 9 (ICT availability) is part of Pillar 4 and includes indicators for fixed and mobile broadband subscriptions. Although this dimension relates more directly to investment projects expanding broadband coverage, it is also dependent on an enabling environment and so measures the extent to which LTP projects aiming at improving the regulation of broadband have led to real effects on the ground.

**Table 3. Impact indicators: the four pillars of the KE index**

Country	Pillar 1: Institutions		Pillar 2: Skills		Pillar 3: System		Pillar 4: Infrastructure	
	2011	2018	2011	2018	2011	2018	2011	2018
All COOs	5.12	5.52	4.47	4.96	3.22	3.22	2.71	5.00
Armenia	5.11	5.44	4.83	5.24	2.71	3.12	1.71	4.24
Cyprus	7.75	7.52	5.55	5.70	4.18	3.80	4.35	6.27
Georgia	5.92	6.56	4.71	5.40	2.51	2.71	1.81	5.21
Kosovo	3.92	4.81	2.83	2.75	3.19	3.12	1.76	2.20
Serbia	4.93	5.76	4.86	5.46	3.13	3.26	2.46	6.02
Tunisia	4.77	4.38	3.81	3.82	3.74	3.04	2.44	4.59

**Table 4. Impact indicators: relevant dimensions and indicators from KE index**

Country	Dimension 3: Governance		Dimension 3 indicator: Regulatory Quality		Dimension 2: Business Environment		Dimension 9: ICT availability	
	2011	2018	2011	2018	2011	2018	2011	2018
All COOs	5.72	5.63	5.99	5.85	4.44	5.16	2.55	5.02
Armenia	5.93	5.33	6.40	6.27	4.02	5.08	1.75	4.33
Cyprus	8.53	7.89	8.91	8.08	7.11	6.70	4.80	8.04
Georgia	5.86	6.72	7.04	7.98	5.82	6.86	1.65	5.31
Kosovo	4.35	5.10	5.59	5.28	3.64	4.80	1.75	2.32
Serbia	5.37	5.95	5.66	5.83	4.10	5.38	2.90	5.79

All these countries, and indeed all the Bank's countries of operation, showed improvements in ICT availability and infrastructure over the period 2011-18. Among the countries in which LTP projects were initiated, the improvement was smallest in Kosovo (1.75 to 2.32) and greatest in Georgia (1.65 to 5.31).

This was not matched in all cases by improvements in institutions, governance and regulatory quality. In several countries, improved infrastructure came about despite a deterioration in the institutional framework. Georgia and Serbia are the only two of the countries with LTP projects to show improved regulatory quality, and both also showed particularly large improvements in ICT availability. Georgia was the country with the largest cluster of LTP projects and the most positive reported results at output and outcome level. Although further progress in Serbia was blocked by a lack of authorisation of funds, the client had received the project enthusiastically and reported improved skills and processes from the experience. The impact measures seem to reflect the reported project results reasonably well.

## Annex 9. TC Project Validations for three deep dive cases

## ITC &amp; KNOWLEDGE ECONOMY

SEMED Information Communications Technology (ICT) Policy and Regulatory Development # 276 Budget €73,000

APPROVED : July 2013 COMPLETED January 2015

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Assessments of impediments to investment and identification of appropriate policy, legal or regulatory responses	1	0	0
	ii) Draft of individual TC programmes to support implementation of policy, legal or regulatory responses	1	0	0
OUTCOME INDICATORS	i) Receipt of letter of request from sector authorities seeking TC support for sector reform(s) indicated in sector analysis performed as part of this TC (1 for each country) <b>(MARKED N/A IN COMPLETION REPORT)</b>	0	0	0
	TOTAL	2	0	0

LONG-TERM OUTCOME Based on the programmes developed by the consultant, EBRD promotes modern policy legal and regulatory practices in the ICT sector in SEMED. This results in opening up of SEMED ICT markets to inward investment and competition to the incumbent operators.

**EVD'S REVIEW:**

<b>RELEVANCE</b>	NA – scoping exercise for EBRD's benefit
<b>EFFICIENCY</b>	NA – scoping exercise for EBRD's benefit
<b>EFFECTIVENESS</b>	NA – scoping exercise for EBRD's benefit
<b>IMPACT</b>	NA – scoping exercise for EBRD's benefit
<b>SUSTAINABILITY</b>	NA – scoping exercise for EBRD's benefit

## ITC &amp; KNOWLEDGE ECONOMY

## Georgia Communications Policy &amp; Regulation Development (Extension) # 314

Budget €250,000

APPROVED : July 2013 COMPLETED January 2015

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Technical and costing specifications submitted to Ministry for Economy/Regulator</i>	1	0	0
	ii) <i>Licence tender documentation submitted to Ministry for Economy/Regulator</i>	1	0	0
OUTCOME INDICATORS	i) <i>Issue of an invitation to tender for at least one digital broadcast transmission licence by the government of Georgia</i>	1	0	0
	<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>
LONG-TERM OUTCOME	Switchover from analogue to digital broadcasting facilitated and achieved within (or closer to) ITU deadline. Entry of private sector operator(s) instead of or alongside state broadcaster.			

**EVD'S REVIEW:**

<b>RELEVANCE</b>	The project followed on from a previous project to develop a policy document for digital switchover. The Government adopted the proposed policy and asked EBRD for assistance in implementation. The project was relevant to the country strategy objective of increasing levels of private investment as it prepared the way for a private investor to bid for a contract in a previously state-dominated sector. The prevailing sector strategy was approved in 1999 and too old to be of interest. The project contributed to the institutional pillar of the KEI through enabling transparent tendering in preference to direct award of contracts to the existing state transmission provider.
<b>EFFICIENCY</b>	The government was initially reluctant to agree to the tendering of digital TV licences for private operators, preferring to allocate them all to the state transmission operator. Extensive dialogue was required to overcome this reluctance. The RO provided substantial support while the consultants brought the complex technical capacity required for a project of this type.
<b>EFFECTIVENESS</b>	Specifications presented on time and fully accepted by the Ministry for Economy and National Communications Commission as core inputs to the design of the national digital network and licence tender process. Tender document package compiled and presented on time, and approved as the formal tender documents for the licence auction. Tender process completed, with a local commercial operator winning two contracts.
<b>IMPACT</b>	Expected to lead to better quality, greater variety of TV programmes, improved opportunities for audio-visual media and information technology providers and more efficient use of national spectrum, with discontinued analogue spectrum re-used for fourth generation mobile services. No explicit reporting on programme quality and variety or use of spectrum. The state transmission provider continued to operate alongside the new commercial operator in a more restricted role. Entry of a commercial broadcaster is unique for the region. The EBRD helped to finance the network roll-out of the private operator. PCR reports that the project allowed the government to launch the switchover process ahead of time. Project contributed to improved institutional capabilities (Evaluation Outcome 5) and to commercially sound decision making (outcome 7) through conduct of a successful tender.

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**SUSTAINABILITY** The commercial provider selected through this tender has been operational since 2015. Use of transparent tender process and selection of private operator likely to have set a precedent for future tenders.

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## ITC &amp; KNOWLEDGE ECONOMY

## LTT/Cyprus National Broadband Programme # 412

Budget €290,000

APPROVED : November 2014 COMPLETED January 2017

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Final report including demand analysis, financial model, cost benefit analysis and gap analysis submitted to EBRD and client</i>	1	0	0
OUTCOME INDICATORS	i) <i>Client approves National Broadband Implementation Plan</i>	1	0	0
	<i>TOTAL</i>	<u>2</u>	<u>0</u>	<u>0</u>
LONG-TERM OUTCOME	Independent analysis leading to better understanding of the market for broadband infrastructure and service provision and impediments to investment and innovation. Ultimately leading to accelerated roll-out of high-speed broadband across Cyprus.			

**EVD'S REVIEW:**

<b>RELEVANCE</b>	The 2014 Country Assessment governing early Bank operations in Cyprus noted the need for market-oriented reform in telecoms but did not mention broadband, prioritising corporatisation and privatisation of the Cyprus Telecommunications Agency. The project was highly relevant to the 2014 ICT sector strategy and the Innovation Policy and Information Systems streams of the KEI in promoting electronic communications regulation reform and broadband roll-out. Also highly relevant to the LTP Action Plan 2013-15 in addressing "regulatory framework for ... broadband expansion."
<b>EFFICIENCY</b>	The project started later than expected because of delays in completing the consultant selection process; implementation thereafter kept to the revised schedule. Savings on the original budget due to underbidding by the consultant allowed an extension to the scope to cover ways of boosting demand for broadband.
<b>EFFECTIVENESS</b>	The consultant undertook a thorough analysis and delivered the final report, which was fully satisfactory to EBRD and to the client. The report content was incorporated into a National Broadband Implementation Plan approved by the telecoms regulator in 2017 [see LTP 2017 report SGS18-055 p.5].
<b>IMPACT</b>	Cyprus' KEI score for infrastructure rose from 4.35 to 6.27 between 2011 and 2018, less than the average across COOs but from a higher starting point. Contribution of this project is hard to determine as the Implementation Plan was approved only in 2017. The project led directly to a further TC (#10211) intended to support its recommendation to provide tailored support to SMEs to digitise, but the latter TC was not implemented.
<b>SUSTAINABILITY</b>	Sustainability of impact depends on the full implementation of the plan.

## ITC &amp; KNOWLEDGE ECONOMY

## Georgia Digital TV Switchover Support (Phase II) # 494

Budget €200,000

APPROVED : May 2014 COMPLETED July 2015

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Public information campaign on the switch to digital broadcasting conducted as per plan</i>	1	0	0
	ii) <i>Quarterly surveys of consumers conducted and reported to DSA and MoESD management</i>	1	0	0
	iii) <i>Call centres are operational</i>	1	0	0
	iv) <i>Set top boxes of digital switchover for vulnerable households are procured in accordance with agreed procedures</i>	1	0	0
OUTCOME INDICATORS	i) <i>Set Top boxes distributed by DSA to vulnerable households in accordance with the approved Implementation Plan</i>	1	0	0
	ii) <i>Consumer survey results and recommendations accepted by DSA management</i>	0	1	0
	<b>TOTAL</b>	<b>5</b>	<b>1</b>	<b>0</b>
LONG-TERM OUTCOME	Digital TV switchover achieved successfully, with benefits for better broadcasting quality, greater variety of TV programmes, better opportunities for audio-visual media and IT providers and more efficient use of national spectrum resources.			

**EVD'S REVIEW:****RELEVANCE**

Followed on from previous projects to develop policy and administration of competitive tenders for digital multiplex operation. This project was aligned to the LTP Action Plan 2013-15 pillar 1 in providing support for digital broadcasting switchover or implementation. It was broadly in line with the 2013 Country Strategy aim to "support the development of Georgia's communications and internet infrastructure in a competitive environment to ensure that all regions ... are connected." It was well aligned with the ICT sector strategy and the Information Systems stream of the KEI in promoting access to communications and information to more citizens - through provision of public information and procurement of set-top boxes for vulnerable households.

**EFFICIENCY**

The EBRD's quick follow-up to its first TC was critical to enabling the GoG to deliver an important international commitment (digital switchover) on time. There were slight delays to the deliverables which did not undermine the achievement of the intended outcome indicators.

**EFFECTIVENESS**

Public information campaign was completed and call centres operational. Surveys had a delayed start but their findings were taken into account: the public information campaign was reinforced following the finding that 56% of consumers were still unprepared. Procurement of set-top boxes was also slightly delayed because of the supplier's difficulty meeting demand, but the PCR reports that sufficient supply was in place in time for the switchover.

## Legal Transition Programme – Annexes

**IMPACT**

Digital switchover was expected to provide better broadcasting quality, greater variety of TV programmes, better opportunities for audio-visual media and IT providers and more efficient use of national spectrum resources. The PCR does not comment on these impacts. The project was transaction-related in enabling the digital switchover to go ahead on time and ensuring wider awareness and access to the new digital service. It supported local institutional capacity to manage consumer relations and to transparently tender, procure and distribute necessary equipment (outcome indicators 5 and 7).

**SUSTAINABILITY**

The TC was largely supportive to a rollout of infrastructure, rather than intended to change policy or behaviour. It helped to consolidate the previous adoption of the EBRD-recommended strategy and implementation plan for the digital switchover. In this way it increased the sustainability and permanence of that prior policy decision.

## ITC &amp; KNOWLEDGE ECONOMY

## Georgia – ICT– Harmonisation of laws, regulation of next generation access and regulatory development # 1047

Budget €630,000

APPROVED : July 2015 COMPLETED March 2018

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Legislative action plan</i>	1	0	0
	ii) <i>Textual revisions to laws/regulations</i>	1	0	0
	iii) <i>Documented review, analysis, recommendations, consultations and a draft decision</i>	1	0	0
OUTCOME INDICATORS	i) <i>Approval by client of legislative action plan</i>	1	0	0
	ii) <i>Approval by client of specific legislative texts</i>	1	0	0
	iii) <i>Approval by GNCC of Decision covering the adoption of a next generation access regulation framework largely reflecting project recommendations</i>	1	0	0
	<b>TOTAL</b>	<b>6</b>	<b>0</b>	<b>0</b>
LONG-TERM OUTCOME	Harmonisation of Georgia's legal framework with that of the EU; improved legal and regulatory framework in the ICT sector, particularly regarding broadband; acceleration of roll-out of broadband internet connectivity.			

**EVD'S REVIEW:**

<b>RELEVANCE</b>	Highly relevant to priority 1 of the 2016 Country Strategy through contribution to development of broadband infrastructure; also promoting EU harmonisation process. Highly relevant to 2014 ICT sector strategy and the Innovation Policy and Information Systems streams of the KEI in promoting electronic communications regulation reform and broadband roll-out. Relevant to the LTP 2016-18 in developing policies and programmes supporting high-speed broadband internet.
<b>EFFICIENCY</b>	EBRD worked closely with the Government to adjust the project to national priorities; during implementation it was more fully oriented towards legal harmonisation, while rural broadband support was redirected towards production of regulatory guidelines for broadband roll-out.
<b>EFFECTIVENESS</b>	Outputs were all achieved within a reasonable time-frame. Work on rural broadband was slightly delayed as other elements of the project were prioritised. Gap analyses, legislative action plans and legislative text drafts relating to EU directives were delivered by the client and approved by the consultant ahead of time. Next generation access regulation framework delivered and approved four months behind schedule as other work was prioritised.
<b>IMPACT</b>	KE Index shows that over the period 2011-18 Georgia improved its scores on all pillars of the KEI, most significantly on infrastructure (from 1.81 to 5.21 – a greater change than across the EBRD region as a whole). There was also a noticeable improvement in its institutions (from 5.92 to 6.56). The three LTP TCs contributed in these areas. The project is expected to contribute specifically to new/improved laws and legal acts (evaluation outcome 4) and hence to a stronger public governance framework.

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<b>SUSTAINABILITY</b>	Moves Georgia closer to EU harmonisation under the recent EU Association Agreement and hence to permanent alignment with international (EU) standards of good governance and competitive markets. Sustainability depends on adoption of legislation by the Parliament and its implementation– not yet reported
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## ITC &amp; KNOWLEDGE ECONOMY

## Serbia – National Broadband Implementation Programme # 1670

Budget €400,000

APPROVED : November 2015 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Final report including demand analysis, financial model, cost benefit analysis and gap analysis submitted to EBRD and the client</i>	1	0	0
	ii) <i>Pilot project implementation plan is submitted to EBRD and the client</i>	0	1	0
OUTCOME INDICATORS	i) <i>Client approves National Broadband Implementation Plan</i>	1	0	0
	ii) <i>Client approves pilot project implementation plan</i>	1	0	0
	<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>
LONG-TERM OUTCOME	Independent analysis leading to better understanding of the market for broadband infrastructure and service provision and impediments to investment and innovation. Ultimately leading to accelerated roll-out of high-speed broadband across Serbia.			

## EVD'S REVIEW:

<b>RELEVANCE</b>	The project was highly relevant to the 2014 ICT sector strategy and the Innovation Policy and Information Systems streams of the KEI in promoting electronic communications regulation reform and broadband roll-out. Also highly relevant to the LTP Action Plan 2013-15 in addressing "regulatory framework for ... broadband expansion." In Serbia specifically, ATCs attached to the 2014 country strategy identified broadband infrastructure development as a key challenge, but the strategy does not otherwise prioritise ICT in the main text or LTP annex.
<b>EFFICIENCY</b>	Local counterpart reports that using a consultant with local knowledge and language skills was very important; in comparison with other MDBs EBRD very responsive and produced solutions; EBRD experts present in Belgrade for meetings and shared experience on how to work with consultants (skills transfer for future assignments). Also reports that delays to delivery of the assignment were their fault not EBRD's or consultant's.
<b>EFFECTIVENESS</b>	Final report (90% of assignment) delivered with some delay; very well received by client; "above expectations" and included an Excel model and code allowing the client to customise it themselves later. National Broadband Implementation Plan approved by both EBRD and the client. PCR reports as of 2019 finalisation of pilot implementation plan (10% of assignment) delayed awaiting Prime Ministerial approval for required contribution of state funds; client confirms this and reports full satisfaction with details provided so far.
<b>IMPACT</b>	Full impact of assignment has not yet been able to occur as approval and funding for pilot and subsequent roll-out have not been received. Foreign Investors' Council has not noticed significant progress in telecoms field. Client reports secondary effects in form of skills transfer from EBRD on handling consultants and from consultant on managing the project.
<b>SUSTAINABILITY</b>	Currently suspended pending approval and Government guarantee. EBRD ready to finance roll-out once GoS on board. Project currently shows a "Exploratory" in DTM.

## ITC &amp; KNOWLEDGE ECONOMY

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**Bosnia and Herzegovina – Electronic Communications Sector Development # 1676**

(No progress/completion reports)

APPROVED : November 2015 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	<i>None - did not proceed</i>	0	0	0
OUTCOME	<i>None – did not proceed</i>	0	0	0
INDICATORS				
	<i>TOTAL</i>	0	0	0

LONG-TERM  
OUTCOME

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**EVD'S REVIEW:**

**RELEVANCE**

**EFFICIENCY**

**EFFECTIVENESS**

**IMPACT**

**SUSTAINABILITY**



## ITC &amp; KNOWLEDGE ECONOMY

## Armenia Communications Regulatory Development # 5182

Budget €450,000

APPROVED : September 2011 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	No results framework in TCRS	0	0	0
OUTCOME	No results framework in TCRS	0	0	0
INDICATORS				
	<i>TOTAL</i>	<u>0</u>	<u>0</u>	<u>0</u>

LONG-TERM  
OUTCOME**EVD'S REVIEW:** [assessment based on consultant's final report, as results framework and PCR not available]**RELEVANCE****EFFICIENCY**

**EFFECTIVENESS** The consultants drafted regulations which were partly adopted by the Armenian Public Services Regulatory Commission as of 2014: regulations on markets (adopted); market analysis methodology (not adopted); infrastructure access (partly adopted); and number portability (mobile number portability implemented but not fixed line portability). Also made recommendations on staffing, costs and cost recovery from operators (not adopted); spectrum planning in line with European norms (broadly accepted but not yet implemented); broadband market data capture and analysis (broadly accepted but unlikely to be implemented); policy, regulations and funding support for universal broadband (broadly accepted but unlikely to be implemented); price and quality comparison website and code of practice for consumer complaints (ditto). The consultants organised two study visits to an EU regulatory authority (Slovenia and Finland), with 8 participants in total. A third planned visit did not take place.

**IMPACT** It appears that impact has been very limited because the authorities did not fully adopt or implement many of the recommendations. The consultants' final report advised that effective implementation was unlikely to take place without a much clearer definition of an overall modern ICT sector policy, with implementation by an independent agency created for the converged electronic communications sector.

**SUSTAINABILITY** N/A

## ITC &amp; KNOWLEDGE ECONOMY

## Kosovo/ICT Sector Capacity Building # 7091

Budget €150,000

APPROVED : July 2015 COMPLETED March 2018

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Delivery of Training Programme Plan</i>	1	0	0
	ii) <i>Report on training implementation</i>	1	0	0
	iii) <i>Report on regulatory casework support</i>	1	0	0
OUTCOME INDICATORS	i) <i>Number of ARKEP officials completing in the training</i>	1	0	0
	ii) <i>Number of regulatory cases supported</i>	1	0	0
	<i>TOTAL</i>	5	0	0
LONG-TERM OUTCOME	Higher quality of institutions: improved capacity of the regulator to oversee the legal and regulatory framework.			

**EVD'S REVIEW:**

<b>RELEVANCE</b>	The 2013 country strategy only briefly mentioned ICT, with the privatisation of the national operator the main objective. The 2016 strategy, under development during the approval of this project, gave more focus to ICT as has holding "considerable potential for growth" and specifically mentioned enforcement of a modern regulatory framework as a key challenge. The project is highly relevant to the 2016 ICT strategy and KEI, where electronic communications regulation and reform, including practical support for regulatory authorities, is a key part of the Innovation Policy Stream.
<b>EFFICIENCY</b>	Limited information available. The consultants appear to have engaged well with the client, adapting the training programme and casework support to their needs.
<b>EFFECTIVENESS</b>	The objectives of training ARKEP officials and assisting in casework were fully achieved. There was high demand for the training and average satisfaction level was 90%. Because of demand, casework support was spread across several topics rather than focused on two as originally planned.
<b>IMPACT</b>	Project design did not clearly distinguish between outputs and outcomes, making assessment of wider effects difficult. No information on changed behaviour or improved effectiveness of the regulator because there were no indicators or attempts to measure wider effects. As Kosovo was not selected for evaluation fieldwork, the evaluation team was unable to generate its own evidence base on this.
<b>SUSTAINABILITY</b>	NA.

## ITC &amp; KNOWLEDGE ECONOMY

## EBRD Regional Survey of Investors - Broadband Infrastructure # 9820

Budget €150,000

(No progress/completion reports)

APPROVED : May 2018 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	<i>None – did not proceed</i>	0	0	0
OUTCOME	<i>None – did not proceed</i>	0	0	0
INDICATORS	<i>TOTAL</i>	0	0	0

LONG-TERM  
OUTCOMEEVD'S REVIEW:

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

## ITC &amp; KNOWLEDGE ECONOMY

## ICT Business Support Programme - Cyprus # 10211

Budget €73,500

(No progress/completion reports)

APPROVED : August 2018 ONGOING

Assignments: N/A

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME	0	0	0
INDICATORS	0	0	0
<i>TOTAL</i>	0	0	0

LONG-TERM  
OUTCOMEEVD'S REVIEW:

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

## INSOLVENCY

HUNGARY: ANALYSIS OF CORPORATE RESTRUCTURING AND  
INSOLVENCY IN HUNGARY # 154 (SSF)

Budget €68,850

APPROVED : December 2011

COMPLETED December 2014

## Assignments:

Analysis of Corporate Restructuring and Insolvency in Hungary – Tax Advisor  
 Analysis of Corporate Restructuring and Insolvency in Hungary – Legal Advisor

Start	€
Dec 11	34,425
Dec 11	34,425

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Final draft report incorporating legal and financial (tax) analysis of issues impacting non-performing loan resolution and accompanying recommendations</i>	1	0	0
OUTCOME INDICATORS	i) <i>Presentation of a final report on legal and tax issues impacting non-performing loan resolution and accompanying recommendations to the Hungarian Central Bank</i>	1	0	0
	ii) <i>Active policy dialogue with key stakeholders</i>	1	0	0
	TOTAL	3	0	0

LONG-TERM OUTCOME Improved legal and regulatory framework in the area of corporate restructuring and insolvency, with functioning institutions, enhanced capacity of execution agencies, judiciary and enforcement agencies. Changed behaviour of key stakeholders who have access to information and knowledge to act.

## EVD'S REVIEW:

RELEVANCE	The project was extremely relevant to country's needs, Bank's priorities in the sector and in Hungary, and it was in congruence with the International Vienna Initiative. In the new Country Strategy for Hungary approved in 2016 the NPL resolution was defined as one of the priorities in the "Banking Sector Resilience" stream of work.
EFFICIENCY	LTT offered country-tailored advice with the depth and breadth of international comparators, to present the best practices and solutions possible in the specific environments. It took time to build trustful relations with the core stakeholders in the National Bank of Hungary, Ministry of Justice, Ministry of National Development, and Ministry of National Economy. OL established good working relations with the country head and team on the ground. The activities were in sync with other Bank's projects and initiatives, including crucial MoU
EFFECTIVENESS	Project achieved its intended results, although their presentation and interpretation in project report is incorrect. Report contains information on achievement of short-term results only – what is defined as outcome indicators are in fact outputs, just happening at a different stage of the process. It is incorrect to define "presentation of report" as mid-term result. The verbal part of the document does contain mid-term result which is the direct consequence of project activities – action plan that was part of the project report stimulated Hungarian authorities to launch the reform of legal framework for corporate insolvency and restructuring. EBRD continued to provide advice and support to this work in the framework of other projects and activities.
IMPACT	A number of indicators can illustrate the progress Hungary made in improving its insolvency framework, towards which current project contributed, however not exclusively. One of those indicators is WB's Doing Business score Resolving Insolvency, which in 2020 stood at 55.00 (rank 66). It is much lower than Hungary's overall DB score of 73.4 (rank 52). It takes two years for creditors to recover their credit (OECD average is 1.7 years), recovery rate is 44.2 cents to dollar (OECD average 70.2), and the cost

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of proceedings is 14.5% of estate (OECD average is 9.3%). Hungary's insolvency index in 2020 is 10 out of 16. In 2014 Hungary's rank in resolving insolvency was 70 compared to 54 overall DB rank. It took two years to recover assets, recovery rate stood at 38.3 cents to dollar and cost of proceedings was 15% of estate. Therefore, in the period 2014-2020 the length of insolvency procedure hasn't changed, while recovery rate and cost of proceedings saw modest improvements. Hungary however achieved significant progress in NPL resolution, where NPL share dropped from 12.7% in June 2015 to 2% in June 2019 (VI Monitor data) and their volume reduced from €5.9 billion to €1.1 billion in the same period.

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**SUSTAINABILITY**

Sustainability of the results of this project depends on the follow-up activities on drafting legislation and regulations, their implementation and enforcement. A range of follow-up activities were implemented by LTT, most recent one – project launched in 2019 with the Ministry of Justice on reform of Hungary's 1991 Bankruptcy Law with the objective of improving environment for reorganisation (rather than closure), better protection of creditors' rights, and more efficient court procedures.

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## INSOLVENCY

## Bailiff Service Capacity Building # 249 (Mongolia, SSF)

Budget €665,689

APPROVED : November 2013 COMPLETED April 2017

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Advice on institutional development measures submitted to EBRD and the Agency	1	0	0
	ii) Advice on legislative reform measures submitted to the Ministerial Working Group and EBRD	1	0	0
	iii) Bailiff training programme implemented as scheduled	1	0	0
	iv) Training of trainers programme implemented as scheduled	1	0	0
	v) Apprenticeship programme implemented as scheduled	1	0	0
OUTCOME INDICATORS	i) Improvement in the effectiveness of enforcement of commercial law decisions score	1	0	0
	ii) Recommendations on institutional development measures formally adopted by the Agency	1	0	0
	iii) Recommendations endorsed by the Ministerial Working Group on legislative reform are accepted by the Minister for further implementation	1	0	0
	TOTAL	8	0	0
LONG-TERM OUTCOME	Well-functioning enforcement system for court decisions that includes clear legislation; implementation tools and administrative capacity of the leading agency; strong enforcement cadres (bailiffs) with relevant skills and knowledge, and access to continuous training and professional development.			

EVD'S REVIEW:<sup>54</sup>

## RELEVANCE

Weak enforcement of court decisions undermines the rule of law and has negative influence on the country's investment climate. This project was well aligned with the challenges facing Mongolia in the enforcement domain, as well as in the investment climate in general, and with the needs of the Government. It was in line with the EBRD's strategy in Mongolia and LTP's overall objective of improving investment climate in COOs.

## EFFICIENCY

LTT team implemented project efficiently. It has built productive relations with the stakeholders in the General Executive Agency of Court Decisions, Ministry of Justice and Home Affairs, and the Supreme Court. Activities were delivered by highly qualified experts from IDLO (International Development Law Organisation), EBRD's traditional partner in training and capacity building projects in various COOs. Contracting and budgeting was adequate and delivery of all activities timely, with positive feedback from local counterparts.

<sup>54</sup> EvD's findings incorporate information from the project level evaluation conducted by IDLO's Department of Research and Learning as presented in IDLO Evaluation Brief "Mongolia: Strengthening Enforcement of Court Decisions – Phase I and II", January 2018 available at <https://www.idlo.int/sites/default/files/pdf/initiatives/IDLO-EvaluationBrief-Mongolia-EBRD-Feb-2018.pdf>



<b>EFFECTIVENESS</b>	<p>Project has achieved its results, with the Law on Enforcement of Court Decisions prepared and approved by the Government in 2016; a critical mass of enforcement officers trained (80% of the total cadre); and 12 senior bailiffs trained for delivering further professional development of enforcement officers. Most trainees reported improved knowledge and understanding of the issues related to (i) search, seizure and sale of property; (ii) enforcement of mediation agreements; (iii) conflict management and negotiation skills. 78 % of participants of training programme had higher post-training test scores than pre-training test scores. Training modules were institutionalised in the Agency's in-house training programmes and handbooks, with the plans of conducting regular follow-up sessions by qualified trainers, although it depends on the availability of financing (which IDLO evaluation in 2018 noted as insufficient).</p> <p>Evaluation of mid-term results is challenging for this project as for the most of other LTT projects due to the fact that the initial project design lacked target indicators for results at different levels therefore it is challenging to validate the effectiveness with quantifiable data. IDLO's own evaluation of this project conforms with this finding. It particularly IDLO notes that there is no evidence that recommendations on Agency's institutional capacity building, which were characterised as useful and relevant by the counterparts, were integrated in its strategy and action plans. Also the Law on Enforcement of Court Decisions were not ratified by the Government and not approved by the Parliament due to political changes. Development of secondary legislation is not complete – reform of civil and administrative enforcement is not a priority for the Government when the economic situation was deteriorating.</p>
<b>IMPACT</b>	<p>Impact of this project is limited as its mid-term results were not achieved. Although there was a change in the behaviour of key stakeholders in enforcement area, the uptake of reforms – recommendations delivered through the project – is weak. Mongolia's overall investment climate has not improved much – it is on 81 position in DB with the score of 67.8 in 2020 compared to 76<sup>th</sup> position in 2014. EBRD's own Judicial Decision Assessment of 2011-12 which gave Mongolia 2.8 score from 5 possible was not repeated so tracking the progress along this scale is not possible.</p>
<b>SUSTAINABILITY</b>	<p>Project contained one component that should have significant contribution to sustainability of results – training of trainers. Establishing this capacity in country, if properly supported, will have significant long-term effect on the skills and knowledge of enforcement professionals. EvD could not verify the sustainability effects of ToT component, although IDLO evaluation in 2018 revealed that the Agency at the time had no financial resources to organise periodic trainings for bailiffs.</p>

**INSOLVENCY:****ACCOUNTING SKILLS TRAINING FOR JUDGES IN INSOLVENCY MATTERS IN ALBANIA, CROATIA, KOSOVO AND NORTH MACEDONIA # 334 (Luxembourg and SSF)****Budget €255,132**

APPROVED : April 2012 COMPLETED: Feb 2016

Assignments:			Start	€		
Accounting Skills Training for Croatian Judges in Insolvency Matters			Dec 12	71,798		
Accounting Skills Training for Macedonian Judges in Insolvency Matters			Apr 12	68,554		
Accounting Skills Training for Kosovan Judges in Insolvency Matters			Jul 12	64,780		
Accounting Skills Training for Albanian Judges in Insolvency Matters			Nov 12	50,000		
Name			Ach'd	Partly Ach'd	Not Ach'd	
OUTPUTS	i)	Country-specific training modules are approved by EBRD and the respective judicial academies	1	0	0	
	ii)	Judges from the three participating countries are trained under live seminar modules.	1	0	0	
	iii)	Judges from the three participating countries are trained under e-learning module	0	0	1	
OUTCOME INDICATORS	i)	Participating judges' knowledge is improved, evidenced through appropriate module completion assessment	1	0	0	
	ii)	Judges confirm application of knowledge through post-course survey	1	0	0	
	TOTAL		4	0	1	
LONG-TERM OUTCOME	Due to decreased information and knowledge asymmetries in court proceedings the quality of court decision improves and the outcomes of insolvency cases have lower risks of mistakes, misjudgements and external influence. It has overall positive effect on the judicial system and perceptions of the rule of law by market participants.					

**EVD'S REVIEW:**

<b>RELEVANCE</b>	All three countries have challenging situation with the rule of law and insolvency procedures. Local judicial academies requested EBRD to help them to address the insufficient capacity and knowledge of insolvency issues among judges taking decisions on the cases.
<b>EFFICIENCY</b>	It is difficult to validate some key facts about the project due to discrepancies in information provided through different sources. However project was delivered in proper manner by locally engaged consultants KPMG Bulgaria, KPMG Albania, and KPMG Croatia. Feedback from participants on quality of training was positive. Use of Bulgarian experience of training the judges, which was managed in the framework of another EBRD project is a positive sign of replicability and efficient use of relevant knowledge across the country contexts.
<b>EFFECTIVENESS</b>	Short-term results are achieved, although the scale of outreach is smaller than envisaged at the design stage. It was assumed that there are more judges dealing with the insolvency matters, particularly in Croatia, so the number of training sessions/participants was reviewed downwards. There is no information on mid-term and long-term results.
<b>IMPACT</b>	EvD found verifying impact challenging, as no objectively set indicators were defined in the framework of project. Looking at progress in resolving insolvency DB rank and recovery rate in 2014-2020 it is fair to say that all three countries achieved measurable improvement. Kosovo has risen up the rank from 83 to 48 position with recovery rate increasing from 35.3 % to 39.6%; North Macedonia progressed from

## Legal Transition Programme – Annexes

53 rank to 30<sup>th</sup>, and from 43.5 % to 48% recovery rate; Croatia – from 98 to 63 rank and from 30.3% to 35.2% recovery rate.

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**SUSTAINABILITY** Preparation and introduction of e-modules is a good source of sustainability, if local host organisations make good use of this resource and have appropriate expertise to manage it and update if and when necessary.

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## INSOLVENCY

## Serbia: Assessment of impediments to sale of NPLs (Serbia) # 1168 (Luxembourg)

Budget €74,048

APPROVED : June 2014 COMPLETED October 2016

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Interim report on the impediments to sale of NPLs</i>	1	0	0
	ii) <i>Presentation of initial findings to the working group and interim report on the impediments to sale of NPLs</i>	0	1	0
	iii) <i>Final report on the impediments to sale of NPLs</i>	1	0	0
	iv) <i>Proposals for amendments of the relevant legislation</i>	1	0	0
OUTCOME INDICATORS	i) <i>Amendments of the relevant laws</i>	0	1	0
	<i>TOTAL</i>	3	2	0
LONG-TERM OUTCOME	Reduced information asymmetry and objective characteristic of challenges in NPL resolution helped to develop relevant legislation and regulatory acts to remove the impediments. Long-term result is the reduced volume and share of NPL's in Serbian banking sector.			

EVD'S REVIEW:<sup>55</sup>

## RELEVANCE

At the time of project approval Serbia was facing big challenges related to high volume and share of non-performing loans in the banking system, which negatively affected new investments and economic growth. Project was highly relevant for the country, its NPL Resolution Strategy, for EBRD-led Vienna Initiative 2.0 where Serbia is one of the members, and for Bank's own strategy in financial sector and in Serbia.

## EFFICIENCY

EBRD employed locally based consultants with solid knowledge of local context and ensured cross-country expertise and learning from best practices achieved in other COOs. Study was delivered in time, with appropriate consultations with the local stakeholders, including dedicated NPL WG established in 2015, with the Ministry of Finance and the National Bank. Assignment was part of the larger programme of support with the participation of other international partners led by IMF. EBRD's HQ and RO experts ensured co-ordination of efforts, which was praised by local and international counterparties. However, it was also noted that EBRD's delivery of policy advice was not straightforward in this case as the Government/NB had some suspicions about EBRD's dual role as a private sector investor and as a policy advisor. It is understood that the same legal company is used for both transactional and policy assignments, and when meeting among local counterparts is happening, there is a degree of confusion on the government side.

## EFFECTIVENESS

Project's short-term objectives were achieved, even if legal/regulatory base was developed with some delay (i.e. in tax, bank secrecy, bankruptcy spheres). In some cases there was no need for new legislation/regulation, just a clarification by NB and Ministry on interpretation of certain tax and bank confidentiality issues.

## IMPACT

Serbia has seen significant reduction in the volume and share of NPLs in 2015-2019. The volume decreased from €3.6 billion to €1 billion in 2015-2019 (decreasing by 28% comparing to 2018) and NPL

<sup>55</sup> Validation incorporates results of the interviews with project's key counterparts in the country during EvD's mission to Belgrade in March 2019

ratio dropped from 22.8% in 2015 to 5.2% in 2019. NPLs relative to GDP decreased to 2.4% in 2019. Serbia's macroeconomic situation improved.

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**SUSTAINABILITY** Institutional changes ensure sustainability of project actions/results. Government approves and implements periodic NPL Resolution Programmes (most recent in 2018-2020) to ensure that both preventative and reactive measures are in line with the needs of the market. With the information asymmetry improved private sector operators are entering the NPL resolution market with successful cases of banks and Serbia's Deposit Insurance Agency selling NPL portfolios. Improved standards in risk analysis and collateral valuations, as well as enhanced capacity of judicial system to deal with insolvency cases also contribute to this positive impact.

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## INSOLVENCY

## Judicial Capacity building in insolvency (reorganisation cases). Serbia # 1597

Budget €200,026

APPROVED : May 2015 COMPLETED May 2017

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Preparation of a handbook for reorganisation cases	0	0	1
	ii) Preparation of materials for trainings and uploading the materials on a e-learning platform	0	0	1
	iii) Delivery of training to all judges	0	0	1
	iv) Final assessment of trainings and the programme	0	0	1
OUTCOME INDICATORS	i) Judges confirm application of knowledge through post course self-assessment survey	0	0	1
	ii) Sustainability of regular training of corporate reorganisation at Judicial Academy in Serbia after completion of trainings through e-learning platform, handbook and additional trainings organised by Judicial Academy.	0	0	1
TOTAL		0	0	6

LONG-TERM OUTCOME Enhanced knowledge of judges in corporate reorganisation improves the quality of the process, increases speed of decision making and enhances final results of difficult insolvency cases. There are lower risks of mistakes, misjudgements and external influence. It has overall positive effect on the NPL resolution and the quality of insolvency framework.

**EVD'S REVIEW<sup>56</sup>**

<b>RELEVANCE</b>	At the time of project approval Serbia faced significant challenges with NPLs, including significant load on judicial system. Judicial Academy of Serbia highlighted the particular challenges with difficult insolvency cases which require restructuring and requested EBRD's support. Poor judicial capacity to deal with such cases was identified by EBRD earlier through its Judicial Decision Assessment 2010-2012. Project was in line with the EBRD's country strategy for Serbia and Financial Sector Strategy, as well as with LTP's programme.
<b>EFFICIENCY</b>	Due to the lack of final report, or progress reports with the status update on the project EvD had no opportunity to validate project's efficiency.
<b>EFFECTIVENESS</b>	Due to the lack of final report, or progress reports with the status update on the project EvD had no opportunity to validate project's effectiveness.
<b>IMPACT</b>	Assumed impact is enhanced perceptions of the market participants regarding the rule of law in Serbia. Due to the lack of final report, or progress reports with the status update on the project EvD had no opportunity to validate project's impact.
<b>SUSTAINABILITY</b>	Effective collaboration with the local stakeholder – Judicial Academy – on incorporating the new training modules into their systemic training programme for the judges should ensure sustainability of results.

