



# Cost of Non-Europe for Public Procurement

IMCO Committee, Brussels, 24 September 2014

# Overview

---

1. Objectives
2. Approach
3. Gaps in public procurement legislation
4. Key findings
5. Conclusions

# Objectives

---

1. Assess costs of gaps in current European public procurement and concessions legislation
2. Analyse benefits from completing Single Market in public procurement and concessions

# Approach

---

- Literature review
  - Evidence for assessment of state of play, identification of gaps, costs and benefits
- Desk-based research
  - Gather evidence for economic analysis
- Three case studies
  - Desk-based research: to inform sample selection and descriptive analysis
  - Interviews with economic operators and awarding authorities
- Economic analysis
  - Assess costs of gaps and potential benefits of closing gaps

## Gaps in Public Procurement Legislation (pre-January 2014)

---

- Six key gaps identified:
  - Scope
  - Procedures
  - Strategic procurement
  - Access
  - Governance
  - Concessions

# Key Findings

---

- **Case studies:**
  - Concern about the lack of clarity of the Directives and implications for procedures
  - Administrative costs are seen to be a key problem
  - Awarding authorities unsure of rules surrounding strategic procurement and the use of award criteria other than price
- **Two approaches to quantitative analysis:**
  - Top-down:   annual savings to date:   €22.7 bn (central estimate)  
                  annual CoNE remaining:   €49.7 bn (central estimate)
  - Bottom-up:   annual savings to date:   €15.1 bn (point estimate)  
                  annual CoNE remaining:   €57.3 bn (point estimate)

## Conclusions

---

- European public procurement legislation has delivered annual savings to the public purse of approximately €22.7 bn
- Some of the pre-january 2014 gaps will be closed, in part, by the new legislation (approved on 15 January 2014)
- Other remaining gaps may not be possible to close through further European legislation because they are 'natural' rather than legislative



Thank you