



Feedback on the EU Public Procurement Directives

EIT Urban Mobility - Mobility for more liveable urban spaces

EIT Urban Mobility

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EIT Urban Mobility's feedback on the EU Public Procurement Directives

EIT Urban Mobility is an initiative of the European Institute of Innovation and Technology (EIT), a body of the European Union. EIT Urban Mobility is committed to accelerating the transition to sustainable mobility.

EIT Urban Mobility facilitates **innovation that boosts EU competitiveness and sustainability**. We work in partnership with over 250 organisations, which include SMEs and startups as well as entities of the public sector, cities and research centres. We collaborate with a wider network of more than 1,000 organisations across 35 countries.

We help our partners, and the broader ecosystem **scale up impactful projects** that deliver economic, social and environmental benefits, while being grounded in sustainable governance and financial models.

Among others, EIT Urban Mobility accelerates the adoption of sustainable mobility solutions by **bridging innovation and public sector needs**. In this vein, public procurement is a powerful tool for fostering innovation, promoting fair competition, and supporting startups and SMEs in **delivering sustainable urban mobility solutions**. However, some challenges remain in ensuring accessibility, flexibility, and efficiency in procurement processes.

Therefore, EIT Urban Mobility welcomes the European Commission's evaluation of the **2014 Public Procurement Directives** (Directives 2014/23/EU, 2014/24/EU, and 2014/25/EU).

EIT Urban Mobility's extensive experience in connecting startups, cities, and procurement processes informs EIT Urban Mobility's contribution to the EU's evaluation of public procurement directives, with the aim to **ensure that innovation-friendly policies support SMEs and public sector transformation** for a healthier and more competitive Europe.

To date, EIT Urban Mobility has supported more than 460 startups and invested over 17M€ in 132 ventures across Europe. It has backed 175+ innovation projects with 200+ market solutions, and implemented 290+ pilots in 140+ cities. Through RAPTOR, it has delivered 43 pilots in 36 cities across 21 countries, with 95% leading to procurement or market adoption.

This document presents key recommendations based on consultations with EIT Urban Mobility's partner **startups, SMEs, and local authorities**, structured according to the consultation's key themes.

1. Simpler, more flexible rules, value for money, transparency, and integrity

Key findings

- While digital tools such as **eProcurement** have improved accessibility, **complex documentation requirements and rigid procedures** remain major barriers for SMEs and innovative suppliers.
- **Transparency has increased** with the use of TED (<https://ted.europa.eu/en/>), but Startups highlighted that smaller contracts, often most accessible to SMEs, are not always well-publicised.
- Procurement officers **often lack training in assessing innovation**, leading to risk aversion and a preference for established solutions over novel approaches.
- **Medium-sized administrations often lack adequate human resources**, causing delays in procurement processes due to insufficient staff capacity to manage complex tendering and evaluation tasks.
- **Administrative burdens** (e.g., extensive eligibility documentation, proof of financial capacity, auditing requirements) continue to slow procurement processes for both public authorities and bidders.
- In **research and innovation (R&I) projects**, cities struggle to procure necessary expertise in a timely or effective manner due to administrative and funding constraints linked to strict procurement rules. This often delays projects or increases risks to their successful implementation.

Recommendations

- Simplify documentation requirements to make procurement more accessible for SMEs and new entrants.
- Improve **digital procurement platforms** (e.g., TED) with better categorisation, multilingual support, and SME-friendly interfaces.
- Encourage the use of **most economically advantageous tender (MEAT)** principles, shifting focus from lowest price to quality, sustainability, and innovation.
- Strengthen **training for procurement officers** and establish synergies through EU initiatives (e.g., Big Buyers Initiative, Public Procurement Partnership), national programmes, city and industry networks.
- Provide greater **Flexibility** for EU subgrantees in R&I projects to procure goods and services, ensuring EU funding to cities allows them to apply best procurement practices when purchasing goods and services.

2. Easier market access, SMEs, and cross-border participation

Key findings

- SMEs and startups **struggle to access public tenders**, facing high financial requirements, request of previous experience, lack of visibility of opportunities, and complex procedures.
- The **division of tenders into smaller lots** is encouraged by the directives but isn't often utilised.
- **Cross-border participation is limited**, primarily due to language barriers and national regulatory variations. **TED tenders are often published only in the local language**, limiting competition and preventing companies from other EU countries from participating effectively.

Recommendations

- Introduce **SME quotas** or minimum SME participation thresholds in large public procurement projects.
- Promote the division of large contracts into **smaller lots** to enable fairer competition.
- **Improve access to information and guidance for SMEs**, ensuring a dedicated **point of contact within procurement authorities** to provide advice and clarifications, reducing administrative complexity.
- Standardise **cross-border procurement rules** and offer multilingual support to improve access for SMEs from different EU countries.

3. Strategic public procurement: innovation, green and social procurement

Key findings

- Despite the existence of **innovation-friendly procurement models** (e.g., competitive dialogue, innovation partnerships), they are rarely used.
- **Direct purchase thresholds are too low**, limiting opportunities for startups and SMEs that have successfully tested a pilot solution and that cities would like to scale.
- **Sustainability and innovation** criteria are often deprioritised in favour of cost efficiency.
- Many tenders require **proven solutions**, which, while ensuring reliability, can limit opportunities for startups developing new technologies that have not yet reached commercial deployment or have reached it recently, lacking extensive experience sometimes requested in technical standing criteria.
- Startups and SMEs struggle to secure public contracts due to **risk-averse procurement practices**.

