European Bank
for Reconstruction and Development

Procurement by Utilities

Guidance note

1 September 2026

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Procurement by Utilities

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1. Purpose

This note provides guidance on the Bank's approach in respect of the procurement by a Utility in accordance with Section III, Articles 3 and 4 PPR.

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.

Contractor	means a contractor, supplier, consultant or service provider engaged under a Bank-financed Contract with a Client.
EPPs	means the Bank's Enforcement Policy and Procedures as amended from time to time.
ESP	means the Bank's Environmental and Social Policy as amended from time to time.
Rejection Grounds	means the exclusion grounds specified in Section III, Article 2.8 PPR.
PPR	means the Bank's Procurement Policies and Rules as amended from time to time.
Utility	means an authority or undertaking which provides or operates fixed networks intended to supply a service to the public in water, wastewater, electricity, gas, heat, telecommunications, road or rail network.

Guidance note
Procurement by Utilities

3. Scope

3. Scope

3.1. Introduction

Utilities provide critical services and backbone infrastructure to people and economies, and as such are often subject to specific procurement rules in their countries. In many cases, Utilities are natural monopolies that are fully controlled by the state or local authorities. Some Utilities have been fully or partially privatised. Given their specific status, many national and MDBs procurement regulatory frameworks impose special procurement regimes for Utilities. Similarly, the PPR gives special consideration to procurements conducted by Utilities.

Depending on how a Utility operates, which procurement regulatory framework applies, whether it is subject to bankruptcy and insolvency laws, the PPR stipulates the specific procurement procedures that such Utility must follow:

i. Public sector procurement procedures (Section III, Article 3 PPR)
   - the Bank's regular public sector arrangements,
   - national public procurement arrangements, or
   - the Utility's established (corporate) procurement procedures; or

ii. Private sector procurement procedures (Section III, Article 4 PPR)

Please refer to Annex A for a table setting out the applicable procurement procedures for a Utility in accordance with the PPR and the conditions for application. The specifics of using different procurement arrangements are further set out below.

3.2. Public sector classification and arrangements

When a Bank Operation involving a Utility is classified as a Public Sector Operation in accordance with Section III, Article 3.2(c) PPR, such Utility must follow the Bank's public sector procurement rules as set out in Section III, Article 3 PPR. However, depending on the applicable conditions, a Utility must follow the Bank's regular public sector arrangements, national procurement procedures or its own established procurement procedures. These options are further set out below.

3.2.1. Regular public sector arrangements

As part of the regular public sector arrangements, a Utility shall procure a Bank-financed Contract following Open Competitive Procedures or Direct Contracting, if agreed by the Bank. In addition, such Utility shall use the Bank's Standard Procurement Documents, and the contracts shall be subject to prior review by the Bank. In a Bank Operation involving the procurement of Commodities by a Utility, the Bank may agree to the use of special competitive procedures in accordance with Section III, Articles 3.27 and 3.61 PPR.

3.2.2. National public procurement arrangements

Instead of the regular public sector arrangements, a Utility may be allowed to conduct procurement under national laws if the conditions set out in Section III, Articles 3.28, 3.62-3.64 PPR are met. This would concern low value contracts. Please consult the Bank's Guidance Note on Procurement under National Laws for further information.

3.2.3. Utility's established procurement procedures

3.2.3.1. Core principles

A Utility may be allowed to use its established procurement procedures if it follows sound procurement policies and practices acceptable to the Bank (Section III, Article 3.29 PPR). In any event, the applicable procurement approach must be designed to be open to international competition. Furthermore, the conditions set out in Section III, Articles 3.65-3.66 PPR must be met:

i. ensuring that the resulting contracts will be awarded to adequately qualified Participants leading to Clients achieving value for money;

ii. encouraging competition, where appropriate, by providing for among others:
    - adequate notification;
    - non-discriminatory treatment of Participants;
    - transparent and fair evaluation procedures;
    - a suitably independent complaint mechanism; and
    - fair and balanced contracts in line with principles set out in Section III, Article 3.69 PPR.

This approach is intended to encourage a Utility, where it is allowed under the applicable law to set higher standards than those set out in its national primary public procurement law, to establish and efficiently apply comprehensive corporate procurement policies and procedures that are in line with best practices and comparable to the regular public sector arrangements in the PPR.

The Bank may request adjustments to such established procurement procedures to ensure compliance with the general principles and considerations set out in PPR, including Section III, Article 2.8 PPR. In order to increase transparency and accountability the Bank encourages Clients to use an e-procurement portal, when available and acceptable to the Bank.

