

# Legislation and policies on SPP The SME point of view

#### **EcoProcura**

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#### A few words about **UEAPME**



#### **UEAPME** is the European Craft and SME association:

- Representing 12 million SMEs from 32 Countries in Europe
- 85 European (branches) and national (horizontal) members
- UEAPME exists because 80% of legislation and regulations affecting SMEs comes from Europe
- I am Director for Economic and Fiscal Policy as well as Head of the UEAPME Study Unit.

My responsibilities include:

- SME finance and relation to banks
- R&D and Innovation
- Public Procurement Legislation

## SMEs on legislation and policies - I



# Some principles of UEAPME positions on green paper and COM proposal:

- best value for money against lowest price
- fair and open competition
- transparency and predictability
- support for life cycle costing but in a way accessible for SMEs

## SMEs on legislation and policies - II



# Every public authority has to freedom to chose the product and services they want to have

- choose which environmental or social standards
- and bear any extra costs it may create
- responsibility of public authority toward its population
- Problem: wrong incentives for administrations

## **SMEs on legislation and policies - III**



# Fair competition and transparency as regards eco- and social procurement

- eco- and social criteria must be strictly related to the contract in question
- every company that fulfills the legal standards must be allowed to participate
- criteria must be objective and accessible for SMEs
- Problem: too often misused to manipulated the outcome

## SMEs on legislation and policies - IV



If the legislator wants higher standards as regards to protection of environmental, climate or social aspects, general regulation is needed.

- Do not use public procurement to introduce new standards for companies through the back-door.
- Criteria beyond those related to the contract will open the door for arbitrage and unfair competition.

#### How make to make it more attractive for SMEs



# Use the instruments foreseen in the code of good practices to facilitate SMEs' participation in PP, included in the SBA 2008, especially:

- division into lots and facilitate participation of consortia
- allow variants important for innovation
- protect subcontractors
- preference to the economically most advantageous offer

#### **Conclusions**



- 1. Eco- and social procurement can be done under the current EU legislation.
- 2. Procurement agencies have the wrong incentives to apply eco- and social procurement; the political backing is missing.
- 3. SMEs are afraid that eco- and social procurement is misused to protect incumbents and large competitors.



### Thank you for your attention!



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