

# 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

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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

Finland

\* Name of National Authority

Ministry of Economic Affairs and Employment of Finland

\* Name of Unit/Department

Employment and Well-Functioning Markets

\* E-mail address

riikka.hietanen@gov.fi

Name of contact person (not published)

E-mail address of contact person (not published)

## II. The public procurement framework

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### 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.

Act on Public contracts and concessions (1397/2016)

<https://www.finlex.fi/fi/laki/ajantasa/2016/20161397#O1L2P6>

amendments that occurred during the current reporting period:

1273/2021, in force 01.01.2022, changed: 80 §

1250/2021, in force 01.01.2022, changed: 174 §

762/2021, in force 01.09.2021, changed: 143 §

656/2021 in force 01.07.2021, changed: 5, 163 §

499/2021, changed: 9, 25, 30, 34, 36, 42, 49, 51, 52, 58, 60, 80, 81, 88, 101, 114, 116, 129, 136, 143, 463 and 171 § and annex E

Act on public contracts and concessions of entities operating in the water, energy, transport and postal services sectors (1398/2016)

<https://www.finlex.fi/fi/laki/ajantasa/2016/20161398>

amendments that occurred during the current reporting period:

1274/2021, in force 01.01.2022, changed: 84 §

500/2021, in force 01.07.2021, changed 20, 45, 52, 54, 55, 57, 62, 64, 83, 84, 86, 107 ja 120 § and annex C

### 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	Ministry of Economic Affairs and Employment
Bodies responsible for monitoring and reporting	<p>- Ministry of Economic Affairs and Employment is the entity in charge of drafting the report based on the information received from numerous different stakeholders.</p> <p>Monitoring bodies:</p> <ul style="list-style-type: none"> <li>- The Finnish Competition and Consumer Agency (FCCA) supervises compliance with procurement rules in general. The FCCA has had the powers starting 1st January 2017.</li> <li>- The National Audit Office (NAO) is Finland's Supreme Audit Institution and operates in affiliation with Parliament. It audits the state's finances, monitors and evaluates fiscal policy and oversees party and election funding. Through its independent audit work the National Audit Office ensures that public funds are spent according to Parliament's decisions, in compliance with legislation and wisely and that fiscal policy is exercised in a sustainable manner.</li> <li>- In the municipalities the duties of local councils are laid down in the Local Government Act (410/2015) in the section 14 for the principles for internal control and risk management, and in the section 121 to set up a local authority audit committee.</li> <li>- The Chancellor of Justice endeavours to ensure that the courts of law, other authorities and other persons or bodies assigned to perform public tasks comply with the law and fulfil their assigned obligations. The Chancellor of Justice supervises the authorities by handling any written complaints arising from their actions. A complaint may be filed with the Chancellor of Justice if the complainant believes that an authority, civil servant or public official or other person or body assigned to perform public tasks has acted in an unlawful manner, otherwise wrongfully or failed to fulfil their responsibilities. The Chancellor of Justice can also open an investigation on an issue on his own initiative, such as matters brought forth in the media.</li> <li>- The Ombudsman has the task of providing oversight to ensure that authorities and officials observe the law and carry out their duties. In addition to authorities and officials, the scope of the Ombudsman's oversight includes also others that perform tasks of a public nature. The Ombudsman oversees compliance with the law mainly by examining the complaints that are received. He can also intervene in perceived shortcomings on own initiative.</li> </ul> <p>- Ministry of Economic Affairs and Employment is the entity in charge of drafting the report based on the information received from numerous different stakeholders.</p> <p>Monitoring bodies:</p> <ul style="list-style-type: none"> <li>- The Finnish Competition and Consumer Agency (FCCA) supervises compliance with procurement rules in general. The FCCA has had the powers starting 1st January 2017.</li> <li>- The National Audit Office (NAO) is Finland's Supreme Audit Institution and operates in affiliation with Parliament. It audits the state's finances, monitors and evaluates fiscal policy and oversees party and election funding. Through its independent</li> </ul>