<sup>56</sup> Validation of the project results and efficiency was not possible due to the lack of progress/completion reports and any other data on implementation. EvD was not able to meet representatives of Judicial Academy during the mission to Belgrade in March 2019.

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Produced handbook and use of e-learning platform enhances sustainability. EvD had no opportunity to verify whether it was achieved.

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## INSOLVENCY

Bulgaria: LTT/Accounting Skills for Judges in Insolvency Matters  
(Bulgaria) # 3127

Budget €69,448

APPROVED : August 2015

COMPLETED :

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	N/A			
OUTCOME	N/A			
INDICATORS				

LONG-TERM OUTCOME      Insolvency cases are resolved in shorter period of time and with the greater consideration as the judges have enhanced knowledge of the accounting aspects of the cases.

EVD'S REVIEW:<sup>57</sup>

<b>RELEVANCE</b>	Project was very relevant for Bulgaria facing significant increase in insolvency cases and significant backlog of cases and insufficient expertise of judges. It was designed on the request of National Institute of Judges of Bulgaria. It was in line with the LTT's programme.
<b>EFFICIENCY</b>	Project was implemented in appropriate manner, and executed by the consultants at KPMG Bulgaria with the knowledge of local context.
<b>EFFECTIVENESS</b>	The project delivered its outputs: training module on accounting skills which could be delivered live or in e-course format; teaching methodology to be used for future trainings; four live training seminars for circa 90 judges; training of four trainers for delivering future e-modules. Also results were presented at the international conference and other COOs expressed their interest in developing similar training programmes. It was delivered in three other countries (Kosovo, Croatia and North Macedonia).
<b>IMPACT</b>	Assumed impact for this project is improved insolvency framework and decrease in the court backlogs/length of resolution process. Indirectly it could be traced through DB's resolving insolvency ranking of Bulgaria, which in 2014-2020 improved from 92 to 61 position, however the time period for resolution remaining the same - 3.3 years, significantly above the ECA average of 2.3 years.
<b>SUSTAINABILITY</b>	Preparation of e-module and training of 4 judges who became trainers/moderators are contributing factors for sustainability. The Institute committed to include the module in its regular trainings. However EvD could not verify whether it is happening.

<sup>57</sup> Due to historic factors there is no results framework (outputs and outcomes) for this project.

## INSOLVENCY

**Support for Effective Implementation of the Consensual Financial Restructuring Law (Out of Court Restructuring) in Serbia # 5033 (SSF)**
**Budget €233,000**

LAUNCHED : AUG 2013

COMPLETED : Jan 2016

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	N/A			
OUTCOME INDICATORS	N/A			

LONG-TERM OUTCOME	New institutional capabilities for voluntary mediation-based out-of-court financial restructuring procedures are used more widely for NPL resolution, reducing burden on courts. It contributes to higher standards of corporate governance in banks and companies, and positively affects behaviour/level of trust of key stakeholders who have greater access to information and instruments aimed at restructuring problem debt.
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**EVD'S REVIEW<sup>58</sup>**

<b>RELEVANCE</b>	Project was very relevant at the time of approval due to high volume of NPLs in Serbia's banking sector and backlogs of financial restructuring cases in the courts. Consensual Financial Restructuring Law although was approved in 2011 was not properly implemented, with low levels of knowledge and understanding of out-of-court restructuring procedures. It was in line with the EBRD's country strategy, FI strategy and international Vienna Initiative, as well as with the LTP's OP.
<b>EFFICIENCY</b>	This project was part of Regional Framework on promoting Out-of-Court Creditor Led Restructuring in the EBRD Region approved in 2013. The implementation process was efficient and positive assessed by local counterparts during the interview. The group of international and local experts was mobilised and trustworthy relations established with the local counterpart - Serbian Chamber of Commerce and Industry (CCI). CCI's feedback was to take into account their opinion on evaluating the quality of consultants' work.
<b>EFFECTIVENESS</b>	Project's activities (not listed above as the reporting was not available in output/outcome format) were delivered on time and included assessment of legal framework of Consensual Financial Restructuring (CFR), assessing CCI capacity, creating institutional capacity for Centre of mediation Services at CCI, training staff, creating CFR case allocation system, outreach activities across Serbian regions through regional CCIs. These resulted in (i) new Law of CFR being approved in 2015, integrating the remedies/improvements as identified through diagnostics performed by the project experts; (ii) institutional capacity and mediation skills of dedicated staff at Serbian CCI created and sustained; (iii) new electronic system of managing mediation cases is established; (iv) greater number of businesses across all regions of Serbia have knowledge about the .availability of out-of-court restructuring procedures.
<b>IMPACT</b>	Assumed impact for this project is decreased number of court cases in the area of financial restructuring, however EvD had no means to verify this data. On a macro level Serbia has seen significant reduction in the volume and share of NPLs in 2015-2019. The volume decreased from €3.6 billion to €1 billion in

<sup>58</sup> Validation incorporates results of the interviews with project's key counterparts in the country during EvD's mission to Belgrade in March 2019

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2015-2019 and NPL ratio dropped from 22.8% in 2015 to 5.2% in 2019. NPLs relative to GDP decreased to 2.4% in 2019. Serbia's macroeconomic situation improved.

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**SUSTAINABILITY** The activities of the project were institutionalised in the Serbian CCI, at Centre of Mediation Services. With appropriate allocation of resources this institutional setup has high degree of sustainability, as a centre for out-of-court restructuring procedures and knowledge centre in CFR sphere.

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## INSOLVENCY

## Strengthening Tunisia's Insolvency and Restructuring Framework # 6632

Budget €280,778

APPROVED : June 2016 COMPLETED June 2019

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) A1) Final road map on IOH profession and conciliators incorporating international good practice is submitted to the EBRD and the Ministry of Justice	1	0	0
	ii) A3) Final draft legislation on conciliators and IOHs incorporating international good practice is submitted to the EBRD and the Ministry of Justice	0	0	1
	iii) A5) Draft guidelines and/or codes of conduct for IOHs and conciliators are submitted to the EBRD and the Ministry of Justice	0	0	1
	iv) B1) Judges trained	1	0	0
	v) B2) Judicial handbook on insolvency (reorganisation) is submitted to the EBRD and the Ministry of Justice	0	0	1
	vi) B4) IOHs trained	0	0	1
	vii) B5) Conciliators trained	0	0	1
	viii) A2) Roundtable for stakeholders on IOH and conciliator reform is organised	1	0	0
	ix) B3) A report on IOH/ conciliator assessment and methodology (the "Report") is submitted to the EBRD and the Ministry of Justice	0	0	1
	x) B6) Conference to present project activities is organised	0	0	1
	xi) A4) Assistance during the Parliamentary process is provided to the Ministry of Justice	0	0	1
OUTCOME INDICATORS	i) A1) Final road map on IOH profession and conciliators incorporating international good practice is accepted by the EBRD and the Ministry of Justice	1	0	0
	ii) A3) Final draft legislation on conciliators and IOHs incorporating international good practice is accepted by the EBRD and the Ministry of Justice	0	0	1
	iii) A5) Final proposal for the introduction of guidelines and/or codes of conduct for IOHs and conciliators is accepted by the EBRD and the Ministry of Justice	0	0	1
	iv) B1) Enhanced knowledge of judges of new insolvency law framework	1	0	0
	v) B4) Enhanced knowledge of IOHs of new insolvency law framework	0	0	1
	vi) B5) Enhanced knowledge of conciliators of new insolvency law framework	0	0	1
	vii) B2) Judicial handbook on insolvency (reorganisation) is accepted by the EBRD and the Ministry of Justice	0	0	1
	viii) A2) Roundtable for stakeholders on IOH and conciliator reform is conducted	1	0	0
	ix) B3) A report on IOH/ conciliator assessment and methodology (the "Report") is accepted by the EBRD and the Ministry of Justice	0	0	1
	x) B6) Conference to present project activities is held	0	0	1
	xi) A4) Assistance during the Parliamentary process is provided to the Ministry of Justice	0	0	1

TOTAL		6	0	16
LONG-TERM OUTCOME	With strengthened capacity and knowledge of IOH, conciliators and judges the level of Tunisia's insolvency framework would be enhanced; the quality and speed of insolvency resolution would be improved. Greater efficiencies of judicial system would enhance the trust in the system among market operators and prompt change in the behaviour in the rule of law domain.			
<hr/>				
<b>EVD'S REVIEW:</b> <sup>59</sup>				
RELEVANCE	Project was very relevant for Tunisian Government after the approval of Insolvency Law in 2016 which required a much stronger capacity of Insolvency Office Holders (IOHs), conciliators (pre-insolvency mediators) and judges working on insolvency cases. It was in line with the EBRD's country and sector strategy and delivered one of the priorities of LTP's operational programme. It was launched after formal request by the Ministry of Justice. EvD had no opportunity to meet with the representatives of the Ministry of Justice, however representatives of the Ministry of Finance at the meeting emphasised the great need for well-functioning insolvency profession as part of the larger reform package agreed with the IMF.			
EFFICIENCY	Three out of 11 components of the projects that have been delivered were efficient, delivering expected outputs. Also the team was continuously engaging with the Ministry of Justice after the change of government in 2017, attempting to revert fading interest to the reform. However it was not successful and project was formally closed at the end of 2019 after more than two years of inactivity.			
EFFECTIVENESS	The risk anticipated at design of the project has materialised and reform of IOH and conciliator profession ceased to be the priority for the government (Ministry of Justice). Project did deliver three out of 11 outputs, however implementation stopped in mid-2017 due to the lack of interest and response from the Ministry. Report also shows delivery of three outcome indicators, however they are identical to the outputs, therefore not really illustrating the mid-term change. Project did prepare the roadmap of reforms necessary to bring the qualifications and capacity of IOH, conciliators cadre and judges to the level required by the Law and best international practices. It also trained a group of 50 judges and organised round table discussion. No further results could be attributed to the project due to the lack of engagement from the local counterpart.			
IMPACT	Project due to only partial implementation and lack of legal/regulatory change could not contribute to impact. However assumed changes in the insolvency segment of rule of law could be analysed. According to Resolving insolvency ranking of Doing Business Index in 2014-2020 Tunisia dropped from 39 to 69 rank, with no changes to the resolution procedure timing – 1.3 years, and slight negative changes in recovery rate – from 52 to 51.3%.			
SUSTAINABILITY	As project result have not been achieved it is not possible do discuss their sustainability.			

<sup>59</sup> Validation incorporates results of the interviews with project's key counterparts in the country during EvD's mission to Tunis in March 2019

## INSOLVENCY

## Support for the Restructuring of Ukraine's Financial Sector # 6731 (Ukraine MDA)

Budget €616,554

APPROVED : July 2016 COMPLETED December 2019

Assignments:	Start	Status	€
Translation services	Jul 16	Complete	14,980
Local Dispute Resolution and Restructuring Expert - Part 1	Jul 16	Complete	59,560
International Restructuring Expert	Jul 16	Complete	74,840
Financing of the Secretariat and Arbitration Committee	Aug 16	Complete	447,174
Local Dispute Resolution and Restructuring Expert - Part 2	Aug 16	Complete	20,000

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Final draft Arbitration Rules and arbitration forms incorporating good practices are submitted to the EBRD and the Ministry of Finance	1	0	0
	ii) Training sessions for selected representatives of the Arbitration Committee and selected arbitrators are delivered	1	0	0
	iii) Final restructuring guidelines for the Secretariat incorporating international standards and good practices are submitted to the NABU and the EBRD	1	0	0
	iv) Operation plan for the Secretariat and Arbitration Committee is submitted to the NABU and the EBRD	1	0	0
	v) Training sessions for Secretariat staff are delivered	1	0	0
OUTCOME INDICATORS	i) Knowledge of selected representatives of the Arbitration Committee and selected arbitrators of LFR framework and arbitration of financial restructuring is enhanced	1	0	0
	ii) Final draft Arbitration Rules and arbitration forms incorporating good practices are accepted by the EBRD and the Ministry of Finance	1	0	0
	iii) Final restructuring guidelines for the Secretariat incorporating international standards and good practices are accepted by the NABU and the EBRD	1	0	0
	iv) Operation plan for the Secretariat and Arbitration Committee is accepted by the NABU and the EBRD	1	0	0
	v) Knowledge of selected Secretariat staff of LFR framework and role and responsibilities of Secretariat in financial restructuring is enhanced	1	0	0
	TOTAL	10	0	0

LONG-TERM OUTCOME	New institutional capability established by the project – Secretariat for Financial Restructuring and Arbitration Committee – enhances the out-of-court restructuring procedures and arbitration rules, increases their attractiveness and reduces burden on courts. It contributes to higher standards of corporate governance in banks and companies, and positively affects behaviour/level of trust of key stakeholders who have greater access to information and instruments aimed at restructuring problem debt.
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**EVD'S REVIEW:**<sup>60</sup>

<b>RELEVANCE</b>	This project was extremely relevant at the time of approval due to persistent challenges of NPLs in Ukrainian banking sector and lack of knowledge/capabilities to perform out-of-court restructuring procedures. The scale of problem debt and challenges faced by businesses in court system made out-of-court restructuring instrument very attractive solution. With the adoption of the Law on Financial Restructuring in 2016 its implementation was essential. Project remains relevant at the time of evaluation. It was in line with the Bank's Financial Sector Strategy, Ukraine Reform Anchoring and Crisis Response Package and country strategy for Ukraine. It is also in line with the LTP's OP.
<b>EFFICIENCY</b>	<p>The project was delivered efficiently, despite many challenges faced by Ukraine. However there were delays in implementation and working mechanism was not ready until one year after the law was approved (instead of three months). EBRD selected highly experienced and well respected international and local consultants. International consultants had practical experience of launching similar restructuring approach in Turkey (Istanbul Approach) and were able to localise best international practices to Ukrainian context, they were also involved in the development of Law itself. There was very productive relations with all key counterparts - the National Bank, Ministry of Finance of Ukraine and Independent Association of Banking of Ukraine (NABU) – who demonstrated their commitment. EvD was able to validate this during interviews with key stakeholders. This factor should contribute to sustainability of the instrument.</p> <p>Due to savings to the budget it was possible to extend project financing for one year without additional costs. However there is observable challenge for local counterparts (NABU) to co-finance the instrument and sustain it in the future.</p> <p>Project was led by LTT expert from HQ however with very intensive engagement of Kyiv RO banking team, as this project was intertwined with other activities aimed at reforming Ukrainian banking sector. In this case it was noted that lack of sufficient administrative capacity on HQ side had an additional burden on local team which does not have much spare resources.</p> <p>N.B. The official name of the project is rarely used by EBRD RO staff and not always known by local counterparts, which created some initial difficulties for EvD on the ground. They refer to it as "Kyiv approach" based on the established practice of restructuring framework established in "London approach" in 1980s and replicated in several countries under similar</p>
<b>EFFECTIVENESS</b>	<p>Project delivered its output and outcome indicators, albeit with some delay. By-laws and regulations were prepared, approved and enacted; Restructuring Guidelines and Arbitration Rules approved and enacted. Secretariat staff selected and trained; Secretariat itself was up and running with EBRD co-financing 2/3 of its budget; Arbitration Committee members along with the group of arbitrators trained; availability of information/accessibility of instrument was improved through outreach activities.</p> <p>Among mid-term outcomes are (April 2019 data): 25 restructuring procedures launched for the amount of UAH 36.5 billion and 21 completed for the amount of UAH 27.5 billion. Most procedures are initiated by state-owned banks, particularly Oschadbank (16 procedures); 7 procedures were initiated by private banks and financial companies. Some deficiencies in procedures were noted through experience – amendments to the law to rectify those, and to extend period of Law from three to six years were approved in September 2019. The instrument was not popular among commercial banks as they have alternative arbitration options. SOBs remain key clients and that's where majority of corporate NPLs is.</p>
<b>IMPACT</b>	There is a gradual decrease in the volume and share of NPLs in Ukraine. In 2019 alone the NPL share decreased from 52.9% to 48.4% of total loan portfolio (with the biggest drop in SOB segment from 55% to 49.3%), where NBU highlighted that out-of-court settlement was one of the biggest contributing

<sup>60</sup> Validation incorporates results of the interviews with project's key counterparts in the country during EvD's mission to Kyiv in April 2019

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factors.<sup>61</sup> Insolvency resolution policy framework and practice remains poor, as Ukraine is on 146<sup>th</sup> position of this component in DB 2020 with only 9% of total assets recovered through the procedure. It was not possible to get the evidence of insolvency/ restructuring court cases trend since the launch of the out-of-court instrument.

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**SUSTAINABILITY** The established instrument is finite – it is active for the period immediately after crisis and the Law validity will expire in 2022. However capacity will remain and the arbitration skills could be sustained. Lack of financial resources might undermine future activities of voluntary out-of-court instrument.

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<sup>61</sup> National Bank of Ukraine press release, 10 February 2020 - [https://bank.gov.ua/news/all/u-2019-rotsi-chastka-nepratsyuyuchih-kreditiv-u-bankah-vpershe-za-ostanni-roki-znizilasya-nijche-50?fbclid=IwAR3dyuuup7wLVWCcZYy-OC4dK69FbxI5p7OYTPbGvxVq\\_QEeKb4fJhBeM](https://bank.gov.ua/news/all/u-2019-rotsi-chastka-nepratsyuyuchih-kreditiv-u-bankah-vpershe-za-ostanni-roki-znizilasya-nijche-50?fbclid=IwAR3dyuuup7wLVWCcZYy-OC4dK69FbxI5p7OYTPbGvxVq_QEeKb4fJhBeM)



## INSOLVENCY

## Tajikistan: Bailiff Service Capacity Building # 6831 (SSF)

Budget €70,000

APPROVED : June 2016 COMPLETED September 2018

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Report on the functional analysis of bailiff training needs and review of legislative and institutional concerns and recommendations to address these is submitted to the EBRD (Phase 1)	1	0	0
	ii) Training plan for bailiffs covering the identified training needs is submitted to the EBRD (Phase 1)	1	0	0
OUTCOME INDICATORS	i) Report on the functional analysis of bailiff training needs and review of legislative and institutional concerns and recommendations to address these is accepted by the EBRD and the MOJ (Phase 1)	1	0	0
	ii) Training plan for bailiffs covering the identified training needs is accepted by the EBRD and the MOJ (Phase 1)	1	0	0
TOTAL		4	0	0
LONG-TERM OUTCOME	Capacity of bailiffs to enforce court decisions lead to greater compliance with court decisions and enhanced investors' trust in the legal enforcement system.			

## EVD'S REVIEW:

RELEVANCE	According to EBRD's Assessment of Enforcement Agents in the CIS, Georgia and Mongolia performed in 2014 Tajikistan had the poorest enforcement framework and practices in the region. The Ministry of Justice is responsible for enforcement system and employs country's all bailiffs. Recognising the scale of challenges it asked EBRD to perform functional review of the system, including training needs, and support in implementing its recommendations, including training and capacity building of bailiffs. Project was consistent with the country strategy for Tajikistan and with LTP's OP.
EFFICIENCY	Project was implemented in close collaboration with the local beneficiary, Ministry of Justice, after identifying realistic scope. Other tasks were left for potential second phase of the project. Consultant provided necessary documents of high quality and largely on time.
EFFECTIVENESS	Project delivered Phase 1 of the scope – Functional analysis of the bailiff training needs and review of legislative and institutional challenges with recommendations to improve. It was delivered on time, presented to the wide group of stakeholders during event. The recommendations to change legal and regulatory acts were prepared and agreed.
IMPACT	As it was functional review only the impact of this project is limited to enactment of legal and regulatory changes. However EvD had no means to verify their achievement. For reference Tajikistan's Enforcement Contracts ranking in DB 2020 was 76 with the index of quality of judicial process being 6.5 out of possible 18 (it is 10.3 for the region of Europe and Central Asia).
SUSTAINABILITY	Sustainability of one-off reviews without providing follow-up support with operationalisation and implementation of recommendations is low.

## INSOLVENCY

## Support for the Croatian insolvency framework# 7656 (SSF)

Budget €43,200

APPROVED :

May 2017

ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Assignment 1 - The roundtable event for selected local stakeholders to discuss the existing insolvency law framework in Croatia and practical implementation problems is organised	1	0	0
	ii) Assignment 1 - A paper identifying existing shortcomings in the existing framework and setting out initial recommendations on how to address such impediments in accordance with international best practices, is submitted to the MoJ and the EBRD	1	0	0
OUTCOME INDICATORS	i) Assignment 1 - The local stakeholders in Croatia participate in the roundtable and provide their input on the existing insolvency framework	1	0	0
	ii) Assignment 1 - The paper identifying existing shortcomings in the existing framework and setting out initial recommendations on how to address such impediments in accordance with international best practices is accepted by the Ministry of Justice and the EBRD.	1	0	0
TOTAL		4	0	0
LONG-TERM OUTCOME	Croatian insolvency framework is improved through removing the existing legal impediments and enhancing implementation practices/standards through strengthened professional capacity.			

**EVD'S REVIEW:**

<b>RELEVANCE</b>	The project was aligned with the EBRD's country strategy in Croatia and consistent with the LTP's OP. It was requested by the Ministry of Justice in the framework of larger engagement aimed at addressing a complex of problems in Croatia's insolvency framework. Project was prompted by the findings of the joint report by the EBRD and WB on the Impediments to NPL Resolution
<b>EFFICIENCY</b>	Project was implemented efficiently and timely, with the engagement of experienced consultants and in close collaboration with the key beneficiary who requested TC – Ministry of Justice.
<b>EFFECTIVENESS</b>	Project scope was limited to (i) organising round table discussion of current Insolvency Law and its challenges, and (ii) preparing paper on the existing shortcomings of insolvency framework and recommendations how to address those. It was successfully delivered and local beneficiaries at the Ministry of Justice, as well as wider group of stakeholders, were happy with the results.
<b>IMPACT</b>	For this project it is limited to enhanced knowledge and proposed set of instruments how to improve Croatian system, including benchmarking to best practices and localisation to domestic legal and regulatory framework.
<b>SUSTAINABILITY</b>	Sustainability of one-off events and reviews without providing follow-up support with operationalisation and implementation of recommendations is low. In Croatia a number of follow-up projects are being implemented to ensure the sustainability of recommendations.

## INSOLVENCY

## Strengthening Armenia's insolvency and restructuring framework # 8039 (SSF)

Budget €205,983

APPROVED : February 2017 ONGOING

## Assignments:

Assignment 1 - Legal Consultant

Assignment 2 - Tax Consultant

Start	Status	€
Feb 17	Ongoing	178,983
Feb 17	Ongoing	27,000

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) The findings of the Bankruptcy Law Review and IOH Assessment are presented to the Ministry of Justice of Armenia	1	0	0
	ii) The draft amendments to the legislation in Armenia to implement the recommendations contained in the Bankruptcy Law Review and IOH Assessment are submitted to the EBRD	1	0	0
	iii) The findings of the Tax Code Review are presented to the Ministry of Finance of Armenia	1	0	0
	iv) Two to three day modules on selected topics are delivered to up to three groups of IOHs <b>TOO EARLY TO SAY</b>			
	v) Two to three workshops or, alternatively, a workshop and a conference on the overall objectives and purpose of insolvency and restructuring for public and private sector participants are organised <b>TOO EARLY TO SAY</b>	0	0	0
OUTCOME INDICATORS	i) Ministry of Justice of Armenia is informed on the findings of the Bankruptcy Law Review and IOH Assessment	1	0	0
	ii) The draft amendments to the legislation in Armenia to implement the recommendations contained in the Bankruptcy Law Review and IOH Assessment are accepted by the EBRD	1	0	0
	iii) Ministry of Finance of Armenia is informed on the findings of the Tax Code Review	1	0	0
	iv) The knowledge of IOHs on corporate insolvency and reorganisation is improved <b>TOO EARLY TO SAY</b>			
	v) Public and private sector participants are informed of the overall objectives and purpose of insolvency and restructuring <b>TOO EARLY TO SAY</b>	0	0	0
	TOTAL	6	0	0
LONG-TERM OUTCOME	Armenia's insolvency framework is improved with the wider range of instruments available for troubled businesses, including corporate restructuring. Capacity and motivation of IOHs is improved, supervision of their activities is strengthened, and the bias towards liquidation is removed, due to enhanced capacity and amended payment incentives for IOHs.			

## EVD'S REVIEW:

## RELEVANCE

Project is aligned with the EBRD's country strategy for Armenia and with LTP's OP. At the time of approval Armenia had many challenges with implementation of Bankruptcy Law, specifically lack of understanding and motivation to use corporate restructuring rather than liquidation procedures.

## EFFICIENCY

Consultants were mobilised efficiently and delivered results on time. There was effective co-ordination with the government stakeholders, particularly with the Ministry of Justice and Self-Regulatory Organisation of Bankruptcy Managers. Relations with the Ministry of Finance were more challenging, as

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the government's priorities changed after the change of government and there was no progress in amending Tax Code that includes some of the major impediments to resolution and corporate restructuring.

<b>EFFECTIVENESS</b>	While components related to the Ministry of Justice and Self-Regulatory Organisation of Bankruptcy Managers were implemented fully (or are in progress at stage 2), the component with the Ministry of Finance regarding changes to Tax Code in order to enhance stimuli for corporate restructuring was partly delivered. The project delivered the Bankruptcy Law Review with the recommendations for improvement, including draft legal changes; and organised a number of discussions to take those forward. In the project report outputs and outcome indicators are identical. At the beginning of 2019 the Presidential Decree established dedicated Insolvency Court which was a recommendation provided by EBRD.
<b>IMPACT</b>	Despite some improvements in legal and institutional frameworks so far there is no evidence of observable improvement in Armenia's insolvency. In fact Armenia regressed in DB's Resolving Insolvency ranking from 78 to 95 position in 2017-2020 with the procedure period remaining the same (1.9 years) and recovery rate improving slightly from 36.4% to 39.2%. Armenia's Strength of insolvency framework index by DB is 7.5 out of possible 16.
<b>SUSTAINABILITY</b>	As there is second phase for one element of the project – capacity building for IOHs and strengthening supervisory and regulatory framework for IOHs – the sustainability of the results might be greater (see project ID 10594 below). Results in Tax reform component were not achieved therefore it is not feasible to validate sustainability.

## INSOLVENCY

## UKRAINE: BAILIFF SERVICE CAPACITY BUILDING # 7112 (Ukraine MDA)

Budget €70,000

APPROVED : November 16

FINISHED: November 18

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Report on the functional analysis of bailiff training needs submitted to EBRD (Phase 1)</i>	1	0	0
	ii) <i>Training plan for bailiffs covering the identified training needs is submitted to EBRD (Phase 1)</i>	1	0	0
	iii) <i>Action plan on the creation of the new system of private bailiffs submitted to EBRD (Phase 1)</i>	1	0	0
OUTCOME INDICATORS	i) <i>Report on the functional analysis of bailiff training needs &amp; review of legislative &amp; institutional concerns &amp; recommendations to address these is accepted by EBRD &amp; the MOJ (Phase 1)</i>	1	0	0
	ii) <i>Training plan for bailiffs covering identified training needs is accepted by EBRD &amp; the MOJ (Phase 1)</i>	1	0	0
	iii) <i>Action plan on the creation of the new system of private bailiffs is accepted by the EBRD &amp; the MOJ (Phase 1)</i>	1	0	0
TOTAL		6	0	0

**LONG-TERM OUTCOME** The long-term result for this project is the increased uptake of enforcement reforms across institutions, and the effective functioning of the bailiff service that combines both public and private components. The second phase of the project that is being designed and aimed at the implementation support will contribute further to achieving this result.

**EVD'S REVIEW:**<sup>62</sup>**RELEVANCE**

The strategic relevance of this project is strong, corresponding to Ukraine's commitment to enhancing the rule of law and improving the regulatory environment. It is in line with the country strategy for Ukraine and the priorities of the Legal Transition Programme, in the framework of which this project is being implemented. However, the completion report didn't specify this.

**EFFICIENCY**

The EBRD worked together with IDLO as consultants and managed to build a very good relationship with the main beneficiary – the Ministry of Justice. The level of trust and mutual understanding was specifically highlighted by beneficiaries during the interview. There was a significant effort of donor co-ordination to avoid overlaps with some other TC projects, particularly the EU Justice Reform Programme. The scope of Phase 2 was redesigned to achieve a greater complementarity.

**EFFECTIVENESS**

The project achieved its planned results; however there is a problem with the results chain. For this project the outputs are identical to outcome indicators, the only difference being that the same documents are approved not only by the EBRD, but also by the Ministry. However, the explanation of achievement uses different analysis for outputs and outcome indicators, recognising the difference. All outcome indicators lead to the need to implement Phase 2, which is aimed at delivering the proposed bailiff service administration model and a training/capacity building action plan. The report does

<sup>62</sup> Validation incorporates results of the interviews with project's key counterparts in the country during EvD's mission to Kyiv in April 2019

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	mention the approval of the Strategy and Passport of the Enforcement System Reform for 2018-2021 where EBRD/IDLO recommendations have been integrated. This is the mid-term outcome that should be included in the results chain.
<b>IMPACT</b>	A well-functioning bailiff service has a significant impact on, reducing corruption risks, strengthening the enforcement of court decisions and ultimately, improving the regulatory environment. Potential investors, having more trust in a well-functioning transparent enforcement system, will have fewer risks to consider when planning new/expanding existing projects. It will materialise when the proposed action plan is implemented, including through 2 <sup>nd</sup> phase of the project.
<b>SUSTAINABILITY</b>	The sustainability of the results is not very strong without implementing the recommended new enforcement system and a substantial number of bailiffs going through a comprehensive training and capacity building programme. It is anticipated that the second phase of the project will deliver this.

## INSOLVENCY

## Supporting the Framework for Insolvency and Restructuring Practitioners (Cyprus)

Budget €180,000

# 9118 (EC's SRSS)

APPROVED : November 2017

ONGOING :

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	N/A			
OUTCOME	N/A			
INDICATORS				

LONG-TERM OUTCOME	Improved speed and quality of insolvency and restructuring proceedings due to improved skills and knowledge of IRP and oversight of their work, including adherence to defined standards and established practices.
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EVD'S REVIEW:

<b>RELEVANCE</b>	This project is direct response to EBRD's Cyprus country strategy priority theme 2 – support to corporate restructuring and financing. Project was in line with the country needs, as defined by Economic Adjustment Programme (EAP) jointly managed by European Commission, ECB and IMF, specifically weaknesses of existing insolvency and foreclosure legislation. Level of NPLs was at 52% of total loans in 2014.
<b>EFFICIENCY</b>	After conducting Assessment of Insolvency Office Holders (IOHs) EBRD gained reputation of expert in IRP domain and was able to suggest TC project, supported by EU's SRSS, to address main challenges of Cyprus. Project was one in a series of joint initiatives with the SRSS, particularly after implementing similar project in Croatia earlier. The team of consultants was mobilised swiftly and effectively. There was appropriate co-ordination with RO and EPG colleagues.
<b>EFFECTIVENESS</b>	EvD had no access to TCRS project reports, therefore there are no formally identified outputs/outcomes. As there are no progress or completion reports, EvD could not validate achievement of intended activities apart from one (see below). Planned activities included Phase 1: Analysis of existing regulatory framework for IRP; Phase 2: Capacity building including 1) development of IRP training methodology and materials; and 2) capacity building for IRPs and trainers for IRP.
<b>IMPACT</b>	Not stated. Assumed impact for this project is improved insolvency framework and enforcement by highly qualified IRPs. Indirectly it could be traced through DB's resolving insolvency ranking of Cyprus, however it was quite high in 2014 – 24 <sup>th</sup> position compared to 31 position in 2020. The time period for resolution remains the same – 1.5 years, which is shorter than OECD (high income) average of 1.7 years. Recovery rate was high in 2014 with 70.5% and increased to 73.8% in 2020.
<b>SUSTAINABILITY</b>	Not possible to establish.

## INSOLVENCY

Support to strengthen the framework for insolvency and restructuring practitioners in Croatia # 9119 (EC's SRSS)

Budget €100,000

APPROVED : November 2017 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	N/A			0
OUTCOME	N/A			
INDICATORS				
	TOTAL	0	0	0
LONG-TERM OUTCOME	Improved speed and quality of insolvency and restructuring proceedings due to improved skills and knowledge of IRP and oversight of their work, including adherence to defined standards and established practices.			

## EVD'S REVIEW:

## RELEVANCE

The assessment of Insolvency Office Holders (IOHs) performed by EBRD in 2014 revealed weak capacity of country's insolvency and restructuring professionals, including licensing, training and oversight functions. Request from the Ministry of Justice to help the Government to improve insolvency and bankruptcy legislation and capacity of IRPs prompted this TC project which was implemented with the support from EU's Structural Reform Support Service. It was in line with the EBRD's country strategy for Croatia and LTP's OP.

## EFFICIENCY

After conducting Assessment of Insolvency Office Holders (IOHs) EBRD gained reputation of expert in IRP domain and was able to suggest TC project, supported by EU's SRSS, to address main challenges of Croatia's IRP framework. EBRD organised jointly with the Ministry of Justice of Croatia two events to present standards and best available practices in out-of-court restructuring and bankruptcy framework. The team of consultants was mobilised swiftly and effectively. There was appropriate co-ordination with RO and EPG colleagues.

## EFFECTIVENESS

EvD had no access to TCRS project reports, therefore there are no formally identified outputs/outcomes. As there are no progress or completion reports, EvD could not validate achievement of intended activities apart from Phase 1 – consultant report summarised key elements of analysis and recommendations. Planned activities included Phase 1: Analysis of existing regulatory framework for IRP; Phase 2: development of IRP training methodology; and Phase 3: Capacity building for IRPs and trainers for IRP.

## IMPACT

Not stated. Assumed impact for this project is improved insolvency framework and enforcement by highly qualified IRPs. Indirectly it could be traced through DB's resolving insolvency ranking of Croatia, which improved from 98 position in 2014 to 63 in 2020. The time period for resolution remains the same – 3.1 years, much longer than OECD (high income) average of 1.7 years. Recovery rate increased somehow from 30.3% in 2014 to 35.2% in 2020 but remains relatively low.

## SUSTAINABILITY

Not possible to establish.



## INSOLVENCY

## Supporting the Framework for Insolvency and Restructuring Practitioners in Greece# 9665 (EC's SRSS)

Budget €100,000

APPROVED : April 2018 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				0
OUTCOME				
INDICATORS				
TOTAL		0	0	0

LONG-TERM OUTCOME Improved speed and quality of insolvency and restructuring proceedings due to improved skills and knowledge of IRP and oversight of their work, including adherence to defined standards and established practices.

EVD'S REVIEW:

**RELEVANCE** EBRD conducted assessment of Greece's Insolvency Office Holders (IOHs) in 2016 which revealed challenges/gaps in country's insolvency and restructuring profession, including licensing, training and oversight functions. This assessment contributed to preparation and approval of Presidential Decree on provision of insolvency services. Request from the Ministry of Justice, Transparency and Human Rights to help the Government to implement relevant legislation and capacity of IRPs prompted this TC project which was implemented with the support from European Commission's Structural Reform Support Service (EC's SRSS). It was in line with the EBRD's strategy for Greece and LTP's OP.

**EFFICIENCY** After conducting Assessment of Insolvency Office Holders (IOHs) EBRD gained reputation of expert in IRP domain and was able to suggest TC project, supported by EU's SRSS, to address main challenges of Greece. Project was one in a series of joint initiatives with the SRSS, including in Cyprus and Croatia. The team of consultants was mobilised swiftly and effectively. There was appropriate co-ordination with RO and EPG colleagues.

**EFFECTIVENESS** EvD had no access to TCRS project reports, therefore there are no formally identified outputs/outcomes. As there are no progress or completion reports, EvD could not validate achievement of intended activities. Planned activities included Phase 1: Analysis of existing regulatory framework for IRP; Phase 2: development of IRP training methodology; and Phase 3: Capacity building for IRPs and trainers for IRP.

**IMPACT** Not stated. Assumed impact for this project is improved insolvency framework and enforcement by highly qualified IRPs. Indirectly it could be traced through DB's resolving insolvency ranking of Greece, where not much improvement is observed. The ranking improved somewhat from 87 position in 2014 to 72 in 2020. However time period for resolution remains the same – 3.5 years, which is much longer than OECD (high income) average of 1.7 years. And recovery rate decreased from 34% in 2014 to 32% in 2020.

**SUSTAINABILITY** Not possible to establish.

## INSOLVENCY

Support to the Supreme Judicial Council of Armenia with operational assistance and capacity building for the new Armenian insolvency court # 10594 (SSF)

Budget €225,000

APPROVED : October 2018 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Report prepared by consultant and presented as targeted on time and of good quality (the action plan for maximising operational performance of the specialist insolvency court is submitted to the EBRD and the SJC)	0	0	0
	ii) Training provided on time and according to agreed curriculum/coverage (the training methodology, programme and materials are submitted to the EBRD and the SJC)	0	0	0
	iii) Number of people trained with Bank support (training delivered to up to 36 judges dealing with insolvency matters, as per the training program)	0	0	0
	iv) Number of people trained with Bank support (training delivered to up to 8 trainers, as per the training program)			
OUTCOME INDICATORS	i) Number of trainers receiving skills as a result of training (The capacity of trainers on training and insolvency matters is enhanced as demonstrated through evaluation)	0	0	0
	ii) Institution level capacity strengthened (Action plan to maximise operational performance of the insolvency courts is submitted to SJC for approval)	0	0	0
	iii) Number of trainers receiving skills as a result of training (The capacity of trainers on training and insolvency matters is enhanced as demonstrated through evaluation)	0	0	0
	TOTAL <sup>63</sup>	0	0	0
LONG-TERM OUTCOME	Critical mass of judges and other legal professionals have sufficient skills and knowledge for reviewing court cases dealing with the insolvency matter. An institutional setup that ensures continuous improvement of skills and oversight over the quality of court decisions in the insolvency area. Administration system for case management is established and functions effectively .			

## EVD'S REVIEW:

## RELEVANCE

Project is aligned with the EBRD's country strategy for Armenia and with LTP's OP. It was a direct follow-up of previous project (#8039), which delivered a range of recommendations for improving legal and regulatory aspects of insolvency framework. Creation of dedicated insolvency court was one of the key recommendations. Presidential Decree at the beginning of 2019 that established the court enabled the implementation of this stage, involving design of administrative processes and building professional capacity of insolvency judges and legal professionals. Armenia faces significant challenges with implementation of Bankruptcy Law, specifically lack of understanding and motivation to use corporate restructuring rather than liquidation procedures.

<sup>63</sup> EvD didn't have access to project reporting therefore achievement status and most of validation is not marked.

## Legal Transition Programme – Annexes

<b>EFFICIENCY</b>	As IDLO was selected as designated consultant for implementing this project, it was integrated into a larger TC framework #8292 "EBRD-IDLO Cooperation Framework for Strengthening Dispute Resolution Systems in EBRD's Countries of Operations" as Assignment 18 (#64162). Lack of progress reports makes it impossible to establish other aspects of efficiency.
<b>EFFECTIVENESS</b>	There are formally identified outputs/outcomes, however no progress or completion reports, therefore EvD could not validate achievement of intended activities.
<b>IMPACT</b>	Assumed impact for this project is improved insolvency framework and enforcement by highly qualified insolvency judges and legal professionals. It is too early to evaluate.
<b>SUSTAINABILITY</b>	Not possible to establish.

