



GENERATING INTERNATIONAL PUBLIC PROCUREMENT OPPORTUNITIES FOR EUROPEAN SMEs

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WP4 Implementation Phase
D4.2: Best strategies for Consortia Bidding to Third
Countries Procurement Market
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2 Executive summary

This document is meant to transmit **the learnings of 3 years promoting the participation of European SMEs in public projects beyond the EU**, in 6 countries spread across the globe, literally. It has been led by ACCIÓ, as project leader, with endless support from FIT, whilst each of the 4 partners have overseen the chapters under responsibility.

Project GOOSE was formulated deep into the Covid pandemic, when it was hard, to an extent, to foresee the end of it, in time and shape. Back then, it was right to anticipate that from 2023 it would be clear to travel around the world, including in Asia (the most reluctant to open borders, and hence those picked up as the last ones to hosting GOOSE's five business missions). We start with an **introduction of the project, its main features and achievements**.

This aside, **GOOSE could not anticipate the war in Ukraine**, started 23 February 2022, and its subsequent effects in our project: Estonia, one of GOOSE's partners' countries, shares borders with Russia, the culprit of the war, whilst Serbia, one of the 6 target markets of GOOSE, has turned again to the old role of pan-Slavic victimization, claiming past grievances and playing an appeaser role that only serves the purposes of the aggressor.

Nonetheless, GOOSE, in parallel with our other 5 sister projects, has been **able to gain valuable insights for both European SME and other BSO, and the stakeholders** from the European Commission. We have tried to condense them, first by proposing **the learnings from our 6 target markets: Norway, Serbia, Vietnam, Colombia, Chile, and Japan**: a critical overview of their respective public procurement edifice, and a highlight on the sectors and segments with the most potential; we conclude the country chapters with considerations to address the market, from the point of view of European companies.

Furthermore, we have also proposed **a pick within the 29 segments initially chose for the 4 sectors under** focus, Green Economy, Smart Health, Smart Cities and ICT. Likewise, we aim at proposing ideas and insights to SME and BSO alike, as well as to Clusters - GOOSE has been connecting with up to 39 clusters and sectoral organizations within the radar of our 4 partners.

We have summarized the main learnings for SMEs when eager to contest (to bid to) public projects in third countries. SMEs and BSO will find tips and tricks to help them avoid mistakes, save time, and, with luck, perseverance, effort, and resolve, to get business achieved. We have meant to offer a realistic view, while **we would like to encourage more and more SMEs to contest public projects in third countries**; at least those within EPA-GPA agreements. Despite the project ending with this same **report, each one of the 4 BSO will continue helping our respective companies and entities to internationalize**: the Croatian Employers Association (CEA), the Estonian Chamber of Commerce and Industry (ECCI), Flanders Investment and Trade (FIT) and Catalonia Trade and Investment (ACCIÓ).

Moreover, we propose a chapter with **10 final suggestions and ideas for GOOSE stakeholders on how to make the best of the current association agreements in terms of real access to public projects** for European companies. So far, European SMEs participating in (foreign) national markets on equal terms to local players are still a minority. To add to this, it is worth mentioning last year's report by the Court of Auditors of Luxembourg by which **even within the single market cross-border procurement has stalled, if not retreated**.



Nevertheless, **GOOSE believes there are actions to take, even imaginative ones; with Chile and Norway possibly being prime targets**, initially, since the respective agreements are at least 2 decades old; Serbia and Colombia, with at least a decade old, may follow. One of the learnings of GOOSE is that it is the time to act with resolve, realism, and, well, imagination, from the parties involved, the host country and Brussels.

To conclude, to aim at making the document easy to read, we have **underlined in bold the main concepts we would like our readers to take as learnings**. We have **included 8 case studies to illustrate some passages of the document**. We hope you enjoy the read, find it useful and, most of all, inspirational **to go after public projects in the countries under GOOSE's radar!**



3 Introduction

Project GOOSE has been an EU funded project, from the Call GRO/SME/20/B/04, COS-PPOUT-2020-2-03, started May 2021 and ended May 2024. Its main features are listed below.

Overall objective:

- To improve SMEs' access to public procurement in the non-EU countries with which the EU has signed a plurilateral or bilateral agreements covering public procurement.

Main mandatory activities:

- Tools to improve access to public projects in third markets
- Follow-up and mentoring to SME to facilitate access
- Exit strategy, with lessons learned and best practices

Project GOOSE's goals:

- 8 BSO offering better support to SMEs
- 600 SME reached
- At least 5 tools for SMEs
- At least 8 offers submitted

GOOSE is a EU-wide consortium with 4 partners:

- Catalonia Trade & investment (ACCIÓ)- COORDINATOR
- Estonian Chamber of Commerce and Industry (ECCI)
- Flanders Invest & Trade (FIT), Belgium
- Croatian Employers' Association (CEA), (coming anew mid-2022 to substitute the Slovenian Chamber of Commerce and Industry)

GOOSE's partners strengths:

- 4 corners of the EU, with a wide international network
- Large and diverse portfolio of companies in each region
- Capillarity via Clusters and other sectoral organizations
- Track record in intl. public procurement
- Eagerness to learn, improve methods, to lift firms' competitiveness
- Division of roles: FIT preparation phase, ECCI Communication, ACCIÓ Implementation
- Doubling in all tasks, to double check and to guarantee final quality

GOOSE picked up 6 target markets to explore:

- 2 in Latin America, Chile, and Colombia, 2 in Europe, Serbia and Norway, and 2 in Asia, Vietnam and Japan
- Wide and diverse range of Focus countries, to make for building knowledge, with an eye on multiplication during/after the project
- Low & middle-income versus high-income countries
- World Bank clients versus OECD members
- Different volumes of procurement, degrees of openness to foreign bidders
- Countries over 3 continents, round the corner and far-away
- To what extent is strategic procurement incorporated?
- Is public procurement open to innovation?



- Scale of implementation of eProcurement, executive capacity, bureaucracy

GOOSE focused 4 sectors:

- Smart cities, Smart health, ICT and Green economy
- 4 broadly based sectors broken down into 29 segments
- Cross-sector nature, reaching a wide array of areas
- 29 segments to prioritize to around 1/3 per country, 8-10
- Sectors are those that best fit opportunities in international projects
- In fact, most match those chosen for the other 5 sister projects: synergies and complementarities
- Strategy to successfully access them not unique, with firms acting as single bidders, partners, but also as subcontractors
- Thence, relevant is as much as to identify potential tenders, as suitable partners, call them local or hidden champions
- Goose 4 sector webinars started 04/Oct/2022 “Opportunities and Challenges in Smart cities” and ended Mar/2023 on “Smart Health”



4 GOOSE's achievements

Here below are the **main achievements of the project in its 3 years of endeavour**. Most of them are already **available online**, documents and tools for SME to gain access to the 6 target markets; this will include this same report in PDF format, to be openly available at our web portal www.projectgoose.eu

Detailed country info on public procurement

6 wide-ranging documents with all you need to know on every country's public procurement:

- In terms of **public procurement edifice** and opportunities in every target country
- Not made public via the portal, but **available upon request**
- Key **information to consult and check by GOOSE's staff**, both from the partners' headquarters and from the target markets
- **Comprehensive info drafted by GOOSE's 6 country desks**: characteristics of local public procurement market; reference institutions; tendering processes; improvements and challenges; sector opportunities; etc.
- Available since late 2021, only Serbia since late 2023

6 country fact sheets

Overview on every country's economy, main sectors, and public procurement features.

Available online via GOOSE's Portal www.projectgoose.eu

- **Chile**, updated March 2024
- **Colombia**, updated March 2024
- **Vietnam**, updated July 2023
- **Norway**, updated March 2024
- **Japan**, updated January 2024
- **Serbia**, updated April 2024

Firms impacted by the project

- 1,029 attending GOOSE's 10 webinars
- 74 firms participating in GOOSE's 5 Business missions
- **433 registered to the Portal** with 312 recurrent and more than 32.857 individual visitors
- **10 with business achieved**, for an overall (estimated) amount of up to 200,000 €, with more expected in the medium-term. This is the aggregated amount for the 10 firms.

11 webinars available online

Available online via our Portal:



- How to reach international tenders: March 2021
- Chile and Colombia, April 2022
- Norway, April 2022
- Japan, May 2022
- Vietnam, June 2022
- Serbia, September 2022
- Smart cities, October 2022
- Green economy, December 2022
- ICT, February 2023
- Smart Health, March 2023
- Final Conference, May 2024

10 podcasts and videos

Available online via our Portal www.projectgoose.eu

- Unlocking the potential: SMEs in Public procurement, 34'
- Public procurement in Vietnam, 16'
- Business in Norway with Helmess, 23'
- What to know about Norway when entering the tendering market, 24'
- E-Health and focus sectors of Norway, 9'
- What to know about Colombia when entering the tendering market, 24'
- What to know about Serbia when entering the tendering market, 26'
- Insights on business in Colombia, 7'
- Short Video presentation on Norway
- Short Video testimonials on GOOSE Mission to Colombia
- Short Video on BM to Japan

Tender tracking with business alerts

Available since end 2021, always at our portal www.projectgoose.eu

Almost 1,000 Alerts uploaded in both “News” and “Tenders” counting all six Markets and 29 segments (within the 4 sectors): 385 alerts on “News” and 561 on “Tenders”.

- Used as both to alert potential interested firms, as well as repository of wealthy business intelligence
- Alert “Partnership” has not been used, so far. It could be an idea to implement via any an EU portal, such as EEN's, or Eurochambers
- Portal and Tender tracking to be active, together with the Portal, until May 2025

Business achieved as result of GOOSE

Here is the initial list of the ten firms with business achieved we have detected as results of GOOSE activities, namely GOOSE's 5 business missions. A **total of 200,000 € has been confirmed directly by the firms themselves.**









We have run follow-ups with the firms involved in the business missions; we have asked every one of them to report on leads, and business achieved, via individual one2one videocalls; this has been especially productive for the first business missions, with sufficient time to report back and forth with/from the firms; specifically that to Colombia 29 May-02 Jun/2023 and, to a minor nature, to Norway 27-29/Sept/2023. The last 2 business missions, fallen almost at the end of the project, Vietnam on 19-21/March/2024 and Japan's 15-17/Apr/2024; yet, even with little time to report back on accomplishments, GOOSE has already detected promising leads.





For business to be materialized it needs time, specially related to B2B or B2B2G. If within the area of public projects, especially if the B2G is above the threshold of direct contracts (more than, say, 15,000 €), maturity time easily goes beyond 12-24M after an initial lead is confirmed. To add to this, half of the companies are yet to report back to GOOSE.

For all the above, the final business achieved as result of the project is expected to be much higher than the reported 200,000 €, chiefly in the mid-term. Take it with a pinch of salt, or two, yet **real business achieved could be an order of magnitude higher**, nearer to the 7 digits than the current 6 lows.

Of course, GOOSE is open to share further details on every firm confirming having achieved business as result of the project.

Table: Listed business achieved in the ST as result of GOOSE

Origin	Firm name	Sector	Business achieved	Details
	FIRM 1	Environmental consulting	Around 40,000 € More in the MT	This information has been confirmed by the company on Feb/2024 as result of the BM to Colombia.
	FIRM 2	Smart <u>infrast.:</u> Multi-pollutant sensor	Around 40.000 € More in the MT	This information has been confirmed by the company on Feb/2024 as result of the BM to Colombia.
	FIRM 3	ICT-Hardware: Touch screen large format	Around 100,000 €	This information has been confirmed by the company on Feb/2024 as result of the BM to Colombia.
	FIRM 4	ICT and Smart Cities	Talks in process	In talks with Vietnamese Ministry of Public Defence and Ministry of Transport on PT, they already had a site visit in Belgium. Not achieved yet.
	FIRM 5	Green Econ.: Renewables	In process, tender opens in a few years	Follow-up meeting with Vietnamese Ministry of Transport already planned. Not achieved yet.
	FIRM 6	ICT and <u>Smart health</u>	<u>Setting up with local partners</u>	In <u>process of setting up partnerships with Vietnamese companies and stakeholders for future tailored tender bids.</u> Not achieved yet

Origin	Firm name	Sector	Business achieved	Details
	FIRM 7	Public Transport	Won a tender with a Norwegian public ferry company	After complaint of local competitor, the tender was cancelled, and the tender was relaunched with changed TOR in a way the Flemish company couldn't participate anymore = bad practice
	FIRM 8	Public Transport	Signed a contract with the Japanese company NEC for a project in the Philippines	The Japanese government (JICA) financed the project; <u>RideOnTrack</u> is interested to keep on working with JICA in the future through local Japanese companies
	FIRM 9	Revolutionary masks for Health, Police, Veterinary	NA	They plan an alliance with Canon Medical, to exploit the Japanese market, estimating the overall potential of the Japanese market for 2025 of a few millions of euro. Confirmed by firm after BM to Japan Apr/2024
	FIRM 10	Multi-pollutant sensor	Around 20.000 € More in the MT	During BM to Japan Apr/2024 they met 3 potential distributors, with one already confirming interest from a public institution to start a trial.

Total business confirmed from the 10 firms above 200,000 €, with more expected in the MT, possible in the 7 figures



5 Country findings: Norway

5.1 Overview on Norway

Norway **leads many of the world's rankings related to wealth, quality of life and ease of doing business** together with its Nordic neighbours, Finland, Sweden, and Denmark. Norway, which ranks as with the lowest income inequality in the world, has achieved this through a mix of policies that support education and innovation.

The country is **richly endowed in natural resources** - petroleum, hydropower, fish, forests, and minerals - and is highly dependent on the petroleum sector.

The economy is a combination of free market and government intervention. The government controls key areas, such as oil & gas. Russia's escalated war on Ukraine has had a significant impact on the energy situation and security in Europe, with derivations to the Norwegian economy; Norway being the largest energy provider to Europe and ranking as the 4th largest exporter of natural gas globally.

Norway is not a member of the European Union (EU) but is a part of the European Economic Area (EEA) agreement since way back 1994. By this, **Norway is practically part of the EU's single market**, except in fisheries and agriculture. It is part of the Schengen Agreement.

The labour market has been resilient, with strong employment growth and unemployment close to historical lows. **Growth prospects remain positive, and risks are balanced**, not least due to Norway's solid fundamentals and policy management.

The country has maintained good outcomes on many economic the crisis compared to most of the world.

5.2 Main findings in Norway's Public procurement edifice

The Norwegian public procurement legislation is mostly based on the 2014 EU directives that Norway has implemented through the **EEA Agreement of 1994**. The main purpose of the legislation is to contribute to creating value for society, based on **fair competition, good business practices and equal treatment** of suppliers. The rules are comprehensive and offer both practical and legal challenges for purchasers and customers to the public sector.

Tender process in Norway has a high level of transparency and integrity, after the country's solid institutions against corruption. Furthermore, its legal system is based on EU's rules on public procurement. The biggest handicaps to adapt to it may come from municipalities.

Public procurement constitutes approximately 17,1% of the country's GDP in 2020, which compares to OECD/EU average of 14,9 of GDP in Norway. Norway had 11,323 public tenders totalling more than 2 billion EUR in 2019, with the **construction and IT sectors** leading the way.

On regards of the **thresholds in which European directives apply**, according to **CMS law tax future** (available here: <https://cms.law/en/int/expert-guides/cms-expert-guide-to-public-procurement/norway>):



- **“The EU threshold normally changes every two years.** Furthermore, the Norwegian legislator has decided that procurements below the EU thresholds will also be subject to certain national regulation.
- Procurements below NOK 100,000 (approx. 9,400 €) are exempted from the procurement legislation. Procurements with a value between NOK 100,000 and NOK 1.4 million (approx. 131,200 €) are only subject to certain basic principles, such as competition, equal treatment, transparency, and proportionality. This implies that the contracting authority must usually contact three potential tenderers and carry out a competition between these tenderers. However, the contractor does not have to publish a contract notice.
- Procurements between a value of NOK 1.4 million and the EU threshold of NOK 2.2 million (approx. 206,000 €) are subject to certain requirements, such as publishing a national contract notice. However, the rules below the EU threshold are less rigid than those above it.
- Procurements with a value above NOK 2.2 million are subject to the legislation implementing the EU Procurement Directive. For all building and construction works, the threshold is NOK 56 million.”

Norway's increased thresholds have implications in the specific Norwegian context since **most public procurement is conducted below the threshold of NOK 1.4 million.**

It is worth refereeing to some interesting conclusions from the MAPS (Methodology for Assessing Procurement Systems) analysis **“Assessment of Norway's public procurement system 2018”** (available here: https://anskaffelser.no/sites/default/files/maps_norway.pdf):

- **“Norway's public service does not officially recognize procurement as a profession.** Due to decentralization and the absence of centralized requirements for qualifications or certification, the level of professionalization in terms of job description and career progression is largely determined by individual contracting authorities. Discussions with representatives from municipalities and suppliers revealed a **significant need for professionalization, especially at the decentralized level.**
- While central agencies often perform well, **municipalities struggle with capacity and professionalism.** There is no overarching strategy or consistent requirements across all levels of government regarding qualifications, capabilities, capacity, certification, or professional development.
- In Norway, **e-procurement is widely utilized and has been progressively implemented across all levels of government.** Adoption rates are higher among central and large contracting authorities, while smaller and decentralized authorities show lower uptake. Overall, procurement officials possess the capacity to plan, develop, and manage e-procurement systems.
- Although bids in English are just accepted on few occasions, there is an interesting niche in the public procurement of innovation, prone to be tendered in English.
- The procedures for publishing bidding opportunities allow **ample time for potential bidders to obtain documents and respond to advertisements,** matching the procurement's method, nature, and complexity. Minimum time frames comply with EU rules, providing bidders with at least 30 days to submit their bids from the tender's publication date.
- For procurements under (now) NOK 1.4 million (before it was 1.1), publication in [Doffin](#), the Norwegian database for announcements of public procurement in the utilities sector (water and energy supply, transport and telecommunications) that is subject to EEA regulations, is not mandatory, though it can be done voluntarily using its available forms. These contracts



can also be posted on the contracting authority's website. The authority must ensure adequate competition but has the flexibility to determine the best way to achieve this.

