European Bank
for Reconstruction and Development

PROCUREMENT QUICK GUIDE

EARLY MARKET ENGAGEMENT

Engaging the market early - so projects succeed

What is Early Market Engagement?

Early Market Engagement (EME) is the structured, transparent and non-binding interaction between a Client and potential Market Participants, undertaken before the formal launch of a Procurement Process, to gather market intelligence and test assumptions.

Combined with Market Analysis, EME enables Clients to design procurement approaches aligned with market capacity — improving competition, project outcomes and Value for Money.

Why does EME matter?

EME helps Clients understand what the market can deliver and what needs to change before a Procurement Process begins. When conducted well, EME strengthens — never undermines — fair and open competition.

Better requirements – specifications and outputs are tested against market capability

Stronger competition – opportunities are shaped in ways that attract capable Market Participants

Improved Value for Money – procurement decisions are informed by market evidence, not assumptions

More realistic delivery – cost, timing, packaging and risk assumptions are tested early

Greater innovation – Clients can identify alternative delivery models and better solutions

Reduced procurement risk – fewer surprises once the Procurement Process is launched

Focus on what matters. Use EME to select the Procurement approach that offers the best overall value to the Client.

When is EME required?

Mandatory use
Unless otherwise agreed with the Bank, the Client shall conduct EME before the commencement of procurement process for contracts above the following estimated values (excluding VAT):

Procurement	Threshold
Goods	€10 million
Works or Services	€35 million
Consultancy Services	€5 million

EME may also be required below these thresholds, for examples in the context of crises, natural disasters.

Common areas addressed by EME

Common examples of where EME insight is most valuable — and how it feeds into the procurement strategy and documents.

- Technical solution and specifications
- Contract packaging and lotting
- Cost and timeline assumptions
- Evaluation approach and Related Criteria
- Market Capacity and competition
- Local Labour and policy requirements

These are illustrative examples only. EME should be targeted at the uncertainties and decisions most relevant to each specific procurement.

Where does EME sit in the project lifecycle?

1 Initial Project Definition
What needs to be achieved and what is to be procured

2 Market Analysis
Desk-based assessment of market conditions, capacity and dynamics

3 Draft Project Delivery Strategy (PDS)
Initial procurement approach – key uncertainties remain

Uncertainties in the draft strategy drive the need for EME

4 Conduct EME
Testing assumptions and gathering market intelligene from Market Participants

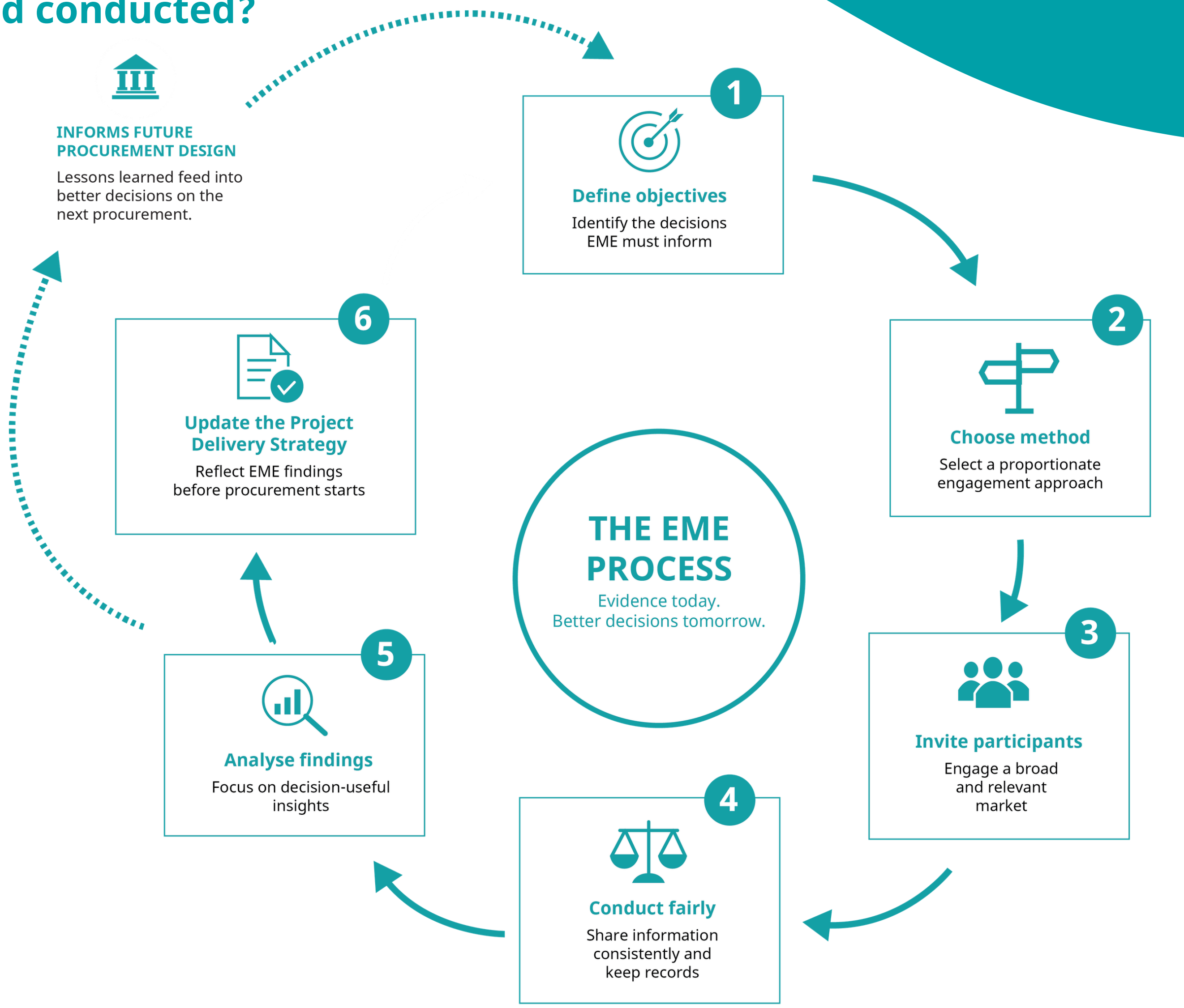
Market insights gathered–strategy can now be finalised

