

Procurement Monitoring Report Template

In view of the Member States' reporting process under the Directives 2014/23/EU, 2014/24/EU and 2014/25/EU

Fields marked with * are mandatory.

I. Information about reporting authority

By clicking in this box you indicate that you have read the privacy statement and provide your consent for the processing of your personal data

[EUSurvey_Privacy_Statement-2020.pdf](#)

* Country

Cyprus

* Name of National Authority

Public Procurement Directorate

* Name of Unit/Department

Treasury of the Republic of Cyprus

* E-mail address

ppd@treasury.gov.cy

Name of contact person (not published)

E-mail address of contact person (not published)

II. The public procurement framework

1. Legal framework

- * Please indicate links to the main legal instrument implementing the public procurement Directives and its main amendments that occurred during the current reporting period.

5000 character(s) maximum

Please list the links in the text box below. You can link multiple links.

Cyprus has fully implemented the 2014 EU Procurement Directives into domestic laws. The relevant legislation, setting rules for contracts both above and below threshold is:

● Law No. 73(I)/2016 providing for the award of public works, public supply and public service contracts and for related matters, transposing EC Directive 24/2014 – Classical Directive.

(link: https://www.cylaw.org/nomoi/enop/non-ind/2016_1_73/full.html)

● Law No. 140(I)/2016 providing for the award of public contracts for supplies, works and services in the sectors of water, energy, transport, and postal services and for related matters, transposing EC Directive 25/2014 – Utilities Directive.

(link: https://www.cylaw.org/nomoi/enop/non-ind/2016_1_140/full.html)

● Law No. 11(I)/2017 providing for the award of public services and works concession contracts, transposing EC Directive 23/2014 – Concessions Directive.

(link: https://www.cylaw.org/nomoi/enop/non-ind/2017_1_11/full.html)

For the most part, these laws are a transposition of the Directives, with a few minor additions in areas where discretion is left to Member States regarding implementation.

No amendments have been made to the legislation listed above during the current reporting period.

2. Procurement institutional framework

Please provide key bodies and institutions regarding public procurement matters, in charge of:

	Relevant bodies <i>(multiple entries possible)</i>
Body of normative regulatory function (including transposition) and policy development	The Treasury of the Republic of Cyprus, through the Public Procurement Directorate
Bodies responsible for monitoring and reporting	The Treasury of the Republic of Cyprus, through the Public Procurement Directorate, is the body responsible for performing monitoring activities required by the Public Procurement Directives and hence is in charge of drafting the respective Monitoring Report based on the results of the monitoring activities undertaken, that is provided to the European Commission.
Review bodies	The Tenders Review Authority (TRA) is the national body for remedies according to the EU Directive 2007/66/EC regarding the areas of public procurement, Utilities sector, Concessions, and Defence and Security in the Republic of Cyprus. TRA's decisions can be challenged in Administrative Court.
Bodies responsible for the e-procurement and the functioning of the public procurement web portal	The Treasury of the Republic of Cyprus, through the Public Procurement Directorate.
Centralised procurement bodies	<ol style="list-style-type: none"> 1. Central Purchasing Unit under the Treasury of the Republic of Cyprus 2. Public Works Department 3. Department for Information Technology services 4. Department for Electromechanical services
Competence centres	Public Procurement Directorate
Other bodies	<ol style="list-style-type: none"> 1. Attorney General 2. Auditor General 3. Commissioner of Internal Control

III. Key quantitative indicators on public procurement

1. The total number of awarded contracts

Total number of contracts awarded **above** EU thresholds (in a yearly breakdown)

	2021	2022	2023
Number	359	460	575

* Please describe the methodology on collection of data and/on the source (in case of a database(s)) of data collected:

5000 character(s) maximum

The total value of the procurement procedures is calculated using the awarded value for each contract which is recorded by the Contracting Authority in the eprocurement system following the award of the contract. The same figure should be reported in the Contract Award Notice (CAN) published in the eProcurement system, in cases where publication of an award notice is involved.

The above methodology is based on the data already available in the eProcurement platform and consist of published data under national publication requirements as well as data imported in the platform by Contracting Authority regarding simplified procedures where no publication of a notice is required. Public Procurement Directorate guidelines clearly state that all contracts whose awarded value is above 2000 Euro, must be recorded in the eprocurement platform, according to a Contracting Authority's national obligation.

eProcurement Platform is the only source of data used for the collection of the information needed. The Platform is an e-notification and also an e-submission platform and it is obligatory to be used for all Contracting authorities in Cyprus for procedures both below and above thresholds.

It is not possible to publish a contract notice using any other means of publication either in European Publication Office nor in Cyprus Gazette. Therefore, a comprehensive list of all the publications is kept in the platform and occasionally a sample check is performed to ensure that the results of the procedures are also published in the platform and in publication offices.

It is noted that an abnormal increase of both numbers and value of procedures for years 2022 and 2023 are partly due to a campaign launched to the Contracting Authorities to complete pending information in the eprocurement system and publication of the Contract Award Notice for competitions that were contracted and information not recorded in the system, where statistics are derived from.