3.2.3.2. Risks

There have been positive developments in relation to Utilities' corporate procurement policies and procedures "on the books". Nonetheless, based on the experience of the wider international community, many Utilities still have serious limitations with their applications in practice when compared to best practices in this respect (including the PPR and the Bank's regular approach). Issues were observed in respect of:

- openness (implicit eligibility restriction, exclusions, restricted accessibility of the e-procurement platform for in particular foreign companies, and the procurement systems as a whole),

- equal treatment (domestic preferences, mandatory pre-award in country registration, localisation requirements, licencing),
- transparency (the level of development and use of e-procurement systems, obscure appeal mechanism),
- language and time limits in respect of procurement processes,
- quality assurance of procurement processes,
- objectiveness of evaluation methodology,
- constraints of the financial planning as compared to the contract implementation horizons,
- applicable contract models and specific contractual provisions,
- applied environmental and social requirements,
- anti-corruption measures and their enforcement.

Some of these limitations may be considered acceptable to the Bank, as they in practice would unlikely affect the outcome of procurement processes for a specific contract. Other limitations may represent a significant risk to effective project implementation and may contradict fundamental principles of the Bank Operation. Therefore, the ultimate decision in respect of the application of the Utility's established procurement procedures rests with the Bank. Such decision shall be made during the project preparation and structuring phase upon conducting appropriate due diligence and finalising the contracting strategy. The respective decision shall form part of a project delivery strategy.

3.2.3.3. Assessment

At the project preparation stage, the Bank staff shall assess a Utility's established procurement system based on their Procurement Rules and Practice Questionnaire (See Annex B). Based on the results of the assessment and considering potential limitations of the corporate procurement procedures or practices, the Bank may request adjustments to such procedures to align these with the principles in Section III, Articles 1 and 2 as well as to ensure compliance with Article 2.8 PPR. These adjustments shall ensure that the Utility's procurement system will follow sound procurement policies and practices that are acceptable to the Bank by complying with the Bank's fundamental principles and procurement rules.

It is important for Bank staff to assess and discuss with the Client if their corporate procurement policies, other regulations or the procurement system prohibit or otherwise restrict (in any manner) compliance with any Bank requirements. This should be done at the very earliest opportunity during the project preparation stage. In case any identified issues cannot be resolved, the Bank may not agree on procurement to be conducted under the Utility's procurement procedures. Other procurement arrangements would need to be agreed upon.

3.2.3.4. Principles of application

A Utility's established procurement procedures shall uphold the principles of transparency, accountability, fair and open competition, and the efficient use of public funds. To align with the Bank's core procurement principles, additional safeguards may need to be applied when using the Utility's procedures. These safeguards reflect the standards required under the PPR for open international procurement processes. Qualification criteria and proposal evaluation methods shall be adapted to suit the contracts considered for Bank financing. Furthermore, all procurement documents and resulting contracts must ensure the application of the Rejection Grounds, ESP and EPP, and must preserve the Bank's rights to inspection and audit. Clients are responsible for ensuring these provisions are included in all contracts and sub-contracts.

At the same time as the legal basis for the Client's actions, the above-mentioned requirements shall be appropriately included by the Bank in the project legal agreements.

Even if enabling the application of corporate procurement procedures by a Utility, the overall procurement process as well as the administration and management of the resulting contracts are subject to the applicable PPR. The relevant considerations in this respect are set out below.

3.2.3.5. Project preparation

Before the Bank would be in the position to approve a Client who is a Utility to conduct the procurement of a Bank-financed Contract under its established procurement procedures, the Bank shall conduct due diligence on the Utility's procurement system and respective practices to analyse if the proposed specific procurement procedures would meet the requirements of the PPR.

The Utility's established procurement procedures shall be assessed in accordance with the principles outlined in the Annex B, taking into account the objectives and scope of the intended Bank financing. An essential part of the assessment shall include a review of the key procurement principles to be applied by the Client regarding, inter alia, the competitiveness and openness of the procedures that are intended to be used for the Bank Operation, the intended evaluation methodology and qualification criteria. These critical elements should be generally consistent with the procurement principles promoted by the PPR and the procurement approach typically applied for the contracts of similar nature, magnitude, and complexity under Bank's standard procedures, taking into account prevailing market conditions. The principles and considerations for a qualification assessment as set out in the Bank's Qualification Assessment Guidance will serve as a benchmark for the assessment. Furthermore, the overall reasonableness of the contract conditions to be used in the context of the intended contracts will be assessed. The applicable internationally recognised contract models should be used as a benchmark for the assessment. In order to facilitate the review process, the Bank may request the Client to provide an English translation of procurement documentation, including contracts' templates (in whole or in part).

