

DIRECTOR'S REPORT

on the activities of the
Centralised Procurement Organization State Enterprise “Infrastructure Projects” for the
period from 01 April 2025 to 31 December 2025, and on development prospects.

Kyiv, 2025

Contents

1.	Director's Executive Summary.....	4
1.1.	Director's Mandate and Reporting Period.....	4
1.2.	Key Results of the CPO's Activities in 2025	4
1.3.	Key Constraints and Influencing Factors.....	4
1.4.	Overall Conclusion on the Fulfilment of the Contract Terms.....	5
2.	Introduction: CPO Activities, Strategic Objectives, and Strategy.....	5
2.1.	Legal Framework for the CPO's Activities (CMU Resolution No. 362, Experimental Project).....	5
2.2.	Mission, Strategic Objectives, and Stages of the CPO's Development ..	5
2.3.	Compliance of the CPO's Activities with EU Requirements, the Association Agreement, and the Owner's Expectations.....	6
3.	The Role of the CPO in the System of Recovery and Reforms... ..	6
3.1.	The Role of the CPO within the Agency for Restoration.....	6
3.2.	Significance of the CPO's Activities for the State, Contracting Authorities, and International Partners	7
3.3.	Key Stakeholders and Demand for the CPO's Services	7
4.	Key Results of the CPO's Activities in 2025.....	7
4.1.	Conduct of Market Consultations and Analytical Work.....	7
4.2.	Preparation and support of procurement procedures.....	9
4.3.	Analysis of problematic procedures and management decisions....	10
4.4.	International cooperation and engagement of foreign participants..	10
5.	Performance of the Director's contract terms and performance indicators.....	11
5.1.	Implementation of the financial plan and actual indicators	11
5.2.	Achievement of performance indicators.....	12
5.3.	Limitations in the performance of tasks and managerial decisions of the Director	14
6.	Financial and Economic Activities and Management of State Property.....	15
6.1.	Sources of Financing and Financial Discipline	16
6.2.	Use of Loans and Financial Assistance	16
6.3.	Financial Risks and Operational Constraints.....	16
7.	Corporate Governance, Compliance with Legislation, and Risk Management.....	17
7.1.	Interaction with the Asset Management Authority	17
7.2.	Status and Development of Corporate Governance.....	17
7.3.	Corruption Prevention and Compliance with Legal Requirements ..	18

8.	Organizational Development and Staffing.....	19
8.1.	Organizational Structure: Planned and Actual Status	19
8.2.	Staffing Decisions and Team Formation	19
9.	Prospects for the CPO's Activities.....	20
9.1.	Priority Areas of Activity for the Next Period	20
9.2.	Financing and Resource Needs	21
9.3.	Risks in the Absence of Adequate Financing	21
10.	Director's Conclusions.....	21
	<i>Annex 1. Key Principles and Approaches to Institutional Development and Achievement of the CPO's Mission.....</i>	<i>22</i>
	<i>Annex 2: Results of Market Consultations, Analytical and Market Studies Conducted by the CPO in 2025.....</i>	<i>27</i>

1. Director's Executive Summary

1.1. Director's Mandate and Reporting Period

This report has been prepared by the Director of the Centralised Procurement Organization State Enterprise "Infrastructure Projects" (hereinafter – the CPO) based on the results of the enterprise's activities in 2025, in accordance with the terms of the Contract concluded with the asset management authority and the requirements of the legislation of Ukraine. The report covers the period of the CPO's operation within the framework of the experimental project envisaged by Resolution of the Cabinet of Ministers of Ukraine No. 362 and reflects the results of activities, managerial decisions, achievements, constraints, and prospects for further development.

1.2. Key Results of the CPO's Activities in 2025

In 2025, the CPO was effectively established and launched as a new institution for the purpose of implementing the experimental project related to the operation of a centralised procurement organization within the governance framework of the State Agency for Restoration and Infrastructure Development of Ukraine (hereinafter – the Agency for Restoration). Under conditions of the absence of sustainable financing and limited human resources, the CPO ensured the performance of the key tasks of the initial stage of the experiment's implementation.

The main results of activities during the reporting period were as follows:

- conduct of **12 centralised procurement procedures** for engineer-consultant and technical supervision services, with an average competition level of **2.6 bidders** per procedure.
- achievement of total budget savings in the amount of **UAH 28,808,440.40** against a total Estimated Value of Procurements of **UAH 149,486,886.24**, corresponding to **an average savings rate of 33.4 percent**.
- conduct of market consultations, analytical and market studies across several critically important areas, including engineer-consultant services, technical supervision, weigh-in-motion systems, mobile shelters, modular (mobile) diesel generators, and modular boiler plants.
- establishment of regulated interaction with initiating contracting authorities and development of practical approaches to centralised procurement within the CPO's mandate.
- initiation of cooperation with local self-government bodies, international financial institutions, partner countries, and foreign businesses aimed at unifying procurement approaches and enhancing the transparency and competitiveness of procedures.

1.3. Key Constraints and Influencing Factors

The CPO's activities in 2025 were carried out under significant systemic constraints that had a decisive impact on the scope and pace of implementation of the assigned tasks.

The key constraints included:

- the absence of actual budgetary financing for the CPO's activities during the reporting period, caused by the delayed approval of the procedure for the use of funds and the failure to approve the passport of the relevant budget program.
- limited human resource capacity, resulting from an unrevised staffing structure and remuneration levels that did not correspond to actual market conditions for

qualified professionals.

- the experimental nature of the legal framework governing the CPO's activities, which objectively narrowed the range of contracting authorities and procurement categories.

These factors necessitated the concentration of managerial efforts on establishing the institutional, methodological, and analytical foundations for the further scaling of the CPO's activities.

1.4. Overall Conclusion on the Fulfilment of the Contract Terms

Despite the existing constraints, in 2025 the CPO ensured the fulfilment of the core tasks assigned to the enterprise within the initial stage of implementation of the experimental project and achieved tangible results in the field of centralised procurement and analytical support to contracting authorities.

The managerial decisions taken by the Director during the reporting period were aimed at institutionalizing the organization, ensuring legality, minimizing risks, increasing procurement efficiency, and creating prerequisites for the sustainable development of the CPO. Based on the results of the reporting period, it can be stated that the terms of the Director's Contract in respect of enterprise management, reporting, compliance with legislation, and ensuring the effectiveness of operations have been fulfilled.

At the same time, the further realization of the CPO's potential and the achievement of the full effect of the experimental project directly depend on the timely adoption of budgetary, organizational, and human resource decisions necessary for the transition of the CPO to a stable operating model.

2. Introduction: CPO Activities, Strategic Objectives, and Strategy

2.1. Legal Framework for the CPO's Activities (CMU Resolution No. 362, Experimental Project)

The Centralised Procurement Organization State Enterprise "Infrastructure Projects" was established by a government decision dated 1 April 2025 as a key element of the reform of infrastructure procurement within the State Agency for Restoration and Infrastructure Development of Ukraine.

The primary objective of the CPO is to ensure the professional, standardized, and transparent conduct of procurements for infrastructure recovery and modernization in accordance with the legislation of Ukraine, the directives of the European Union, the standards of international financial organizations, and the provisions of Article 153 of the EU-Ukraine Association Agreement.

The CPO operates within the framework of an experimental project defined by Resolution of the Cabinet of Ministers of Ukraine No. 362 dated 01 April 2025.

2.2. Mission, Strategic Objectives, and Stages of the CPO's Development

The strategic role of the CPO is to establish a single centre of competence for infrastructure procurement. The core functions of the CPO include the standardization of technical requirements and tender documentation, development of qualification criteria, market analysis and market consultations, analytical support, development of a

competitive market of contractors and suppliers, ensuring compliance with international standards, as well as internal control and prevention of corruption risks.