## INSOLVENCY

## Strengthening the legal framework for non-performing loans resolution and debt restructuring in Mongolia # 8488 (AIF)

Budget €72,000

APPROVED : August 2017

ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) (Phase I) Report for Phase I of the project including recommendations on amendments to NPL legislation is submitted to the EBRD and the Bank of Mongolia	1	0	0
	ii) (Phase I) Presentation of the recommendations on amendments to NPL legislation from the report for Phase 1 to the Working Group is conducted	1	0	0
	iii) (Phase II) Revisions to the proposed legislative amendments are submitted to the EBRD and the Bank of Mongolia.	1	0	0
	iv) (Phase III) Assistance with the legislative process is provided to the selected Mongolian authorities	1	0	0
OUTCOME INDICATORS	i) (Phase I) Selected participants of the Working Group are informed on the recommendations on amendments to NPL legislation	1	0	0
	ii) (Phase I) Report for Phase I of the project including recommendations on amendments to NPL legislation is accepted by the EBRD and the Bank of Mongolia	1	0	0
	iii) (Phase II) Revisions to the proposed legislative amendments are accepted by the EBRD and the Bank of Mongolia	1	0	0
	iv) (Phase III) Assistance with the legislative process is accepted by the selected Mongolian authorities	1	0	0
	TOTAL	8	0	0
LONG-TERM OUTCOME	Viable institutional platform for effective out-of-court NPL resolutions (Corporate Debt Restructuring Committee) is established and functioning effectively and sustainably as a result of legal changes and institutional reforms initiated and implemented by inter-agency WG.			

## EVD'S REVIEW:

## RELEVANCE

Project was relevant for Mongolia at the time of approval as the country faced significant problems with NPLs, including in SME segment. It was consistent with the EBRD's country strategy for Mongolia, which identifies NPL resolution as one of the elements to strengthen resilience of country's financial sector. It was also in line with the LTP OP and the objectives of EBRD's Small Business Initiative in the area of access to finance for SMEs.

## EFFICIENCY

Project was designed and launched in synergy with other IFIs supporting Bank of Mongolia in various aspects of NPL resolution, specifically IMF and ADB. The model action plan for NPL resolution developed by Vienna Initiative was used as a reference point. There are few insights into the work of local consultants, but reports were delivered largely on time; constructive partnership was established among EBRD, consultants and local counterparts; there was good feedback from the Bank of Mongolia. As a result of report delivery EBRD and its consultants have been invited to take part in the activities of other WGs that were responsible for implementing the recommendations.

<b>EFFECTIVENESS</b>	Project outcomes identified at design stage are in fact outputs (immediate results of project activities). Assumed outcomes are approved changes to NPL legislation that enable effective functioning of private sector Corporate Debt Restructuring Committee as out-of-court restructuring mechanism; as well as approved NPL Resolution Strategy, which is one of the elements of IMF Programme for Mongolia. Project report suggest excellent implementation and achievement of all results, particularly, Delivery of NPL Report which analysed the key legal impediments and provided specific recommendations relating to: (i) successful judicial enforcement of NPLs in Mongolia; (ii) enforcement of collateral; (iii) voluntary out-of-court resolution of NPLs in Mongolia; and (iv) effective operation of the CDRC.
<b>IMPACT</b>	Assumed impact is decreased volume of NPLs and their share of total assets, as well as enhanced access to financing for companies, particularly in SME segment. However, recent analysis suggests that <i>"there has been limited progress on modernizing insolvency laws and industry best practises. The same goes for inefficiencies in how repayments of debt are enforced and the government's debt restructuring mechanisms."</i> <sup>64</sup> EBRD's Transition Report 2019-2020 noted that in June 2019 NPLs in Mongolia reached 10.5% of total loans and implementation of NPL Resolution Strategy remains one of the main priorities for 2020. <sup>65</sup>
<b>SUSTAINABILITY</b>	Effective collaboration with the inter-agency Working Group that involves stakeholders from government institutions responsible for various elements of debt restructuring framework could contribute to building effective partnership, which will ensure sustained effort in this area in the future. However, the nature of project (preparation of report) is such that it does not contribute substantially to institutional structures and building capacities/skills. On the other hand, inter-IFI collaboration where other IFIs are providing additional support in the area might enable sustainability of the overall initiative, of which LTP's project is one of the elements.

<sup>64</sup> EUROMONEY, December 2019 <https://www.euromoney.com/article/b1jhzc8xqjft/financial-sector-threatens-mongolias-recovery>

<sup>65</sup> EBRD Transition Report 2019-2020, Mongolia country profile

**INSOLVENCY (no data)**

Strengthening the legal framework for non-performing loans resolution and debt restructuring in Mongolia # 5033 (No progress/completion reports)

**Budget €72,000**

APPROVED : October 2015

ONGOING :

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				
OUTCOME				
INDICATORS				
LONG-TERM OUTCOME				

**EVD'S REVIEW:**

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

**INSOLVENCY (no data)**

Greece: Assistance to the Hellenic Financial Stability Fund on Board Review of four Greek Systemic Banks # 1756 (No progress/completion reports)

**Budget €590,000**

APPROVED :

June 2015

ONGOING

*Assignments:*

*Assignment 1 - Assistance to HFSF on board evaluation of the four Systemic Greek Banks – the Firm*

*Start*

*Jan 16*

*Status*

*Ongoing*

*€*

*295,000*

*Assignment 1 - Assistance to HFSF on board evaluation of the four Systemic Greek Banks (board dynamics and NPLs management)*

*May 17*

*Ongoing*

*295,000*

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	.....	0	0	0
	.....	0	0	0
	.....	0	0	0
	.....	0	0	0
OUTCOME INDICATORS	.....	0	0	0
	<i>TOTAL</i>	<u>0</u>	<u>0</u>	<u>0</u>

LONG-TERM  
OUTCOME

**EVD'S REVIEW:**

**RELEVANCE**

**EFFICIENCY**

**EFFECTIVENESS**

**IMPACT**

**SUSTAINABILITY**

**INSOLVENCY (no data)****LTT/Accounting skills for judges in insolvency matters****Budget €275,058 (?)****(Croatia, North Macedonia, Kosovo) # 3139 <sup>66</sup>**

APPROVED : August 2015

COMPLETED : Dec 2015

*Assignments:* N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	N/A			
OUTCOME	N/A			
INDICATORS				

LONG-TERM  
OUTCOME**EVD'S REVIEW:****RELEVANCE****EFFICIENCY****EFFECTIVENESS****IMPACT****SUSTAINABILITY**

<sup>66</sup> There are discrepancies on this project between TCRS and Project Completions report provided by LTT. In TCRS Bulgaria is defined as country of operation while in the report there are three countries: Croatia, Northern Macedonia and Kosovo. In TCRS budget equals €3,430 while in the report it is €275,058. Activities in LTT report are identical to activities for Project #334. See validation above.



## PROCUREMENT:

**EBRD GPA TC Facility - Support in Accession to the Agreement on Government Procurement of the World Trade Organization (Regional) # 327 (SSF, Ukraine MDA, Slovakia)** **Budget €2,466,768**

APPROVED : April 2014 ONGOING

<i>Assignments:</i>	<i>Start</i>	<i>€</i>
<i>Belarus: Public Procurement Reporting Module for the National eProcurement System (Assignment 12)</i>	<i>May 2017</i>	<i>240,000</i>
<i>Country Specific Activities (Assignment 2)</i>	<i>Oct 2014</i>	<i>610,000</i>
<i>Regional Support Activities (Assignment 1 - Extension until 15/12/2020)</i>	<i>Oct 2014</i>	<i>553,700</i>
<i>Regional Support Activities (Assignment 1)</i>	<i>Oct 2014</i>	<i>378,700</i>
<i>Follow-up Assistance in WTO Government Procurement Agreement Accession</i>	<i>Feb 2015</i>	<i>25,000</i>
<i>Georgia: Public Procurement Policy Advice and Support in Accession to the WTO GPA - National WTO GPA Documents and Outreach Activities (Assignment 4)</i>	<i>Jan 2016</i>	<i>39,368</i>
<i>Country Specific Activities Kyrgyz Republic (Assignment 8) to accommodate C30619 extension</i>	<i>Jul 2016</i>	<i>22,000</i>
<i>EBRD GPA Technical Cooperation Facility: Implementing standards of the WTO GPA in Armenia, Kazakhstan and the Kyrgyz Republic in the context of the Eurasian Economic Union Treaty obligations (Assignment 5)</i>	<i>Apr 2016</i>	<i>50,000</i>
<i>Technical / training events on implementing the standards of the World Trade Organization Agreement on Government Procurement in the context of the Eurasian Economic Union Treaty obligations (Assignment 6)</i>	<i>Aug 2016</i>	<i>65,000</i>
<i>Website Update (Assignment 11)</i>	<i>Nov 2016</i>	<i>16,500</i>
<i>Country Specific Activities Tajikistan (Assignment 7) to accommodate C30610 extension</i>	<i>Jul 2016</i>	<i>35,000</i>
<i>FYR Macedonia: Assistance in the WTO Government Procurement Agreement Accession - Assistance with negotiations (Assignment 10)</i>	<i>May 2017</i>	<i>100,000</i>
<i>FYR Macedonia: Assistance in the WTO Government Procurement Agreement Accession - Negotiation strategy, compliance assessment and initial offer (Assignment 9)</i>	<i>May 2017</i>	<i>60,000</i>
<i>WTO Public Forum "Trade: Behind the Headlines" - Working session titled "Public Procurement: New Facts, Figures and Way Forward for liberalised and inclusive markets" (Assignment 13)</i>	<i>Jul 2017</i>	<i>35,000</i>
<i>Assignment 14: EBRD GPA TC FACILITY: Trainings and Outreach Coordinator</i>	<i>Oct 2018</i>	<i>181,500</i>

	<i>Name</i>	<i>Ach'd</i>	<i>Partly Ach'd</i>	<i>Not Ach'd</i>
<b>OUTPUTS</b>				
i)	<i>Comparative analysis reports on GPA with 2014 EU Directives, 2011 UNCITRAL, and CIS Customs Union are accepted by EBRD</i>	<i>1</i>	<i>0</i>	<i>0</i>
ii)	<i>Dedicated multilingual online resources are regularly updated by EBRD</i>	<i>1</i>	<i>0</i>	<i>0</i>
iii)	<i>Revisions to primary and/or secondary legislation based on country-specific legal comparative analysis findings are enacted in Ukraine, Moldova, Montenegro, Tajikistan, Armenia and Kyrgyz Republic</i>	<i>1</i>	<i>0</i>	<i>0</i>

## Legal Transition Programme – Annexes

	iv)	<i>WTO GPA strategy and documents for all negotiation stages are accepted by EBRD and the client in Ukraine, Moldova, Montenegro, Tajikistan, and Kyrgyz Republic</i>	1	0	0
	v)	<i>Advice on GPA implementation including ratification and deposit of instrument of Accession, business opportunities, etc. is provided in Ukraine, Moldova, Tajikistan, Montenegro, Kyrgyz Republic and Armenia</i>	1	0	0
	vi)	<i>Outreach event aimed at promoting and facilitating the use of GPA compliant procurement system in Montenegro</i>	1	0	0
	vii)	<i>Outreach event to promote Ukraine's accession to the WTO GPA Agreement for Ukrainian trade officials to be held in Geneva, Switzerland</i>	1	0	0
	viii)	<i>Outreach event to promote Ukraine's accession to the WTO GPA Agreement for Ukrainian procurement officials to be held in Vienna, Austria</i>	1	0	0
	ix)	<i>National seminars on WTO GPA are held in Tajikistan, Kyrgyz Republic, Armenia and Georgia</i>	1	0	0
	x)	<i>Updated WTO GPA negotiation strategy and legal gap analysis for Georgia</i>	1	0	0
	xi)	<i>A report on the initial legal analysis on the WTO GPA standards in the context of the EAEU Treaty is provided to the EBRD (Assignment 5)</i>	1	0	0
	xii)	<i>Final report on the WTO GPA standards in the context of the EAEU Treaty is provided to the EBRD (Assignment 5)</i>	1	0	0
	xiii)	<i>Technical / training events on implementing the standards of the World Trade Organization Agreement on Government Procurement in the context of the Eurasian Economic Union Treaty obligations take place (Assignment 6)</i>	0	0	0
		<b>(TOO EARLY TO TELL)</b>			
OUTCOME INDICATORS	i)	<i>GPA documentation provided by Ukraine, Moldova, Montenegro, Tajikistan and Kyrgyz Republic clients is accepted by the WTO GPA Secretariat</i>	1	0	0
	ii)	<i>The revised national primary and secondary legislation in Ukraine, Moldova, Montenegro, Tajikistan, Armenia and Kyrgyz Republic is aligned with GPA standards</i>	1	0	0
	iii)	<i>Ukraine, Moldova, Montenegro, Tajikistan and Kyrgyz Republic sign the WTO Agreement on General Procurement</i>	1	0	0
	iv)	<i>Updated negotiation strategy and legal assessment are submitted to the Georgian government</i>	1	0	0
	v)	<i>A report on the WTO GPA standards in the context of the EAEU Treaty is provided to the Client (Assignment 5)</i>	1	0	0
	vi)	<i>Technical meetings with authorities take place (Assignment 5)</i>	1	0	0
	vii)	<i>Technical / training events participants' understanding of the WTO GPA standards implementation in the context of the EEUT obligations is enhanced (Assignment 6)</i>	1	0	0

## Legal Transition Programme – Annexes

viii)	<i>Public procurement reporting module for Belarusian eProcurement system is submitted to the authorities (Assignment 12)</i>	1	0	0
ix)	<i>The participants of the working session "Public Procurement: New Facts, Figures and Way Forward for liberalised and inclusive markets" benefit from the working session's discussions (Assignment 13).</i>	1	0	0
x)	<i>The participants of the working session "Enhancing the Participation of Women Entrepreneurs in Global Government Procurement Markets" (Assignment 16). (TOO EARLY TO TELL)</i>	0	0	0
<b>TOTAL</b>		<b>21</b>	<b>0</b>	<b>0</b>

LONG-TERM  
OUTCOME

The long-term result of this project and entire facility (which is also funded through two projects #1189 and 6391) is assumed to be fourteen countries covered by the facility taking advantage of global access to public procurement – benefiting from international suppliers while local businesses use the opportunity of taking part in international PP tenders.

**EVD'S REVIEW:**<sup>67</sup>**RELEVANCE**

The project is highly relevant to the EBRD's strategic priorities in all countries, where some country strategies specifically mention the need for PP legislation to be updated to comply with modern standards incl. WTO GPA standards (Armenia, Kazakhstan, Kyrgyz Republic and Ukraine). It helps CoOs to integrate into global procurement markets and become more competitive and diverse. It is in line with the LTP's own OPs 2013-2015 and 2016-2018. It should be noted that no other IFIs were providing support in the WTO GPA negotiations process and the EBRD's guidance and expertise was highly-additional and valuable.

**EFFICIENCY**

The EBRD is collaborating closely with the WTO GPA Secretariat to deliver this project, with the main objective of providing consistent, well-informed independent advice for the aspiring candidate countries and new members. Secretariat experts provided hands-on support to the negotiating teams throughout the process, invested in building the capacity of the core stakeholders and beneficiaries. The implementation approach was flexible and responsive to local needs, multiple components and assignments were introduced to resolve specific challenges and provide support where it is most needed. RO teams provided continuous on-the-ground support, ensuring ongoing dialogue with government officials. The evaluation team had interviews in one country of operations (Ukraine) where counterparts were highly positive about the quality and efficiency of EBRD support, which continues through other projects.

It is an ongoing project and new activities have been added since 2018 (cut-off period for this evaluation). Reporting when filed into the system is provided for the entire facility, which covers many years and multiple countries of operation, with various components. When EvD recently conducted an evaluation of Ukraine MDA (which funded assignments/activities related to Ukraine), it had to go through all outputs/outcomes manually to identify those which were relevant (five outputs out of 13 and three outcomes out of ten) and validate them accordingly. The design of the monitoring and evaluation matrix for large facilities is deficient as it can't provide granulated data/evidence for selected activities and for selected donors.

<sup>67</sup> EvD had several missions to Ukraine in 2017-2019 when it met with various stakeholders in government, CSO and donor community. Thus enabling partial validation of this project

## Legal Transition Programme – Annexes

The evaluation team experienced problem while validating the results, as it didn't have access to the entire set of reports (at least it has no picture of the entire reporting scope). The best sources of streamlined information about high-level achievements were in fact articles in the Law in Transition journal, rather than project documents. Not all reports are saved in TCRS and even with the access to Huddle folders, EvD is not confident that it has the full picture.

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**EFFECTIVENESS** The project delivered a range of intermediary results, mostly related to the review of the domestic legal and regulatory framework, identifying gaps with WTO GPA standards, formulating negotiation positions conducting and finalising negotiations, capacity building and training activities that enhanced local stakeholder knowledge in the area of WTO GPA, developing new/revised PP legislation in compliance with WTO GPA commitments. It included multiple assignments and components, culminating in three countries becoming members of the WTO GPA (Moldova, Montenegro, Ukraine), one country updating its membership commitment with the revised 2012 WTO GPA (Armenia) and three others being at various stages of accession (Georgia, Tajikistan and Kyrgyz Republic). The project supported members of Eurasian Economic Union Treaty (EEUT) to find a common ground with WTO GPA requirements, which allowed Armenia to commit to 2012 WTO GPA and Kyrgyz Republic to complete its negotiation position. However, progress in harmonisation is partial and some significant compromise solutions have not been taken forward as yet.

It should be noted that the outcome indicators suggested in the project results framework to track achievement of the mid-term outcome (WTO GPA membership) often represented output indicators (provision of report, technical meeting organised), thus inhibiting the evaluation of the entire chain of results.

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**IMPACT** The impact identified in the concept clearance memorandum (CCM) was optimised market functioning and increase in efficiency, as well as the opening of national public procurement markets to international trade upon accession to WTO GPA. Due to the area and complex nature of international trade and public procurement negotiations, the impact could be achieved in the long-term. However, there is emerging evidence. For example, in Ukraine suppliers from 40 countries are registered through the national e procurement system ProZorro.

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**SUSTAINABILITY** Sustainability is achieved by implementing all commitments in the framework of WTO GPA, which in many countries is funded through other TC projects (#6391, 1591, 676) that ensure synergy and continuity in actions. Approval and enforcement of relevant legal acts is crucial, while commitment to international accord (WTO GPA) makes the legal framework less vulnerable to changes in political agenda and electoral cycles. For member countries, there are follow-up WTO GPA implementation projects to support the governments of Armenia, Moldova, Montenegro and Ukraine in complying with the membership commitments (i.e. reporting) and harnessing the opportunities offered by membership.

However the greatest source of sustainability is through changes in the attitudes and behaviour of local counterparts. Enhanced knowledge, skills and institutional capacity in the government institutions responsible for PP and international trade, along with the retention of cadres/continuous learning cycle contributes to embedding the new standards, rules and regulations in the daily practices of government officials and private sector participants who take part in international PP tenders.

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## PROCUREMENT:

## EBRD UNCITRAL Public Procurement Reform Initiative # 520 (SSF, Ukraine MDA, SEMED MDA)

Budget €2,667,580

APPROVED :

January 2011

ONGOING

## Assignments:

	Start	€
Assignment 11 - EBRD UNCITRAL Initiative Activities in Armenia (RETROFITTED)	Jan 2011	450,000
Assignment 12 - EBRD UNCITRAL Initiative Activities in Tajikistan (RETROFITTED)	Jan 2011	450,000
Assignment 4 - Mongolia: Public Procurement Policy Advice, Legislative Drafting and Implementation Support - Phase 2 : Legislative Review and Policy Advice	Sep 2014	31,000
Assignment 3 - Mongolia: Public Procurement Policy Advice, Legislative Drafting and Implementation Support - Phase 2 : Piloting New Frameworks	Sep 2014	48,999
Assignment 2 - Mongolia: Public Procurement Policy Advice, Legislative Drafting and Implementation Support - Phase 2 : Legal Drafting	Sep 2014	94,626
Assignment 1 - EBRD UNCITRAL Initiative: Mongolia - Policy Advice and Implementation Support for Finalising Public Procurement Reforms	Sep 2015	85,375
Assignment 5 - Reforming Public Procurement Regulatory Framework in Azerbaijan – Introducing the 2011 UNCITRAL Model Law on Public Procurement Standards	May 2016	50,000
Assignment 8 - Moldova: Piloting Electronic Framework Agreements - Capacity Building and Development of the Framework Implementation Methodology for the Pilot	Nov 2016	72,920
Assignment 10 - Open Contracting for Legislation, Business Model and Open Source System Architecture for Electronic Public Procurement	Nov 2016	50,000
Assignment 9 - Update of EBRD UNCITRAL Initiative Website	Nov 2016	20,000
Assignment 6 - Legislation, Business Model and Open Source System Architecture for Electronic Public Procurement	Nov 2016	250,000
Assignment 18: Project meetings organised by the Resident Office - Ukraine	Nov 2016	10,000
Assignment 16: Ukraine-Piloting Electronic Framework Agreements: Legislative Drafting	Nov 2016	70,000
Assignment 7: Ukraine-Piloting Electronic Framework Agreements: Business Adviser	Nov 2016	110,000
Assignment 17: Ukraine-Piloting Electronic Framework Agreements: Assistance with the Implementation of Framework Agreements	Nov 2016	60,000
Assignment 14 - Jordan: Assistance with Piloting Electronic Framework Agreements: Capacity Building and Development of the Framework Implementation Methodology for the Pilot	Apr 2017	72,920
Assignment 15 - Moldova: Assistance with Piloting Electronic Framework Agreements - Legislative Drafting, further Assistance with the Implementation of Framework Agreements and Ongoing Coaching and Policy Advice	Apr 2017	176,740
Assignment 19: Preparation and production of the EBRD publication titled "Five years of the EBRD UNCITRAL Public Procurement Reform Initiative: lessons learned"	Jun 2017	35,000
Assignment 13 - Tunisia-Piloting Electronic Framework Agreements	Mar 2017	315,000
Assignment 20 - Tunisia-Piloting Electronic Framework Agreements: Project Meetings Organised by the Resident Office	Mar 2017	35,000
Regional: Outreach Coordinator for EBRD-UNCITRAL Initiative on Public Procurement	Oct 2018	180,000

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Draft secondary legislation on eProcurement procedures for small value contracts is developed and submitted to EBRD for approval	1	0	0

## Legal Transition Programme – Annexes

	ii)	Report on the piloting of new public procurement legislation is submitted to EBRD for approval. <i>(too early to assess)</i>	0	0	0
	iii)	Report incorporating the findings of the review of the public procurement law against the 2011 UNCITRAL Model Law on Public Procurement is submitted to EBRD for approval	1	0	0
	iv)	Draft secondary legislation on framework agreements is developed and submitted to EBRD for approval	1	0	0
	v)	Draft model implementation tools are developed and submitted to EBRD for approval	1	0	0
	vi)	Capacity building programme for newly appointed officials of the national public procurement regulatory authority is undertaken.	1	0	0
	vii)	Draft amendments to the primary law on public procurement are developed and submitted to EBRD for approval.	1	0	0
	viii)	Report on policy advice on eProcurement is submitted to EBRD for approval	1	0	0
	ix)	Draft secondary legislation on electronic public procurement procedures is developed and submitted to EBRD for approval <i>(too early to assess)</i>	0	0	0
	x)	Draft secondary legislation on public procurement planning is developed and submitted to EBRD for approval	1	0	0
	xi)	Draft secondary legislation on procurement monitoring and reporting is developed and submitted to EBRD for approval <i>(too early to assess)</i>	0	0	0
	xii)	Draft secondary legislation on public procurement review body is developed and submitted to EBRD for approval	1	0	0
	xiii)	Draft curriculum for training programme for contracting entities is developed and submitted to EBRD for approval <i>(too early to assess)</i>	0	0	0
	xiv)	Draft curriculum for the training session on electronic framework agreements is developed and submitted to EBRD for approval <i>(too early to assess)</i>	0	0	0
	xv)	EBRD publication titled "Five years of the EBRD UNCITRAL Public Procurement Reform Initiative: lessons learned" is produced	1	0	0
OUTCOME INDICATORS	i)	Draft amendments to the primary law are submitted to the authorities.	1	0	0
	ii)	Report incorporating the findings of the review of the public procurement law against the 2011 UNCITRAL Model Law on Public Procurement is submitted to the authorities	1	0	0
	iii)	Draft secondary legislation on framework agreements is submitted to the authorities	1	0	0
	iv)	Draft model implementation documents for electronic procurement are approved by EBRD	1	0	0

## Legal Transition Programme – Annexes

v)	<i>Knowledge of the newly appointed officials in the national public procurement regulatory authorities is increased as a result of the implementation of the capacity building programme</i>	1	0	0
vi)	<i>Draft secondary legislation on small value contracts is submitted to the authorities</i>	1	0	0
vii)	<i>Report on piloting new public procurement legislation is submitted to the authorities (too early to assess)</i>	0	0	0
viii)	<i>Report on policy advice on eProcurement is submitted to the authorities</i>	1	0	0
ix)	<i>Draft secondary legislation on electronic public procurement procedures is submitted to the authorities (too early to assess)</i>	0	0	0
x)	<i>Draft secondary legislation on public procurement planning is submitted to the authorities</i>	1	0	0
xi)	<i>Draft secondary legislation on procurement monitoring and reporting is submitted to the authorities (too early to assess)</i>	0	0	0
xii)	<i>Draft secondary legislation on public procurement review body is submitted to the authorities</i>	1	0	0
xiii)	<i>Draft curriculum for training programme for contracting entities is submitted to the authorities (too early to assess)</i>	0	0	0
xiv)	<i>Draft curriculum for the training session on electronic framework agreements is submitted to the authorities (too early to assess)</i>	0	0	0
<b>TOTAL</b>		<b>19</b>	<b>0</b>	<b>0</b>

LONG-TERM  
OUTCOME

Public procurement legislation, regulatory regime and implementation practices in nine beneficiary countries is compliant with UNCITRAL model law standards and best practices.

**EVD'S REVIEW**.<sup>68</sup>**RELEVANCE**

The project is aligned with LTP's OPs 2013-2015 and 2016-2018, as well as a number of EBRD country strategies, particularly for Moldova, Ukraine, Azerbaijan and Mongolia. This initiative is additional to other LTT PP interventions, i.e. WTO GPA accession and support in reforming national PP systems and the launch of e-procurement systems.

**EFFICIENCY**

This project was delivered in close collaboration with the UNCITRAL Secretariat, which provided most of the expertise for all work streams, in collaboration with LTT lead counsel and substantial contributions from local in-country consultants. In some countries the quality of local expertise was deficient, which was one of the reasons for delays in implementation and progress achievements (Mongolia). In some

<sup>68</sup> EvD had several missions to Ukraine in 2017-2019 when it met with various stakeholders in government, CSO and donor community. It also visited Tunisia in mid-2019, thus enabling partial validation of this project



countries commitment to the initiative was variable, sometimes leading to only partial agreement to LTT's recommendations and implementation (Egypt and Mongolia). Also, LTT experienced repeated difficulties with fundraising, and delays in selecting the consultants, sometimes up to 12 months, which caused delays in implementation (in Egypt, Tunisia, Moldova and Ukraine).

As is the case with other multi-annual regional frameworks, reporting provides overall information for all assignments with limited details and context for individual countries and policy streams.

Report quality should be improved – various progress reports have an inconsistent number of outputs/outcome indicators, mistakes (same output repeated five times in PR 3), and outcome indicators are identical to outputs. There is no consistent chain of activities presented in a comprehensive manner, which is a matter of form rather than content – the facility provides multi-staged support and guides partner governments in implementing complex reforms. However it is not clear from the reports.

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**EFFECTIVENESS** The results of this facility are delivered along three work streams: (i) raising awareness about the value of UNCITRAL Model Law standards (in Mongolia, Egypt, Azerbaijan, Moldova, Tajikistan); (ii) performing legal diagnostics and benchmarking against UNCITRAL ML standards (Armenia, Azerbaijan, Tajikistan and Egypt) and (iii) country specific advisory TC projects focused on amending legal and regulatory regimes to comply with UNCITRAL ML. The latter component is congruent with the assistance provided by LTT to help countries to become WTO GPA members and to implement the accord's commitments. According to the reports, TC advisory activities were successfully completed in Armenia and Kyrgyz Republic, and somewhat delayed in Mongolia and Tajikistan. Different countries have different action plans based on government commitment and the scope of necessary change. Activities launched in Ukraine and Moldova in 2015 have resulted in multiple changes, including piloting/launching fully functional e-procurement systems, legislation and the introduction of new PP mechanisms, i.e. framework agreements, e-catalogues and reverse auctions; enhanced monitoring and review of PP, as well as better regulated review bodies.

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**IMPACT** Assumed impact is the establishment of well-governed and transparent PP systems in beneficiary countries, higher standards and speed of PP operations, reduced corruption risks and greater access to PP for private sector stakeholders. In many instances it is too early to assess the impact, however in some countries LTT support contributed to the desired impact. For example, in Ukraine ProZorro e-procurement system has saved US\$3.8 billion (UAH100 billion) in public funds in 2015-2019, which is substantial given a total public procurement market of €20 billion.<sup>69</sup> In 2019 the number of registered suppliers reached 50,000. The share of procured value through competitive procedures increased from 25% to 70%; the number of new bidders reached 31,000 in 2018 and the number of online platforms participating in ProZorro increased from 0 to 20. In Moldova the MTender system, in the first 15 months of its work, saved €29.9 million or 14% on competitive tenders. There was a 30% increase in the number of new participants in public tenders.<sup>70</sup> In Tunisia the number of offers per one PP bid has increased from 2 to 17 (2017-2019).<sup>71</sup>

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**SUSTAINABILITY** With approved legislation, regulations, and established e-procurement systems that can demonstrate substantial savings (14% in the cases of Ukraine and Moldova), the plausibility of sustaining PP reforms aligned with UNCITRAL ML is much higher. A significant component of the facility is focused on capacity building and awareness raising among key stakeholders, which in the long-term should ensure the sustainability of changes launched with LTT's support. However, as is the case in some countries (Mongolia and Tajikistan), partial acceptance of recommendations and political changes that lead to shifts in the reform agenda undermine the prospects of long-term sustainability. Loss of momentum

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<sup>69</sup> Ukrainian Ministry of Economic Development and Trade

<sup>70</sup> MTender <https://mtender.gov.md/ru/>

<sup>71</sup> Interview with HAICOP



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when funding difficulties arise, and the inability to provide high quality local expertise also undermine the prospects of sustainability.

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## PROCUREMENT:

## PUBLIC PROCUREMENT: POLICY ADVICE AND LEGISLATIVE DRAFTING FOR E-PROCUREMENT REFORMS # 597 (Ukraine) (Ukraine MDA)

Budget €200,000

APPROVED : August 2014 COMPLETED June 2017

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Draft secondary legislation on eProcurement is submitted to the MEDT	1	0	0
	ii) Final Reform Implementation Plan, including technical specification for Prozorro, is approved by the EBRD and the MEDT	1	0	0
	iii) Central government agencies' staff is trained in eProcurement procedures	1	0	0
	iv) Report from audit of Prozorro pilot is accepted by the EBRD	1	0	0
	v) Piloting electronic procedures via the Prozorro system in the regions of Ukraine, municipalities and local government	1	0	0
	vi) Draft primary legislation	1	0	0
	vii) eProcurement Reform concept	1	0	0
	viii) Piloting electronic procedures via the Prozorro system with central government	1	0	0
OUTCOME INDICATORS	i) eProcurement Reform concept is approved by the EBRD and the MEDT	1	0	0
	ii) Revised primary legislation is enacted	1	0	0
	iii) Secondary legislation on eProcurement is adopted by the MEDT	1	0	0
	iv) During the piloting period, government contracts signed using the eProcurement platform meet the targets in year 1 of operations	1	0	0
	v) During the piloting period, government contracts signed using the eProcurement platform meet the targets in year 2 of operations	1	0	0
	TOTAL	13	0	0

LONG-TERM OUTCOME The anticipated long-term outcome of the project, which should be indicated and which has materialised since project completion, is the successful implementation of e-procurement reform driven by OCDS, open-source software and a multi-platform auction solution.

**EVD'S REVIEW:<sup>72</sup>****RELEVANCE**

The strategic relevance of this project is justified in the documents related to the LTP Work Programme. It is also in line with the Ukrainian strategic objective of reducing corruption and creating a transparent public procurement system – historically one of the most corrupt areas of public services. This and other projects aimed at enhancing Ukraine's public procurement system also contribute to delivering the competitive transition quality by inducing commercially sound decision making and market structures that promote competition and diversification.

**EFFICIENCY**

The project was implemented efficiently and in close collaboration with local stakeholders, reacting swiftly to their changing needs. Public procurement reform has been achieved in a highly contested political climate, with many forces trying to undermine the progress. The EBRD was a trusted and reliable partner, whose international status added credibility to the actions of a coalition of businesses, civil society organisations and reform-minded public servants. Local partners expressed their high appreciation and the exceptional level of trust established between the EBRD project team and local stakeholders. ProZorro had, and still has, many international sponsors and the EBRD is not alone in delivering TC, however its role has been distinguished as exemplary in terms of innovation, flexibility, resilience and delivery.

**EFFECTIVENESS**

The project contributed to: (i) the creation and approval of the Public Procurement Concept and Law (2015); (ii) dismantling the old paper-based public procurement system with high corruption risks; (iii) the creation of an innovative open-source multi-platform e-procurement solution which is gradually expanding to all spheres of procurement (from large tenders to under-threshold purchases) and is continuously renewing/upgrading; (iv) the establishment and development of a dedicated ProZorro project office, later integrated into the government structure; (v) creating an efficient partnership between the public sector and civil society, which monitors and oversees public procurement (TI is one of the core partners in the sector); (vi) training a core group of public procurement experts – an exercise that was later cascaded to other agencies and below national level. Ukraine now has an established public procurement profession.

In a well written project report, a logical and consequential link between the inputs, outputs and outcomes is established. However the sequence is not always right. For example, the eProcurement concept is outcome 1 while it preceded the launch of the ProZorro pilot, which is output 5 (local) and output 8 (central agencies). Among the outcomes is "legislation signed", which is a direct consequence of activity, making it an output. Enacting legislation would be an outcome – mid-term result. Pilot results – outcomes 4-5 – should be better articulated as results, rather than using the formulation "during piloting".

**IMPACT**

ProZorro gradually expanded into all spheres of public procurement in Ukraine and in 2015-2019 saved US\$3.8 billion (UAH100 billion) in public funds, which is substantial given a total public procurement market of €20 billion.<sup>73</sup> In 2019 the number of registered suppliers reached 50,000. The share of procured value through competitive procedures increased from 25% to 70%; the number of new bidders reached 31,000 in 2018 and the number of online platforms participating in ProZorro increased from 0 to 20. Its high efficiency and effectiveness have been recognised internationally: ProZorro received a number of international awards, including the 2016 World Procurement Award, the 2016 and 2017 Davos Awards, and the 2016 Open Government Award.

<sup>72</sup> EvD had several missions to Ukraine in 2017-2019 when it met with various stakeholders in government, CSO and donor community. Thus enabling validation of this project

<sup>73</sup> Ukrainian Ministry of Economic Development and Trade

## Legal Transition Programme – Annexes

The system is continually improving and evolving, including its extension to other public services – such as asset management and sale through the ProZorro.Sales platform. Ukraine's TI CPI, although still low, increased from 26 in 2014 to 30 in 2019.

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**SUSTAINABILITY** The project successfully achieved its objective and paved the way for a range of new activities in the Ukrainian e-procurement system. The self-sufficient funding model allows financial sustainability, although more cutting-edge improvement and further reforms still require donor funding, including the EBRD's (Ukraine PP has five TC projects at the operational stage, all funded from the EBRD-Ukraine Multi-Donor Account). Significant monitoring, oversight and control by non-governmental organisations and full transparency of data (universally accessible in real time) greatly enhances the sustainability of ProZorro model, although it does not eliminate all risks of reversal and distortions.

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## PROCUREMENT:

## Review and assistance with developing draft legal framework on public procurement

Budget €276,498

# 620 (Egypt) (No progress/completion reports) (SSF)

APPROVED : Jan 15 ONGOING

Assignments:	Start	€
Review of draft law on public procurement (Assignment 1)	Jan 15	65,000
Assistance with developing public procurement regulations (Assignment 2)	Apr16	105,000
Project Meetings Organised by Resident Office (Assignment 4.1) EUR 4,978 (extended to EUR 16,978)	Jun 16	16,978
REDUCED BY USD 5,559.00_Project Meetings Organised by Resident Office (Assignment 4)	Jun 16	970
Capacity Building Related to Introducing a Comprehensive Electronic Public Procurement in Egypt (Assignment 3)	Jun 16	49,000
Logistics Coordinator (Assignment 5)	Mar 17	39,550

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) A report presenting the results of the benchmarking analysis of the draft public procurement law against international good practices is presented to the Agency for Government Contracts (Assignment 1)	0	0	0
	ii) An awareness raising session presenting eProcurement best practices is delivered by the consultant (Assignment 3)	0	0	0
	iii) Comments and recommendations for improvement of the draft law are provided at the policy workshop for the Agency for Government Contracts and other government employees, if necessary (Assign't 1)	0	0	0
	iv) Policy advice and drafting assistance in implementing recommendations for improving draft law on public procurement to achieve greater compliance with international good practice (Assignment 1)	0	0	0
OUTCOME INDICATORS	i) The authorities' knowledge on eProcurement is enhanced (Assign't 3)	0	0	0
	ii) The draft law on public procurement consistent with international standards and the EBRD advice is submitted to the Parliament (Assignment 1)	0	0	0
	iii) EBRD recommendations are accepted as policy by the Agency for Government Contracts of Egypt (Assignment 1)	0	0	0

## PUBLIC

## Legal Transition Programme – Annexes

iv)	<i>The public procurement law implementing regulations incorporating consultant's advice are approved by the Ministry of Finance (Assignment 2)</i>	0	0	0
<i>TOTAL</i>		0	0	0

LONG-TERM  
OUTCOME

The law on public procurement and implementing subsidiary legislation is consistent with international standards and the government has an understanding of the modern electronic procurement policies.

**EVD'S REVIEW:** EvD could not review the project due to lack of reports. So activities are partially covered in regional facilities (UNCITRAL) and respective project reviews.

