European Bank
for Reconstruction and Development

Early Market Engagement

Guidance note

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Guidance Notes: Early Market Engagement

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1. PURPOSE

This note provides guidance to Clients on the use of EME pursuant to Section III, Article 3.5 PPR to inform procurement strategy, strengthen competition, and support Value for Money outcomes by improving alignment between project requirements and market capability.

2. DEFINITIONS

Terms used in this Guidance have the below meanings. Terms not defined in this Guidance have the same meaning as set out in the PPR.

Bank	means the European Bank for Reconstruction and Development.
Early Market Engagement or EME	means the structured, transparent, and non-binding interactions between a Client and potential Market Participants, undertaken before the formal launch of a Procurement Process with the purpose to solely gather market intelligence and test assumptions, not to negotiate or select suppliers.
Market Analysis	means a systematic, primarily desk-based assessment of market conditions relevant to a proposed project or procurement. It draws on existing data, experience, and evidence to understand the structure, capacity, maturity, and dynamics of the relevant market.
Market Consultations	means a form of structured engagement with Market Participants conducted prior to the launch of a Procurement Process, with the purpose of seeking feedback on specific aspects of a proposed project or procurement, such as technical requirements, delivery approaches, risk allocation, or contractual structure. It may also be used outside of specific projects or procurements within a broader sector and/or market context.
Market Participants	means suppliers, contractors, consultants, service providers, consortia, industry associations, financiers, or other stakeholders with relevant technical or commercial experience.
MDBs	means multilateral development banks.
Procurement Process	means the formal sequence of activities leading to contract award and implementation, including solicitation, evaluation, approval, contracting, and contract management.
PPR	means the Bank's Procurement Policies and Rules as amended from time to time.
Request for Information or RFI	means a written, non-binding instrument used to gather structured feedback from Market Participants on specific questions.
Value for Money or VFM	means the achievement of optimal outcomes over the life cycle of an investment, taking into account cost, quality, performance, risk, sustainability, and timing.

3. SCOPE

3.1 Introduction

As set out in Section III, Article 3.4 PPR, sound project preparation and procurement planning is crucial. Early Market Engagement is an increasingly important element of sound project preparation and procurement practice in development finance environments intended to improve the quality, feasibility, and sustainability of project outcomes. The Bank considers Early Market Engagement to be a critical element of a successful Bank Operation.

3.2 Applicability EME

Section III, Article 3.5 PPR states that the Client shall undertake Market Analysis in relation to the Goods, Works, Services and Consultancy Services to be procured under a Bank Operation. Unless otherwise agreed with the Bank, for contracts with their estimated value exceeding €10 million for Goods, €35 million for Works or Services, €5 million for Consultancy Services (excluding VAT) or when deemed necessary by the Bank, the Client shall conduct Early Market Engagement before the commencement of procurement activity.

Market Analysis and Early Market Engagement should be undertaken as part of an iterative procurement planning process, informing the development and refinement of the Project Delivery Strategy, procurement approach and associated procurement documentation.

Whilst the PPR establishes thresholds above which EME is mandatory, the scale, structure and form of EME shall always remain proportionate and risk-informed. In determining the appropriate level of EME Clients should take into account the size, value and complexity of the Bank Operation, the procurement package or contract risk profile, market conditions, the technical and commercial complexity of the proposed solution. Additionally, they should consider the maturity and competitiveness of the relevant market, the level of innovation or novelty involved, the country, sector, and regulatory context, the experience and capacity of the Client, potential integrity, reputational, or delivery risks.

Routine or low-risk procurements in well-understood markets may require no or limited or light-touch engagement, while complex, high-value, innovative, or first-of-a-kind operations may justify more structured and extensive EME.

For contracts with estimated values below the specified thresholds in Section III, Article 3.5 PPR, the Bank may nevertheless require the Client to conduct EME in specific circumstances, such as in a new Country of Operation or in the context of armed conflict, war, crises, natural disasters, or other exceptional events that may affect market capacity, availability, or competition. In this context, please refer to the *Guidance Project implementation during armed conflicts or wars*.

3.3 Benefits of EME

EME supports Clients in developing procurement approaches that are aligned with market capacity and capability, improving the likelihood of effective competition, successful procurement and improved project outcomes. When used appropriately, EME enables Clients to:

- test and refine procurement assumptions, including scope, packaging, timelines, and risk allocation;
- assess market capacity, capability, cost drivers, the level of competition, and market interest;
- inform procurement strategies, including evaluation approaches and contract structures;
- identify innovative solutions, alternative delivery models, and sustainability-enhancing approaches;
- identify key procurement and implementation risks and potential mitigations at an early stage.

Clients have at times been cautious about engaging with Market Participants prior to procurement, particularly due to concerns around fairness, transparency, and integrity. However, well-designed EME is now widely recognised as a good procurement practice across international organisations, with some MDBs now mandating EME for higher value, high risk and international procurements. When conducted in a structured and transparent manner, EME strengthens, not undermines, these principles by improving clarity, reducing uncertainty, and enabling more informed and balanced procurement decisions.

EME is also an important tool in attracting capable Market Participants, particularly in markets where participation is constrained or competition is limited.

EME should form part of broader procurement and implementation planning and may support decisions relating to procurement packaging, contract structure, risk allocation, utilisation of local labour, Rated Criteria and evaluation methodologies, implementation arrangements and contract management approaches.

It is important to note that EME is intended to inform decision-making and procurement design, not to determine outcomes. EME **must not** be used to:

- negotiate prices, contract terms, or technical solutions with suppliers;
- favour specific suppliers;
- pre-determine outcomes or supplier selection; or
- provide any supplier with an unfair advantage or access to confidential or commercially sensitive information.

Case Study – Energy infrastructure in a high-risk operation environment

Purpose EME: EME was undertaken to assess market appetite and inform the procurement and project delivery strategy for a large energy transmission project to be implemented in a country operating under martial law.

Format EME: The Client used an open online market engagement event, supported by project-specific pre-and post event questionnaires and targeted discussions with suppliers.

Feedback after EME: It was indicated that war-related risks were creating significant market uncertainty, including:

- difficulty securing financial instruments;
- constraints on manufacturing capacity;
- disptions to logistics and supply chains;
- travel restrictions affecting the mobilisation of installation personnel; and
- technical compability issues arising from the country's transmission network specifications.

Impact on Bank Operation: insights obtained during EME informed a procurement strategy that included:

- supply-only (Goods) contracts, using:
  - direct contracting for network compatible, higher-capacity transformer equipment with longer lead times, to enable timely order placement in a highly saturated market; and
  - open competition for lower-capacity equipment, where market conditions supported broader competition and a strong pool of tenders;
- balanced risk allocation between the parties.

3.4 Core principles governing EME

All EME activities should be undertaken in a manner consistent with the fundamental principles of the PPR, promoting transparency, fairness, equal treatment and accountability.

EME shall be proportionate to the value, risk and complexity of the procurement or project and, when applied appropriately, supports robust, transparent and defensible procurement outcomes. EME shall be targeted to areas where improved market insight is likely to influence procurement design, competition, or delivery outcomes. It should be focused on addressing genuine uncertainties or testing key assumptions, rather than duplicating existing market knowledge or adding unnecessary time, cost or complexity to routine procurements.

EME should support value for money and the broader development objectives of the operation. Market insights should inform technical design, risk allocation, sustainability considerations and procurement strategies to enhance long-term outcomes, rather than focusing solely on short-term cost considerations.

3.5 Scale of EME

3.5.1 Proportionality

The level and type of EME undertaken shall be proportionate to the value, risk, and complexity of the procurement, and focused on informing key procurement decisions. Higher risk or more complex procurements may justify more structured or iterative engagement approaches, whilst lower risk and well understood procurements may require only limited market engagement or just using market analysis.