Total number of contracts awarded **below** EU thresholds (in a yearly breakdown)

	2021	2022	2023
Number	3708	3432	4894

* Please describe the methodology on collection of data (in case of assessment based on a sample) and/on the source (in case of a database(s)) of data collected:

5000 character(s) maximum

Same as above

2. The total value of procurement

Total value of contracts awarded **above** EU thresholds (in a yearly breakdown)

	2021	2022	2023
Value (in EUR million)	579	966	956

* Please describe the methodology on collection of data and/on the source (in case of a database(s)) of data collected:

5000 character(s) maximum

The total value of the procurement procedures is calculated using the awarded value for each contract which is recorded by the Contracting Authority in the eprocurement system following the award of the contract. The same figure should be reported in the Contract Award Notice (CAN) published in the eProcurement system, in cases where publication of an award notice is involved.

The above methodology is based on the data already available in the eProcurement platform and consist of published data under national publication requirements as well as data imported in the platform by Contracting Authority regarding simplified procedures where no publication of a notice is required. Public Procurement Directorate guidelines clearly state that all contracts whose awarded value is above 2000 Euro, must be recorded in the eprocurement platform, according to a Contracting Authority's national obligation.

eProcurement Platform is the only source of data used for the collection of the information needed. The Platform is an e-notification and also an e-submission platform and it is obligatory to be used for all Contracting authorities in Cyprus for procedures both below and above thresholds.

It is not possible to publish a contract notice using any other means of publication either in European Publication Office nor in Cyprus Gazette. Therefore, a comprehensive list of all the publications is kept in the platform and occasionally a sample check is performed to ensure that the results of the procedures are also published in the platform and in publication offices.

Total value of contracts awarded **below** EU thresholds (in a yearly breakdown)

	2021	2022	2023
Value (in EUR million)	221	209	468

* Please describe the methodology on collection of data (in case of assessment based on a sample) and/on the source (in case of a database(s)) of data collected:

5000 character(s) maximum

Same as above - please refer to (1) above

IV. Sources of wrong application or of legal uncertainty (including possible structural or recurring problems)

1. Preparation and launch of a public procurement procedure:

Which are the main sources of wrong application (or aspects with which legal uncertainty is related)?

In case your answer to question 2, 7, 8 or 9 is yes, additional options will appear.

- 1. Preliminary market consultation
- 2. Estimation of contract value (if yes, please specify below)
- 3. Wrongful setting of deadlines
- 4. Inappropriate selection criteria (too restrictive, tailor made for a particular economic operator, not related to subject matter of contract)
- 5. Discriminatory technical requirements
- 6. Conflict of interest
- 7. Procedures without publication (if yes, please specify below)
- 8. Inappropriate use of specific procedures (if yes, please specify below)
- 9. Other issues (if yes, please specify below)

7. Procedures without publication wrongly justified by:

- Reference to unsuccessful previous procedure
- Lack of alternative solution
- Extreme urgency
- Other reasons

9. Other issues, please specify:

5000 character(s) maximum

Smaller Contracting Authorities lack capacity and technical skills.

Indicate best practices that are aimed at mitigating the issues identified in the previous answers and provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

In case your answer to any of the question in this section was 'Yes', please provide further information on these elements, if applicable. You can list multiple links separated with 'enter'.

1. Professionalization reform - see details in section "VIII. Practical implementation of national strategic procurement" - paragraph 1.1.2
2. Development of guide, tools and template tender documents
(https://www.treasury.gov.cy/treasury/treasurynew.nsf/page21_gr/page21_gr?opendocument)
3. Establishment of a central purchasing unit
4. Establishment of shared service center that could run tender procedures (covering the whole procurement cycle from preliminary market consultation to delivery of product / service / work) on behalf of contracting authorities that do not have the skills, capacity, knowledge.

2. Evaluation of tenders and contract award:

Which are the main sources of wrong application (or aspects with which legal uncertainty is related)?

In case your answer to question 8 is yes, additional options will appear.

- 1. Unlawful exclusion of tenderers/rejection of offers
- 2. Non compliance with mandatory exclusion grounds
- 3. Unlawful exclusion of third country bidders covered by GPA or by other international agreement
- 4. Incorrect evaluation of award criteria
- 5. Incorrect application of rules related to abnormally low tender
- 6. Lack of publication of contract award notice
- 7. Unlawful modification of the tender conditions before conclusion of the contract
- 8. Other reason (if yes, please specify below)

8. Other reasons, please specify:

5000 character(s) maximum

The majority of cases where the decision is challenged successfully, refers to procedural issues or wrong composition or incomplete decision minutes of the decision making bodies.

Indicate best practices that are aimed at mitigating the issues identified in the previous answers and provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

In case your answer to any of the question in this section was 'Yes', please provide further information on these elements, if applicable. You can list multiple links separated with 'enter'.

In order to limit the need for decision making in smaller contracting authorities that lack capacity and expertise, CY has employed a strategy to introduce:

1. Establishment of a central purchasing unit
2. Establishment of shared service center that could run tender procedures (covering the whole procurement cycle from preliminary market consultation to delivery of product / service / work) on behalf of contracting authorities that do not have the skills, capacity, knowledge.

3. Contract implementation:

Which are the main sources of wrong application (or aspects with which legal uncertainty is related)?

In case your answer to question 2, or 3 is yes, additional options will appear at the end of STAGE 3 to provide further details.

- 1. Illegal contract modifications
- 2. Wrong application of procurement instruments (if yes, please specify below)
- 3. Other reasons (if yes, please specify below)

3. Other reasons, please specify:

5000 character(s) maximum

Wrong application of contract implementation mainly occurred due to inability of the Contracting Authority to manage the contract efficiently or inability of the supplier to deliver the contract scope within budget and time schedule.