	<p>audit work the National Audit Office ensures that public funds are spent according to Parliament's decisions, in compliance with legislation and wisely and that fiscal policy is exercised in a sustainable manner.</p> <ul style="list-style-type: none"> <li>- In the municipalities the duties of local councils are laid down in the Local Government Act (410/2015) in the section 14 for the principles for internal control and risk management, and in the section 121 to set up a local authority audit committee.</li> <li>- The Chancellor of Justice endeavors to ensure that the courts of law, other authorities and other persons or bodies assigned to perform public tasks comply with the law and fulfil their assigned obligations. The Chancellor of Justice supervises the authorities by handling any written complaints arising from their actions. A complaint may be filed with the Chancellor of Justice if the complainant believes that an authority, civil servant or public official or other person or body assigned to perform public tasks has acted in an unlawful manner, otherwise wrongfully or failed to fulfill their responsibilities. The Chancellor of Justice can also open an investigation on an issue on his own initiative, such as matters brought forth in the media.</li> <li>- The Ombudsman has the task of providing oversight to ensure that authorities and officials observe the law and carry out their duties. In addition to authorities and officials, the scope of the Ombudsman's oversight includes also others that perform tasks of a public nature. The Ombudsman oversees compliance with the law mainly by examining the complaints that are received. He can also intervene in perceived shortcomings on own initiative.</li> </ul>
Review bodies	In Finland the Finnish Competition and Consumer Agency (monitoring body), the Market Court (first instance court) and the Supreme Administrative Court (appeal court) have their decisions freely available on their web sites.
Bodies responsible for the e-procurement and the functioning of the public procurement web portal	The ministry of Finance
Centralised procurement bodies	Tuomi Logistiikka oy, Sarastia oy, Sansia oy, Pohjois-Karjalan Hankintatoimi, Teese Botnia oy ab, Hansel oy, Monetra Oulu oy, KI-kuntahankinnat oy, Kuntien hankintapalvelut Kuha oy, Järvinet oy, Kuntien Tiera oy, Sastamalan Tukipalvelu oy, Istekki oy, Digifinland oy, Järvi-Saimaan Palvelut oy, UNA oy, Tapio oy, Certia oy, 2m-it oy, SK hankintapalvelut oy, Kaarea oy, Lapit oy, Kiertokaari oy, Uudenmaan liitto, Kaarea Kunnossapito oy, Koha-Suomi oy, Joki ict oy.
Competence centres	Keino ( <a href="https://www.hankintakeino.fi/en">https://www.hankintakeino.fi/en</a> )
Other bodies	Hankinta-Suomi ( <a href="https://vm.fi/hankinta-suomi">https://vm.fi/hankinta-suomi</a> )

### III. Key quantitative indicators on public procurement

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#### 1. The total number of awarded contracts

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

	2021	2022	2023
Number	4214	4997	4291

\* 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*

You are requesting the number of awarded contracts above EU thresholds - not the number of EU contract award notices. We do not have the number of awarded contracts above EU thresholds as there are also a large number of contracts above EU thresholds that are awarded within framework agreements. According to the Directives one does not have to publish a contract award notice for awards within framework agreements.

Hence, we can provide you with the number of contract award notices published in each year.

Things needing to be taken into account:

- contract award notices missing from 37-39 % of contract notices (CAs have not published these)
- Contract award notices withing DPS are not counted

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

	2021	2022	2023
Number	6794	6716	number missing due to eForms transition



\* 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*

We do not have the number of contracts or number of contract award notices below EU thresholds. What we can provide you with is the number of Contract Notices below EU thresholds

## **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)	13 646 million EUR (13 656 405 852,24 € )	15 394 million EUR (15 394 257 512,66 € )	14 835 million EUR ( 14 835 150 948,05 € )

\* 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*

Things needing to be taken into account:

- contract award notices missing from 37-39 % of contract notices (CAs have not published these)
- Contract award notices withing DPS are not counted
- In contract award notices it is possible to state the values as range (e.g. 0 - 10.000.000). If range is used the upper value has been taken into account

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

	2021	2022	2023
Value (in EUR million)	N/A	N/A	N/A

\* 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*

Contract award notices are not published for procurement below EU thresholds

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

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### 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)

### 2. Estimation of contract value:

- Underestimation of contract value to avoid application of EU public procurement rules
- Artificial splitting of the contract (including no aggregation of value of similar contracts)

### 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*

The application exemptions (the in-house exemptions and the exception on research and development are sometimes interpreted broadly/misinterpreted.