The implemented operational model makes it possible to eliminate fragmentation among territorial services, reduce operational risks, and ensure accountability in the use of state and donor resources.

The CPO's development strategy envisages three stages:

- establishment of basic institutional capacities and launch of the first procurement procedures.
- deployment of the operational model, including analytical tools, digital solutions, and complex procurements.
- establishment of the CPO as a national centre of excellence in the field of infrastructure procurement.

To accelerate the development of the operational model, a Support Office is being established within the CPO to ensure the engagement of external experts in organizational development, procurement, market analytics, legal harmonization, digitalization, and corruption prevention.

The CPO is positioned as an institutional gateway for international partners in Ukraine's infrastructure recovery process, ensuring the consolidation of national procurement practices and the implementation of European Union principles and standards, in particular equal access, maximum competition, efficient use of funds, and prevention of conflicts of interest.

Detailed approaches to institutional development, the operational model, and the team structure are provided in Annex 1.

2.3. Compliance of the CPO's Activities with EU Requirements, the Association Agreement, and the Owner's Expectations

The CPO's activities are structured in line with Ukraine's obligations under the EU–Ukraine Association Agreement, in particular Article 153 thereof, as well as the provisions of Directive 2014/24/EU on public procurement.

The CPO operates as an instrument for implementing European principles of openness, non-discrimination, competition, and efficient use of funds, which is consistent with the expectations of the owner of the state enterprise regarding institutional development, financial transparency, and operational effectiveness.

3. The Role of the CPO in the System of Recovery and Reforms

3.1. The Role of the CPO within the Agency for Restoration

The CPO is a state institution established by a Resolution of the Cabinet of Ministers of Ukraine and is the only centralised procurement organization in Ukraine authorized to carry out centralised procurement of construction works, design services, and engineering services.

The functioning of the CPO is a key element in the transition to a public procurement model compatible with the practices of the European Union and the Organization for Economic Co-operation and Development (OECD).

3.2. Significance of the CPO's Activities for the State, Contracting Authorities, and International Partners

The CPO's activities are aimed at addressing key problems of the infrastructure procurement market, including fragmentation of procedures, corruption risks, limited competition, and low quality of tender documentation.

Centralization of procurement ensures an increased level of competition, standardization of documentation, cost reduction through economies of scale, access for foreign bidders, and strengthened control over the timelines and quality of contract performance.

3.3. Key Stakeholders and Demand for the CPO's Services

In addition to contracting authorities for which procurement of goods, services, and/or works through the centralised procurement organization is mandatory (Services for Restoration), territorial communities and local self-government bodies also demonstrate strong interest in the CPO's activities.

More than three hundred participants (representatives of local self-government bodies, municipal enterprises, and contracting authorities for which procurement through the CPO is not mandatory) registered to participate in the partnership dialogue "CPO and Communities: Benefits and Instruments of Cooperation", held on 10 October 2025 by the CPO team jointly with the Association of Ukrainian Cities. The partnership dialogue demonstrated strong interest in the CPO's capacity to provide market research services, conduct market consultations in the interests of communities, and prepare initial procurement documentation packages, among other services.

Awareness-raising events conducted during the second half of 2025 by the CPO team jointly with regional Chambers of Commerce and Industry of European countries and sectoral associations (unions) of contractors and suppliers revealed increased interest in the role and position of the CPO in Ukraine's recovery processes. The main drivers of this interest include the perception of the CPO as a market entry point and as a potential major contracting authority capable of ensuring unified approaches to the formulation of qualification requirements for bidders and technical requirements for procurement items related to the recovery and development of infrastructure both at the national level and within individual regions or territorial communities.

4. Key Results of the CPO's Activities in 2025.

4.1. Conduct of Market Consultations and Analytical Work.

In 2025, the CPO conducted comprehensive market consultations and analytical studies across a number of critically important areas.

Market consultations were held on the implementation of weigh-in-motion systems (WIM systems), within which 42 companies, including international ones, were invited. The discussions covered technical characteristics of the systems, performance-based payment models, performance indicators, and risks. As a result of the consultations, technical and commercial proposals were collected for the further implementation of best practices and new contractual models in the preparation of future procurements of WIM systems and their maintenance.

Market consultations were also conducted regarding primary mobile shelters, during which the capacities of manufacturers and suppliers, available technical solutions, certification requirements, delivery timelines, and the level of production localization were analysed. To identify the key technical requirements of greatest significance for the development of technical specifications, expert councils operating under the

National Institute for Infrastructure Development of Ukraine (NIDI) were engaged. Such approaches, which simultaneously combine dialogue with the market and with the expert community, demonstrated their effectiveness in preparing for technically complex procurements.

Pursuant to a separate instruction from the Agency for Restoration, a market study of high-capacity diesel generators and modular boiler plants was conducted to ensure energy supply for critical infrastructure. The study covered technical parameters, delivery timelines, costs, and supplier capacities, as well as the collection of indicative price proposals and technical specifications. The work carried out with the market provided a clear understanding of the average price level of the equipment, the available quantities, and realistic delivery and/or production timelines, which facilitated objective planning of the required funding volumes and contributed to reducing the time needed by the contracting authority to procure critically important equipment.

In the field of engineering consultancy services, an analysis was conducted of the reasons for an unsuccessful procedure (no bids submitted), in particular the procurement for the “Yahodyn” border crossing facility, with the identification of systemic barriers to competition and the preparation of recommendations for their elimination.

With the aim of improving the quality of technical solutions and unifying approaches to the formulation of technical requirements, in 2025 the CPO initiated the engagement of expert councils established under NIDI, in particular in the areas of energy efficiency (LED lighting and solar power plants) and civil protection.

This engagement was carried out on the basis of an official request by the CPO to the State Enterprise “National Institute for Infrastructure Development” for the provision of technical, analytical, and methodological support within the framework of the experimental project defined by Resolution of the Cabinet of Ministers of Ukraine No. 362 dated 01 April 2025.

Within the framework of cooperation with the expert councils, issues related to the development of standard technical solutions and technical specifications for procurements were addressed, in particular with regard to:

- primary mobile shelters, including modular solutions and those that can be rapidly assembled in high-risk conditions.
- energy-efficient and autonomous solutions for critical infrastructure facilities, including solar power plants and energy storage systems.
- material resources and equipment used in the performance of construction works and procured by contracting authorities.
- standard approaches to the formulation of qualification criteria and requirements for the quality, safety, and functionality of procurement items.

The engagement of expert councils made it possible to ensure additional professional validation of technical solutions, take into account cross-sectoral expertise, and lay the groundwork for the preparation of technically sound and standardized tender documentation, thereby contributing to increased competition and procurement efficiency.

Based on the results of market consultations, analytical work, and interaction with expert councils in 2025, the CPO initiated the development of unified approaches to the preparation of tender documentation.

This work is aimed at establishing common standards for the procurement of goods, services, and works in the field of infrastructure recovery, taking into account the requirements of Ukrainian legislation, the practice of applying procedures within the

Prozorro system, as well as the approaches of international financial institutions and donors.

Within this work, the CPO carried out:

- development of standard structures for tender documentation.
- elaboration of unified requirements for qualification criteria and essential contractual terms.
- creation of a tender documentation “constructor” as a tool for adapting standard solutions to specific procurement items and contracting authorities’ needs.

A separate area of work involved the introduction of an approach to publishing tender documentation with an English translation as an additional service function, aimed at reducing information barriers for foreign bidders and expanding competition in procurement procedures.

The application of unified approaches to tender documentation and the translation of key materials into English made it possible to increase the predictability of procedures, reduce the number of questions and clarifications from bidders, and create conditions for engaging a broader range of potential suppliers.