Indicate best practices that are aimed at mitigating the issues identified in the previous answers and provide a link to any publicly available document relevant for the issues you indicated.

In case your answer to any of the question in this section was 'Yes', please provide further information on these elements, if applicable. You can list multiple links separated with enter.

Central Committee for Variations and Claims is a multidisciplinary body established to horizontally address requests for changes in contracts above a certain threshold from all Contracting Authorities.

4. Problems that may originate at different stages:

Which are the main sources of wrong application (or aspects with which legal uncertainty is related)?

In case your answer to question 4 is yes, additional options will appear.

- 1. Wrong application of centralised or joint procurement
- 2. Failure to comply with legal deadlines (prescribed by EU or national law)
- 3. Biased prior involvement of candidates or tenderers
- 4. Other issues (if yes, please specify below)

4. Other issues, please specify:

5000 character(s) maximum

Other issues: procedural matters deriving from the national provisions governing the award procedure (relating to burdensome administrative process for the award decision making such as functioning of the Competent Bodies including Tender Evaluation Committee and Evaluation Board)

Indicate best practices that are aimed at mitigating the issues identified in the previous answers and provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

In case your answer to any of the question in this section was 'Yes', please provide further information on these elements, if applicable. You can list multiple links separated with enter.

The Public Procurement Directorate is in the process of issuing a newsletter on a regular basis which will include, amongst other topics, common sources of errors in the procurement procedures. In addition to the newsletter, short policy briefs are issued to explain specific areas where questions are frequently submitted to the Helpdesk supporting public procurement in Cyprus.

5. Which are the specific legal provisions of EU public procurement law that raise problems?

Directive 2014/23/EU ('Concessions Directive')
Directive 2014/24/EU ('Classical Directive')
Directive 2014/25/EU ('Utilities Directive')
Directive 2007/66/EC ('Remedies Directive')

Please list the articles of the Directives and describe the issue you face (e.g., unclear, too strict/vague, meets contradictory interpretations or practices):

5000 character(s) maximum

No issues directly related to the provisions of any of the Directives.

6. Which are the patterns and behaviours that do not stem from wrong application or of legal uncertainty, but indicate possible problems in the application of public procurement rules?

In case your answer to any of these questions is yes, additional options will appear below to provide further details.

- 1. Preference for lowest price as award criteria negatively affective quality of the purchase (if yes, please specify below)
- 2. Frequent use of derogatory procedures (if yes, please specify justifications used for derogatory procedures)
- 3. Frequent use of shortest possible deadlines (if yes, please specify below)
- 4. Recurrent award of contracts to the same economic operator
- 5. Recurrent award of contracts to third country economic operators not covered by GPA or by other international agreement (if yes, please specify justification below)
- 6. Contract awarded in suspected situation of unfair competition (if yes, please see below)
- 7. Low use of green requirements or award criteria (if yes, please provide us with further explanation below)
- 8. Low use of social requirements or award criteria (if yes, please provide us with further explanation below)
- 9. Low use of procurement of innovation (if yes, please provide us with further explanation below)
- 10. Lack of monitoring of implementation of contract (if yes, please specify below)
- 11. Other issues (if yes, please specify below)

1. Preference for lowest price as award criteria negatively affective quality of the purchase, caused by:

- Lack of professionalisation
- Lack of resources
- Budgetary constraints
- Purchase of commonly used or off-the-shelf products, works or services

2. Frequent use of derogatory procedures, please specify:

5000 character(s) maximum

7. Low use of green requirements or award criteria, caused by:

- Lack of governance
- Lack of professionalisation
- Lack of legal certainty
- Higher prices
- Lack of available offers on the market
- Other reasons

8. Low use of social requirements or award criteria, caused by:

- Lack of governance
- Lack of professionalisation
- Lack of legal certainty
- Higher prices
- Lack of available offers on the market
- Other reasons

9. Low use of procurement of innovation, caused by:

- Lack of governance
- Lack of professionalisation
- Lack of legal certainty
- Higher prices
- Lack of available offers on the market
- Other reasons

10. Lack of monitoring of implementation of contract due to:

- Lack of resources
- Lack of professionalisation
- Other reasons

Indicate best practices that are aimed at mitigating the issues identified in the previous answers and provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

In case your answer to any of the question in this section was 'Yes', please provide further information on these elements, if applicable. You can list multiple links separated with enter.

1. Professionalization reform - see details in section "VIII. Practical implementation of national strategic procurement" - paragraph 1.1.2
2. New eprocurement system that will cover the whole procurement cycle including contract management. The new eprocurement system will be fully operation by the end of 2025.

V. Qualitative reporting on application of public procurement review system

1. Please indicate relevant figures for the national review system in the table below, as described below.

(A) **Number of first instance review decisions** (all the first instance review decisions),

(B) **Median length of first instance reviews - median length of all the first instance reviews** (the number of calendar days between a starting date and an end date, where the starting date is when the complaint/action is registered and the end date is when the review decision is issued) and

(C) **Number of first instance review decisions that were appealed to the (next) judicial level and its results** - (all the first instance review decisions that were appealed to the (next) judicial level, both on merit or procedural reasons, in addition, it shall include the number of first instance review decisions that were

a) (primarily) upheld;

b) (primarily) rejected; or

c) neither upheld nor rejected by the (next) judicial level (e.g. because they were not yet decided, retracted).

