



Press Release

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“Tackling public procurement problems: still a long way to go”, say EU auditors

Widespread problems persist in the way public authorities across the EU contract out work, according to a new report from the European Court of Auditors. Even though the European Commission and the Member States have started to address the problem, there is still a long way to go, say the Auditors. If the situation has not improved by the end of next year, 2016, they recommend that 2014-20 payments to the Member States concerned should be suspended.

Between 2007 and 2013, €349 billion were earmarked for spending in the area of regional policy through the European Regional Development Fund, the Cohesion Fund and the European Social Fund. A significant part of this money is spent through public procurement. Errors relating to public procurement were detected in around 40 % of projects in which public procurement was audited in the course of the Court of Auditors' Annual Reports for the years 2009 to 2013. Serious errors resulted in a lack of fair competition and contracts being awarded to those who were not the best bidders. The EU Auditors assessed whether the Commission and Member States have been taking effective action to address these problems.

They visited the Czech Republic, Spain, Italy, and the United Kingdom, some of the Member States in which high numbers of public procurement errors had been detected by the Court over the years 2009 to 2013. They found that the Commission and Member States had started to address the problem, but that there is still a long way to go in terms of both analysing the problem and taking effective action. For example, systematic analysis is very limited and there is a lack, both at the Commission and in the Member States, of sufficiently detailed, robust and coherent data on the nature and extent of the errors.

“The Commission and the Member States need to intensify their efforts to deal with the high numbers of public procurement errors occurring in EU spending every year”, says Phil Wynn Owen, the Member of the Court of Auditors responsible for the report. The Auditors call for a high-level group to be set up to provide leadership in tackling the public procurement errors and to promote simplification. Furthermore, the Commission’s action plan should be published and progress should be reported on annually. They also recommend that the Commission and

*The purpose of this press release is to give the main messages of the special report adopted by the European Court of Auditors.
The full report is on www.eca.europa.eu*

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Member States fully analyse the frequency, seriousness and causes of public procurement errors in the area of cohesion policy.

The Auditors found some good practice where Member States had begun to collect information systematically on public procurement errors. Also, in 2013, the Commission established a technical working group to address the issue and drew up an action plan. However, most of the actions in the plan have not yet been fully implemented.

The Auditors noted that, at the beginning of 2015, the Commission had assessed that a number of Member States had not yet fulfilled the conditions laid down for the use of European Structural and Investment Funds for public procurement in the spending period 2014 to 2020. These conditions are regarded as necessary prerequisites for effective and efficient use of EU support. The Auditors recommend that, if these conditions are not being fulfilled by the end of 2016, the Commission should suspend 2014-20 payments to the Member States concerned, until they have rectified the shortcomings.

Notes to the editors:

The audit covered actions taken by the Commission and Member States from 2009 to 2014 to address the problem of non-compliance with public procurement rules. The Auditors visited four Member States (Czech Republic, Spain, Italy, and the United Kingdom), in which high numbers of public procurement errors had been detected in the Court's 2009-2013 Statement of Assurance audits. They performed a survey of 115 Audit Authorities in 27 Member States (not including Croatia) responsible for operational programmes funded by the European Regional Development Fund, the Cohesion Fund and the European Social Fund. They also sent a short survey to the 28 National Audit institutions in the EU.