- **Pre-qualification procedures are commonly used**, especially in complex procurements, to ensure that only qualified and eligible participants enter the competitive process. Clear and integrated procurement documents, standardized where possible and proportionate to the need, are employed to encourage broad participation from potential competitors.
- **Bid submission, receipt, and opening procedures are clearly described in the procurement documents and strictly followed**, allowing bidders or their representatives to attend bid openings and enabling civil society to monitor the process, as prescribed. Tenders remain confidential until the procurement is finalized, and contract awards are announced as required.”

Case study 1/8: An awarded Flemish firm that is confronted with Norway's roadblocks

A Flemish company renewed its focus on Norway because of the GOOSE support. The company participated to a tender that came from a public ferry service – the purpose was the acquisition of an access control system with an integrated payment system.

The company finally won the tender; yet, before the signing of the contract, the procurement agency cancelled it, after the complaint from a local competitor. Despite the agency's promise, the Flemish company was not warned when a new tender on the same subject was be launched (it was picked up on the GOOSE website, that's how the Flemish supplier eventually found out about the relaunch!). This although the company was fully compliant to the TOR and delivered all the necessary returnable documents (European Single Procurement Document, declaration of conformity, certifications, references...).

On top of that, the new terms of reference were drafted in such a way that the Flemish supplier found it impossibly meeting them. Also, the deadline for the new bid was too short to present a worthy offer. In the end, the company did not file a complaint (thanks to GOOSE the procedures for that were well know), as they do want to keep their chances open for the Scandinavian market. Sometimes, or most of them, companies are shy in raising complains to (specially) foreign public administrations; yet GOOSE is currently doing it for them.

On a positive note, despite the cancellation, the Flemish company was happy to find out that their proposal and pricing was market-confirm and competitive.

Allegations of violation of the procurement legislation may be reviewed by the Complaints Board for Public Procurement (KOFA), the district courts or the EFTA Surveillance Authority. KOFA decisions are only advisory and cannot be appealed. Decisions from the courts may be appealed.

Norwegian system provides ample room for the strategic role of public procurement. The legal and regulatory framework allows for use of secondary policy objectives and use of electronic means.

Norway wants to be in the forefront of the fight against labour related crime and shall ensure a decent working life: the “Oslo Model” is a very strict policy on employment rights, working conditions, number of trainees etc. in public contracts.

There are amendments to the Public Procurement Regulation. From January 1st, 2024, **climate and environmental requirements must be weighted at least thirty percent in a public procurement as an award criterion.** Alternatively, climate and environmental



requirements may be stipulated in the specification if it will result in a better climate and environmental effect. The requirements do not apply if the procurement has a climate footprint and an environmental impact that is insignificant.

The effects of this new amendment are that customers must set proportionate and relevant requirements, and they must be related to the delivery and proportionate to the purpose and value. The customers must decide on the environmental benefits to be measured throughout the contract period. Yet, it can be challenging to establish suitable climate and environmental requirements and understanding them.

Further insights to public procurement in Norway:

- **Timeline:** The average number of days between tender announcement and time limit for bid receipt or request to participate is approximately 30 days.
- **Tender procedure:** The estimated contract value decides the accurate tender process, and the tender process decides at which public procurement database the tender will be announced. Doffin is the Norwegian public procurement database, and TED is dedicated to European public procurement in the EU and the EEA.
- **Green requirements:** Environmental requirements are trending and become more usual and now required. Environmental management system certification is demanded both for products and services.
- **Award criteria:** Price was rarely the only award criterium, but for the tenders that have been assessed, was price weighted more for products than for services. Quality is a recurrent award criterium, where reference projects and team competence are commonly used to describe the quality of the product/service.
- **Recommendations:** The winning bids indicate that it is not necessarily the largest or the most well-known companies who win the tenders, but the companies that best **fulfil the client's need(s)**. If the project scopes from the historical data comply with your core competence, there should be room for manoeuvre in the Norwegian market. If the project scopes do not reflect all your core competence, it could be valuable to investigate if there are companies fulfilling the gap who you could collaborate with.

5.3 Sectors to follow-up in Norway

5.3.1 Smart health

It is one of the main focuses in the country, due to aging demographics and high health care standards. Norway is investing billions for e-health sector, for which there are huge opportunities for relevant businesses with progressive technologies, solutions, or products.

Last August 2023, the Norwegian government released a roadmap that presents many focus areas: testing and piloting; clinical trials; clusters; health technology and personalized medicine; access to and use of data; production of pharmaceuticals; research, education.

According to **the International Trade Administration of the US** (available here: www.trade.gov/country-commercial-guides/norway-healthcare-technologies) :



- “Norway spends about 7 billion annually on its hospitals, and there is an attractive market for innovative, high quality medical and dental equipment. Additionally, new **hospital** construction and modernization projects are underway in Norway with an estimated cost of more than USD 10 billion. The hospital projects will invest in new technologies and digitalization of workflows to increase productivity and efficiency. Also, state-of-the-art medical equipment, robotics & logistics systems, smart building technologies and waste management systems.”
- Norway has one of the highest **medical devices** spending per capita rates with a heavy reliance on imports. This market is expected to grow in coming years by at least a billion.”

In addition, according to “**State Of Telemedicine Market In Germany, France, And Norway: 2023 Research**” (available here: www.linkedin.com/pulse/state-telemedicine-market-germany-france-norway-2023-semizhon):

- “The Norwegian government has stated that **telemedicine, e-health, and welfare technology** are national priorities as a key in Integrated Health Care Reform. Telemedicine is seen as an important part of future acute medical care, especially for remote areas. Notwithstanding they are working well, they are target for improvement.
- **Coming challenges to solve are clinical information systems, home care and personalized health systems**, services for remote patient monitoring, systems for integrating local-, regional-, or national health information networks. “
- There are some barriers to entry, such as a requirement for local language, privacy and data protection concerns, standardization and interoperability issues, and reimbursement issues.

5.3.2 Smart Cities

In Europe, 78% of people live in cities, and 85% of the EU's gross domestic product is generated there. In Norway up to 87% is urban population constantly growing every year. There are major opportunities in terms of the smart upgrade of **infrastructure, technology, and services** (transport, buildings, energy) as a means of boosting living standards, competitiveness, and sustainability.

From **Business in Norway** (available here www.businessnorway.com/articles/smart-cities-in-norway-enhance-quality-of-life-and-reduce-emissions):

- “Norway is a leader in implementing **IoT** for large-scale energy efficiency in buildings. Statsbygg, responsible for all government-funded construction projects, is making significant investments in this area. This initiative has opened the market and made similar solutions more accessible to private actors.”
- Additionally, Norway promotes advancements through stringent energy use requirements for new buildings. In the private sector, the Powerhouse alliance is developing energy-positive buildings that generate more energy than they consume over their lifespan. Powerhouse and similar Norwegian firms are gaining significant international recognition as pioneers in energy-positive architecture.”



When it comes to Oslo, with population almost 700.000 citizens, it can be easily extended to 2 million with surrounding areas. There are a wide range of Smart City projects in Oslo. Also, **zero-emission construction sites, circle-based waste management and green energy systems.**

Green buildings, infrastructure, transport: Smarter, more energy-efficient buildings have become a top priority in the development of smart cities. Authorities continually raise standards and requirements, emphasizing the importance of green and intelligent infrastructure that leverages AI technology. As part of a comprehensive plan to create a more sustainable society, authorities are also focusing on next-generation public transportation that offers seamless, autonomous door-to-door services, integrated with existing transportation networks (bus, rail, etc.). While some applications originate in Norway, most of the technology is acquired through trusted international partners.

5.3.3 Green economy

From **the International trade administration of the USA (available here: www.trade.gov/country-commercial-guides/norway-green-technologies)** :

- “Norway is western Europe's largest oil and gas producer. The petroleum sector accounts for about 40% of its exports and 14% of its gross domestic product (GDP). Norway's incoming centre-left government recently declared that the country would seek to grow the country's lucrative oil and gas industry while striving to cut carbon emissions by 55% by 2030.
- Norway and its Nordic neighbours are considered world leaders in the use of **renewable energy, green technologies, and sustainable** resource handling. Norway has accepted, matched, or exceeded international commitments to reduce emissions (including from carbon dioxide, sulphur, and NOX). Emissions of carbon dioxide has proven to be a challenge, given Norway's role as a significant exporter of oil and gas, as the production itself is carbon intensive. The rest of society is already running mostly on clean hydropower, so there are few low-hanging fruits for steep reductions. The exception is the transportation sector, where Norway has taken a considerable lead with electrification.
- **Wind Energy:** Norway has set an ambitious goal to achieve 30 GW of offshore wind capacity by 2040, positioning the country at the forefront of per capita renewable energy production. Land based wind developments have faced local opposition, but a tax regime rewarding local communities may help make permitting more attractive.
- **Electric vehicles:** Because of generous incentives, around 90% of new passenger cars sold in the consumer market have fully electric drive trains. New regulations for the procurement of vehicles for road transport entered into force this year. The government expects no or very few gasoline cars to be sold after 2025. These high ambitions also translate to sea travel and aviation. The fleet of 200+ ferries are becoming zero emission. The regional airline Wideroe seeks to electrify its entire fleet within 2028.”

5.3.4 ICT

It is estimated that ICT as category constituted 11 % of public procurement on state level. ICT is a large and rapidly growing industry - expected to play a greater role in economic growth in the years ahead. There are many new initiatives to digitalize public sector. There are opportunities in **data usage/sharing, digitalisation in local government** etc.



From the **Norwegian Digitalisation Agency** (available here: www.digdir.no/digdir/about-norwegian-digitalisation-agency/887):

- “The **Norwegian Digitalisation Agency** (Digdir) is the primary tool of the Norwegian government for faster and more coordinated digitalisation of its public sector. Digdir is subordinate to the Ministry of Digitalisation and Public Governance.
- The Norwegian government aspires for the public sector to become a global frontrunner in **digitalisation**. Achieving this goal involves collaborative efforts and the provision of shared services to establish a unified digital public sector. Norway's digitalization efforts in development policy focus on simplifying administrative processes and fostering better solutions for both developing nations and its own operations.
- Norway generally scores high in international rankings of ICT development. Norway's Digital Strategy for the Public Sector, launched in June 2019, sets out the shared objectives and priorities for digitalization efforts until 2025. It aims to drive digital transformation across the public sector by focusing on **user-centered service development** and improving the efficiency and coordination of **IT solutions**. A key aspect involves creating a unified digital ecosystem for collaboration within the public sector. Additionally, the strategy emphasizes the integration of **cybersecurity** measures into the development, operation, and management of common IT solutions.
- Norway's Programme for **Digital Procurement** aims to enhance public procurement by fully digitizing the process. Running until 2024, this initiative is anticipated to streamline operations and improve efficiency. The implementation costs are estimated at NOK 91 million.”

5.4 Tips for SMEs to access public projects in Norway

Norway can be an overprotective market, with a Norwegians buy from Norwegians attitude.

Language can be an issue too, for most documents and information is in Norwegian; this contrary to Denmark and Finland, which are more open to transact in English. The other Nordic country, Sweden is also reluctant to use English in public procurement, willing or not, to give advantage to local players.

There is room for foreign competition: approximately 4% of public contracts announced on Doffin were entered into with foreign suppliers. European contractors have been awarded contracts within infrastructure (railway, tram etc.).

Key issues to understand the tender documents in Norway:

- What is it that the client demands?
- What is central to the client and what is less important?
- What do we think will be the most important evaluation points for the customer?



- What does the customer want that is not explicitly mentioned in the competition documents?
- What internal and possibly external forces do we need to be able to deliver a good offer?

To deliver a good tender, the process of drafting the technical bid is of high priority. One must reply to all **requirements** and have good structure. It is suggested to **track relevant competitors** and understand relevant tender management tools. Also, to keep an eye on questions and answers that come in and be early when submitting the tender.

It is recommended to **team up with local companies**, e.g., as sub-contractor to get contacts and **Norwegian reference projects**. This may also overcome language and culture/distance barriers in an establishment phase.

Some further tips:

- Know your strengths and pick your tenders wisely.
- Get familiar with the Norwegian SSA contracts (available in English).
- Stay active in the market.
- Get local bid-management help find relevant tenders in private and public sector.

Language: Look for specifications of language requirements in the competition document (for most competitions almost all the documents are in Norwegian + the contracting authority requests the tender itself to be written in Norwegian). In some cases, you might need at least an official translation.

Written descriptions: competition documents often comprise a lot of written information and the contracting authority also requests the submission of written descriptions. I.e., request to provide a proposal for solutions to be evaluated under the award criteria "Quality".

Prequalification: many tenders are conducted as restricted procedures or competitive procedures with negotiation, with a few qualified tenderers invited to submit tenders normally between 3 and 6. It is important to understand and reply correctly and pointedly to the criteria used for selecting the successful tenderers.

Dialogue: for tenders below EEA-threshold values but above the national threshold values, national rules and legislation applies. In these cases, contracting authorities have more lenient rules of procedure to comply with, including a wider possibility to use dialogue with the tenderers throughout the tender procedure.

Request information from the contracting authority, rather than make assumptions or include reservations in your tender (you might get rejected) but be aware of deadlines.

Team-up with local companies, e.g., as sub-contractor to get contacts and Norwegian reference projects. This may also overcome language and proximity barriers in an establishment phase.

Most of EU regulations are adopted in Norway. A lot of info can be found online at Doffin and TED. It is recommended to explore these databases, check new and older tenders, investigate the requirements in relevant tenders to understand the environment, find out necessary



documentation, certifications, and regulations, check the winners and losers in previous tenders to map the potential competitors or/and cooperation partners.

Properly analyse tenders, find all possible info about topic online, participating at events and trips, and getting themselves known. Also use Norwegian consultancies if it is worth it. Companies need to think if they have all necessary competence in house or they shall cooperate with other companies in tenders.

Companies must consider **climate and environmental considerations** in a tender. Some tips for that are:

- Ensure the right expertise related to climate and the environment: is there an internal competence? What is in demand? How can it be documented?
- Talk to the market and potential customers. Participate in market research.
- Look at other criteria for inspiration: Norwegian Agency for Public and Financial Management's criteria guide online and their guide.



6 Country findings: Vietnam

6.1 Overview on Vietnam

Being a communist regime, it is one of the countries with the highest ratio of **public investment to GDP in the world. Since 1995 has maintained at over 39% annually** with a large part invested in infrastructure projects. This public procurement market in Vietnam has become attractive to foreign companies, although many practical hurdles stand in the way of becoming successful.

The EU-Vietnam Free Trade Agreement (EVFTA) which entered into force on 1 August 2020 includes an important chapter on government procurement. From entry-into-force, **EU companies can bid for public procurement contracts under the same conditions as Vietnamese companies** for a substantial number of government entities.

Vietnam (VN) is therefore a country with undeniable potential for EU SMEs when it comes to public procurement (PP), yet it also warrants extensive preparation before entering the market, which means a filtering on which type of firms are finally eager to it. **Additional guidance and best practices are therefore of paramount importance** if SMEs are to come to the concrete realisation of public procurement (PP) projects.

The Vietnamese population of 99.500.000 sits at the lower middle-income levels with a GDI of \$408,7m (\$4 162,8/ capita) by the OECD. These macro statistics already have far-reaching implications for the viable practical approaches EU SMEs can take when it comes to public procurement. **Public funding in some industries, including for example GOOSE's focus sector of Smart Health, is sometimes simply not available** as the government must determine its spending priorities carefully.

On the other hand, the Lower-Middle income classification implies growth potential in other sectors. **Green economy for example fits neatly into the long-term priorities of the Vietnamese Government.** We've published extensively on this subject on the [Goose website](#), we can summarize that the VN Government has concrete plans when it comes to hydro- and green energy infrastructure spanning from 2024 all the way to 2050.

The dichotomy between the two sectors above illustrates another important aspect of public procurement in Vietnam: **much of the country's infrastructure is still in the progress of being modernized or set up.** For some sectors like green economy, this means there is potential to get in on large infrastructure projects from the ground up. For other sectors the lack of infrastructure is a significant barrier to further specialised development.

The energy grid in some places of Vietnam, especially considering the narrow isthmus connecting the North and South, does not support extensive new industrialisation. These circumstances can be difficult for EU SMEs to adapt to as their business model was created in the very different logistical context of the EU. **An EU SME looking to expand into the Vietnamese PP market therefore needs to thoroughly research the available infrastructure, public funding, and legislative framework** for their sector before even looking for local partners or tenders. If the necessary infrastructure is not available, they would need to either adapt their business offering or move on to more viable markets for their product or services.



Finally, worth mentioning **the pivoting role of Vietnam in the West's current de-China strategy**; after China definitively, under the leadership of Xi Jinping, showing not the reliable partner that the West dreamt about, when promoting its access to the WTO and to world trade. This for several reasons, such as its strengthened strategic alliance with Russia after the Ukrainian war, its protectionism and dumping policies, and its repression and authoritarian attitudes as of late.

Consequently, **Vietnam, one of Asia's China's archenemies has an interesting role for Europe, with wide fields of collaboration.** These include Europe participating in the country's many challenges, for instance: its need to upgrade in public services; the green and energy transitions, and a changing population's appetite for more affluent consumer goods. In this sense it is worth noting the pro-Vietnam strategy of Asia's two Western powers, South Korea, and Japan. Yet, on their plus side, they count with much easier access, in terms of proximity, geographically and culturally, or the long-term investments in the country from its major industrial conglomerates.

6.2 Main findings in Vietnam's Public procurement edifice

Vietnam developed a central web portal for advertising procurement contracts that should be operational at the latest 10 years after entry into force of the Free Trade Agreement. Especially promising from the point of view of EU SMEs is the future availability of public tender opportunities in English. Even with local Vietnamese partners, identifying the initial tendering opportunity can sometimes be a challenge due to the language barrier. **Open tenders can be found on the [Goose website](#) and the official [Vietnam National E-procurement system \(VNEPS\)](#).**

One important note is that, as a developing country, **Vietnam benefits from transitional measures in certain areas when it comes to public procurement in the FTA.** This particularly concerns threshold values for public tenders. Only those procurement activities that are carried out by covered entities purchasing listed goods, services or construction services of a value exceeding specified threshold values are subject to the agreement.

For threshold values, a transitional period of 15 years will apply across the board with a **progressive scaling-down of thresholds up to a level comparable to those offered by other GPA members.** In other words, we can expect more open public tendering opportunities in the future. Even if EU SMEs do not immediately see potential in the current public tendering market in Vietnam, it might be worthwhile to keep the market on their radar as new opportunities open up and the economy develops further.