The respective analysis shall not only include the assessment of the Utility's regulatory procurement framework, but also an assessment of the application of this framework in practice and whether it is effective in delivering successful results for the procurement of contracts comparable to the contracts the Bank is intending to finance. The latter assessment will be conducted based on recent examples of such comparable contracts that were signed following the procurement process that is proposed to be followed for the procurement of the Bank-financed Contract.

The Bank shall also evaluate the institutional capacity of the Client and the overall proposed project implementation structure to ensure that the Utility's procurement system and organisation is capable to cover the entire project cycle efficiently and effectively in line with the arrangements proposed for the project EBRD considers financing. The assessment may be conducted with the use of the Client's Capacity Assessment Toolkit, as appropriate. In case of limited in-house resources, experience and/or qualifications, Clients shall be required by the Bank to engage suitably qualified consultants for support (e.g. project preparation consultant).

Upon a satisfactory assessment, the use of the Utility's procurement arrangements may be proposed for the Bank Operation. The Bank and the Utility will collaborate in preparing a proposal, supported by an executive summary of the analysis, a list of the key risks identified and the proposed mitigants as well as the contracting strategy. In addition to the standard information, the contracting strategy shall state for each intended Bank-financed Contract to be procured, the Utility's specific competitive procurement procedures to be used. Where necessary, it shall articulate the conditions and/or additional requirements to be included in the documents as well as any adjustments to the standard procurement procedure.

The aforementioned information and the agreed procurement plan shall at the relevant time be presented to the Bank's Board of Directors or, where applicable, to the designated approval body of the Bank, which the Board of Directors delegated such authority to, as part of the documents submitted for their approval of the Bank Operation.

3.2.3.6. Project legal documents

Upon approval the project delivery strategy, the selected procurement procedures and the proposed risk mitigants shall be appropriately reflected in the project legal documents to be signed between the Bank and Clients. In particular, the legal agreements the Bank signs with Clients shall explicitly state the formal title of the Utility's procurement procedures to be applied as well as the respective regulations guiding its application. Moreover, the legal agreement shall include the wording to ensure the implementation of the requirements set out in Section III, Articles 3.64-3.65 PPR, including:

- a Covenant of Integrity in the form and language as set out in Annex C, which is required to be included by the Client as part of the procurement documents. Such Covenant of Integrity shall be signed and submitted by each Participant in the procurement process as part of their Proposal;
- a Contractor Integrity Undertaking in the form and language as set out in Annex D shall be included by the Client as an integral part of contracts. Such undertaking shall be signed by the Contractor together with the signed contract. Alternatively, subject to the Bank's prior consent, provisions identical to those set out in the Contractor Integrity Undertaking may be included directly in the contracts.

  The Bank can provide Clients with French and Russian versions of the Covenant of Integrity and Contractor Integrity Undertaking. In case the Covenant of Integrity or Contractor Integrity Undertaking must be used in another language, the Client shall obtain the Bank's prior approval to its text by sending a translated draft to the Bank for review;
- provisions to reflect the project related requirements of EPPs and ESP as well as the Environmental and Social Action Plan and other respective requirements in contracts;
- provisions to ensure the Bank's inspection and audit rights with respect to the two aforementioned policies, similar to rights required under Section III, Article 2.12 PPR;
- requirements to ensure that all contracts include the provisions securing compliance with the requirements of Section III, Articles 3.64-3.65 PPR in all sub-contracts;
- reporting requirements to ensure the Bank is timely provided with key procurement data and information on progress with specific contract implementation; and
- those specific key conditions and/or requirements identified during the due diligence process.

The Client must comply with such requirements. In case the corporate procurement policies, other regulations or the procurement system prohibit or otherwise restrict (in any manner) compliance with these requirements described above, the Client must raise this as early as possible during its discussions with the Bank about the applicable procurement procedures. In case the identified issues cannot be resolved, the Bank may not agree on procurement to be conducted under the Utility's procurement procedures and other procurement arrangements would need to be agreed upon.

3.2.3.7. Procurement processes and respective procurement documents

In line with the requirements of the PPR, as soon as possible upon the Bank's no-objection of the procurement plan, the Client shall issue a general procurement notice that advises the business community about the nature of the Bank Operation and the forthcoming business opportunities.

The general procurement notice shall be published on the Client's own website and/or official government procurement portal, where available, or in a newspaper with wide circulation in the Client's country or in official gazettes or international trade publications, as appropriate. In addition, to notify potential Participants at the earliest possible stage of upcoming opportunities, this notice shall be submitted to the Bank for publication on the Bank's website (www.ebrd.com) and/or the Bank's e-procurement portal and, wherever possible, in the Official Journal of the European Union and the official publication of the UN.

The general procurement notice shall be updated each time the procurement plan has been materially modified. The procurement process shall not commence prior to the publication of the general procurement notice.