Procurement context (Illustrative Examples)	Typical characteristics	Typical EME approach
Routine / Well-Understood Procurements e.g. standard goods (IT equipment, vehicles), routine maintenance contracts, repeat consultancy assignments with well-defined scope	Mature and competitive market; established specifications and delivery models; limited market uncertainty or implementation complexity	Limited or no formal EME; reliance on existing market knowledge, recent comparable procurements or targeted market checks may be sufficient
Moderate Complexity or Market Uncertainty e.g. specialised equipment (medical, water treatment), rehabilitation works, consultancy services with defined but non-standard scope	Some uncertainty regarding supplier capability, delivery approach, packaging, technical requirements or implementation environment	Targeted engagement may be appropriate (e.g. supplier questionnaires, industry briefings, targeted discussions or RFIs
Complex, High-Risk or Innovative Procurements e.g. major infrastructure (transport, energy, district heating), complex multi-lot works, innovative delivery models, projects in constrained operating environments, large advisory programmes	Significant delivery complexity, market uncertainty, interface risks, implementation constraints, or procurement strategy considerations requiring validation	More structured or iterative EME may be beneficial (e.g. RFIs, industry sessions, market sounding, targeted one-to-one discussions or staged engagement approaches)

3.5.2 Minimum expectations EME

For procurements where EME is undertaken, Clients shall, as a minimum: prepare an EME plan that is proportionate to the scale and complexity of the procurement, define the purpose of the engagement and key risks and questions to be addressed and document how EME informed procurement design and decision-making.

Please refer to Annex 1 for an EME Planning Template and Annex 2 for a range of illustrative EME Activities.

Case Study - Good (specialised medical equipment)

Purpose EME: EME was undertaken to assess supplier availability and validate assumptions regarding delivery timeliens for specialised medical equipment in a healthcare project.

Format EME: The Client used a short Request for Information.

Feedback after EME: It confirmed limited supplier capacity, extended lead times and constraints associated with specialist installation requirements.

Impact on Bank Operation: the Client subsequently refined the specifications and procurement timeline to better align with market conditions and reduce delivery risk.

3.5.3 Timing of EME

EME can be used throughout the project lifecycle, until the launch of a procurement process, from informing project feasibility and design, development of the project delivery strategy and the procurement plan and contracting strategies. EME has the greatest impact when undertaken early.

Stage	Purpose of EME	Ability to influence project and procurement design
Early planning	Test feasibility, delivery model, packaging, and key assumptions	High
Project delivery strategy	Refine procurement approach, risk allocation, and market positioning	Moderate
Pre-procurement	Validate final assumptions and market readiness	Limited

For complex procurements using multi-stage procedures, EME may complement, rather than replace, structured market interaction during the procurement. The project delivery strategy should determine the most appropriate sequencing and interaction points.

3.5.4 Alignment with Bank governance and project preparation

Early Market Engagement shall be aligned with the Client's overall project preparation process and the Bank's internal review and governance arrangements. In particular, the design and application of EME shall take into account:

- the Client's procurement capacity and risk profile, as identified through the Bank's Procurement Implementation Assessment;
- the level of Bank oversight and review required for the project;
- the role of EME in supporting preparation of the procurement plan and contracting strategies; and
- the need to provide a clear and auditable link between market engagement and procurement decisions.

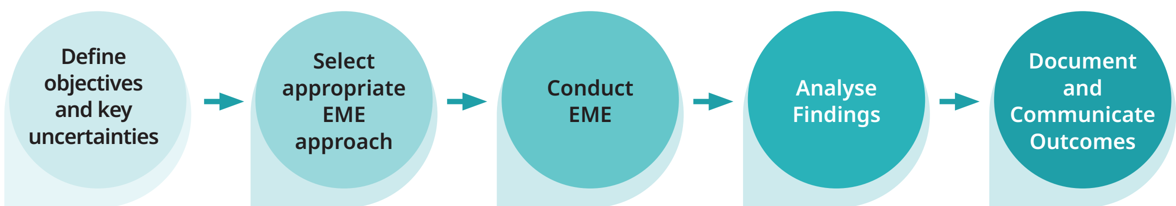
The level of structure, documentation, and oversight applied to EME should be proportionate to project risk and complexity, and aligned with the broader governance arrangements agreed with the Bank.

In war-affected otherwise disrupted operating environments, the Client shall consider the *Project implementation during armed conflicts or wars*, including any specific requirements for market engagement.

3.6 Planning and conducting EME

EME should be planned and undertaken as part of a structured and iterative approach to procurement preparation, aligned with the project and procurement lifecycle. The following sections describe the core steps in planning and conducting EME.

Depending on project complexity, timing and the Client's capacity, EME may be supported by project preparation consultants, PIU consultants or specialist advisers, whilst remaining under the oversight of the Client and the Bank.



3.6.1 Define objectives and key uncertainties

Before undertaking EME, the Client should clearly define:

- the decisions to be informed (e.g. packaging, specification, delivery model, evaluation approach, Local Labour requirements);
- the key assumptions to be tested (e.g. budget / cost, timelines, feasibility, level of competition); and
- the information required from Market Participants.

EME should be undertaken where market uncertainties may affect procurement design, competition or delivery outcomes. To maximise value, the Client shall focus on a limited number of priority questions aimed at obtaining targeted market insights that support informed decision-making and reduce key uncertainties.

Such uncertainties may arise at either project or contract level, as illustrated in the table below.

Project level	Procurement package or contract level
Uncertainties may for example arise where: • the proposed solution or concept is new or untested in the market; • the Client is uncertain about market capability or capacity; • there are unknowns, or options, relating to delivery approach, technology, or operating model; or • early input from the market may influence project scope, feasibility, or strategy.	Uncertainties may for example arise where: • commercial assumptions, affordability, delivery drivers, and the realism of programme and packaging choices need to be tested, without disclosing confidential internal estimates; • specifications or requirements may be overly restrictive, unclear, or not aligned with market capability, and need to be refined to ensure they are deliverable and support effective competition; • contract packaging or bundling needs to be tested to ensure competition; • logistics considerations, including supply chain and delivery; • risk allocation between the Client and suppliers is uncertain or may affect pricing or participation; • evaluation approaches (including Rated Criteria) need to reflect the factors that will genuinely differentiate supplier performance and delivery outcomes; • the feasibility and delivery approach for policy requirements (e.g. Local Labour) needs to be tested.

3.6.2 Select appropriate EME approach

For many procurements where EME is appropriate, Clients may adopt a simple, structured engagement, for example:

- a RFI or questionnaire to gather broad, comparable input; and/or
- a supplier or industry briefing, and questionnaire, to communicate the proposed approach and test initial market interest.

For more conceptual project planning, complex or higher-risk procurements, this may be supplemented, or replaced, with earlier and more targeted engagement, such as workshops or one-to-one discussions to explore specific issues in greater depth.

The appropriate approach will vary depending on timing, the nature of the procurement and the specific uncertainties being tested. Clients should select the simplest approach that provides the necessary insight.

3.6.2.1 Breadth of EME

The breadth of EME should reflect the purpose of the engagement. Where the objective is to understand broad market appetite, competition, or barriers to participation, wider engagement will usually be appropriate. Where the objective is to test a specific technical, commercial, or delivery issue, more targeted engagement may provide better insight and avoid unnecessary burden on the Client and market.

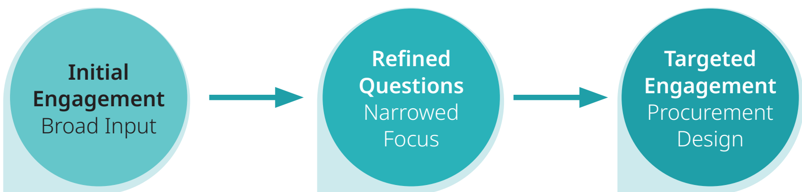
Category	Methods	Typical use
Broad market engagement	Briefings, RFIs, surveys	Gather broad input and test general assumptions
Structured engagement	Workshops, roundtables	Explore specific issues in more depth
Targeted engagement	Technical dialogues, one-to-one meetings	Test complex, sensitive, or technical issues

Please refer to Annex 2 Illustrative Early Market Engagement Activities for a more detailed list of possible EME activities.

Clients shall consider options and select the approach that provides the most relevant insight with the least complexity, rather than defaulting to complex or resource-intensive methods.

3.6.2.2 Iterative EME

It may be appropriate to design an iterative EME with multiple stages, with insights from early engagement informing subsequent, more targeted interactions. For example:



Case study - commodities (procurement of natural gases)

Purpose EME: Prior to the introduction of dedicated provisions in the Bank's PPR for commodities procurement, EME was undertaken with major gas trading entities to assess how natural gas procurement could be conducted in a manner consistent with both industry practice and the Bank's procurement requirements.