Case study 2/8: A Flemish Green economy firm learns the best strategy for Vietnam

A green economy Belgian SME had a great value proposition and the global expertise to realise the proposed projects as they have won similar international tenders in the past. There seems to be a match with the Vietnamese market.

Barriers:

- 1. As they do not have a lot of local employees, however, they would need to make a significant investment to have any hope of winning public tenders.*
- 2. As they have not yet expanded the local team to fit potential new projects, their application timeline is less flexible*



*As a SME, significant investment in Vietnam requires a lot of certainty or potential for future projects. Most SMEs cannot afford to make these investments without significant potential for pay-off later down the line. As public tenders often cannot provide this certainty in the short term without having already invested in the target country, building up experience and connections through private contracts can often be a good avenue of first approach. **One solution is to identify several potential (private) projects and slowly expand, waiting to take on public tenders** when a local team has been established and contacts have been made. If expansion within Vietnam is not desired, **local partnerships or temporary hires** might fill in the gaps in the EU project team.*

The public authorities are the tendering party after all. As a one-party state, the publication process, accessibility of tenders, and timelines for big infrastructure projects in Vietnam might be different from the experience European companies are used to. During the mission, some companies shared their experience with perpetually delayed infrastructure projects which got tied up due to changes within the political landscape of Vietnam.

In conclusion, on top of the competency of the candidature, the availability of public funding, the societal or economic need for the public procurement project, there also needs to be the political will and momentum to realise the project. This is also why for some (bigger) public projects, finding the right local partner is uniquely necessary for EU SMEs in Vietnam on top of more general best practices for international public tenders.

One important note to start off with is that most stakeholders in the public tendering process want to make these projects happen. The question of realisation becomes about practicalities and finding a mutually beneficial setup. **Vietnamese companies and EU SMEs have shown eager to work together and bid on public tenders** (as they make up 39% of GDP). Vietnamese companies will of course try to set as much of a one-sided deal as possible. For example, during some discussions their suggested setup seemed to be the Vietnamese company as main tendering candidate with their employees taking on the practical work, and the EU SME delivering their product (within the context of a tender related to software).

One important practical consideration is what leverage both parties must propose a deal of mutual advantage. In Vietnam, government contacts, other local connections, localized employees, knowledge of legislature and language all are great advantages for the Vietnamese company to have. Many of the bigger companies are well connected within the government and can therefore, in practicality, nearly dictate the terms for their partners within some public tenders. Smaller or medium-sized Vietnamese companies on the other hand have more competition and would on average offer better terms, but often do not have the necessary government contacts.

Case study 3/8: Smart health Flemish firm illustrating the dilemmas of most SMEs

A Smart Health Belgian SME had a unique product which they can put on the market for a competitive price due to their unique manufacturing process. As an SME, they have little to no presence in SE Asia. Due to their unique selling point in the form of a lower price and quicker delivery, they detected high interest as a candidate for at least 1 project.

Barriers:

1. They have no local presence yet and would need to start build up the project from zero.

2. The Vietnamese government does not reimburse their products in the health care system.

Conclusion: As they are not established yet, they are not tied to the Vietnamese market. Despite a match with some Vietnamese projects, the Malaysian market proved more interesting as the



*Malay public healthcare system fully reimburses their product category. Despite some advantages in the Vietnamese market and concrete local interest, they carefully weighed their options and choose another market with slightly greater potential. This exemplifies the 2 most important lessons learned for the Vietnamese Public Procurement market: do your **due diligence and research before committing to any projects**: don't be afraid to conclude that taking on a Vietnamese public tender is not opportune at this time.*

During the mission to Vietnam, **GOOSE identified 'unique selling points' to be exploited by European SMEs** to counteract the advantages of Vietnamese partners mentioned above. These recommendations are of course based on a small sample size and should be expanded on during future projects. One decisive factor is whether the product, expertise or service the EU SME is offering, is available locally on the Vietnamese market.

Some of the companies joining GOOSE had developed their **own innovative tech** which allowed them far greater flexibility in both potential projects and partners. In fact, we interpret that they opted to expand their own office so they could take on (private) projects without having to rely too much on local partners. In this way they would be able to expand their local contacts, expertise and especially available workforce which would put them in a much better position to take on public tenders later.

We noticed many of the same opportunities the Green Economy companies who joined GOOSE. Their unique expertise made them nearly indispensable in some capacity when public projects within their niche would be opened. Even in such a position, **networking to make their solutions known and to make sure the projects get off the ground are both still of paramount importance**. One other EU SME was able to differentiate itself by their unique production/logistical chain. They developed technology to 3D print their goods, which allowed them to undercut Vietnamese competitors for the same product. Both **lower product price and product innovation** were the two clearest ways to independently gain a foothold in the relatively closed off Vietnamese (public and private) market.

Other 'softer' advantages for EU SMEs are potential **connections within international organisations** like the Asian Development Bank, World Bank, European investment bank or other EU organisations and institutions. As Vietnam is a growing economy, some local partners lack experience with (multinational) public tenders. Both factors above might mean the **EU company involved may eventually be well positioned to secure financial backing or international support for the project**.

Finding a partner and negotiating a contract in Vietnam is not that different from other countries. Every party involved will try to establish the best possible terms for themselves using all the advantages and leverage available to them. It is however important to be aware of the economic and political context of these tenders, as **local connections might hold more weight in Vietnam** than EU SMEs are accustomed to.

6.3 Sectors to follow-up in Vietnam

In terms of sectors, these are few notable options that offer public procurement opportunities for EU SMEs in Vietnam.



During the project, **Green Economy and ICT proved the 2 focus sectors with the most local potential**. Transport infrastructure and the smart health sector also showed potential. Once again, we refer to the idea of approaching the Vietnamese market with an 'Unique Selling Point' which local Vietnamese competition cannot offer. **Below, we'll identify three main indicators for public procurement sector potential for EU SMEs through the case study of Green Economy: the unique selling point, development potential and governmental momentum.**

6.3.1 Green economy

Within **Green Energy/ Economy** it takes years and a multitude of projects to develop expertise. This can only be done in an international context; a single country often does not have enough practical green energy potential to consistently expand operations. During our Vietnam mission, we concluded that the experience, past R&D and unique product match of the developed EU Green economy sector formed a good unique selling point (USP) for the Vietnamese market. Due to these factors, EU companies had a slight edge over their Vietnamese competition.

To be more specific, many European SMEs have been able to use this head start to already develop their products and make them market ready. Less or even no additional development and investment are still needed before application of the product to the market. For public tenders, **timelines and price tag are two conclusive factors for successful candidates.**

If an EU Green Economy company has been able, through either experience or extensive R&D, to reach the scalability and marketability stage of their product, they will have a competitive advantage compared to local Vietnamese candidates; within the context of public tenders, there is often no time for extensive product development before a bid. In practice, these advantages mean European (Green Economy) firms will be able to set up more favourable partnerships with local partners as these partners often still have a role to play in the latter two indicators for sector potential. This first indicator of the USP, is the most flexible factor for successful public procurement. **The USP will be the key reason by which Vietnamese tendering authorities will choose your proposal,** over your Vietnamese competition.

The second aspect necessary to identify the potential of sectors, is the need and potential for further development. For Green Economy, **the geographical potential for hydro and wind related projects in Vietnam is big.** The myriads of water ways and rivers, the long coastline and the strong coastal winds all mean there is potential for development. Thirdly, the government has identified Green Economy (such as water treatment and green energy) as a focus policy and communicated their long-term investment and growth plans spanning as far as 2050.

Green Economy holds all **three main indicators** for public procurement potential:

- governmental willingness to invest in these projects;
- tangible potential for further development;
- a competitive unique selling point for EU SMEs due to experience and product matches.

For all Vietnamese sectors, European companies should first identify whether these 3 factors are accounted for before determining public procurement potential. The first two indicators are a sine qua non: without public funding and development potential, no public procurement projects can be realised.



Case study 4/8: Vietnamese Green Growth Strategy

On October 19th, 2021, the Vietnamese government published its “National Green Growth Strategy for 2021-2030, vision towards 2050” (Decision No. 1658/QĐ-TTg). This document describes the guiding viewpoints and formulates detailed targets on how to obtain a greener economy, and on the role of the government in this process.

Quantitative targets are set out for 2030, as well as for 2050 as follows: The rate of green public procurement reaches at least 35% of the total public procurement in 2030; and at least 50% of the total public procurement in 2050. Numerous examples are given throughout the document of what green public procurement should consist of:

- *Transport: obligation to buy green public transport systems and to obtain a certain percentage of buses that use clean energy by 2030/2050.*
- *Smart urban: orientation towards sustainable smart urban areas.*
- *Water quality: access to clean water sanitation for 90% of the population by 2050.*
- *Waste treatment: collection and treatment of municipal solid waste in compliance with the regulated standards.*
- *Promoting green consumption: “Promote green consumption and purchases through energy labelling, ecolabelling, green labelling ... programs; step up green public procurement and continue to effectively utilize economic tools to adjust consumption behaviour.*

Ministries are informed how they may greenify their sector through public procurement , e.g. Ministry of Transport by formulating and organising the implementation of national programs and schemes for the development of environmentally friendly vehicles and public transport systems, which includes electric vehicles; developing green logistics centres and green ports; applying new technologies and new forms of energy to replace traditional energy for transportation vehicles and equipment; studying and applying digital technologies in order to optimize the management and operation of traffic infrastructure and transportation activities, ensuring safe and smooth traffic flows in addition to reducing energy consumption.”

All potential suppliers to the Vietnamese government should be aware of those environmental and social targets and conditions and the way and the extent to which they are implemented and offer “green economic” opportunities.

Development potential might be created due to advances in technology but still needs to be communicated to the government (for example through networking or by taking on other similar projects). The unique market match for the services and goods of EU SMEs, is more flexible and therefore deserves the most focus. After all, this is the factor over which EU SMEs themselves have the most actual power.

6.3.2 Smart Health

GOOSE spotted that the **public funds are often simply not available for some of our more specialised EU SME product offerings**, for many sectors the priority is local spending and general infrastructure, which is often not a good match for the products and services smaller and medium sized EU companies can offer competitively in Vietnam. After all, public tenders for more general goods and services tend to go to local candidates.



Most Vietnamese public investments in healthcare for example are not made into specialised infrastructure but into more general needs. In a sense this is a logical effect of the different healthcare market the EU products were developed for. **There is potential for smart health companies in the private sector, or for less specialised general healthcare companies in the public sector** (pharmaceuticals, infrastructure, hospital equipment, medical equipment like prosthetics, ...). However, the latter two domains were outside the scope of the project. Our recommendation, as a first step for any EU SME, would be to **look up a multitude of open tenders for your sector to see if there is a demand and funding within the Vietnamese public procurement market** for your product or services offering.

6.3.3 Smart Cities and ICT

For **ICT and to a lesser extend Smart Cities, GOOSE noticed similar trends as in other countries when it comes to exporting software**. Due to the unique logistical advantages in exporting software, namely that the costs associated with export are considerably lower than physical goods and services, most barriers to the public procurement market encountered were tied to contract negotiations and networking. **Many partners are looking at distribution deals, local licensing and even access to the EU market** as part of a bigger deal when public tender negotiations were brought up. As expanded upon in chapter 2, these negotiations become a matter of identifying what leverage can be found to find a mutually beneficial partnership.

Although admittedly with a small sample size, we experienced willingness by Vietnamese companies to apply for tenders with EU software through their local **contacts**. It is clear how such an arrangement could prove beneficial for both parties if enough leverage can be found to negotiate **equal partnerships** and of course **product protection** has been taken in consideration during negotiations. In short, approaching public tenders with software solutions comes with its very own set of challenges and advantages.

6.4 Tips for SMEs to access public projects in Vietnam

There is **real potential in the Vietnamese public procurement market for European SMEs**. With the calculated approach described above, European firms might optimise their changes to tap into this market. Thorough preparation, a focused approach based on competitive unique selling points, careful negotiation, knowledge of the local legislation and political landscape, reliable partnerships with both local companies and other (financial) stakeholders, honestly examining the potential in your sector and of course a good value proposition based on a strong product are all essential to achieve success in Vietnamese public procurement.

After determining the financial potential and logistical viability of any public procurement project (PP), **finding reliable (local) partners is the crucial factor for successfully gaining access to and executing tenders**. This is generally true for any public procurement projects, but even more so for Vietnam considering the political realities of their one-party state and politically connected local businesses. Even in case of a unique product or expertise offer matching with a vital public tender, **local contacts remain essential to expediate timelines and gain access to the tendering authorities in the first place**.



Both Vietnamese and other European partners can make a candidature stronger. During GOOSE's Business mission 19-21/Apr/2024 many EU stakeholders proved complementary to the business offering of one of the participating companies. Their combined EU offering/expertise gave them the necessary leverage to accelerate a PP project which had been in a gridlock for multiple years.

SMEs often focus mostly on tangible advantages like tariff-free trade or tendering opportunities in our FTAs. These advantages are of course essential to open the door for PP in the Vietnamese market. **'Softer' advantages like intra EU partnerships, EU fora and organisations which can help to find partners for consortia, but also the 'EU-branding' are often underestimated** and did prove their practical value during the mission.

The allure of the huge domestic EU-market opens many doors even if the subject is not VN-EU exports. As companies in an emerging market, it should also be noted that many Vietnamese businesses are not tied yet to one specific international partner and are therefore more flexible in their search for mutually beneficial long- and short-term projects.

To illustrate the circumstances above take the IT-companies GOOSE met during Vinasa (the Vietnam Software Association) meetings: **they were happy to help EU companies put their products on the VN market** (both private and public projects), either in exchange for a stake in the project or in exchange for reversed support in their projects within the EU. Understandably, the products of both companies need to be complementary and not in direct competition. In practice, this means some products (and related tendering opportunities) will be supported by local Vietnamese partners while others not.

To recap, there is real potential in the Vietnamese PP-market, especially in some emerging sectors like green energy. Proper preparation, good partnerships, a good product-market match and logistical flexibility are however essential to make use of this potential. Advantages are our EU-VN Free Trade Agreement, unique European products and expertise (for example in ICT), a Vietnamese openness to European partners, the possibility of pan-EU cooperation within tenders and of course a mutually beneficial cooperation or distribution deal for both the EU single market and the Vietnamese market.

Disadvantages EU SMEs face are the absolute need for local partners and connections, the need for flexibility in timelines and therefore finances, the lack of public funds for some sectors, lack of certain local infrastructure, the long logistical chain from the EU (for both employees and goods), and finally practical barriers like language and local legislation. Further guidance can be found in the [Vietnam country factsheet](#), the [Goose website](#), by requesting the Vietnam long list with more statistics or by [directly contacting one of the Goose partners.](#) (see details at the end of the document).



7 Country findings: Serbia

7.1 Overview on Serbia

Serbia is **still an underdeveloped market, yet with a worthy growth potential, when compared to the European Union**. This divergence is reducing with the help of EU – funded IPA projects' resources and other international donors like IMF, World Bank, etc. Relevant investments are made to update the country's physical and institutional infrastructure.

Serbia has **embarked in ambitious transport infrastructure projects in modernisation and digitalisation of public institutions**, railways, roads, airports, and fluvial ports, all of which are areas subject to public procurement. The total investments only in transport infrastructure alone is expected to be around 13 BEURO for the next 5-6 years.

Other sectors within the scope of public procurement with great potential during the next years are health infrastructure and equipment, clean energy, water management and disposal, and environmental projects. However, **Serbia influx of EU funds and progress in this area could be hampered by the low political will to adhere to the EU policies**; this related to foreign relations and its lack of cooperation in implementing EU sanctions on Russia, after its war on Ukraine.

Also, as a candidate country, **Serbia still has a way ahead to adapt to the EU's legislation**; in this sense, it is currently aligning the local public procurement legislation to EU's Directives: shifting from a price-based criterion to a MEAT one. **As most of the South-Eastern Europe's neighbours, it is still undergoing a noteworthy brain drain**, but there is still a base of well qualified workers at competitive costs.

Regarding public procurement and opportunities for foreign companies, there is a detail that needs to be mentioned: according to the statistics only 2% of public tenders are won by foreign companies. Yet, if a company forms a branch and office in Serbia, it is no longer considered foreign, and its chances of winning the public tenders pump up.

7.2 Main findings in Serbia's Public procurement edifice

Serbia has slowly improved its business environment; **various heavy procedures have been simplified and costs reduced**. The implementation of the action plan for the simplification of administrative procedures further advanced through the optimization, digitalisation, or discontinuation of administrative procedures as well as the establishment of a single public register of administrative procedures. However, administrative procedures are still numerous and burdensome especially for small and medium enterprises (SMEs), and the institutional and regulatory environment is still challenging. Moreover, **the business environment remains hampered by red tape, political interference and limited public administration efficiency**. Serbia ranked 96th out of 180 countries in the 2021 corruption perception index compiled by Transparency International.

Public tenders in Serbia can be followed through its centralized **Public Procurement Portal: <https://jnportal.ujn.gov.rs>**. **Part of the published tenders are available in Serbian and English**, but some documents/instructions are available only in Serbian and using the Cyrillic alphabet.



Advantages of the Portal:

- Standardized implementation of the public procurement procedure.
- Economy and more efficient implementation of the procedure.
- Transparency of the procedure raised to a higher level.
- Supervision and review of documentation and procedures will be facilitated and will take place through the Portal.
- Electronic communication between the economic operators and the contracting authority/entity.
- Bid and requests for rights protection are submitted through the Portal.
- Download the tender documents from the Portal.