Building on these approaches, in 2025 the CPO conducted market consultations and analytical studies in selected procurement areas of critical importance for procedure preparation. In particular, market consultations were carried out on the implementation of weigh-in-motion (WIM) systems and primary mobile shelters, within which the participation of Ukrainian and foreign stakeholders was ensured, technical and commercial proposals were collected, and market capacities were assessed.

The results of these consultations were used to formulate well-grounded technical requirements, while the involvement of expert councils made it possible to analyse the key requirements of DSTU 9329:2025 *Primary (Mobile) Shelters. Basic Parameters and Test Methods*, which entered into force on 01 August 2025.

4.2. Preparation and support of procurement procedures

In 2025, the CPO ensured the preparation and support of procurement procedures for engineer-consultant services and technical supervision in the interests of initiating contracting authorities, in accordance with Resolution of the Cabinet of Ministers of Ukraine dated 01 April 2025 No. 362 and Order of the State Agency for Restoration and Infrastructure Development of Ukraine dated 07 August 2025 No. 384, which defines the procurement of certain types of works and services through a centralised procurement organization.

In total, in 2025 the CPO announced 12 procurement procedures for engineer-consultant services and technical supervision.

One procedure did not take place due to the absence of submitted tender proposals.

The total estimated value of the procedures that were completed (excluding the procedure that did not take place) amounted to UAH 149,486,886.24.

As a result of the conducted procedures:

- the average number of bidders was approximately three bidders per procedure.
- the average level of savings across the procedures amounted to 33.4%.

The total budget savings achieved as a result of the procurement procedures conducted in 2025 amounted to UAH 28,808,440.40, which demonstrates the effectiveness of the centralised approach to procurement organization and the

application of unified CPO procedures.

4.3. Analysis of problematic procedures and management decisions

Due to the fact that one of the procurement procedures for engineer-consultant services and technical supervision did not take place because no tender proposals were submitted, the CPO initiated an in-depth market analysis of the relevant services. The internal CPO procurement procedure provides for response mechanisms to problematic procurements; in particular, if an announced procurement does not take place, the procedure provides the activation of mechanisms to identify and eliminate the causes (market analysis, surveys of market participants, assessment of the alignment of specifications and requirements with market capacities, etc.).

The analysis revealed the existence of systemic problems in the market for engineering and consulting services, in particular:

-  a high level of contract concentration within a narrow circle of companies.
-  a limited number of certified engineer-consultants.
-  certification and financial barriers to entry for new participants.
-  risks of reduced competition in public procurement.

Based on the results of the analysis, the CPO prepared proposals regarding the advisability of separating procurements for engineer-consultant services and technical supervision, adjusting approaches to the formulation of qualification requirements, and broader use of market consultations prior to announcing procedures. In addition, together with the State Enterprise “National Institute for Infrastructure Development” (NIRD), initiative proposals were prepared for the regulator concerning changes in approaches to determining the estimated value of engineer-consultant services.

Relevant management decisions and recommendations were elaborated jointly with initiating contracting authorities in accordance with the Interaction Regulation.

4.4. International cooperation and engagement of foreign participants

In 2025, the Centralised Procurement Organization carried out systematic international outreach aimed at reducing information and procedural barriers for foreign companies, expanding competition, and improving the quality of procurement in the field of Ukraine’s infrastructure recovery.

During the reporting period, the CPO participated in a series of meetings and online presentations with foreign companies and institutions, involving representatives of EU countries, in particular Germany and Denmark, as well as Canada and the United States. During these events, the role of the CPO as an institutional mechanism for centralised procurement was presented, along with its operating principles, approaches to engaging non-resident bidders, and the advantages of the centralised procurement model in the context of recovery.

A key emphasis in international cooperation was placed on practical instruments for engaging foreign participants, in particular:

-  the use of bilingual tender documentation.
-  targeted and direct invitations to potential bidders.
-  conducting market consultations and supplier surveys.
-  individual communication regarding participation conditions in procurement

procedures.

These approaches helped increase awareness among foreign companies about the Ukrainian procurement market, generate interest in participation in procedures, and create prerequisites for expanding competition in future procurements.

Detailed information on the international events conducted, meeting topics, participant composition, and communication outcomes is provided in Annex 2 to this Report.

5. Performance of the Director's contract terms and performance indicators

5.1. Implementation of the financial plan and actual indicators

In 2025, SE Infraproject was at the stage of organizational establishment, which significantly affected the implementation of the financial plan. Planned indicators for revenues, expenditures, and operational activities were not achieved due to objective factors related to the phased formation of the staffing structure, the absence of a full launch of operational processes due to the lack of the requested funding to support activities, and the need to postpone the start dates for service provision.

Actual expenditures of the enterprise, which became possible through the attraction of borrowings, were primarily directed toward ensuring the minimum necessary level of functioning, including the payment of salaries and mandatory payments. Operational expenditures envisaged by the financial plan were not incurred due to the absence of funding.

No revenues were generated in 2025, which was due to the lack of capacity to provide a sufficient volume of services without a fully formed staff (26 persons).

Repayment of borrowings envisaged by the plan was not carried out due to the absence of financing from other sources and the lack of income from operations in 2025. As a result, as of 31 December 2025, the outstanding loan balance of SE Infraproject amounted to UAH 733.5 thousand.

In view of the above, the financial plan for 2025 was implemented partially and did not correspond to the planned indicators.

- 👉 Budget financing in the amount of UAH 8,910 thousand was planned for the implementation of the experimental project related to the activities of the centralised procurement organization. In fact, UAH 0 was received.
- 👉 Actual expenditures of UAH 733.5 thousand were incurred from borrowings:
 - payroll expenses (including taxes and mandatory charges) – UAH 729 thousand.
 - administrative expenses – UAH 4.5 thousand.

The main objectives for 2026 are to obtain budget financing in the amount of UAH 28,476 thousand to form the staffing structure (at the first stage – 16 persons, including 4 authorized procurement officers, an engineering department of 4 persons, and 1 analyst) and to launch operational activities. As a result, this will enable the conduct of procurements as the core purpose of SE Infraproject's activities and ensure the generation of revenues from the provision of consulting services and market research services, as well as from conducting procurements on a fee basis in the interests of contracting authorities for whom procurement through the CPO is not mandatory. It is expected that these measures will ensure a gradual alignment of actual indicators with budget benchmarks.

5.2. Achievement of performance indicators

The assessment of the achievement of performance indicators of the Centralised Procurement Organization in 2025 is carried out taking into account the goals and indicators defined in the Letter of Expectations of the Owner of the State Enterprise “Infrastructure Projects” for 2025, as well as in the context of the objectives set out in the Owner’s Letter of Expectations for 2026.

The performance indicators defined by the owner cover financial, operational, and non-financial (institutional) aspects of the CPO’s activities, which corresponds to the specifics of the experimental project, the stage of institutional establishment of the organization, and the functions assigned to it.

Financial and economic indicators

With regard to financial and economic indicators, the CPO’s activities in 2025 were aimed at achieving an economic effect from the centralised conduct of procurement and ensuring the rational use of budget funds.

As a result of the procurement procedures organized and supported in 2025, total budget savings in the amount of UAH 28,808,440.40 were achieved, which represents approximately 33.4% of the total estimated value of the procedures that took place (UAH 149,486,886.24). This result corresponds to the owner’s objectives to increase the efficiency of public procurement and confirms the feasibility of applying a centralised procurement model.

At the same time, the achievement of financial and economic indicators in 2025 took place under conditions of a complete absence of actual budget financing for the CPO’s activities.

The Law of Ukraine “On the State Budget of Ukraine for 2025” provided for budget allocations to ensure the activities of the centralised procurement organization, as confirmed by the relevant annexes to the Law on Amendments to the State Budget. However, the Procedure for the Use of Budget Funds for the implementation of the relevant budget program was approved only on 28 November 2025, i.e. at the final stage of the budget year.