Regarding the wrong application of the contract value: neither of the prepared alternatives fit to the Finnish context. In Finland, most of the unclarity refers to how to correctly calculate the contract value and how to apply to regulations of the Directive.

On the use of procedures: the DPS raises often questions on its correct application. The procedure is not used illegally as such but the regulations are somewhat unclear.

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 Procurement Advisory Unit aims to inform contracting authorities on issues that arise from the field. Julkisten hankintojen käsikirja 2023 ([https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/165114/VM\\_2023\\_60.pdf?sequence=4&isAllowed=y](https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/165114/VM_2023_60.pdf?sequence=4&isAllowed=y)) The aim of the public procurement manual is to support the organization and management of procurement activities within public administration procurement units, including planning and tendering of public procurement, contract and supplier management, as well as advancing sustainability goals. The user guide includes practical information for example about the matters mentioned in section IV, such as Methods for calculating the estimated value of procurement, use of negotiated procedure without prior publication and Reliance on the capacities of other entities.

## 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*

According to Finnish caselaw (and referring to the Borta case C-298/15), the use of correction notice is very restricted in scope, and this leads to practical problems in case of even minor alterations to ongoing procurement procedures.

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'.

### 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)

2. Wrong application of procurement instruments related to:

- Award of specific contracts under framework agreement
- Use of electronic catalogues

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.

To clarify, illegal contract modifications are not a massive problem in Finland, but the correct use of Article 72 raises a lot of practical questions.

### 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)

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.

**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*

All references refer to the Classical Directive:

Article 4 Threshold amounts and Article 5 Methods for calculating the estimated value of procurement; unclear, meets contradictory practices

Article 29: Competitive procedure with negotiation, Article 32: Use of the negotiated procedure without prior publication; the mechanism of publishing all information in the publication phase meets contradictory interpretations

Article 50: Contract award notices; practices relating to the contract award notices are unclear

Article 63: Reliance on the capacities of other entities, Article 19: Economic operators, paragraph 2; the regulations are unclear in practical situations

Article 59: European Single Procurement Document, paragraph 4, Article 60: Means of proof; meets contradictory practices and interpretations

Article 72 Modification of contracts during their term; meets contradictory practices and interpretations

**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)



3. Frequent use of shortest possible deadlines due to:

- Lack of mid-term/long-term planning
- Situation of unexpected urgency
- Other justifications

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.

Our national materials are listed under the sustainability sections below.

## 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	394	341	430
B. Median length of first instance reviews		6,5mth	7,3 mth
C. Number of first instance review decisions that were appealed to the (next) judicial level and its results	Total: 62 Permission to appeal has been refused: 44 The first instance review decision has NOT been changed: 6 The first instance review decision has been changed: 8 Not examined: 4	Total: 20 Permission to appeal has been refused: 15 The first instance review decision has NOT been changed: 2 The first instance review decision has been changed: 0 Not examined: 3	Total: 18 Permission to appeal has been refused: 17 The first instance review decision has NOT been changed: 1 The first instance review decision has been changed: 0 Not examined: 0

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

*5000 character(s) maximum*

These Market Court decisions/rulings also include decisions in which the appeals have been withdrawn. The latter might not meet the criteria of the concept a “review decision”. Unfortunately we do not have readily available detailed information as to how many such decisions there are.

According to the Finnish procurement legislation, contracting authorities can rectify their decisions if the procurement procedure has proved out to have been erroneous (does not necessarily prevent obstructive complaints, though). In addition, the administrative fees for public procurement cases in courts have been raised in recent years.