Main findings of the document “**COMMISSION STAFF WORKING DOCUMENT Serbia 2023**” (Report Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 2023 Communication on EU Enlargement police”, available www.neighbourhood-enlargement.ec.europa.eu/system/files/2023-11/SWD_2023_695_Serbia.pdf):

- “The European Commission states that **Serbia is somewhat prepared in the field of public procurement**. Although the administrative capabilities of the public procurement office have been enhanced, the Law on Special Procedures for Linear Infrastructure Projects remains in effect. This law significantly hinders the effective enforcement of public procurement regulations. The growing number of exemptions from the public procurement law, which accounted for 67% (EUR 3.2 billion) of the total value of public procurement contracts in 2021, along with numerous irregularities in these contracts identified by the State Audit Institution, raises serious concerns about potential regression in this area.
- **Serbia's legal and institutional frameworks for public procurement are largely in line with EU standards**. The Public Procurement Office (PPO) oversees compliance with public procurement laws and manages the public procurement portal. Additionally, the PPO is responsible for suggesting implementing legislation.”
- The **public procurement market** increased significantly by 48% in terms of total value of contracts from EUR 3.2 billion in 2020 to EUR 4.75 billion in 2021. Its share in GDP also grew from 6.8% in 2020 to 8.9% in 2021. The average number of bids per tender decreased from 2.6 to 2.5- The **share of contracts awarded to foreign bidders remained low at 2 % of the total value** of contracts, spread equally between the EU and non-EU companies.
- Regarding **monitoring of contract award and implementation**, the proportion of negotiated procedures without prior publication stood at 7.7 % of the total value of contracts concluded.
- The use of the best price-quality ratio criterion halved from 10% in 2019 to 4% in 2021, while the lowest price criterion remained dominant in 96% of cases.
- The value of **procurements exempted from the application of the public procurement law skyrocketed** by 88 % or by EUR 1.5 billion year-on-year to a total value of EUR 3.2 billion. Exemptions from the application of the public procurement law accounted for 67 % of the cumulative value of all public procurement contracts concluded in 2021. The most frequently used legal basis for exemption was intergovernmental agreements that accounted for 22.7 %



of the total value of exemptions in 2021. The state audit institution found irregularities in 44 % of the value of public procurement contracts inspected in 2021.”

7.3 Sectors to follow-up in Serbia

7.3.1 Green Economy

From the portal **EU in Serbia** (“The EU is Serbia’s Partner on the Path to Green Transformation”, available here: www.europa.rs/the-eu-is-serbia-s-partner-on-the-path-to-green-transformation/?lang=en):

- “Energy is key when we talk about the fight against climate change. It is crucial for a climate-neutral economy and society. **Energy efficiency and renewable energy sources are the main drivers of the transition to clean energy.** Increasing energy efficiency and more extensive use of renewable energy (including buildings, the transport sector, and industrial sectors) will not only lead to energy savings but also reduce harmful emissions and air pollution.
- **Serbia consumes three times more energy per unit of GDP than the EU average.** Increasing energy efficiency in public buildings by only 10% would eliminate the need for an older thermal power plant. Serbia could increase the more efficient use of energy through the renovation of public and private facilities, as well as help companies in Serbia to use less energy in production processes.”

In this sense, **GOOSE has detected a myriad of projects on Energy efficiency with multilateral development financing.** Such as the “Improving public financial management for the green transition” from the World bank, with more details available here: [Serbia - EUROPE AND CENTRAL ASIA- P175655- Improving public financial management for the green transition - Procurement Plan \(worldbank.org\)](http://Serbia-EUROPEANDCENTRALASIA-P175655-Improvingpublicfinancialmanagementforthegreentransition-ProcurementPlan(worldbank.org)).

Main findings from “**UNDP Serbia**” (available here: <https://www.undp.org/serbia/blog/what-key-unlocking-serbias-green-transformation-after-glasgow>):

- “Serbia’s notable economic growth and substantial infrastructure investments are evident, but **sustaining this growth and achieving new levels require significant carbon emission reductions and a green transformation.** This shift is particularly critical given Serbia’s main export market, the EU, where consumers increasingly prefer low-carbon products.
- The energy sector is the cornerstone of Serbia’s efforts to combat climate change and is crucial for a climate-neutral economy and society. Improving energy efficiency and increasing the use of renewable energy sources are essential for the transition to clean energy. **Enhancing energy efficiency and expanding renewable energy use across various sectors,** including buildings, transportation, and industry, will not only result in energy savings but also reduce harmful emissions and air pollution.
- To ensure adequate water supplies for food and energy production, Serbia needs more resilient crops, water storage systems (e.g., dams and reservoirs), and drainage systems. Constructing wastewater treatment plants would also reduce organic pollution in rivers and lakes. These challenges create opportunities for foreign suppliers, as numerous infrastructure projects will be required. EC puts emphasis and further highlights the importance of green infrastructure projects in Serbia.”



Case study 5/8: GOOSE's online B2B to Serbia interested several Catalan SMEs

ACCIÓ, as Project leader agreed with CEA to set up an Online B2B activity, considering that the Mission to Serbia did not result in any leads for the companies traveling to Belgrade on 19-21/Apr/2023.

Accordingly, a mentoring session was organized with local consultants in Belgrade to set online B2Bs with potential partners in the country.

GOOSE was greatly surprised that as result of the call (done November 2023) 25 Catalan firms, all SMEs, showed interest. 9 of them were finally proposed, for a final selection by the consultants in Serbia of 6 of them; to add to the 2 that showed interest in this activity from the Croatian side.

In spite there were no final B2Bs set, GOOSE realized there was real potential in the Serbian market, and in the whole region of SE Europe, for Catalan companies, eager to explore there their solutions in: areas such as:

1. Blockchain applied to Sustainability and the Green economy
2. Specialized PHV installers for specific markets such as parking
3. EV-chargers with a quality edge over Chinese low-cost competition
4. IT solution to manage crowds in public spaces (rail stations, transport hubs, etc.)
5. IT platform to manage data for museums, archives, etc
6. Digital twins for wind farms

This interest has given GOOSE **ideas on how to focus specifically the markets of SE Europe**. GOOSE considers there is definitive potential, due to higher EU investment per capita; less local competition (yet not inexistant); need for upgrades of most of the public services; opportunity to leapfrog with new technology/solutions; good bilateral relationships south-south, Catalonia with its oriental peers.

Before exploring a specific market for good, companies, and especially SMEs, they want to have some certainty on their potential in the market. If they are going after gold, they want to have a hint of it. Accordingly, in the case of ACCIÓ **will be offering for free a preliminary analysis, for them to visualize the extent of their potential** in specific markets within the region.

7.3.2 Smart health

In the Health sector, **around 90% of the medical device market is supplied by imports from either the US or EU**, with a great role of big players such as Siemens and Philips. To bear in mind that the proximity of the European firms to Serbia allows them frequent visits to meet end users, to participate in exhibitions and scientific meetings, and to provide prompt after-sales services to buyers. Competition from Chinese companies should be considered a serious challenge for future market entry strategies of European SMEs.

The Serbian Ministry of Health has introduced several central services and software solutions, which includes, for example:

- the eHealth portal for citizen access to health data;
- electronic scheduling of appointments and referral of patients for examination;
- electronic prescription;
- record of health data for enrolment to schools,
- modules for creating reports,
- mass notifications, as well as functionalities for the daily work of institutions in primary health care.



According to the Public Procurement Plan of the Ministry of Health, and data about procurements already finished, this Ministry continues to upgrade the existing platforms and to integrate the local health information systems with central systems.

Public procurement examples around Smart Health

Example of recently conducted public procurement in the field of integration of local healthcare system with central systems:

Tenders divided into slots, successfully finished, but for each slot only one bidder submitted a bid (each slot awarded to different bidder).

7.4 Tips for SMEs to access public projects in Serbia

- Since not all tenders are published in English, (only those where investors are international organisations) it is a **must to have a person with good command of local language and script (Cyrillic)** to be informed on upcoming tenders.
- Although formally there are no privileges for Serbian companies in Public Procurement law, a tiny minority of all tenders **are awarded to foreign companies**. Some companies, especially the large ones with more resources have different ways of coping with it. Some tend to have ad hoc partnerships, some operate through local firms that act in their interest, some buy local firms to participate in country's public procurement as local "players".
- **Establish a local foothold or gain a local partner with authority within your targeted field** – lack of local presence in any way significantly diminishes, if not reduces, companies' chances of gaining ground and reaching success in public procurement market. This is especially true for SMEs without globally recognizable brand and name.
- Connect in networks and hubs, like this project, to diminish your risks.
- Have a "liaison officer" with the country in your HQs, or locally, who masters the language and the market.
- Think about **partnering and shaping consortia**, where a company from Serbia is a member of the group of bidders; you offer them your solutions and/or technology, as well as financial capacity.
- **Run your deep check on the legal framework**, technical regulations (mandatory standards, regulations regarding technical requirements, tests, accreditation, permits, etc.).
- **Use all available tools** - examine available strategies, available documents, plans of clients, ask questions according to regulations on available information.
- **Examine the needs of the largest contractors**, be them local or foreign players with a foot in the country: propose them as key subcontracted with your own specific skills, knowledge, technology, and/or solutions.
- Examine which are the greatest needs in 4 project areas.



8 Country findings: Colombia

8.1 Overview on Colombia

Colombia is arguably a regional power, being characterized as neither a developed economy nor an emerging one. That implies local competitors in many sectors, as well as opportunities for collaboration between local/hidden champions and European firms. With a population reaching the 52M inhabitants, a constant growth rate, and solid rule of law, Colombia has an interesting role to play with those firms interested in participating in public projects in the LatAm region. Although its institutions are not as robust as, say, Chile, it has made improvements to better them off, lately.

It is as large as France, but with complex topography, with the Amazonas River basin and the mighty Andes covering half of the country. It is worth highlighting the high urbanization rate of the country, at 75% and raising, which also includes vast slums in the major cities.

Its political system is relatively stable, far from the U-turns seen in most neighbouring countries. It keeps a **business-friendly atmosphere**, including a good local base of qualified staff, both blue and white collars. Yet, as stated by the World Bank, **Colombia still has wide social and territorial inequalities.** There is a long road ahead to solve them, with several levels of action: raise productivity, regional convergence, social security system, efficiency in the labour markets, and better access of public services throughout the country.

It is **one of the most open countries in the region, with up to 16 FTA signed.** It is also a member of the Comunidad Andina, which goes beyond traditional FTAs, including free movement of people and mutual recognizing phytosanitary registers, for example. In this sense, in 2015 together with Chile, Mexico, and Peru (with 4 additional partners inn waiting), it shaped the Alianza del Pacifico, aiming at a real regional integration,

It has a **solid macroeconomic institutional setting**, with rules-based fiscal framework, a flexible exchange rate, a serious inflation-target regime. However, **its path of economic growth it is still hindered by several factors**, as pointed by the World Bank, such as: need to increase its companies' productivity, and to expand its exports, which go together; to address the country's many infrastructures gaps, and finally, to improve education and strengthen institutions.

8.2 Main findings in Colombia's Public procurement edifice

Colombia and Chile are the only members of the OECD from South America. Accordingly, the **country's public bodies have always shown commitment to the rule of law and to respect international treaties.** It has been working for more than 10 years with the OECD to modernize its public administration; while its public procurement machinery is involved, there is still room for improvement.

Although public administration (PA) is competent, oftentimes dwells with scarcity of budget/financing, with limited execution capacity, and staff rotation. Problems for European SMEs appear beyond treaties, such as rotation of top cadres. This we observed when after GOOSE mission to Colombia from 29 May –02 Jun/2023 the cadres we visited started getting replaced, almost one after the other.



Also, EPAs-GPAs should not be taken for granted: e.g., PA not accepting (foreign) mother firm antiquity, or not accepting a subsidiary taking part in a tender as equal to locals.

Colombia's public procurement is centralized in: <https://www.colombiacompra.gov.co>

In spite of improvements to fight corruption, **culture dynamics are stubborn to change: most of public contracts are awarded directly**, specially at the local/regional levels. That results in inefficiency in the purchasing from the market, of goods, services, or Works.

Colombia trade with the EU falls under the **"EU's comprehensive trade agreement with Colombia and Peru"** from 2013, and since 2017 for Ecuador (available here: <https://trade.ec.europa.eu/access-to-markets/en/content/eu-colombia-peru-ecuador-trade-agreement>). The FTA includes reciprocity in the access of public procurement, from/to Colombia, and the EU.

It sets similar thresholds to those set within the EU for the tenders open to parties:

- Central government entities:
 - Goods: 130.000 SDR – \$182.058 USD
 - Services: 130.000 SDR - \$182.058 USD
 - Construction Services: 5.000.000 SDR - \$7.001.918 USD
- Subcentral government entities:
 - Goods: 200.000 SDR – \$280.045 USD
 - Services: 200.000 SDR – \$280.045 USD
 - Construction Services: 5.000.000 SDR - \$7.001.918 USD

Further details on Colombia's public procurement:

- **Spanish only** Language of use by Colombia's main portal, Colombia Compra Eficiente. However, **high cadres from the central administration are used to communicate in English** (ministries and top ranked institutions such as Findeter)
- Tenders without a high degree of specialization or Technology are usually awarded to local players.
- Fragmentation of contacts to avoid competition is regarded negatively, albeit not specifically prohibited.
- **Unusually low bids not forbidden. There is no specific law against it**, yet participants in a tender can show their (eventual) disconformity in the tendering platforms.
- On regards of timings between publication of a tender and awarding has been reduced, to an average of 2,8 months, specially via optimization of the main portal.
- Colombia's institutions to fight and anticipate corruption in public procurement, are the "Procuraduría General de la Nación" y la "Contraloría General"; they both run campaigns to fight mismanagement. There is a **higher pressure by social groups for them to act in a more preventive manner**, rather than reactive. In this sense, law 1982 from 2015 set a tender document template to standardize documents to prevent them being rigged to specific bidders.
- **Involvement of external stakeholders is seen as positive**, in general, especially if these reflect those parties which are affected by a public project. In this sense, there is an increasing trend in aligning public procurement procedures to the general interest.



- As for **Public Procurement of Innovation, Colombia has a strategy since 2014 to foster it**, helped by international consultants. Its main portal Colombia Compra Eficiente has a dedicated space for PPI projects. There is also a dedicated guide, and economic and juridical issues, and economic and juridical advisory provided to those public entities aiming at spurring PPI. On the bad side of it all is that, in spite the ground for PPI to be adapted regularly, it is hardly used by Colombia's PA.
- All publications and tenders are centralized in platform [SECOP ii](#). Also, epistolary exchange between bidders and PA.
- A foreign firm can register online at SECOP II. **There is no need to be registered in the country to have access to tender data**, and to tender itself. Only if the requirements of the tender oblige to be registered locally, for example in the case of a project requiring TA (Technical Assistance)..
- **Domestic preference "clause" is a fact**, albeit for large tenders and/or related to Technology with value added, tenders are more open to foreign firms.

Case study 6/8: Colombian branch of a Catalan firm facing the "local" clause.

A Catalan consulting firm specialized in the Green Economy, and specifically in Sustainability and Climate change, was acquired a few years ago by a British firm. However, it was given independence, chiefly for its expansion to Latin America.

The company is still considered Catalan by ACCIÓ, because it is registered in Catalonia, as well as has an operations office. The firm then is prone to be helped by ACCIÓ for its expansion abroad.

It opened a subsidiary in Colombia already in 2014, as the hub for the whole region.

Thence, the firm attended GOOSE's Mission to Bogota with two of its local staff based in the capital, without needing to send personnel from either Barcelona or London.

Additionally, they had full knowledge of Colombia's public administration, being both locals, and well acquainted with the local milieu.

Thanks to GOOSE they could establish firm contacts with public officers, benefiting with the "institutional umbrella" of the project, including the own stand within Smart City Expo Bogota proposing "Soluciones europeas" (European solutions).

All in all, they counted 21 leads thanks to the mission's activities, including 3 business achieved for a total of 40,000 €, with more expected within 12-24 months.

Here it is worth mentioning some learnings of GOOSE interaction with the firm:

- For a consulting firm, offering services, establishing a local office could be key to its prospects in the market. Contrary to goods, which can be packed and shipped, services need human interacting. Thence there appear the myriad of barriers, such as language, culture, distance, protocols, if the company does not wear a local hat.
- However, even if the company does have a local branch or subsidiary, the institutional clout of activities such as GOOSE's offer them a plus to get direct access to the PA.
- The company has confirmed discriminatory treatment by local institutions: the PA did not accept to include the references of the mother company for the bid of the local subsidiary, an evident breach of the agreement between Colombia and the EU.



8.3 Sectors to follow-up in Colombia

Given that **Colombia's local supply of technology and goods/services is limited**, and considering the country's many challenges, this opens the room of collaboration with European suppliers. Accordingly, GOOSE believes that the current Comprehensive Trade Agreement between Colombia (and Ecuador and Peru) and the EU should be taken advantage to a larger extent, after passed the 10 years from its signature.

Colombia's public institutions have huge undertakings ahead, such as in the Energy transition, or to provide better public services in its growing cities, as well as to upgrade its health system towards universal coverage. Accordingly, the central **government has set an ambitious plan to tackle the challenges the country sector faces**, by investing in different sectors, such as ICT, energy, health, telecommunications, etc.

Consequently, to help making reality its ambitious plans, **Colombia needs only to realize that European solutions can play a valuable role**. GOOSE does not intend a paved way for European SME, but only a real level playing field. Given the trade agreements already in place, Colombia's public administration, especially those entities based in Bogota and Medellin, should make the most to really open specific tenders for European players; **European bidders should be looked after to compete in equal conditions to the national champions**.

As mentioned before, to be granted a smother entry to local public projects, the **foreigners need to supply an extra plus of value-added and a differential**; with tenders with low degree of specialization and/or technology being (logically) awarded to local firms. GOOSE believes all 4 sectors under focus have potential in Colombia; albeit firms eager to contest its public projects need to be specific in their approach.

8.3.1 Smart Cities

In the Colombian case, **initiatives such as the National Fibre Optic Program**, which has allowed approximately 1,000 municipalities to be connected nationwide, is an important step towards the transition and adoption of technologies that enable the emergence of smart cities.

In Colombia, 75% of the population lives in cities, this represents 20% more than the world average. At the city level, Bogotá is the most populated urbs with more than 8 million people officially registered, 4 cities, apart from the capital, above 1 million people (Medellin, Cali, Barranquilla and Cartagena) and 66 cities above 100,000 inhabitants. **Figures that show Colombia's diversified potential regarding Smart Cities**.

There are different institutions in Colombia to have in the radar that address smart city proposals. **National funds for this sector usually come from different local entities**, whether they are mayors or their related public companies such as the Urban District Institute (IDU) in Bogotá. Even so, entities of national scope present interesting plans, such as the National Planning Department (DNP), which is responsible for implementing the country's strategic vision in the social, economic and environmental fields through the design, orientation and evaluation of public policies.



