

Citizens' summary

The European Commission has prepared a European Code of Best Practices Facilitating Access by SMEs to Public Procurement Contracts

What is the issue?

The market for public procurement in the Member States amounted to some €1800 billion in 2006, corresponding to 16% of EU GDP. Special attention needs to be paid to the question of access by small and medium-sized enterprises (SMEs) to those markets: SMEs are generally considered to be the backbone of the EU economy, and in order to make the most of their potential for job creation, growth and innovation, **SMEs' access to public procurement markets should be facilitated.**

Why is action needed at EU level?

Stakeholders consulted during the preparation of this Code stressed that **what is most needed in order to facilitate SMEs' access to public procurement is not legislative changes** in the EU Public Procurement Directives, **but rather a change in the contracting authorities' procurement culture** so that they become conscious of the specific situation of SMEs, make increased use of the various possibilities offered by the EU Directives and design their award procedures in a way that SMEs can compete on an equal footing.

This is the first time that the relevant procurement rules and practices are gathered in a single document, **allowing Member States and contracting authorities to take advantage of useful experience gained in other Member States.**

What is the economic situation?

A study carried out in 2007 on behalf of the European Commission estimated that, in 2005, the proportion of the value of public procurement above EU thresholds secured by SMEs was 42%, which corresponds to 64% of the number of contracts. Obviously, these figures relate only to public contracts above the thresholds set by the EU Directives and do not take account of sub-contracts of all sizes awarded to SMEs.

A comparison between the respective combined company turnovers generated by SMEs in the EU economy as a whole (58%) and the value of the public contracts above the EU thresholds won by SMEs **as prime contractors** (42%) suggests that already a reasonable share of such contracts is awarded to SMEs, but that there is still room for improvement.

What is the purpose and the content of this Code of Best Practices?

While EC public procurement law ensures the opening up of markets for all economic operators, there are some provisions which are particularly important for SMEs, as they provide solutions for problems faced by SMEs or mainly by SMEs.

Against this background, the purpose of this document is twofold: providing Member States' contracting authorities with general guidance on **how** they may **apply the EU legal framework** in a way which enhances SMEs participation in contract award procedures, and **highlighting a number of national rules and practices** that also facilitate access to public

contracts by SMEs. These are illustrated by useful experience taken from different Member States.

This Code of Best Practices deals with solutions to the main difficulties encountered and reported by SMEs , under the following headings:

- Overcoming difficulties relating to the size of contracts
- Ensuring access to relevant information
- Improving the quality and understanding of the information provided
- Setting proportionate qualification levels and financial requirements
- Alleviating administrative burden
- Placing emphasis on value for money rather than on price
- Giving sufficient time to draw up tenders
- Ensuring that payments are made on time