Format EME: Consultations with industry participants were conducted.

Feedback after EME: Market Participants indicated that procurement of natural gas would require a dedicated end-to-end procurement process tailored specifically to commodity transactions. This included the need for streamlined procurement documentation and the use of industry-standard EFET contractual arrangements acceptable to Market Participants. The engagement also highlighted practical challenges associated with requiring Market Participants to adopt a single standardised contractual position, given differing commercial givernance and compliance requirements across the market.

Impact on Bank Operation: through ongoing consultations with industry participants, the Clients and the Bank developed an open and transparent procurement approach that maintained the flexibility required by the market whilst remaining aligned with the core requirements of the Bank's procurement regulatory framework. As Clients subsequently developed increasingly sophisticated gas pricing and contracting strategies, continued market engagement has remained an important mechanism for validating procurement and contracting approaches against evolving market expectations.

3.6.2.3 Identifying and inviting Market Participants

Lack of early engagement is frequently cited by Market Participants as a barrier to participation. Clear and timely EME can improve supplier confidence and understanding, reduce perceived risk, and encourage stronger competition. EME can be used to assess and improve market interest and participation, including:

- understanding how suppliers perceive the opportunity (e.g. risk, complexity, attractiveness);
- identifying barriers to participation;
- providing suppliers with sufficient information to assess their interest in participating; and
- testing how procurement design can be adjusted to improve participation and competition.

EME should not only inform procurement design, but also improve how the opportunity is understood and perceived by the market. Adjusting procurement approaches subsequent to EME can significantly improve supplier trust and confidence and subsequently participation and competition.

Clients should engage a broad and representative range of the market, including, as appropriate:

- international, regional and local suppliers
- non-traditional suppliers;
- large and smaller market participants;
- operators / maintainers where relevant;
- market sounding through industry bodies or advisors; and
- other market participants with relevant operational, delivery or technical insights.

It is essential to avoid over-reliance on a narrow subset of suppliers; and not just previous or incumbent suppliers. Potential Market Participants can be identified through previous respondents, market knowledge, recommendations from other Clients, engagement with industry bodies and open advertising.

Where EME is intended to test broad market appetite, competition, or awareness, Clients shall consider open or widely publicised engagement approaches. Where participation must be targeted, for example, due to technical complexity, confidentiality, or the need to engage specific types of suppliers, the selection of Market Participants shall be objective, proportionate, and documented.

Case study – Consultancy Services

Purpose EME: EME was undertaken to support preparation of a major advisory assignment exceeding €5 million, which was associated with urban transport reform in the Southern and Easter Mediterranean region.

Format EME: the Client conducted an industry briefing and used short questionnaires.

Feedback after EME: Market Participants highlighted differing interpretations of the proposes scope, implementation approach and deliverables.

Impact on Bank Operation: The Client subsequently refined the Terms of Reference of the assignment and the evaluation methodology prior to launcing the procurement, resulting in clearer understanding amongst participants, fewer clarification requests during the procurement process as well as improved quality of submitted proposals.

3.6.3 Conduct EME

EME should be conducted in a structured, transparent, equitable and consistent manner, with the Client ensuring that:

- the purpose of the engagement is clearly communicated to Market Participants;
- Ahead of their participation, Market Participants are informed that their participation is voluntary and non-binding and will not, in itself, give rise to a conflict of interest or affect their eligibility to participate in any subsequent procurement process; and
- discussions are focused on obtaining information, not negotiating outcomes.

When conducting EME, the Client shall:

- use consistent questions or discussion topics across Market Participants;
- avoid sharing confidential or commercially sensitive information;
- ensure that no Market Participant is given an unfair advantage; and
- maintain a record of participants and key discussion points, with virtual sessions often providing an efficient audit trail as they can be easily recorded (e.g. MS Teams or Zoom).

3.6.3.1 Local legal and administrative constraints

In some jurisdictions or sectors, Clients may be subject to restrictions affecting the manner in which direct market engagement can be undertaken. In such circumstances, Clients shall consider alternative or proportionate approaches to obtaining market insight, including Requests for Information, industry briefings, engagement through consultants or advisers, engagement with industry bodies, or other appropriate mechanisms consistent with applicable legal and governance frameworks.

The objective should remain to obtain sufficient market understanding to support informed procurement and delivery decisions whilst maintaining fairness, transparency and consistency with applicable requirements.

3.6.3.2 Managing information and fairness

The Client shall ensure that information provided during EME is consistent and accessible, including that general information is shared with all potential Market Participants, where appropriate and the Client shall ensure that no Market Participant has access to materially different information.

Case study - Works (major infrastructure project)

Purpose EME: EME was undertaken to test the suitability of the proposed procurement and contracting strategy for a major infrastructure project intended to be delivered using an EPC/Turnkey model. Feedback from leading industry participants had indicated that the proposed allocation of construction risk to the contractor would likely reduce market appetite, limit competition, and significantly increase tender pricing, potentially affecting overall project viability and bankability.

Format EME: The Client conducted Market Consultations.

Feedback after EME: Market Consultations confirmed that a more conventional Design and Build approach, with a more balanced allocation of risk between the parties, would be more attractive to the market and more likely to maximise competition and Value for Money. Industry participants also advised that a multi-stage procurement approach would be better to support refinement of technical solutions and commercial arrangements prior to the submission of priced proposals.

Impact on Bank Operation: The Client subsequently revised the procurement strategy, delivery model and procurement process structure. The contract was subsequently awarded below the Client's original cost estimate and delivered within the contractual completion timeframe.

3.6.3.3 Documentation and audit trail

EME does not require detailed transcripts of all interactions. Clients shall retain sufficient documentation and records to demonstrate that the engagement was conducted in a fair, equitable and transparent manner. The extent of documentation shall be proportionate to the value, risk, and complexity of the procurement. For lower value or less complex procurements, a concise summary of key insights and resulting decisions may be sufficient. For higher value or more complex procurements more robust and comprehensive records, such as meeting notes, transcripts, or recordings, may be appropriate.

As a minimum, the documentation shall record:

- the purpose of the engagement;
- the engagement approach and Market Participants;
- key questions and topics discussed;
- key market insights obtained, including findings relating to market capability, capacity, competition, and the validation of key assumptions, including cost, timelines and technical feasibility; and
- how these insights informed procurement decisions.

3.6.4 Analyse findings

EME should produce clear, decision-focused outputs that support procurement design and delivery. The value of EME lies not in the engagement itself, but in how the resulting market insights are used to inform procurement decisions.

EME outputs should be concise and evidence-based, focusing on key findings rather than detailed records of individual interactions. The objective is to provide a robust evidence base for achieving value for money and supporting informed decision-making.

EME outputs should be reflected in the procurement strategy within the project delivery strategy and any procurement plans and procurement documents. Market insights may inform, among other things:

- technical specifications and scope definition;
- contract packaging and delivery models, including bundling or lotting;
- allocation of risks between the Client and suppliers;
- budgets, schedules and implementation timelines;
- qualification requirements and evaluation approaches, including Rated Criteria; and
- local labour, sustainability or other project-specific requirements.

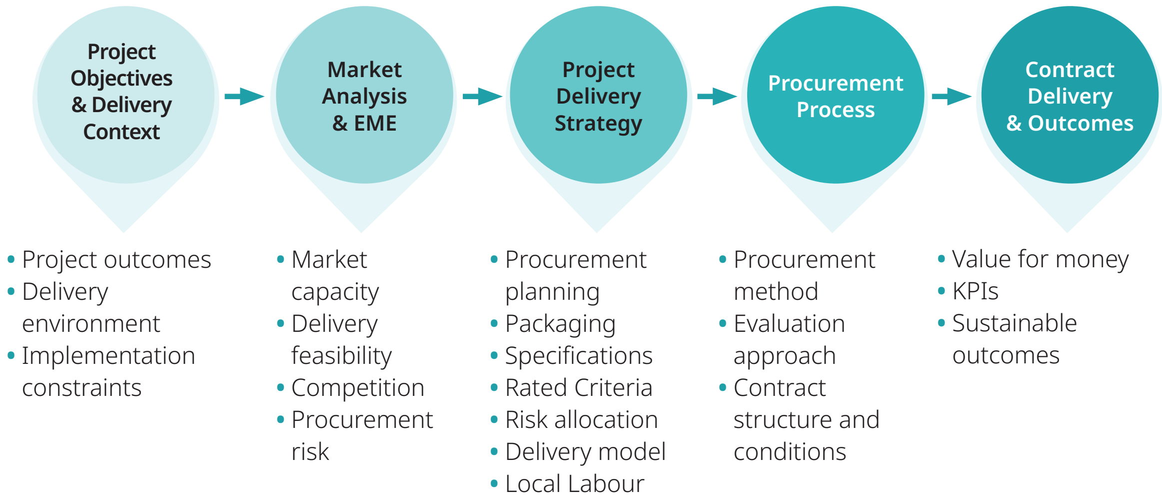
EME should also help identify opportunities to improve market participation, remove barriers to competition and increase participant interest.