Findeter, “Financiera del Desarrollo Territorial” (Territorial Development Finance Company) is another of the key institutions when it comes to talking about Smart Cities. This institution is the territorial development bank that plans, structures, finances and executes urban development projects, especially in the country's intermediate cities. It is arguably the public institution with the best trained staff, and hence with more capacity for design, planning, and execution too. This notwithstanding, and we will see it later, as the saying goes, “no es oro todo lo que reluce”: GOOSE has been aware of some grey zones within this bright picture of Findeter.

In the last years, the National Planning Department (DNP) and the Ministry of Information and Communications Technologies (MinTIC) have been working on the construction of a **series of mechanisms to facilitate Smart Cities projects**, considering the benefits that this type of guidelines bring to the country's cities and municipalities, to citizens and to the ecosystem, among others.

However, **the general context is unequal, compared to the cases of cities such as Bogotá, Medellín and Bucaramanga**, which have managed to advance in intelligence, thanks to the interest of local governments in taking advantage of the available technology based on the well-being of citizens. Due to this, throughout the country there is promotion of co-creation ecosystems, where the State, companies, universities, startups, and citizens in general, participate and make intelligent decisions that allow them to jointly build more sustainable, responsible and consistent cities to the needs of its inhabitants.

Among the work areas of Smart Cities in Colombia, **there are plans and policies to make smart systems highlighting four essential aspects**: public spaces, the level of digitalization, connectivity, the democratization of access to telecommunications and cell phone coverage and physical infrastructure.

The country has already begun to chart its path. The first major public sector project, which is coordinated by **Findeter, with the support of the Inter-American Development Bank (IADB), seeks to formulate actions in more than 48 cities** in the country to implement models to improve environmental conditions hand in hand with technology.

Smart Mobility and Smart Infrastructure: both consulting services and the provision of technology, equipment, and construction, are some of the opportunities to be monitored in the short, medium, and long term. Likewise, figures such as concessions or contracts for Administration, Maintenance and Economic Use of Public Space will have space in these categories.

The **generation of consortia with local and international companies** will be an important part of the activities to be carried out by European companies interested in participating. Although most projects will be more attractive to large companies, **Smart Mobility may be more open to SMEs that serve as integrators or providers of technological tools**, especially for intermediate cities. In this sense, European players could provide much of the infrastructure needed in Colombia's ambitious transition to e-mobility. So far, much of the competition comes from low-cost Chinese suppliers, but which is regarded low (for the good reason) in terms of quality and performance.

GOOSE also pushed for **Smart infrastructure as one of the key sectors in which to position European solutions to public projects in Colombia**. In this sense, two of the firms participating in GOOSE mission to Colombia were directly related to this field, with both confirming the



potential of that market. One already closing deals thanks to the leads achieved during the mission (see case study); while the other, with a solution to detect cracks in buildings, was positive with its prospects, while it realized it needed more time for its strategy in that market to bring results.

Case study 7/8: Catalan/European technology contesting both Colombia and Japan

A Catalan firm based outside Barcelona, **offering environmental IoT monitoring systems to measure air quality**. This was developed thanks to the “SME instrument”, arguably Horizon 2020’ most successful program. Proposed by a team of Catalan scientists, it went through all its 3 phases, from product conception to its development (where the bulk of the grant went), to the final step of investor search. Whilst the scientists developed a product of high potential were themselves not good at the business development side. Here it came another firm, experienced with a wide international reach, taking care of its business development to enhance its market potential.

It also benefited with ACCIÓ’s support, especially from 2023 on, developing strategies to access markets such as the USA, Canada, Peru, Chile, Mexico. It has also benefited with GOOSE’s activities, taking part in our missions to Bogota on 29 May –02 Jun/2023 and Tokyo 15-17/April/2024.

The product’s accuracy in measuring air pollution, together to its relatively low price (still in the 4 digits) offers huge potential with the current solutions, which range above 200,000 €. Whilst its proved accuracy matches those more expensive kit, its lower price opens up new possibilities, such as:

- Increase the amount of data through a city, to retrieve specific data according to the elevation, situation, etc;
- Smaller municipalities, with a lower budget, can themselves measure pollution levels at a reasonable cost;
- Polluting industries can control their pollution levels, showing proactivity towards their hinterland.

It can be labelled that this product as a game-changer, albeit in a niche market. Its potential has been tested in both of GOOSE’s target markets:

-As result of GOOSE’s Colombia mission, including the highlights of GOOSE’s stand in Bogotá’s Smart city expo, selling out “Soluciones europeas” to the local market, the company has proved its worth with the purchase of its product by CINTEL – “Centro de Investigación y Desarrollo en Tecnologías de la Información y las Comunicaciones”, with a worth of around 8,000 €. This can result in more kits purchased by CINTEL the coming months, so the amount can be multiplied by a factor of 3, and even more, in the medium-term.

Additionally, the firm had two leads in the mining sector, with APPLUS and AGQ, which can result in more business achieved by the firm.

More recently the company also travelled to GOOSE’s business mission to Tokyo on 15-17/April. During the mission It was proved the potential of its key product in such a competed and demanding market. As a result of the mission, the company stablished first contact with potential local distributors. Given the specificity of Japan, it is understandable that it will play better for the firm to address potential public buyers with the help of a local partner.

The company will follow prospecting Japan with the help of ACCIÓ’s local office in Tokyo.



8.3.2 Smart Health

Within Smart health, **the best opportunities for European suppliers in public projects are when some degree of technology or innovation** (vis-à-vis the current solutions available), whether in information systems or medical devices. E.g., currently Colombia imports 81% of medical devices from the rest of the world with a total of 1,961 importers throughout the country. Europe is also the leading exporting region, accounting for 33% of all exports in the sector.

It is also relevant to pay attention to the **Ten-Year Public Health Plan 2022-2031**, launched in April 2022 after the Covid pandemic. The lines of action will be human talent, financing, regionalization, and technology. ICT: In relation to Digital Health, they will leave a roadmap for 10 years with the Health Data Governance and Analytics Model; included in model structuring, descriptive and diagnostic analysis pilots.

One of the main axes will be to ensure the Integration of Health Information. Finally, they will work on an integrated subsystem of effective provision of health services and technologies and on an integrated subsystem of financial information. In this section there will be opportunities for consulting providers, as well as providers of high added value solutions in administrative issues and service provision.

Health products and medical instruments: make up a set of goods that are mainly imported, as there is no competitive national production. Technology in Colombia in the field of medical devices has become quite obsolete while the entire consumables industry continues to make up the main production in the country.

GOOSE has spotted potential specially in two segments of Smart health, Hospitals and Improving processes and paperwork. Albeit no companies from these segments knocked GOOSE's doors to focus that market. European firms eager to work in public projects should consider different strategies, according to their type of solution: if it is a good or technology, a local representative may play well, or local integrators; if it is a solution, or a service, you may need an extra push in terms of business development.

For more information, refer to the ICT section.

8.3.3 Green Economy

Colombia has been advancing plans and programs towards the green economy transition. Although all subsegments are relevant, **at the investment level the most notable projects are proposed in Clean Transportation and Renewable Energy.** The transportation sector is the third emitter of greenhouse gases in Colombia.

The densification of large cities, the expansion of their urban limits and the increase in the mobility of people between surrounding populations has made green transportation a priority in public policy.

It is also relevant to mention the framework of other actions related to transportation; among them the program launched in 2018 "Sustainable transportation for medium-sized cities: Pasto, Pereira, Montería and Valledupar", designed by CAF -development bank of Latin America- and the Ministry of Transportation, and financed by the Green Climate Fund. The program proposed



the preparation of feasibility studies and the design of mobility projects to be subsequently financed with program funds.

This notwithstanding, Colombia, as many other Latin American countries, **lacks railways to connect its main agglomerations**. Geography does not help, in a country which is basically mountains and valleys. Currently there is only one touristic line that leaves Bogotá for a few kilometres, while the rest of the humble rail network is for specific cargo. Therefore, the amount of investment needed is colossal, cutting through different levels of the administration, and attainable only beyond a single legislature of 4 years.

Among other actions to reduce greenhouse gas emissions and stimulate **transformative changes in Colombia has been the United Kingdom Sustainable Infrastructure Program (UKSIP)**, where the UK and the IADB Group expected to have provided around €230 million between 2018 and 2022 to mobilize private sector financing for sustainable infrastructure with low carbon emissions, based on the IDB Sustainable Infrastructure Framework.

The results of the UKSIP program are visible in areas such as Sustainable Energy and Transport, with support for the innovative energy auction in 2019, the tender for the acquisition of a fleet of electric buses in Bogotá. However, GOOSE has noted that from the Rio Grande to Tierra del Fuego **almost all e-buses fleets are a monopoly of BYD, from China**.

Electricity generation in Colombia comes from: 68% hydroelectric, 30.7% thermal (13.3% gas, 9.55% coal and 7.82% diesel). 0.98% unconventional. The objective shared by all latest Colombian governments is to reach 12% of electricity generation via non-conventional renewables in the coming years. This firm commitment by the Colombian state has translated into a multiplication of the installed capacity in the last auctions carried out (2019 and 2021).

Colombia, like Chile, has large plans with the Hydrogen Route where demand is expected to be between 1,500 and 2,000 light fuel cell vehicles and in the heavy transport segment 1,000 to 1,500. Regarding charging infrastructure, between 50 and 100 publicly accessible hydrogen stations are planned.

The National Government, through the Ministry of Housing, Cities and Territory (MVCT), has a series of Water and Basic Sanitation Programs in place to solve some specific problems in different areas of the country. The programs are:

- Agua al Campo: In 2022, with **Agua al Campo it is expected to increase coverage in aqueduct and sewerage in those prioritized municipalities**, going from 24% to 40% in aqueduct and from 10% to 22% in sewerage. • Regional Companies: Regionalization strategy for the provision of water and sewage services.
- Guajira Azul: is a **program to increase the coverage, quality, and sanitation of drinking water in the department of La Guajira** (northern region of the country). • Water to the Neighbourhood: With an investment of 591,000 million pesos (approximately 130 million euros) it is expected to impact different neighbourhoods in 15 large municipalities in Colombia. Sanitation for Discharges – Saver: The objective is to expand the percentage of wastewater treatment. The goal in 2022 is to treat 54% of the total.

The **Agricultural Sector and the Industry in general, albeit not under GOOSE's focus, present high use of water resources**; in the first it implies stimulating the transition from conventional to ecological agriculture, which has great potential in generating green jobs and reduces the



impacts associated with this activity; in the second, industries must invest in environmental management to respond the challenges of sustainability, competitiveness, and corporate social responsibility, making it necessary to restructure processes for cleaner production.

Regarding the segments of **Waste and Water related, they are two key areas with high investments to improve capabilities in the different infrastructures**. They are both basic services that sit as top priority by any municipality throughout the world. Accordingly, these two more conventional sectors within the Green Economy have traditionally granted a prominent role to incumbents, acting either as concessions or as public companies managing public services.

Breakthrough innovations that can be delivered by European firms may have a harder way to market here, since incumbents, according to their pivotal role and their inherent monopoly powers, have low incentives to adapt new technology to improve efficiency. However, **more demanding legislation, in terms of efficiency and efficacy in recycling, including circularity, as well as in water quality could have a pivotal role to push local incumbents to seek for European solutions**.

8.3.4 ICT

Colombian leaders are aware in the need to take a leap forward in the digital transformation, both in the private and the public sector. The connectivity figures are still at the bottom in some indicators, added to the fact that, in addition, they have prices higher than the average for the region.

However, these rates have accelerated dramatically in recent years, especially driven by the COVID19 pandemic. Today, Colombia has more than 8 million fixed internet accesses, which represents 55% of connected homes, more than one million have been achieved in the last year, the objective of which is to reach 70% before August 2022. At the mobile connection level, this figure rises to 33 million.

At the end of February 2020, this figure was 33% and nine months later it rose to 55%. Although there is still some way to go, **it seems that the ICT policies to date have managed to reduce the digital divide in Colombia**. A growth that has come to stay, and that increasingly changes analogue routines towards new digital routines. **Colombia is currently the fourth most important ICT market in Latin America**, representing 3.7% of the GDP, but with forecasts that in 5 years this sector will have a weight of 5%, and that ICT exports will reach to represent 30% of the total.

Around 4/5 of the companies in the ICT sector are in Bogotá. Although in Medellín a powerful software and technological ecosystem has been formed with the support of both the public administration and the city's large private companies. The government has a Ministry of Information and Communications Technologies - MinTic, to strengthen the promotion of access and use of Internet users, as well as promote policies that help develop the sector and for the country to become a hub. ICT of the region. In fact, this Ministry was visited during our Business mission to Colombia 29-02/Jun/2023, together with the most relevant ministries considering GOOSE's 4 covered sectors,



The government is **seeking to strengthen the ICT ecosystem and the adoption of digital transformation** as key tools for economic recovery and is where it plans to make strong investments in the coming years. Among the different policies and projects announced by the executive are:

- **Dynamize the labour market**, where the ICT Mission 2022 Project has already begun, which seeks to train 100,000 people in software development and programming in 2 years.
- **Promote the digital business fabric** and generate policies that facilitate access to capital in this type of investments.
- **Consolidate a digital government** by accelerating investments in this field.
- Promote electronic payment methods to microbusinesses.

The government has promoted the **initiative of the “Business Digital Transformation”** centres, with 24 outlets spread across 12 departments of the country to accompany SMEs in their digital transformation process through the tactical appropriation of technologies that help them improve their competitiveness. **This digitalization is promoted not only at the national level, but also in regional and municipal governments, that still have many deficiencies in this field.**

The investment to be made in the different programs of the ministry, amounts to 1,000 MUSD, to expand connectivity, digitize and energize the sector. The internal demand for technology is high, **mainly in sectors such as: Industry, GovTech, Financial sector, Telecommunications.**

This dynamism and modernization that the government intends at the ICT level for citizens and companies is also for itself. The national government is collaborating with **multilateral organizations to achieve the implementation of innovative solutions that allow a digital transformation of its national entities as well as regional governments** and entities for internal processes (back-office), such as in the processes of relationship with citizens and companies (front-office).

One of the state's advances to achieve its objectives at the ICT level was the balance on the **advance in the Digital transformation from 2020: [¿Cómo vamos avanzando en la Transformación Digital?](#)** where the government prioritized 17 projects promoted by public entities, with an investment of close to 881,000 euros, framed in 12 technological lines such as analytics and big data, blockchain, artificial intelligence, geographic information records.

Among the projects were topics such as Telemedicine, Rural Registry, Multipurpose Cadastre, RUNT, Digital Tolls, Remote Work, Digital Citizen Folder, Digital Immigration Registry, among others. Among the sectors for which the projects were proposed were education, health, mobility, and justice. Amid the most important challenges are the digitalization of public procedures, digital infrastructure and ensuring interoperability between different state agencies; that facilitate access to the rights of citizens and businessmen, as well as their confidence in public management.

Another important advance was of a regulatory nature, with the Law 2080 of 2021, to incorporate the use of ICT in all State entities, under a Digital Citizen Services model using biometrics, digital ID and digital signature certificates. and the Electronic Digital File. Although in 2021 and January 2022, prior to the start of the guarantee law, some of them were already tendered, it is evident that the **GovTech Colombia ecosystem is in the initial phase of development and**



opportunities are foreseen for the coming years where the rest of the projects proposed in the strategic plans and expressions of interest of public entities.

It is important to monitor MinTic as the entity that leads the digital transformation processes within other government entities. In 2021, the Inter-American Development Bank (IDB) approved a credit line of 500 million dollars to accompany the **digital transformation of Colombia's judicial system**. However, it is worth noticing that shortly after GOOSE visit of the Ministry's premises, some of its high cadres were changed, after a new ministerial reshuffle by the president (this has been a constant of his mandate, so far, "Gustavo Petro's remezones").

The first phase of this program will be executed in 4 years, with an estimated investment is 100 million dollars, with **some of its actions being:**

- the design and implementation of the cybersecurity and information protection strategy;
- the **strengthening of digital and technology services**, among others for the oral justice system, the digital file and the streamlining of guardianship procedures, and;
- **implementation of a change management strategy** and the digital services model so that they are easy to use for citizens. In addition, CAF, Andean Development Corporation, has also approved a line of credit of \$500 million dollars for the State's digital transformation program to enhance its economic reactivation and modernization.

8.4 Tips for SMEs to access public projects in Colombia

Design your strategy to skip bureaucracy and barriers: this could include bidding via third parties, as partner or subcontractor. Local partnering: consider partnering with firms already established locally, even those not yet tendering, to build up solid consortia.

Local firms are inherently familiarized with processes, local permits, and certificates.

Make yourself visible within the local ecosystem: participate in fairs, business missions, etc.

Be aware of all available info: you can benefit from Colombia's "*Sistema Electrónico de Contratación Pública*"-SECOP II to create alerts, as well as to do your business intelligence.

If you already have a foothold in the country, register to the *Registro Único de Licitadores (RUP)*. This is done via the Chamber of Commerce where you have your firm registered. and needs to be renewed yearly.

Adapt to the local culture: while dealing with the public administration, dress code and speech must be formal (e.g "usted" preferred to the "tu"). Only break the formality if your interlocutor allows to it. Address them by their proper titles, such as "ingeniero", "doctor", etc.

Do not be too direct in addressing issues or people. Use euphemisms if necessary. And do not stop your interlocutor while he/she talks. Let the conversation flow.

Be patient, expect delays and/or cancelations at last minute. Expect meetings to have a previa, not necessarily to talk about business, such as small talk, family matters, the economy, football etc. do not open taboos such as "Escobar", the war on drugs, the guerrillas, cocaine traffic, etc.



Prepare your meetings beforehand; if there is need for a technical voice, make sure he/she to be present; note that top cadres use to change with every new administration, so every 4 years; or in the case of presidential reshuffles, such as it has been commented on Gustavo Petro's so-called "remezones", or the president's will to give his cabinet new pushes.

There is life beyond Bogota: albeit the capital concentrates a big portion of public investment, interesting projects beyond it, such as in Medellin, Cali, Barranquilla, Armenia or Bucaramanga.

Be **prepared for heavy traffic, especially in the capital**, although ride sharing apps will help you move around. Do not play with safety issues and listen carefully to advice from your counterparts in the country, as well as from the hotel and other daily network you make.

If you want to go after Colombia, **do travel to the country, make yourself visible there**, show your commitment and interest in being part of the country's economy. Physical contact is a must in such a culture, on a similar level as in Chile or Japan, and much less so in Norway.