5 Refined Project Delivery Strategy
Evidence-based strategy, ready for Bank review and no-objection

6 Procurement Process
Formal Procurement Process begins, built on solid market evidence

EME gathers the evidence, the refined PDS reflects it.

How is EME planned and conducted?



DO	DON'T
Plan EME early–while it can still influence the Project Delivery Strategy and procurement design	**Start EME after** procurement documents are already finalized
Define clear objectives and priority questions before engaging the market	**Engage the market vaguely**, without a clear plan or focused questions
Use a proportionate method based on risk, value, and complexity	**Allow one Market Participant** to shape the specification for its own advantage
Give all participants equal access to the same information	**Share confidential** or commercially sensitive information during engagement
Keep clear records of all engagement activities and findings	**Negotiate** prices, contract terms or technical solutions with any participant
Use EME findings to refine the Project Delivery Strategy	**Conduct EME and then ignore** the market feedback obtained

Frequently Asked Questions

1. **Can a Market Participant who engaged in EME still bid?**

   ✓ Yes – participation is non-binding and does not affect eligibility to bid. Equal access to information, consistent treatment and clear records prevent unfair advantage.

2. **Can EME be skipped if the project is under time pressure?**

   ✓ Where mandatory, EME cannot be skipped – but it can be right-sized. A short request for information or focused briefing may be sufficient for simpler procurements.

3. **How formal does EME need to be?**

   ✓ EME must be proportionate – a routine procurement may need only a brief market check; a complex contract may need structured, multi-stage engagement. The minimum: plan, conduct fairly, document and reflect findings in the Project Delivery Strategy.

4. **What if the Client or Market Participants are hesitant to engage?**

   ✓ Hesitancy is normal and manageable. Explain that participation is voluntary, non-binding and designed to produce a better procurement opportunity for the market.

5. **What if local rules make direct market engagement difficult?**

   ✓ Discuss with EBRD. Alternatives include published request for information, industry body engagement or consultant-led market analysis. The objective remains: sound market intelligence before procurement is finalized.

6. **How should EME findings be recorded and shared?**

   ✓ Retain: purpose • participants • questions • insights • how insights informed decisions. Share an aggregated, non-attributable summary with the market before the Procurement Process launches.

Focus on what matters. | Use EME to inform procurement decisions — before the Procurement Process begins.

Further guidance and tools

- EME planning checklist
- example EME methods
- example market sounding questions
- EME findings / Project Delivery Strategy update template

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