



US Companies & The EBRD

Introduction to the EBRD

Established in 1991, the EBRD was set up to support the development of market economies in the former Soviet Union and in Central and Eastern Europe. Over 70% of EBRD projects are in the private sector, but the Bank is also working in the public sector encouraging co-financing and foreign direct investment to complement its own investments. The EBRD works in close cooperation with other international financial institutions and promotes environmentally sound and sustainable development in all of its activities.

The EBRD is owned by 60 countries, including its

27 countries of operations, and two intergovernmental institutions. Its subscribed capital is €20 billion. As a founding member the US holds a capital subscription of \$2 billion (10 per cent), and has a representative on the Board of Directors.

In 2003, The EBRD committed €3.7 billion and disbursed €2.1 billion in 2003, signing 119 projects, in countries from central Europe to central Asia across a wide range of industry sectors. New projects ranged from aircraft manufacturing in Russia to traffic management in Lithuania, from a bank privatization in Romania to an upgrade of the phone network in Kazakhstan.

Opportunities for US Companies

The EBRD offers public and private procurement opportunities for businesses worldwide and US companies have been competitive in winning EBRD tenders.

There are three ways in which U.S. companies can work with the EBRD:

1. Borrowing/Investing in Private Sectors Sponsored Projects

US firms sponsoring projects should be fully cognizant of the EBRD's mandate and criteria for projects and should have a well-prepared business plan that addresses the developmental mandate of the bank and financial risk. In addition the companies should note that the EBRD typically funds up to 35% of the total project cost in the form of debt or equity, or both. Private sector projects typically are based on 66% debt financing and 33% equity.

For more information on financing with the EBRD, see the EBRD website
<http://www.ebrd.com/apply/index.htm>

2. Bidding on tenders

Successful US firms should be fully responsive and competitive in both the technical and financing portions of their bids. Public sector projects are a substantial source of procurement contracts for US suppliers. However, the borrowers must follow the Bank's open tendering procedures for goods and services contracts over €200,000 and works contracts over €5 million.

3. Consulting and providing technical services

The EBRD works with consultants in three ways: executing the Bank's technical co-operation program; assisting in project preparation; and implementation and performing due diligence.

Upcoming public sector projects are listed in the "Pipeline" section of the Bank's website
<http://www.ebrd.com/oppo/procure/index.htm>

For more information on procurement procedures, policies and rules

<http://www.ebrd.com/about/policies/procure/ppr.pdf>

Success of US Companies

US companies have done very well in winning EBRD consultancy tenders. In both 2002 and 2003, the USA ranked second in both the value and the number of winning bids for non-Technical Assistance (i.e., untied) consultancy contracts. In 2003, 35% of the twenty top-valued general consultancy contracts went to US companies; and US firms won 30% of the twenty top-valued legal consultancies.

American firms are also highly competitive in bids for general public sector EBRD procurements,

though the number of total US bidders is still relatively low. However, when American companies do bid on EBRD projects, they have a success rate higher than the success rate of major European competitors. From 1999 – 2003, US companies won 14 tendered EBRD contracts, with a total value of over USD 14 million. The Bank is working closely with the U.S. Commercial Service Liaison Office to the EBRD to encourage more American companies to bid on upcoming project tenders.

US Commercial Service Liaison Office to The EBRD (CS-EBRD)

The Commercial Service Liaison Office to EBRD (CS-EBRD) is an integral part of U.S. representation at the EBRD and works closely with the Executive Director's office to increase the effectiveness of U.S. participation in the Bank. CS-EBRD provides information to U.S. businesses on how the EBRD works and how U.S. companies can participate in EBRD projects. CS-EBRD also offers guidance to US companies throughout the project cycle.

CS-EBRD offers the following services:

Counselling: one-on-one counselling on EBRD projects and opportunities in London Office or in outreach events in the US and in the EBRD's countries of operation. The office also provides long distance counselling via e-mail and telephone.

Company introduction and Advocacy:

Through its "Focus EBRD" Program, CS-EBRD assists US companies in setting up meetings with key EBRD officials and project leaders. The office also assists companies if questions arise regarding the EBRD procurement process. Working with US Embassies in the region, and with the US Department of Commerce Advocacy Center, as appropriate.

Market leads: Working with several multiplier organizations (such as BISNIS, CEEBIC) and using the US Department of Commerce market database, CS-EBRD disseminates EBRD project announcements to a broader audience.

Outreach: Throughout the year CS-EBRD participates in conferences, seminars and briefings for US companies

Contact Information

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