Make good use of all tools available to promote internationalization of SMEs. Specially if you are, well, an SME, connect with your local BSO and/or Chamber of commerce, and benefit from its services. This is not self-flattery, for it is proved that BSO can have a multiplier effect to SME; most of the times it gives them the means to access international markets, at a reasonable cost.



9 Country findings: Chile

9.1 Overview on Chile

Chile has been a world apart in Latin America, with its economic model dictated by the so-called “Chicago boys”, a group of local economist who mostly instilled themselves with the learnings of the Economic faculty of the University of Chicago, under the leadership of Milton Friedman: limited hands of the state, decentralization of the economy, open doors and free markets, a strict control of public deficit and inflation; in short, led the market forces do its magic.

Today, Chile is going through a historical process, facing fundamental matters for the present and future of the country, such as governance, its social contract, and its economic model. Albeit its economic progress is undeniable, including with reduction of poverty, the political framework has shown the limits of an economic model within a society with a myriad of glass ceilings. Waiting to happen, protests of 2019 were a knock on the head to the political establishment.

Possibly because of this pattern mixed of academy and military institutions and freed from the populism in most of the region, the country has shaped **public institutions that are revered as solid, corruption free**, and meritocratic. Albeit its economic model is still the Chicago school's, favouring free markets and minimal public intervention in almost all instances of society, there is an increasing need to find new ways to foster economic growth, economic diversification, with the ultimate goal to face inequality.

Understandably, the government spending's share of the GDP is still the lowest within the OECD, after Ireland's, followed by Colombia's (the other Latin-American country target country of GOOSE). It is also a clear free marketer within LatAm, with the best access to international markets, and some of the lower trade barriers in the world. This is also functional to Chile being a relatively small country, surrounded by larger markets, such as Argentina, Brazil, or Peru: trade helps the local economy benefit from economies of scale from abroad, as well as expands the potential markets for its firms and the economy in general (natural resources, agroindustry, etc).

Arguably **the most developed country in LatAm, and stable**; notwithstanding the critical turmoil of 2019. On the plus side of the street protests of recent times, it spurred more and better consciousness over public services, as well as addressing social inequality, to solve the country's long-time income gap. Gabriel Boric Font's new left-wing pro-green presidency should soar this tendency towards more and (in principle) better provision of public services. However, as stated by the World Bank, the country's aims for faster, greener, and more inclusive growth, need to be mirrored with reforms targeting productivity, technology, competition, and human capital development.

Its economy **is still led by exploitation of natural resources, especially minerals**, being first in the world in copper production and second in lithium (after next-door Argentina), and ahead of also neighbour Bolivia. It is also a regional power in its export-focused agro-industry.

Nevertheless, to move to a more diversified economy, more solid growth, and to increase consumption power across the society, as stated by the World Bank, **Chile needs to reduce regulatory barriers, to foster technology adoption, to promote competition, to enhance managerial capabilities**, and to increase female labour force participation and job quality.



9.2 Main findings in Chile's Public procurement edifice

Its pro-market open borders approach permeates in the government's procurement milieu: **the country has 15 FTAs including in public procurement chapters** (out of a total of 29), such as with the EU - the agreement of 2002 is being revised to update it in matters such as works' concessions.

The EU and Chile concluded an Association Agreement in 2002 and entered into force in February 2003 covering EU-Chile trade relations (available here: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/chile_en). According to it, the thresholds under it for the Chilean side are:

- Supplies: SDR 130 000 (approx.. 130,000 €)
- Services: SDR 130 000 (approx.. 130,000 €)
- Works: SDR 5 000 000 (approx. 6,146,000 €)

As many countries, especially OECD-members, it is pushing hard to spur SMEs participating in the country's public projects; **it is introducing new tender procedures, including innovative items in them, as well as sustainability and social criteria**. This can be taken to the advantage of European firms, which can offer to a local challenger the capacity to leapfrog incumbents; with European know-how, technology, references, and financial muscle, a win-win partnership that can contest fields traditionally awarded to larger firms.

Its **public procurement edifice is highly well-thought-out within the region**, for its transparency and efficiency: legislation and procedures are plain consistent with the country's international agreements in the matter. E.g., **its method of framework contracts has been highlighted by non-other than the World Bank**.

33% of contracts by value are indeed within Framework contracts. Contradictorily, and challenging the World Bank's praising, in practice they do not work as the theory dictates: 78% of firms participating in the first cut enter within the framework, **which means that there is not real competition, but rather a simple filtering**. Additionally, within the restricted process, it seems public buyers are not choosing the cheaper option available from the shortlisted.

Chile Compra, via its main portal www.mercadopublico.cl is the centralized platform into which more than 850 public administration bodies purchase to the market. It is possibly the oldest in the continent, being created in 2003, and acts as a decentralized body, depending on the Ministerio de Hacienda, and under the vigilance of the President of the Republic.

In line of the above, Chile Compra is a pioneer portal, renowned as one of the most transparent and automatized public procurement portals in the world. Some of its highlights is its statistics control system, extremely developed and free and easy to access: "Datos Abiertos" (<http://datosabiertos.chilecompra.cl/>). As a matter of fact, it was awarded the "Excelencia e Innovación" WorldCC 2020 awarded by the World Commerce & Contracting Association (WCCA) and the Open Contracting Partnership (OCP),

Chile and the EU have been working to upgrade the FTA of 2003 since 2017. Currently a new EU-Chile Advanced Framework Agreement's negotiations have already been concluded, with the only need of Chile's parliament signature to enter into force.



Concerning PP, the new agreement updates the principles and obligations in matters of PP, also facilitating access to Chilean providers to the European PP markets.

In December 2023 Chile finally approved the **Plan to modify the public procurement law**, “Plan de modificación de la ley de compras” <https://www.obcp.es/opiniones/una-nueva-ley-de-compras-publicas-para-chile>. Amongst other, **it fosters to establish standards of probity and transparency throughout the PA; it also pushes to enhance the capacity within municipalities** (usually the weak side in every country's PA); it promotes higher participation from SMEs; better follow-up of payment to subcontracted parties within PP.

One of the criticisms towards Chile's PP is that it has not yet defined a regulatory entity for the whole system; this institutional void only being fulfilled, informally, by Chile Compra itself, which is less than desirable. Albeit CC does assume some functions, some other remain without a responsible, such as draft policies, propose amendments, evaluate the system's performance, etc.

Note that Chile Compra is the Directorate for Public Procurement and Contracting of the State of Chile, being a decentralized public body, dependent from the Ministry of Finance of Chile, and under direct supervision of the Presidency of the Republic of Chile.

One of the recommendations from the Directiva de Contratación Pública n° 28 (2017) was that PA should conduct market research in which to consider all potential suppliers and interested parties, without discrimination. Here it is worth mention that, within an FTA with public procurement opening, such as the one between Chile and the EU, **European companies should also be considered “potential suppliers”**.

Open tendering in Chile is regarded as working well. It constitutes 55% of the tenders in value, whilst the average duration of a tendering process is 30 days. The technical and economic criteria weighted 94%.

However, problems do exist, such as that that **in 25% of tenders there is only a single bidder, whilst in 40% is 2 or less**. Reasons abound, amongst which: unnecessary demanding criteria for bidders; introducing criteria with a high degree of discretionarily, such as when quality is given a high weight to value bids, without detailing how to measure it.

Chile Compra, for all its progresses, has evident handicaps: 20% of tenders have inconsistencies in documents related to tenders, thus making impossible to analyse competition.

Albeit huge efforts by Chile Compra to standardize templates for the tenders, **there is still diversity amongst PAs**. That includes different criteria to evaluate bids, to ponder them, and in the formulae to calculate the final value.

Chile Compra has developed initiatives to know experiences to gain in efficiency and efficacy in PP, as well as that PP includes environmental and energy efficiency criteria.

It has also pushed for more inclusion to women in business involved with the PA for that it was awarded in May 2019 by the UN in the field of “Promoting public services sensitives to gender to achieve the SDG, with its programme “More women in PP”,

“Más mujeres en las compras públicas”. Notwithstanding these efforts, SMEs led by women still constitute a tiny minority of those participating in PP.



9.3 Sectors to follow-up in Chile

On a similar pattern than Colombia, **Chile has ambitious plans in key areas such as the Green transition, Universal healthcare or Digitalization**. For that the Public Administration needs to take consciousness on the potential role of foreign companies, including European ones.

In this sense, counting with its traditional free market approach, the Chile-EU agreement of 2003 is pioneer in introducing public procurement liberalization. However, fast forward 20 + years, and **European firms are still a minority in those working with the country's PA**. Many could already be benefiting the country in gaining efficacy and efficiency in the provision of public services, specifically in fields at the high-end of the technological frontier, such as in: Smart mobility; Smart infrastructure; Waste and Water related, or Hospitals.

A good step to increase European firms participating in this market is, for example, the agreement of a year ago "**Chilean Government and the European Union launch two new cooperation initiatives on renewable hydrogen worth 225 million euros**" (available here: https://www.eeas.europa.eu/delegations/chile/chilean-government-and-european-union-launch-two-new-cooperation-initiatives-renewable-hydrogen_en)

Hydrogen is key to Chile's Energy transition, with the country expecting redundant hydro and solar energy to be stored in green hydrogen, to also fuel economy. That cooperation shall give Chile technical assistance from Europe to push into this direction, including fresh money to invest in hydrogen projects. GOOSE believes this is an interesting initiative, that should open the path to more participation of European firms. This participation clearly benefits both sides, with Chile acquiring key technology. Furthermore, **Chile should be open to more European firms participating in its public projects** beyond the projects at the technological frontier: i.e. in more commodified fields, such as in Waste, Water, ICT or Health.

9.3.1 Smart Cities

Conurbations with the largest budget to invest in smart solutions and publish the greatest number of tenders are Las Condes, Santiago Centro, Providencia, Vitacura, Lo Barnechea and Viña del Mar. These Chilean municipalities, which together have more than 825 M Euro of annual public budget and a combined population of more than 600,000 inhabitants, **are committed to the digitalization and modernization of the territory**.

The **three areas where the most investment is being made are environment, security, and mobility**. In the field of the environment, resources are being allocated to the installation of technological irrigation and LED lighting, intelligent garbage collection or the improvement of recycling. In security, they are investing increasingly in **surveillance and preventive crime control systems**, surveillance cameras and license plate readers - in the private sector there has been a significant boom in the sale of full HD cameras -, drones or efficient coordination systems between the different actors in charge of security.

Regarding mobility, the aim is to promote electromobility, public transport or intelligent traffic systems. Another area that is important for municipalities is public administration, where



the aim is to offer a better service to citizens by facilitating access to information in real time, improving local information and dissemination channels and promoting the improvement of electronic administration. Finally, it should be noted that the implementation of these actions can serve as an example to the other 30 municipalities that make up Greater Santiago, which has more than six million inhabitants.

Here it is worth quoting **Chile's "Smart Cities Enabling Master Plan"**, "plan Maestro de Ciudades Inteligentes 2020-2024. In general terms, this program would contemplate future public procurement actions in the following key resources and activities:

- Smart public lights
- **Firms providing smart luminaires and the services associated** with their operation. Wireless IoT sensorization network that connects the different luminaires.
- **Sensors, cameras**, among other technological elements, that allow information about the territory to be captured.
- Technical and computer support for the processing and storage of information such as: software, hardware, technical supplies, among others.
- **Storage of information, data** or other inputs provided from the IoT Network.
- **Training public officials**, whether municipal and/or central government, for the use and processing of the information provided by the network of smart public lighting. Maintenance and updating of the technological platform that will support the information available from the network.

9.3.2 Smart health

The "**Health Investment Plan 2018-2022**". "Plan de inversiones en salud" was the new administration's pioneer plan to readdress inequality. The Investment Plan aimed at strengthening the Health Network, generating a timely and concrete change to the multiple needs of the population, through the construction, replacement, maintenance, and improvement of health infrastructure.

Six fundamental criteria were crossed: **bed deficit; healthcare demand; infrastructure status; project maturity; execution capacity and budget feasibility**. In this way, the strengthening of hospital infrastructure, as well as that of primary care, were part of the Major Health Surgery that is being promoted in the system.

Under the Plan, the state **contemplates allocating 10 billion USD to the construction of 57 hospitals**, which are grouped according to their stage of development. There were a first set of 25 establishments (five of high complexity), started in previous mandates to be launched during the government, which will accumulate an investment of US\$ 3,670 million and will add 1,052 new beds to the public system.

A second group, made up of seven hospitals (five of high complexity), currently under construction and expected to be completed by March 2026. They involve an investment of US\$ 1,955 million and will provide 836 beds to the sector.



The third group of 25 new hospitals (also five of high complexity), to start under the current government and which, with an investment of US\$ 4,510 million, will add another 2,178 beds to the public sector within a period of eight years.

In this last group, seven establishments will have public financing committed by the previous government. The remaining 18, which represent an investment at the current value of US\$ 2.6 billion and a total of 1,423 beds, were added by the authorities under a new financing modality: the Public Private Partnership (PPP), which consists of a modified version of the concession system previously used in public health.

The government expected this new generation of hospitals to change the face and strengthen Public Health, **with quality standards, energy efficiency, cutting-edge technology, friendly spaces, safe constructions** with cultural relevance.

Finally, **Telemedicine stands out as a key tool**, by enabling improved and expanded access to specialists, especially in remoted areas where there may be shortage of specialists, such as in mental health, cardiology, dermatology, and internal medicine.

9.3.3 Green economy

Chile's new government has a **determined Green transition agenda, incentivizing changes in consumption and production patterns**: innovation, technologies, and environmentally friendly production processes. These plans, on a similar fashion than Colombia's, **to be implemented need the contribution of European players, both large firms and SMEs**.

The country is undeniably well endowed, rich in hydropower in the south, and in potential for solar PHV in the north, with the higher radiation in the world. It already ranks fourth among developing countries in green investment, surpassing larger economies. Recently hydrogen has been taken core attention, with the country open to technologies and processes from European providers.

The administration aims at bringing progress in Green transportation, LED Lighting, and Sensors, the establishment of a Smart and integrated Traffic network.

Responsible water management remains crucial, particularly given the water crisis in various regions in the recent past.

9.4 Tips for SMEs to access public projects in Chile

- **Own idiosyncrasy: local patterns differ from the region's**; thus, commercial and quality relations are above personal ones. It is Latin America, yes, but things are different in Chile.
- If you find interest in the country, **show commitment by visiting your potential customers, partners**. Considering the specificity of the country, once the contacts are established, you may be able to follow up your contacts on a remote basis, from your European HQs.



- **Bureaucracy is still here:** although registering as a provider to the public administration is straightforward, and creating a local firm is fast, doing business is a mid-term strategy, especially if within public projects.
- In this sense, noted that Chile's public spending is in the lowest levels of the OECD, yet it does not mean lesser opportunities there. Most possibly **you can balance public projects with much simpler and cosier B2B**. Yet, pluriannual public plans, for all its fanfare, will give you a hint of where (most of) the money and investment will be.
- **Local partnering:** consider partnering with local firms, even those not yet tendering, with which to build up solid consortia, and why not contest markets that seem to be property of incumbents.
- **European firms can offer newcomers the capacity to leapfrog incumbents;** with know-how, technology, references, and financial muscle, to contest fields traditionally awarded to the largest powerful firms.
- **Do not hesitate addressing other European firms** already established in the country. You will be talking the same business language, while you will save yourself from the cumbersomeness of the public administration.
- **Be part of the ecosystem:** you can benefit from training sessions done by Chile Compra, while you can register to the portal Mercado- Público for alerts.



10 Country findings: Japan

10.1 Overview on Japan

Japan is the **2nd largest market for public procurement among the OECD countries**, after the USA, with a total estimated worth of 1.000 billion US dollar or 850 billion euro in 2021. Japanese central government tenders alone lead in 2020 to 12.5 billion euro in ICT and computer related orders, and nearly 3-billion-euro health related. Foreign services and products counted for 11.5% of the total value of the Japanese central government procurement.

Medicinal and pharmaceutical products had a foreign share of 62.3%; medical, dental, surgical, and veterinary equipment 28.5%; telecommunication services 14.8% and computer related services 4.9%. Procurement related to the green economy received a boost, after the government awarded a first round of offshore wind projects in 2021 and a second round in 2023.

Due to the EU-Japan Economic Partnership Agreement coming into force in 2019, **the EU has gained better access to contracts put out for tender in Japan** by both the central government and regional and local governments.

Furthermore, a **non-discriminatory access** for EU suppliers to the procurement markets of 48 cities of around 300.000 inhabitants is provided. The EU-Japan EPA provides a new requirement whereby notices of intended or planned procurement must be directly accessible by **electronic means, free of charge**, through a single point of access. Public notices of intended procurement (searchable under the term "Notice of procurement") by all procuring entities can be consulted on JETRO's website.

Japan has also established the following procurement procedures to further **guarantee transparency**, fairness, and competitiveness: (1) invitation to submit materials for determination of specifications, etc.;(2) invitation to comment on proposed specifications; and (3) disclosure of designated suppliers when the Selective Tendering Procedure is implemented. To conclude, the *Keishin* (i.e., a numerical score) assessment will take place in a non-discriminatory manner.

Despite these huge opportunities, suppliers from the European remain to get a **relatively small portion of the pie**. Between 2010 and 2020 the percentage of public procurement that was sourced in the EU never went over 2.5 %. To the other side, it is difficult to get the real numbers, as most European countries would work through a local juridical entity, a local partner or subcontracting, which means they would not appear in the statistics as European entities.

10.2 Main findings in Japan's Public procurement edifice

In Japan, **most of the government procurement is conducted via competitive tendering procedures**, with the participation of qualified suppliers. Those who are interesting in bidding for procurement contracts need to apply to the procuring entity concerned for qualification. To increase your opportunity of participating, it is recommended that potential suppliers apply in advance regardless of whether a particular procurement notice has been advertised or not.

The most used public **procurement methods** are:



- Open Competitive Tender (ippan kyousoo nyuusatsu), which is the basic bidding procedure;
- Selective Tendering Procedure (shimei kyousoo nyuusatsu), in which only a small number of suppliers can participate;
- Limited (Single) Tendering Procedure (zuiikeiyaku (gentei nyuusatsu)); which is exceptionally used.

EU-companies are relatively underrepresented in the public procurement-market in Japan, partly due to non-regulatory barriers and the geographical distance and lack of knowledge of the market. EU companies that are presently active in this market are primarily larger global players, with a sizeable presence in Japan.