The general requirements for procurement in respect of procurement documentation shall be followed. At the same time, the contract specific procurement documents should be aligned, to the extent possible, with the Bank's requirements regarding:

- the procurement documents, evaluation of proposals and contract award, language and technical requirements, proposal prices, time limits and others as outlined in Section III, Articles 3.37-3.59 PPR; and
- the contractual arrangements, as set out in Section III, Articles 3.70-3.72 PPR (in relation to contract conditions, payments, sub-contracting and Nominated Sub-contracting arrangements).

In case the Utility's established procurement procedures do not prescribe the use of standard procurement documents, Clients are encouraged to use the Bank's Standard Procurement Documents, which can be modified to reflect the necessary requirements of Utility's established procurement procedures. Wherever possible and deemed acceptable to the Bank, the procurement under the Utility's established procurement procedures shall be conducted on an e-procurement platform, as it provides for a higher level of transparency and accountability.

The Client must give sufficient advance public notification of the opportunities for Participants to determine their interest and to prepare and submit their Proposals. Each procedure shall be advertised in the appropriate media with the aim of maximising competition. In the interests of maximising potential competition, Clients are encouraged to arrange for additional publication of individual procurement process notices on the Bank's website.

The procurement documents shall normally be issued and Proposals submitted under the Utility's established procurement procedures. In order to broaden competition and encourage foreign companies' participation, the Bank encourages Clients, where reasonable, to allow for the use of one of the Bank's working languages (as an additional option to the official language).

Please note that the PPR provide for a number of grounds for exclusion of Participants from contract award as set out in Section III, Article 2.8 PPR. These grounds can be divided into two groups:

- grounds which focus on the Participant's eligibility for contract award. This concerns the cases when a participant is declared ineligible under the EPPs or is subject to UN Sanctions (Section III, Articles 2.8(a) and (b) PPR) (the list of EBRD ineligible entities is available under: https://www.ebrd.com/home/who-we-are/strategies-governance-compliance/ebrd-sanctions-system/ineligible-entities.html); and
- grounds which inter alia focus on the Client's inability to enter into the resulting contract or the parties' inability to perform under the resulting contract (Section III, Article 2.8(c) - (g) PPR).

The rejection grounds shall normally be reflected in the applicable procurement documents and the project legal agreement signed between the Bank and a Client, as applicable. In case any of the respective conditions apply, the Client shall ensure that no Bank-financed Contract is awarded to such Participant. In case the Client awards a contract to an ineligible Participant the Bank may declare such contract to be ineligible for Bank financing. In case of an award a contract affected by one of the inability grounds, the Bank may not be in a position to effectively proceed with disbursement under the resulting contracts.

3.2.3.8. Procurement complaints and appeals

In case the procurement is conducted under Utility's procurement procedures, the Client's established procurement policies and rules or the national procurement complaints review system shall apply (Section III, Article 3.66 PPR). The Bank's Procurement Reviews and Complaints Directive is not applicable in such cases.

3.2.3.9. Contract administration and management

Clients shall be required to administer contracts with due diligence and shall monitor and report to the Bank on the performance of contracts. The provisions detailed in Section III, Articles 3.70-3.73 PPR shall apply. In the majority of instances, Works contracts awarded following national rules will be supervised in accordance with the national legislation and regulatory requirements under supervision contracts procured and financed by the Client. In this regard when assessing the acceptability of alternative procurement procedures, the Bank shall be satisfied that the proposed works supervision arrangements are adequate to ensure satisfactory implementation of the contracts as well as all related requirements as per the project legal documents and the Bank's policies (EPPs, ESP and PPR).

All contract modifications/variation or change orders/Contractor's claims signed/issued/determined under eligible contracts shall be subject to the Bank's no-objection, unless the Bank agrees an alternative arrangement in this respect with the Client.

3.2.3.10. Project monitoring by the Bank

For contracts procured under the Utility's system, the Bank's project teams shall monitor their implementation by Clients in a regular manner using the Bank's standard procedures and practices. A dedicated PPD Project Implementation Advisor, who monitors project implementation and provides advice and assistance to Clients in the procurement process, shall be included in a project team, as appropriate.

The provisions detailed in Section III, Articles 3.74-3.82 PPR shall apply. In order to facilitate the review process, the Bank may request the Client to provide an English translation of procurement documentation, deliberations, contracts or proposals (in whole or in part).

To assess compliance of the procurement process conducted under Utility's procurement system with the requirements set out in the project legal agreements, the procurement documents for each contract shall be subject to prior review by the Bank in accordance with the procedure set out in Section III, Article 3.77 PPR, unless the contracts are low-risk/low-value. In that case the procurement process shall be subject to post review by the Bank in line with Section III, Article 3.78 PPR. In order to facilitate such post review process, Clients shall provide the Bank immediately after contract signing with the required information and documents, including a completed Contract Data Form as per Annex E (in English) immediately after contract signing.