	2021	2022	2023
A. Number of first instance review decisions	32	34	40
B. Median length of first instance reviews	110 days	85 days	75 days
C. Number of first instance review decisions that were appealed to the (next) judicial level and its results	9 cases appealed of which 1 case successful 1 case rejected 1 case withdrawn 6 cases pending	7 cases appealed of which 2 cases successful 2 cases withdrawn 3 cases pending	4 cases appealed of which 4 cases pending

2. Indicate best practices that are aimed at reducing the number of obstructive complaints/actions for review (A)

5000 character(s) maximum

3. Indicate best practices that are aimed at reducing the length of first instance review decisions as marked in the previous column (B)

5000 character(s) maximum

4. Indicate best practices that are aimed at reducing the number of first instance review that were appealed to the next judicial level as marked in the table above (C)

5000 character(s) maximum

VI. Fraud, corruption, conflict of interests and other serious irregularities

Describe the actions undertaken and/or mechanisms put in place to ensure prevention, detection and adequate reporting of case of public procurement serious irregularities including fraud and corruption and conflicts of interests.

1. Regulatory requirements on:

- Enhanced rules on the application of whistle-blower system
- Enhanced rules on transparency
- Enhanced rules on conflict of interest
- Enhanced rules on anti-corruption
- Enhanced rules on the application of exclusion grounds
- Other rules (if yes, please describe below)

1.1. Best practices.

If available, indicate best practices aimed at detecting irregularities as marked in the previous column and provide a link to any publicly available document relevant for the issues you indicated.

Please provide quantitative data e.g.: number of cases detected and pursued further by the competent authorities.

5000 character(s) maximum

Please provide further information on these elements, if applicable. You can list multiple links separated with enter.

Transparency:

1. The Electronic Procurement Portal (eProcurement System) is a web-enabled system that provides a safe and inaccessible environment by unauthorised people, for the transparent implementation of electronic procedures, thus giving comfort to the economic operators that tenders are not in any way known

beforehand or varied for any reason at the evaluation stage.

2. Beyond the provisions of the Directives on notification, the award decisions are publicly available at the web sides of each contracting authority / contracting entity.

3. For below threshold tenders, Contract publication notices and Contract award notices are also published in the eprocurement system. In addition, upon tender opening on the eprocurement system, financial offers are automatically published and made publicly available.

Anticorruption:

1. For the award decisions, a double level procedure is established through Regulatory Administrative Acts. i.e a specialist body (evaluation committee) is formed in order to evaluate the tenders, having a suggestive role. The Tender Board, a superior competent body has the decisive role for the contracts falling in the scope of EU Directives. For contracts of lesser value, the CA manager shall agree with the award decision of the evaluation committee, in order to be validated. A double level procedure is applied also during the execution phase, regarding modifications (variations and claims) of certain value, giving separate roles to the people involved to the stages i.e. contract manager, departmental committee and central committee on variations and claims.

2. In every stage of procurement procedure, the three independent Services of (a) the Audit General and (b) the Accountant General for all the Contracting Authorities / Entities and the (c) Attorney General with regards the Central State CAs, can monitor and intervene in any procurement procedure, providing their views or comments in a formal way as Observers. In this respect, it becomes even more difficult for corruption practices to intrude in public procurement award procedures. The same provisions are applied for the Committees authorised to examine and approve changes on the execution phase.

3. The Commission for the Protection of Competition (C.P.C.) of the Republic of Cyprus with the contribution of the Public Procurement Directorate has issued a Manual on Bid-rigging which has been circulated to all contracting authorities/entities. The Manual is based on the OECD Guidelines for fighting bid rigging in public procurement and aims on one hand at informing the contracting authorities/entities about bid rigging in public procurement (Collusive tendering) and the various forms it can take and on the other hand, the various preventive measures that can be adopted to mitigate the risk of bid rigging.

4. The national Law provides for strict penalties for any unauthorized person who tries to affect the decision making procedure of a competent body or a member of it, itself or through another person, or tries to undertake or provide information for any procurement procedure, in any way, or provide falsified documents in its tender. The penalties provided are imprisonment for two years or a fine of €4.000, or both the penalties.

Monitoring:

The Auditor General is closely monitoring the procurement environment and publishes the findings through special reports regarding each Contracting Authority, each sector of activity or for specific competitions. Their reviews are based on samples taken following a risk analysis that is extracted from a report prepared specifically for their use by the eprocurement system.

2. Enforcement measures:

- Reporting/monitoring system in place to prevent/detect fraud, corruption, conflict of interest and other serious irregularities
- Reporting/monitoring system in place to measure fraud, corruption, conflict of interest and other serious irregularities
- Systemic audit in place to prevent/detect fraud, corruption, conflict of interest and other serious irregularities
- Sanction system in place to remedy fraud, corruption, conflict of interest and other serious irregularities
- Other rules (if yes, please describe below)

2.1. Best practices.

If available, indicate best practices aimed at detecting irregularities as marked in the previous column and provide a link to any publicly available document relevant for the issues you indicated.

Please provide quantitative data e.g.: number of cases detected and pursued further by the competent authorities.

5000 character(s) maximum

Please provide further information on these elements, if applicable. You can list multiple links separated with enter.