The Japanese public procurement market seems to be very protectionist, and **local preference plays a huge role**. But as in any country outside the European Union, setting up a local presence or partnering with a strong local player seems to be best solution (this might even be true *within* the European Union).

Information sources on public procurement in Japan

As mentioned before, **the Japanese government agreed to publish English summaries of all tenders covered by the WTO and FTA agreements** on the **JETRO website**. However, JETRO notices in most cases does not offer direct links to further details available online. The information published here is not sufficient to conclude if you are able to supply the equipment or goods, or to deliver the service, and the contact mentioned will probably be answered in Japanese only.

The **EU-Japan Center for Industrial Cooperation** JTPP (Japan Tax & Public Procurement) helpdesk continuously monitors Japanese public sector tenders that are open to foreign companies and creates weekly digests with business opportunities for European SMEs. The digests include not only invitations to tender, but also prior information notices and “requests for comments” published by Japanese government entities at the central and the regional level. Also, they provide a link to the website of the contracting authority, but the information you will find there will mostly be published in Japanese language only.

The Digests contain tender announcements related to a wide range of sectors such as IT, Research & Development, laboratory equipment, railways, and construction services. It will also provide information about what kind of companies are eligible and the method used to determine a winning bidder.

The consequence is that **information sources for EU companies are limited**. **Local private information providers** with information on Japanese tenders, such as the company NSJJ, offer a payable subscription, but the information again is in Japanese only. During GOOSE stay in Tokyo we were given a presentation by NSJJ, but they were not able to send an English speaking representative, so we needed an interpreter onsite.

Online translation (add a translation widget to your browser) or AI may help to a certain extent, but **if you want to contact the procurement agency or do the paperwork, you need Japanese speaking personnel or partners**. Indeed, even if contact information is available, procurement officers will mostly not be accustomed to communicating in a foreign language.

Electronic bidding in Japan



Electronic bidding systems are rapidly becoming the norm in Japan, with many government organisations setting up designated portals to conduct all tender procedures online. In 2014, the national government has integrated the various steps of the procurement process into one portal called Government Electronic Procurement/GEPS. (www.geps.go.jp). There, suppliers can submit proposals and bids for online bidding, as well as make online contracts and claims.

Using this website, you may conduct a search in English on open tenders and download some detailed information, but again, **the documents available for download are Japanese only** (maybe including an English summary – the same that you would find on JETRO).

Electronic bidding has merits for foreign-based companies, as it would lessen the time necessary for receiving and submitting documents, giving more time to prepare a successful bid. However, **for foreign companies, who have no legal entity or legal representative in Japan, participation in electronic bidding on platforms such as GEPS is not possible**, as they cannot obtain a [digital ID](#). It is however always possible to submit tender documents on paper.

All Electronic Bidding portals are exclusively in Japanese. Due to their technical complexity, it is advisable to have a Japanese speaker present, when engaging in online bidding. Here below the most relevant ones:

- GEPS, <http://www.geps.go.jp> (Central government procurement portal)
- e-Bisc center, Tender Announcement New Information Page|Ministry of Land, Infrastructure, Transport and Tourism Electronic Bidding System (e-bisc.go.jp)<https://www.e-bisc.go.jp/sinchakupage.html> (Ministry of Infrastructure, Transport and Tourism)
- e-Tokyo https://www.e-tokyo.lg.jp/choutatu_ppij/cmn/tmg/cmn/jsp/indexO.jsp (electronic bidding portal of Tokyo city wards)
- Tokyo Metro, <https://www.e-procurement.metro.tokyo.jp/index.jsp> (electronic bidding portal of Tokyo Metropolitan area).

Implementation of the public procurement chapter of the Free Trade Agreement

The public procurement rules in [chapter 10](#) of the Free Trade Agreement (https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/japan/eu-japan-agreement/eu-japan-agreement-chapter-chapter_en) amongst others include rules on:

- The publication of notices
- Conditions for participation
- Qualification of suppliers
- Selective tendering
- Technical specifications
- Environmental conditions
- Treatment of tenders
- and awarding of contracts
- Domestic review procedures

The **list of covered entities and thresholds** is mentioned in Annex 10 of the agreement (Japan and European member states). The list on the Japanese side contains central government entities (ministries and agencies), sub-central government entities and core cities (47 prefectures,



20 designated cities and 60 core cities and some other entities like (local) independent administrative agencies, railway companies, telecommunication companies, ...

List of government ministries and agencies that are open for EU companies are well known, and as mentioned their tenders are published on JETRO. Moreover, DG Trade was able to develop a tool to determine if you can apply for a tender in Japan on the basis of the goods/services, the threshold and the procurement agency in question ([Access2Procurement](#)).

Demonstrated improvements since the implementation of the FTA

- Improved transparency of tender information via JETRO:
 - ✓ Government entities added by the EPA have implemented measures such as adding English summaries and publication of notices on JETRO.
- Additional services:
 - ✓ EU-headquartered companies active in the areas of medical and scientific equipment sectors.
- In some cases, there is a possibility comment on the terms of reference or to suggest innovative solutions in a first round of the bidding process;
- Removal of “Operational Safety Clause” for railway related procurement:
 - ✓ publication of some railways equipment tenders that were beyond the reach of EU suppliers before the EPA.
- Establishment of [Procurement Committee](#)
 - ✓ Yearly meetings/engagement with central/local authorities
 - ✓ Opportunity to bring forward concerns and seek improvements
- Active monitoring of the implementation of the public procurement chapter
 - ✓ DG Trade, European Delegation to Japan
 - ✓ Feedback from companies is key

Bottlenecks

The EU representation in Tokyo recognizes **one of the main bottlenecks is the lack of English language information**. The problem is double: not all official documents on public procurement have been translated (laws, regulations, procedures, manuals, ...), but also the daily tender information is not translated, or in the case of WTO or FTA regulated tenders a short summary is available, that only gives a hint of what is needed.

Regarding the JETRO website, which is Japan's single point of access, the **public tender notices seem to be published with a delay** compared to other electronic medium such as Kanpo, Kenpo, which puts the EU suppliers at a disadvantageous situation.

Moreover, **bidding for Japanese tenders involves heavy procedural work**. You will have to do a lot of registering and applying for certificates/licenses in advance, involving a lot of translation work. Most of Japan's government institutions require their suppliers to qualify before taking part



in actual tendering and no unified system exists. Moreover, The Japanese Industrial Standards (JIS) system is still often used in the drafting of tender specifications.

There is **no centralized public procurement agency** in Japan. Procurement is left to each individual government entity. At the central government level there is a fair degree of standardisation of procedures, for regional and local entities the picture is much more diverse. Detailed inquiries should be directed to the procuring entity.

Local preference: a large part of the contracts is awarded to locally based companies and procuring entities often include (after) service guarantees as one of the conditions. Access to the Japanese public procurement system requires a legal presence in Japan, whether it be a local trading partner a local legal representation with local staff. Japanese public procurement officials generally would describe the works/products/services they need only in terms of their own technical knowledge.

10.3 Sectors to follow-up in Japan

Due to its aging population, the Japanese Government has designated the health sector as a priority sector. In 2019, Japan's spending on prescription medicines was \$87 billion, making it the fourth market in the world after China, the US and the EU.¹ The EPA has added a number of crucial public health entities to the list of government entities covered by the EPA chapter on public procurement.²

In the **ICT** sector, **Japan announced an ambitious new policy towards creating a digital society** and economy with the creation of a new government agency, the [Digital Agency](#), established in 2021. It is expected to play a major role in the [procurement of IT](#) by the Japanese central government, for which a budget of 2.3 billion euro has been allocated. Furthermore, the EU and Japan have been jointly launching calls for project proposals addressing today's and tomorrow's challenges on ICT.

Recently, these calls also include solutions for "[Smart Cities](#)". Furthermore, the Japanese government has designated **green (economy) procurement** as a priority. The Green Procurement Act focuses on items in 22 fields, covering 282 items, such as computers, office furniture, mobile phones, air conditioning, lighting, etc. An overview is given in the "[Basic Policy on Promoting Green Procurement](#)", which is yearly updated.

Case study 8/8: Flemish SME with niche expertise allying with a Japanese keiretsu

A Flemish smart city company concluded a contract with the Japanese company NEC during the business mission. Even if this company is acting as a subcontractor for a project outside Japan (Philippines), this project is financed by the Japanese International Development Agency (JICA). JICA is not covered by the WTO regulated public procurement It only awards contracts to Japanese

¹ www.jetro.go.jp/en/invest/attractive_sectors/life_science

² On national level, it concerns the [Pharmaceutical and Medical Devices Agency](#) and the [Japan Community Healthcare Organization](#). On local level, prefectural hospitals and hospitals under the jurisdiction of designated cities are included in this list.



companies, but as a subcontractor (or having a local presence), you may indirectly/directly have access to the financing.

The same Flemish company is already negotiating a similar project, involving another head contractor (Alstom Japan). They had a meeting with JICA during the Goose mission enquiring on the opportunities through subcontracting. Moreover, another "Goose client", another smart city company from Flanders, is searching a way to get access to the JICA financial resources for a project in Bangladesh.

Note: for more detail on "keiretsu" go to <https://en.wikipedia.org/wiki/Keiretsu>

The initial impression that the Goose sectors matched the Japanese needs well, were further confirmed by the local European delegation and by the composition of our business delegation. The EU mentioned medical and research sectors and digital transformation as very promising sectors, proven by several new government initiatives.

Lots of opportunities in ICT, e-health, smart cities, and renewable energies. The local market for (offshore) wind energy is only in its initial stage, and the Japanese are clearly looking out for European knowhow. To the other side, offshore wind energy seems to be hard to develop because of the frequent earthquakes in Japan, and because of the rocky offshore bottom.

Within Goose's delegation of the 2024 Japan mission, **the focus was clearly on ICT, with some overlap with smart cities** (digitalization of city transport systems) and (e-)health. This was a perfect match with the tenders we had already published on the Goose website, and with the weekly overview of tenders sent to us by the public procurement service of the EU-Japan Center.

Japan produces highly technological hardware solutions but **is open to new solutions at the software and IT integration side**. Most government agencies invest in their own IT systems, and given the push for digitalization in bigger networks, it becomes problematic that those systems are not integrated. The "Digital Agency" was created as an advisory body to develop a common IT base for the whole government.

10.4 Tips for SMEs to access public projects in Japan

There are some ways to go around the **language problem**, but consider they are either insufficient in the long run or time consuming and costly:

- ✓ Use AI to translate texts, or add a translation widget into your browser (ok to inform yourself on the content of a tender, but insufficient when doing the paperwork, write the proposal or having contact with the procurement agency, ...),
- ✓ Hire the services of a translator (costly),
- ✓ Work through a local partner (takes time to identify, will raise the cost of your proposal, insufficient control over the business development process),
- ✓ Open an office in Japan and hire Japanese staff (both costly and time consuming).

Even if opening an office may be a large investment in money and time, it may be rewarding in the long term and certainly needed in the case of direct contracting for government tenders.

Make use of whatever information that is available in **English**, amongst others on:

- ✓ Guide for EU suppliers on Government Procurement in Japan - https://trade.ec.europa.eu/access-to-markets/en/countryassets/tradoc_159028.pdf



- ✓ EU-Japan Centre for Industrial Cooperation: Japan Tax & Public Procurement (JTTP) Helpdesk - <https://www.eu-japan.eu/government-procurement>
- ✓ MOFA: Government Procurement information - <https://www.mofa.go.jp/policy/economy/procurement/index.html>
- ✓ Chotatsu Portal: Search of Procurement Information - <https://www.p-portal.go.jp/pps-web-biz/UAA01/OAA0107>
- ✓ JETRO Government Procurement Database - <https://www.jetro.go.jp/en/database/procurement/>

Make use of local support structures: build on local knowledge - embassies, EU Delegation, the EU-Japan Centre for Industrial Cooperation. This accounts for both Business Supporting Organizations as for individual companies, although the former may have easier access in favour of a larger number of companies.

Make sure to register on the website of EU-Japan Centre for Industrial Cooperation. There is a lot of English language information public procurement, as well as sectoral reports on the Japanese companies. You can watch videos on the ways of doing business in Japan. Register for the weekly newsletter on public procurement opportunities – the centre will filter interesting tenders for EU companies and provide direct links to the websites of the procurement agencies.

Inform yourselves on the Japanese (business) culture. Whereas in a lot of countries this is a strong recommendation, in Japan it is a necessity if you want to deal with the government directly, or through a private partner.

During or after a meeting, **don't push for immediate decisions** – you will not get them, or worse, you might be labelled as impolite. Remind that every little detail of your proposal will be considered and discussed thoroughly within your potential partner company (“Kaizen”).

Think long term, as your partners in Japan also will do so.

Prepare your paperwork and register for being an official supplier in advance. Remember that public procurement is very centralized in Japan and that you will have to register at different procurement agencies and on multiple platforms. If you want to make use of e-procurement platforms, get an ID, and register for e-procurement. Get all your certificates, licenses, and qualifications well in time, if you wait until the opportunity rises, it often will be too late...

Have your relevant project references ready and have translations/summaries available in Japanese.

If possible, **try to be part of a delegation with support of your embassy or trade representation.** If the focus is on public procurement, don't miss the occasion. It's not easy to attract the attention of government agencies and relevant private partners, so if you want to present your technical solutions that are new to them, you may need some official support.

Also, consider that the **EU-Japan centre often organizes business missions to Japan** with relevance to public procurement.



11 Sector findings:

Here below we propose hints on the 29 segments within the four sectors GOOSE has covered the last 3 years. It is mostly based in GOOSE findings during the activities, and chiefly to the 5 business missions, and the 73 firms that have been part of them.

11.1 Smart cities

11.1.1 Smart buildings

- Positive feedback in niches such as control and monitoring of Health of buildings for Colombia and Chile
European solutions have an edge over cheaper options from, say, China, which are regarded as lower in performance.
Majority of market potential is B2B, with some options for B2B2G, i.e., accessing the public administration by partnering with a local firm, engineering and/or construction.
- In high-income countries such as Norway and Japan have potential only if solution is top-notch
Difficult competition with locally established engineering and construction firms.
In general, these two sectors “travel badly”, especially construction. Engineering is a niche to explore, particularly in Norway, less in Japan, but still cultural barriers to overcome: why the fuzz of contracting a new foreign supplier if local ones are state-of-the-art?
- Sustainable buildings have potential in Norway
Technologies using IoT, to improve energy efficiency, while wide range of Smart City projects in Oslo and beyond.
Private vs public: **most of demand is private**, yet more stringent public legislation can play a role in tracking new demand; yet, still to come.
Strategy: always consider partnering with locally established engineering/construction firms, in both middle-incomers and high-incomers.

11.1.2 Smart infrastructure

- Positive feedback for Colombia and Japan, in niches such as pollution measurement
One price fit all? In the case of the Catalan firm, there was no different pricing between markets so apart in development.
To consider the current devaluation of the Yen, which obligates European suppliers to ponder their more expensive products.
This is a showcase of how conventional products can be disrupted with new solutions that match them in reliability while reducing costs by a large margin.
It can thus help PA from middle-income countries to leapfrog current technology at a reasonable cost.
Albeit price is not much of a problem in affluent markets, Japan and specially Norway.
Private vs Public: can be both; public can also be accessed via minor contracts (direct procurement).



Strategy: unless market is large, the best option for starting SMEs is a local representative/distributor, and or partnering with incumbent firms.

To always consider gaining visibility within local public administration, via business missions, trade fairs, etc. Do not be shy.

11.1.3 Smart mobility

- Potential in middle-income markets with ambitious agenda in the Green transition, Chile and Colombia.
In areas such as EV-charging infrastructure, and where local supply-base is inexistent, but not without foreign competition.
- EV-bus fleets from the Rio Grande to Tierra del Fuego are almost being gained in toto by cheap Chinese suppliers
Battle lost? Not, because, beyond that, **made in Europe has an edge over Chinese low-cost options**, observed (rightly) as with lower performance levels.
Public vs private? Public administration can have an initiator role, but majority of demand is private.

Strategy: **make European solutions visible to public administration** for future specifications; partner with local distributors; aim at bidding; yet, to detect tenders activate local help.

11.2 Sector findings: ICT

In many countries ministries and agencies computer systems are still standalone, there may be a lot of potential to connect those systems.

E.g., in Japan, **the Digital Agency will centralize all ICT procurement**. The Agency is considered a forerunner in Japan in the field of modernization of public procurement, and thus a strong partner for the implementation of the public procurement chapter of the FTA. Health sector is in huge changes as AI comes more of a main talking point.

11.2.1 Cybersecurity

- Attacks are threatening financial intuitions in Chile and Colombia, companies, as well as governments

In 2022 Chile's Cybersecurity agency mentioned of an "(unnamed) government agency struggling with ransomware attack".

In this sense, to help the public administration face cyberattacks, the European ICT industry can partner with local firms, offering ad-hoc solutions to go after public tenders.

- In Serbia, public institutions need upgrading their physical assets.



They have a huge challenge in terms of running their institutions and programs under state-of-the-art software. GOOSE encourages IT firms to tap into this growing demand for renewed software and upgrades, such as in solutions to fight cyberattacks.

11.2.2 Software

- Significant projects concerning software upgrades in different areas in Colombia Such as in the Colombia's cadastre (financed by the World Bank). Albeit that was the case of a Catalan firm with already a foothold in the country.
- Colombia's vibrant ICT community may be eager to partner with European players looking for solutions to focus specific needs of the local market; granted, with the right price.
- Norway has shown need for new software developments, as well as Japan They are especially open to experience in systems that have proved their usefulness. Japan is realizing they cannot rely only in local ingenuity. For example, there are specific fields into which European firms can have an edge, supplying hardware in segments related to Mobility, Pollution, or Renewable energies.

11.2.3 IT Services

- Integration of systems, talking one language and crossing the barriers of every application is a common demand.

In many countries ministries and agencies computer systems are still standalone. There is a high potential to connect them.

In Japan needs of IT Services, such as related to the health or education sectors. Accounting with their own specificities, these fields may offer some potential for European firms.

- In Serbia there is room for participation of European players in public projects demanding specialized IT services

Serbia has a plethora of foreign multinationals, especially in and around the capital. There is good human capital locally, albeit the brain drain is a reality, especially in highly qualified sectors such as ICT. This equates in many of its neighbours.