Recommendations

- Strengthen the use of **pre-commercial procurement and innovation partnerships** to support startups in scaling new or recently introduced solutions that have not yet gained widespread market traction. Pre-commercial procurement funds R&D for innovative solutions not yet on the market, giving startups a first customer reference and competitive edge while addressing public sector needs.

- Adapt financial and technical standing criteria to encourage/facilitate the procurement of innovative solutions.
- Expand the use of **sustainability and innovation criteria** beyond price considerations.
- Encourage **market dialogues before tender publication** to allow startups and SMEs to help shape the scope of procurement.
- Develop **structured pathways for pilot projects to transition into full-scale public procurement**.
- **Increase direct purchase thresholds** to allow cities to scale successful pilot projects without requiring complex and lengthy procurement procedures.

4. Competition in the EU public procurement market

Key findings

- **Tenders often contain overly detailed specifications**, making it difficult for SMEs and start-ups to participate by requiring compliance with pre-defined technical standards rather than allowing for alternative solutions.
- **Economic, financial, and technical solvency requirements are often disproportionately high**, preventing SMEs from applying even when their solutions are more innovative, cost-effective, and technically superior.
- **Large players continue to dominate procurement markets**, limiting competition and opportunities for new entrants.

Recommendations

- Increase competition (product/service wise) by ensuring tenders seek and promote **innovative and alternative solutions**.
- Increase competition (tenderer's nature wise) by ensuring tenders allow and **facilitate the participation of SMEs and startups** (we refer to recommendations in Section 2 above).
- Encourage **open market engagement before launching procurement** to broaden participation, involving early-stage dialogue with industry players, startups, and SMEs to inform procurement strategies before finalising tender requirements.
- Improve transparency in tender evaluation processes, ensuring fair competition.

5. Coherence of the EU public procurement framework

Key findings

- Implementation of procurement rules varies significantly across EU countries, creating challenges for cross-border participation.
- Cities struggle to integrate procurement regulations into long-term urban mobility strategies.

Recommendations

- Harmonise **national procurement procedures** with EU directives to reduce fragmentation.
- Strengthen **knowledge-sharing networks among cities** to facilitate best practices in procurement.

6. Resilience and crisis preparedness in procurement

Key findings

- **Dependence on non-EU suppliers increases costs** and delays in mobility procurement (e.g. for public transport fleets, EV batteries, and traffic management systems), especially during crises.
- **Lengthy procedures and risk aversion prevent agile responses** and limit SME involvement.
- **High eligibility barriers** (e.g., excessive financial guarantees, previous large-scale contract requirements, and complex administrative processes) may exclude SMEs from emergency procurement despite their innovative potential.

Recommendations

- **Implement fast-track procurement** with pre-approved SME supplier lists and exemptions for tested pilot solutions.
- **Strengthen supply chain resilience** by prioritising EU-based suppliers and regional collaboration, while ensuring fair competition and the best value for citizens.
- **Facilitate SME participation in crisis procurement** through reserved quotas and simplified tendering.

Good practices and successful models *

- **Simplified application processes:** Some city councils have introduced **pre-approved startup lists**, making it easier for SMEs to qualify.
- **Flexible criteria:** Germany’s generic procurement criteria allow greater competition, giving innovative solutions a fairer chance.
- **Innovative procurement exemptions:** Research-based projects are exempt from standard procurement laws, reducing administrative barriers.
- **Pre-commercial procurement:** Some cities have used **AI-based traffic management systems** in pre-commercial stages before full deployment.
- **Funding with SME quotas:** EU-funded **PRTR projects** include minimum SME participation thresholds, ensuring innovation is built into procurement.
- **Market dialogues:** Cities have successfully **opened tenders for consultation before publishing specifications**, allowing SMEs and startups to contribute insights.

** Based on participants’ inputs during the collaborative session “Have Your Say: Public Procurement in the EU”, organised by EIT Urban Mobility, Startups Growth Lab, which took place on 5 February 2025.*

Conclusion and key asks

EIT Urban Mobility supports the European Commission’s efforts to modernise EU public procurement directives. Our stakeholder consultations reveal that public procurement must be **simpler, more accessible, and more innovation-driven**.

- Hence, we urge policymakers to revise EU public procurement regulations with the aim to:
- Reduce **administrative burdens** for SMEs and startups.
- Strengthen **transparency and competition** in procurement markets.
- Expand **innovation-friendly procurement models** to drive new technologies.
- Harmonise **procurement rules across EU countries** to create a fairer and more integrated market.
- Improve **crisis procurement mechanisms** to ensure rapid, resilient procurement strategies.

By implementing these recommendations, the EU can unlock the full potential of public procurement as a driver of innovation, sustainability, and economic growth while ensuring fairness and competition in procurement markets.

EIT Urban Mobility remains committed to supporting the evolution of EU public procurement practices and looks forward to working with the European Commission and stakeholders to build a more inclusive, innovative, and effective procurement ecosystem.

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