**Follow up to the European Parliament non-legislative resolution**

**on the public procurement strategy package**

1. Rapporteur: Carlos COELHO (EPP / PT)

2. Reference numbers: 2017/2278 (INI) / A8-0229/2018 / P8\_TA-PROV(2018)0378

**3. Date of adoption of the resolution:** 4 October 2018

**4. Subject:** Public procurement strategy package

**5.** **Competent Parliamentary Committee**: Committee on Internal Market and Consumer Protection (IMCO)

**6. Brief analysis / assessment of the resolution and requests made in it:**

The European Parliament has outlined its priorities on the matter of public procurement policy since the beginning of the mandate, in particular via its Committee on Internal Market and Consumer Protection (IMCO).

Its most recent position is expressed in this own initiative report on the public procurement strategy package, adopted in IMCO on 19 June and endorsed by the plenary on 4 October after a debate.

*Policy recommendations:*

The resolution:

- welcomes the set of non-legislative measures proposed by the Commission and expects that this will create further impetus for better implementation of public procurement procedures;

- largely agrees with the priorities proposed by the Commission, focusing on increased use of strategic procurement, professionalization, improving participation by small and medium-sized enterprises (SMEs) and access to third markets and further digitalisation of procurement procedures.

**7. Response to requests and overview of action taken, or intended to be taken, by the Commission**

The Commission welcomes the general support of Parliament to its proposals, as well as the recommendations of the resolution.

These priority actions and recommendations are already to a great extent part of the Commission’s ongoing work.

1. *Legislative framework and implementation*

The Commission regrets the delays in transposition by many Member States. However almost all have now complied with their transposition obligations and the Commission will thoroughly assess the conformity of the national measures implementing the 2014 public procurement directives. A report will be produced in 2019, largely relying on the information resulting from the monitoring reports of the Member States required by Article 83 of Directive 2014/24/EU, Article 99 of Directive 2014/25/EU and Article 45 of Directive 2014/23/EU. In addition, the Commission intends to carry out an evaluation according to Article 92 of Directive 2014/24/EU. Due to the delay in transposition and the need to have a sufficient period of experience of the application of the directives, this report will be prepared later than 2019.

Improving how public procurement is carried out on the ground is an important part of the efforts to strengthen the Single Market[[1]](#footnote-1). Enhancing the quality of public investment is also instrumental for the third pillar of the Investment Plan aiming to improve the business environment in particular through the implementation of e-procurement. As proposed in the proposals regarding the multiannual financial framework (MFF) 2021-2027, the Commission intends to continue to support the effective implementation of public procurement, such as through the activities foreseen in the Single Market Programme[[2]](#footnote-2).

In terms of facilitating the implementation, the Commission is making progress on the development of a number of guidance documents. In order to organise the available guidance and tools in a more user-friendly way, the e-Competence Centre for public buyers[[3]](#footnote-3) has been developed and is available since December 2017. This web portal is a single access point gathering information on support tools developed by different services within the Commission, as well as good practices and contact points at national level. To a large extent, the information is available in all official languages of the European Union.

1. *Strategic and coordinated procurement*

The Commission welcomes the importance given by the Parliament to the increased use of strategic procurement and quality criteria. The Commission has been and intends to continue to be vocal about the advantages brought by awarding public contracts based on quality criteria. Furthermore, it intends to continue to promote the use of sustainability criteria.

The guidance on Innovation Procurement has been adopted on 15 May 2018.[[4]](#footnote-4) The guidance on socially responsible procurement is currently under development.

Regarding the analysis requested on the use of strategic procurement, the Commission will integrate these aspects in its assessment of the reports delivered by the Member States according to Article 83 of Directive 2014/24/EU.

The Commission supports the need for integrity and ethical behaviour of all actors involved.

The Commission agrees with the need to promote a life-cycle costing (LCC) approach, while underlining the resource challenges to develop such methodologies for specific products. It is currently developing a life-cycle costing tool for some energy-consuming products. It also integrates LCC considerations while developing or revising Union voluntary green procurement criteria.

The Commission agrees that it would be desirable for Member States to adopt National Public Procurement Strategies. In the policy dialogues with the Member States, this is encouraged and only recently the Strategic Partnership on Public Procurement was established by Slovakia on 19 June 2018.

The Commission supports the view to make more use of aggregation of demand, where appropriate, better market knowledge and expertise sharing. Central Purchasing Bodies can play a key role here.

It welcomes the support given to the *ex-ante* assessment mechanism for large infrastructure projects. The notification and helpdesk function are fully available. The information exchange mechanism is currently under development.