## RELEVANCE

## EFFICIENCY

## EFFECTIVENESS

## IMPACT

## SUSTAINABILITY

## PROCUREMENT:

Tunisia: Facilitating participation from small and medium enterprises (SMEs) in public tenders conducted on the Tunisian eProcurement system (TUNEPS) # 627 (SSF, SEMED MDA, Korea) **Budget €975,000**

APPROVED : Aug 2015 ONGOING

Assignments:		Start	€		
	<i>Policy Advice and SMEs Capacity Building</i>	Aug 2015	190,000		
	<i>Local Project Officer</i>	Aug 2015	70,000		
	<i>Upgrade of the Tunisian Procurement Authority Helpdesk</i>	Aug 2015	200,000		
	<i>Assignment 5: Capacity Building Training for Contracting Authorities - Local Expert</i>	Nov 2016	31,200		
	<i>Assignment 6: Logistics Coordinator Support</i>	Nov 2016	72,000		
	<i>Assignment 4: Capacity Building Training for Contracting Authorities - International Expert</i>	Nov 2016	16,800		
	<i>Assignment 7: Public Procurement Monitoring and Reporting Module for TUNEPS</i>	Mar 2017	100,000		
	<i>Assignment 8: Public Procurement Monitoring and Reporting Module for TUNEPS - Project Meetings Organised by the Resident Office</i>	Mar 2017	45,000		
	<i>Assignment 9: Facilitating participation from small and medium enterprises (SMEs) in public tenders conducted on the Tunisian eProcurement system (TUNEPS) – Advanced e-commerce business skills training for SMEs</i>	Sep 2017	250,000		
Name		Ach'd	Partly Ach'd	Not Ach'd	
OUTPUTS	i) <i>Comparative analysis is carried out to select the most appropriate method/procedure for SMEs participation in public tenders conducted on the TUNEPS</i>	0	0	0	
	ii) <i>The selected procedure for small value contracts is submitted for EBRD approval</i>	0	0	0	
	iii) <i>The training modules for a training course for suppliers are submitted to the Bank</i>	0	0	0	
	iv) <i>The training of suppliers is conducted as per schedule</i>	0	0	0	
	v) <i>The new Helpdesk system is installed</i>	0	0	0	
	vi) <i>The training programme for IT administrators and HAICOP/ TUNEPS staff is delivered</i>	0	0	0	
OUTCOME INDICATORS	i) <i>The procedure for SMEs participation in public tenders conducted on TUNEPS approved by the EBRD</i>	0	0	0	
	ii) <i>Knowledge of the trainees regarding participation in public tenders conducted on the TUNEPS system is improved in tests</i>	0	0	0	
	iii) <i>SMEs participate in public tenders conducted via the TUNEPS system</i>	0	0	0	

## Legal Transition Programme – Annexes

iv) <i>New Helpdesk fully operational</i>	0	0	0
<i>TOTAL</i>	0	0	0

LONG-TERM  
OUTCOME

Greater access of local SMEs to Tunisia's public procurement markets with enhanced transparency and competitiveness.

**EVD'S REVIEW**<sup>74</sup>**RELEVANCE**

The project was highly relevant for the country, as identified in the EBRD's own strategic documents, LTP's operational plans and Tunisia's strategic documents. Local counterparts highly appreciated the scope of the assistance and the delivery model. This was one example of the "transition-to-transition" initiatives where the EBRD invited specialists from other CoOs with very recent and relevant experience in this domain, who were able to provide very specific and very relevant advice and training that was highly appreciated by the local stakeholders, as highlighted during the interviews.

**EFFICIENCY**

It is a joint initiative between LTT and the EBRD's SME F&D team, implemented in close coordination with international partners in Tunisia (i.e. OECD) and on-going engagement with the High Authority for Public Procurement Policy (HAICOP) through the EBRD's RO. A local association of employers (CONNECT) supported the project by mobilising its regional networks and raising awareness about TUNEPS and training opportunities among SMEs.

The project was launched with significant delays, mostly on the Government's side, and changes to the reform agenda.

EvD had interviews with HAICOP representatives who were very positive about collaboration with LTT team and their consultants. They noted that the EBRD's approach was distinct from that of other international organisations and IFIs that have assisted Tunisia in the reform of public procurement for many years (WB, AfDB), and which achieved substantial results. The LTT team offered high quality advice and expertise with an in-depth knowledge of international practices and standards, knowledge of how reform is implemented in other, albeit similar, contexts. They demonstrated significant flexibility in addressing the shifting challenges and offered support throughout the whole process. Local counterparts particularly noted the responsiveness and speed of reaction – with other international partners you might need to wait weeks if not months to receive an answer, which is not the case with the EBRD.

**EFFECTIVENESS**

The ultimate result of the project is SMEs participating in public tenders conducted through TUNEPS, which became mandatory for all public bodies and SOEs in 2018 and for local authorities in 2019. For this the following deliverables are essential: (i) simplified procurement procedures for small value contracts (below international bidding thresholds), to decrease the bureaucratic burden for small business in submitting offers for public tenders; (ii) free access to procurement opportunities through online publication of notifications and tender documents; and (iii) free online submission mechanisms which enable small business to compete better for regional and local contracts while decreasing the scope for manipulation of tender results.

<sup>74</sup> EvD had a mission to Tunisia in 2019 when it met with various stakeholders in government, CSO and donor community. Thus enabling validation of this project



Project reports rate all outputs and outcome indicators as “too early to assess”, although it was anticipated that project would be delivered by the end of 2018. In mid-2019, when the mission to Tunis took place, implementation was ongoing. HAICOP partners as well as representatives of local business associations rated the project as highly effective. According to them, a full range of activities was delivered, including 36 regional seminars for 3000 participants. Local SMEs had an opportunity to learn about the TUNEPS and the opportunities it provides for them. An additional element of the training included the provision of an electronic signature, which is essential for companies registering in the TUNEPS system, thus enhancing free access to the system. It was provided free of charge by the EBRD to participants of training sessions, and was highly appreciated by the local beneficiaries.

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**IMPACT**

Public procurement represents 15% of Tunisia’s GDP<sup>75</sup>, and if functioning openly and competitively it can offer great opportunities to local companies, including SMEs, to supply goods, works and services.

It is too early to assess LTT’s contribution to impact, and the most recent OECD report on SME’s participation in public procurement notes that a lot has yet to be done. However some positive trends could be observed. Thanks to the enhanced accessibility of the public procurement system to SMEs through the e-procurement system, the share of SMEs taking part in the tenders increased; the number of offers per PP bid increased from 2 to 17 in 2017-2019. The EBRD project enabled productive contacts between the state agency responsible for public procurement (HAICOP) and private sector companies. In the words of the HAICOP leadership, it was the first contact of this sort and opened the way to a range of productive interactions.

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**SUSTAINABILITY**

With the greater expansion of TUNEPS in public procurement, where more state owned companies and state authorities have to use TUNEPS to procure goods and services, the demand for new suppliers is going to grow. The e-procurement system has great potential for sustainability, although the conditions for overall management should remain conducive to competition and transparency.

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<sup>75</sup> OECD, 2019, «Améliorer l’access des PME aux marchés publics en Tunisie: la voie à suivre».

## PROCUREMENT:

Tunisia: Tribunal Capacity Building for Public Procurement Review Body in Tunisia # 628 (all output/outcome indicators too early to predict) (SEMED MDA) **Budget €149,954**

APPROVED : August 2015 ONGOING

Assignments:		Start	€		
Tribunal Capacity Building for Public Procurement Review Body in Tunisia (Assignment 1)		Jan 2015	142,214		
Logistics Coordinator (Assignment 2)		Jan 2015	7,741		

Name		Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Training programme modules are approved by the EBRD	0	0	0
	ii) Committee members are trained in each module	0	0	0
OUTCOME INDICATORS	i) Participants' knowledge is improved in pre- and post-training tests	0	0	0
	ii) Participants confirm they have applied their knowledge upon return to their workplace in a post course self-assessment survey	0	0	0
	iv) New Helpdesk fully operational	0	0	0
	TOTAL	0	0	0

LONG-TERM OUTCOME Independent and competent review body in the sphere of public procurement is functioning effectively and transparently, ensuring fair dispute resolution in PP.

**EVD'S REVIEW:**

**RELEVANCE** The project is aligned with the LTP's operational programme and the Bank's priorities in Tunisia, which include enhanced transparency and competition in the markets, including public procurement markets, and compliance with international standards.

**EFFICIENCY** The project was launched at the direct request of Tunisia's government to enhance the Committee's capacity to review PP decisions and resolve disputes. It follows-up and complements a range of other projects in the PP sector, which support the government in complying with UNCITRAL recommendations and the effective functioning of its e-procurement system (TUNEPS).

The project report stipulates that there was a delay in selecting the consultants.

## Legal Transition Programme – Annexes

<b>EFFECTIVENESS</b>	The ultimate result of the project was strengthening the skills and capacity of the Tunisian public procurement review body – Follow-up and Investigation Committee on Public Contracts – so that it can provide timely, adequate and transparent recourse to an independent review of complaints related to public procurement. Immediate results included the preparation and delivery of training for the Committee's staff. Due to the delay in deploying consultants the results could not be reviewed.
<b>IMPACT</b>	This project should contribute to enhancing the competitiveness and governance standards of the Tunisian public procurement system. While there are no direct indicators to measure LTT's contribution, there are some proxy indicators that illustrate progress, towards which the project contributed. However it is too early to assess.
<b>SUSTAINABILITY</b>	It is too early to assess sustainability.

**PROCUREMENT:****EBRD GPA Technical Cooperation Facility Montenegro: Follow-up Assistance in WTO Government Procurement Agreement Accession # 676 (SSF)****Budget €25,000**

APPROVED : February 2015 COMPLETED Aug 2015

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Advice on GPA ratification and implementation	1	0	0
	ii) Outreach event aimed at promoting and facilitating the use of GPA compliant procurement system in Montenegro	1	0	0
OUTCOME INDICATORS	i) GPA documentation provided by Montenegro is accepted by the WTO GPA Secretariat	1	0	0
	ii) Montenegro signs the WTO Agreement on Government Procurement	1	0	0
	<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>

**LONG-TERM OUTCOME** The long-term result of this project is assumed to be Montenegro taking advantage of global access to public procurement – benefiting from international suppliers while local businesses use the opportunity of taking part in international PP tenders.

**EVD'S REVIEW:**

**RELEVANCE** The project is aligned with LTP's own OPs 2013-2015 and 2016-2018 and the EBRD's strategic priorities in Montenegro, which include compliance with modern PP standards, incl. WTO GPA standards. It supports the country's integration into global procurement markets and to become more competitive and diverse. No other IFIs were providing support in the WTO GPA negotiations process and the EBRD's guidance and expertise was highly additional and valuable.

**EFFICIENCY** This project is part of the WTO GPA facility where LTT collaborated closely with the WTO GPA Secretariat to provide the Government of Montenegro with consistent, well-informed independent advice that enabled the completion of accession negotiations, adjustments in legislation and ratification of the agreement.

**EFFECTIVENESS** The project's mid-term result, which materialised, is gaining membership of WTO GPA 2012 and the following short-term results contributed to this: (i) advice to the Montenegrin authorities during the GPA ratification and implementation process and (ii) assistance in hosting a press conference or a similar outreach event to discuss Montenegro's accession to the WTO as an example of good practice.

## Legal Transition Programme – Annexes

**IMPACT**

WTO GPA membership benefits take time to materialise so it was not possible to establish a direct contribution to the economy. The project did have a demonstration effect for several other Western Balkans countries that initiated accession negotiations with WTO GPA (Bosnia and Herzegovina and Northern Macedonia).

**SUSTAINABILITY**

Sustainability is achieved through the implementation of all commitments in the framework of WTO GPA

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## PROCUREMENT:

Bulgaria: Policy Advice and Implementation Support for eProcurement Reform in the Public Procurement Sector (Extension) # 943 (SSF, Eu Structural Funds in Bulgaria)

Budget €60,000

APPROVED : August 2015 ONGOING

Assignments: N/A

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) n/a	1	0	0
OUTCOME INDICATORS	i) n/a	1	0	0
	<i>TOTAL</i>	2	0	0

LONG-TERM OUTCOME Effectively functioning e-procurement system in Bulgaria that is compliant with EU 2014 public procurement directives.

## EVD'S REVIEW:

## RELEVANCE

The project was relevant for Bulgaria's procurement system as it facilitated the harmonisation of a new institutional structure (with centralised procurement bodies) to be integrated into the new e-governance architecture, in compliance with the EU's procurement directives. Relevance for LTP and the EBRD priorities is less clear.

## EFFICIENCY

Most of the project was funded by the Bulgarian government, using Structural Funds through the Project Implementation Support Service Agreement (PISSA), which was LTT's first experience of this type of funding/collaboration in the PP sector.

## EFFECTIVENESS

The project was designed using the old TC monitoring system, which didn't include a results framework. The immediate results delivered included: (a) draft road map for eProcurement reform implementation; (b) draft technical specifications for selecting a supplier of a centralised eProcurement platform in the "government owned and managed" model; and (c) budget estimate for tendering a contract for a centralised eProcurement platform for Bulgaria in the "government owned and managed" model, based on market surveys completed in Portugal, Spain, Poland and Bulgaria. No higher level results are available, however the project report confirms that the amended system is now compliant with the EU's 2014 directives on public procurement.

## IMPACT

According to the LTT lead counsel it was in Bulgaria that the EBRD developed the model for an e-procurement system which, over the following five years, was successfully delivered in its entirety or by components with appropriate localisation, in a number of CoOs – namely Armenia, Mongolia, Tunisia, Ukraine and Moldova.

## SUSTAINABILITY n/a

## PROCUREMENT:

**Moldova: Policy Advice and Support in Legislative Drafting for eProcurement Reforms** **Budget €781,503**  
**# 1187 (SSF)**

APPROVED : August 2015 ONGOING

Assignments:	Start	€
<i>Policy Advice and Support in Legislative Drafting for eProcurement Reforms (Assignment 1)</i>	<i>Aug-2015</i>	<i>303,923</i>
<i>Piloting Small Value Electronic Procurement (Assignment 2)</i>	<i>Sep-2016</i>	<i>72,000</i>
<i>Piloting Open Tender above the GPA Thresholds (Assignment 4)</i>	<i>Mar-2017</i>	<i>60,000</i>
<i>Policy Advice and Capacity Building to initiate a Pilot of Electronic Open Tender above the GPA Thresholds (Assignment 3)</i>	<i>Mar-2017</i>	<i>65,000</i>
<i>Project meetings and events organised locally by the EBRD Resident Office and in cooperation with the EU TAIEX and the OECD SIGMA (Assignment 5)</i>	<i>Mar-2017</i>	<i>25,000</i>
<i>The training of contracting entities on the use of electronic procurement pilot tools: Local Legal Consultant (Assignment 6)</i>	<i>Jul-2017</i>	<i>38,540</i>
<i>The training of contracting entities on the use of electronic procurement pilot tools: Local IT Consultant (Assignment 7)</i>	<i>Jul-2017</i>	<i>38,540</i>
<i>Support in Piloting and Rolling Out the eProcurement System MTender (Assignment 8)</i>	<i>May-2018</i>	<i>178,500</i>

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) <i>Electronic Procurement Framework Review Report</i>	1	0	0
	ii) <i>Electronic Procurement Reform Concept</i>	1	0	0
	iii) <i>Electronic Procurement Reform Implementation Plan</i>	1	0	0
	iv) <i>A new section of primary legal instrument on electronic procurement</i>	1	0	0
	v) <i>Secondary legislation for eProcurement procedures</i>	1	0	0
	vi) <i>Training modules and training materials for the training course on eProcurement implementation</i>	1	0	0
	vii) <i>Report on the audit of the Ukrainian eProcurement system</i>	1	0	0
	viii) <i>Report on the development of a hybrid multi-platform scheme for piloting small value eProcurement procedures</i>	1	0	0
	ix) <i>Report on the engagement of minimum 60 contracting entities to participate in the pilot</i>	1	0	0

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	x)	<i>Contracting entities are trained on the use of pilot tools.</i>	1	0	0
OUTCOME INDICATORS	i)	<i>The government has adopted an eProcurement implementation concept based on the EBRD recommendations</i>	1	0	0
	ii)	<i>Final draft of the primary legal instrument section on eProcurement incorporating EBRD recommendations is accepted by the government</i>	1	0	0
	iii)	<i>Secondary legislation on eProcurement incorporating EBRD advice is approved by the government</i>	1	0	0
	iv)	<i>The eProcurement scheme for small value electronic procurement is approved for piloting by the EBRD</i>	1	0	0
	v)	<i>Participation of contracting entities in small value eProcurement is increased</i>	1	0	0
	vi)	<i>The knowledge of contracting entities on the use of pilot tools is increased.</i>	1	0	0
TOTAL			16	0	0

LONG-TERM OUTCOME      The anticipated long-term outcome of the project is the successful implementation of e-procurement reform and launch of an MTender e-procurement system.

**EVD'S REVIEW:**

**RELEVANCE**      The project is aligned with the LTP's operational programme and the Bank's priorities in Moldova, which include enhanced transparency and competition in the markets, including public procurement markets, and compliance with international standards.

**EFFICIENCY**      The project was implemented in close collaboration with other donors and international organisations (EU and OECD SIGMA), although some donor funding was not released in time causing delays in launching the system. It had strong buy-in from local business associations and the CSO sector, and less so from the government. The LTT team mobilised the expertise of TI Ukraine which was crucial in implementing a similar e-procurement system in Ukraine, successfully, there was also a lot of "transition to transition" expertise transfer from other countries, i.e. Armenia, Bulgaria and Georgia. The entire programme encountered political resistance amid a fluid political landscape, however by speaking with one voice, international partners and donors were able to launch the MTender pilot. The success of the pilot, which was widely publicised, added pressure on the government to proceed.

**EFFECTIVENESS**      The project's ultimate result is an enacted legal framework in the area of electronic procurement enabling the launch of the MTender e-procurement system. It delivered all its immediate results, although with some delays due to funding problems and political changes in the country. These included: (i) drafting the new eProcurement policies and legislation; (ii) designing an implementation plan for eProcurement reform and acquisition of the eProcurement tools for the public sector in Moldova; (iii) piloting electronic tools for micro and low value procurements; (iv) piloting electronic tools for GPA-covered procurement; and v) piloting electronic tools for basic public procurement methods: open tender and restricted tender.



## Legal Transition Programme – Annexes

Due to implementation challenges and unstable political commitment, the system is being launched in stages (in 2019 it was 60% ready) with 97% of all public agencies and SOEs using it and 4,700 suppliers registered.

**IMPACT**

It is too early to assess the project's entire contribution to the creation of competitive and well-governed public procurement markets, however some emerging evidence is positive. In its first 15 months of activities MTender saved €29.9 million or 14% on competitive tenders. There was a 30% increase in the number of new participants in public tenders.<sup>76</sup> A joint EBRD/MTender survey of procuring entities and vendors demonstrated a positive change in perception: 72% respondents said it was easier to take part in PP and the same share said MTender helps to save money and time.<sup>77</sup>

High level impact could be attributed to some proxy indicators. Among them Moldova's OECD SME Policy Index in the public procurement component – it improved from 2.89 to 3.86 in 2016-2020, while the EBRD's own well-governed transition score improved from 3.94 to 4.81 (out of 10) in 2017-2019. However, the competitiveness score went down from 4.87 to 4.36.<sup>78</sup> Moldova's corruption problem remains significant and systemic, and its TI CPI's score regressed from 35 to 32 (out of 100) in 2014-2019.<sup>79</sup>

**SUSTAINABILITY**

The involvement of business and the civil sector from the beginning of the project creates a strong reform coalition that exerts continuous pressure on the government to persist with e-procurement reform which can deliver greater efficiencies, transparency and value for money. Use of open source software, a hybrid model (centralised database with a network of private auction platforms) and Moldova's commitment to OCDS principles have a positive additional effect on behaviour change and uptake of reforms. However it is too early to assess sustainability.

<sup>76</sup> MTender <https://mtender.gov.md/ru/>

<sup>77</sup> Open Contracting <https://www.open-contracting.org/2019/12/11/opening-up-moldovas-contracts-progress-and-challenges/#:~:text=MTender%20has%20allowed%20Moldova%20to,mandatory%20for%20all%20public%20procurement.&text=Moldova%20is%20one%20of%20the,landlocked%20between%20Ukraine%20and%20Romania>

<sup>78</sup> EBRD's Transition Report 2017-2018 and 2019-2020

<sup>79</sup> Transparency International

## PROCUREMENT:

**Tribunal Capacity Building for Public Procurement Review Body in Moldova # 1188**  
**(SSF, Slovakia)**

Budget €210,400

APPROVED : August 2015 ONGOING

<i>Assignments:</i>	<i>Start</i>	<i>€</i>
<i>Tribunal Capacity Building for Public Procurement Review Body in Moldova (Assignment 1)</i>	<i>Aug-2015</i>	<i>179,400</i>
<i>Project Meetings Organised by Resident Office (Assignment 2)</i>	<i>Aug-2015</i>	<i>14,000</i>
<i>Development of a concept for electronic submission of complaints and assistance with its implementation (Assignment 3)</i>	<i>Dec-2016</i>	<i>17,000</i>

	<i>Name</i>	<i>Ach'd</i>	<i>Partly Ach'd</i>	<i>Not Ach'd</i>
OUTPUTS	<i>i) Training programme modules are approved by the EBRD</i>	0	0	0
	<i>ii) Review body members are trained in each module</i>	0	0	0
	<i>iii) The concept for electronic submission of complaints is developed</i>	0	0	0
OUTCOME INDICATORS	<i>i) Participants' knowledge is improved in pre- and post-training tests</i>	0	0	0
	<i>ii) The public procurement review body of Moldova is established</i>	0	0	0
	<i>TOTAL</i>	0	0	0

LONG-TERM OUTCOME Independent and competent review body in the sphere of public procurement is functioning effectively and transparently, ensuring fair dispute resolution in PP.

## EVD'S REVIEW:

**RELEVANCE** The project is aligned with the LTP's operational programme and the Bank's priorities in Moldova, that include enhanced transparency and competition in the markets, including public procurement markets, and compliance with international standards.

**EFFICIENCY** The project was implemented by LTT involving international and local consultants, with continuous support from the RO. There were delays in recruiting the consultants, which led to part of the project being "reassigned" to another donor and a change in the scope, which is being delivered. Available reporting states that all results are too early to assess.

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**EFFECTIVENESS** The ultimate result of the project was the creation of a previously absent public procurement review body, providing adequate and transparent recourse to an independent review of complaints related to public procurement. Deliverables were changed, and another donor helped with the actual establishment of the agency. LTT is supporting the development of an e-submission system and the training of agency staff. As noted, results are not available for review.

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**IMPACT** This project should contribute to enhancing the competitiveness and governance standards of Moldova's public procurement system. While there are no direct indicators to measure LTT's contribution, there are some proxy indicators that illustrate progress towards which the project contributed. However it is too early to assess.

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**SUSTAINABILITY** It is too early to assess sustainability of the activities, as the delivery was delayed.

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**PROCUREMENT:**

**EBRD GPA TC Facility: Development of Technical Cooperation with Azerbaijan, Belarus, Jordan, Kazakhstan and Turkey # 1189 (SSF, Slovakia)**

**Budget €591,393**

APPROVED : August 2015 ONGOING

<i>Assignments:</i>	<i>Start</i>	<i>€</i>
<i>Assignment 1 - EBRD GPA Facility: Development of Technical Cooperation - Kazakhstan</i>	<i>Aug 2015</i>	<i>65,000</i>
<i>Assignment 2 - EBRD GPA Facility: Development of Technical Cooperation in Azerbaijan - reduced to ZERO</i>	<i>Aug 2015</i>	<i>55,000</i>
<i>Assignment 3 - EBRD GPA Facility: Development of Technical Cooperation with Jordan</i>	<i>Aug 2015</i>	<i>75,000</i>
<i>Assignment 7 - EBRD GPA TC Facility: Development of Technical Cooperation with the Republic of Belarus</i>	<i>Oct 2017</i>	<i>60,000</i>
<i>Assignment 8 - Kazakhstan: Capacity Building Workshop on WTO Dispute Settlement</i>	<i>Sep 2018</i>	<i>21,393</i>
<i>Assignment 6 - Kazakhstan: Public Procurement Reporting Module for the National eProcurement System</i>	<i>Jun-2017</i>	<i>190,000</i>

	<i>Name</i>	<i>Ach'd</i>	<i>Partly Ach'd</i>	<i>Not Ach'd</i>
OUTPUTS	i) <i>Initial legal analysis report</i>	0	1	0
	ii) <i>Awareness raising / capacity building modules and materials</i>	0	1	0
	iii) <i>The concept for electronic submission of complaints is developed</i>	0	1	0
OUTCOME INDICATORS	i) <i>Participants' knowledge is improved in pre- and post-training tests (TOO EARLY TO TELL)</i>	0	0	0
	ii) <i>The public procurement review body of Moldova is established (TOO EARLY TO TELL)</i>	0	0	0
	<i>TOTAL</i>	0	3	0

**LONG-TERM OUTCOME** The long-term result of this project is assumed to be five countries taking advantage of global access to public procurement – benefiting from international suppliers while local businesses use the opportunity of taking part in international public procurement tenders. Another two projects in the facility are supporting membership process (#327 and 6391).

**EVD'S REVIEW:****RELEVANCE**

This project was launched as a follow-up of an existing project implemented jointly with WTO GPA Secretariat. Governments of five countries requested the EBRD's support similar to that provided to

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seven other countries, some of which successfully completed accession and became members. It is relevant for the country needs (although not always, PP is identified as a priority area in the country strategy) and LTT's OPs 2013-2015 and 2016-2018.

<b>EFFICIENCY</b>	<p>The EBRD closely collaborated with the WTO GPA Secretariat to deliver this project, with the main objective of providing consistent, well-informed independent advice for the aspiring candidate countries and new members. Most of the assignments in this project were to prepare the “big TC projects” that would support countries in their accession journey. Secretariat experts provided hands-on support in assessing national legislation, identifying gaps and formulating tasks for further assistance which is unique for each country. The implementation approach was flexible and responsive to local needs, multiple components and assignments were introduced to resolve specific challenges and provide support where it is most needed. The evaluation team performed a desk-based review.</p> <p>It is an ongoing project. Reporting when filed into the system is provided for the entire facility, which covers many years and multiple CoOs, with various components. For example, when EvD recently conducted an evaluation of Ukraine MDA which funded assignments/activities related to Ukraine, it had to manually “sift through” the outputs/outcomes to pick up those which were relevant (five outputs out of 13 and three outcomes out of ten in #327) and validate them accordingly. The design of the monitoring and evaluation framework for large facilities is deficient as it can't provide granulated data/evidence for selected activities and for selected donors.</p> <p>The evaluation team experienced problems while validating the results, as it didn't have access to the entire set of reports (at least it has no picture of the entire reporting scope). The best sources of streamlined information about high-level achievements were in fact articles in the Law in Transition journal, rather than project documents. Not all reports are saved in TCRS and even with access to Huddle folders, EvD is not confident that it has the full picture.</p>
<b>EFFECTIVENESS</b>	<p>There are some missing outputs/outcomes. The project delivered a range of intermediary results, mostly related to a review of the domestic legal and regulatory framework, identifying gaps with WTO GPA standards, and formulating ToRs for large TCs that will support the accession process. It included capacity building and training activities that enhanced local stakeholder knowledge in the area of WTO GPA. It included multiple assignments and components, all countries are currently at various stages of accession.</p>
<b>IMPACT</b>	<p>The impact identified in the concept clearance memorandum (CCM) was optimised market functioning and increase in efficiency, as well as the opening of national public procurement markets to international trade upon accession to WTO GPA. Due to the area and complex nature of international trade and public procurement negotiations, the impact could be achieved in the long-term. There is no evidence so far.</p>
<b>SUSTAINABILITY</b>	<p>Sustainability is achieved through the implementation of all commitments in the WTO GPA framework, which in many countries is funded through other TC projects (#6391, 1591, 676) that ensure synergy and continuity in actions. Enhanced knowledge, skills and institutional capacity in the government institutions responsible for PP and international trade, along with the retention of cadres/continuous learning cycle, contributes to embedding the new standards, rules and regulations in the daily practices of government officials and private sector participants who take part in international PP tenders.</p>

**PROCUREMENT:**

**Developing New Audit Methodology for Electronic Public Tenders # 1192**  
**(No progress/completion reports) (SSF)**

**Budget €344,500**

APPROVED : Jan 15 ONGOING

*Assignments:*

*Start* €

*Analysis of eProcurement Distinct Features and Development of eProcurement Audit Methodology*

*Aug 2015 100,000*

*Assignment 2: Implementing eProcurement audit methodology*

*May 2018 204,500*

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME INDICATORS	0	0	0
<i>TOTAL</i>	0	0	0

LONG-TERM  
OUTCOME

**EVD'S REVIEW:** EvD could not review the project due to lack of reports.

**RELEVANCE****EFFICIENCY****EFFECTIVENESS****IMPACT****SUSTAINABILITY**

## PROCUREMENT:

## Capacity Building of Ukrainian Anti-Monopoly Committee # 1273 (Ukraine MDA) Budget €260,000

APPROVED : September 2015 ONGOING

Assignments:	Start	€
Competition Capacity Building	Sep 2015	150,000
Public Procurement Tribunal Capacity Building	Sep 2015	25,000
Project Meetings Organised by the Resident Office	Nov 2016	8,500
Logistics Coordinator	Nov 2016	21,000
Advice regarding relationship between public procurement review and public procurement monitoring	Nov 2016	5,500
Support for the public procurement review functions of AMCU: Resident Advisor	Apr 2018	50,000

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Legal tools (commentaries and analysis of EU legislation on granting special or exclusive rights provided under article 106 of the TFEU (Treaty on the Functioning of the European Union)) produced by the Consultant	0	1	0
	ii) Training curricula for the AMCU staff and the AMCU PP Review Panel members approved	1	0	0
	iii) Training delivered to the AMCU staff and the PP Review Panel members	1	0	0
	iv) Updated EBRD Handbook for Members of Public Procurement Review Bodies is translated into the Ukrainian language (TOO EARLY TO TELL)	0	0	0
	v) Training sessions delivered to AMCU review body members, AMCU tribunal clerks and relevant officials of the MEDT (TOO EARLY TO TELL)	0	0	0
	vi) Training materials produced in Ukrainian (TOO EARLY TO TELL)	0	0	0
	vii) A new remote hearings procedure developed and piloted (TOO EARLY TO TELL)	0	0	0
OUTCOME INDICATORS	i) Legal tools (commentaries and analysis of EU legislation on granting special or exclusive rights provided under article 106 of the TFEU (Treaty on the Functioning of the European Union)) accepted	0	1	0
	ii) AMCU staff trained on matters related to microeconomic underpinnings of competition policy and EU best practices of merger regulation	1	0	0
	iii) AMCU PP Review Panel members trained	1	0	0
	iv) The guidelines on review and remedies procedures in Ukraine become available in Ukrainian (TOO EARLY TO TELL)	0	0	0

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v)	<i>Improved skills of AMCU review body members and AMCU tribunal clerks to create a consistent body of remedies decisions applicable in public procurement (TOO EARLY TO TELL)</i>	0	0	0
vi)	<i>Improved access to review procedures for suppliers through remote online hearings (TOO EARLY TO TELL)</i>	0	0	0
<b>TOTAL</b>		<b>4</b>	<b>2</b>	<b>0</b>

LONG-TERM  
OUTCOME

Independent and competent review body in the sphere of regulating competition in general, and in public procurement in particular, is functioning effectively and transparently, ensuring fair dispute resolution in the spheres of competition and PP.

**EVD'S REVIEW<sup>80</sup>****RELEVANCE**

The project is aligned with LTP's operational plans and the EBRD's country strategy for Ukraine which is aimed, among other things, at enhancing competition in various markets, including public procurement markets, enhancing transparency and reducing corruption risks. It is contributing towards the implementation of Ukraine's commitment under the Association Agreement and DCFTA with the EU. It is also consistent with a number of governance initiatives in Ukraine, including the Anti-corruption initiative.

**EFFICIENCY**

The project was delivered in two work streams, one focusing on enhancing the quality of the competition policy and its enforcement, and its compliance with key EU's directives; and the second focusing on enhancing the Committee's capacity to perform high quality and prompt reviews of disputes in the public procurement area. Each stream had its own LTT OL (judicial/institutional competitiveness training lead and public procurement lead), and there were some staff changes in LTT during the project lifetime, which led to delays and inconsistencies in communication, as was expressed by the local beneficiary. The overall quality of work was high, however the speed and the level of engagement/communications was not efficient, causing some negative feedback. With the change of scope (a review for compliance with a different EU directive) there was a need to find another consultant, a process which was delayed, and in mid-2019 the component had still not been delivered. Also, the consultant initially preferred for the delivery of the PP course was not available, and finding another one through a competitive procedure took some time.

LTT used its previously prepared Handbook of Public Procurement Review Bodies as the basis for training materials for AMCU specialists, and used experience from similar support projects in other CoOs (Albania, Serbia, Tunisia).

**EFFECTIVENESS**

A range of activities delivered most of the intended results, which contribute to the project's identified mid-term outcome – enhanced capacity of AMCU as a key competition policy agency and public procurement review body. Although there is no indicator to measure the latter, the indicators of interim results are mostly positive. These include delivery of training and capacity building and support to AMCU staff, and advice on the approximation of Ukrainian legislation to the EU's directives in the competition area, particularly on EU special and exclusive rights.

<sup>80</sup> EvD had several missions to Ukraine in 2017-2019 when it met with various stakeholders in government, including Anti-Monopoly Committee, CSOs and donor community. Thus enabling validation of this project



**IMPACT**

This project contributes to enhancing Ukraine's investment climate in the area of regulating competitiveness, including in public procurement markets; enhancing the speed and transparency of the review process and reducing corruption risks. There is a positive correlation with the LTT's efforts and qualitative changes in Ukraine's investment climate since 2015, when the project was launched. Ukraine has improved its position in WB's Doing Business rating from 112<sup>th</sup> position in 2013 to 64<sup>th</sup> in 2019; while the EBRD's own well-governed transition score improved in 2017-2019 from 3.58 to 4.87 (out of 10) and the competitiveness score less so from 4.68 to 4.77.<sup>81</sup> Ukraine's corruption problem remains significant and systemic, although there was some improvement in TI CPI's score from 26 to 30 (out of 100) in 2014-2019.<sup>82</sup>

**SUSTAINABILITY**

It is too early to assess the sustainability of the activities, as the delivery was delayed. Training activities if sustained have the potential to enhance institutional capacity to carry on high quality review and dispute settlement in the long-term. For this, the leadership role and staff retention is essential. The leadership of the Anti-Monopoly Committee of Ukraine has recently changed.

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<sup>81</sup> EBRD's Transition Report 2017-2018 and 2019-2020

<sup>82</sup> Transparency International

## PROCUREMENT:

**Ukraine: Prozorro Project Implementation Support # 1476 (SSF, Ukraine MDA, Czech Republic)** **Budget €1,929,874**

APPROVED : October 2015 ONGOING

Assignments:	Start	€
Acquisition, Development and Launch of the Prozorro Monitoring Tool	Oct 2015	72,000
Design of eProcurement Monitoring Methodology and Piloting the New Monitoring Procedure	Oct 2015	165,000
Improving Transparency and Effectiveness of Public Procurement in Ukraine through Cooperation with Civil Society	Dec 2015	200,000
Assignment 4: Development and Piloting of Evaluation Tool for Energy Efficiency Indicator	Sep 2016	72,000
Assignment 5: Development of the Multi-Criteria Auction Engine	Aug 2017	776,624
Assignment 6: support to bidders with the energy service public procurement process within the national e-procurement	Nov 2017	15,000
Assignment 7 – Development of concept of risk indicators and prototypes of risk-based indicators and transaction prioritisation engines for ex-ante monitoring of electronic public procurement tenders by the State Audit Service of Ukraine	Jul 2018	67,500
Assignment 8 – Development of online data-driven monitoring methodologies and piloting analytical and monitoring tools by the State Audit Service of Ukraine	Jul 2018	312,500
Assignment 9 – Peer review and the feedback session on monitoring electronic public procurement tenders	Jul 2018	25,000
Assignment 10 – Development and Piloting of Contract Management Procedure for Public Contracts Conducted on PROZORRO and including Energy Efficiency Performance Criteria	Jul 2018	48,250
Assignment 11 – Evaluation and Feedback from piloting eProcurement Monitoring in Ukraine: peer review conference	Oct 2018	35,000

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) The monitoring methodology is approved by the EBRD	1	0	0
	ii) The website incorporating relevant data on eProcurement procedures in Ukraine is available to the public	1	0	0
	iii) Report on procurement procedures monitoring	1	0	0
	iv) Training curricula and materials for the workshops on public procurement are approved by the EBRD.	1	0	0
	v) The training workshops on public procurement are delivered.	1	0	0
	vi) A launch event in Kiev is organised.	1	0	0

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	vii)	Report on the design and development completion of an evaluation tool for energy efficiency indicator is submitted to the EBRD	1	0	0
	viii)	Report on the completion of piloting the tool for energy efficiency indicator evaluation is submitted to the EBRD	1	0	0
	ix)	Financial support is provided to TI Ukraine towards the development of the multi-criteria auction engine and administering new e-government solution for selling online different types of state-owned assets. (TOO EARLY TO TELL)	0	0	0
	x)	Procurement methodology and bidding templates for ESCO-related tenders are approved by MEDT and EBRD	1	0	0
	xi)	Concept and prototypes of risk indicators for ex-ante procurement monitoring accepted by SASU and MEDT	1	0	0
	xii)	Online data-driven public procurement monitoring methodology for SASU accepted by SASU and MEDT	1	0	0
	xiii)	Number of auditors trained (on use of new eProcurement monitoring methodologies and tools) (TOO EARLY TO TELL)	0	0	0
	xiv)	Number of people reached through knowledge activity (peer audit learning event informs procurement monitoring methodology) (TOO EARLY TO TELL)	0	0	0
	xv)	Contract management procedure for ESCO contracts conducted on Prozorro accepted by MEDT (TOO EARLY TO TELL)	0	0	0
	xvi)	Knowledge management activity delivered (A peer review conference to discuss lessons learned from piloting eProcurement monitoring is completed) (TOO EARLY TO TELL)	0	0	0
	xvii)	Knowledge product prepared (Evaluation of the piloting eProcurement monitoring in Ukraine is completed). (TOO EARLY TO TELL)	0	0	0
OUTCOME INDICATORS	i)	The concept of the Prozorro monitoring tool is developed	1	0	0
	ii)	The concept of the monitoring methodology is developed	1	0	0
	iii)	Ukrainian CSOs implement public procurement monitoring at the local and municipal level.	1	0	0
	iv)	Ukrainian CSOs trainees demonstrate higher level of understanding of public procurement processes, procedures and monitoring	1	0	0
	v)	Report on the design and development completion of a tool for energy efficiency indicator evaluation is approved by the EBRD	1	0	0
	vi)	The operational tool for energy efficiency indicator evaluation is accepted by the MEDT	1	0	0
	vii)	Sufficient financial support is provided to TI Ukraine towards the development of the multi-criteria auction engine and administering new e-	0	0	0

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*government solution for selling online different types of state-owned assets*  
**(TOO EARLY TO TELL)**

viii)	Successful procurement of ESCO tenders implemented via ProZorro	1	0	0
ix)	Institution-level capacity strengthened (application of new public procurement monitoring methodology by SASU) <b>(TOO EARLY TO TELL)</b>	0	0	0
x)	New information system introduced <b>(TOO EARLY TO TELL)</b>	0	0	0
xi)	Institution-level capacity strengthened <b>(TOO EARLY TO TELL)</b>	0	0	0
xii)	Number of people receiving knowledge on eProcurement monitoring procedures as a result of conference <b>(TOO EARLY TO TELL)</b>	0	0	0
<b>TOTAL</b>		<b>18</b>	<b>0</b>	<b>0</b>

LONG-TERM  
OUTCOME

ProZorro e-procurement system is functioning effectively and transparently thanks to enhanced standards of monitoring and analytical capabilities, with reduced risks of corruption and enhanced oversight by the general public and CSOs.

**EVD'S REVIEW:**<sup>83</sup>**RELEVANCE**

The strategic relevance of this project is justified in the documents related to the LTP OPs 2013-2015 and 2016-2018. It is also in line with the Ukrainian strategic objective of reducing corruption and creating a transparent public procurement system – historically one of the most corrupt areas of public services. It is aligned with the Ukraine Anti-Corruption Initiative and coordinated with the activities of the EBRD's Governance team, aimed at enhancing good governance in the public sector and corporate governance in SOEs. This and other projects aimed at enhancing Ukraine's public procurement system also contribute to delivering the competitive transition quality by inducing commercially sound decision-making and market structures that promote competition and diversification.