The passport of the budget program was not agreed and approved in 2025. In accordance with the Budget Code of Ukraine, the absence of an approved budget program passport precluded the assumption of budgetary commitments and the execution of expenditures. As a result, financing of the CPO’s activities in 2025 was not implemented. These circumstances had a decisive impact on the financial and operational capacity of the CPO, in particular on the ability to form staff numbers, attract specialists, ensure an adequate level of material and technical support, and scale up centralised procurement functions.

Operational performance indicators

Within the framework of operational performance indicators, in 2025 the CPO ensured the organization and support of 12 procurement procedures for engineer-consultant services and technical supervision. The average number of bidders in the procedures amounted to approximately three bidders per procedure, which indicates the formation of a basic level of competition in the conditions of a limited and specialized market for engineering and consulting services.

One procurement procedure did not take place due to the absence of submitted tender proposals. This fact was used by the CPO as an indicator of the existence of systemic market problems and served as a basis for conducting an in-depth analysis and developing management decisions aimed at adjusting approaches to the formulation of technical and qualification requirements.

Interaction with initiating contracting authorities in accordance with the Interaction Regulation ensured coordination of actions of the parties at all stages of the procurement process, improved the quality of procedure preparation, and contributed to reducing the risks of appeals.

Non-financial and institutional indicators

With regard to non-financial and institutional performance indicators, the CPO's activities in 2025 were focused on building institutional capacity and a methodological foundation for the further development of centralised procurement.

In particular, in 2025 the CPO:

- conducted systematic market consultations and analytical studies in the fields of engineering and consulting services, technical supervision, energy equipment, primary mobile shelters, and other areas.
- initiated and ensured the involvement of expert councils at the State Enterprise “National Institute for Infrastructure Development” for the purpose of professional validation of technical solutions and the development of standard approaches.
- initiated the development of unified tender documentation and a tender documentation constructor as tools for standardization, risk reduction, and improvement of procurement quality.
- introduced an approach to publishing tender documentation with an English translation as an additional service function aimed at reducing information barriers for foreign bidders.

These measures laid the groundwork for increasing the predictability and transparency of procurement procedures, expanding the range of potential bidders, and creating conditions for the further development of a competitive environment.

Overall assessment of the achievement of performance indicators

Taking into account the stage of institutional establishment of the CPO, the results of activities in 2025, and objective financial and organizational constraints, the achieved performance indicators demonstrate the fulfilment of the key objectives defined in the Owner's Letter of Expectations for 2025, in terms of launching the centralised procurement model, forming the operational and methodological base, and ensuring an economic effect from the centralization of procurement.

Further achievement and expansion of the CPO's performance indicators directly depend on ensuring stable financing, completing the formation of the corporate governance system, and implementing the objectives defined in the Owner's Letter of Expectations for 2026.

5.3. Limitations in the performance of tasks and managerial decisions of the Director

The performance of the tasks assigned to the Director of the Centralised Procurement Organization in 2025 took place under conditions of systemic financial, organizational, and regulatory constraints, a significant part of which did not depend on the decisions or actions of the executive body of the enterprise.

Systemic constraints on activities

The key constraint that decisively affected the capacity of the CPO in 2025 was the absence of actual budget financing, despite the provision of relevant budget allocations in the Law of Ukraine “On the State Budget of Ukraine for 2025.” The approval of the Procedure for the Use of Budget Funds at the end of the budget year and the non-approval of the budget program passport made it impossible to assume budget commitments and carry out expenditures within the relevant budget program.

Additional systemic constraints included:

- the experimental status of the centralised procurement organization and the limited list of procurement items that could be procured through the CPO.
- the dependence of the expansion of functions and scaling of activities on decisions of the property management authority.
- the absence of an established supervisory board and a completed corporate governance system during the reporting period.

These factors objectively limited the ability to fully deploy the CPO’s operational activities, form staff numbers, and implement part of the tasks defined by strategic documents and the owner’s expectations.

Managerial decisions of the Director under constraints

In order to ensure the continuity of the CPO’s activities and minimize the negative impact of the above constraints, in 2025 the Director adopted a number of managerial decisions aimed at preserving institutional capacity and achieving the maximum possible results without violating legal requirements.

In particular, in response to the absence of budget financing, a minimal operational model of functioning was chosen, which provided for the concentration of resources on priority areas of activity, namely:

- ensuring the conduct of procurement of services in execution of the Order of the Agency for Restoration No. N-384 dated 07 August 2025.
- conducting market consultations and analytical work.
- preparing methodological and standardized solutions for procurement.
- developing institutional tools (unified tender documentation, tender documentation constructor).
- interaction with initiating contracting authorities and international partners.

In order to ensure the short-term financial stability of the enterprise, a mechanism of repayable financial assistance was applied, which made it possible to maintain the basic activities of the CPO and perform the assigned functions within the experimental project.

A separate managerial priority was the deliberate restraint from scaling up activities in the absence of adequate financial and human resources, in order to avoid formal performance of functions without proper quality and increased risks of appeals and

reputational losses.

Risk management and communication with the owner

Throughout 2025, the Director of the CPO ensured systematic informing of the property management authority about financial risks, threats to solvency, and limitations in the capacity to perform the functions of the centralised procurement organization.

In the relevant submissions and working communications, emphasis was placed on:

- the critical dependence of the CPO's activities on timely budget financing.
- the risks of losing human capital and institutional memory.
- the impossibility of achieving certain performance indicators without financial resources.
- the need for management decisions at the owner's level regarding the preservation and development of the CPO's capacities.

These actions confirm the Director's fulfilment of the duty of proper enterprise management and good-faith informing of the owner about material risks to the activities.

Consequences of constraints and limits of responsibility

As a result of systemic financial and regulatory constraints in 2025, certain areas of the CPO's activities remained unrealized, in particular:

- formation of a full staff complement.
- implementation of information and analytical systems to support procurement.
- scaling of centralised procurement to a broader range of items.

These circumstances are not the result of managerial decisions of the Director, but are caused by objective factors of the budget process and the stage of institutional establishment of the CPO. Within the available resources, the Director ensured the performance of key functions, achievement of results in terms of procurement organization, analytics, and methodological preparation, as well as preservation of the enterprise's basic capacity.

Summary conclusion

The managerial decisions taken in 2025 were aimed at ensuring stability, legality, and expediency of the CPO's activities under conditions of limited financing and a transitional regulatory environment. They made it possible to achieve the maximum possible results within the existing constraints and to create prerequisites for the further development of the centralised procurement organization, subject to adequate resource provision in subsequent budget periods.

6. Financial and Economic Activities and Management of State Property

The financial and economic activities of the Centralised Procurement Organization in 2025 were carried out under conditions of limited resource availability and a transitional budgetary and regulatory environment, which directly affected the

enterprise's operating model, the scope of operational activities, and the pace of institutional development.

6.1. Sources of Financing and Financial Discipline

In 2025, the CPO operated without actual budget financing, despite the provision of relevant budget allocations in the Law of Ukraine "On the State Budget of Ukraine for 2025."

The absence of an approved budget program passport and the approval of the Procedure for the Use of Budget Funds at the end of the budget year made it impossible to assume budget commitments and carry out expenditures within the relevant budget program. As a result, budget funds to support the CPO's activities in 2025 were not actually received.

In order to ensure continuity of operations and performance of assigned functions within the experimental project, a repayable financial assistance mechanism was used in 2025. This mechanism was exclusively temporary in nature and was applied as a forced instrument to support the enterprise's minimum operational capacity.

Financial discipline during the reporting period was ensured through:

- limiting expenditures to a critically necessary level.
- prioritizing expenditures related to the performance of the CPO's core functions.
- refraining from commitments that could not be supported by stable sources of financing.