Please refer to responses in section 1.1 above.

3. Soft law/Policy measures

- Guidance related to the prevention of fraud, corruption, conflict of interest, serious irregularities
- Recommendations related to the prevention of fraud, corruption, conflict of interest, serious irregularities
- Guidance on ethical conduct for public administration staff
- Guidance on fighting bribery practices
- Guidance on the detection of collusion/bid-rigging practices
- Guidance on compliance with competition rules
- National strategy to prevent fraud, corruption, conflict of interest, serious irregularities
- Action plan for the implementation of practices to prevent fraud, corruption, conflict of interest, serious irregularities
- Training/conference related to the prevention of fraud, corruption, conflict of interest, serious irregularities
- Reinforced cooperation among different state bodies
- Establishment of open-access information system to enhance transparency (public registry, declarations)
- Other measures (if yes, please describe below)

3.1. Best practices.

If available, indicate best practices aimed at detecting irregularities as marked in the previous column and provide a link to any publicly available document relevant for the issues you indicated.

Please provide quantitative data e.g.: number of cases detected and pursued further by the competent authorities.

5000 character(s) maximum

Please provide further information on these elements, if applicable. You can list multiple links separated with enter.

- A National Code of Conduct for the Award of Public Contracts ("Code") has been prepared by the Public Procurement Directorate ([https://www.treasury.gov.cy/treasury/treasurynew.nsf/All/139E0B2B35C3D949C225841D002349C3/\\$file/%CE%95%CE%B8%CE%BD%CE%B9%CE%BA%CF%8C%CF%82%20%CE%9A%CF%8E%CE%B4%CE%B9%CE%BA%CE%B1%CF%82%20%CE%94%CE%B5%CE%BF%CE%BD%CF%84%CE%BF%CE%BB%CE%BF%CE%B3%CE%AF%CE%B1%CF%82.pdf?OpenElement](https://www.treasury.gov.cy/treasury/treasurynew.nsf/All/139E0B2B35C3D949C225841D002349C3/$file/%CE%95%CE%B8%CE%BD%CE%B9%CE%BA%CF%8C%CF%82%20%CE%9A%CF%8E%CE%B4%CE%B9%CE%BA%CE%B1%CF%82%20%CE%94%CE%B5%CE%BF%CE%BD%CF%84%CE%BF%CE%BB%CE%BF%CE%B3%CE%AF%CE%B1%CF%82.pdf?OpenElement)) which establishes the principles that should be respected and adopted by officials and public officers involved in public procurement procedures (i.e. integrity and impartiality, objectivity, transparency, honesty etc). The Code deals with various issues such as bribery accepted by the public officers, conflicts of interests, confidentiality etc. At the same time, the Code is used as a standard of behaviour that is consistent

with the principles of the EU in the public procurement field (i.e. the principles of equal treatment, non-discrimination, mutual recognition, proportionality and transparency).

- Regulations on the Coordination of procedures for the award of Supplies, Works and Services of 2007 (KDP 201/2007), provides that, before taking up their duties, the President, his representative and the members of all Boards and Committees, including the Consultants, are obliged to sign a Declaration that they will execute their duties with conscientious and impartiality, without any fear or favour and will observe strict confidentiality during the execution of their duties. In case the President or his representative or any other member of any Board or Committee has any interest, financial or other, direct or indirect, in relation to any competition that leads to the award of the contract or has any particular relation or any blood relationship or any relationship by marriage up to the fourth grade with any person who has evident financial or other interest in the whole procedure, is obliged to disclose this interest, relationship or kinship to the Competent Board or Committee and to withdraw from the relevant meeting. (Regulation 21)

Furthermore, the Regulation provides that the simultaneous participation of members of adhoc technical committees to any other Committee or Board that deals with the same matter for which the relevant ad hoc technical committee has been appointed, is incompatible.

Likewise, the simultaneous participation of members of the Evaluation Committee in a Tender Board that deals with the same matter for which the relevant Evaluation Committee has been appointed, is also incompatible (Regulation 22).

It should be noted that a mutual cooperation agreement was signed between the PPD and the Commission for the protection of Competition.

VII. Level of SMEs' participation in public procurement

SMEs' participation

SMEs are defined in the Commission Recommendation (2003/361/EC) as having less than 250 persons employed and an annual turnover of up to EUR 50 million or a balance sheet total of no more than EUR 43 million.

Further information is available at http://ec.europa.eu/growth/smes/business-friendly-environment/sme-definition_en

1. Qualitative reporting on SME participation

Policy measures:

- Policy initiatives launched to support SMEs participation in public procurement;
- Measures targeting SME participation in different techniques for aggregated procurement (framework agreements, dynamic purchasing systems, and centralised procurement activities);
- Measures targeting the participation of start-ups and scale-ups in public procurement;
- Measures ensuring that payment for public contracts are made on time, especially in the case of SMEs;
- Measures addressing the payments to subcontractors;
- Guidelines for contracting authorities on the application of 'divide or explain' principle (concerning division into lots);
- Policy measures in place to monitor SME participation in subcontracting
- Other measures (if yes, please describe below)

Other measures, please describe below:

5000 character(s) maximum

The Public Procurement Directorate of the Treasury of the Republic is often consulted and has established an open communication channel with various associations of economic operators and receives and evaluates suggestions and/or proposals that drive participation in public procurement procedures or aim at removing barriers of smaller economic operators to participate.