**EFFICIENCY**

This project is one of many initiatives LTT is supporting in Ukraine with regard to launching, operationalising and enhancing a hybrid form e-procurement system (single database with multiple trading platforms), which is functioning on the principles of OCDS, open source software. It is a joint initiative with Transparency International Ukraine, aimed at upgrading technical capabilities and knowledge/skills of public activities and CSOs representatives in monitoring the PP sphere, analysing large data (publicly available in real time), identifying problems and raising complaints against unfair/inappropriate practices. In parallel TI's work is supported by other organisations, including Eurasia foundations, and Luminate, one of the very few philanthropist organisations active in Ukraine. Its representative provided a highly complementary characteristic of the EBRD's work in Ukraine in supporting e-solutions and public control over PP – very few other international organisations are doing it and none of the IFIs. Given the significance of public procurement and the high public interest in its effectiveness and value for money, the EBRD is contributing to e-participation, which is much stronger than it was five years ago.

<sup>83</sup> EvD had several missions to Ukraine in 2017-2019 when it met with various stakeholders in government, CSOs and donor community. Thus enabling validation of this project

This project also has components dedicated to introducing reverse auctions in Energy Performance Contracts (with ESCO, energy saving companies) implemented jointly with E2C2 team and LTT's counsel leading on green dimension.

<b>EFFECTIVENESS</b>	<p>The project delivered most of its results, including: 1) methodology for monitoring; 2) dedicated analytical and monitoring tools and functioning websites <a href="http://donozorro.org">donozorro.org</a>, <a href="http://bi.prozirri.org">bi.prozirri.org</a> and <a href="http://risk.dozorro.org">risk.dozorro.org</a>, with a network of 25 CSOs in all regions and one thousand volunteers contributing actively in all regions and localities of Ukraine; 3) training curriculum and materials, as well as workshops delivered by TI Ukraine to enhance the capacity of CSOs to perform PP monitoring and analysis; in 2018 the DoZorro network revealed violations in circa 12,000 tenders on ProZorro. 4) Energy Performance Contracts (ESCO) module on ProZorro was launched in November 2017 with the use of 3-round multivariable auction, which factors in non-price criteria essential for this type of contract. In 2018 210 contracts were concluded in 12 regions of Ukraine for a total amount of UAH 218 million ensuring energy savings of between 20-70%.<sup>84</sup></p>
<b>IMPACT</b>	<p>ProZorro gradually expanded into all spheres of public procurement in Ukraine and is the mandatory system for all public agencies, local governments and SOEs. In 2015-2019 it saved US\$3.8 billion (UAH100 billion) in public funds. DoZorro's role in this is significant – in 2016-2018 it initiated reviews of 2,000 tenders that resulted in the removal of unfair conditions, and cancelling of dubious procedures. On the macro level the e-procurement system contributed to the enhancement of Ukraine's overall e-government quality. For example, its rating in the E-Government Development Index (UN) improved from 0.5 to 0.7 (out of 1) in 2010-2010.</p> <p>Capacity building of independent monitoring and oversight experts (DoZorro) created a new culture and a large cohort of people across all regions of Ukraine that are fluent in the public procurement system and can identify risks/corruption cases, report them, and follow enforcement actions. The use of hybrid system based on OCDS and open-source software is cost effective and completely transparent, and is spreading to other sectors with high corruption risks (asset management, small privatisation, energy efficiency of buildings) with new modules being created. Overall e-participation of citizens has improved considerably: its E-participation index (UN) rating improved from 0.26 to 0.8 in 2010-2020. Ukraine's TI CPI, although it remains low, increased from 26 in 2014 to 30 in 2019.</p> <p>Ukraine's monitoring and analytical system is used as an example in some other CoOs, including Moldova and Kyrgyz Republic.</p>
<b>SUSTAINABILITY</b>	<p>The project successfully achieved its objective and paved the way for a range of new activities in the Ukrainian e-procurement system. The self-sufficient funding model allows financial sustainability, although more cutting-edge improvement and further reforms still require donor funding, including the EBRD's (Ukraine PP has five TC projects at the operational stage, all funded from the EBRD-Ukraine Multi-Donor Account). Significant monitoring, oversight and control by non-governmental organisations and full transparency of data (universally accessible in real time) greatly enhances the sustainability of ProZorro model, although it does not eliminate all risks of reversal and distortions.</p>

<sup>84</sup> Cabinet of Ministers of Ukraine, 2019 <https://www.kmu.gov.ua/en/news/u-2018-r-ukladeno-ponad-200-esko-kontraktiv-shcho-u-10-raziv-bilshe-nizh-u-2016-roci>

## PROCUREMENT:

**Regional: Support with the implementation of the WTO GPA standards # 1591**  
 (No progress/completion reports) (SSF, Ukraine MDA)

**Budget €1,257,428**

APPROVED :                      October 15                      ONGOING

<i>Assignments:</i>	<i>Start</i>	<i>€</i>
<i>Armenia: Reporting Module for ARMEPS (Assignment 7)</i>	<i>Feb 2017</i>	<i>65,000</i>
<i>Armenia: Legal Benchmarking (Assignment 4)</i>	<i>Feb 2017</i>	<i>30,000</i>
<i>Armenia: Drafting Secondary Legislation (Assignment 5)</i>	<i>Feb 2017</i>	<i>40,000</i>
<i>Armenia: Business model and functional specification for e-auction module (Assignment 6)</i>	<i>Feb 2017</i>	<i>25,000</i>
<i>Assistance with the implementation of the WTO GPA in the Republic of Moldova (Assignment 8)</i>	<i>Aug 2017</i>	<i>169,500</i>
<i>Reporting Module for the electronic procurement system in Montenegro (Assignment 9)</i>	<i>Nov 2017</i>	<i>65,000</i>
<i>Assistance with development of GPA reporting module for the eProcurement system in Ukraine (Assignment 11)</i>	<i>Sep 2018</i>	<i>560,800</i>
<i>Facilitating the GPA implementation and Capacity Building of Suppliers in Ukraine (Assignment 10)</i>	<i>Sep 2018</i>	<i>102,128</i>

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME INDICATORS	0	0	0
<i>TOTAL</i>	0	0	0

**LONG-TERM OUTCOME**      The long-term result of this project is assumed to be three countries taking advantage of global access to public procurement – benefiting from international suppliers while local businesses use the opportunity of taking part in international public procurement tenders.

**EVD'S REVIEW:** EvD could not review the project due to lack of reports. Reports were available for another project that supports WTO GPA facility, #327, see above.

RELEVANCE

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EFFICIENCY

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EFFECTIVENESS

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IMPACT

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SUSTAINABILITY

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## PROCUREMENT:

SEMED Public Procurement Policy Advice # 4545 (No documents) (SEMED MDA)

Budget €24,500

APPROVED :

December 2012

COMPLETED

July 2014

Assignments: N/A

Name		Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				0
OUTCOME INDICATORS				
TOTAL		0	0	0

LONG-TERM  
OUTCOMEEVD'S REVIEW: N/A

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY



## PROCUREMENT:

Public Procurement Distance Learning Tool Development and Pilot # 5056

Budget €65,000

(No documents) (SSF)

APPROVED : May 2011 ONGOING

Assignments: N/A

Name		Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				0
OUTCOME INDICATORS				
TOTAL		0	0	0

LONG-TERM  
OUTCOMEEVD'S REVIEW: N/A

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

## PROCUREMENT:

SEMED Public Procurement Policy Advice # 5236 (no documents) (SEMED MDA)

Budget €24,500

APPROVED : December 2012 COMPLETED November 2015

Assignments: N/A

Name		Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				0
OUTCOME INDICATORS				
TOTAL		0	0	0

LONG-TERM  
OUTCOMEEVD'S REVIEW: N/A

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

## PROCUREMENT:

## EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic # 5485 (no documents) (SSSF)

Budget €186,626

APPROVED : January 2011 ONGOING

Assignments:	Start	€
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	49,000
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	19,800
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	8,500
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	22,500
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	10,000
EBRD-UNCITRAL Public Procurement Initiative - Regional Project Assistant	Jan 2011	9,900
EBRD-UNCITRAL Public Procurement Initiative - Kyrgyz Republic	Jan 2011	5,000
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	492
EBRD-UNCITRAL Public Procurement Initiative - Kyrgyz Republic	Jan 2011	22,015
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	12,419
EBRD-UNCITRAL Public Procurement Initiative - Kyrgyz Republic - Public Procurement Policy Advise and Capacity Building	Jan 2011	11,000
EBRD-UNCITRAL Initiative on Enhancing Public Procurement Regulation in Selected CIS Countries and Mongolia - Kyrgyz Republic	Jan 2011	9,000
EBRD-UNCITRAL Public Procurement Initiative - Regional Project Assistant	Jan 2011	7,000

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME INDICATORS	0	0	0

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*TOTAL*

0

0

0

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LONG-TERM  
OUTCOME

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**EVD'S REVIEW:** N/A**RELEVANCE**

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**EFFICIENCY**

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**EFFECTIVENESS**

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**IMPACT**

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**SUSTAINABILITY**

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## PROCUREMENT:

LTT/Capacity Building of Public Procurement Review Body in Ukraine # 5583 (No documents) (Slovakia) Budget €178,941

APPROVED : February 2011 COMPLETED June 2015

Assignments:	Start	€
LTT/Ukraine-PP: Ukraine-Capacity Building of PP Review Body	Feb 2011	11,500
LTT/Ukraine Public Procurement:Ukraine - Capacity Building of PP Review Body	Feb 2011	1,441
LTT/Capacity Building of Public Procurement Review Body	Feb 2011	4,000
LTT/Capacity Building of Public Procurement Review Body in Ukraine	Feb 2011	4,700
LTT/Capacity Building of Public Procurement Review Body in Ukraine	Feb 2011	2,600
LTT/Ukraine - PP:Ukraine - Capacity Building of Public Procurement Review Body	Feb 2011	9,000
LTT/Capacity Building of Public Procurement Review Body in Ukraine	Feb 2011	120,000
LTT/Capacity Building of Public Procurement Review Body in Ukraine	Feb 2011	12,000
LTT/Ukraine-PP: Ukraine-Capacity Building of Public Procurement Review	Feb 2011	900
LTT/ Ukraine - PP: Ukraine Capacity Building of Public Procurement Review Body	Feb 2011	10,000
LTT/Ukraine-PP: Ukraine-Capacity Building of PP Review Body	Feb 2011	1,900
LTT/Ukraine PP: Ukraine-Capacity Building of Public Procurement Review Body	Feb 2011	900

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME INDICATORS	0	0	0
TOTAL	0	0	0

LONG-TERM  
OUTCOME

**EVD'S REVIEW:** N/A

**RELEVANCE**

**EFFICIENCY**

**EFFECTIVENESS**

**IMPACT**

**SUSTAINABILITY**

**PROCUREMENT:**

Georgia: Public Procurement Policy Advice and Support in Accession to the WTO GPA - **Budget € 39,368**  
 National WTO GPA Documents and Outreach Activities # 6391 **(No documents)**  
**(SSF)**

APPROVED : April 2012 ONGOING

Assignments: N/A

Name		Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				0
OUTCOME INDICATORS				
TOTAL		0	0	0

LONG-TERM  
OUTCOME

**EVD'S REVIEW:** N/A

**RELEVANCE**

**EFFICIENCY**

**EFFECTIVENESS**

**IMPACT**

**SUSTAINABILITY**

## PROCUREMENT:

## Institutional Capacity Building for Public Procurement Review Body in Georgia # 7214

Budget €250,000

(SSF) (No progress/completion reports)

APPROVED :

August 2016

ONGOING

## Assignments:

Start

€

Legislative Drafting (Assignment 3)

Aug 2016

60,000

Research on International Standards for Public Procurement Review Bodies (Assignment 2)

Aug 2016

10,000

Institutional Capacity Building for Public Procurement Review Body in Georgia (Assignment 1)

Aug 2016

115,000

Policy Advice (Assignment 4)

Aug 2016

50,000

Name

Ach'd

Partly  
Ach'dNot  
Ach'd

OUTPUTS

0

0

0

OUTCOME  
INDICATORS

0

0

0

TOTAL

0

0

0

LONG-TERM  
OUTCOME

Independent and competent public procurement review body functioning effectively and transparently, ensuring fair dispute resolution in the PP area.

**EVD'S REVIEW:** EvD could not review the project due to lack of reports.

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

## PROCUREMENT:

The Kyrgyz Republic: Facilitating the participation of small and medium enterprises (SMEs) in public tenders conducted on the electronic public procurement system  
# 7399 (SSF) (completion report delivered after 1<sup>st</sup> draft)

Budget €519,500

APPROVED : September 2016 ONGOING

Assignments:	Start	€
Assignment 1.1: Facilitating the participation of small and medium enterprises (SMEs) in public tenders conducted on the electronic public procurement system (created for SSF purposes)	Sep 2016	65,000
Assignment 1: Facilitating the participation of small and medium enterprises (SMEs) in public tenders conducted on the electronic public procurement system	Sep 2016	225,000
Assignment 2: Project meetings organised by the Resident Office	Mar 2017	15,000
Assignment 4: Public Procurement Monitoring and Reporting Module	Aug 2017	145,000
Assignment 3: Upgrading the Helpdesk of the Public Procurement Authority	Aug 2017	69,500

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) Comparative analysis is carried out to select the most appropriate method/procedure for SMEs participation in public tenders conducted on the Kyrgyz eProcurement system	1	0	0
	ii) The selected procedure for small value contracts is submitted for EBRD approval	1	0	0
	iii) The training modules for a training course for suppliers are submitted to the EBRD (TOO EARLY TO TELL)	0	0	0
	iv) The training of suppliers is conducted as per schedule (TOO EARLY TO TELL)	0	0	0
	v) The new help desk system is installed	1	0	0
	vi) Public procurement monitoring and reporting module for the eProcurement system	1	0	0
OUTCOME INDICATORS	i) The procedure for SMEs participation in public tenders conducted on the Kyrgyz eProcurement system is approved by the EBRD	1	0	0
	ii) Knowledge of the trainees regarding participation in public tenders conducted on the Kyrgyz eProcurement system is improved in tests (TOO EARLY TO TELL)	0	0	0



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iii)	<i>SMEs participate in public tenders conducted via the Kyrgyz eProcurement system (TOO EARLY TO TELL)</i>	0	0	0
iv)	<i>The upgraded help desk system is operational</i>	0	1	0
v)	<i>Public procurement monitoring and reporting module for the eProcurement system is submitted to the authorities.</i>	1	0	0
<b>TOTAL</b>		<b>6</b>	<b>1</b>	<b>0</b>

LONG-TERM  
OUTCOME

Increased participation of SMEs in public tenders conducted on the Kyrgyz eProcurement system.

**EVD'S REVIEW:**<sup>85</sup>**RELEVANCE**

The project is aligned with LTT's OP 2016-2018 and the EBRD's country strategy for Kyrgyz Republic, which among others, has the priority of supporting the country in enhancing the competitiveness of its private sector, particularly SMEs, and improving market opportunities for small and medium companies, including access to public procurement markets.

**EFFICIENCY**

This project is an example of multi-party collaboration, where the EBRD is engaged with IFCA, EIB, ADB and WB to open up the public procurement market for Kyrgyz SMEs.

This is a joint project with the EBRD's SME F&D team and is being delivered in strong partnership with the Bishkek RO. Due to delays in approving primary and secondary legislation there was a delay in implementing some of the project components, particularly those related to capacity building/awareness raising activities among Kyrgyz SMEs across the country. There was also continuous change in the leadership of the key government partner, the Department of public procurement at the Ministry of Finance, which caused additional disruptions.

It is important to note other internal synergies that contributed to this project. The Investment Council supported by the EBRD through its Investment Climate and Governance Initiative (ICGI) was one of the contributing factors to launching the project. As a platform for engaging with the government and business representatives, at one of its meetings the Council discussed opportunities for enabling local SMEs to benefit from public procurement through an e-platform. LTT presented the positive effect it had on the economies of other CoOs (i.e. Georgia, Estonia, Ukraine) and secured political commitment for pushing the reform forward.

**EFFECTIVENESS**

Although the new e-procurement system was introduced in 2014, it was mainly to regulate large-value purchases, cutting off SMEs from participation. The EBRD supported government counterparts in developing amendments to the Law on Public Procurement introducing electronic catalogues. The law was enacted in June 2019 and the new eCatalogue shopping system Tandoo was launched by the Ministry of Finance. It enables SMEs to take part in supplying government institutions and public companies with standardised goods through a simple and streamlined registration procedure. In order

<sup>85</sup> EvD visited Kyrgyz Republic in 2017 to conduct interviews in the framework of special study "EBRD's Investment Climate Support Activities" where activities in SME sector were analysed among other components. Some interviews and materials from Kyrgyz Case study (2018) were used for this review.

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to promote the system, in 2020 LTT jointly with the ASB team in Kyrgyz Republic and in close partnership with the Chamber of Commerce, is running a series of training courses for SMEs that should reach 1400 active suppliers.

**IMPACT**

It is too early to evaluate the impact, as the eCatalogue system Tandoo was formally launched at the end of 2019 and there are ongoing capacity building and training activities aimed at promoting the system among businesses and enhancing their understanding of the opportunities and technical preconditions for participation in PP.

**SUSTAINABILITY**

Sustainability could arise from the sustained commitment of businesses and government to enhance the accessibility of PP for SMEs, and not only large companies. Use of a local stakeholder with a strong network (Chamber of Commerce), e-training solutions, functional helpdesk and control/oversight by businesses and civic sector contribute to the transparency of the system. Kyrgyz Republic's commitment to OCDS is another element of enhanced transparency and public control over the use of state money, which should contribute to sustainability.

## PROCUREMENT:

Jordan – Facilitating participation from small and medium enterprises (SMEs) in public tenders conducted on the Jordanian eProcurement system (JONEPS) # 8163 (SEMED MDA) (No progress/completion reports) **Budget € 60,000**

APPROVED : April 2017 ONGOING

Assignments: N/A

Name		Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS				0
OUTCOME INDICATORS				
TOTAL		0	0	0

LONG-TERM OUTCOME Increased participation of SMEs in public procurement in Jordan.

**EVD'S REVIEW:** EvD could not review the project due to lack of reports.

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

**PROCUREMENT:****Regional: Implementation of Open Data Standards for Monitoring and Public Access to Public Procurement Information # 8259****Budget €1,595,000***(No progress/completion reports)*

APPROVED : June 2017 ONGOING

<i>Assignments:</i>	<i>Start</i>	<i>€</i>
<i>Cyprus: Implementation of Open Data Standards for Public Access to Public Procurement Information (Assignment 2)</i>	<i>Jun 2017</i>	<i>145,000</i>
<i>Implementation of Open Data Standards for Monitoring and Public Access to Public Procurement Information (Assignment 1)</i>	<i>May 2017</i>	<i>1,450,000</i>

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME INDICATORS	0	0	0
<i>TOTAL</i>	0	0	0

LONG-TERM OUTCOME	Transparent public procurement systems in approximately ten CoOs (tbc) with high standards of monitoring and evaluation based on OCDS principles, reduced risks of corruption, enhanced oversight by the general public and CSOs, higher value for money.
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**EVD'S REVIEW:** EvD could not review the project due to lack of reports.**RELEVANCE****EFFICIENCY****EFFECTIVENESS****IMPACT****SUSTAINABILITY**

## PROCUREMENT:

## Regional: Facilitating Access to Public Contracts for Small and Medium Enterprises

Budget €2,846,250

# 8264 (SSF) (No progress/completion reports)

APPROVED : May 2017 ONGOING

Assignments:	Start	€
Assignment 3: Jordan - Facilitating access to public contracts for small and medium enterprises in the national public procurement regulation	Jul 2017	1,200,000
Assignment 4: Poland - Improving Access to Public Contracts for Small and Medium Enterprises	Jul 2017	36,250
Assignment 2: Romania - Facilitating Access to Public Contracts for Small and Medium Enterprises	Jun 2017	1,200,000
Assignment 1: Facilitating participation from small and medium enterprises (SMEs) in electronic public tenders in Tajikistan: a pilot of vocational training for suppliers	May 2017	60,000
Assignment 5: Facilitating participation from small and medium enterprises (SMEs) in electronic public tenders in Tajikistan	Aug 2017	350,000

Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	0	0	0
OUTCOME INDICATORS	0	0	0
TOTAL	0	0	0

LONG-TERM OUTCOME Increased participation of SMEs in public procurement in benefiting countries of operation – Jordan, Poland, Romania and Tajikistan.

**EVD'S REVIEW:** EvD could not review the project due to lack of reports.

RELEVANCE

EFFICIENCY

EFFECTIVENESS

IMPACT

SUSTAINABILITY

## PROCUREMENT:

Electronic procurement reforms in the public sector # 8280 (SSF) (No progress/completion reports)

Budget €618,000

APPROVED : November 17 ONGOING

Assignments:	Start	€
Study of the procurement planning system efficiency in Armenia (Assignment 2)	Nov 2017	49,000
Action plan on the improvement of the procurement planning system efficiency in Armenia (Assignment 3)	Nov 2017	69,000
Suez Canal Economic Zone: electronic procurement reform in the public procurement sector (Assignment 1)	Jun 2017	500,000

	Name	Ach'd	Partly Ach'd	Not Ach'd
OUTPUTS	i) eProcurement reform concept	0	0	0
	ii) Draft legislation	0	0	0
	iii) Report on the piloting of eProcurement	0	0	0
	iv) Study of the public procurement planning system efficiency	0	0	0
	v) Action plan on the improvement of the procurement planning system efficiency	0	0	0
OUTCOME INDICATORS	i) eProcurement reform concept is delivered to the governments of the countries participating in the Project	0	0	0
	ii) Draft legislation is delivered to the governments of the countries participating in the Project	0	0	0
	iii) eProcurement is piloted in the countries participating in the Project	0	0	0
	iv) Study of the public procurement planning system efficiency is accepted by the authorities	0	0	0
	v) The action plan on the improvement of the procurement planning system efficiency is accepted by the authorities	0	0	0
	TOTAL	0	0	0

LONG-TERM OUTCOME Effective and well-governed e-procurement systems in three countries of operation – Armenia, Belarus, Egypt

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**EVD'S REVIEW:** EvD could not review the project due to lack of reports.

RELEVANCE

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EFFICIENCY

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EFFECTIVENESS

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IMPACT

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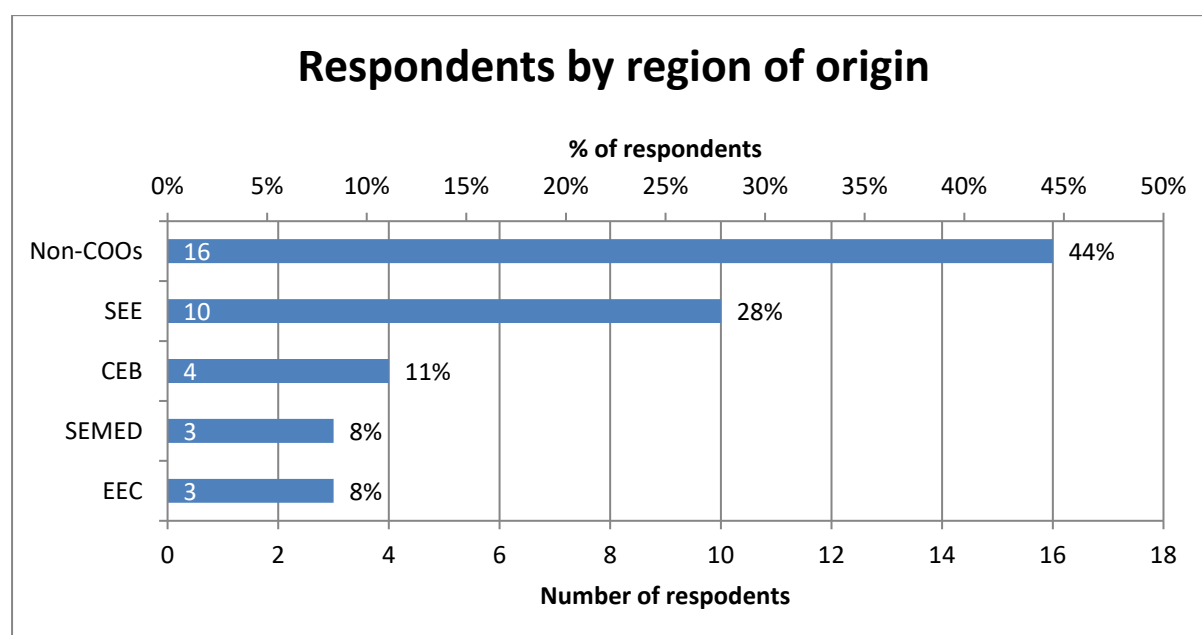
SUSTAINABILITY

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## Annex 10. Results of the Survey of External Stakeholders

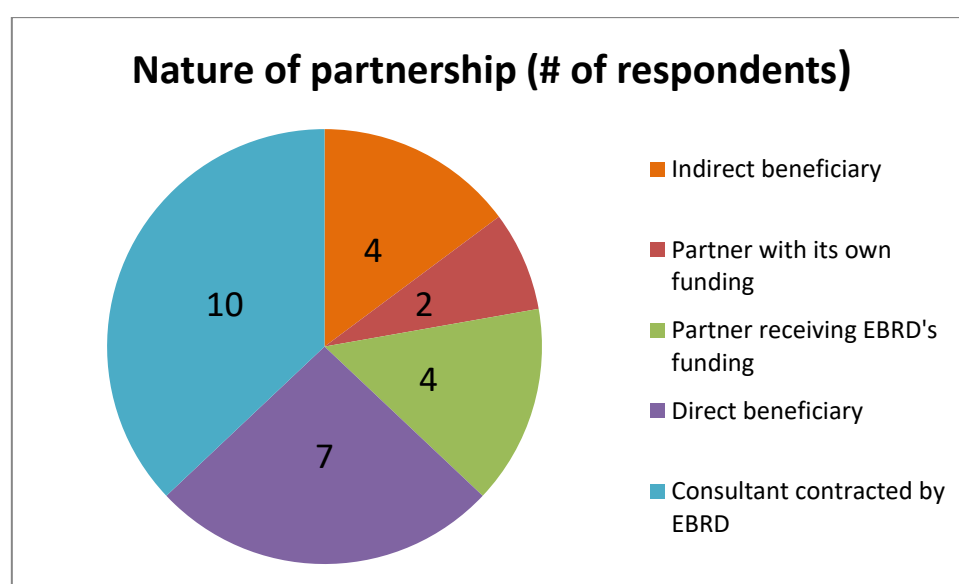
### Respondents by region

There were thirty-seven respondents to the external survey, of which a substantial proportion (16, or 41%) were from non-COOs. Of the COO respondents, exactly half were from the SEE region, equal to CEB, SEMED and EEC combined.



### Nature of partnership

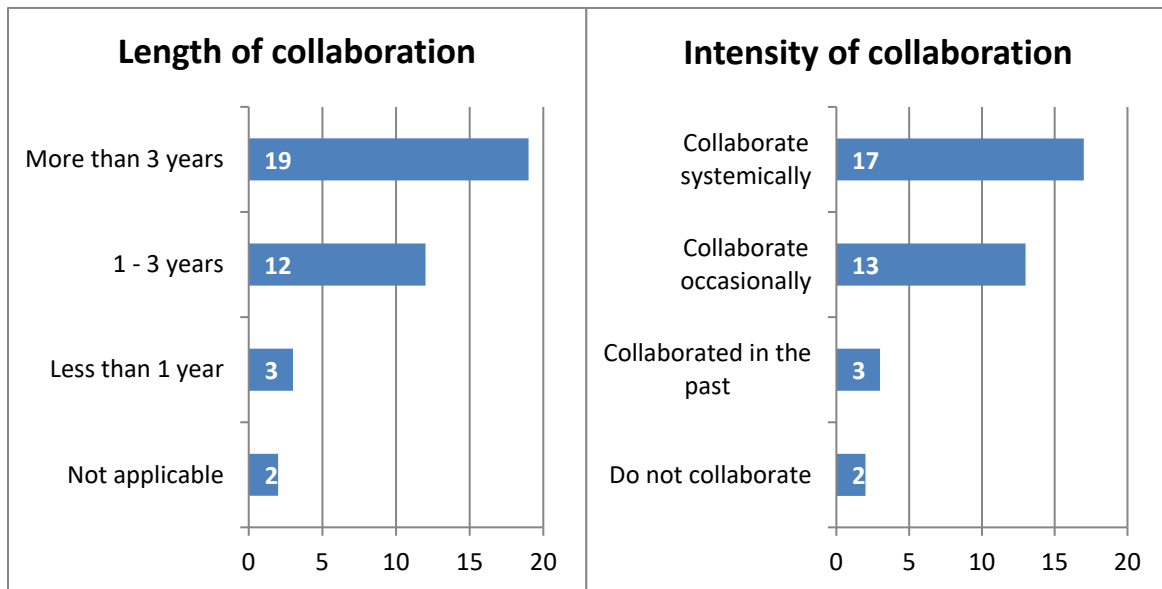
EvD offered a selection of five fixed descriptions of the nature of the partnership between the participant and LTP, as well as an open response of 'Other'. Out of 27 participants falling under the fixed options, 11 (41%) described themselves as either 'Direct' or 'Indirect' beneficiaries, and a further 10 were consultants contracted by EvD.



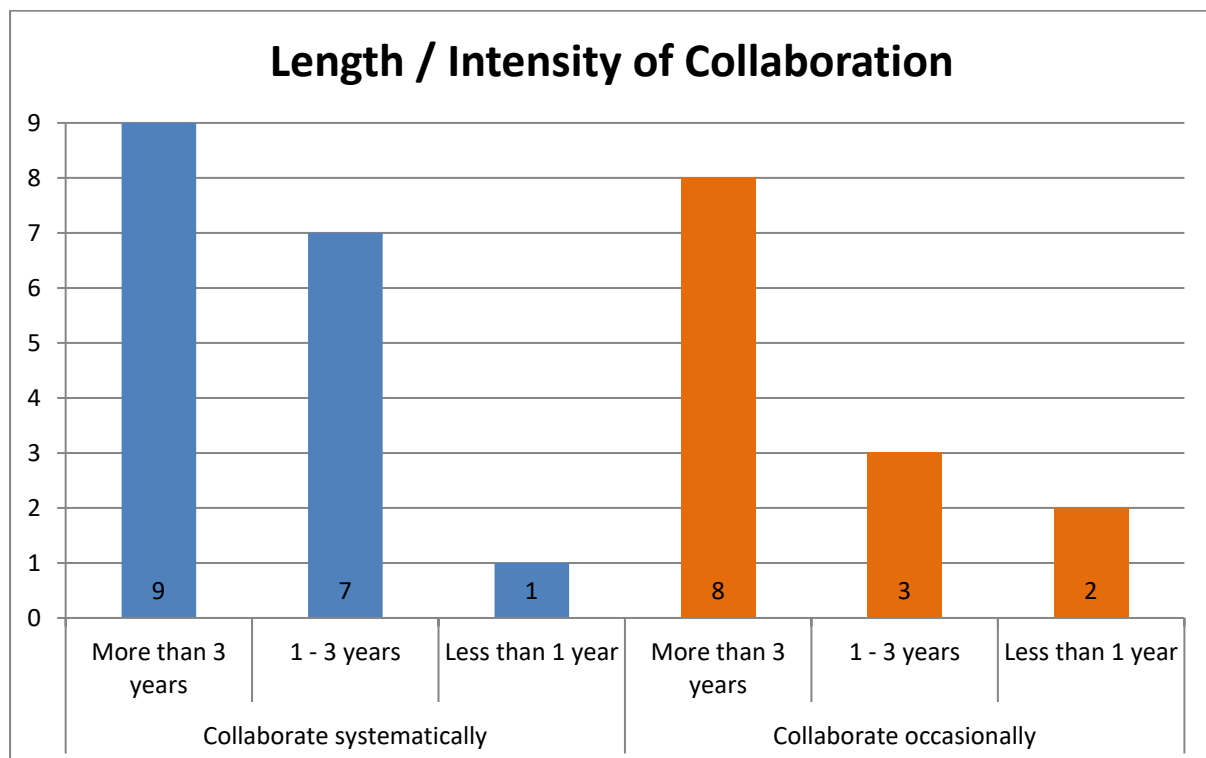


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Of the eight 'Other' responses, three are from governmental agencies acting as 'Co-organisers' or hosts for events or training, two have a delegation agreement (not in the capacity of partner or donor), two are international institutions, and one was an externally contracted consultant.

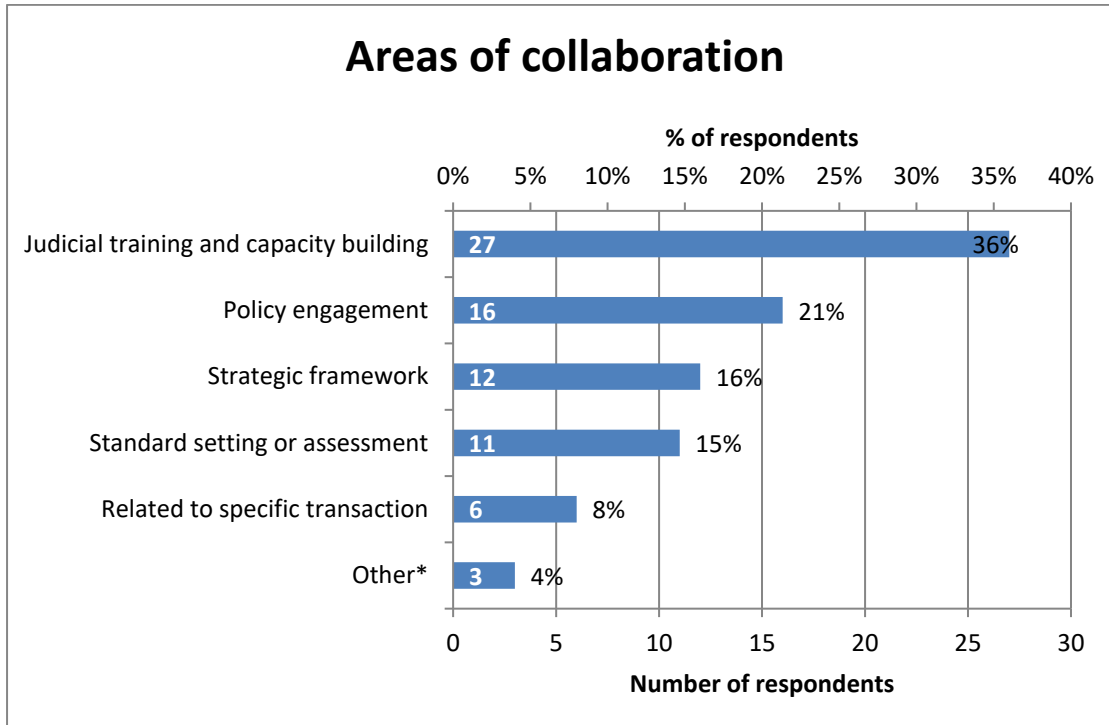
Length & intensity of collaboration

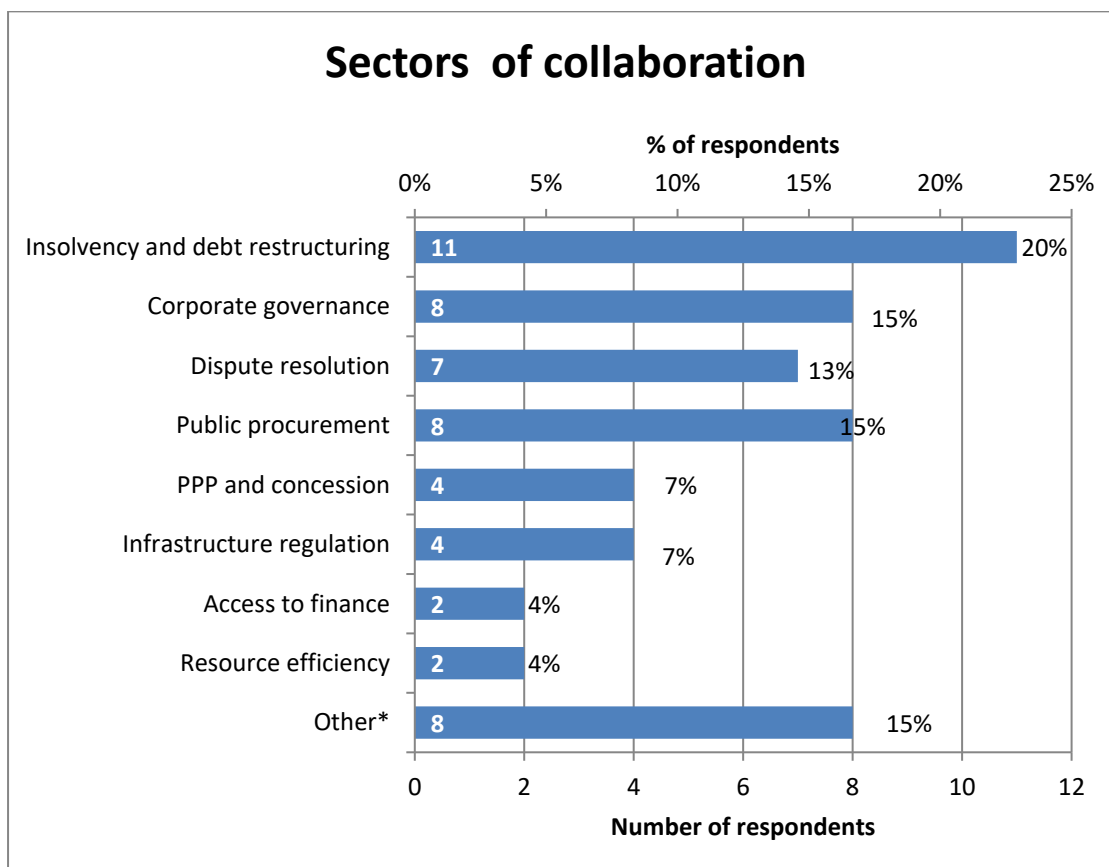
Of the 35 participants who responded to both these questions, 31 have collaborated either systematically or occasionally, and 17 of those have collaborated for more than three years .



### Areas and sectors of collaboration

Participants identified 54 Sectors and 75 Areas of Collaboration. Judicial training and capacity building is the single most frequently cited Area (27), with Insolvency and debt restructuring being the most frequently cited Sector (11).