Where EME does not result in changes to the procurement approach, the Client should document that key assumptions have been tested and validated through market engagement.

3.6.5 Document and communicate outcomes

Where EME results in adjustments to specifications, contract packaging, evaluation methodologies or other aspects of the procurement approach, those changes should be reflected appropriately and clearly in the procurement documents.

Clients shall ensure that all prospective Market Participants have access to the same information when the procurement process is launched. Clients should disclose EME outcomes in a manner that promotes transparency and equal treatment while safeguarding confidential information. Disclosure should normally take the form of an aggregated, non-attributable summary covering the purpose and scope of the engagement, key market feedback, and any resulting adjustments to the procurement planning, contract packaging, technical specifications, delivery timelines or other aspects of the procurement approach. EME shall not provide any Market Participant with an unfair advantage in the subsequent procurement process.



3.7 Integrity

Some Clients may be hesitant to undertake EME due to concerns about fairness, transparency and the potential for certain Market Participants to gain an unfair advantage. Similarly, Market Participants may be reluctant to engage where there is uncertainty regarding the scope of permissible engagement, the protection of commercially sensitive information, or the risk that participation could be perceived as conferring preferential treatment.

However, international good practice and experience across the Bank's and other MDBs' operations demonstrate that, when properly planned, managed and documented, EME strengthens rather than undermines procurement integrity. By improving market understanding, reducing uncertainty and supporting informed decision-making, EME can enhance competition, transparency and value for money.

To realise these benefits, EME must be conducted in accordance with the principles of the PPR. Engagement should be transparent, impartial and proportionate, while ensuring fair competition and equal access to information. Clients should respect the confidentiality of commercially sensitive information and avoid seeking confidential business methods, intellectual property or pricing strategies. Any sensitive information voluntarily disclosed by Market Participants should be handled appropriately and not used or disclosed in a manner that could distort competition or provide an unfair advantage in the subsequent procurement process.

Case study - district heating rehabilitation project

Purpose EME: EME was undertaken in stages to inform the design of Rated Criteria and local labour requirements for a district heating rehabilitation programme in Eastern Europe.

Format EME: The Client conducted initial market sounding and subsequent bilateral meetings with individual Market Participants.

Feedback after EME: Initial market sounding identified uncertainty around feasibility, supplier capability, and the practicality of proposed policy requirements. This was followed by targeted one-to-one discussions to test specific elements of evaluation criteria and delivery expectations. Feedback indicated that some criteria were overly complex and certain local labour requirements were not achievable within the local market.

Impact on Bank Operation: The Client subsequently simplified the evaluation approach and and adjusted requirements to better reflect market capacity, resulting in a more realistic and competitive procurement.

3.8 Key EME risks and mitigation

3.8.1 General comments

While EME can deliver significant benefits, it also gives rise to certain risks that Clients shall consider and manage appropriately. These risks generally increase where:

- engagement becomes more detailed or technical;
- discussions focus on specific solutions, technical specifications, or evaluation criteria; or
- one-to-one engagement with Market Participants is undertaken.

If not properly managed, such interactions may create perceptions of preferential treatment, distort competition, or compromise the integrity of the subsequent procurement process.

To mitigate these risks, Clients shall ensure that EME is conducted in a transparent, fair and proportionate manner, in particular, Clients shall:

- seek input from a sufficiently broad range of Market Participants to avoid bias;
- provide consistent information across the market;
- use standardised questions or discussion topics where appropriate, and
- maintain adequate records of key discussions, findings and decisions.

The table below sets out common risks associated with EME together with practical mitigation measures. When appropriately designed, implemented and documented, these measures can significantly reduce the likelihood and impact of such risks while preserving the benefits of market engagement.

The Bank will support and advise Clients in the planning and implementation of EME activities, including the identification of appropriate safeguards and mitigation measures, to help ensure that EME is conducted effectively, proportionately and in line with its intended objectives.

Risk	Description	Mitigation
Unequal access to information	Some Market Participants receive more or better information, creating an uneven playing field	Use standardised materials; share key outputs and clarifications with all potential Market Participants
Over-engagement with select Market Participants	Engagement is concentrated with a small subset of Market Participants, leading to biased market understanding	Ensure broad and balanced participation; engage beyond incumbents and known Market Participants
Bias in procurement design	Procurement approach is unintentionally shaped by the views of a limited number of Market Participants	Test assumptions across multiple Market Participants; triangulate feedback before making decisions
Disclosure of sensitive information	Commercially sensitive or confidential information is shared inappropriately	Use controlled formats; avoid sharing participant-specific or commercially sensitive information
EME influencing procurement outcomes	Engagement crosses into negotiation or creates perceived advantage for certain Market Participant	Maintain clear separation from evaluation; ensure engagement remains non-binding and focused on insights

Collusion or inappropriate market coordination	Market Participants use engagement activities to coordinate behaviour or exchange inappropriate information	Use structured agendas, avoid discussion of individual commercial positions, actively facilitate group sessions, and document key discussion points
Overly burdensome or disproportionate EME	EME activities that are unnecessarily complex or resource-intensive for the procurement context.	Scale engagement proportionately to procurement complexity, market conditions and the uncertainties requiring validation.
Poor Documentation	The Client fails to maintain adequate records of EME activities. Insufficient documentation may reduce transparency, accountability and the ability to demonstrate how EME informed procurement decisions.	Maintain clear and proportionate records of EME activities; establish an audit trail linking EME outputs to procurement decisions. The use of standard templates and documentation forms can help ensure consistency and completeness.

3.8.2 One-to-one engagement and sensitive topics

Bilateral discussions between the Client and Market Participants individually can be a valuable form of EME, particularly for technically complex or high-value procurements or when meaningful input cannot be obtained in a group setting due to confidentiality concerns. While broader approaches such as briefings or written market sounding are effective for reaching a wide audience, they may not provide the depth of insight needed to fully test assumptions or refine procurement design as can be done during bilateral discussions. One-to-one engagement is often most effective when used as part of a broader, staged approach to EME.

When used appropriately, one-to-one engagement can help the Client to:

- test specific elements of procurement design (e.g. packaging, risk allocation, delivery models);
- explore technical or operational constraints in greater depth;
- understand a supplier's perspectives on risk, pricing drivers, and participation; and
- validate whether proposed approaches are realistic and deliverable.

Bilateral meetings carry a higher risk of unequal treatment or perceived collusion and therefore require careful justification and appropriate consultation with the Bank to confirm that they are the most effective means of obtaining meaningful input.

The Client shall take particular care where the engagement relates to:

- detailed specifications or technical solutions;
- evaluation approaches, including Rated Criteria;
- commercial structures, pricing assumptions, or risk allocation; or
- incorporating Bank requirements, such as a minimum percentage of local labour costs.

The key consideration is that the Client shall apply appropriate safeguards, including:

- undertaking comparable one-to-one discussions with more than one Market Participant where feasible;
- using a clear and consistent agenda or discussion guide;

- sharing of non-confidential summaries with the broader market to support transparency and equal treatment
- maintaining a written record of discussion points and outcomes; and
- considering independent integrity/probity support for higher-risk engagements.

For higher value or more complex procurements, or where there is increased sensitivity (e.g. innovative solutions, limited market, or extensive one-to-one engagement), the Client in discussion with the Bank may engage independent integrity / probity advisors, who can:

- provide assurance that EME is conducted in accordance with the PPR;
- advise on the appropriate safeguards and documentation; and
- support the Client in managing perceived or actual risks.

The use of integrity / probity support should be proportionate and is not required for all procurements.