1.1. Best practices.

Indicate best practices that are aimed at encouraging the participation of SMEs in public procurement as marked in the previous column.

Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

- Every procurement procedure either above or below the thresholds is published in a single point (eprocurement system)
- All Contracting authorities are obliged to publish the tender documents so that all interested EOs could retrieve the documents electronically, anytime and free of charge
- In an effort to reduce the administrative burden for the EOs, various supporting documents and certificates are not required by the Tenderers but only by the Contractor prior the signature of the contract.
- The clearance certification regarding tax and Social Insurance obligations is provided only by the Contractor and it is associated with the date of the signature and not the date of the submission of tenders. That proved to be a sufficient measure to increase the participation of EOs especially in sectors which are vulnerable to economic crises and the cashflows are tight.
- The submission of tenders electronically has been successfully implemented since 2014, for the procedures whose estimate value falls above threshold and for those below threshold, since June 2018.
- Although the eProcurement system was an example of Excellence and won an award regarding its user-friendliness, during the latest upgrades, the process of the submission of tenders was carefully examined and improvement steps had been taken.
- Guidance is provided to Contracting authorities, via the Standard Tender Documents to include (if necessary) selection criteria that are appropriate, and proportional to the subject matter and the size of the contract. In cases where prior experience or financial evaluation of the company is not considered as vital, it should not be included in the selection criteria to allow start ups to participate.
- Standard documents include provision that enables the Contracting Authorities to provide prepayments to the contractors (assuming a tender prepayment Guarantee is provided by the Contractor)
- The Participation Guarantee has been removed and replaced by a declaration that ensures that the contractor will not withdraw the tender
- In some cases, where subcontractors are involved, a direct payment is allowed to be made to subcontractors
- Guidance to Contracting Authorities, where possible, to divide the contract into lots i.e geographically to allow the maximum number of EOs to participate and develop fair competition

2. Quantitative reporting on SME participation

Please quantify the impact of these best practices in the table below:

2.1. Value of contracts directly awarded to SMEs over total value of awarded contracts – above threshold

	2021	2022	2023
Value (in EUR million)	403	629	590

2.1.1. Value of contracts directly awarded to SMEs over total value of awarded contracts – below threshold

	2021	2022	2023
Value (in EUR million)	155	151	371

Please explain the calculation/assessment method used for collection of data.

Please refer to the information / explanations provided in Section "III. Key quantitative indicators on public procurement"

2.2. Number of contracts directly awarded to SMEs over total number of awarded contracts – above threshold

	2021	2022	2023
Number	317	390	500

2.2.1. Number of contracts directly awarded to SMEs over total number of awarded contracts – below threshold

	2021	2022	2023
Number	3453	3207	4596

Please explain the calculation/assessment method used for the collection of data.

5000 character(s) maximum

Please refer to the information / explanations provided in Section "III. Key quantitative indicators on public procurement"

VIII. Practical implementation of national strategic procurement

1. Green procurement ('GPP')

Green Public Procurement ('GPP') is defined as "a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured." [1] A voluntary target of 50 % GPP per Member State in number and value of relevant procedures was proposed by the Commission and welcomed by the Council in 2008.

[1] Commission Communication (COM (2008) 400) "Public procurement for a better environment".

1.1. What is the state of play of green procurement in your Member State? (regulatory requirements and policy measures related to GPP)

1.1.1. How do you in general evaluate the degree of the GPP implementation in your country:

Please assess based on:

- Existence of enabling public procurement legal framework,
 - Existence of GPP policies/action plans,
 - Provisions of practical support to practitioners,
 - Results of monitoring of contracts which include sustainability requirements,
 - Results of monitoring of sustainable outcomes.
-
- Implementation is advanced
 - Implementation is in progress
 - Implementation is low

The broad objectives in GPP policies are met:

- Yes
- Partially
- Not yet

1.1.2. Existing GPP regulatory requirements in your Member State:

- General legal obligation imposing GPP goals
- Sectoral regulations requiring sustainable development including public procurement
- Sectoral regulations encouraging sustainable development including public procurement
- Other regulatory requirements (if yes, please describe below)

Indicate best practices that are aimed at encouraging the use of GPP criteria. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

The Treasury of the Republic of Cyprus, through the Public Procurement Directorate, currently implements a reform for the professionalisation of public procurement in Cyprus, which is financed by the Recovery and Resilience Fund, that will address challenges relating to inefficiencies deriving from the lack of knowledge, expertise and motivation of staff engaged in public procurement. The professionalization of the public procurement sector is pivotal in achieving the green and digital transitions and in tackling the areas where performance of public procurement in Cyprus is low according to indicators monitored by the European Commission.

This will be achieved by developing a pool of professional procurers, able to employ the right methodologies to horizontally undertake or support procurement activity for all contracting authorities, ensuring the horizontal coverage of the Cypriot public procurement market.

The training programme for the professional procurers has already been developed and was based on ProcureCompEU Competency Framework, which lists 30 competences that each professional procurer should possess. Among these competences are those related to Sustainable procurement (Competence 5) and Innovation Procurement (Competence 6).

Further to this training programme, one of the outcomes of this reform is the requirement that the Contractor shall place experts on the ground to provide on the job training / support in developing capacity in strategic procurement (sustainable / green, innovative and socially responsible procurement).