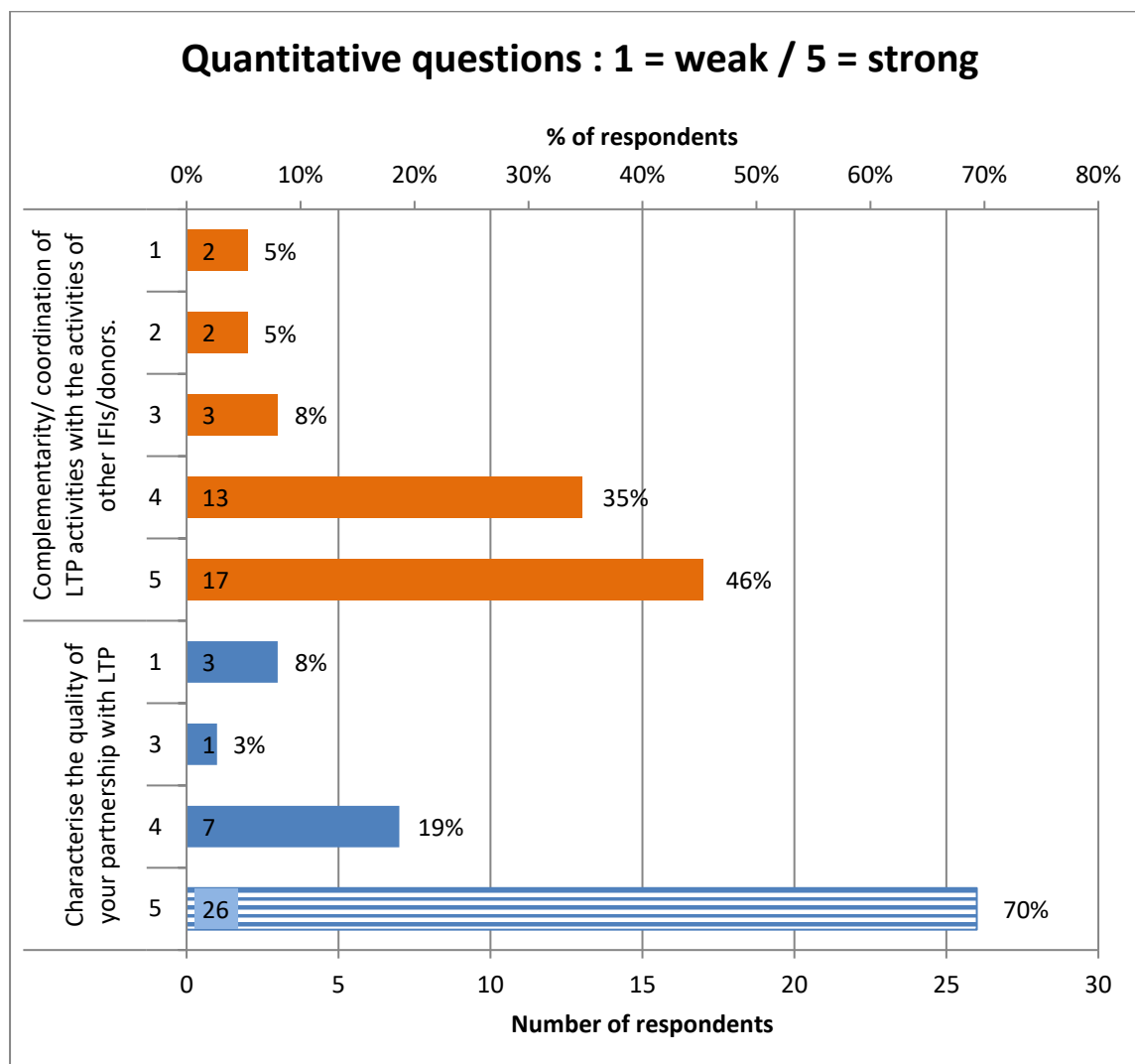


Originally, there were 10 responses under 'Other' Areas and 11 under 'Other' Sectors. However, some of these were wrongly assigned. The charts above reflect the adjusted responses.

Of the remaining 'Other' Sector responses, three are related to regulatory issues, two to the financial sector, one to the energy sector, and one to FinTech. The three 'Other' Area responses relate to regulatory issues, risk management and FinTech.

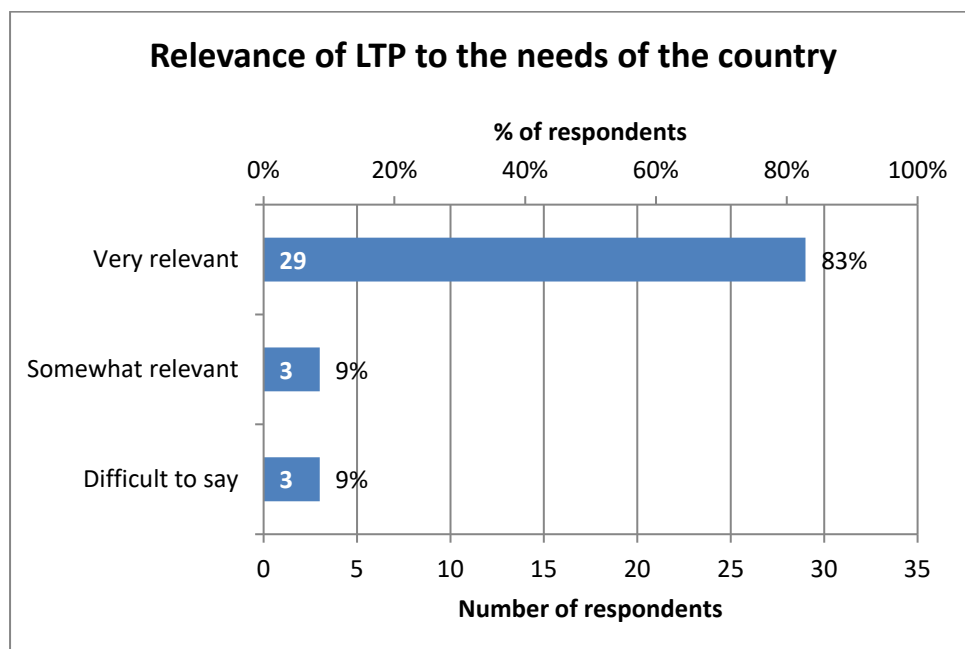
### Quantitative questions

Complementarity/coordination of LTP activities with the activities of other IFIs/donors : out of 37 responses, 30 (81%) were strongly positive. Opinions as to the quality of partnership with LTP were even more positive, with 26 respondents (70%) giving the highest possible score.



### Relevance of LTP work

A substantial majority (29 out of 35 participants) found that the LTP was very relevant to their country.

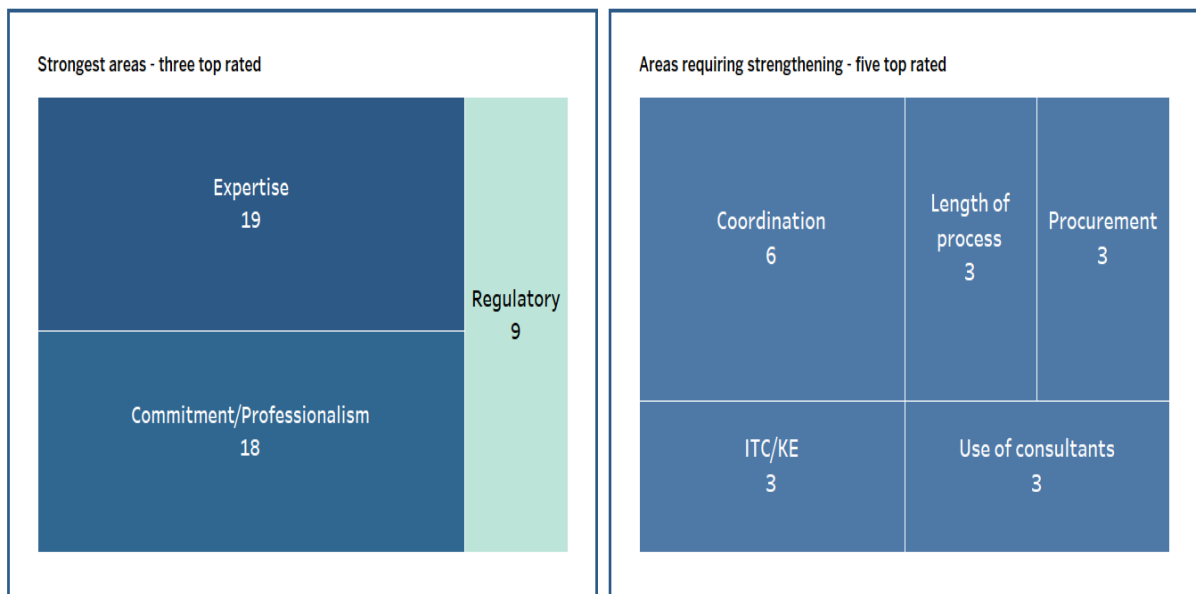
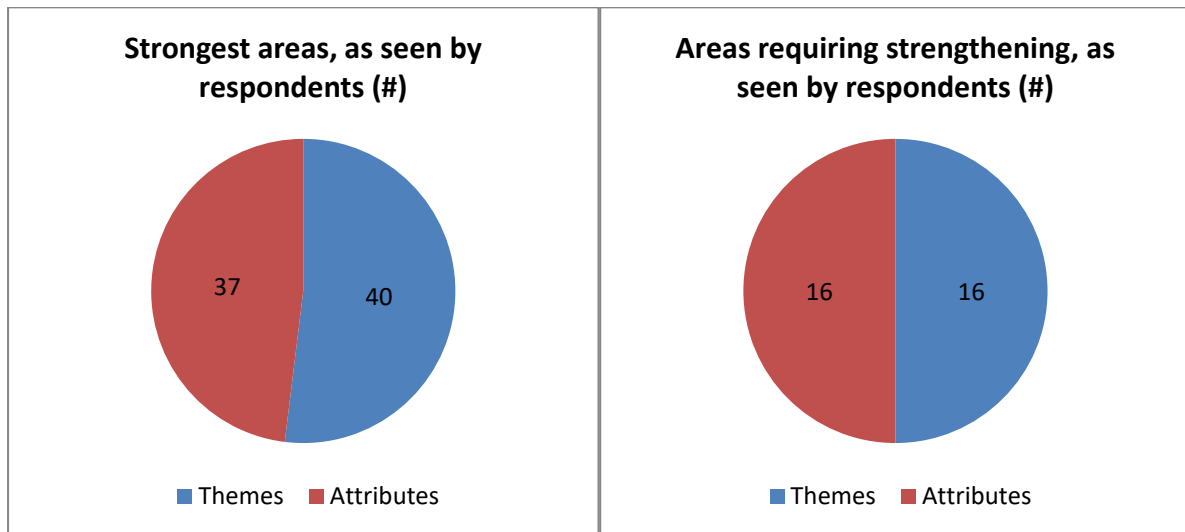


### Areas of strength and weakness in LTP work

Survey participants were asked to identify i) three areas of LTP which, in the respondents' opinion, are the strongest, ii) three areas which require improvement (or absent altogether), and iii) three examples where LTP work contributed to substantial improvement in the country's investment climate.

All the questions called for an open response (rather than pre-selected list), and the responses were very diverse. In order to manage the data, the evaluation team divided the responses to the first two questions into 'Attributes' (covering comments on the professionalism and commitment of the LTP staff and the administrative process), and 'Themes', covering comments on actual LTP activities. Within the 'Themes' category, the responses were further grouped under typical spheres of LTP work.

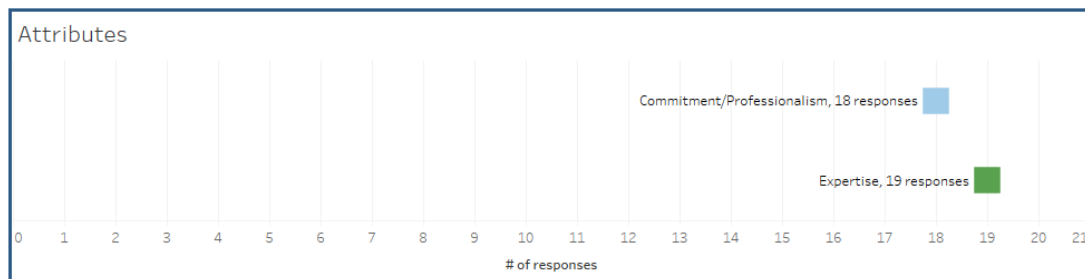
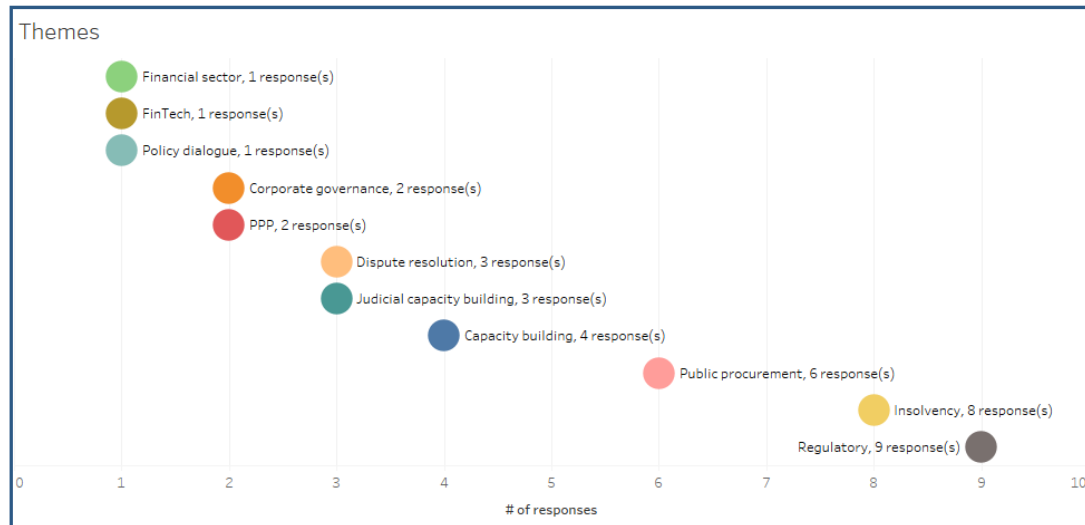
## Legal Transition Programme – Annexes



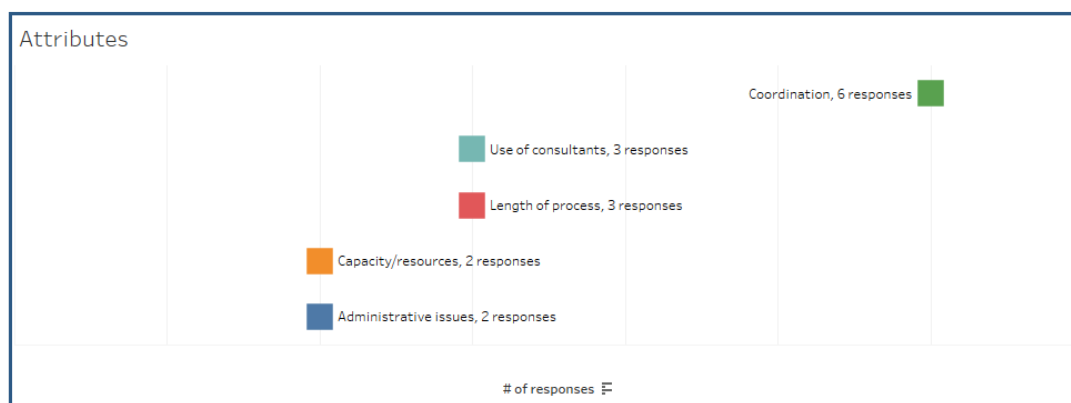
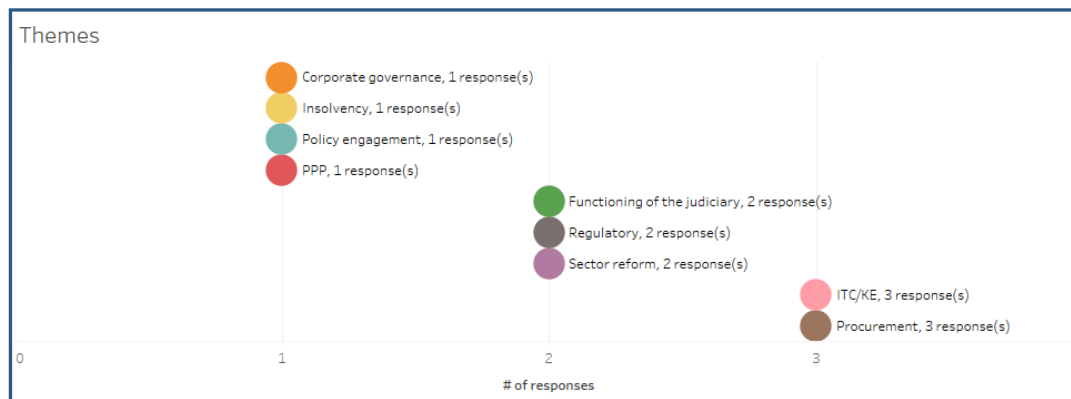
The charts below show a more comprehensive breakdown of responses:

## Legal Transition Programme – Annexes

## Strongest areas as perceived by respondents



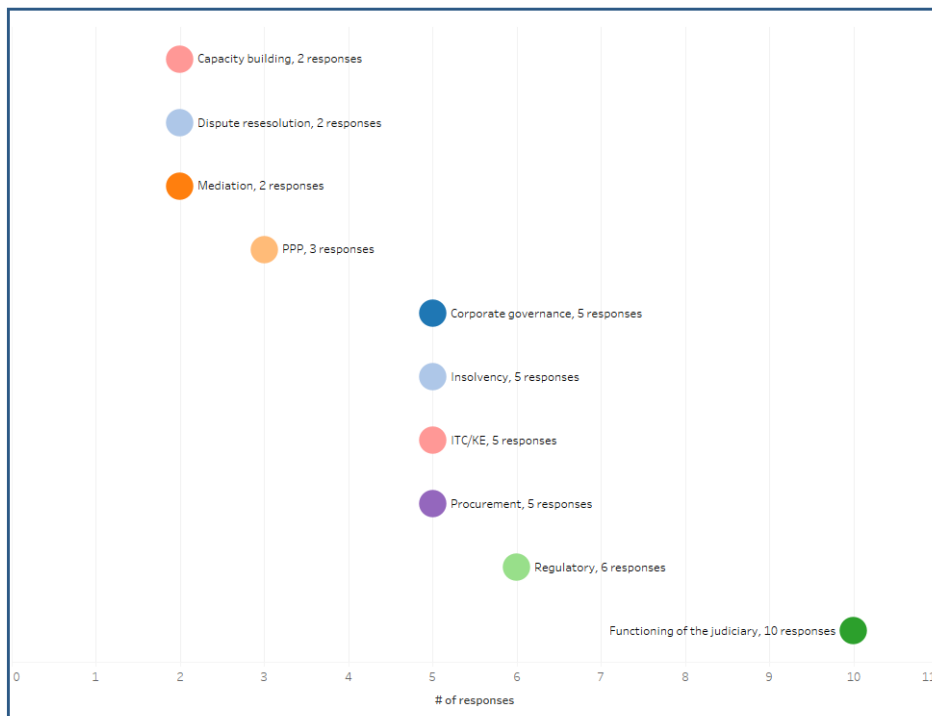
## Weakest areas as perceived by respondents



## Legal Transition Programme – Annexes

Responses to the third question (Area of strongest contribution to Investment Climate) all related to Themes rather than Attributes:

Areas of strongest contribution to Investment Climate, as perceived by respondents



### Other comments

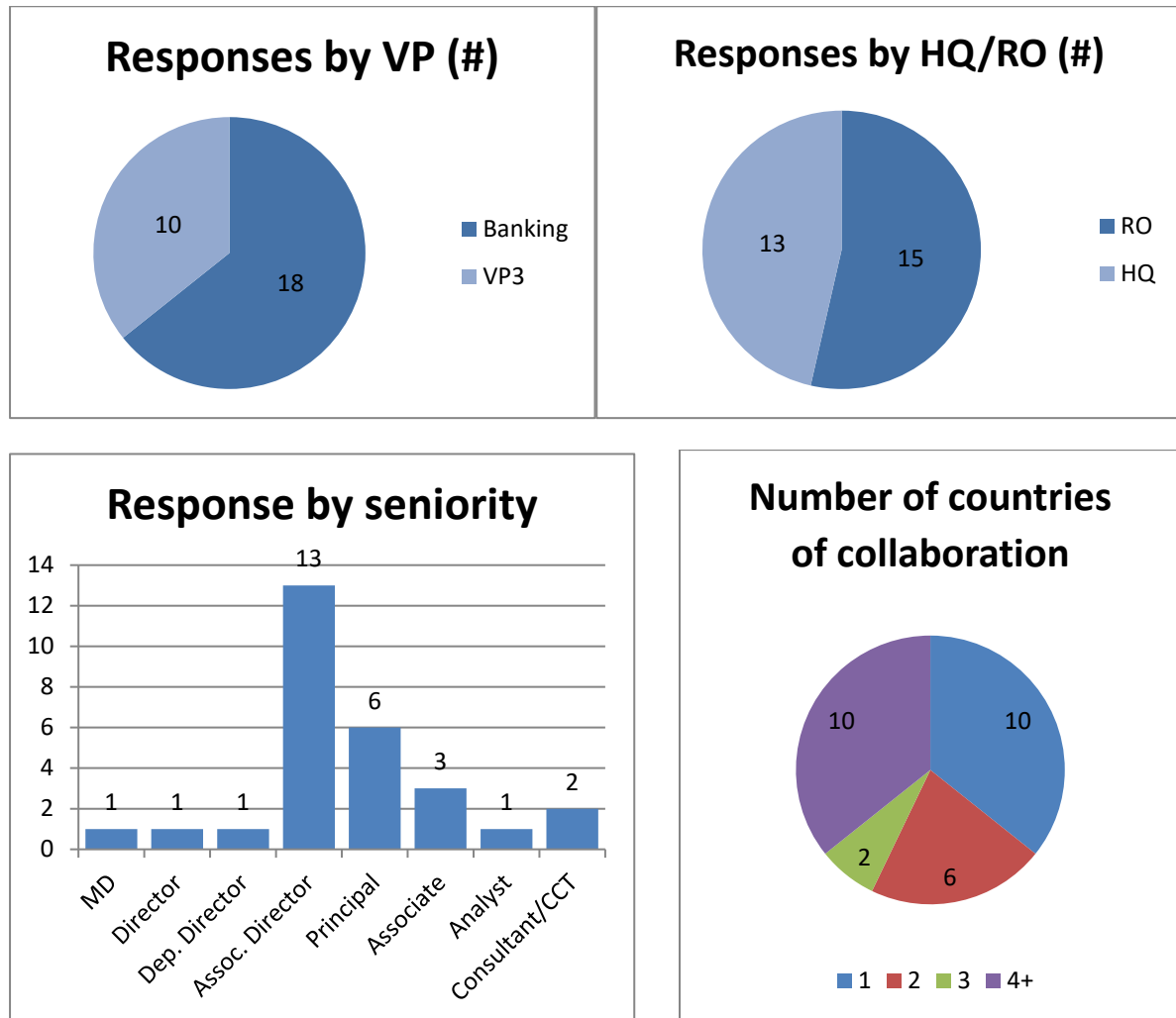
Eighteen respondents provided additional optional comments. By far the majority (12) were complementary about the LTP team activities, and impact. Other participants suggested that some areas require much more support in implementation of reforms and better knowledge of local context. One respondent specified the need to establish a collaborative relationship instead of agenda setting.

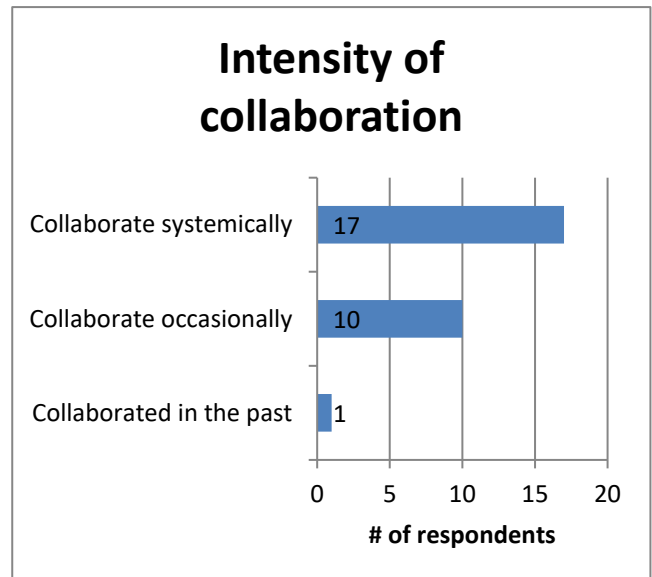
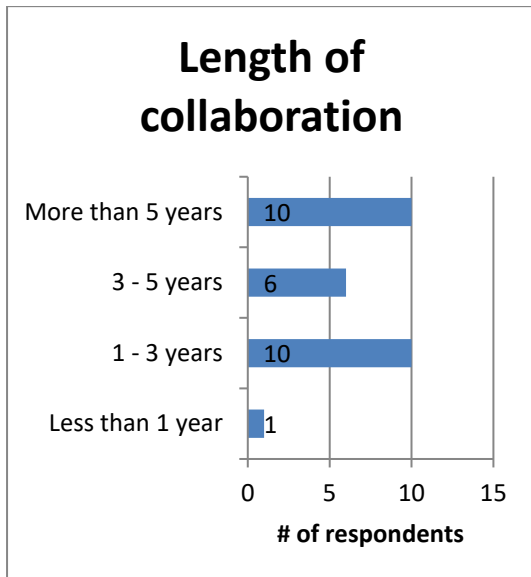


## Annex 11. Results of the Survey of Internal Stakeholders

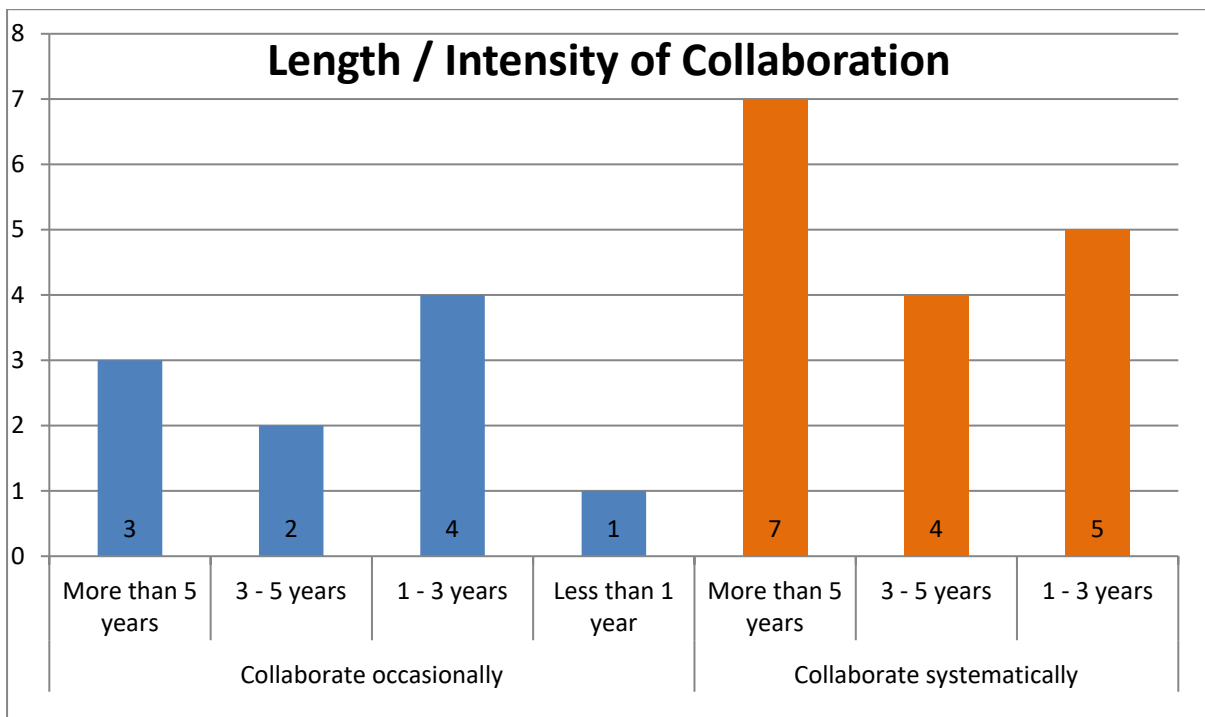
### Location, department and seniority of respondents

There were 28 responses to the internal survey, the majority (18) from Banking, the remainder from VP3. Responses were split almost equally between RO/HQ. The seniority of respondents ranged from Managing Director to Analyst (also two CCT/consultants), with the majority falling in the middle (13 Associate Directors, six principals) and the remainder evenly split at each end of the range. Most respondents had collaborated either in just one country (10) or in 4+ countries (10)



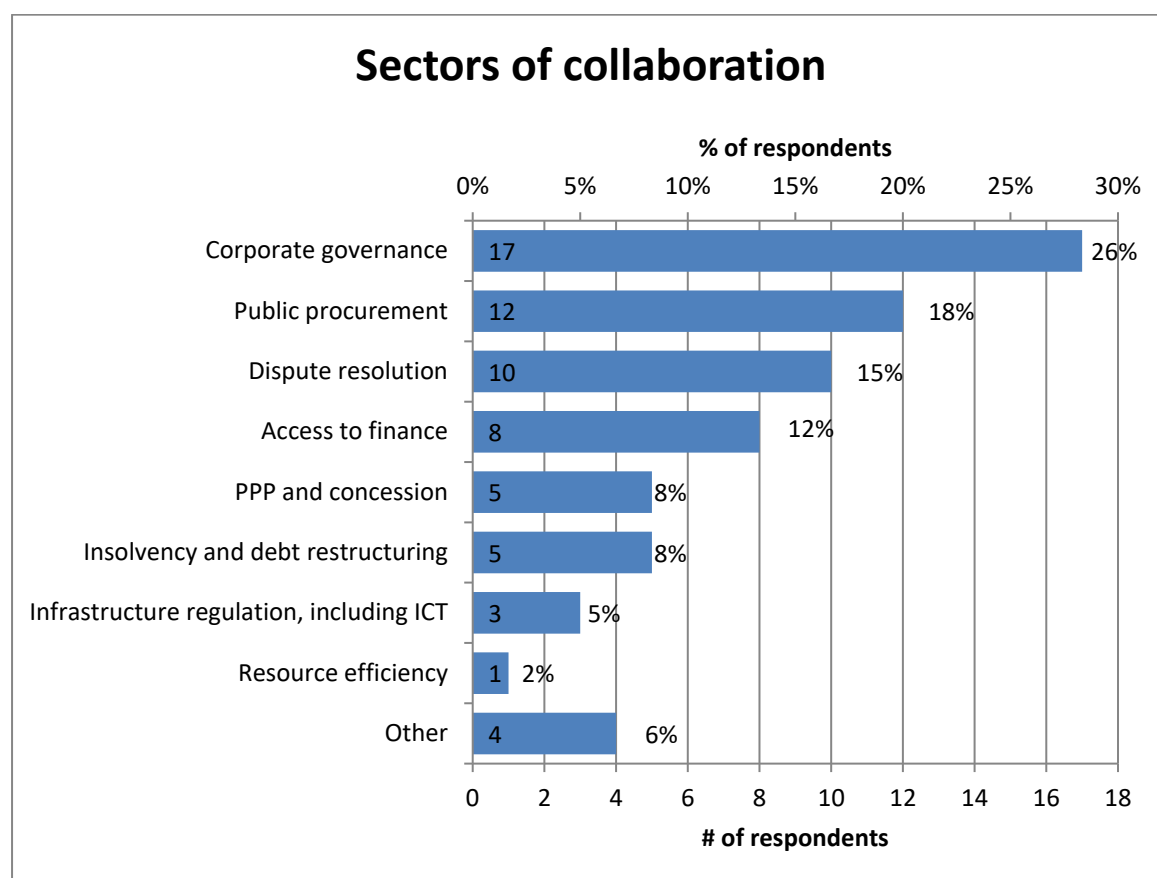
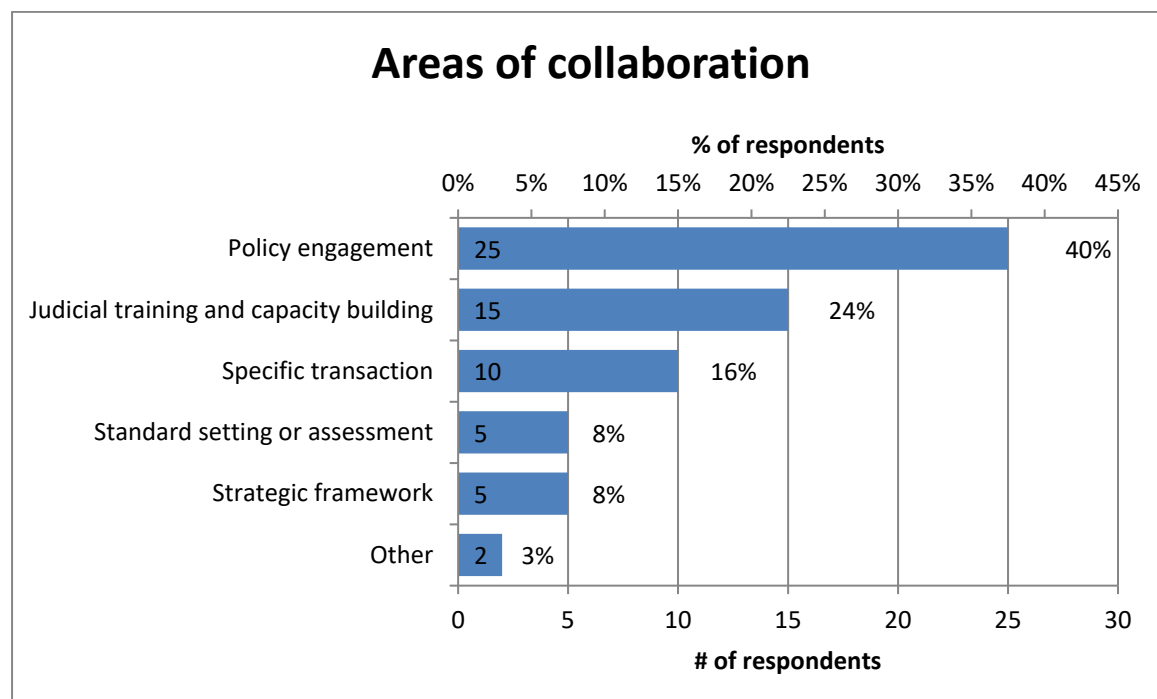
Length & intensity of collaboration

Of the 27 participants who responded to both the above questions, 26 have collaborated either systematically or occasionally. Of these, the majority (10) have collaborated for more than five years.



### Areas and sectors of collaboration

Participants identified 65 Sectors and 62 Areas of Collaboration. Policy engagement is the single most frequently cited Area (25), with corporate governance being the most frequently cited Sector (17).

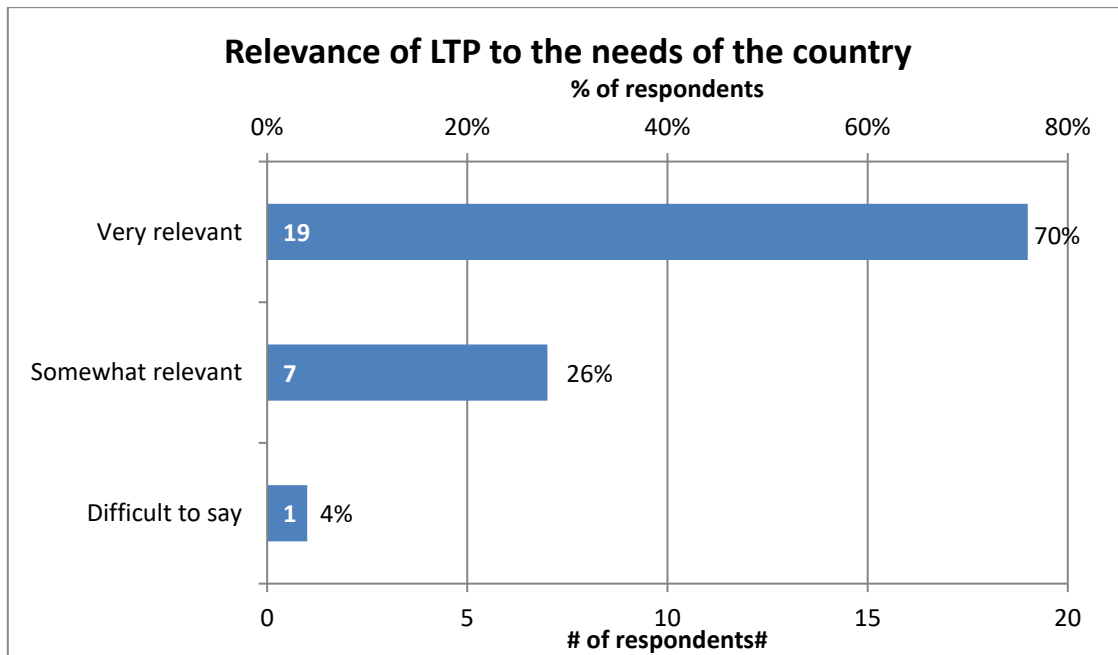


Originally, there were 4 responses under 'Other' Areas and 6 under 'Other' Sectors. However, some of these were wrongly assigned. The charts above reflect the adjusted responses.

The four remaining 'Other' Sector responses related to competition policy, financial market development, FinTech and legal infrastructure for SOEs. The two 'Other' Area responses relate to financial market development and funding approvals.

#### Relevance of LTP work to the needs of the country of operation

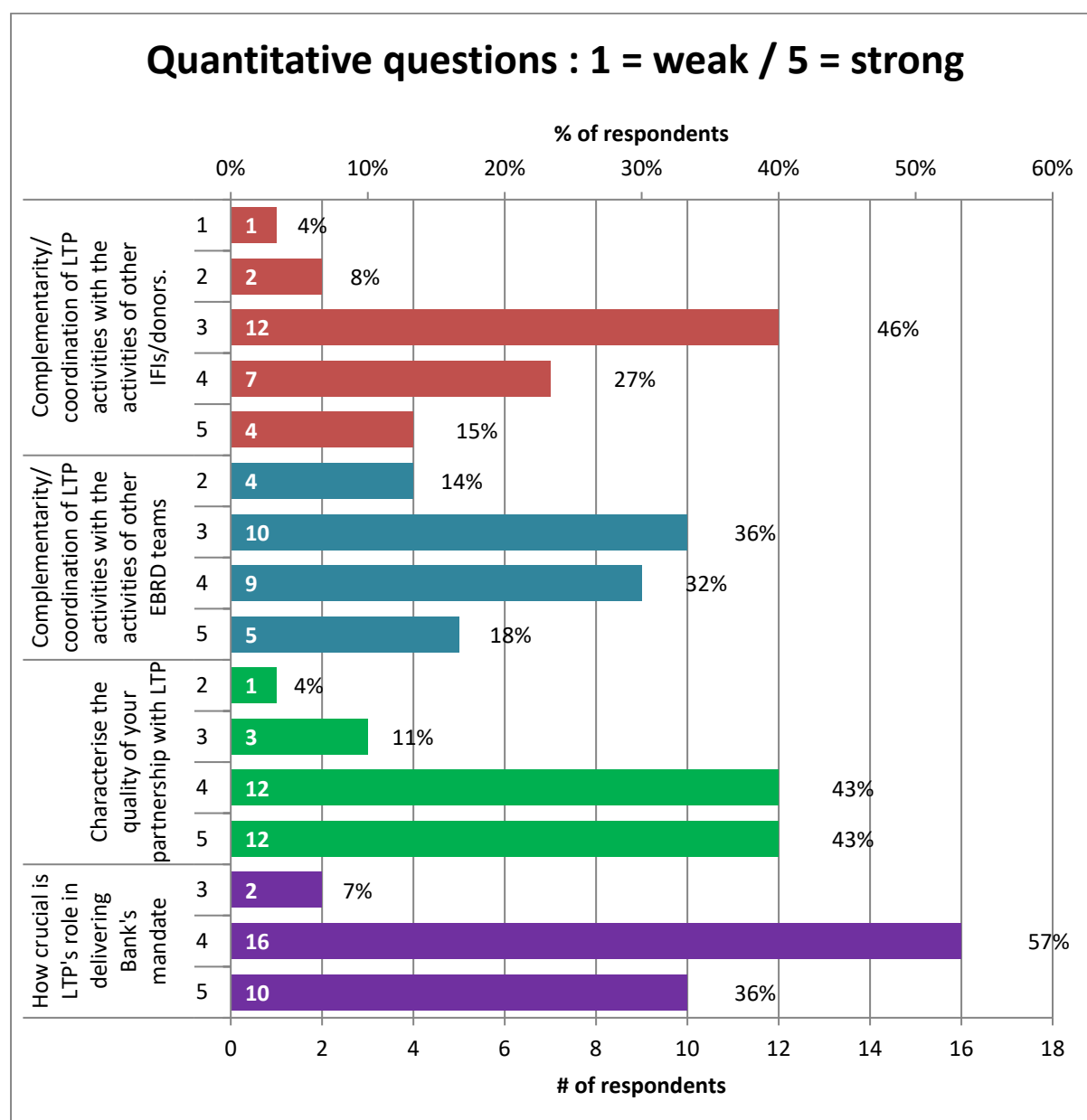
A substantial majority (19 out of 28 participants) found that the LTP was very relevant to the country in which they worked.