6.2. Use of Loans and Financial Assistance

The attraction of repayable financial assistance in 2025 was driven by the absence of alternative sources of financing and the need to ensure performance of the CPO's functions as a centralised procurement organization.

The funds received were used exclusively to cover basic costs related to:

- maintaining the enterprise's operational activities.
- ensuring performance of the functions defined by Cabinet of Ministers of Ukraine Resolution No. 362.
- conducting analytical, methodological, and coordination work in the field of centralised procurement.

The use of repayable financial assistance was carried out in compliance with legal requirements and principles of financial prudence, without assuming long-term financial obligations that could create risks to the enterprise's financial stability in subsequent periods.

This approach made it possible to preserve the CPO's basic functional capacity in 2025; however, it cannot be considered a sustainable or acceptable financing mechanism for the enterprise's activities in the medium term.

6.3. Financial Risks and Operational Constraints

The CPO's financial and economic activities in 2025 were accompanied by a number of significant risks caused by the lack of stable financing and the incompleteness of budget procedures.

Key financial risks included:

- the risk of loss of solvency in the event that temporary sources of financing were discontinued.
- limitations on the ability to form and retain human resources capacity.
- the inability to implement information and analytical systems and digital tools to support procurement.
- risks of loss of institutional capacity and slowdown in the development of the centralised procurement model.

These risks were systemic in nature and lay beyond the direct managerial control of the enterprise's executive body. Within the available resources, the Director of the CPO implemented financial risk management measures aimed at preserving the enterprise's basic capacity and preventing violations of financial discipline.

The continued functioning and development of the CPO directly depend on ensuring timely and sufficient budget financing, completing the establishment of a full-fledged corporate governance system, and implementing budget decisions within the relevant programs in subsequent budget periods.

7. Corporate Governance, Compliance with Legislation, and Risk Management

In 2025, the activities of the Centralised Procurement Organization were carried out under conditions of a transitional stage of institutional establishment and the experimental nature of the centralised procurement model. These circumstances determined the specific features of forming the corporate governance system, approaches to internal control, and risk management.

7.1. Interaction with the Asset Management Authority

During the reporting period, the CPO operated in cooperation with the asset management authority – the State Agency for Restoration and Infrastructure Development of Ukraine—within the powers defined by legislation and the enterprise's founding documents.

The Director of the CPO ensured proper informing of the asset management authority regarding:

- the results of the enterprise's activities and the implementation of the centralised procurement organization's functions.
- the financial condition of the enterprise, existing constraints, and risks of loss of solvency.
- the impact of the absence of actual budget financing on the operational and staffing capacity of the CPO.
- the need to adopt managerial and budgetary decisions to preserve and develop the institutional capacity of the CPO.

Interaction with the asset management authority was carried out through official correspondence, working communications, and the submission of proposals aimed at improving the regulatory, organizational, and financial support for the activities of the centralised procurement organization.

7.2. Status and Development of Corporate Governance

In 2025, the corporate governance system of the Centralised Procurement Organization was at the stage of formation, which was caused by the experimental nature of the CPO's activities, the transitional institutional status of the enterprise, and

limited resource availability during the reporting period.

The enterprise was managed by the executive body within the powers defined by legislation, founding documents, and decisions of the asset management authority. In the absence of an established supervisory board, the functions of strategic and current management were carried out in compliance with the principles of accountability, soundness of managerial decisions, and proper documentation of key management processes.

During the reporting period, a foundation was laid for the further development of corporate governance, in particular through:

- streamlining internal management procedures and delineating functions.
- developing and approving basic internal policies and regulations.
- introducing elements of a systematic risk management framework, including in the areas of integrity and corruption prevention.

Further development of a full-fledged corporate governance system of the CPO, including the establishment of a supervisory board and the introduction of enhanced internal control and strategic oversight mechanisms, directly depends on the stabilization of financial support for the enterprise's activities and the completion of the regulatory framework for the functioning model of centralised procurement within the experimental project.

7.3. Corruption Prevention and Compliance with Legal Requirements

In 2025, the CPO's activities were carried out in compliance with the requirements of Ukrainian legislation in the field of public procurement, budgetary and financial legislation, as well as anti-corruption restrictions and integrity requirements.

In order to establish a systematic approach to corruption prevention and counteraction during the reporting period, the CPO initiated the development and implementation of an internal anti-corruption infrastructure. In particular, the Anti-Corruption Program of the enterprise for 2025–2027 was prepared, taking into account legislative requirements and standard recommendations of the National Agency on Corruption Prevention. The Anti-Corruption Program underwent internal discussion with the enterprise's employees and is ready for approval by the Director's order and subsequent implementation.

Standard operating procedures were developed, including a procedure for integrity checks of candidates and employees of the enterprise, which provides for a risk-based approach to managing personnel, financial, and reputational risks.

Within the performance of the functions of the centralised procurement organization, the following was also ensured:

- application of procurement procedures in accordance with legislation and approved regulations.
- documentation of key managerial decisions and processes.
- management of appeal risks and reputational risks through analytical and methodological preparation of procedures.
- adherence to principles of integrity and prevention of conflicts of interest.

The implemented approaches made it possible to ensure the legality, transparency, and controllability of the CPO's activities during the reporting period, despite limited financial and organizational resources and the transitional nature of the enterprise's functioning.

8. Organizational Development and Staffing

8.1. Organizational Structure: Planned and Actual Status

In 2025, the formation of the organizational structure of the Centralised Procurement Organization was carried out under conditions of the experimental nature of the CPO's activities, the absence of sustainable financing, and regulatory constraints regarding staffing levels and remuneration.

At the initial stage of operations, an organizational structure and staffing table were approved with a start-up character, aimed at ensuring the minimum necessary functions to launch the CPO's work. This model did not reflect strategic needs for the development of human capital and did not take into account the actual workload associated with implementing complex procurements of infrastructure works and services.

In August–September 2025, the CPO conducted interviews with candidates for key positions, including in the areas of public procurement, analytics, legal support, and technical expertise. The results of these interviews demonstrated a significant mismatch between the existing staffing table and real labour market conditions, particularly with regard to remuneration levels and the scope of functional workload.

Taking into account the market signals received, the Director of the CPO prepared and submitted for approval to the asset management authority an updated organizational structure and staffing table (letter No. 124), which reflected the actual needs of the CPO, the specifics of the qualified labour market, and the requirements for implementing the tasks of the experiment. During the reporting period, the relevant approval was not obtained, which made practical implementation of the proposed model impossible.

Thus, in 2025 the CPO operated within the initial organizational structure, which ensured the performance of basic tasks but did not allow the enterprise's institutional capacity to be fully deployed.

8.2. Staffing Decisions and Team Formation

The staffing policy of the CPO in 2025 was shaped with due regard to a key principle: the quality and qualifications of personnel are a decisive factor in achieving positive results of the CPO experiment. Given the nature of the centralised procurement organization's activities, the engagement of insufficiently qualified personnel or formal staffing of positions was considered an unacceptable managerial decision.

Under conditions of the absence of sustainable financing and an unrevised staffing table – particularly with respect to bringing remuneration levels at least approximately in line with market benchmarks—it was objectively impossible to ensure high-quality recruitment of qualified specialists. This circumstance was confirmed by the results of conducted interviews and labour market analysis during the reporting period.

Taking into account these constraints, the Director of the CPO made a managerial decision to focus on preserving and effectively utilizing the existing core team, as well as on preparing the institutional groundwork for further development of human capital after resolving issues related to financing and the staffing table.

During the reporting period, the CPO ensured the development and approval of key internal documents in the area of human resources policy and personnel management, including:

-  regulations on remuneration, bonuses, allowances, and supplements.

- procedures for personnel selection.
- regulations on structural units.
- drafts of job descriptions for key functional positions (procurement, analytics, legal support, finance, human resources management, records management, occupational safety, etc.).

