



Access of SMEs to the European public markets

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NB: The information in this presentation is not binding for the European Commission and does not present an official position of the European Commission

Key figures

EU public procurement market = 16% of EU GDP

SMEs represent 52% of EU economy

Defintions and clarification:

- **The EU has competence for public contracts above certain thresholds:**
 - Generally 4 845 000 EUR for works contracts
 - 130 000 EUR for services and supplies.
- **Definition of SME at EU level: employ fewer than 250 persons and have an annual turnover below EUR 50 million:**
 - small enterprise: fewer than 50 employees, annual turnover below EUR 10 million.
 - Microenterprise: fewer than 10 employees, annual turnover below EUR 2 million.

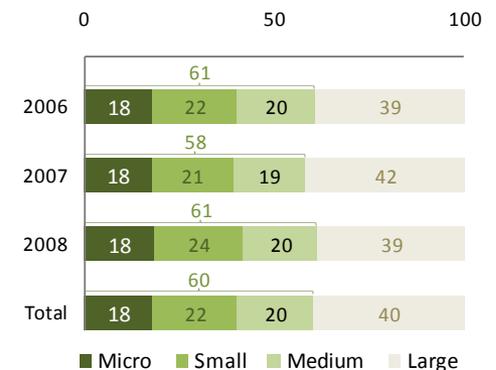
Results of the 2010 EU study: the number of contracts

Public contracts above EU thresholds won by SMEs

- **between 58% and 61% in 2006-2008**
 - Micro-enterprises 18%
 - Small enterprises 22%
 - Medium-sized enterprises 20%

Relatively stable proportions over the three years

Figure 1. Proportion of SMEs in the number of contracts awarded



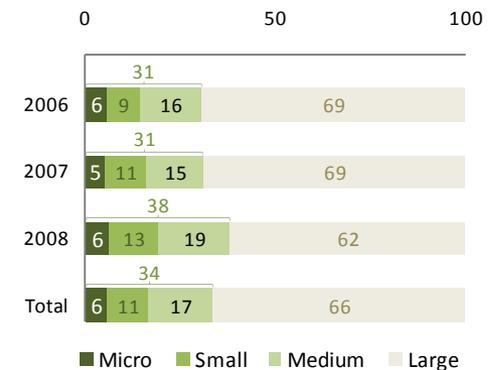
Results of a 2010 EU study: the value of contracts

Public contracts above EU thresholds won by SMEs

- **between 31% and 38% in 2006-2008**
- **Combined share 34%**
 - Micro-enterprises 6%
 - Small enterprises 11%
 - Medium-sized enterprises 17%

Tendency to win contracts with lower value

Figure 2. Proportion of SMEs in the total value of contracts awarded



The EU legal framework

Legal instruments:

- Founding treaties
- Jurisprudence
- Secondary legislation

No quotas for SMEs.

- Participation and access by SMEs to procurement markets is encouraged through other means.

Rationale of public procurement:

- vs corruption and protectionism
- ensure value-for-money

Non legislative measures: Code of Best practices

*The European Commission published in June 2008 the
European Code of Best Practices Facilitating Access to
Public Procurement by SMEs*

*Principle: change procurement culture, not legal
framework*

Code of Best practices

Stakeholders stressed the following difficulties across EU:

- **difficulties in obtaining information**
- **lack of knowledge about tender procedures;**
- **administrative burden;**
- **High value of the contracts;**
- **little time to prepare the tenders;**
- **the cost of preparing the tenders**
- **disproportionate qualification levels;**
- **excessive requirements for financial guarantees;**
- **discrimination against foreign tenderers**
- **finding cooperation partners abroad;**
- **late payments by contracting authorities.**

The Code: Overcoming difficulties relating to the size of contracts

- *Sub-dividing contracts into lots*
- *Enabling economic operators to group together*
 - **rely on the capacities of others;**
 - **joint bidding**
 - **subcontracting**
- *EEN – helps finding business partners*
- *framework agreements with several economic operators*

Access to (quality) Information

Access to information:

- Improvements offered by e-procurement
- Information centres
- Feedback to tenderers

Quality and Understanding of the Information Provided:

- Training and guidance for contracting authorities
- Training and guidance for SMEs on drawing up their tenders

Proportionate Qualification Levels and Financial Requirements

Keeping selection criteria proportionate

Taking advantage of the possibility for economic operators and groups of economic operators to prove their combined economic and financial standing and technical ability

Requiring only proportionate financial guarantees

Alleviating the Administrative Burden

Allow the **use of declarations** and require only the winning tenderer to submit certificates, where possible.

Waive the obligation of submitting part or all of the documentary evidence required if such evidence has already been **submitted recently** for another procurement procedure and provided the relevant documents were issued within a fixed reasonable time period and are still valid.

Do not require **publicly available certificates**

Short and simple **standardized forms** and certificates

Placing Emphasis on Value For Money rather than on Price

*Creating more scope for qualitative solutions thanks to the possibility of awarding contracts on the basis of the **economically most advantageous offer***

*Providing more scope for innovative solutions thanks to the possibility of defining technical specifications in terms of **performance or functional requirements***

Measures taken by Member States

Member States can take additional legislative or non legislative measures within their territory, as long as, equal treatment and transparency is respected (no quotas).

Examples:

- compulsory subdivision of contracts into lots
- guidance document on minimum qualification levels
- Entering into the principal contractor/subcontractor relationship
- Local help desks

The future: modernisation of the EU Directives

- *Extensive consultation accross Europe (business, public authorities, civil society, etc): results in April 2011.*
- *As a result, some targeted measures to favour SMEs access to procurement are featured in the new European legislation proposed by the Commission and soon to be adopted by the co-legislators*

The future: modernisation of the EU Directives

SMEs will benefit from:

- **General simplification measures:**
 - reduction of documentation requirements
 - e-procurement
- **Specific SME-friendly measures:**
 - subdivision into lots
 - maximum turnover cap
 - direct payment to subcontractors



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Thank you for your attention!