### Quantitative questions

The survey contained four quantitative questions, with a scale of 1 – 5 (1 = weak / 5 = strong):

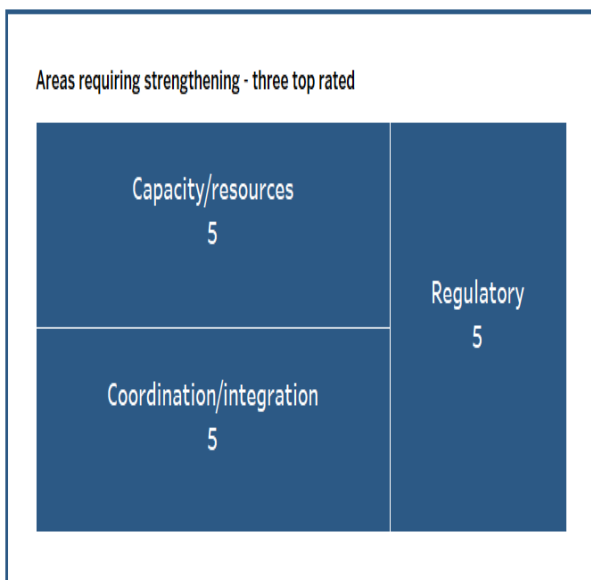
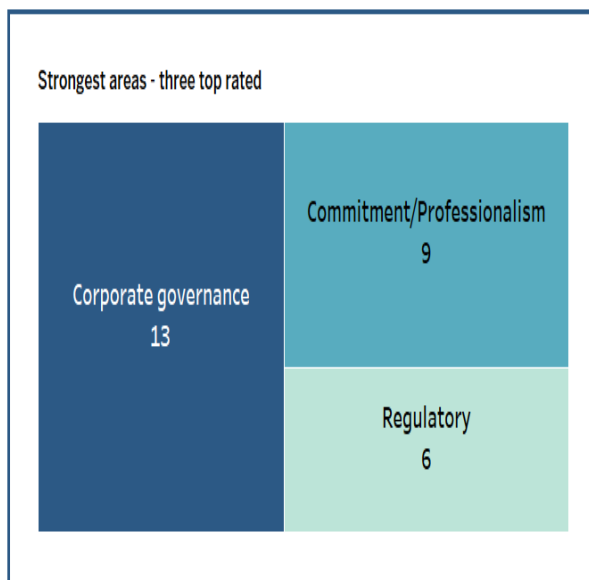
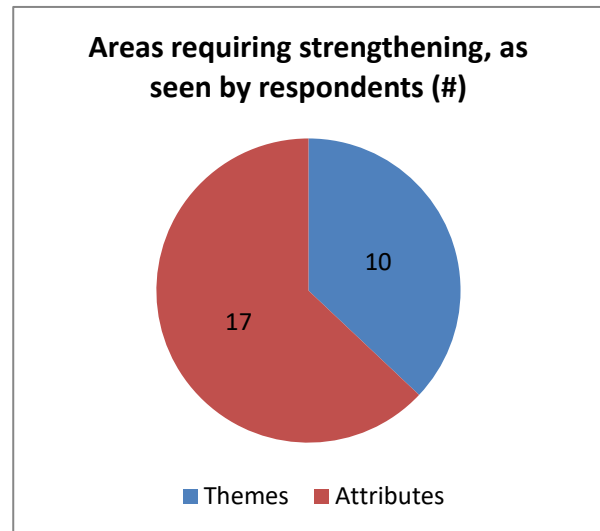
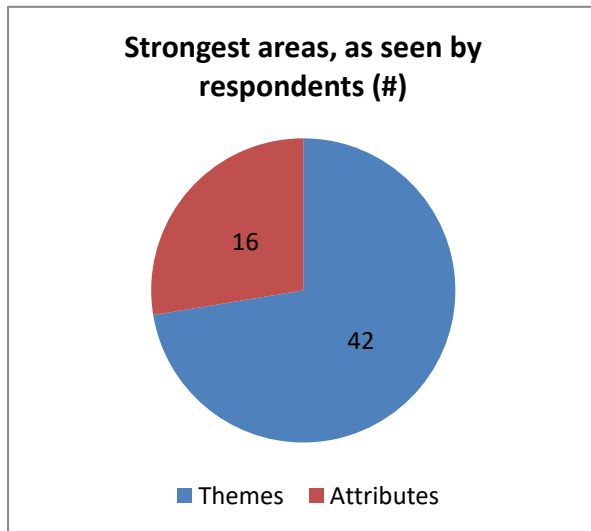
- i) Complementarity/ coordination of LTP activities with the activities of other IFIs/donors.  
*The majority of respondents scored this at the mid-point (46%) or higher (27% & 15%). Only three responses were very or somewhat negative.*
- ii) Complementarity/ coordination of LTP activities with the activities of other EBRD teams  
*As above, the majority of responses were neutral (36%) or higher (32% & 18%). Only four were somewhat negative.*
- iii) Characterise the quality of your partnership with LTP  
*A substantial majority were somewhat or very positive (43% each).*
- iv) How crucial is LTP's role in delivering Bank's mandate  
*Again, a substantial majority were somewhat or very positive (57% & 36% respectively).*



### Areas of strength and weakness in LTP work

Survey participants were asked to identify i) three areas of LTP which, in the respondents' opinion, are the strongest, ii) three areas which require improvement (or absent altogether), and iii) three examples where LTP work contributed to substantial improvement in the country's investment climate.

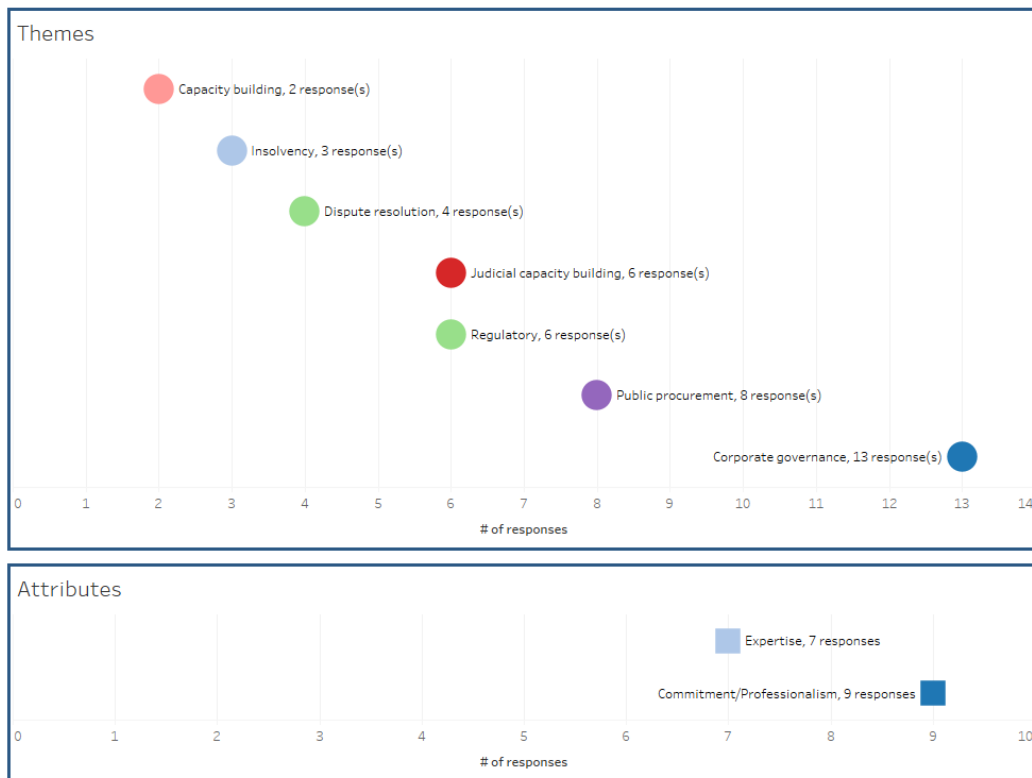
All the questions called for an open response (rather than pre-selected list), and the responses were very diverse. In order to manage the data, the evaluation team divided the responses to the first two questions into "Attributes" (covering comments on the professionalism and commitment of the LTP staff, and the administrative process), and 'Themes', covering comments on actual LTP activities. Within the 'Themes' category, the responses were further grouped under typical spheres of LTP work.



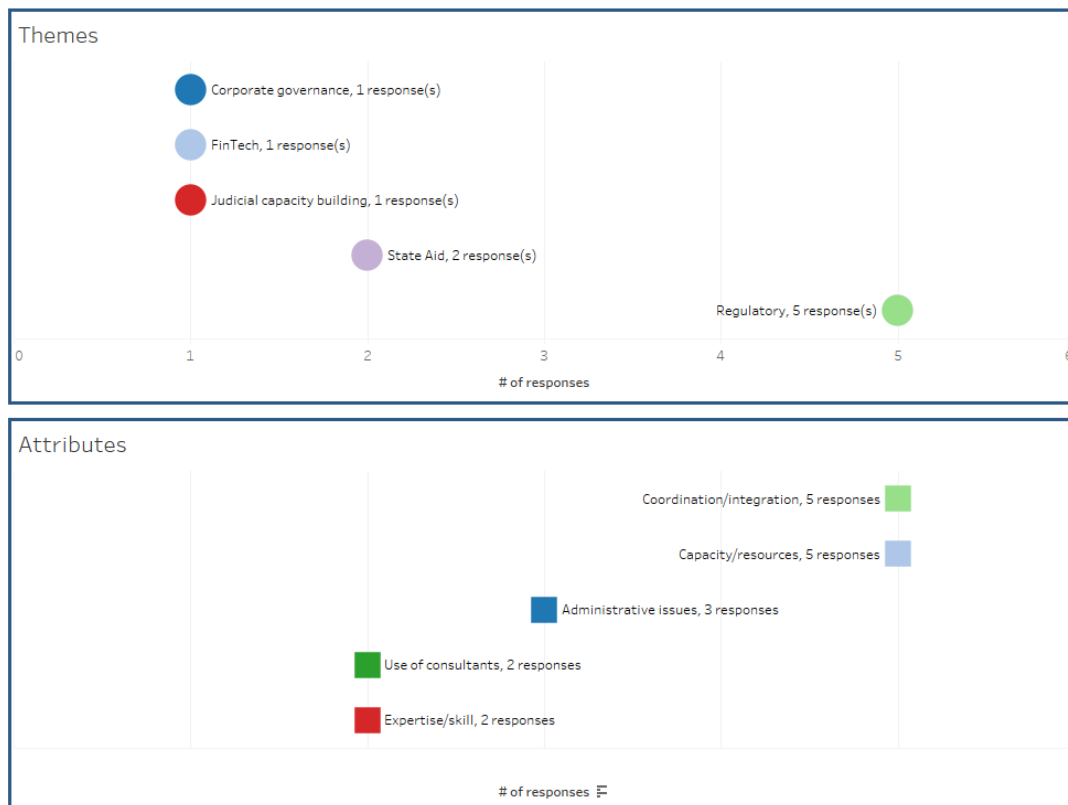
## Legal Transition Programme – Annexes

The charts below show a more comprehensive breakdown of responses:

### Strongest areas as perceived by respondents

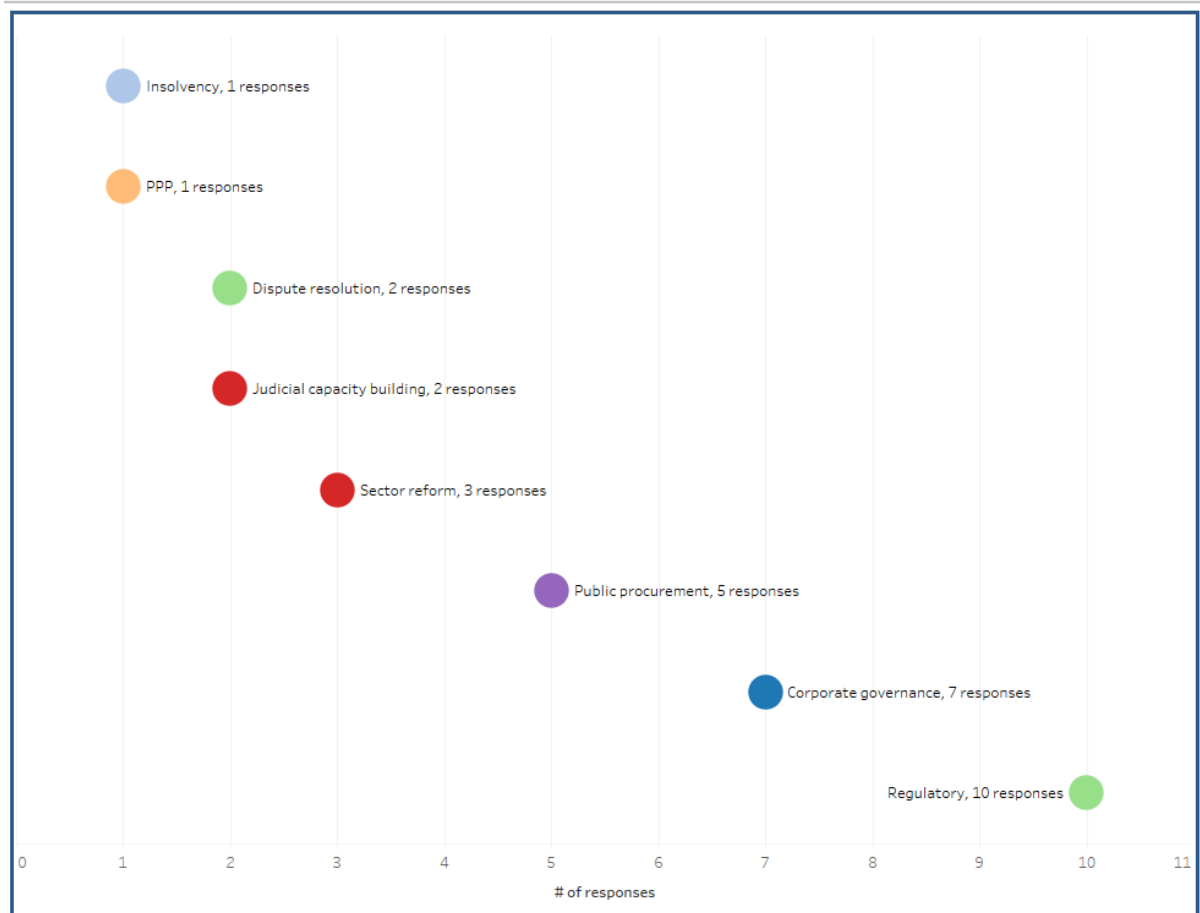


### Weakest areas as perceived by respondents



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Areas of strongest contribution to Investment Climate, as perceived by respondents

Other comments:

Nine participants submitted additional comments, of which five praised the professionalism, collaboration and knowledge of the LTP team. Two comments related to the need for greater capacity/resources devoted to LTP, one on the desirability of strengthening the focus on development level and coordination with other IFIs, and one questioned why the Programme was not included under VP3.



## Annex 12. LTP relevant Country Priority Policy Objectives (PPOs) in 2018-2020

Table presents PPOs led by the LTT experts or led by other teams however with LTT's active participation (shaded rows) along with the milestones and execution status where data is available.

### 2018

PPO	Milestone	Execution Status
<i>Armenia : Implementation of the WTO GPA trade commitments to open procurement market to competition. Implementation of digital government in public procurement to improve competition cross-border and on local market and transparency of public spending</i>	<ol style="list-style-type: none"> <li>1. Adoption of new legislation to comply with the trade commitments under the WTO GPA accession.</li> <li>2. Electronic public procurement planning and reporting completed.</li> </ol>	Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a
<i>Armenia : Improve the efficiency of the Armenian insolvency and restructuring frameworks through the enhancement and reform of the Bankruptcy Law and the Tax Code</i>	<ol style="list-style-type: none"> <li>1. Technical support to the Ministry of Justice to review and identify weaknesses in the Armenian bankruptcy framework and address such weaknesses through legal reform; and</li> <li>2. Technical support to the Ministry of Finance to review the Tax Code in Armenia with the aim of identifying impediments to effective reorganisation, maximisation of creditor recoveries in enforcement and bankruptcy and facilitate transfer of NPLs and address any shortcomings through legal reform</li> </ol>	Q1 : n/a Q2 : issues Q3 : n/a Q4 : n/a
<i>Azerbaijan : Establishment of an independent energy regulator</i>	Support energy sector reform through: <ol style="list-style-type: none"> <li>1. TA to MinEnergy to establish and gradually develop an independent energy regulator; and</li> <li>2. Review the existing legal framework and assist with drafting the regulator law.</li> </ol>	Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a
<i>Azerbaijan : Improvement of corporate governance in banks and/or SOEs</i>	<ol style="list-style-type: none"> <li>1. Agree with CBAR/relevant authorities on CG TA and an action plan for improvement in the banking sector as part of the banking recapitalisation programme proposed by CBAR.</li> <li>2. Conditional upon item 1 being successful, review CG arrangements and propose improvement programme for a pilot bank and actively work on its adoption.</li> <li>3. Review corporate governance requirements for SOEs and propose amendments to charter/bylaws to improve and actively work on their adoption.</li> </ol>	Q1 : n/a Q2 : issues Q3 : n/a Q4 : n/a
<i>Belarus : Commercialisation, governance and preparation of privatisation in the corporate sector</i>	<ol style="list-style-type: none"> <li>1. Preparation and approval of the model of state holding company</li> <li>2. Preparation and approval of the Action Plan for Belavtdor</li> <li>3. Complete Privatisation of at least one SOE with EBRD support</li> </ol>	Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a
<i>FYR Macedonia : Assistance to National Bank for Assessment of Business Models and Strategies of the Banks</i>	<ol style="list-style-type: none"> <li>1. Review of the Macedonian legislation on corporate governance and risk management for the banking sector</li> <li>2. Review NBRM's supervisory framework and practices</li> <li>3. Assistance in drafting the regulatory provisions in line with EU practices and capacity building;</li> <li>4. Adoption of the new provisions by the Central Bank necessary to</li> </ol>	Q1 : n/a Q2 : on track Q3 : n/a Q4 : issues

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PPO	Milestone	Execution Status
	<i>implement the agreed banking sector supervision strategy and alignment to EU policies</i>	
<i>Georgia : Promoting energy efficiency investments</i>	<i>Adoption of the energy efficiency action plan by the government, including preparation of the energy efficiency law</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</i>
<i>Kazakhstan : Enhance capital and money markets</i>	<i>Develop proposals for improvement of legal framework for netting of derivatives and bankruptcy rules, deliver capacity building activities and develop a proposed roadmap for the development of the derivatives market in Kazakhstan and get endorsement of the National Bank and the Ministry of Finance for the implementation.</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</i>
<i>KOSOVO : Adoption of the new legal and regulatory provisions by Central Bank of Kosovo.</i>	<i>1. Review of the Bank Law and identify all issues of no compliance as per the EU legislation 2. Draft the amendments to the Bank Law 3. Draft the procedure manual for CBK 4. Adoption of the new provisions by the Central Bank</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : issues</i>
<i>KOSOVO : Developing a Facilitative Legal and Regulatory Framework for Factoring</i>	<i>Adoption of the new legal and regulatory provisions by Central Bank of Kosovo on factoring</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</i>
<i>Kyrgyz Republic : Strengthen the business and investment climate</i>	<i>1. Approval by the Government of the regulations supporting introduction of e-services in at least one area under the Bank's supported Taza Koom programme (e-notary, e-patent or e-registration of businesses) 2. Technical recommendation on jobs and tasks to be removed from resolution 158 of labour code presented to the Government (Q1-2018); and disseminated among key supporters of the reform (Women caucus of Parliament, donor partners and civil society) 3. New SMEs-friendly legislation on electronic bidding adopted and pilot of the electronic bidding implemented. 4. Implementation of the WTO commitment to open procurement market to competition</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</i>
<i>Moldova : Implementation of the 3rd Energy Package in the natural gas sector</i>	<i>Support implementation of the ENERSAP, including unbundling and CGAP for gas TSO.</i>	<i>Q1 : n/a Q2 : issues Q3 : n/a Q4 : n/a</i>
<i>Moldova : Implementation of the WTO GPA trade commitments to open procurement market to competition. Implementation of digital government in public procurement to improve competition and transparency of public spending</i>	<i>1. New primary and secondary legislation on public procurement to comply with the WTO GPA requirements and goals of the EU Association Agreement adopted. 2. Pilot of digital public procurement to create competitive market and improve transparency and control of public spending completed.</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</i>
<i>Mongolia : Greater transparency, certainty, clarity and predictability in the rules governing the entry into,</i>	<i>Presenting the draft mining law for approval by the Parliament</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : issues</i>

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PPO	Milestone	Execution Status
<i>operation in and exit from the mining sector</i>		
<i>Serbia : Improving the corporate governance of SOEs</i>	<ol style="list-style-type: none"> <li>1. Serbia Voz adopts the Corporate Governance Action Plan.</li> <li>2. Approval by the Ministry of Construction, Transport and Infrastructure of the scope of the assignment to develop a State Ownership Policy framework for SOEs in the railway sector, involving representatives of the Government, EBRD and the railway companies (Infrastructure, Serbia Train and Serbia Cargo);</li> <li>3. Development of a State Ownership Policy framework for SOEs in the railway sector;</li> <li>4. Continued work on the CGAP for EPS, including in a working group which should review the CGAP recommendations and consider implementation measures.</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</p>
<i>Slovenia : Strengthening efficiency performance and governance of SOEs</i>	(i) Revision of the corporate governance of SSH; (ii) setting up framework for monitoring and assessing performance of SOEs; (iii) improve nomination process of SB members and corporate governance standards	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : issues</p>
<i>Tajikistan : Improve regulation in the energy sector</i>	<ol style="list-style-type: none"> <li>1. New energy regulatory unit established;</li> <li>2. Draft legal and regulatory amendments formally endorsed by Ministry of energy</li> <li>3. Launch of Capacity Building of newly established energy regulatory unit</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</p>
<i>Tajikistan : Strengthening of the banking sector</i>	<ol style="list-style-type: none"> <li>1. Pursue the work on the implementation of the Assessment of Financial Institutions Corporate Governance Structures and Practices with the view to achieve the NBT buy in on some of the key recommendations;</li> <li>2. Continue working with the NBT on bank resolution framework in conjunction with the IMF and the World Bank;</li> <li>3. Engage with the NBT to facilitate that regulatory practices are fair and transparent and do not hamper the market.</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : issues</p>
<i>Ukraine : State Owned Enterprise (SOE) commercialisation and governance</i>	<ol style="list-style-type: none"> <li>1. Establish a corporatisation plan for at least one major SOE and finalise corporatisation of another one.</li> <li>2. Agree at least one Corporate Governance Action Plan for one major SOE.</li> <li>3. Support the passing of the law on SOE Corporate Governance, including through the development of a State Ownership Policy.</li> <li>4. Transform the nomination process for supervisory boards and CEOs of large SOEs.</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : issues</p>
<i>Ukraine : Supporting financial sector reform</i>	<ol style="list-style-type: none"> <li>1. Continue the support to the reform of State-owned banks through the adoption of the Law of SOBs, the implementation of the Law once adopted, and the reform of SOB operationally (including pre-privatisation engagement with Oschadbank)</li> <li>2. Progress in the implementation of the institution-building programme of the Deposit Guarantee Fund in coordination with the US Treasury and the World Bank</li> <li>3. Facilitate implementation of the Financial Sector Reform (adopted in 2016) through a dedicated, EBRD-sponsored PMO supporting the National Bank of Ukraine and the Securities Commission;</li> <li>4. Continue supporting the NPL resolution efforts via the implementation of</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</p>

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PPO	Milestone	Execution Status
	<i>the out-court financial restructuring procedure and the drafting of an Asset Management Company Law</i>	
<i>Uzbekistan : Increase Private Sector Participation to address inefficiencies in state dominated sectors including in municipal infrastructure and energy generation -through renewables</i>	<ol style="list-style-type: none"> <li>1. Engage in Policy Dialogue with the Ministries of Economy and Justice through the delivery of a PPP reform seminar to support the PPP legal framework in Uzbekistan that complements relevant work by the WB in MEI (water, wastewater) and ADB in Energy (renewables).</li> <li>2. Discuss and agree with the relevant authorities a roadmap for key reforms to enable successful realisation of PPPs in Uzbekistan.</li> <li>3. Design and launch TA for the necessary legal reforms to implement the roadmap.</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : n/a</p>

## 2019

PPO	Milestone	Execution Status
<i>Azerbaijan : Developing a sustainable financial sector to support private sector development through the improvement of the corporate governance of the state owned International Bank of Azerbaijan (IBA) as a vehicle to engage for further reform.</i>	<i>Implementation of internal audit review of IBA and agreement on a roadmap for improvement.</i>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : fully achieved</p>
<i>Azerbaijan : Improving government and business environment through the support to the establishment of an independent energy regulator</i>	<p>Support energy sector reform through:</p> <ol style="list-style-type: none"> <li>1. TA to MinEnergy to establish and gradually develop an independent energy regulator; and</li> <li>2. Review the existing legal framework and assist with drafting the regulator law.</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : fully achieved</p>
<i>Belarus : Enhancing the competitiveness of the economy by promoting the privatisation of SOEs through the testing of commercialisation in the corporate sector</i>	<ol style="list-style-type: none"> <li>1. Preparation and approval of the model of state holding company</li> <li>2. Preparation and approval of the Action Plan for Belavtodor</li> <li>3. Advance preparation for privatisation in the real sector supported by technical assistance to one SoE</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : n/a Q4 : fully achieved</p>
<i>Bulgaria : Enhance competitiveness and narrowing the infrastructure gap by strengthening the capacity and functioning of the Bulgarian Energy Regulator (Energy and Water Regulatory Commission, EWRC)</i>	<ol style="list-style-type: none"> <li>1. Signing the project implementation support service agreement (PISSA)</li> <li>2. Developing Rules for cooperation between EWRC and other national regulators (e.g., competition, finance, etc);</li> <li>3. Developing Methodology for calculation of fines/sanctions imposed for violation of REMIT (part of the EU 3rd Energy Package)</li> <li>4. Developing draft rules and instructions for optimising electricity network regulation (distribution) (2019-2020)</li> <li>5) trainings of members of the EWRC (2019-2020)</li> </ol>	<p>Q1 : n/a Q2 : on track Q3 : on track Q4 : fully achieved</p>

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PPO	Milestone	Execution Status
<i>Estonia, Latvia &amp; Lithuania : Development of Pan-Baltic capital market – (Regional for Estonia, Latvia and Lithuania)</i>	<i>At least one SRSS project in support of pan-Baltic capital market is finalised and implemented. Furthermore, material progress shall be achieved on ongoing projects such as pan-Baltic single index coverage by MSCI, FinTech, listing support instruments for SMEs, CMDAF, opening of capital structure for SOEs and their potential to raise capital via the local stock exchanges.</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : fully achieved</i>
<i>Hungary : Strengthening banking sector resilience and the capacity to lend through the modernisation of the bankruptcy legal framework</i>	<i>Presentation of a revised bankruptcy law before the parliament</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : not achieved</i>
<i>Kazakhstan : Developing and enhancing capital and money markets</i>	<i>1. Develop proposals for improvement of legal framework for netting of derivatives and bankruptcy rules, deliver capacity building activities and Develop a proposed roadmap for The development of The derivatives market in Kazakhstan. 2. Creation/reform of The overnight (risk Free rate) money market benchmark</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : partly achieved</i>
<i>Moldova : Enhancing energy security by leading in the liberalisation and regional integration of the energy market</i>	<i>Implementation of the Powersap and discussion with the government the potential for a revised ENERSAP and implementation of unbundling guidelines</i>	<i>Q1 : n/a Q2 : on track Q3 : n/a Q4 : fully achieved</i>
<i>Serbia : Foster competitiveness and governance by improving the corporate governance of SOEs</i>	<i>1. Serbia Voz has implemented actions from the Corporate Governance Action Plan that fall due by end-2019. 2. Approval by the Ministry of Construction, Transport and Infrastructure of the draft Concept Note for State Ownership Policy for SoEs in the railway sector. 3. A draft State Ownership Policy for SoEs in the railway sector has been developed. 4. Adoption of the CGAP for EPS.</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : partly achieved</i>
<i>Serbia : Foster competitiveness and governance by strengthening competition legislation and enforcement, through the introduction of secondary legislation in line with best practices and enhanced capacity of the Commission for the Protection of Competition (CPC)</i>	<i>1. Relevant secondary legislation is drafted and approved by the EBRD and the CPC (Horizontal Mergers guidelines and Restrictive Agreements self-assessment guidelines); 2. Capacity building of CPC's case handlers is implemented (Training on econometrics and on interface between competition law and sector regulation)</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : fully achieved</i>
<i>Slovenia : Promoting good corporate governance by strengthening efficiency performance and governance of SOEs</i>	<i>(i) Revision of the corporate governance of SSH; (ii) a Report with recommendations for improving target-setting, monitoring and assessing performance of SOEs; (iii) nomination process of SB members and corporate governance standards for selected SOEs.</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : fully achieved</i>

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PPO	Milestone	Execution Status
<i>Tajikistan : Enabling inclusive and sustainable economic growth by strengthening of the banking sector</i>	<i>Advance with the implementation of the Action Plan agreed between the National Bank of Tajikistan and the EBRD</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : fully achieved</i>
<i>Tunisia : Support Tunisia's Competitiveness by increasing private sector participation in the infrastructure sector</i>	<i>1. Progress in supporting the development of a PPP Policy Paper by the authorities 2. Progress towards signing of an IPPF funding agreement to support structuring of a PPP project</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : partly achieved</i>
<i>Turkey : Strengthen the resilience of the financial sector through the support to NPL resolution efforts</i>	<i>1. Adoption by the authorities (including BRSA, TBA and MoTF) of an action plan or selected measures proposed by EBRD to improve environment for NPL resolution. 2. Raising the banking sector's capacity for NPL resolution by providing best practices training for turn-around professionals in the leading banks and AMCs.</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : partly achieved</i>
<i>Uzbekistan : Enhancing competitiveness by supporting SOEs through improved corporate governance and capacity building for adoption of best practices including for the commercialisation and the pre-privatisation / privatisation of SOEs.</i>	<i>Delivery to the state authorities of: 1. Key recommendations on the improvement of the SOE governance framework; 2. Draft SOE privatization legislation</i>	<i>Q1 : n/a Q2 : on track Q3 : on track Q4 : partly achieved</i>

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PPO	Milestone	Execution Status
<i>**Albania : Strengthen the institutional capacity of the Albanian Competition Authority (ACA) as a regulator by strengthening skills and competencies of its officials and case handlers on competition law enforcement, and enhance its competition advocacy role</i>	<i>1. Competition advocacy strategy approved by the ACA; 2. ACA's case handlers trained on merger assessment and expected impact achieved in line with identified results framework</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Armenia : Foster competitiveness and governance by strengthening competition legislation and enforcement, through a comprehensive programme aimed at revising primary and secondary legislation, support competition law enforcement and capacity building of the State Commission for the</i>	<i>1. International experts to support the programme implementation in support of SCPEC are in place; 2. Gap analysis on primary and secondary legislation is conducted and recommendations are provided to SCPEC and Armenian Government; 3. Capacity building programme is implemented according to defined scheduled</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>



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PPO	Milestone	Execution Status
<i>Protection of Economic Competition (SCPEC)</i>		
<i>Azerbaijan : Development of a sustainable and competitive electricity market</i>	<ol style="list-style-type: none"> <li>1. Support the development of a regulatory framework for renewable energy auctions;</li> <li>2. Support the drafting and approval by the energy regulator and the Ministry of Energy of an Energy Regulator law in line with EU Third Energy Package;</li> <li>3. Build the internal capacity of the energy regulator by developing selected secondary legislation and providing training on modern regulatory practices in the energy sector.</li> </ol>	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
<i>Belarus : Unleashing the growth potential of the economy through the commercialisation of SOEs</i>	<ol style="list-style-type: none"> <li>1. Implementation of the state holding company model by the SPC;</li> <li>2. Implementation of strategic changes by Belavtodor (a pilot case);</li> <li>3. Identifying additional state enterprises to be included in the commercialization pilot programme.</li> </ol>	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
<i>Bosnia and Herzegovina : Foster competitiveness and corporate governance of SOEs in the infrastructure sector</i>	<ol style="list-style-type: none"> <li>1. Expert discussion with Autoceste FBiH and Federation Government on the findings of the corporate governance assessment</li> <li>2. JP Autoceste FBiH approves and commits to a CGAP as part of the loan approval for Corridor VC</li> <li>3. Commitment of the Federation Entity Government/ Ministry of Transport of the Federation of the CGAP for Autoceste (a demonstration effect for other SOEs)</li> <li>4. The Government/MoT of the Federation commits/agrees to developing a state ownership policy.</li> <li>5. Start concrete discussion with Ministry of Transport of RS for similar corporate governance improvements in the infrastructure sector</li> </ol>	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
<i>Bulgaria : Enhance competitiveness and narrowing the infrastructure gap by strengthening the capacity and functioning of the Bulgarian Energy Regulator (Energy and Water Regulatory Commission, EWRC)</i>	<ol style="list-style-type: none"> <li>1. Developing Rules for cooperation between EWRC and other national regulators (e.g., competition, finance, etc);</li> <li>2. Developing Methodology for calculation of fines/sanctions imposed for violation of REMIT (part of the EU 3rd Energy Package)</li> <li>3. Developing draft rules and instructions for optimising electricity network regulation (distribution), 4. Conducting trainings of EWRC experts (2020-2021).</li> </ol>	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
<i>Egypt : Strengthen the competition framework by improving governance and level playing field for all businesses</i>	<ol style="list-style-type: none"> <li>1. Raise the capacity of the Egyptian Competition Authority;</li> <li>2. Implementation of regulatory framework of the SCZone;</li> <li>3. Digital procurement transformation pilot in the SCZone.</li> </ol>	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
<i>Greece : Support the decarbonisation of PPC and its management of climate related risks, which would have a significant impact on achieving Greece climate commitments as a member of the EU</i>	Finalisation of the analysis, development of an action plan on PPC governance and management of climate-related risk and submission of recommendations to PPC management for adopting certain corporate climate governance actions	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a

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PPO	Milestone	Execution Status
<i>Kazakhstan : Upgrading Kazakhstan's regime for PPP projects towards internationally recognised standards and best practice</i>	<i>Development, approval by the Parliament and effectiveness of amendments to the Law on Concessions and other relevant laws to address critical issues related to structuring bankable hospital PPPs and BAKAD.</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Lebanon : Develop capacity building and enabling framework for PPP and concession projects</i>	<i>1. Deliver a detailed gap analysis of the current PPP institutional set-up; and 2. Design a long-term PPP training strategy.</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Moldova : Enhancing energy security by leading in the liberalisation and regional integration of the energy market</i>	<i>Implementation of the Powersap and Enersap comprising implementation of a corporate governance action plan, primary and secondary legislation providing for a harmonized gas transmission tariffs, inter-TSO compensation mechanism and TSO unbundling</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Mongolia : Improving the capacity of Bank of Mongolia in implementing the Financial Literacy Programme for MSMEs in Mongolia</i>	<i>Submit to Bank of Mongolia a Concept Note for Financial literacy program for MSMEs. Develop related training curriculum and handouts. Deliver trainings for the trainers.</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Mongolia : Increasing the accessibility, volume and spatial coverage of geoscientific data for which the Mongolian Government is the custodian, in order to attract investment into the Mongolian resources sector.</i>	<i>Digital Geological Library with functional internal and public access portals</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Morocco : Develop competition by empowering entrepreneurs, micro-businesses and SMEs to access alternative forms of financing</i>	<i>Support for the presentation of a revised crowdfunding law before the Parliament ("Plateforme de Financement Collaboratif Participatif"), which covers equity-based, loan-based and donation-based crowdfunding, and the drafting of executive regulations aimed at implementing this law</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Serbia : Foster competitiveness and governance by improving the corporate governance of SOEs</i>	<i>1. EPS has implemented actions from the Corporate Governance Action Plan that fall due by end-2020. 2. Draft State Ownership Policy for SoEs developed. 3. Government of Serbia accepts the State Ownership Policy for SOEs.</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Slovenia : Promoting good corporate governance by strengthening efficiency performance and governance of SoEs</i>	<i>1. Revision of the corporate governance of SSH; 2. Acceptance (by SSH) of guidelines for improving target-setting, monitoring and assessing performance of SOEs; 3. Acceptance (by SSH) of guidelines related to effectiveness of SOEs' Supervisory Boards</i>	<i>Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a</i>
<i>Tajikistan : Establishment of an empowered and independent energy regulator</i>	<i>1. Finalisation of the regulatory charter and submission to the regulatory unit for approval 2. Regulatory unit experts participate in one training programme on key modern regulatory principles.</i>	<i>Q1 : In progress Q2 : n/a</i>



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PPO	Milestone	Execution Status
		Q3 : n/a Q4 : n/a
Turkey : Strengthen the resilience of the financial sector through the support to NPL resolution efforts	1. EBRD co-sponsorship of a follow up outreach event to support the development of the Turkish NPL resolution and restructuring market 2. Commitment of the authorities to develop the Turkish NPL market as evidenced by support for introduction of new NPL resolution tools, eg. securitization, changes to legislation to allow entry of foreign investors or establishment of a sector-wide AMC, bank by bank solutions as the market dynamics demand	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
Ukraine : Improving governance and business climate through legislative changes and support to reforms implementation capacity	1. Ensure implementation of the agreed URA sectoral reform priorities and enable implementation of PAR under EU4PAR. Develop plans for graduation of URA. 2. Promote SOE reform through capacity building and support in the passing of the law amendments improving SOE Corporate Governance 3. Ensure sustainability of the BOI through approval of the law on Business Ombudsman and legal transit of the institution under the new law	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
Uzbekistan : Creation of a sustainable and competitive electricity market	1. Implement the market reforms launched in 2019, including unbundling and drafting a new electricity law. 2. Build a series of climate resilience assessment case studies and a low-carbon pathway for the power sector (separately) by July 2020 3. to improve the corporate governance in the power generation compan	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a
Uzbekistan : Establishing frameworks for private sector development including establishing a fair environment between the SOEs and private sector for effective competition through: a. Improving the business environment by modernising Uzbekistan's competition policy framework and supporting capacity of the Antimonopoly Committee to enforce its policies; and b. supporting the State Assets Management Agency (SAMA) improve the framework for the governance of state-owned enterprises and the existing framework for the privatisation of state-owned property.	Priority A: 1. Adoption of the new Competition Law and other necessary legislative acts to strengthen the competition policy framework reflecting EBRD recommendations; 2. Delivering the review of gaps in the existing competition policy framework and the list of recommendations on the necessary improvements to the Antimonopoly Committee. Priority B: 1. Adoption of the State Assets Management Agency (SAMA) strategy reflecting EBRD recommendations with clear State Ownership Policy; and 2. Supporting SAMA in drafting relevant legislation to improve SOE governance and privatisation frameworks.	Q1 : In progress Q2 : n/a Q3 : n/a Q4 : n/a

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PPO	Milestone	Execution Status
<i>Uzbekistan : Improving efficiency of public asset management via streamlining of public procurement with e-procurement introduction, via life-cycle cost-based investment decision-making, and via liberalisation of the construction industry</i>	<i>Start mapping the current cycle of the investment process starting from a project idea to putting assets into operations and subsequent management. Subsequently develop a road map to efficient and effective assets management model based on the life-cycle cost</i>	<i>Q1 : No progress Q2 : n/a Q3 : n/a Q4 : n/a</i>

Source: EPG Database of PPOs, 2018-2020, available on intranet

## Annex 13. External Collaboration

LTT interacts with other IFIs, donors and NGOs across its countries of operation. Interactions include coordination of activities and policy dialogue in specific areas, building LTT efforts on the leverage and standards of other institutions, and combining EBRD TC funds with expertise from other organisations, such as IDLO or Transparency International, to implement projects.