In Finland, we have found that the best ways to reduce the number of complaints are efficient and systematic debriefing sessions with the losing suppliers, and appropriate and suitable market consultations pre-procurement.

**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*

The procedures in the Finnish Market Court have been streamlined through, inter alia, electronic means of communication and efficient and proactive conducting of the procedure.

**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*

Centralizing the handling of public procurement cases in a specialized court with specialized expertise may reduce the number of next judicial level appeals. In addition, both the Market Court and the supreme administrative court in Finland publish nearly all of their judgments in procurement cases online which has reduced appeals to the next judicial level based on not knowing the settled case law.

## 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.

Act on the Openness of Government Activities as enhanced rules on transparency. <https://www.finlex.fi/en/laki/kaannokset/1999/en19990621>

There are also national additions to exclusion criteria of economic operators.

### 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.

In 2023 a guide on prevention of various forms of shadow economy was published. The guide is meant for all public procurers in Finland, e.g. cities, municipalities, ministries and universities. The guide sums up the most probable infringements that can plague public procurement, like tax fraud, cartels, corruption and labour exploitation. In addition to describing areas of risk and potential signals that can point to wrongdoings the guide gives practical advice on how to conduct a basic risk analysis and ideas for preventive measures. The guide is available at: (link) <https://vm.fi/-/tyoohje-auttaa-tunnistamaan-ja-ennaltaehkaisemaan-harmaantalouden-riskeja-julkisissa-hankinnoissa>

The Finnish Competition and Consumer agency (FCCA) has kept up its efforts in fighting the grey/shadow economy. In 2023 there was a major reorganization of health and social services in Finland. Previously these services had been the responsibility of cities and municipalities. Since January 2023 twenty one newly appointed wellbeing services counties started operating as organizers and producers of these services. The FCCA and the Tax Authority decided to conduct a tour of all these counties with the aim of enhancing awareness of the risks of shadow economy and the strategic importance of procuring. This tour is now well underway. The tour consists of meetings with the top management of the counties and training for the procurement personnel.

The joint outreach project the FCCA and the Tax Administration launched in 2016 targeting cities in Finland is also still ongoing.

The main themes on both tours are tax fraud, cartels and unethical conduct in procurement and corruption.

The aim is to:

- gather information on how procurement units are handling the risk of various misconducts in their purchases,
- raise the procuring organizations' awareness of these risks and
- give advice on conduct, best practices and internal guidelines.

New themes included in the tour of the wellbeing counties are FCCA's surveillance of public procurement and the authority's observations on Finnish procurement data. There seems to be an acute lack of tenders in a major part of bidding contests.

### 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.

## VII. Level of SMEs' participation in public procurement

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### 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](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)

### 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*

A guide for dividing procurements into lots is an action within the ProcurFinland programme. It is intended to provide concrete assistance to procurement units in the planning of procurement activities. The guide covers key legal aspects related to the division of procurement. Additionally, it includes best practices for methods and opportunities for dividing procurement, as well as factors to be considered. <https://www.kuntaliitto.fi/julkaisut/2022/2153-hankintojen-jakaminen-osiin>

## **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)	6,44 billion €	4,79 billion €	6,20 billion €



**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)	N/A	N/A	N/A

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

No information available for the value of below EU awarded contacts.

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

	2021	2022	2023
Number	77,37%	78,44%	82,09%

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

	2021	2022	2023
Number	N/A	N/A	N/A

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

5000 character(s) maximum

No information available for awards below threshold.

## VIII. Practical implementation of national strategic procurement

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### 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.