1. *Digitalisation and sound management of the procurement procedures*

The Commission agrees with the potential benefits of further digitalisation of procurement stages and the importance of the planned update of the standard forms, known as eForms. The implementing regulation is planned to be adopted early 2019. The implementation will however require further efforts.

Concerning the possibility to interlink national contract registers with Tenders Electronic Daily, the Commission points out that there is, currently and for the first time, a possibility for the Member States to obtain financial support for such initiatives under the current call 4-2018 of the Connecting Europe Facility Telecom programme.

1. *Single market and improved access to procurement*

The Commissions is aware that small and medium-sized enterprises still face barriers to participate in public procurement procedures and has engaged in a series of activities to support their participation in those procedures, especially across borders. With this objective, the Commission is supporting business intermediaries (chambers of commerce, promotion agencies, etc.) to develop services helping small and medium-sized enterprises.

In particular, the Commission started the innovation procurement broker pilot in September 2018. The brokers are one of the initiatives suggested in the Start-up and Scale-up Initiative. The brokers are intended to address a gap in the relationship between those public buyers interested in buying innovative solutions and innovative small and medium-sized enterprises, especially start-ups. The brokers will proactively facilitate and create such links. The pilot focuses on the strategic area of sustainability and energy efficiency.

Regarding the analysis requested on the provisions of the 2014 reform intended to increase small and medium-sized enterprises participation, the Commission will integrate these aspects in its assessment of the reports delivered by the Member States in the terms of Article 83 of Directive 2014/24/EU.

Regarding the analysis requested on the impediments to cross-border public procurement, the Commission points to its obligations under Article 92 of Directive 2014/24/EU, while underlining 1) the need to have sufficient experience with the new provisions before issuing the analysis and 2) the delay in transposition in many Member States.

The cooperation between national review bodies is intensifying. After four meetings of the Network of First Instance Review Bodies in 2017 and 2018, the group is now officially established[[5]](#footnote-5) as a Commission Expert Group. The initiative was welcomed by the Member States, which have engaged not only in intensive and fruitful discussions, but also in the organisation of the meetings and the promotion of the Network. The Network will continue encouraging exchanges and collaboration in order to support the efficient functioning of national review bodies.

1. *International public procurement*

The Commission agrees with the importance given by the Parliament to improving access for European Union companies to international procurement markets. It underlines its multiple efforts in this regards, including the bilateral, multilateral and plurilateral trade negotiations.

It acknowledges the need for open and reciprocal access to public procurement markets around the world. It reiterates its call to the co-legislators to come to an agreement on the legislative proposal for an International Procurement Instrument, which could be a means to create leverage for increasing market access and to address the imbalance in the access to public procurement markets of third countries.

The Commission is also continuing its efforts to promote the accession of major economies to the World Trade Organisation Government Procurement Agreement (GPA)[[6]](#footnote-6) and notes the recent decision of the GPA Committee allowing Australia to accede to the GPA.

For SMEs in the international context, the European Union is currently co-chairing with New Zealand the GPA Work Programme on small and medium-sized enterprises and is working on a Government Procurement Agreement Committee Report on good practices for promoting and facilitating the participation of small and medium-sized enterprises in government procurement.

1. *Professionalisation*

The Commission welcomes the support for increasing the professionalism of public buyers, in particularly through exchange of experience, good practices and tools and guidance. A European Competency Framework is currently being developed in order to provide a common understanding of the necessary skills and competences for efficient procurement. The Commission is positive about providing financial support to the Member States and points to possibilities for funding professionalization initiatives under the Structural Reform Support Programme[[7]](#footnote-7) and structural funds, such as the TAIEX REGIO Peer to Peer[[8]](#footnote-8) programme.

1. COM (2018) 772 final [↑](#footnote-ref-1)
2. COM (2018) 441 final [↑](#footnote-ref-2)
3. <https://ec.europa.eu/info/policies/public-procurement/support-tools-public-buyers_en> [↑](#footnote-ref-3)
4. <http://ec.europa.eu/growth/content/commission-advises-public-buyers-how-capitalise-innovation_en> [↑](#footnote-ref-4)
5. In accordance with the Commission Decision establishing horizontal rules on the creation and operation of Commission expert groups, C(2016) 3301 final of 30.5.2016. [↑](#footnote-ref-5)
6. <https://www.wto.org/english/tratop_e/gproc_e/gp_gpa_e.htm> [↑](#footnote-ref-6)
7. <https://ec.europa.eu/info/funding-tenders/funding-opportunities/funding-programmes/overview-funding-programmes/structural-reform-support-programme-srsp_en> [↑](#footnote-ref-7)
8. <http://ec.europa.eu/regional_policy/fr/policy/how/improving-investment/taiex-regio-peer-2-peer/> [↑](#footnote-ref-8)