### 1. Existing Partnerships

#### International organisations

LTP has long-standing partnerships with institutions such as UNCITRAL, WTO and IDLO and well as civil society organisations such as Transparency International. In 2011, TC Com approved a project whereby the EBRD and the United Nations Commission on International Trade Law (UNCITRAL) would work together to align the public procurement legislation in the CIS countries and Mongolia with the 2011 UNCITRAL Model Law on Public Procurement. The EBRD UNCITRAL Initiative programme includes three components: (1) legal diagnostics of public procurement legislation; (2) policy workshops; and (3) country-specific technical cooperation projects. While it had originally been intended that the TC Project would cover only CIS countries and Mongolia, as the TC Project successfully progressed, more EBRD countries of operation expressed an interest in LTT assistance to update their legislation towards the 2011 UNCITRAL Model Law standard. The cooperation was extended to the SEMED region leading to projects in Egypt and Jordan.

Since 2014, the LTP has assisted multiple countries pursuing accession to the World Trade Organization's 1994 Agreement on Government Procurement (GPA). The EBRD GPA TC Facility has provided the framework for structured cooperation with both UNCITRAL and the WTO GPA Secretariat. Projects include assisting countries in gaining observer status with GPA parties; preparing legal and comparative gap analysis; assisting in developing the GPA negotiation strategy; assisting in preparation of GPA offers and revisions to primary or secondary legislation on public procurement if not covered by the EBRD UNCITRAL Public Procurement Initiative or other TC projects; supporting bilateral negotiations with GPA Parties; supporting GPA ratification and deposit of the Instrument of Accession; providing GPA implementation advice; supporting promotion of GPA-covered business opportunities to the local business community; developing standard setting and assessment tools; GPA regulatory training and capacity building; and developing online resources. The cooperation has resulted in countries including Montenegro, Ukraine and Moldova acceding to the GPA, with Tajikistan and the Kyrgyz Republic progressing in the accession process. There is also an annual event at HQ when UNCITRAL and WTO representatives visit to discuss plans for the year and meet other EBRD teams, which doubles as an opportunity to sell the LTP's work internally.

The LTT has contracted the International Development Law Organization (IDLO) (need to amend it to include the actual framework agreement signed and 13 assignments of which Ukraine is only one) to undertake legal reform projects on the ground. An example is the reform of court enforcement in Ukraine. Ukraine is pursuing a mixed model of both public and private sector court bailiffs, following the recommendation of the IMF in 2016. During the first phase, IDLO conducted a functional analysis of the enforcement system in Ukraine and developed a training plan with a particular focus on judgements by private bailiffs in commercial matters. During the second phase (ongoing), IDLO is working to up-skill private and state bailiffs and implement a new formal mentoring system, ensuring that new recruits are assigned to work alongside more experienced bailiffs for the first weeks of their employment. IDLO is implementing a number of projects in Ukraine in cooperation with the EU, OSCE and USAID as well as EBRD, and the Ukrainian Ministry of Justice confirmed that IDLO had secured a high level of trust among Ukrainian counterparts. In this case, the EBRD project benefitted from the leverage of the IMF and the expertise and excellent contacts of IDLO to advance its agenda in Ukraine. LTT also cooperated with IDLO on commercial law judicial training in Tajikistan. LTT staff report that UNCITRAL and IDLO do not have their own project funding, so they are keen to act as executing agencies using EBRD-channelled donor funds.

LTT worked closely with Transparency International in Ukraine on implementation of the e-procurement system Prozorro intended to increase transparency and reduce corruption in public procurement. This work involves monitoring and enforcement work where the role of civil society is particularly significant. Following this successful cooperation, LTT has

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sought to cooperate with Transparency International and Open Contracting Partnership to extend the Prozorro concept to several other countries through a regional project for 'Implementation of Open Data Standards for Monitoring and Public Access to Public Procurement Information', a €1.5 million TC project approved in 2017. This stream of work is performed jointly with the CSEU and relations with Open Contracting Partnership were formalised in February 2020 with the signing of MoU.

Many of the LTT's projects in the natural resources sector are directed towards achieving Extractive Industries Transparency Initiative (EITI) standards of good governance and transparency over beneficial ownership. EITI, based in Norway, is an initiative supported by the G7, IFIs (including EBRD), civil society groups and major companies. The Bank provides it with specific financial support for beneficial ownership activities in Central Asia and the Caucasus, where it cooperates closely with the World Bank and ADB. The LTT has undertaken assignments in several countries to support EITI's work, often tied directly to EBRD investment projects which are required and supported to achieve EITI standards. A pilot project in Mongolia in cooperation with the EITI Mongolia Secretariat established an e-reporting system which LTT plans to extend to other countries.

### Donors and funding

As with all the Bank's work, the EU is a major donor, while bilateral donors include Czech Republic, Finland, Italy, Japan, Korea, Luxembourg, Slovak Republic and UK. LTT staff report that diagnostic work and market assessments often provide a basis for approaching donors for support, for example the assessments of crowdfunding and factoring in Armenia.

Specific areas of cooperation include with the Korean agency KOICA, in Tunisia. KOICA has engaged in work on developing the TUNEPS e-procurement system, and LTP has cooperated with the Tunisian public procurement authority (HAICOP) and local trade bodies to develop implementation procedures and to disseminate information to contracting authorities and businesses in the regions. The Tunisian experience is also being shared in Jordan, providing an opportunity to learn from mistakes and fine-tune the Jordanian approach to procurement.

A large proportion of LTT projects are funded or part funded by the Shareholder Special Fund or by regional or nationally focused multilateral funds: the ETC Fund, MENA Transition Fund, SEMED MDF, Ukraine MDF. LTT staff report that the SSF in particular offers the possibility of taking a longer-term view not dependent on the availability of funds from specific donors. For the most part, the work undertaken depends both on the identification of useful and viable projects and the ability to attract interest from TC donors. This is a particular constraint on the funding of staff positions, both at HQ and especially in ROs: the evaluation team encountered examples of policy specialists at ROs who had been hugely valuable in coordinating policy dialogue but whose positions were then terminated because of a lack of funds for a contract extension. Achieving transition impact often requires serial projects over several years and consistent relationships with host government agencies, themselves often subject to disruptive staff changes. Unreliable funding is a major block to this.

## 2. Complementarity of Actions

The LTT cooperates informally with other IFIs and donors, often in informal arrangements with institutions working on specific topics on the ground in individual countries. The information in this section is partial because of system limitations. These kinds of linkages are not always captured by the Bank's information systems; the TCRS database contains a data field for cooperation with IFIs, MDBs and Agencies to be recorded, but EvD found that this captured non-contractual arrangements inconsistently. Therefore it was not possible to produce a complete overview of collaboration without looking into every individual engagement in greater depth than was possible within the time-frame allowed. The evaluation has most information on the situation in deep dive countries: Serbia, Tunisia and Ukraine, though in some cases interviewees did not distinguish between LTP work and EBRD's activities more broadly. Additional information on other countries came from interviews with LTT staff. This section reviews examples of cooperation generally and in the three deep-dive countries, and then draws together some findings on the types and quality of cooperation.

### Summary of cooperation with other institutions

A lot of cooperation takes place in an ad hoc manner in individual countries, but the Bank is also engaged in some broader initiatives that bring together IFI representatives at a higher level. The Vienna Initiative is an important forum for cooperation in **insolvency** work. The IMF is generally engaged at a high level and its programmes often provide the necessary leverage for implementation. In the field of **public procurement**, the Bank has co-hosted several meetings of the Europe & Asia Public Procurement Knowledge Exchange Platform in cooperation with the World Bank, Asian Development Bank, Islamic Development Bank, EIB, European Commission and national agencies. It also participates in an annual donor coordination meeting on public procurement each January, with membership including the World Bank, EU SIGMA and USAID. This forum also helps to open up cooperation with funders such as the Western NIS Enterprise Fund in Ukraine. In SEMED, it worked on a joint approach with the OECD, EU and World Bank, holding several joint sessions in the region in 2012-13. In 2005, EBRD was a co-founder of the DFI **corporate governance** group which is led by IFC and includes all the IFIs. It has developed a Corporate Governance Development Framework and produced a toolkit of guidance, assessment materials and model programmes. LTP's work on corporate governance is anchored by the OECD principals, and LTP is also collaborating with the UN on integrating corporate governance with the SDGs. The LTP assessment of corporate governance was reportedly highly valued by the IFC, and LTP also benefits from reports shared by the IFC. The LTP showcases its model and successes at events such as the biannual EU corporate governance conferences. The World Bank and IMF are leading the **Fintech** agenda. EBRD works closely with them in several areas and is trying to avoid overlap, for example through a recent EBRD Fintech event involving other IFIs. The LTP report on account blocking in the western Balkans was shared and used by other IFIs. Over the last three years a **secured transactions** network of IFIs has held an annual conference which has helped to improve coordination in this area and created links with individual donors active in specific countries, such as Japan in Mongolia.

**At national level, the LTP has worked closely with IFC in several fields** including in the Greek banking sector where it provided assistance to the Hellenic Financial Stability Fund on its review of the systemic banks, alongside investments by EBRD and IFC. The LTP cooperated with the IFC and World Bank in Morocco on a new securities law: LTP drafted the law while the WB/IFC worked on a register. Other major partners include Japan Bank which is active in Mongolia; the work has been ongoing for around four years but a securities law has not yet been approved. The Bank collaborates frequently and positively with IFC on corporate governance at a transactional level; though an interviewee noted that IFC's approach to corporate governance is risk-driven while EBRD's is transition-led, leading to differences in the style of working. In Serbia, the LTP has more success cooperating with the IMF than with the World Bank on corporate governance.

**The LTT reports that there is no large international organisation dominating the ICT/KE sector.** The World Bank is somewhat engaged but not so much at an operational level, while the EU is active in Eastern Partnership countries. An LTP project in Georgia targeted standards produced by the International Telecommunication Union (ITU), the UN telecommunications agency, but more commonly the LTP is working alone in this sector. Cooperation in the Natural Resources sector is mostly with EITI and is described in the previous sub-section.

**In the field of public-private partnerships,** LTP is cooperating with UNCITRAL and the United Nations Economic Commission for Europe (UNECE) to develop model law. LTP also collaborates with UNECE, EU SIGMA and the OECD in EU accession countries and neighbourhood countries. Current activities are around raising awareness of international standards. In a few countries, LTP cooperates with the World Bank and IFC, for example in North Macedonia where the World Bank is working on a PPP project. The ADB and IMF are also engaged in this area, mostly concerned with financial aspects of PPP in terms of fiscal discipline. But LTP noted that EBRD is the only private sector lender so its legal support is unique and comprehensive – from assessment and analysis, action plan, draft law, institutional arrangements and enabling environment, through to actual project preparation.

**In some cases the IMF is involved at an operational level as well as strategically,** for example in Slovenia where it drafted the insolvency law and there were some clashes between the IMF and LTP consultants. But generally the interaction with IMF is positive and the spheres of action well defined. The EU funds insolvency work through the Strategic Reform Support Service in EU countries including Croatia, Cyprus, Greece, Hungary and Latvia, while in Bulgaria the European Commission is leading

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on this topic and EBRD's involvement was limited to some supportive letters to the authorities alongside similar communications from the IMF; the work in Cyprus is based on IMF recommendations. In Croatia, LTP is working jointly with the World Bank. In Egypt, the World Bank lead officer is locally based and can engage on a continuous basis while LTP's role is supportive, including holding joint missions and working together on changes to the insolvency law.

**In Georgia, the LTP has a positive partnership with the Energy Community and European Commission.** A concept approach was developed with the Government of Georgia and then different institutions started working on specific elements, while sharing information and holding joint events. Moldova is another good example of partnership with the Energy Community and European Commission with division of labour and alignment of messages. Good cooperation on energy is also reported in the SEMED region (Tunisia, Jordan and Morocco) in achieving Nationally Determined Contributions under the Paris Agreement.

### Cooperation in Serbia, Tunisia and Ukraine

In **Serbia**, several interviewees stressed the weak capacity of the government to coordinate the work of IFIs and donors. They also commented that the government was reluctant to engage with business and IFIs such as the EBRD had a role in building platforms for engagement. The EBRD has been a member of the Foreign Investors Council since 2016, alongside the EIB. The EBRD, IMF and IFC, together with banks, have cooperated well in a working group to tackle a major non-performing loans problem. IMF provides leverage through its programme in the country, but as it has a small delegation it welcomes EBRD's presence on the ground. A consultant working in insolvency observed that there were several other donors in the area: Netherlands, OSI, EU, USAID, US Department of Justice; and coordination was now good with each organisation working in a particular niche area. Coordination had improved over time, and the work resulted in a substantial drop in NPLs.

In **Tunisia** an informal donor co-ordination group meets four times per year and the EU described EBRD as a key player. EBRD's resident office was working on completing matrix of activities following a joint high-level visit by the EBRD and EU, which seems to offer the prospect of greater co-ordination across multiple work streams. Close cooperation with the IFC was reported on renewables and PPPs, including joint events, letters to the government and close coordination to ensure a single message is communicated. In the procurement area, there is some interaction with KOICA (Korea) and the AfDB, while World Bank financing provided leverage by incorporating conditionality relating to implementation of the LTP-backed TUNEPS e-procurement system. The EU is not a direct partner in any individual LTP projects, but a 'strategic partner for EBRD' with the EU drawing on strategic EBRD objectives to benchmark progress in implementing the EU's direct budget support programme. There were no reports of conflict or overlap in Tunisia, with the Ministry of Finance explicitly reporting that the EBRD and World Bank worked on different areas to avoid overlap.

An IFI representative in Tunisia noted that different IFIs had particularly good relationships with specific government departments and institutions – EBRD having especially good relations with the Central Bank. They suggested building on this for a coordinated approach with one focal point or lead IFI per ministry, representing the coordinated views of the IFI community. More than one interviewee commented that a particular strength of the LTP compared with other IFIs was its ability to bring expertise and experience from other countries of operations with similar experiences, for example drawing on the e-procurement experience in Ukraine to achieve buy-in in Tunisia.

In **Ukraine** there was strong cooperation with the EU on reform of state-owned enterprises (including especially Naftogaz) and state-owned banks. The work on reform of state-owned banks is coordinated through donor coordination meetings involving the World Bank, IMF, IFC, US Embassy, EU and EBRD, which are all observing the selection process for new board members. EBRD is the leading IFI promoting reform of corporate governance in SOEs and market liberalisation, according to the senior management of Ukrenergo. One area of criticism of EBRD in Ukraine was the appointment of current or former EBRD staff to company boards when they had previously served on the selection boards. This was seen as the EBRD not "practising what we preach" in terms of good corporate governance. The EU and EBRD also cooperate on joint investment climate reviews, while the IFC office in Ukraine sees EBRD as a good and natural partner in multiple areas; IFC and EBRD try to ensure that they speak with one voice.

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EBRD, USAID and the IMF are the main international organisations working in the financial sector in Ukraine. The EBRD has cooperated with the World Bank on reform of state-owned banks and NPL resolution, developing a strategic sector reform programme together. On NPLs, IMF leverage was invaluable for pushing legislation through the Rada (Parliament) but from there on the World Bank and EBRD cooperated on implementation. The World Bank conducted an assessment of central bank methodology while EBRD led on drafting legislation for asset management companies. The World Bank noted that in Ukraine reform always requires a "stick", not just a "carrot"; EBRD's maximum leverage is in the conditions precedent of its loan agreements and it should use these to maximum effect.

The work on public procurement in Ukraine is discussed in much more depth in deep dive case in Annex 8 and EvD's study on the Ukraine MDA. It is LTP that organises donor coordination meetings on this topic, and IFIs comment jointly on draft legislation. Representatives of the local CSOs and private philanthropist foundation said EBRD was the only big international partner that seemed committed to public procurement and open data long term; they found that, unlike in Africa or Asia, few IFIs in Ukraine cooperated with CSOs so they very much welcomed EBRD's engagement.

## Annex 14. Profiles of LTT lawyers (regular contracts)

#	Staff member	Position	Sector Lead	Country Lead
1	Ahma Milot	Acting Counsel	-	Kosovo
2	Al-Saleh Ammar	Associate Director, Senior Counsel	Access to finance (incl. factoring and leasing)	Egypt, Jordan
3	Bradautanu Veronica	Principal, Principal Counsel	Dispute resolution and mediation, capacity building	Kyrgyz Republic, Moldova
4	Bridge Zoller Catherine	Associate Director, Senior Counsel	Insolvency and Restructuring	Armenia, Turkey
5	Cigna Gian Piero	Acting Director, Chief Counsel, Head of FLU	Corporate Governance	Albania, Tunisia
6	Djuric Pavle	Principal, Principal Counsel	(Corporate Governance)	North Macedonia, Serbia
7	Haralampieva Vesselina	Associate Director, Senior Counsel	Power and Energy, Resource Efficiency (incl. EE and Climate Change)	Bulgaria, Kazakhstan
8	Madir Julena*	Director, Chief Counsel, Head of FLU	Financial sector, Fintech	Croatia
9	Moffatt Paul	Associate Director, Senior Counsel	ICT and Knowledge Economy, Extractive Industries	Azerbaijan, Lebanon
10	Niewiadomska Eliza	Associate Director, Senior Counsel	Public Procurement	Belarus, Cyprus.
11	Nussbaumer, Michel	Director, LTT	Overall leadership, international partnerships	Ukraine
12	O'Sullivan Kim*	Associate Director, Senior Counsel	Dispute resolution and mediation, capacity building	Mongolia, Romania
13	Zverev Alexei	Associate Director, Senior Counsel	PPP and concessions	Georgia, Uzbekistan



**Annex 15. External Peer Review****Comments on the final draft of the EvD's Special Study - Legal Transition Programme, July 2020****Dr Gabriel Gari****Reader in International Economic Law****Queen Mary University of London****31 August 2020**

The evaluation is underpinned by a rigorous analytical framework consisting on four evaluation questions, an evaluation matrix and a theory of change. It applies a combination of desk-based research of key documents, quantitative analysis of the LTP portfolio covering the evaluation period, including the in-depth review of three sectoral portfolios, semi-structured interviews with internal (30) and external stakeholders (57) and surveys of internal (28 participants) and external (37 participants), complemented with three field missions to Tunisia, Serbia and Ukraine. I am satisfied with the use of both quantitative and qualitative evaluation methods and I have no concerns regarding their validity and reliability. I found no major gaps in the logic flow linking evidence with findings. However, some difficulties in measuring sustainability and in accessing sufficient quantity of project-level information had a disparate impact on the findings relating to each evaluation question which deserve further consideration.

The first evaluation question sought to assess the extent to which the LTP approach to formulating priorities, selecting operations and deploying resources have been consistent with the Bank's strategic and operational changes and prior evaluation recommendations. The evaluation team did not identify any serious difficulty to accessing the information necessary to answer this question. The Bank strategic documents, including the new Transition Concept and the Enhanced and Structured Approach to Policy Reform Dialogue, the 2012 evaluation recommendations and the LTP OPs over the evaluation period (Annex 4) were all easily accessible. The evidence gathered through a desk-based review of these documents plus semi-structured interviews with internal and external stakeholders and the survey of key internal stakeholders, supports the findings on the five judgment criteria relating to this question.

The second evaluation question sought to assess the internal and external effectiveness of LTP activities. Here, the evaluation team faced two major challenges to accessing relevant information. First, the lack of a consolidated database of LTP projects (p.17). The report notes that the only database capturing non-investment activities is the TCRS, which only covers TC, and as a result Bank-funded technical assistance remains invisible (p 41). Second, limitations of project and departmental reporting that prevent capturing medium to long term results of LTP interventions (pp 13-15).

The evaluation team managed to overcome these information restrictions by complementing project data available in the TCRS system and the OGC livelink list with the three deep-dive cases, semi-structured interviews and surveys of EBRD staff and external stakeholders. In addition, it is important to note that the study aims at evaluating strategically relevant elements of LTP work, rather than a detailed project-level performance review of the entire LTP portfolio (p 2). With these caveats in mind, I consider that the findings on the four judgement criteria relating to the second evaluation question are supported by adequate evidence.

The third question sought to evaluate the extent to which changes can be observed in the uptake of LTP recommendations inside the Bank (internal impact) and in the countries of operation (external impact), and the extent to which such changes are sustainable. Here too, the study notes some difficulties in accessing relevant information. In addition to the limitations of project and departmental reporting (e.g., use of short term internal formats to report long-term interventions, failure to compare achievements with OPs' targets, miscategorisation of outputs and outcomes), LTP lacks data to trace its influence on Bank policies, strategies, practices and new behaviours (p38).

The evaluation team used semi-structured interviews and surveys to internal stakeholders to overcome restrictions on information about LTP's internal impact. Both evaluation methods are suitable for measuring the degree of awareness that country and operational lawyers and bankers have of LTP's work. The results also revealed information about another dimension of LTP's internal impact, namely, the use of LTP products for internal training (p39). Again, considering the limitations faced by the evaluation team to access relevant information, the findings on the internal impact of LTP work are well documented.

Commenting on the findings regarding the external impact of LTP work is somehow trickier. The measure of external impact of LTP activities and the sustainability of external changes is plagued with methodological difficulties. The evaluation team approached the matter by correlating information on the location and intensity of LTP activities with countries' performance measured by a combination of external indexes on institutional quality (p31). The study found that countries with high intensity of LTP interventions recorded improvements in their regulatory and corporate governance frameworks (pv), e-governance and reduction in the rate of NPLs (p31).

The obvious risk of this approach is to conflate correlation and causation. It goes without saying that in areas with high concentration of LTP activities, there may be a range of other factors that can account for an improvement on index scores. By the same token, it would be wrong to attribute deterioration of performance scores exclusively to failed LTP interventions. For example, the study rightly notes that in spite of LTP intervention on insolvency and debt restructuring, Greece and Ukraine saw a deterioration in their rates of NPLs that could be linked to the substantial economic crises that shook these countries during the evaluation period (p35). The study also used the survey to measure the external impact of LTP's work (p32). However, to the extent that a survey can only identify the subjective opinion of internal and external stakeholders about LTP's external impact, the relevance of survey-based findings are limited. Moreover, the discrepancies between internal and external stakeholders' opinions (p32) makes it difficult to infer any solid observation on external impact from the survey.

There is still plenty of room for improvement on measuring external impact and sustainability of change. Given the relevance of fostering sustainable economies (i.e. capable of preventing setbacks and avoiding reform reversals) for the Bank's mandate, no efforts should be spared on this matter. In this vein, I endorse the study's recommendations on LTP's planning and reporting as they will enable the LTP to better capture the long-term results of its activities. In addition, I was surprised to note that notwithstanding its contribution to identify gaps and provide a comprehensive picture of progress on PPPs legal regimes (p37), LTP's legal assessments are not repeated in other sectors of activities on a regular basis (p19). Rolling over LTP's legal assessments to other sectors and increasing their frequency, together with the information gathered through the recently launched country transition quality scores and the expected improvement on the reporting of results, could make a significant contribution to assessing external impact and sustainability of change in years to come.

Finally, the fourth question sought to assess LTP's objectives and quality of collaboration with other institutions. The importance of effective external cooperation with other IFIs, donors and other international organizations cannot be overstated: back in 2012 the EvD already recommended LTP to better structure collaboration with other organisations, LTP funding relies heavily on donors, a multiplicity of international organizations working on law

reform increases the risk of overlaps and inconsistencies and, at the same time, there are potential opportunities to underpin law reform projects by coordinating with other organisations with higher leverage on the CoOs such as the IMF or the EU.

The team gathered information on cooperation through interviews, survey, document review, sector case studies and field visits to Serbia, Tunisia and Ukraine. It found anecdotal evidence suggesting that collaboration on the ground with other organisations is generally good but of an ad-hoc nature and lacking consistency (p17); e.g. particularly strong cooperation with IFIs in Ukraine, but particularly weak with the World Bank in Serbia and the Western Balkans (p25). However, the evaluation team noted that information on external cooperation is partial because of system limitations and acknowledged that it was not possible to produce a complete overview of collaboration (p23). The lack of a more comprehensive assessment of external cooperation leaves an important gap that should be filled through better reporting and closer monitoring at the earliest available opportunity.

Last, but not least, the study recommends to increase the LTP core budget and to review its institutional position, objectives, scope of work and funding model. Both recommendations are grounded on evidence identified by the study and appear to me as conducive to enhance the impact and sustainability of LTP interventions.

## Annex 16. Management Comments

### EvD study on Legal Transition Programme

#### Management comments

##### Executive Summary

- Management thanks EvD for the draft special study on Legal Transition Programme (LTP) and commends the high quality of analysis undertaken. We welcome the overall very positive assessment of LTP in 2011-2018, which highlights strengths of Legal Transition Team (LTT), confirms a significant value of its work and a sizeable contribution LTP has made to improving legal frameworks across the countries of operation. In particular,
- Management welcomes the study's acknowledgment of LTP as 'the Bank's single largest, highest profile, and probably most important advisory operation' and the confirmation that 'the LTP work is highly appreciated by external clients and sought after by internal Bank teams'.
- Management agrees with the study's conclusion that over the years 'the LTP has become a distinctive institutional asset for EBRD and is a major contributor to expected transition impact' and a recognition of LTP as 'one of the most active parts of the Bank in sharing knowledge products'. The study puts the right focus on the need for better integration of policy engagement and investment operations in the context of the SCF 2021 – 2025 as well as the upcoming review of the EBRD's Enhanced and Comprehensive approach to Policy Reform Dialogue.
- The study's recommendations focus on the need to (i) review the LTP's institutional position, scope of work and funding model; (ii) introduce better resource estimation, (iii) improve LTP's planning and reporting, and (iv) build LTT's capacity to better measure and report results. Management overall concurs with the study's recommendations, and only partially agrees to one recommendation, particularly on the recommendation to increase on-the-ground presence for LTT.
- Management would like to reiterate the central role of country strategies as the Bank's key planning tool for achieving impact. As noted in the previous EvD studies (e.g. Investment Climate Support Activities, Policy Dialogue in SEMED), Management believes that to achieve optimal relevance and effectiveness the Bank's policy work in general and the LTP's planning in particular is best accomplished through the country strategy preparation.
- Similarly, the results framework of all LTP activities should be aligned and anchored to the broader Theory of Change (ToC) for the various transition qualities. Management is undertaking a broader work on developing better ToCs for all transition qualities as part of the action plan to address Kirk report's recommendations and following the EVD study on Evaluability of Transition qualities. In this context, Management appreciates the suggested results framework developed in the study by EvD.
- While the findings on the need for better resource predictability and planning are largely justified, Management suggests that they be nuanced to reflect the real scope of LTP's contributions and the overall context in which LTP operates. In particular, the LTP's active role in shaping country strategies, priority policy objectives and sector strategies should be better recognised and the need for flexibility (the demand-driven nature) of LTP's work to respond to new emerging challenges and support new transactions should be duly acknowledged.

- Management recognises the need to strengthen collaboration with, and leverage the work of, other EBRD teams, particularly those working on policy engagements in the areas of investment climate. A more effective internal collaboration on shared objectives, including institutional and personal incentives to form cross-departmental teams and share experience, would help overcome the perception of numerous “boutique shops” and a reactive attitude identified by the study. It would lead to a sharper strategic focus, enhanced ability to influence high-level policy engagements, better utilisation of scarce resources and, ultimately, greater impact.

## Study Recommendations

### Recommendation 1:

*Management should complete a comprehensive review of LTP’s institutional position, objectives, scope of work and funding model. The review should be part of and feed into the ongoing SCF 2021-2025 work on better integration of policy engagement and investment operations. This could be closely coordinated with Management’s recently announced review of EBRD’s Enhanced and Comprehensive Approach to Policy Reform Dialogue (EA). It would be valuable specifically to consider two scenarios:*

- (i) Integrate the LTP into Client Services Group within a single Policy Function under Vice Presidency for Policy and Partnerships, where its priorities and scope is defined by clearly operationalised Enhanced Approach to Policy Reform Dialogue, its mid-term planning, monitoring and evaluation is performed consistently and systemically;*
- (ii) Continue LTP as a stand-alone operation within OGC, but develop for Board review a detailed strategic plan, resource envelope, scorecard and reporting line to Client Services Group via Strategy and Policy Committee.*

Management agrees with this recommendation. Management supports the recommendation to link the LTP’s current institutional set-up, objectives, scope of work and funding model to the outcome of the overall review of the Bank’s policy work. This will ensure a comprehensive overview and assessment of the Bank’s approach and delivery of policy work, of which LTP forms a big part. Management agrees that this work will be linked to the review of EBRD’s Enhanced and Comprehensive Approach to Policy Reform Dialogue envisaged in 2021. Management will carefully consider various scenarios including the two scenarios outlined in the draft study, and their pros and cons will be compared in the wider context of relevant strategic decisions.

While the specific suggestions are interesting, Management notes they may be seen as pre-empting the findings of the upcoming review. It would therefore be more logical to conduct the review with an open mind and not focus it on the two scenarios from the Recommendation.

### Recommendation 2:

*In any scenario LTP resources should be specifically estimated against strategic goals and the actual demand for TC projects and expertise in specific areas. LTP’s on-the-ground presence should be enhanced in the countries with the greatest needs for legal and regulatory support. If the Bank is*

*unable to increase LTP's core funding, resources should be prioritised on a limited number of sectors and countries with the greatest need.*

Management partially agrees with this recommendation. Management concurs that a better estimation of resources against the strategic policy goals and the actual demand for expertise in this specific areas is required to deliver LTP work. This process would require certain flexibility to ensure that unplanned work to address newly emerging challenges can also be accommodated to the extent possible.

Management disagrees however with the recommendation to increase on-the-ground presence for LTT. Overall, Management supports greater on-the-ground presence across policy teams as the best way to achieve integration of policy engagements and investment operations and to ensure delivery and client satisfaction. In this vein, all of EPG country economists, nearly all governance experts and a large and increasing number of sector economists are decentralised and, as the Study (page 11) notes, provide support to LTP work, illustrating possible synergies and cost-effective ways to pursue a common governance agenda. Management notes however that the LTP model relies primarily on strong technical expertise by its members (rather than country knowledge). As such, it might be difficult to have technical experts to cover several Programme focus area even in a limited number of priority countries without significant additional resources.

### **Recommendation 3:**

*LTP's planning and reporting for non-transactional policy engagement should be aligned with its long-term horizon, it should be based on well-defined results framework anchored to the Bank's transition qualities and connected to country-level objectives. Theory of Change prepared by the evaluation team could be used as a basis for developing the framework.*

Management agrees with this recommendation. We welcome the finding that improved planning of LTP engagements would be beneficial. Management's view is that such planning is most meaningful at the country strategy level. These strategies outline the key objectives, approach and types of instruments (including investments and policy engagement) the Bank would use to achieve impact across specific priorities. As LTP is an important tool that the Bank uses to deliver results across the identified priorities, the mid-term planning of LTP engagements is at its most relevant when put in the specific country and/or sector context. Management notes that the LTT team is closely involved in preparation of country strategies and this collaborated effort could be further strengthened.

Finally, Management notes that a Mission Statement for LTP has already been put in place, confirming the Programme's focus areas and methodology, i.e. the four activities in the 'virtuous circle of legal reform' which have underpinned the LTP work strategies for over two decades now.

Management welcomes the study's recommendation to better define the results frameworks for LTP activities, and welcomes the results framework prepared by EvD in this study. It is Management's view that the results framework of LTP activities should be integrated into a broader Bank-wide results architecture underpinned by six qualities. This would ensure consistency across different instruments and areas of policy engagement including LTP, as well as investments and advisory services). As part of response to the findings of the Kirk's report and the related EvD study on Evaluability of Transition

qualities, the Bank is undertaking a review of Theory of Change (ToC) for six transition qualities. The results frameworks for LTP activities would therefore be captured as part of this work. In this context, Management finds the ToC developed by EvD as part of this study very useful – the relevant elements of this ToC will be incorporated into a broader quality-level ToC.

#### **Recommendation 4:**

*LTT's capacity to build results chains and provide evidence of its contribution to transition impact should be enhanced, along with the reporting and knowledge sharing standards.*

Management agrees with this recommendation. Management welcomes the finding that increasing the capacity of LTT in results measurement, reporting and knowledge sharing will be beneficial to ensure the optimal use of evidence and lessons stemming from LTP engagements.

Management notes a close linkage between this recommendation and Recommendation 3 of the study. In similar vein, it is Management's view that such capacity building activities are best implemented not separately for the LTP team, but as part of a broader suite of planned activities to enhance understanding and applicability of best results measurement practices in EBRD. As part of work to enhance ToC for six transition qualities, it is envisaged that training material will be prepared and a series of training sessions organized to disseminate the findings on the ToCs and their application to help build capacity in relation to the design and monitoring of projects along the results chains across the Bank. These training sessions are the best way to build the LTT's capacity in this area.

Management would like to highlight the well-known difficulties resource-intensive nature of measuring results, particularly hard to conduct in the field of legal reform. Beyond issues of causality, capturing long-term outcomes and impact of such activities can usually only be done a few years after the project has been completed and requires an in-depth analysis of a country's economic situation and institutional background. This would normally involve using consultancy services, and therefore additional costs. Management believes that attempts to measure long-term outcomes and impact of Bank's work in general and technical cooperation activities related to LTP in particular, should be made selectively rather than systematically.

Finally, Management is committed to develop a comprehensive integrated and accessible database on all policy engagement (raised in the EvD study of SEMED Policy Engagements). This database will be eventually fully integrated in the Bank's centralised systems, (linking the three current systems TIMS, TCRS and PPO), and other databases including those accessed via Business Performance Navigator.

Management notes the ongoing endeavours by LTT to improve data capturing and reporting for LTP. The work is underway to develop a digital Project Monitoring Tool, which will assemble the data on the full LTT portfolio and will enable basic analytics as to projects, activities, resources and results. The system will currently draw from several sources, such as TCRS database, SAP, Data Warehouse and internal team project lists, and later on the centralised database as it becomes available, to build a single comprehensive database of LTT projects. It is planned that the database emerging from the exercise will be linked to Tableau for an interactive analytical dashboard, providing OLs and team management with a bird-eye overview of the respective donor-funded portfolio: by transition qualities targeted, funding attracted, topic areas, etc. The tool will enable aggregating information on



the LTP's results both at the individual project-level and at the level of the portfolio, thus paving the way for monitoring the Programme's performance against strategic objectives.

## 1. Comments on the analysis and related findings

The following additional specific comments were also provided for the draft version of this EvD study.

Management believes that that Study's statement (in Section 3.4) that *"LTT does not really have any influence on the formulation of country priorities or PPOs – they receive them as a fait accompli and there is little knowledge among the team members of how the process is structured"* is understating the LTT's role. LTT plays an active role in shaping EBRD's strategic documents and policies in the area of policy dialogue.

- LTT's participation in setting priorities in country strategies has varied over time, but the standard scenario is that LTT members interact with the country strategy team and the RO head to agree on policy dialogue objectives and corresponding wording in the country strategy document. This contribution to country strategies is acknowledged by the study in Section 3.4.
- Similarly, LTT lawyers interact with Resident Office heads and Economics, Policy and Governance (EPG) department to define the Priority Policy Objectives (PPOs) every year.
- LTT lawyers also participate in the preparation of sector strategies, a recent example being Green Economy Transition 2.1, where LTT had many opportunities to contribute to the wording of policy objectives. The LTP has also contributed to shaping the Bank's corporate governance approach with its investee companies, which has been incorporated into the Operational Guideline on Corporate Governance Review, adopted by the Operations Committee in 2014.

Management believes that the advantages of demand-driven model of LTP activities should have been better recognised in the findings of the study:

- Management notes that, beyond the LTP's funding challenges, due to the volatile nature of policy dialogue, there will always be a demand-driven side to the LTT's activities. It is illusory to believe that policy dialogue and technical assistance can be fully planned ahead for several years. Activities will always tend to focus on projects where there is a government entity willing to collaborate and a gap in assistance provided by other institutions. This demand-driven approach in fact contributes significantly to the good reputation of LTT as an agile and efficient trouble-shooter and the external appreciation of our services, as highlighted by the Study.
- Moreover, a lot of the team's work is responsive to the relevant banking teams and their transactions, whereby LTT helps them achieve the projects' foreseen transition impact. In that way, LTT projects and related policy dialogue, as well as assessments, are closely tied to the strategic direction and planning that guide those transactions.

On the findings related to high-level policy dialogue and collaboration with other organisations, Management would like to make the following clarification:



- The statement that “LTT engagement in high-level policy dialogue is ...not very effective without additional leverage from cooperation with other IFIs” (Executive Summary, p. iv) is not appropriate. The LTP’s experience shows that, while every endeavour is made to cooperate to leverage collective influence – and Box 4 contains a good summary of existing cooperation with other MDBs and donors – in quite a few sectors that does not prevent many LTT projects being effective in their own right. There are many examples in the various LTP focus areas, including recent projects in Georgia (natural resources & ICT) and Serbia (ICT), where LTT alone delivered highly effective and persuasive policy advice, so that the advice was fully adopted into government policies and approach. Factoring is another area where there has been successful policy dialogue as a standalone EBRD initiative.

Management is concerned with the study’s general statement that “[t]here is heavy reliance on local RO staff without legal expertise to track projects on a day-to-day basis” (Executive Summary, p. v). In non-transactional cases, RO staff have helped with practical issues, in the case of junior staff; and with helping deliver policy advice and being a persuasive voice of ‘an investor’ to communicate business and financial related views, in the case of senior RO colleagues. LTT would not rely on non-legally qualified/experienced colleagues from RO in situations requiring legal advice.

However, in transactional projects it is true it that the Banking team – which has generated the transaction and has a trusted relationship with the client – must keep a direct relationship with the client in all aspects of the transaction, including policy dialogue related to LTP.

Similarly, the statement that *‘Intensive use of external consultants... can create apparent conflicts of interest and undermine confidence in LTP policy advice’* (Executive Summary, p. v) would need to be further nuanced. One of LTT’s great strengths is the intensity of its engagement and the extent and depth of LTT lawyers’ involvement in LTP engagements. External consultants are used mostly for expertise, though mainly to substantiate advice LTT would already largely know the direction of. LTT is always very conscious of the consultants being seen as an expert resource to be deferred to for information gathering, data analysis, identification of known and balanced best practice and relaying the means of adapting that best practice to local circumstances. Management would therefore suggest not generalising the experience that might have been noted in one country, as per end of Section 2.5 on page 13.