Please refer to Annex 7 for guidance on integrity (probity) arrangements during EME.

Case study - complex infrastructure procurement

Purpose EME: EME was undertaken in stages to support the development of Rated Criteria and requirements regarding local labour for a complex transport infrastructure procurement.

Format EME: The Client conducted initial market sounding and subsequent bilateral meetings with individual Market Participants.

Feedback after EME: Initial market sounding identified uncertainty regarding supplier capability and delivery feasibility. During subsequent targeted one-to-one discussions specific evaluation criteria and labour market assumptions were tested. Feedback indicated that several proposed requirements were overly complex and unlikely to be achievable within the local market context.

Impact on Bank Operation: The Client subsequently simplified aspects of the evaluation approach and adjusted local labour requirements to better reflect market capability whilst maintaining the intended policy objectives.

3.9 Post-EME evaluation

Post-engagement evaluation is a structured review undertaken after the procurement process to assess whether EME achieved its intended objectives and contributed to improved procurement outcomes. The evaluation focuses on the effectiveness of the EME process and its influence on procurement strategy and outcomes, rather than on individual Market Participants.

Such evaluations are particularly recommended for high-value, innovative or high-risk procurements and should be proportionate to the value, complexity and risk profile of the project.

The evaluation should validate whether EME contributed to:

- effective competition and market participation;
- pricing and commercial outcomes
- sustainability outcomes;
- innovation and technical outcomes;
- balanced risk allocation; and
- informed procurement decisions based on accurate market assumptions.

The evaluation should also assess the procedural integrity of the EME process, including transparency, documentation, information disclosure and the absence of integrity concerns.

Key findings and lessons learned shall be documented and used to improve future market engagement, procurement planning and risk allocation practices. For recurring procurements, aggregated findings may also contribute to sector-specific market intelligence and continuous improvement.

An illustrative approach to post-EME evaluation, including example indicators and a template evaluation note, is provided in Annex 8.

3.10 Annexes

To support practical application, the guidance is accompanied by supporting tools and templates, including:

- Annex 1: EME Planning Template
- Annex 2: Illustrative Early Market Engagement Activities
- Annex 3: A survey/questionnaire template;
- Annex 4: Instructions for a Workshop / Indsutry Industry Roundtable
- Annex 5: Templates for market engagement event agenda and invitation notice;
- Annex 6: EME meeting notes and output summary template.
- Annex 7: Integrity in EME – template Probity Criteria, Integrity checklist
- Annex 8: EME Effectiveness Assessment – including post-EME Evaluation Form Template

These tools are intended to support consistent and proportionate application of EME while minimising unnecessary administrative burden.

Annex 1: EME planning template - A tool to plan proportionate EME

This template supports Clients in planning Early Market Engagement (EME) in a structured and proportionate manner. Complete the table below as a concise, one-page summary focused on decisions and outcomes.

	EME Plan
1. Procurement Context – Project / Contract	
Client details – Client's name, country	
Project Details – Project Name and reference, Sector	
Details Procurement process – title Bank-financed Contract: estimated value	
Key risks or uncertainties	
2. Purpose of EME What decisions do we need to inform? What uncertainties / risks do we need to reduce?	
3. Key Questions to the Market (max 4–6) Focus on what will change decisions / procurement planning.	
4. Market Engagement Approach – Method(s) to be used E.g. Market sounding / RFI, questionnaires / Supplier briefing / One-to-one meetings / Other	
Why this / these approach?	
Level of effort - Light / Moderate / Structured Why?	
Timing - when will the EME be undertaken in relation to project and procurement timetable? (e.g. concept, preparation, pre-tender)	
Roles and Responsibility – Who is leading EME, Who is the owner responsible for EME?	
5. Market Coverage – Who will we engage? International suppliers / Local suppliers / SMEs or new entrants / Industry bodies / Other?	
How will participation be broad and fair?	
6. Integrity and Risk – State key risks and mitigation	
Controls to be applied: E.g. Consistent information / Conflict of interest management / multiple suppliers engaged / proportionate documentation / Record Keeping / External Probity / Other	
7. What are the expected impact on Procurement Design? E.g. Specification / requirements; Packaging / delivery model; Risk allocation; Budget / timeline assumptions; Evaluation approach (Rated Criteria); Local Labour approach; Market interest / competition	

	EME Plan
8. Integration into procurement planning – How will EME outputs be used? E.g. Inform Project Delivery Strategy / procurement strategy / procurement plans / refined procurement documents / Support Bank review / no-objection / Other	
9. Output Summary (post-EME) – What were the key insights	
What were the resultant decisions / changes made?	
Or record confirmation of assumptions (if unchanged)	

EME should provide a clear link between market insight and procurement decisions. If it does not influence decisions, its value is limited.

This template is intended to support proportionate and practical EME planning. It should be adapted based on the value, risk, and complexity of the procurement.

Annex 2: Illustrative Early Market Engagement activities

This Annex provides illustrative examples of EME activities. These are not exhaustive and should be selected and applied proportionately, based on the value, risk, and complexity of the procurement. In practice, Clients may combine and sequence different forms of EME as project preparation advances, iterating from broad market awareness to more targeted validation of key assumptions.

EME Activity	Typical Purpose	When to Use	Key Considerations
Open Market Briefings / Supplier Information Sessions	Share high-level information on upcoming projects and procurement opportunities; raise awareness and interest	Early stages; where broad market awareness and participation are priorities	Ensure equal access to information; avoid detailed or supplier-specific discussions
Market Engagement Events (e.g. supplier days, conferences, outreach)	Signal pipeline and engage a wide and diverse supplier base, including new or non-traditional suppliers	Early planning; where participation or competition may be limited	Keep sessions informational; do not use to test detailed design or requirements
Requests for Information / Market Sounding	Gather structured, comparable feedback on specific questions (e.g. feasibility, timelines, capacity)	When testing key assumptions efficiently across a wide market	Use clear, targeted questions; analyse responses in aggregate rather than individually
Industry Roundtables / Workshops	Explore specific topics in more depth through facilitated discussion (e.g. delivery models, risk allocation, innovation)	For complex or high-risk procurements where interactive dialogue adds value	Ensure balanced participation; avoid negotiation or supplier-specific solutions
Targeted Technical Dialogues	Test specific technical, operational, or integration issues with relevant experts or suppliers	Where technical complexity or novelty is high and early validation is critical	Focus on feasibility and performance; avoid detailed commercial discussions
One-to-One Consultations	Obtain detailed input where group engagement is not effective (e.g. specialist or sensitive topics)	For highly specialised procurements or where confidentiality limits open discussion	Use sparingly; apply safeguards (e.g. multiple participants, clear records, consistency of information)
Surveys / Questionnaires (short-form)	Quickly gather targeted input from a broad group of suppliers	Where time or resources are limited but some market validation is required	Keep concise and focused; avoid overly complex or burdensome formats

Annex 3: Indicative market sounding survey / questionnaire template

Purpose and use of questionnaires

Structured questionnaires or surveys can be an efficient and flexible mechanism for obtaining targeted market feedback during Early Market Engagement (EME). They are particularly useful where the Client wishes to:

- test specific assumptions;
- obtain comparable feedback from multiple market participants;
- validate market capability or delivery feasibility;
- supplement broader market engagement activities; or
- capture feedback in a structured and efficient manner.

Questionnaires or surveys should be designed simply to enable easy completion, high response rates, and simple comparative analysis, for example through the use of multiple choice questions. Respondents should be able to complete questionnaires relatively quickly, for example in under 30minutes.

Questionnaires may be used in different ways depending on the procurement context and objectives. For example, they may be:

- issued directly to selected market participants;
- circulated following an industry briefing, webinar or market engagement event;
- used to support targeted one-to-one discussions; or
- used iteratively at different stages of project preparation.

Questionnaires should generally be accompanied by sufficient contextual information to allow meaningful feedback. Depending on the procurement stage and sensitivity of the engagement, this may include, for example:

- a project overview;
- indicative scope or specifications;
- proposed procurement or delivery approach;
- draft technical concepts;
- preliminary packaging or contracting options; or
- indicative implementation timelines.

The level of detail requested should remain proportionate and should avoid requesting bid-level responses, detailed pricing or commercially sensitive information. Also avoid the collection of information that may be perceived as allowing screeing /pre-qualification, for example details of turnover, solvency statements, etc.