Notwithstanding the above, the contract administration process for all contracts awarded under the Bank Operation shall be subject to the prior review procedures set out in Section III, Article 3.77 PPR, unless otherwise agreed with the Bank during project structuring phase.

In instances where multiple contracts are to be awarded under the Utility's procurement procedures, it shall be expected that the Bank will engage a lender's monitor consultants to oversee the project implementation by a Client and report to the Bank upon the procurement process and the implementation of each contract.

3.3. Private sector arrangements

Procurements conducted by Utilities shall be subject to procurement rules for Private Sector Operations if, the Utilities are privately owned or pursuant to Section III, Article 3.3 PPR, the Bank determines that such Utilities:

i. are not required to apply national procurement laws; and
ii. operate competitively, meaning they
    a. operate autonomously in a competitive market environment and
    b. are subject to bankruptcy and insolvency laws.

When a Bank Operation involving a Utility is classified as a Private Sector Operation, the Bank's focus is on the appropriate use of funds and economy and efficiency to facilitate Clients achieving value for money, including environmental and social considerations (Section III, Article 4.2 PPR).

In case it concerns a corporate lending transaction, the Bank allows Clients to apply their own established procurement principles, processes, and practices for the procurement of a Bank-financed contract provided that the Bank has determined that such arrangements are designed to achieve a sound selection of Goods, Works, Services, Consultancy Services or Commodities at fair market prices (Section III, Article 4.3 PPR). In case it is a project financing transaction, the Bank requires Clients to apply competitive procurement arrangements for the procurement of a Bank-financed Contract, where appropriate. The Bank shall determine that the Client procures Goods, Works, Services, Consultancy Services or Commodities at fair market prices under balanced contract conditions (Section III, Article 4.4 PPR). Please refer to the Bank's Private Sector Procurement Guidance for further information.

Annex A – Procurement arrangements for Utilities under the PPR

Applicable procurement procedures for Utilities	Conditions of application
Public sector: regular arrangements (Section III, Articles 3.16-3.26, 3.30-3.59 PPR)	● Utility is majority owned/controlled by national/local governments or government agencies in Country of Operations (Section III, Article 3.2(c) PPR); and ● Utility is subject to national procurement laws
Public sector: national law-based procedures (Section III, Articles 3.62-3.64 PPR)	● Utility is majority owned/controlled by national/local governments or government agencies in Country of Operations (Section III, Article 3.2(c) PPR); ● Utility is subject to national procurement laws; and ● Low value contracts in line with thresholds in Section III, Article 3.28 PPR.
Public sector: Utility's established (corporate) procurement procedures (Section III, Articles 3.65-3.66 PPR)	● Utility is majority owned/controlled by national/local governments or government agencies in Country of Operations (Section III, Article 3.2(c) PPR); ● in line with national procurement law, the Utility procures in accordance with its established (corporate) procurement procedures; and ● Utility follows sound procurement policies and practices acceptable to the Bank (Section III, Article 3.29 PPR)
Private sector arrangements (Section III, Article 4.2-4.5 PPR)	● Utility is not required to apply national procurement laws and operates autonomously in a competitive market and is subject to bankruptcy and insolvency laws (Section III, Article 3.3 PPR); and ● Utility's established (corporate) procurement arrangements (i) are designed to achieve a sound selection of Goods, Works, Services, Consultancy Services or Commodities at fair market prices (in case of corporate lending) or (ii) lead to the procurement of Goods, Works, Services, Consultancy Services or Commodities at fair market prices under balanced contract conditions (in case of project financing).

Annex B – Procurement rules and practices questionnaire

Questions:

