Public procurement in the European Union: exploring the way forward. Green paper

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The public procurement market is worth Ecu 720bn annually, which equals 11% of total EU GDP, and is following the introduction of European legislation open to union-wide competition. However, the Committee, in a report drafted by Mr Michael TAPPIN (PES, UK), highlights a number of shortcomings in the present legal framework. According to the report, only three Member States have fully implemented all procurement legislation, and the Committee therefore calls on the remaining Member States and the Commission to take urgent action to implement and respect EU law in this field. Similarly, the Committee also called for more effective control and enforcement of the directives, eg. by imposing meaningful penalties for those who breach rules, for example by barring companies not complying with procurement rules from participating in procurement tenders for a certain period of time. As regards the rules themselves, the Committee sees them as "inflexible, legalistic and unclear". The Committee calls on the Commission to start revising the various directives with a view to clarify and simplify them. While recognising that public procurement directives are primarily economic directives, the Committee underlined that they should not constitute a barrier to promote best practice and to maintain high social, environmental or health standards. The Committee notes that current rules already allow for other criteria to be taken into account, and calls on the Commission to encourage this practice. On the international level, the report calls on the Commission, as a matter of urgency, to ensure that access to the EU procurement market is given to third countries on the basis of reciprocity. In addition, as far as enlargement is concerned, the Committee considers it crucial that accession countries adopt existing procurement rules within a specific time frame. Finally, because of the high cost involved in the preparation of tenders, in particular for SMEs, the Committee took the view that the threshold values for the directives to be applicable should be raised. However, since these values are based on the EU's international commitments in the WTO, the Commission is called upon in future negotiations with third countries to press for the raising of threshold levels.