EBRD – Business Opportunities in Ukraine Dirk Plutz Associate Director, Procurement Policy and Advisory Department



13 March 2024 – Webinar organised by GERMANY TRADE & INVEST

## **Procurement in EBRD projects**

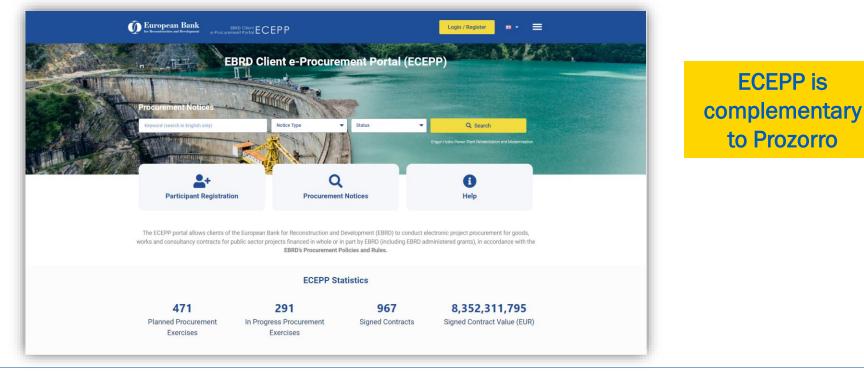


- EBRD Procurement Policies and Rules (PPR) (<u>https://www.ebrd.com/work-with-us/procurement/policies-and-rules.html</u>)
  - Client-led procurement (Clients are responsible for all aspects of procurement, with Bank's oversight)
  - Focus on operations in the public sector
  - Tendering and contracting via EBRD Client E-Procurement Portal (ECEPP <u>https://ecepp.ebrd.com/</u>)
    - All procurement notices available from the homepage
    - Register for access to specific projects/tenders (all countries and projects)
- EBRD Corporate Procurement Policy (<u>https://www.ebrd.com/procurement/corporate-procurement.html</u>)
  - > Bank led procurement including consultancy services in investment projects

### What is ECEPP?



- The EBRD Client e-Procurement Portal (ECEPP) allows clients of the Bank to procure goods, works, services and consultancy services, and administer the resulting contracts, under all public sector projects, financed in whole or in part by EBRD (including EBRD administered grants), in accordance with the EBRD's Procurement Policies and Rules.
- It has been in use since August 2015 and has been the default option for all client-led procurements since January 2020.



### **ECEPP** in Numbers



394 projects with the total amount of EUR 35.2 billion

2,000+ clients' users in 27 Countries of Operations

26,300+ suppliers/contractors/consultants worldwide

1046 contracts placed totaling EUR 10.0 billion

Average participation rate – 4.7 (single stage tenders – 6.4)

Contract savings against planned budget more than 20%

In Ukraine since January 2017

38 projects with the total amount of EUR 4.8 billion

38 clients across Ukraine

49 contracts signed totaling EUR 284 million

28 ongoing tenders for EUR 848 million

Average participation rate – 3.1 (single stage tenders – 3.5)

# EBRD – procurement in Ukraine



- <u>Enhanced risk assessment</u> (increased risks, new risks, uninsurable risks, supply chain and logistics disruptions)
  - Procurement of Goods mostly (tender and contract conditions adjusted accordingly)
  - > Procurement of Works effectively on hold, except for small works in areas far from the frontline
  - Market consultations to ensure current market conditions and capabilities are captured (in particular for complex equipment with long lead times)
    - Notices to be published on EBRD website <u>https://www.ebrd.com/work-with-us/procurement/notices.html</u>
- <u>Competition</u> is still the default option Open tendering used where possible, with some flexibility
- <u>No restrictions on participation</u> (but exclusions from contract award may apply as per PPR 3.52)
- Standard <u>integrity</u> checks and provisions still apply

# EBRD – procurement in Ukraine



- Applied flexibility what does this mean in practice?
  - Wider use of Advance Procurement procedure (tenders completed before signing of legal agreements with the Bank, PPR para 3.76)
  - Shorter tendering times, flexible tender conditions (e.g. no tender security)
  - More advantageous contract conditions (e.g. larger advance payments, EXW/FOB/FCA delivery terms etc.)
  - Direct Contracting if and where justified (permitted by PPR 3.24 = more efficient approval process, subject to verification of value for money)
  - Possibility of financing the acquisition of reconditioned/'second hand' equipment (subject to compatibility, mandatory pre-shipment inspections etc.)