Template Market Sounding Questionnaire

[Insert name of the Client]

Procurement Process: [Insert the Procurement Process title]

Contract: [Insert the Contract title]

Early Market Engagement Questionnaire

The [Insert name of the Client] is undertaking Early Market Engagement (EME) in relation to the proposed [insert title procurement process and contract].

The purpose of this questionnaire is to:

- improve understanding of market capability and capacity;
- validate key procurement and delivery assumptions;
- inform procurement packaging and contracting strategy decisions; and
- support effective and competitive procurement outcomes.

This questionnaire is non-binding and pre-procurement in nature. Responses will be used for market analysis and procurement planning purposes only. Submission of a response does not create any commitment or procurement opportunity.

Estimated completion time: [15–20 minutes].

Section 1 – About Your Organisation

1. Organisation Name:

___

2. Country / Region of Headquarters:

___

3. Organisation Type (select all that apply):
   ☐ Contractor
   ☐ Design–Build / EPC Contractor
   ☐ Equipment Supplier / OEM
   ☐ Consultant
   ☐ Operator / Maintainer
   ☐ JV / Consortium Participant
   ☐ Other: ____________________

4. Please indicate your organisation's experience with MDB-financed or internationally financed projects:
   ☐ EBRD
   ☐ EIB
   ☐ World Bank
   ☐ ADB

☐ AIIB
☐ Other MDB / IFI
☐ No prior MDB experience

5. Please indicate your organisation's relevant sector experience:
☐ Transport
☐ Energy
☐ Water / Wastewater
☐ District Heating
☐ Urban Infrastructure
☐ Digital / ICT
☐ Healthcare
☐ Other: ___________________

6. Please briefly describe experience delivering similar projects or contracts:

____

____

____

Section 2 – Market Capacity and Interest

7. Would your organisation potentially be interested in participating in this procurement?
☐ Yes
☐ Potentially
☐ Unlikely
☐ No

8. If yes, how would your organisation most likely participate?
☐ Prime Contractor
☐ JV / Consortium Partner
☐ Subcontractor
☐ Consultant
☐ Supplier / OEM
☐ Operator
☐ Other

9. What factors would most influence your participation decision?
☐ Contract size
☐ Risk allocation
☐ Delivery timeframe
☐ Technical requirements
☐ Financing/payment arrangements
☐ Local partner availability
☐ Security / operating environment
☐ Other: ___________________

10. Are there any market, delivery or implementation constraints the Client should consider?

Section 3 – Procurement and Contracting Approach

11. In your view, what procurement or packaging approach would best support effective delivery and competition?
    ☐ Single package
    ☐ Multiple lots/packages
    ☐ Phased delivery
    ☐ Framework / staged approach
    ☐ No strong preference
    ☐ Other: ____________________

12. Are there particular delivery models or contract structures that would be more suitable for this procurement?

____

____

13. Are there aspects of the proposed scope or technical requirements that may require further clarification or refinement?

____

____

14. Are there particular procurement risks or implementation challenges that the Client should consider?

____

____

____

Section 4 – Delivery and Market Conditions

15. Are there current market conditions likely to affect pricing, competition or delivery?
    ☐ Supply chain constraints
    ☐ Inflation / price volatility
    ☐ Labour constraints
    ☐ Material availability
    ☐ Currency / financing risks
    ☐ Logistics constraints
    ☐ Regulatory approvals
    ☐ Other: ____________________

Commentary for your response

____

____

16. What delivery timeframe would generally be realistic for this type of procurement?

17. Are there specific Environmental, Social, Health and Safety (ESHS), sustainability or Local Labour considerations the Client should take into account?

Section 5 – Additional Feedback

18. Please provide any additional observations or recommendations relevant to procurement planning or delivery:

Annex 4: Step-by-step instruction for EME Arrangements (workshop or industry roundtable)

This annex provides indicative step-by-step instructions for arranging EME in a form of workshop or industry roundtable.

Step 1. Define the Purpose and Scope

Clearly articulate why the workshop or roundtable is being organised.

Actions:
- identify the specific procurement or strategic objective;
- define clear learning objectives (e.g. test feasibility of delivery model, explore risk allocation, assess market appetite, identify innovation potential);
- specify topics suitable for collective discussion (e.g. technical challenges, sustainability requirements, packaging strategy, contract model, participation constrains);
- confirm that discussion will remain at a general market level, not supplier specific.

Output: written Concept Note (purpose, scope, expected outcomes, risk considerations).

Step 2. Conduct Risk and Integrity Assessment

Given the interactive nature of workshops, integrity safeguards must be embedded early.

Actions:
- identify potential risks (unequal access to information, perceived bias, collusion concerns);
- define mitigation measures (open invitation, published summary, multiple officials present, no pricing discussion);
- assign roles and responsibilities (facilitator, note-taker, compliance oversight).

Output: Risk Mitigation Plan integrated into the engagement design.

Step 3. Identify and Select Participants

Participation should be balanced and representative of the relevant market.

Actions:
- map the market (large firms, SMEs, international/local suppliers, technology providers, financiers where relevant);
- use transparent selection criteria (open call, expression of interest, sector associations);
- ensure diversity of perspectives and avoid dominance by a small group;
- keep the group size manageable (typically 10-30 participants).

Good Practice:

- avoid inviting only incumbent suppliers;
- consider observer participation (e.g. industry associations).

Output: Participant List with documented selection rationale.

Step 4. Develop Structured Agenda and Materials

Workshops are most effective when carefully structured.

Actions:
- prepare a clear agenda with time allocation.
- define session format:

  (a) introductory presentation (project background and constraints);
  (b) moderated plenary discussion;
  (c) breakout groups (if exploring complex issues);
  (d) wrap-up and summary.

- circulate background materials in advance (project outline, constraints, policy framework);
- clearly state discussion boundaries:

  (a) no discussion of specific pricing;
  (b) no discussion of supplier-specific solutions;
  (c) no preferential treatment.

Output: Final Agenda, Pre-circulated briefing pack, Ground Rules document.

Step 5. Ensure Transparency Prior to the Event

Transparency supports fairness and market confidence.

Actions:
- publish notice of the engagement (if appropriate);
- clarify that participation does not create competitive advantage;
- explain how outcomes will be documented and shared;
- confirm that engagement does not constitute pre-qualification or commitment.

Output: Public notice or communication record.

Step 6. Facilitate the Workshop or Roundtable

Skilled facilitation is critical to maintain focus and neutrality.

Actions During the Session:
- reiterate objectives and ground rules at the start;
- ensure balanced participation;
- redirect discussion away from:

  (a) commercial positions;
  (b) pricing;
  (c) supplier-specific proposals;

- focus discussion on:

  (a) general feasibility;
  (b) delivery risks;
  (c) market capacity;

(d) innovation and sustainability opportunities;
(e) risk allocation principles;

- use breakout groups for complex themes;
- capture discussion accurately (neutral notetaking).

In case of Targeted Technical Dialogues, the following additional focus area may be considered: (a) constructability, operability, or maintainability; (b) technology maturity; (c) performance or functional requirements and/or guarantees; (d) challenges of integration with existing systems and interface risks; (e) supply chain constraints.

Facilitation Principles:

- keep presentations structured and short;
- allow sufficient time for questions and feedback;
- maintain neutrality;
- encourage quieter participants;
- prevent dominance;
- keep discussion aligned with learning objectives.

Output: Structured meeting notes.

Step 7. Document and Validate Outcomes

Documentation is essential for transparency and auditability.

Actions:
- prepare a factual summary of:

(a) key themes raised;
(b) areas of consensus/divergence;
(c) market signals;
(d) identified risks or constraints;

- avoid attribution of comments unless agreed;
- remove confidential or commercially sensitive information;
- internally validate accuracy.

Output: Market Engagement Summary Report.

Step 8. Share Non-Confidential Insights

To maintain fairness, relevant insights should be shared broadly.

Actions:
- publish a summary of key findings (where appropriate);
- make information available to all potential tenderers;
- clarify how insights may influence procurement planning;
- confirm that no participant receives privileged information.

Output: Published summary or information note.

Step 9. Integrate Findings into Project Delivery Strategy

Engagement should inform, not replace, structured procurement planning.