1. What law governs the application of the Client's corporate procurement procedures? Please provide the reference, title, the date of the current version and the text of the law (with English translation if requested by the Bank).
2. What corporate or other regulation governs the application of the proposed procurement procedures? Please provide the reference, title, the date of the current version and the text of the regulation (with English translation if requested by the Bank).
3. How is the procurement complaint system arranged?
4. What is the formal title(s) of the proposed procurement procedure(s)?
5. What are potential restrictions associated with the applicable law, corporate or other regulation and the proposed procedure? Please list any applicable eligibility restrictions, domestic or other preferences, accessibility restrictions, licences and certifications, language requirements restrictions, and assess whether foreign companies are able to participate in the procurement process on equal terms with local companies.
6. Are there any legal or other type of limitations or restrictions (such as technical), which may inhibit the use of the PPR requirements in respects of the exclusion grounds, application of ESP, Environmental and Social Action Plan, and EPPs and ensuring the Bank's inspection and audit rights during the procurement process and contract implementation phase?
7. Will the proposed procurement procedures be undertaken through a national or other e-procurement platform? What is the applicable e-procurement system? Does it impose technical or other type of restrictions if Bank-specific documents need to be uploaded?
8. Does the applicable regulatory framework impose the use of standard procurement documents for the proposed processes?
9. Does the applicable regulatory framework impose the use of specific models of contract or standard contract terms and conditions? How fair and balanced are these as compared to internationally recognised forms of contract?
10. What language will be used for the procurement processes?
11. What are the requirements in respect of publication of procurement opportunities?
12. What is the planned time period for preparation and submission of proposals?
13. What are the expected evaluation principles and criteria?
14. What are the expected qualification requirements and whether there are any legal restrictions in their respect?
15. In which currency can proposals be submitted?
16. What are the expected payment terms and procedures?

17. Is the proposal opening process transparent?
18. Please describe the procurement decision approval process?
19. How will potential procurement-related complaints be handled for the proposed procedures?
20. Are established auditing arrangements regularly conducted in relation to the procurement activities?
21. Please describe the contract administration and supervision mechanism?
22. How are modifications/variation or changes orders/claims handled? What is the respective formal review and approval process?
23. Please provide a recent example of the contract(s) signed following the proposed procedure(s), supplemented with an executive summary of the procurement process and its outcome, as well as the results of the respective contract(s) implementation, including their progress and outcomes. The examples should relate to contracts comparable as those intended to be financed by the Bank.

Annex C – Covenant of Integrity

To: *[insert the name of Client]*

We acknowledge that the contract(s) subject to this procurement process are financed by the European Bank for Reconstruction and Development (the "EBRD" or the "Bank"). EBRD and the Client have agreed that the Procurement Process is governed by the established competitive procurement procedures [*specify the title of the Utility's established competitive procurement procedures*] of [*specify the name of the Utility*] and the EBRD's Procurement Policies and Rules (available under this link).

We declare and covenant that neither we nor anyone, including any of our subsidiaries and affiliates, and all of our directors, employees, agents, representatives or joint venture, consortium, or association (hereinafter "JVCA") partners, as well as any subcontractors, suppliers, sub-suppliers, consultants or sub-consultants (hereinafter "Subcontractors"), where these exist, acting on our behalf with due authority or with our knowledge or consent, or facilitated by us, has engaged, or will engage, in any Prohibited Practice (as defined below) in connection with the Procurement Process or the execution or supply of any works, goods or (consultancy) services for [*specify the contract or proposal invitation*] (the "**Contract**") and covenant to so inform you if any instance of any such Prohibited Practice shall come to the attention of any person in our organisation having responsibility for ensuring compliance with this Covenant.

We declare that we have paid, or will pay, the following commissions, gratuities, or fees with respect to the Procurement Process or execution of the Contract[1]:

Name of Recipient	Address	Reason	Amount and Currency

We shall, for the duration of the Procurement Process and, if we are successful, for the duration of the Contract, appoint and maintain in office an officer, who shall be a person reasonably satisfactory to you and to whom you shall have full and immediate access, having the duty, and the necessary powers, to ensure compliance with this Covenant.

We declare and covenant that, except for the matters disclosed in this Covenant of Integrity:

i. we, our current subsidiaries and affiliates, and all of our current directors, employees, agents, representatives or JVCA partners, where these exist, have not been convicted in any court of any offence involving a Prohibited Practice in connection with any procurement process or provision of works, goods or (consultancy) services during the ten years preceding the date of this Covenant;

[1] If none has been paid or is to be paid, state "*None*".

ii. none of our current directors, employees, agents, representatives or those of a JVCA partner, where these exist, has been dismissed or has resigned from any employment on the grounds of being implicated in any Prohibited Practice, during the ten years preceding the date of this Covenant;

iii. we, our subsidiaries and affiliates and our directors, employees, agents, representatives or JVCA partners, where these exist are currently not excluded or otherwise sanctioned by any major Multilateral Development Bank or International Financial Institution (including World Bank Group, African Development Bank Group, Asian Development Bank, European Bank for Reconstruction and Development, European Investment Bank or Inter-American Development Bank) from participation in a procurement procedure or from entering into a contract with any of such institutions on the grounds of engaging in a Prohibited Practice;

iv. (a) we, our directors, subsidiaries and affiliates, as well as any Subcontractors, or affiliates of the Subcontractors are currently not subject to any economic or financial sanctions or restrictive measures imposed by a resolution of the United Nations Security Council under Chapter VII of the UN Charter and (b) we are currently not owned (directly or indirectly) or controlled by, or acting on behalf of, any so designated person or entity;

v. we further undertake to immediately inform the Client and the Bank in the event any of the declarations, representations or covenants set out above is no longer true or correct in any respect, cooperate in good faith with the Bank and its representatives in assessing the event and respond promptly and in reasonable detail to any request for information from the Bank regarding any such event.