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: Innovativeness and sustainability of public procurement in Finland 2022 study report (in Finnish):  
[https://www.hankintakeino.fi/sites/default/files/media/file/innovatiiviset\\_ja\\_kestavat\\_julkiset\\_hankinnat\\_2022.pdf](https://www.hankintakeino.fi/sites/default/files/media/file/innovatiiviset_ja_kestavat_julkiset_hankinnat_2022.pdf)

To assess the share of innovation procurement in Finland, the KEINO Competence Centre for Sustainable and Innovative Procurement conducted a survey for procuring units every two years between 2018 and 2022. The survey sample was drawn from all the contract notices published on the official tendering service site during the first half of a given year. In this way, the survey was done ex-post, after the surveyed procurements had taken place. In the survey, the novelty of the procured product, service, or solution was probed at the level of the buyer and the market - i.e., if the product, service, or solution was new to the buyer and/or to the market. In addition, the survey examined if the procurement or its planning phase involved innovation-friendly elements; e.g., mapping the need/opportunity for a new solution or its development, using market dialogue in the planning phase, or if the procurement involved development for a new solution and/or if result-/performance-based incentives were used.

Several guides to support contracting authorities on responsible food procurement. They can be found here  
<https://mmm.fi/julkiset-ruokahankinnat>

The main Guides are: Guide for the Responsible Procurement of Food, [https://www.motiva.fi/files/21421/Guide\\_for\\_the\\_Responsible\\_Procurement\\_of\\_Food\\_2023\\_FINAL.pdf](https://www.motiva.fi/files/21421/Guide_for_the_Responsible_Procurement_of_Food_2023_FINAL.pdf) and Procurement Guide for Responsible Food Services, <http://urn.fi/URN:ISBN:978-952-366-727-3>

#### 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.

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Kriteeripankki - In the criteria bank, you can search for responsible criteria applicable to procurement based on the product or service to be procured, as well as the sustainability objective to be considered in the procurement. The criteria bank has been developed within the KEINO work that supports and helps Finnish public procurement experts and authorities with the development of sustainable and innovative procurement. Guide for the Responsible Procurement of Food - Motiva The purpose of the guide to responsible foodstuff procurement is to assist public sector actors in procuring responsibly produced food items. The guide takes into account requirements for sustainable development and responsibility more comprehensively than before, directing public actors towards the use of procurement criteria for different food categories.

([https://www.motiva.fi/files/21421/Guide\\_for\\_the\\_Responsible\\_Procurement\\_of\\_Food\\_2023\\_FINAL.pdf](https://www.motiva.fi/files/21421/Guide_for_the_Responsible_Procurement_of_Food_2023_FINAL.pdf) and Procurement Guide for Responsible Food Services, <http://urn.fi/URN:ISBN:978-952-366-727-3> )

The+Low-Carbon+Procurement+Playbook.pdf (vm.fi) The Low-Carbon Procurement Playbook is a guide for anyone working in public procurement. It helps to refine strategy, tactics and practical implementation to achieve the low-carbon goals. The playbook has been compiled in 2021 under the Low-Carbon Procurement Development Programme implemented by the KEINO Competence Centre.

## 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.

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Service called Criteria Bank [www.kriteeripankki.fi](http://www.kriteeripankki.fi) was published in October 2023. You can find information on sustainability aspects of different products and services, in addition to the sustainability criteria applied in procurement.

A Material Bank can be found from the KEINO Competence Center website. Materials support the implementation and management of sustainable and innovative procurements. Information can be found in English (more materials such as good examples, reports, guidelines in Finnish): <https://www.hankintakeino.fi/en/materialbank>

## 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.

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Hankintayksiköille laaditut vastuullisuuden vähimmäisvelvoitteet julkaistu (<https://vm.fi/-/hankintayksikoille-laaditut-vastuullisuuden-vahimmaisvelvoitteet-julkaistu-tavoitteena-edistaa-sosiaalista-kestavyytta-julkisissa-hankinnoissa>) – tavoitteena edistää sosiaalista kestävyyttä julkisissa hankinnoissa - Valtiovarainministeriö (vm.fi) - Minimum sustainability obligations (Code of Conduct) have been developed as a part of ProcurFinland, intended to be included as part of the procurement contract. The terms require the supplier to commit to ensuring that the production of the product occurs under conditions that adhere to ethical guidelines.