The development of these documents ensured the regulatory and methodological readiness of the CPO for scaling up activities, forming a full-fledged team, and strengthening institutional capacity after the elimination of systemic constraints related to financing and regulatory decisions.

9. Prospects for the CPO's Activities

The prospects for the activities of the Centralised Procurement Organization in 2026 are linked to the transition from limited experimental functioning to scaling up the role of the CPO as an institutional instrument for implementing state policy in the field of centralised procurement of works, goods, and services in the recovery and infrastructure development sector.

9.1. Priority Areas of Activity for the Next Period

The key priority of the CPO's activities in 2026 is the scaling of its functions in accordance with Cabinet of Ministers of Ukraine Resolution No. 362, moving from a limited number of procedures to the conduct of centralised procurements of all works, goods, and services envisaged by the said resolution.

A separate development area is the launch of centralised procurements in the interests of non-mandatory customers, who, in accordance with legislation, may voluntarily transfer their procurements to the CPO. This model is considered an instrument for improving quality, standardization, and efficiency of procurements for local self-government bodies, municipal enterprises, and other customers not directly covered by Resolution No. 362.

An important priority remains the deepening of the CPO's analytical function, in particular through systematic study and analysis of the market for works and services transferred to centralised procurement. Such analytics are regarded as a mandatory prerequisite for reducing market entry barriers, increasing competition, and improving requirements for procurement documentation.

In 2026, the CPO also plans to create institutional prerequisites for the transition from an experimental model to a stable centralised procurement system envisaged by Cabinet of Ministers of Ukraine Resolution No. 1216. This involves accumulating practical experience, methodological refinement of procedures, and forming the organizational and human resource base necessary for the permanent functioning of the CPO.

A separate priority is strengthening the role of the CPO in the implementation of budget programs, in particular by forming a principled approach to including expenditures for procurements through the CPO in the procedures for the use of budget program funds. This approach is considered an instrument for integrating centralised procurement into the budget program execution system without creating separate specialized financing mechanisms.

In addition, the CPO plans to deepen cooperation with international financial organizations, partner countries, and donor organizations, as well as to develop interaction with foreign businesses. This area envisages the unification of procurement approaches, the use of English-language tender documentation, the conduct of market consultations, and increasing the attractiveness of Ukrainian infrastructure

projects for international participants.

9.2. Financing and Resource Needs

The implementation of the above priorities in 2026 requires ensuring the minimum necessary resource conditions for the functioning and development of the CPO.

The key conditions are:

- availability of stable budget financing for the CPO's activities.
- an approved and effective procedure for the use of funds under relevant budget programs.
- an approved staffing table that corresponds to the actual tasks and workload of the CPO.
- bringing personnel remuneration at least close to market levels, which is critically important for attracting and retaining qualified specialists.

Given the nature of the centralised procurement organization's activities, human resource capacity is a decisive factor in achieving results, and investments in personnel have a direct impact on the quality, legality, and efficiency of procurement procedures.

9.3. Risks in the Absence of Adequate Financing

If the constraints experienced in 2025 persist, the CPO's activities in 2026 will be accompanied by significant risks.

First, there is a risk of loss of the CPO's institutional capacity, in particular due to the inability to form a full-fledged team, limitations on analytical and methodological functions, and the outflow of qualified personnel.

Second, there remains a risk of losing the effect of efforts already invested, including developed procedures, analytical materials, unified procurement approaches, internal regulatory frameworks, and established partnerships with authorities, communities, international partners, and businesses.

In addition, the absence of adequate resource support creates the risk of formalization of the CPO's activities, whereby the institution would exist nominally without realizing the potential of the centralised procurement model envisaged by Cabinet of Ministers Resolution No. 362 and its further development defined by Resolution No. 1216.

Management of these risks directly depends on the timely adoption of budgetary, organizational, and staffing decisions necessary for the CPO's transition to a stable and effective operating model.

10. Director's Conclusions

The experience of the CPO's activities in 2025 confirmed the effectiveness of the selected centralised procurement model, which combines analytical preparation, market consultations, standardization of approaches, and active international communication. The use of bilingual documentation, targeted engagement with participants, and unified tools for procedure preparation creates prerequisites for increasing competition and improving the quality of procurements in subsequent periods.

Annex 1. Key Principles and Approaches to Institutional Development and Achievement of the CPO's Mission

Mission and Strategic Role

Mission: To ensure efficient, transparent, and accountable use of state and international financial resources for the recovery and modernisation of Ukraine's infrastructure through the implementation of a professional and competent procurement process in compliance with applicable legislation.

Strategic role: The State Enterprise "Infrastructure Projects" shall operate as an operationally independent specialised Centralised Procurement Organisation (CPO), while remaining fully accountable to the state and society. The CPO shall focus on infrastructure projects (in line with Article 153 of the EU-Ukraine Association Agreement) financed from the state budget and international sources, including International Financial Institutions (IFIs) and donor organisations.

Key Areas of Activity

1. Team Formation and Human Resources Strategy

Principles of team selection:

- Conducting open and competitive recruitment processes with a strong focus on integrity, professionalism, and proven experience in public procurement and infrastructure project implementation.
- Taking into account the provisions of the Public Procurement Reform Strategy (pursuant to Annex XXI to the EU-Ukraine Association Agreement – stages of legislative harmonisation) regarding the professionalisation of procurement activities.

Team structure:

- **Engineering and Technical Unit** – development of technical specifications and qualification requirements for procurement procedures.
- **Public Procurement Unit** – planning and organisation of procurement procedures.
- **Analytical Unit** – market monitoring, analysis of procurement outcomes, and preparation of analytical recommendations.
- **Legal Unit** – legal support and ensuring compliance of procurement activities with applicable legislation.
- **Internal Audit Unit** – compliance control and risk management.
- **Administrative Unit** – organisational and logistical support, HR administration, document management, logistics, and IT support.
- **Communications Unit** – development and implementation of external and internal communication strategies, transparency, interaction with media, partners and the public, and informational support of procurement (websites, social media, and other channels).
- **Authorised Procurement Officers within the CPO** – development of competency profiles for authorised officers according to project typology (construction, engineering, technical assistance). Conditions shall be created for collegial or expert-based evaluation of bids in complex or large-scale procedures, including through temporary evaluation committees or, where appropriate, a permanent Technical Board to address highly specialised or high-responsibility matters, or through the engagement of external experts. This approach complements the role of authorised officers and reduces the risk of errors in bid evaluation.

Professional development:

- Regular training on integrity, conflict of interest prevention, and innovations in public procurement.
- Exchange of experience with other centralised procurement organisations and project management units to implement best practices.
- Cooperation with educational partners, including the Kyiv School of Economics (KSE), for staff training in anti-corruption compliance, effective project management, development of internal training and certification systems for authorised procurement officers, and the use of digital tools in procurement activities.

2. Operational Model and Key Functions

Standardisation of tender documentation

- Development of standard templates for tender documentation for key project types in line with legislative requirements and international standards (in accordance with Article 153 of the EU-Ukraine Association Agreement and Article 42 of Directive 2014/24/EU).
- Implementation of the principles set out in Article 42 of Directive 2014/24/EU on technical specifications, including accessibility requirements for persons with disabilities, a functional approach to defining procurement characteristics, and prohibition of discriminatory references to specific trademarks, technologies, or origin.
- Gradual transition to bilingual (Ukrainian/English) core tender documentation to attract international contractors.

Use of the Price Database (PDB) in procurement activities

- To ensure substantiation of estimated procurement values, preparation of investor cost estimates, and effective contract management, the CPO integrates data from the Price Database of the Agency for Restoration (PDB) at all key stages of the tender process:
- **Planning stage** – to develop realistic project budgets reflecting average market prices for material and technical resources by region.
- **Tender documentation stage** – as a reference source for determining the estimated value, including the possibility to define acceptable price ranges based on PDB data.
- **Bid evaluation stage** – to verify the credibility of bidders' price proposals and identify clearly underpriced or overpriced bids.