Actions:

- update:

  (a) procurement approach;
  (b) packaging strategy;
  (c) technical specifications;
  (d) risk allocation;
  (e) evaluation methodology;

- document rationale for changes;
- ensure adjustments remain compliant with procurement policy.

Output: Updated Project Delilvery Strategy Note.

Step 10. Maintain Audit Trail

Early market engagement may be scrutinised later.

Maintain Records of:

- invitations and selection process;
- agenda and materials;
- attendance list;
- notes and summary report;
- internal decision-making following engagement.

Annex 5: Example market engagement, event agenda and invitation notice

Purpose and Use of Market Engagement Events

Market engagement events, such as supplier briefings, webinars, market sounding workshops or industry forums, can be an effective mechanism for engaging a broad range of market participants in a transparent and efficient manner.

These events are typically used to:

- introduce a proposed project or procurement opportunity;
- improve market awareness and understanding;
- test assumptions relating to delivery, packaging or market capability;
- identify market constraints or risks;
- encourage participation from a broad range of suppliers; and
- support more informed procurement and delivery planning.

The structure and scale of the event should remain proportionate to the procurement context, market conditions and the uncertainties requiring validation.

Clients should generally provide sufficient information to enable meaningful discussion, whilst avoiding disclosure of confidential or commercially sensitive information. Depending on the stage of project preparation, this may include:

- project objectives and delivery context;
- indicative scope and timelines;
- proposed procurement and contracting approach;
- implementation constraints;
- sustainability or Local Labour objectives; and
- key assumptions or issues where market feedback is sought.

Question-and-answer sessions should generally be structured to:

- encourage practical and constructive market feedback;
- test procurement and delivery assumptions;
- identify implementation constraints or market risks;
- explore alternative approaches where appropriate; and
- improve understanding of market capability, capacity and appetite.

For more complex or higher-risk procurements, broader market engagement events may subsequently be followed by more targeted engagement activities, such as questionnaires,

Requests for Information, workshops or one-to-one discussions.

Invitation Notice Template

Market Engagement Event - [Insert name of the Client]

Procurement Process: [Insert the Procurement Process title]

Contract: [Insert the Contract title]

The [Insert name Client] invites interested market participants to attend an Early Market Engagement (EME) session regarding the proposed [insert Procurement process title and contract title].

The purpose of the session is to:

- provide an overview of the proposed project and procurement approach;
- improve market understanding of the opportunity;
- obtain feedback on key delivery and procurement considerations; and
- support effective and competitive procurement outcomes.

The session is pre-procurement and non-binding in nature. Participation does not form part of any formal procurement process and no bid submissions or pricing information will be requested.

Indicative Details

Item	Details
Date	[Insert]
Time	[Insert]
Format	In-person / Virtual / Hybrid
Location / Platform	[Insert]
Registration Contact	[Insert]
Registration Deadline	[Insert]

Participants may include:

- contractors;
- consultants;
- suppliers;
- operators;
- industry bodies; and
- other relevant market participants.

The Client may subsequently undertake additional targeted engagement activities as procurement planning progresses.

Example Market Engagement Event Agenda - [Insert name of the Client]

Procurement Process: [Insert the Procurement Process title]

Contract: [Insert the Contract title]

Market Engagement Session

Time	Topic
09:00 – 09:15	Welcome and Introduction
09:15 – 09:35	Project Overview and Objectives
09:35 – 10:00	Proposed Procurement and Delivery Approach
10:00 – 10:20	Market Conditions and Delivery Considerations
10:20 – 10:35	Break
10:35 – 11:15	Structured Market Discussion / Q&A
11:15 – 11:35	Next Steps and Indicative Timeline
11:35 – 11:45	Closing Remarks

Indicative Discussion Topics

Discussion topics may include:

- market capability and capacity;
- procurement packaging;
- delivery models and risk allocation;
- implementation challenges;
- supply chain considerations;
- ESHS and sustainability requirements;
- Local Labour considerations;
- innovation opportunities; and
- procurement timing and sequencing.

Annex 6: Indicative EME meeting notes and output summary templates

Purpose

This template may be used to support proportionate documentation of EME activities. The level of detail recorded should reflect the scale, complexity and sensitivity of the engagement.

The objective is not to create an unnecessarily burdensome record, but to maintain a clear and proportionate summary of:

- engagement undertaken;
- key insights obtained; and
- how the engagement informed procurement decisions.

Issues/Assumptions Identified

↓

Early Market Engagement

↓

Market Feedback & Findings

↓

Procurement Strategy Adjustments

↓

Procurement & Delivery Outcomes

EME Activity Summary

[Insert name of the Client]

Procurement Process: [Insert the Procurement Process title]

Contract: [Insert the Contract title]

Date:

EME Activity Type:

☐ Industry Briefing
☐ Supplier Meeting
☐ Workshop / Roundtable
☐ Request for Information
☐ Questionnaire / Survey
☐ One-to-One Discussion
☐ Other: ____________________

Participants:

Client / Bank Representatives:

____

____

____

Purpose of Engagement - Briefly describe the purpose of the engagement and the assumptions or issues being explored.

____

____

____

____

Key Topics Discussed

☐ Market capability and capacity
☐ Procurement packaging
☐ Delivery model
☐ Risk allocation
☐ Technical requirements
☐ Delivery timeframe
☐ Market conditions
☐ ESHS / sustainability considerations
☐ Local Labour considerations
☐ Procurement process considerations
☐ Other: ____________________

____

Summary of Key Feedback / Insights

Provide a concise summary of relevant market feedback and observations.

____

____

____

____

Key Risks or Constraints Identified

____

____

____

Procurement or Delivery Implications

Describe how the engagement informed procurement planning, market understanding or delivery considerations.

Examples may include:

- refinement of specifications or scope;
- adjustments to packaging strategy;
- changes to procurement timing;
- revised risk allocation;
- clarification of evaluation approach;
- adjustment of Local Labour requirements; or
- confirmation that the proposed approach remains appropriate.

Follow-Up Actions

Action	Responsibility	Indicative Timing

Record Prepared By:

Date:

Annex 7: Integrity (Probity) in Early Market Engagement

This Annex provides prompts to support integrity (probity) arrangements during EME. This tool is intended to support practical application of integrity principles during EME and can be adapted to suit the scale and complexity of the procurement. EME must be conducted in a way that maintains confidence in the procurement process.

Use **Section A** when:
- setting up EME
- drafting internal plans or light TOR
- agreeing governance arrangements

Use **Section B**:
- as a workshop checklist
- during delivery (live check)
- before finalising procurement documents

A. Integrity Requirements for EME (Scope Prompts)

To follow are EME specific requirements to inform internal activity, or the development of Terms or Reference for an external probity advisor.

1. **Purpose and scope defined** - EME has a clear objective, key questions, and linkage to procurement planning.
2. **Approach is proportionate** - Engagement methods reflect market structure, risk, and complexity.
3. **Consistent information** - Standardised materials (briefings, scripts, FAQs) are used across all interactions.
4. **Appropriate market access** - Engagement is sufficiently open to avoid bias or perceived favouring.
5. **Conflicts managed early** - Conflicts of interest are identified, declared, and actively managed.
6. **Clear engagement boundaries** - Activities focus on insight gathering - not negotiation or solution shaping with individual suppliers.
7. **Documented approach** - A proportionate audit trail is defined (what will be recorded and how).
8. **Confidentiality maintained** - Sensitive information is protected and not shared in a way that creates advantage.
9. **Transparent application of insights** - EME outputs are reflected consistently in procurement documents and approach.

Note: Formal, independent integrity (probity) advisors may be appropriate for high-value, complex, or sensitive procurements but most EME can be managed through structured planning and documentation.

B. EME Integrity Checklist (Working Tool)

Stage	Key Prompts (Use to guide decisions and discussions)
1. Plan EME	• Do we have a clear purpose and defined key questions? • Is the engagement approach proportionate to risk and complexity? • Are we reaching a broad and representative market (not just incumbents)? • Have all conflicts of interest been identified and addressed? • Are materials clear, consistent, and suitable for sharing with all participants?
2. Deliver EME	• Are all suppliers receiving consistent information? • Are discussions focused on insights (not pricing, negotiation, or commitments)? • Are we avoiding disproportionate access or influence by any supplier? • Are key messages and themes being captured consistently? • Is commercially sensitive information being handled appropriately?
3. Use Outputs	• Have insights been consolidated and tested internally? • Is there a clear link between EME outputs and procurement design decisions? • Have we avoided embedding supplier-specific solutions or bias? • Is there a clear and proportionate record of what was done and why? • Are procurement documents aligned with what was shared with the market?