Contracts in EBRD projects signed since the war began

99 contracts, total value over EUR 635 million

## **EBRD** – opportunities and support



#### What can you do?

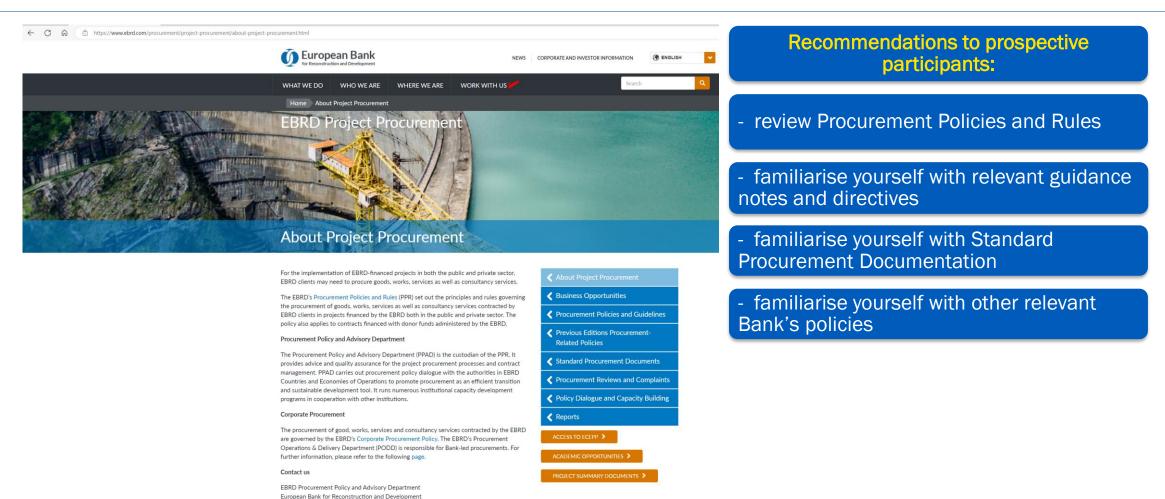
- As a **Consultant** Consultancy services for the Bank and the Bank's clients
  - Procurement support
  - > Technical inspection (e.g. pre-shipment inspection, witnessing factory tests)
  - Lender's monitor (e.g. review of proposals and value for money verification in directly awarded contracts)
  - > Assessments (e.g. feasibility studies, damage/reconstruction assessment etc.)
- As a Supplier/Contractor in Bank financed projects (involving Bank's loan and donor investment grants administered by the Bank)

#### What can we do?

- Support available from the Bank
  - Dedicated market consultation / outreach for German business
  - Training on EBRD procurement and use of ECEPP (including in French)

# EBRD project procurement – available resources (www.ebrd.com)





5 Bank Street, London E14 4BG Email: procurement@ebrd.com



- Which **procedure** is used depends on the complexity and nature of the contract:
  - Small works (e.g. pipe replacement) based on the Employer's (Client's) design single stage
  - Works involving a technological element and/or design by the Contractor (e.g. wastewater treatment plant modernisation, bridge construction) – multi-stage (unpriced technical proposal first) with or without prequalification
  - Simple (serial production Goods not requiring major installation, testing and commissioning) single stage
  - Complex Goods (e.g. metro trains) multi-stage with or without prequalification
  - Consultancy Services single stage two envelope (most cases) with or without prequalification and/or shortlisting

### **Procurement particulars – tender and contracts conditions**



- Eligibility company from any company can participate, unless they are excluded (see PPR 2.8)
- Time limits depends on the procedure and complexity of the contract:
  - Recommended (PPR 3.44) normally not less than 40 days, but may be extended for large/complex contracts or, with prior agreement of the Bank, reduced
- Proposal evaluation (PPR 3.49–3.55)
  - > the evaluation is done applying solely the criteria and methodology is included in the tender documents
  - > price is not the only and not always the main factor
- Contract terms and conditions
  - Use of internationally recognised forms of contract
  - Particular conditions (payment terms, bank guarantees, dispute resolution etc.) depend on the nature of the contract and Client's requirements
  - Advance payments made only against a bank guarantee

# **Our Contacts**



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