If applicable, provide full disclosure of any convictions, dismissal, resignations, exclusions or other information relevant to Articles (i) – (iv) in the box below:

Name of Entity Required to be Disclosed	Reason Disclosure is Required[2]

We understand that a misrepresentation in relation to or an omission to provide full disclosure of the information as required by this Covenant may result in the rejection of the proposal.

We acknowledge that the Bank may declare the Contract to be ineligible for financing and the Bank may take any of the Enforcement Actions and Disclosure Actions set out in the Bank's Enforcement Policy and Procedures (as found on https://www.ebrd.com/integrity-and-compliance.html), if in accordance with the Enforcement Policy and Procedures the Bank determines that we have engaged in Prohibited Practices with respect to the procurement, award, or execution of the Contract.

At any time following the submission of our proposal, we shall permit, and shall cause our JVCA partners, as well as our directors, employees, agents, Subcontractors and any other third parties engaged or involved for any part of the Contract to permit the Bank and/or persons appointed by them, the right to inspect and copy

[2] For each matter disclosed, provide details of the measures that were taken, or shall be taken, to ensure that neither the disclosed entity nor any of its directors, employees or agents commits any Prohibited Practice in connection with the procurement process for the Contract.

all accounts, books, records, and other documents (on any media or in any format) relating to the Procurement Process and execution of the Contract and to have any such accounts, books, records, and documents audited the Bank and by auditors appointed by the Bank. We accept to preserve these records generally in accordance with applicable law but in any case for at least six years from the date of substantial completion of the Contract.

For the purpose of this Covenant, the terms set forth below define Prohibited Practices as:

i. a Coercive Practice which means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of any party to influence improperly the actions of a party;

ii. a Collusive Practice which means an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party;

iii. a Corrupt Practice which means the offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party;

iv. a Fraudulent Practice which means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;

v. a Misuse of Bank's Resources or Bank Assets which means improper use of the Bank's Resources or Bank Assets, committed either knowingly or recklessly;

vi. an Obstructive Practice which means any of (1) destroying, falsifying, altering or concealing of evidence material to a Bank investigation, which impedes the Bank's investigation; (2) making false statements to investigators in order to materially impede a Bank investigation into allegations of a Prohibited Practice; (3) failing to comply with requests to provide information, documents or records in connection with a Bank investigation; (4) threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to a Bank investigation or from pursuing the investigation; or (5) materially impeding the exercise of the Bank's contractual rights of audit or inspection or access to information; and

vii. a Theft which means the misappropriation of property belonging to another party.

Name:	
In the capacity of:	
Signed:	
Duly authorised to sign for and on behalf of:	
Date:	

Annex D – Contractor Integrity Undertaking

To: *[insert the name of Client]*

Subject: ***Contract [specify the contract] dated [insert date] between [name Client] and [name Contractor] (the "Contract").***

We, the undersigned [Name of the Contractor], understand that [Name of the Client] and the European Bank for Reconstruction and Development (the "EBRD" or the "Bank") have entered into a financing agreement (the "Agreement").

We acknowledge that the Contract is financed by the Bank on the conditions set forth in the Agreement and that the below EBRD policies and document apply with regard to the Contract:

i. the Procurement Policies and Rules available under this link; and

ii. the Enforcement Policy and Procedures (the "EPPs"), available under this link.

We declare and covenant that neither we nor anyone, including any of our subsidiaries and affiliates, and all of our directors, employees, agents, representatives or joint venture, consortium, or association ("JVCA") partners, as well as any subcontractors, suppliers, sub-suppliers, consultants or sub-consultants ("Subcontractors"), where these exist, acting on our behalf with due authority or with our knowledge or consent, or facilitated by us, has engaged, or will engage, in any Prohibited Practice (as defined in the EPPs) in connection with the Procurement Process or the execution or supply of any works, goods or (consultancy) services for the Contract.

We furthermore acknowledge that the Bank may declare the Contract to be ineligible for financing and the Bank may take any of the Enforcement Actions and Disclosure Actions set out in the EPPs if in accordance with the EPPs the Bank determines that we have engaged in Prohibited Practice with respect to the procurement, award, or execution of the Contract.

