IFI Progress to Date

- Since 1997, WB focus on country-level procurement systems
- CPAR instrument strengthened
- In Central Europe/FSU12 “CPARs“ completed, 6 still in progress (1 joint World Bank/EBRD assessment ongoing in Yugoslavia)
Results

- Need for broad public sector reform highlighted
- Problems with enforcement, capacity, sustainability identified
- But some reform programmes launched and issue of corruption brought into country dialogue
Criticisms

• Some CPARs superficial, of inconsistent quality
• Important areas outside of WB lending programme ignored
• Allegations that some final reports “watered down” to gain Government buy-in
• WB carrying out reassessment
What has EBRD done?

• Traditional EBRD focus at project-level, projects becoming increasingly complex

• At due diligence/appraisal, check client capacity (using Sound Business Standards & Corporate Practices: A Set of Guidelines) (and “integrity” if warranted)

• Insist on corrective measures to mitigate risk (or refuse to lend)
Criticisms

• Impact on projects good, but “fleeting”
• Requires EBRD “policing”, lacks positive incentives
• Doesn’t attack flaws at macro level (EBRD too small to wield proper leverage)
Questions

• Is a different IFI approach needed? If so, what? (Is there a “carrot” somewhere?)
• How to broaden process, bring in civil society and the business community?
• Most solutions resource intensive. Where can other sources of finance be found?
• ???