The tender documents (including activities/deliverables under this project) for the professionalization of public procurement in Cyprus can be found in the link below

(<https://www.eprocurement.gov.cy/epps/cft/listContractDocuments.do?resourceId=5319955>).

In addition, the Public Procurement Directorate implements another major reform for the implementation of a new eprocurement system, which, among others, will include additional functionalities and fields for recording the strategic dimension of public procurement, and will enable the enhanced monitoring of the progress towards implementation of Strategic Public Procurement dimensions and taking corrective action where deemed necessary.

1.1.3. GPP policy measures applied in your Member State:

- Guidelines to encourage the use of GPP
- National strategy to encourage the use of GPP
- National action plan to implement measurable objectives in GPP
- National target of GPP in certain sectors/in public procurement
- Monitoring/reporting on the use of GPP criteria
- Existence of national competence centre/national network of experts to promote the use of GPP
- Existence of specific working groups to promote the use of GPP in specific sectors
- Mandatory regular trainings for the promotion of GPP
- Optional trainings/events/workshops for the promotion of GPP
- Online information tool on the use/on best practices of GPP
- Other policy measures (if yes, please describe below)

Indicate best practices that are aimed at encouraging the use of GPP criteria. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

A green procurement strategy and the resulting Action Plan has been implemented in Cyprus which is monitored and promoted by the Environmental Department of the Ministry of Agriculture. The Action Plan includes Green specifications for a wide variety of items. All Directives related to Green procurement have been transposed and enforced in national legal system including the provisions for Green Vehicles, energy efficient Buildings the Provision of the Procurement Directive assisting and promoting the concept of buying environmentally responsible.

1.2. What are the key challenges for the uptake of green public procurement?

- Lack of professionalisation of public procurement staff
- Lack of capacity of public procurement staff
- Risk or a perception of a risk amongst public buyers of higher procurement costs
- Risk of no available offer on the market or a perception of some public buyers that such risk exists
- Risk of legal actions for wrong application of GPP criteria or a perception of some public buyers that such risk exists
- Lack of policy guidance and support on GPP
- Lack of policy strategy on GPP
- Lack of guidance on implementation of GPP requirements/criteria in procurement procedures
- Lack of strategic planning by the buyers
- Lack of interest
- Other reasons (if yes, please explain below)

Indicate best practices that are aimed at encouraging the use of GPP criteria. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

2. Socially responsible public procurement ('SRPP')

Socially responsible public procurement is defined as procurement that takes into account one or several social considerations for advancing social objectives. SRPP covers a wide spectrum of social considerations, such as employment opportunities, decent work conditions, compliance with social and labour rights, social inclusion, equal opportunities and accessibility.

2.1. What is the state of play of SRPP in your Member State?

2.1.1. How do you in general evaluate the degree of the SRPP implementation in your country:

Please assess based on:

- Existence of enabling public procurement legal framework,
- Existence of SRPP policies/action plans,
- Provisions of practical support to practitioners,
- Results of monitoring of contracts which include social requirements,
- Results of monitoring of social outcomes.

Implementation is advanced



- Implementation is in progress
- Implementation is low

The broad objectives in SRPP policies are met:

- Yes
- Partially
- Not yet

2.1.2. Existing SRPP regulatory requirements in your Member State:

- General legal obligation imposing SRPP goals
- Mandatory requirements regarding employment from vulnerable groups
- Respecting minimum criteria on human- and labour rights in the value chain
- Specific SRPP requirements for the performance of contracts
- Mandatory exclusion grounds related to SRPP
- Sectoral regulations requiring equal treatment and non-discrimination

Indicate best practices that are aimed at encouraging the use of SRPP. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

Please refer to response in 1.1.2 above.

2.1.3. SRPP policy measures applied in your Member State:

- Guidelines to encourage SRPP
- National strategy to encourage SRPP
- National action plan to implement measurable objectives in SRPP
- National target of SRPP in certain sectors/in all sectors
- Monitoring/reporting on the use of SRPP criteria
- Existence of national competence centre/ specific working groups to promote the use of SRPP
- Mandatory regular trainings for the promotion of SRPP
- Optional trainings/events/workshops for the promotion of SRPP
- Online information tool on the use/on best practices of SRPP
- Other policy measures (if yes, please describe below)

Indicate best practices that are aimed at encouraging the use of SRPP. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

Socially responsible purchasing is a task pursued by Contracting Authorities in Cyprus. To this end the Competent Authority issued a circular on the parameter's purchasers should have in mind when undertaking their competitions. Furthermore, the Standard Tender documents used by all Contracting authorities include specific provisions, concerning social responsibility and adherence to the relevant legislation of Contactors in public and wider public sector.

2.2. Key challenges – What are the key challenges in the uptake of SRPP?

- Lack of professionalisation of public procurement staff
- Lack of capacity of public procurement staff
- Risk or a perception of risk amongst public buyers of higher procurement costs
- Risk of no available offer on the market or a perception of some public buyers that such risk exists
- Risk of legal actions for wrong application of SRPP or a perception of some public buyers that such a risk exists
- Lack of policy guidance and support on SRPP
- Lack of policy strategy on SRPP
- Lack of guidance on implementation/insufficient implementation of policies on SRPP
- Lack of strategic planning by the buyers
- Lack of interest
- Other reasons (if yes, please explain below)

Indicate best practices that are aimed at encouraging the use of SRPP. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

See section 1.1.2 above.