We shall permit, and shall cause our JVCA partners, as well as our directors, employees, agents, Subcontractors and any other third parties engaged or involved for any part of the Contract to permit the Bank and/or persons appointed by them, the right to inspect and copy all accounts, books, records, and other documents (on any media or in any format) relating to the Procurement Process and execution of the Contract and to have any such accounts, books, records, and documents audited the Bank and by auditors appointed by the Bank. We accept to preserve these records generally in accordance with applicable law, but in any case for at least six years from the date of substantial completion of the Contract.

We shall ensure that any Subcontractor involved with the execution of the Contract signs a similar undertaking.

Name:	
In the capacity of:	
Signed:	
Duly authorised to sign for and on behalf of:	
Date:	

Annex E – Contract Data Form[3]

General Information	
Contract ID	
Contract title	
Brief description of contract scope	
Estimated contract value at planning stage (*in EUR equivalent*)	
Contract type	
Procurement procedure applied	
E-procurement platform used (*if applicable*)	
Were all procurement related conditions as required by the project legal documents signed with EBRD, applied? *If not, please explain why.*	

Procurement Process Information	
Date of the procurement process notification	
Media/platform, where the notification was published/placed (*please include the link, where appropriate*)	
Date of receipt of proposals	
Number of proposals received	
Names and nationalities of all participants	
Number of complaints/appeals received	

[3] Please provide a completed form in English to the Bank promptly after contract signing.

Any outstanding complaints/appeals on the date of the contract signing? Provide an executive summary of the outstanding complaints/appeals and the title of the authority reviewing them	
Did all participants sign the Covenant of Integrity? Please state the names of those participants, who did not sign a Covenant of Integrity (*if applicable*)	
Contract Information	
Name, nationality and full address of the successful participant	
Contract price at award in the contract currency (*to be stated*)	
Contract price at award in EUR equivalent	
Please state if the contract price includes all taxes and duties, or it excludes any taxes (*to be stated*)	
Payment Currency	
Payee's bank details: ● Payee's bank name ● Payee's bank address ● Payee's account name ● Payee's account number (IBAN) ● SWIFT code ● Correspondent bank name ● Correspondent bank address ● Correspondent bank account number ● Correspondent bank SWIFT code	
Date of contract signing	
Date of expected contract completion	
Did the successful participant sign the Integrity Undertaking? *If not, please explain why.* *Please provide a copy of the undertaking with the contract*	

Information on Subcontractors[4]

The successful Participant proposes to engage the following Subcontractors[5] and/or use supplies from the following manufacturers/vendors:

No	Item	Brief Description	Subcontractors	Country of Registration/ Incorporation[6]	Country of Origin of Goods/Works/ Services[7]	Share of Contract Price	Value (EUR equivalent)
1.	*[insert title]*	*[insert a brief description including reference to the Requirements, if required]*	*[insert the legal name and address]*	*[insert country of registration/ incorporation]*	*[insert country of origin]*	*[insert percentage]*	*[insert figure]*
2.							

[4] When requested by the Bank, list all Subcontractors, as appropriate, proposed by the Participant, who are selected for Contract award, if the price for their works, services or goods (including Plant and Materials to be used for Works or Services, as appropriate) to be conducted or supplied, exceed (a) 10% of the Contract price at award and (b) EUR 100,000 equivalent.

[5] In this table, Subcontractor refers to a Participant's contractor, supplier, consultant, service provider, subcontractor, subsupplier, subconsultant.

[6] In case a Subcontractor is a JVCA, please state the country of registration/incorporation of the Lead Partner of the JVCA.

[7] When completing this Form, the country of origin is deemed to be:

- for Goods: the country, where the Goods were wholly obtained or underwent substantial transformation into a new product with a distinct name, character, or use.
  Please note that the country of origin is not necessarily the country from which the Goods were shipped and supplied. The following basic criteria shall be used to determine the origin of goods:
  a. wholly obtained criterion: for Goods entirely obtained or produced in one country;
  b. substantial transformation criterion: for Goods that involve manufacturing or processing in multiple countries, the origin is assigned to the country where the most significant transformation occurred;
  c. value added criterion: based on the proportion of production value contributed by a specific country.
- for Works: the country, where the Site is located or where the majority of the Works is carried out;
- for Services: the country, where the Service is mainly performed or executed.

Guidance note
Procurement by Utilities

4. Disclosure
5. Effective Date
6. Decision Making Framework
7. Related Documents

4. Disclosure

This Guidance will be published on the 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. Procurement Policies and Rules 1 September 2026.
2. Environmental and Social Policy 1 January 2025;
3. Enforcement Policy and Procedures 4 October 2017;
4. Client's Capacity Assessment Toolkit;
5. Private Sector Procurement Guidance.

Guidance Notes: Procurement Policies and Rules

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