The use of the PDB as an open benchmark tool enhances pricing transparency, reduces corruption risks, and increases trust in cost calculations, in line with the principles of financial transparency (Article 150 of the EU-Ukraine Association Agreement).

Procurement procedures

- Conducting procurement procedures in accordance with the Law of Ukraine “On Public Procurement” and Cabinet of Ministers Resolution No. 1178.
- Full integration with the Prozorro e-procurement system to ensure transparency and openness.

Analytics and monitoring

- Application of analytical tools to assess procurement effectiveness and identify

potential risks.

- Preparation of reports for public authorities, donors, and other stakeholders (in line with Article 150 of the EU–Ukraine Association Agreement – Financial Transparency).
- Monitoring contractor and supplier markets to design effective procurement strategies and optimal lot structures.
- Engagement of expert support (including KSE) to develop and implement methodologies for analysing procurement effectiveness, including through the use of Prozorro data and analytical platforms.
- Introduction of an automated trigger mechanism for analysing the causes of “problematic procedures” (e.g. tenders cancelled twice, fewer than three bidders, significant deviation from estimated value).
- The Analytical Unit shall continuously analyse procurement outcomes and prepare recommendations to improve procurement preparation and implementation, as well as to adjust lot structuring and qualification requirements.
- The CPO development strategy shall provide for a comprehensive list of indicators of problematic procedures serving as triggers for in-depth analysis.

3. Interaction with Partners and Stakeholders

International partners

- Cooperation with International Financial Institutions (IFIs) and donors to implement joint projects and ensure compliance with their requirements.
- Application of openness standards, including OC4IDS, to ensure full disclosure of project information.
- Use of open data tools as a practical implementation of Directive 2014/24/EU principles on conflict-of-interest prevention and transparency of decision-making.

Public and business

- Ensuring open access to procurement information through Prozorro and other public platforms.
- Conducting regular consultations with business representatives and civil society to take their needs into account.
- Organisation of joint roundtables and public discussions with analytical centres, including KSE, on transparency in public procurement and strengthening trust in public processes.

4. Vision for Development and Institutional Growth

- **Centre of expertise** – establishment of a platform for knowledge sharing, experience exchange, and best practices in cooperation with professional and civil society organisations.
- **Analytical platform** – use of digital tools for monitoring and analysing the construction services market in public procurement and expansion of analytical capabilities.
- Development of partnerships with leading analytical centres, including KSE and relevant initiatives and expert networks, to implement joint initiatives in anti-corruption policy, public finance transparency, and procurement strategy development.
- Adaptation of the CPO to the irreversible course towards European integration (as confirmed by the Preamble and Article 1 of the EU–Ukraine Association Agreement), requiring the implementation of practices compatible with EU Directives, including in contract management, environmental and social

responsibility.

- **Development of analytics and decision-support systems:**
 - Creation and maintenance of an automated access module to the PDB (via API or integrated links with Prozorro) for the CPO's analytical unit.
 - Establishment of an internal mechanism for monitoring acceptable price deviations using thresholds defined in the PDB (maximum, average, and minimum values).
 - Cooperation with the PDB administrator to update, refine, and expand the list of items frequently used in infrastructure projects.

5. Expansion of Procurement Instruments through PPPs and Concessions

Role of the CPO “Infraproject” in PPP and concession projects of the Agency:

- Performing the function of technical coordinator or organiser of competitive procedures envisaged by the PPP and Concessions Law.
- Providing methodological and analytical support to contracting authorities at the stages of preparation, implementation, and management of PPP projects.
- Development and implementation of standard templates for technical requirements, evaluation criteria, contracts, and procedures for infrastructure PPP/concession projects.

Strategic value for the CPO:

- Expands the CPO's service portfolio and positions SE “Infraproject” not only as a tendering entity but as a project development institution.
- Supports local self-government bodies in developing small-scale regional projects (water supply, transport, energy) in partnership with the private sector.
- Establishes a centre of competence for infrastructure PPPs within the CPO as a response to post-war recovery challenges.

Implementation of the Model of Specialised Authorised Procurement Officers in Procedural Activities

General Principle

In order to enhance the professionalism, objectivity, and transparency of procurement procedures, the State Enterprise “Infrastructure Projects” will implement a model of **Specialised Authorised Procurement Officers** (introduction of category management). Each Authorised Procurement Officer will have clearly defined professional competence in specific aspects of procurement activities.

Key Elements of the Model

1. Functional Specialisation of Authorised Procurement Officers

All Authorised Procurement Officers are assigned areas of specialisation, including in particular:

- assessment of the legal compliance of tender documentation and tender submissions.
- technical audit (engineering solutions, technologies, materials).
- cost estimation and verification of price justification.
- assessment of environmental and social criteria.
- other specialised competences.

2. Formation of Multidisciplinary Evaluation Groups

- For each procurement procedure of the relevant level of responsibility (complexity), evaluation groups consisting of **2–4 Authorised Procurement Officers** of different professional profiles are formed from among the CPO's permanent staff.

- Appointment to evaluation groups is based on the principles of rotation and randomness, implemented through a rotational and automated allocation system.

3. Lead Authorised Procurement Officer

- One **Lead Authorised Procurement Officer** is appointed from among the members of the evaluation group, who:
 - is responsible for consolidating the conclusions of the group.
 - signs the evaluation protocols.
 - represents the position of the CPO in communications with the Employer or supervisory and control authorities.

4. Formalisation of Roles and Responsibilities

- All professional conclusions are documented in separate technical and/or analytical notes, which form an integral part of the evaluation protocols.
- The scope of responsibility of each group member is clearly defined in accordance with their functional specialisation.

5. Transparency Control and Risk Management

- A register of all involved Authorised Procurement Officers and the history of their participation in procurement procedures is maintained and subject to audit.
- The allocation of personnel to procurement procedures is based on the principles of conflict-of-interest minimisation, rotation, and transparency of appointments.

Benefits and Alignment with the Procurement Reform Strategy

- Full compliance with the **Public Procurement Reform Strategy (2024–2026)**, which emphasises the need for:
 - multidisciplinary procurement units.
 - separation of functions.
 - clear definition of duties and competences.
- The model contributes to:
 - improving the quality of tender evaluation.
 - ensuring alignment with European procurement management practices.
 - reducing risks of subjectivity, undue influence, or bias in decision-making.

Annex 2: Results of Market Consultations, Analytical and Market Studies Conducted by the CPO in 2025

1. General Approaches to Conducting Market Consultations and Analytical Studies

In 2025, the Centralised Procurement Organisation (CPO) systematically applied market consultations, analytical and market studies as a tool for procurement preparation, the development of well-substantiated technical and qualification requirements, the reduction of risks of unsuccessful procedures, and the involvement of a wider range of potential suppliers, including foreign ones.

The use of market consultations and analytical studies was considered by the CPO not as a one-off instrument, but as an integral element of the institutional operating model of the centralised procurement organisation. This approach enabled the CPO to perform the role of a professional market integrator, reduce information asymmetry between Employers and bidders, and create preconditions for scaling up centralised procurement.

These activities were conducted in the following forms:

- Requests for Information (RFI).
- collection and analysis of commercial proposals (RFQ).
- targeted requests to manufacturers and suppliers.
- online discussions with market representatives and engaged experts.

Materials from market consultations and studies were used exclusively for analytical purposes and did not create any obligations regarding the subsequent conduct of procurement procedures.