3. Public procurement of Innovation

An innovative solution is defined in 2014/24/EU Art.2 (1.22) as "a new or significantly improved product, service or process". This includes not only those solutions resulting from R&D but also those solutions resulting from activities, "including but not limited to production, building or construction processes, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations." Please report on both dimensions.

3.1. What is the state of play of procurement of innovation in your Member State?

3.1.1. How do you in general evaluate the degree of the innovation procurement implementation in your country:

Please assess based on:

- Existence of enabling public procurement legal framework,
 - Existence of innovation policies/action plans,
 - Provisions of practical support to practitioners,
 - Results of monitoring of contracts which include innovation aspects,
 - Results of monitoring of innovation procurement.
- Implementation is advanced
 Implementation is in progress
 Implementation is low

The broad objectives in policies supporting innovation are met:

- Yes
 Partially
 Not yet

3.1.2. Innovation policy measures applied in your Member State:

- Guidelines to describing the procurement of innovation
- National strategy to encourage the procurement of innovation
- National action plan to implement measurable objectives to procure innovation
- National target to procure innovation in certain sectors/in all sectors
- Monitoring/reporting on the procurement of innovation
- Existence of national competence centre/specific working groups develop policies on the procurement of innovation
- Mandatory trainings related to the procurement of innovation
- Optional trainings/events/workshops related to the procurement of innovation
- Online information tool on the use/on best practices related to the procurement of innovation
- Other policy measures (if yes, please describe below)

Indicate best practices that are aimed at encouraging the procurement of innovation. Please provide a link to any publicly available document relevant for the issues you indicated.

5000 character(s) maximum

Please refer to response in 1.1.2 above.

3.2. Key challenges – What are the key challenges for the uptake of Procurement of Innovation?

- Lack of professionalisation of public procurement staff
- Lack of capacity of public procurement staff
- Risk or a perception of a risk amongst public buyers of higher procurement costs
- Risk of no available offer on the market or a perception of some public buyers that such a risk exists
- Risk of legal actions for procedures carried out wrongly
- Lack of policy guidance and support on Innovation
- Lack of policy strategy on procurement of innovation
- Lack of strategic planning by the buyers
- Lack of interest
- Other reasons (if yes, please explain below)

Indicate best practices that are aimed at mitigating indicated issues.

5000 character(s) maximum

Innovation is difficult to achieve in the absence of professional procurers and specifically trained individuals that can articulate competitive tender documents attractive to innovative solutions. Most of the times, especially in smaller procurement markets like the one in Cyprus the task is assigned as a side duty and the speed of conclusion of a contract is pushing, rendering the proper preparation and search of innovative fields very difficult. The competent authority during training sessions is encouraging purchasers to look for innovation opportunities and offer s full support in cases where this is pursuit.

IX. The level of competition in public procurement

1. Do you monitor the level of competition in public procurement in your Member State?

To assess please consider in particular: proportion of single bids, proportion of negotiated procedures without prior publication, proportion of cancelled tenders

- Yes, the level of competition is monitored
- Yes, the level of competition is partially monitored (not comprehensive for all the procurement markets)
- No, the level of competition is not monitored

If the reply to the previous question is yes, please indicate whether the level of competition compared to the previous reporting period:

- Increased
- Remained unchanged
- Decreased

If the reply to the above question is yes, please provide best practices (e.g.: including on the tools used, methodology, indicators, etc.)

5000 character(s) maximum

2. Did you launch/complete a comprehensive analysis of main causes of the lack of competition on the public procurement market during the current reporting period?

- Yes, a comprehensive analysis of main causes of the lack of competition was launched/completed in the current reporting period
- No, a comprehensive analysis of main causes of the lack of competition was not launched/completed in the current reporting period
- No, a comprehensive analysis of the main causes of the lack of competition was not launched/completed in the current reporting period as the level of competition is satisfactory

3. What are the sectors mostly concerned by low competition?

Please list the sectors concerned:

5000 character(s) maximum

The sectors mostly concerned by low competition are the following:

1. Health sector regarding monopolies and patent issues: It was identified that the vast majority of cases relating to single bidding and negotiated procedures without prior publication (especially for above threshold tenders) are due to medical and medicine purchasing that are either under patent or have to do with exclusivity of supply
2. Information Technology systems in cases of CAs locked with a specific supplier: This is another sector where low competition exists, since the software and system upgrades and maintenance contracts are awarded to the software provider
3. High value contracts due to the size of the market and the risk entailed.

Please list other relevant factors (for example regions, areas, level of administrative level, type of public buyer, calendar period):

5000 character(s) maximum

4. What are the main causes for the decrease in competition?

- 1. Structure of the market (e.g. size of the market)
- 2. Market concentration in the sectors concerned
- 3. Recurrent, particularly low number of bidders due to (if yes, please specify below):
- 4. Low attractiveness of the public procurement market, in particular (if yes, please specify below):
- 5. Anticompetitive market practices (collusions)
- 6. Other reasons (if yes, please specify below)

Please provide a link to any publicly available document relevant for the issues you indicated:

5000 character(s) maximum

X. Additional information

Please provide any other information you consider relevant:

5000 character(s) maximum

Not applicable

Contact

GROW-C2@ec.europa.eu