Annex 8: Assessment of effectiveness of Early Market Engagement

This annex provides an illustrative template for a structured assessment, which can be undertaken following completion of the subsequent procurement process to determine whether EME achieved its intended objectives.

The purpose of such evaluation shall usually be to:

- validate whether insights obtained during EME were accurate and reliable;
- assess whether EME contributed to improved procurement outcomes;
- identify lessons learned to inform future engagements; and
- strengthen institutional learning, accountability, and evidence-based procurement planning.

It does not assess the performance of Market Participants it focuses on the effectiveness of the engagement process and its influence on procurement design and outcomes.

Core Validation Areas

Validation of EME outcomes shall normally be undertaken against the following key areas:

1. Competition Outcomes

The evaluation shall assess whether competition levels were consistent with market feedback received during EME.

Relevant indicators may include:

- number of expressions of interest or proposals received;
- diversity of participants (including local and international firms, SMEs and large entities);
- number of compliant proposals;
- participation of new entrants or providers of innovative solutions.

Where competition levels materially diverge from expectations formed during EME, the evaluation should consider changes in market conditions, aspects of procurement design that may have discouraged participation, whether risks or requirements were misjudged during EME.

2. Pricing and Commercial Outcomes

The evaluation shall compare market expectations identified during EME with actual pricing and commercial outcomes with the focus on whether EME contributed to realistic budgeting and market-aligned commercial structures.

Assessment may include:

- comparison between initial cost estimates and submitted prices, subject to confidentiality constraints;
- analysis of price dispersion across proposals;
- assessment of price competitiveness against relevant benchmarks;
- alignment between risk allocation and pricing structures.

Where pricing outcomes materially exceed expectations, the evaluation should examine risk allocation, clarity and appropriateness of technical specifications, market volatility or external economic factors.

3. Innovation and Technical Outcomes

The evaluation shall assess whether the procurement attracted the level of innovation and technical quality anticipated during EME.

Indicators may include:

- degree of technical differentiation between proposals;
- incorporation of innovative or sustainable solutions;
- alternative delivery models proposed within the permitted framework;
- consideration of lifecycle costs and long-term performance.

Where innovation levels fall below expectations, the evaluation should examine whether procurement documents constrained innovation, evaluation criteria discouraged alternative or innovative approaches, risk allocation limited flexibility or discouraged market participation.

4. Risk Allocation and Risk Materialisation

The evaluation shall assess whether risks identified during EME materialised during the procurement process or early implementation.

The review may consider:

- withdrawal of participants during the process;
- volume and nature of clarifications and amendments;
- contractual disputes or challenges;
- early claims or contract variations;
- delays attributable to risk allocation issues.

Particular attention shall be given to whether risk allocation reflected market feedback obtained during EME, transferred risks were realistically priced and manageable, retained risks were adequately mitigated by the Client.

Assessment of Market Signals and Assumptions

The evaluation shall revisit key assumptions formed during EME, including:

- market appetite and interest;
- supply chain resilience;
- capacity constraints;
- regulatory or sector-specific barriers.

Where assumptions prove inaccurate, the evaluation should determine whether the scope of engagement was insufficient, participation was not adequately representative, market conditions evolved between EME and procurement.

Assessment of Process Integrity

The Post-Engagement Evaluation shall include an assessment of the procedural integrity of the EME process.

- This assessment may include review of:
- transparency measures;
- adequacy and completeness of documentation;
- information disclosure practices;
- absence of complaints, conflicts of interest, or integrity concerns.

Where concerns arise regarding unequal access to information or potential unfair advantage, these shall be analysed and addressed to strengthen future safeguards.

Documentation and Reporting

The results of the evaluation shall be documented in a Post-EME Evaluation Note.

The Note shall include:

- original EME objectives;
- summary of key market insights obtained;
- overview of procurement outcomes;
- comparative analysis of expectations versus outcomes;
- identified lessons learned and recommendations.

The Evaluation Note shall form part of the procurement file and may be used for institutional knowledge management purposes.

An example of an executive Evaluation Note can be found overleaf.

Executive Post-EME Evaluation Note Template

Project: ______________________

Procurement Method: _____________

Date of EME: __________________

Evaluation Date: ________________

Evaluator(s): ___________________

A. Summary Assessment

Area	Effectiveness Rating (1=Low, 5 =High)	Key Findings
Competition	☐ 1 ☐ 2 ☐3 ☐4 ☐5	
Pricing	☐ 1 ☐ 2 ☐3 ☐4 ☐5	
Sustainability	☐ 1 ☐ 2 ☐3 ☐4 ☐5	
Innovation	☐ 1 ☐ 2 ☐3 ☐4 ☐5	
Risk Allocation	☐ 1 ☐ 2 ☐3 ☐4 ☐5	
Market Assumptions	☐ 1 ☐ 2 ☐3 ☐4 ☐5	
Integrity and Transparency	☐ 1 ☐ 2 ☐3 ☐4 ☐5	

Overall Effectiveness of EME: ☐ Low ☐ Moderate ☐ High

B. Detailed Evaluation

1. Competition Outcomes

Number of proposals received: _____
Number of compliant proposals: _____
Diversity (SMEs/international/new entrants): _____________

Alignment with EME expectations: ☐ Yes ☐ Partial ☐ No

Comments: ____

2. Pricing and Commercial Outcomes

Internal estimate vs awarded price: _____% variance
Price spread (lowest–highest proposal): _____%
Benchmark comparison (if available): _________________

Assessment of pricing realism: ☐ High ☐ Moderate ☐ Low

Comments: ____

3. Sustainability Outcomes

Sustainability requirements reflected in proposals: ☐ High ☐ Moderate ☐ Limited
Environmental considerations (e.g. emissions, resource efficiency): ☐ Yes ☐ No
Social and labour standards addressed: ☐ Yes ☐ No
Climate resilience / long-term sustainability measures included: ☐ Yes ☐ No
Lifecycle cost considerations incorporated: ☐ Yes ☐ No

Alignment with EME sustainability expectations: ☐ Yes ☐ Partial ☐ No

Comments: ____

4. Innovation and Technical Outcomes

Evidence of innovation: ☐ High ☐ Moderate ☐ Limited
Sustainable/lifecycle considerations included: ☐ Yes ☐ No

Alternative approaches proposed: ☐ Yes ☐ No

Comments: ____

5. Risk Allocation & Materialisation

Proposal withdrawals: ______
Number of clarifications/amendments: ______
Early claims/variations: ______
Delays attributable to risk issues: ☐ Yes ☐ No

Alignment with EME risk assumptions: ☐ Yes ☐ Partial ☐ No

Comments: ____

6. Market Assumptions Validation

Market appetite confirmed: ☐ Yes ☐ Partial ☐ No
Capacity constraints observed: ☐ Yes ☐ No
Supply chain issues: ☐ Yes ☐ No

Comments: ____

7. Integrity and Process Assessment

Transparency maintained: ☐ Yes ☐ Partial ☐ No
Complaints received: ☐ Yes ☐ No
Equal access to information ensured: ☐ Yes ☐ No

Comments: ____

C. Lessons Learned and Actions

Key Lessons:

- ______________________________________
- ______________________________________

Recommended Adjustments for Future EME:

- ______________________________________
- ______________________________________
- ______________________________________

Prepared by:

Reviewed by:

Approved by:

Date:

4. DISCLOSURE

This Guidance will be disclosed on Bank's website.

5. EFFECTIVE DATE

This Guidance is effective from 1 September 2026.

6. DECISION MAKING FRAMEWORK

Director, Project Procurement Department is accountable for this Guidance.

Associate Director, Procurement Policy Adviser, Operations, Project Procurement Department is responsible for this Guidance.

7. RELATED DOCUMENTS

1. The Procurement Polices and Rules dated 1 September 2026.

2. Project implementation during armed conflicts or wars dated 1 April 2024

3. Value for Money in Public Procurement dated 1 September 2026

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