2. Market Consultations on the Implementation of Weigh-in-Motion (WIM) Systems (RFI-CPO-25-002)

2.1. Purpose and Scope of the Market Consultations

Market consultations on the implementation of Weigh-in-Motion (WIM) systems were conducted in order to study available technical solutions, market capacity, and possible project implementation models, taking into account international practice.

Special attention was paid to the potential application of performance-based contracts (PBC), under which the fulfilment of obligations and the level of payment depend on the actual operational performance of the systems.

2.2. Market Coverage and Organisation of the Consultations

A total of 42 companies were invited to participate in the market consultations, including 7 Ukrainian and 35 international companies. Announcements of the consultations were published on the websites of the Agency for Restoration and the CPO.

In order to expand participation:

- the registration deadline was extended until 9 September 2025.
- the deadline for submission of proposals was extended until 20 September 2025.

Seven companies confirmed participation, including two international companies.

An online meeting with the participation of representatives of the Agency for Restoration was held on 10 September 2025.

2.3. Key Issues Discussed and Results

Within the framework of the consultations, the following issues were addressed:

- technical characteristics of WIM systems (measurement accuracy, operating temperature range, weighing speed).
- system composition and architecture (sensors, cameras, software, integration with other systems).
- performance indicators (KPIs), maintenance conditions, and operational risks.
- possible financial and contractual implementation models.

As a result of the consultations:

- the technological readiness of the market for WIM implementation was confirmed.
- technical and commercial proposals were collected for the preparation of tender documentation.
- the feasibility of applying the PBC model as a tool for reducing budgetary and operational risks was confirmed.
- growth of the Ukrainian WIM market and active interest from international suppliers were recorded.

2.4. Management Conclusions and Use of Results

The results of the market consultations were used to develop unified technical approaches, prepare draft tender documentation, and plan potential centralised procurements through the CPO.

3. Market Consultations on Primary (Mobile) Shelters (RFI-CPO-25-001)

3.1. Purpose and Market Coverage

Market consultations on primary (mobile) shelters were conducted in order to study technical solutions, production capacity, and supply conditions for shelters intended for critical infrastructure needs.

A total of 51 companies and institutions were invited to participate, including Ukrainian manufacturers, foreign companies, and chambers of commerce. Eighteen participants confirmed their participation.

An online discussion with market participants was held on 28 August 2025.

3.2. Key Issues and Results

Within the framework of the consultations, the following aspects were analysed:

- technical solutions for shelters (capacity, ventilation, lighting).
- certification requirements and compliance with DBN, DSTU, and SESU requirements.
- production capacity, delivery timelines, and logistics.
- approaches to the formulation of technical specifications and qualification requirements.

As a result of the consultations:

- commercial proposals and consolidated responses on key parameters were collected.
- market interest and the availability of local production capacity were confirmed.
- a basis was formed for unified technical requirements and subsequent procurements.

3.3. Management Conclusions and Use of Results

The consultation materials were used to prepare technical specifications, reduce the

risks of unsuccessful procedures, and plan centralised procurements through the CPO.

4. Analysis of the Engineering Consultancy Services Market

4.1. Background to the Analysis

In 2025, the CPO conducted an analysis of the market for Engineer-Consultant and Technical Supervision services in connection with an unsuccessful procurement procedure for a border infrastructure facility.

4.2. Key Identified Market Problems and Barriers

The analysis included a review of historical procurement data, market competition structure, certification and qualification requirements, and surveys of market participants.

A high level of market concentration, a limited number of certified specialists, and participation dependency on expected contract value and procedure timelines were identified.

4.3. Management Conclusions and Recommendations

Based on the analysis, recommendations were developed regarding the adaptation of qualification requirements, the use of preliminary market consultations, and the advisability of engaging an Engineer-Consultant for projects of increased complexity.

5. Study of the Market for High-Capacity Generators

5.1. Purpose and Organisation of the Market Study

The CPO conducted a study of the market for high-capacity generators in order to identify technical solutions and substantiate the expected value for future procurements.

5.2. Key Results of the Analysis

Commercial proposals from domestic and foreign suppliers of high-capacity generators were collected and analysed. The analysis covered technical parameters of the equipment, types of configurations (mobile, containerised), manufacturing and delivery timelines, service conditions, and warranty obligations. Comparative tables were prepared, and indicative cost ranges for various equipment configurations were determined.

5.3. Use of Results for Funding Justification

The results were used to prepare justifications for budget funding needs and to support management decisions.

6. Study of the Market for Mobile Modular Boiler Houses

6.1. Purpose and Analytical Approach

A study of the market for mobile modular boiler houses intended for emergency and temporary heat supply was conducted.

6.2. Key Technical and Commercial Parameters

Technical configurations, fuel types, autonomy, delivery timelines, and logistics were analysed. The results were summarised in comparative tables, enabling the identification of typical market solutions and the determination of optimal configurations for emergency and temporary heat supply needs.

6.3. Management Conclusions

The results were used to develop technical approaches and substantiate the expected value of procurements.

7. Analysis of Price Levels for Material Resources Used in the Construction of Protective Structures

7.1. Grounds and Purpose of the Analysis

The analysis was conducted pursuant to instructions of the Agency for Restoration within the framework of inter-agency coordination.

7.2. List of Material Resources and Data Collection Approach

Prices for concrete, reinforcement steel, metal structures, gabions, waterproofing materials, and logistics services were analysed.

7.3. Key Results and Use of Information

The collected data were used to verify cost estimates, plan procurements, and manage risks.

8. Work with Expert Councils on the Development of Technical Specifications (LED Lighting)

8.1. Grounds for Engaging Expert Councils

In 2025, the CPO initiated the engagement of expert councils in order to develop unified, technically justified, and market-neutral technical specifications for the procurement of LED luminaires, which may be used within centralised procurements for infrastructure recovery and development needs.

The need to engage expert councils was driven by:

- significant variability of technical solutions on the LED market.
- the risk of excessive detailing or, conversely, under-specification of requirements in tender documentation.
- the need to ensure a balance between energy efficiency, durability, operational safety, and competition.

8.2. Organisation of the Work of Expert Councils

At the request of the CPO, the Expert Council on the Restoration and Development of Energy Infrastructure Facilities, Renewable Energy Sources, Energy Efficiency, and Energy Saving, established under the State Enterprise “National Institute for Infrastructure Development” (SE “NIID”), was engaged.

The work was carried out in the following formats:

- review of technical parameters of luminaires.
- discussion of compliance with applicable standards.
- analysis of typical market solutions and their application practices.
- approval of the final version of technical requirements at an expert council meeting.

As a result of the expert council’s work, the technical requirements for the procurement of LED luminaires were approved and recommended for use for CPO needs, as confirmed by a letter from SE “NIID” and an extract from the minutes of the expert council meeting.

8.3. Management Conclusions and Use of Results

The work with expert councils in 2025 became an example of the CPO's institutional approach to procurement preparation, under which technical solutions:

- are developed outside the framework of individual procedures.
- are based on expert, market, and regulatory assessment.
- can be scaled and reused in centralised procurements.

The developed technical specifications for LED lighting are considered by the CPO as:

- an element of unified tender documentation.
- a tool for reducing the risks of appeals and unsuccessful procedures.
- a basis for improving the quality and energy efficiency of procurements in the infrastructure recovery sector.

9. Summary Conclusions

The market consultations, analytical and market studies conducted by the CPO in 2025 formed an analytical basis for procurement preparation, increased predictability, reduced risks, and confirmed the institutional capacity of the CPO to perform complex cross-sectoral tasks.

A separate result of the CPO's activities in 2025 was the establishment of a practice of engaging expert councils in the development of technical specifications, which enabled a transition from ad-hoc preparation of requirements to a systematic approach focused on unification, scalability, and reuse of developed solutions. This approach creates a foundation for improving the quality of centralised procurements, reducing the risk of appeals, and ensuring the sustainable development of the CPO's institutional capacity.