

# Procure **Innovation EU** Training Programme



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## Interesting Fact

According to the European Commission, "public procurement strategy is being rethought towards a focus on procurement, **professionalising public purchasers**, cutting red tape and harnessing the benefits of the digital revolution to make public administrations more efficient, effective and accessible to citizens and businesses. It also includes policies aimed at creating a more innovative, greener and socially inclusive economy".\*

## Case Study

The essence of strategic public procurement lies in its ability to align procurement with broader public policy objectives. This involves not only seeking the best value for money, but also considering how each purchase contributes to achieving specific goals, whether in terms of economic development, environmental sustainability or social inclusion.\*

Moreover, strategic public procurement is a powerful instrument for the implementation of public policies. By focusing on the procurement of goods and services that promote the objectives of these policies, it can drive change and generate tangible impacts on society.

## In this issue:

### Public procurement without strategy?

In the complex world of public policy, the procurement of goods and services through strategic public procurement emerges as a vital component. However, a crucial question arises:

### Is it possible to carry out this purchase effectively without a clearly defined strategy?

The answer seems obvious: **No.** Public procurement requires meticulous planning and a well-developed strategy to achieve its objectives efficiently. Without a strategy, there is a risk of improvisation, which can result in costly and ineffective decisions.



European  
Commission

## But do most contracting authorities in the Member States apply strategic public procurement?

According to the European Court of Auditors' 2023 Special Report assessing the level of competition in EU single market public procurement over the ten-year period and the actions taken by the Commission and Member States, it considers that strategic public procurement is applied in a very limited way. It states that, in practice, strategic public procurement means that "contracting authorities can go beyond the criterion of the lowest price and seek "the most economically advantageous tender". To do so, contracting authorities must specify the selection criteria and technical specifications that will produce the intended result without artificially restricting competition".

In data, this analysis shows that "the proportion of contracts awarded in favour of the lowest tender still accounts for the vast majority of awards in all Member States. In 2021 there were eight Member States where the level of awards in favour of the lowest bid exceeded 80%". They also state that "the incidence of this lowest price award criterion increased even in the period under review, indicating that the promotion of strategic public procurement has had a limited impact at best". \*

Despite the challenges facing the implementation of strategic public procurement, it is important to maintain an optimistic outlook on its transformative potential in the public policy arena, accounting for 14% of the EU's gross domestic product per year. While the current level of implementation may be limited, the recognition of its importance by the European Commission and other bodies is a crucial step towards its more widespread adoption.

## Learn more about

- Do you want to contribute to improving the quality of your spending?
- Do you want to transform spending into investment through public procurement where it impacts on society?



- ✓ Let's help create robust and effective strategies that can adapt to a changing environment.
- ✓ Let us use strategic public procurement to achieve goals and drive change and improve the lives of citizens.

[If you are interested, join this community!](#) 

Coming up next:

MAY 2024- Fostering innovation through public procurement.