Hankinnoilla työllistämisen opas (<https://www.kuntaliitto.fi/julkaisut/2023/hankinnoilla-tyollistamisen-opas>)  
 Employment through procurement means that the public procurer includes a requirement related to employment in their tender documents and procurement contracts, or includes it as an evaluation criterion. The employment condition stipulates that the selected contractor must employ individuals in a weaker position in the labor market as defined by the contracting authority during the contract period. This may include long-term unemployed individuals or young people experiencing prolonged unemployment. The Association of Finnish Local and Regional Authorities coordinated an employment acceleration project through procurement from 2019 to 2023. As part of this project, a guide on employment through procurement was developed.

Report Series № 98a: Työperäinen hyväksikäyttö ja julkiset hankinnat. Opas riskien huomioimiseen Suomessa | Heuni The European Institute for Crime Prevention and Control, affiliated with the United Nations (HEUNI), (<https://heuni.fi/-/hankinta-opas#07e4cd10>) has developed the Guide on Labor Exploitation and Public Procurement commissioned by the Ministry of Finance to support procurement units.



The guide has been prepared as part of the ProcurFinland program and the implementation of the national public procurement strategy.

Hankinnoilla työllistäminen | Kuntaliitto.fi (<https://www.kuntaliitto.fi/talous-ja-elinvoima/tyollisyys/hankinnoilla-tyollistaminen>) The Employment Acceleration through Procurement project was a joint initiative between the Ministry of Economic Affairs and Employment and the Association of Finnish Local and Regional Authorities, running from 2020 to 2023. The aim of the project was to increase employment through procurement nationally and to disseminate it as widely as possible within the scope of public procurement activities.

### 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.

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### 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.

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### 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

Innovation Broker | Hankintakeino.fi (<https://www.hankintakeino.fi/en/keino-services/innovation-broker>) The development of the Innovation Broker model in Finland and the pilot project implemented in 2021-2022 were part of the implementation of the ProcurFinland program's objectives.

Hankintaopas tutkimus-, kehittämis- ja innovaatiohankkeille | Hankintakeino.fi (<https://www.hankintakeino.fi/fi/materiaalipankki/hankintaopas-tutkimus-kehittamis-ja-innovaatiohankkeille>) The KEINO competence center published a guide for public procurers on research, development, and innovation procurements in the autumn of 2023.

### 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

## IX. The level of competition in public procurement

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### 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

All sectors are concerned by low competition, but among most common procurement categories lack of competition is most notable in IT services (21% received one bid), medical equipment (25 %), laboratory equipment (39%) and transport equipment (25%).

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

5000 character(s) maximum

ack of competition was present across all types of public buyers. There was less competition in rural areas and less competition in invitations to tender which were published during summer months (especially July).

**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)

3. Recurrent, particularly low number of bidders due to:

- Structure of the market (e.g. monopolistic, oligopolistic market)
- Suspicion of collusion between bidders (bid rigging)
- Tailor-made public procurement procedures

4. Low attractiveness of the public procurement market, in particular:

- Lack of market knowledge of buyers (unrealistic demand)
- Lack of mid/long term planning of public procurement needs
- Not optimal contract size (too large for SMEs, too small for non SMEs)
- Complex tender documents and requirements

- Short period available for publication and submission of offer
- High administrative burden linked to submission of offer
- Lack of trust of companies in fair chances to win (e.g. suspicion of fraud, corruption, conflict of interests and other serious irregularities)
- Limited possibility of contract modification
- Strict contract terms and risk of penalties
- High risk of delayed or no payment
- Perceived unattractiveness of public procurement

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

*5000 character(s) maximum*

<https://www.kkv.fi/tutkimus-ja-vaikuttaminen/julkaisut/tutkimusraportit/kilpailu-julkisissa-hankinnoissa-tutkimusraportteja-9-2023/>

## X. Additional information

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Please provide any other information you consider relevant:

*5000 character(s) maximum*

### Contact

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