- In Vietnam, there are opportunities for digital transformation

According to World Bank data, the digital sector in Vietnam has expanded by 10 percent per year and could reach over \$200 billion by 2045; big numbers, compared to the size of Vietnam's GDP, which was nearly \$352 billion last year. Specific opportunities are in **data usage/sharing, digitalisation** in local government. It is estimated that ICT as category constituted 11 % of public procurement on state level.



11.3 Sector findings: Smart health

11.3.1 Hospitals

- Lack of local experience and expertise presented opportunities for GOOSE companies in Vietnam.

Emphasis on implementation of modern and high-tech solutions in Hospitals and health system in general.

- In Chile and Colombia telemedicine may play a relevant role to extend health coverage

Both countries, needing to extend health coverage, have already plans for new supply of hospitals and primary healthcare centres; however, to attain universal coverage, gains in efficiency and efficacy need to be achieved via new technology, and with innovative solutions. Such as, for example, Telemedicine, which has plenty of innovation made in the EU.

European players can find business at the public and private side. New solutions to provide may be presented to PA via trade fairs or business missions.

- In affluent markets, such as Norway and Japan, opportunities for innovative products and services

Related to medical devices, operating room equipment, medical imaging, medical furniture, patient monitoring systems, transport, and logistics systems.

Strategy: although market is public oriented, potential partners are within private area. Especially in ICT sector. Great opportunity in finding local partners as entrance to the market.

11.3.2 Improving process and paperwork

- Lower and middle-income markets (LIM) present more interest and opportunities.

High-income markets possess strong local competition – somewhat protected, especially in private sector.

LIM – in need of high-tech solutions on regional and national level. Partnership opportunities.

Public procurement market protected in all locations.

Strategy: entrance through partnership with strong local representatives on public arena, with opportunities for sole approach towards private market



11.4 Sector findings: Green economy

11.4.1 Green procurement

One should make a distinction between the overall implementation of green (sustainable) guidelines in public procurement in general -part of what is labelled as “strategic procurement- and public procurement of infrastructure, technology and services around the different topics within the Green economy, such as Water, Waste, Renewable energies, Natural resources, etc.

Although multilateral development banks were frontrunners in the development of **environmental and social guidelines**, nowadays multiple examples can be found of local governments integrating the same principles in their public procurement regulations and guidelines.

Case study 9/9: Vietnamese Green Growth Strategy (2021)

On October 19th, 2021, the Vietnamese government published its “National Green Growth Strategy for 2021-2030, vision towards 2050” (Decision No. 1658/QĐ-TTg). This document describes the guiding viewpoints and formulates detailed targets on how to obtain a greener economy, and on the role of the government in this process.

Quantitative targets are set out for 2030, as well as for 2050 as follows: The rate of green public procurement reaches at least 35% of the total public procurement in 2030; and at least 50% of the total public procurement in 2050. Numerous examples are given throughout the document of what green public procurement should consist of:

- Transport: obligation to buy green public transport systems and to obtain a certain percentage of buses that use clean energy by 2030/2050.
- Smart urban: orientation towards sustainable smart urban areas.
- Water quality: access to clean water sanitation for 90% of the population by 2050.
- Waste treatment: collection and treatment of municipal solid waste in compliance with the regulated standards.
- Promoting green consumption: “Promote green consumption and purchases through energy labelling, ecolabelling, green labelling ... programs; step up green public procurement and continue to effectively utilize economic tools to adjust consumption behaviour.

Ministries are informed how they may greenify their sector through public procurement , e.g. Ministry of Transport by formulating and organising the implementation of national programs and schemes for the development of environmentally friendly vehicles and public transport systems, which includes electric vehicles; developing green logistics centres and green ports; applying new technologies and new forms of energy to replace traditional energy for transportation vehicles and equipment; studying and applying digital technologies in order to optimize the management and operation of traffic infrastructure and transportation activities, ensuring safe and smooth traffic flows in addition to reducing energy consumption.”

All potential suppliers to the Vietnamese government should be aware of those environmental and social targets and conditions and the way and the extent to which they are implemented and offer “green economic” opportunities.

Whether tendering at home, within the European Union or outside its borders, businesses must be aware of these issues. Sustainability strategies or offerings, such as circular economy,



environmental & climate friendliness and social advancement may create an advantage for European businesses in the global public procurement arena. For example, as green procurement is now a prominent feature of the EU public procurement landscape, European businesses may now have a competitive advantage over international or local competitors in other countries.

Closely linked to the concept of green procurement is the concept of life cycle assessment.

It is often stated that ecolabels are based on life cycle assessments, or that they consider the negative impacts on the environment at every moment of the life cycle of a product.

11.4.2 Water & waste treatment; circular economy

- Flood control is essential in Colombia and Chile, as heavy rains frequently cause landslides
Colombia has pending investment in **sewage and water** treatment infrastructure, around the country, especially in the remotest cities and towns. European firms can position their technology and solutions within already established local players;
In **Chile**, there's a surge to upgrade **solid waste** management infrastructure, including waste2energy processing facilities, improving recycling, reducing landfill, etc.
Also in **Chile**, there's a pipeline of projects for the public watering systems, and for waste treatment. A lot of the projects are handled by concessioners, so European suppliers should try to partner with them.
- Circular economy is highly promoted in Norway
The government will promote a development pathway in which the use of circular solutions within the bio-based sectors. This may mean opportunities for European firms offering advanced solutions in circularity.
- Many Water-related projects in Serbia, with a big push from multilateral donors
The multilateral development banks finance a number of projects for monitoring the quality of river water and the construction of water treatment plants, (e.g., currently open tender for concession (design and construction of water treatment plant Krnjaca).

11.4.3 Renewable energy & energy efficiency

- Together with its Nordic neighbours, Norway is ahead in renewable energy, green technologies and the use of sustainable resources
This means the potential for supplying to the Norwegian government is only in specific niches, especially for those firms with top-notch expertise and solutions.
- **Since February 2021, Chile has been implementing its first [Energy Efficiency Law](#),**
It seeks to make rational and efficient use of resources and covers practically all energy consumption in the country: in transportation, Industry and mining, residential buildings, and public infrastructure.
- Japan has a necessity to move away from fossil fuels and nuclear, which at present account for 4/5 of the energy mix, overall.
Accordingly, concessions for new **renewable energies'** projects are on the rise in **Japan**. Wind energy seems to be considered as a "*strategic sector*" and the bidding for concessions is not



part of the FTA between EU and Japan. If European companies want to move into this sector, they must find a local partner. In the end, they probably will have to find entry to one of the big consortia (“keiretsu’s”), such as Mitsubishi.

The development of offshore wind energy seems to be complicated, as the sea bottom is very rocky and frequent earthquakes are a challenge to the stability of the offshore platforms.

- Serbia has up to 40% of its energy capacity from Renewable sources, yet only 6% is from non-conventional RE, such as Wind, PHV and Biomass

Considering the rest is from Coal, the country needs to urgently invest in its stock of renewable sources, also to cope with the current plans on electromobility, in cities such as Belgrade or Novi Sad.

11.4.4 Clean transportation

- In Chile, Colombia, and Serbia there are many initiatives towards a more efficient Clean transportation

In Serbia, there is a strong push to renovate the country's crumbling transport infrastructure, including with the help from multilateral donors. An example is the World Bank financed project “Reconstruction and Modernization of Existing Railway Line and Construction of the Second Track Railway Belgrade-Nis”.



12 Recommendations to firms

- **Out of >500 firms/entities involved, including the 74 participating in GOOSE's 5 Business missions, majority are either suppliers or partners: B2B2G rather than B2G**

- **SMEs are somehow reluctant to bid to public tenders, at the local/national level, and even more at the EU level and even more in third countries (outside of the EU)**

This being one of the stones bumps on the road for the full realization of the EU's single market. Here it is worth quoting the Court of Auditors' "Special report 28/2023: Public procurement in the EU – Less competition for contracts awarded for works, goods and services in the 10 years up to 2021" (available here <https://www.eca.europa.eu/en/publications?ref=SR-2023-28>).

Amongst the report's conclusions are

- The level of competition for public contracts to deliver works, goods and services, decreased over the past 10 years in the EU single market.
 - There is a lack of awareness for competition as prerequisite for value for money procurements.
 - Commission and member states have not made systematic use of data available to identify the root causes of limited competition, they took only scattered actions to reduce obstacles to competition in public procurement.
 - The report also proposes a set of recommendations, to which GOOSE has gotten inspiration for the EU's strategy to foster more SMEs participating in third markets.
- **If you are a SME eager to contest public projects worldwide, consider countries with which the EU has included public procurement in its trade agreements.**

As well, consider those that are parties of the Government Procurement Agreement of the WTO.

The bottom line is that these countries have a commitment to open up their public procurement markets. Yet, the caveat is that from paper to reality, there is a huge gap.

Additionally, note that for SME there are many more barriers than the legalistic ones, for which medium/larger firms, on a similar pattern than in national markets, can make the most of these agreements.

- **An SME strategy to access a specific market will highly depend on the type of product**
You should consider different strategies if your solution is a product/technology or a service
- **Goods and technology that can be packed and shipped have an easier access to third-countries than services**

Technical features, price, and shipping/logistic modes can be wrapped up easily and translated to any a potential buyer; they can also be explained with the blink of an eye.

This also serves for foreign PA, which can easily assess what a new entrant proposes vis-à-vis the current proposals.

European firms can also propose their products to be tested by PAs, and/or, depending on the price, PA can acquire a new product by direct purchase, a much simpler procedure than public open tenders.

Therefore, to gain access to a specific market you may opt using local distributors, or international ones with a foothold in the market.



Be aware that you may need to open a local TA office if you are awarded a tender that requires maintenance and technical service within a short time frame, so you may want to open it beforehand, to anticipate this need.

- **Most services have inherently a human nature, even at the technical side, which may hinder their “exportability”**
Local barriers may increase in comparison to when dealing with physical goods. For instance, you may need to explain the benefits of your solutions in a different cultural environment. Think about explaining your innovative solution in, say, smart building to Norwegian public buyers, or even worse, to Japanese ones.
Considering this, simplify your selling points, and adapt them to what you foresee will be winning assets. Prepare your pitch beforehand, consciously, and learn from the ones you keep on doing while exploring the market.
Most possibly you will need time and resources, a sound strategy, and a clear top-down direction. You will need to prioritize markets, to learn from the experience.
You will also need to be flexible, for leads may appear in markets you did not consider beforehand.
- **On the other side, ICT related services can be packed and shipped with just one click**
ICT based firms, in all 4 sectors, can benefit from the ubiquity of the digital world, and offer their solutions remotely from their European HQs
Most possibly, you will still need to run business development on site, while you will be able to run your business from your home base.
In principle, Partnership or Comprehensive trade agreements, as those valid by our target markets, for a European firm to bid to a local public tender in, say, Chile or Colombia, do not require the company to establish a footing in the country, unless explicitly stated by the tender (e.g., for maintenance and TA purposes).
- **Think about being subcontracted to local champions, or to middle/large European SMEs with activities in the country**
This is like the single bullet to access public projects in third countries, as all hassle involved in public procurement is handled by the large firm, which has already the muscle to overcome them; dedicated staff, financial and technical capabilities, to face tender requirements, knowledge of the local PA ecosystem, financial capacity to face guarantees and public projects tempos, etc.
- **BSO should try to concentrate on specific strategic sectors to promote a wider integration of local and European bidders**
E.g., health equipment & medicines in Japan: high share of foreign suppliers
- **Joint approach towards selected markets – not as a single bidder but through EU SME consortia with stronger references and track record**
Enable this kind of approach through EU facilitation (digital formation of consortia on identified opportunities, etc.)
- **B2G markets are usually one amongst the many to consider, yet they can give you a grasp of what the country offers**
Public projects are transparent, and most often ministries are extrovert in their plans, in terms of investment, challenges, steps ahead, etc.



These will give you inputs for your business intelligence, and development; however, the caveat is that the saying that “words are easier said than done” is specially indicated to the public administration: public project plans face the crude reality of scarcity of financing, weak execution capacity, staff rotation (including ministers and top cadres), etc.

- **Unless firm has enough brand clout, bidding directly can look like playing the lottery**
You may play your luck, yet, as suggested above, success is virtually impossible without foothold in the ground – either establishing a local office or by partnering with local companies / experts (with solid local presence).
- **To position yourself, use all the outlets you have available, your BSO of choice, business missions, EU platforms, trade fairs**
In this sense, consider that the clout that a BSO gives to your firm can hardly be matched by you alone knocking the doors local firms and institutions: it will give you the extra push to set business meetings for future business development.



13 Recommendations to the Commission's strategy to third countries' public procurement

Specifically for Colombia

- Domestic preference is a fact, albeit for large tenders and/or related to Technology with value added, PA tends to be more open to foreign firms. Therefore, **tenders which demand highly specialized solutions could be fields to explore:**
- According to GOOSE there should be **more dialogue between EU and Colombian parties** on regards of benefiting from the public procurement liberation clauses within the mentioned agreement. Dialogue to address specific issues, to set pilot areas where there is real openness to European SMEs, to set indicators, to follow them up.
- As with the case of Chile, GOOSE believes both countries can be a **testbed that agreements on paper are materialized by real achievements**. Chile's agreement has already crossed the 2 decades, with another one in sight of being implemented soon, while Colombia's has already more than 10 years. This should be time enough to show results, if there is true commitment from both sides; beyond the papers signed, there should be an eagerness to move forward and attain real results.
- For that purpose, **GOOSE recommends defining a limited range of sectors/segments** within Colombia's large myriad of public procurement to use as testbeds for this strategy.
- For example, the **sectors within GOOSE's range have shown potential** in terms of European firms participating in Colombia's public projects. Some of the 29 segments could be picked up to ask the Colombian institutions to commit to a real openness to foreign (i.e., European) players. To name but a few: Solid waste; Water related; Smart mobility; Telemedicine, or IT services.
- GOOSE would also recommend **picking up specific levels of the whole public administration**, specifically those more deemed to be open to work with European players. In this administration at the state level, or in institutions such as Findeter, or the top municipalities, should be prioritized.
- **Explicit institutions of Colombia's PA administration may also receive extra training** by ad-hoc programmes funded by the EC (EU Delegation in the country, or the EEN networks), to help them visualize the benefits of opening up to foreign competition (which we intend should be from the EU).

Specifically for Chile

- In 2017, the EU and Chile agreed to modernise the 2002 Association Agreement and replace it with a **new-generation agreement that reinforces and deepens their bilateral relationship**. The negotiations between the EU and Chile reached their political conclusion in Brussels on 9 December 2022 (available here: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/chile/eu-chile-agreement/text-agreement_en)



- GOOSE has analysed the Association agreement between the EU and Chile, in vigour since 2003.
In particular, Title IV on Government procurement (from page 44 until page 52, available here: https://eur-lex.europa.eu/resource.html?uri=cellar:f83a503c-fa20-4b3a-9535-f1074175eaf0.0004.02/DOC_2&format=PDF)
It is a comprehensive agreement with far-reaching purposes beyond the traditional quid pro quo in opening up the tradeable sectors (i.e. manufactures, agroindustry, and so on).
- GOOSE's country desk for Chile has analysed it, with the following comments on some clauses/articles we deem relevant, especially after our experience in the country (during and before GOOSE).
- Article 144, on "Selective tendering", page 45, it states:" In selective tendering, entities may limit the number of qualified suppliers they will invite to tender, consistent with the efficient operation of the procurement process, provided that they select the maximum number of domestic suppliers and suppliers of the other Party, and that they make the selection in a fair and non-discriminatory manner and on the basis of the criteria indicated in the notice of intended procurement or in tender documents."
Albeit this is good on paper, it seems unfeasible that any a Chilean public administration seeks an equivalent group of European firms to balance those based locally.
In fact, PA do not have the tools for it; therefore, GOOSE believes the EU should promote a real access of European suppliers, and to assure commitment by the Chilean side that they really aim at considering European players on an equal basis.
On a similar pattern as with Colombia, GOOSE **proposes to pick up specific segments to use them as testbeds for this strategy**. they do not need to be many, but possibly those at the high-end of technology/solutions.
- In article 146, on "Qualification of suppliers", page 46: "2. In the process of qualifying suppliers, **entities shall not discriminate between domestic suppliers and suppliers of the other Party**. 3. A Party shall not impose the condition that, for a supplier to participate in a procurement, the supplier has previously been awarded one or more contracts by an entity of that Party or that the supplier has prior work experience in the territory of the other party". This is key, yet it seems that is not the case in many instances.
- In article 147, "Publication of notices", page 47: "Each Party shall encourage its entities to **publish as early as possible in each fiscal year, a notice of planned procurement** containing information regarding entities' future procurement plans. Such notice should include the subject matter of the procurement and the planned date of the publication of the notice of intended procurement."
This is less common in Chile than it would be advisable. GOOSE recommends TA from European institutions on targeted Chilean counterparts, to give them the tools **to organize their procurement plans with a horizon of 12-24M**.
- Article 150 on "Time limits", page 48: "All time-limits established by the entities for the receipt of tenders and requests to participate shall be adequate to allow suppliers of the other Party, as well as domestic suppliers, to prepare and to submit tenders, and where appropriate, requests for participation or applications for..."



GOOSE has observed red that this is not always the case, with time limits that hinder Europeans participating, at least from their European HQs.

- In the same line as for Colombia, we suggest **organizing trainings to selected bodies of Chile's PA**, to illustrate the benefits of a real openness to foreign bidders, in terms that a larger supply base is only beneficiary to the buyer, via better foreign products or improved local ones, as result of the international competition.

Specifically for Vietnam

- The Free Trade Agreement between the European Union and Vietnam has opened the door (on paper) for EU SMEs looking for public tendering opportunities in Vietnam. Without the FTA, the practical potential for EU SMEs in the public tender market would be minimal.
- The FTA therefore needs to be seen more of a 'necessity' for these opportunities than simply an 'advantage'. We would describe the approach of the EU as a multipart strategy. First, agreements like the FTA provide the necessary framework to access the tenders. Other aspects of the FTA, like reduced tariffs for goods of preferential origin, allow EU companies to set up competitive logistical chains and place their goods on the Vietnamese market without a major price disadvantage, especially for non-bulk specialised goods.
- In short, the **FTA evens the playing field** somewhat for EU companies and reduces some of the competitive disadvantages they experience. Non-legislative disadvantages like lack of local connections, the language barrier and familiarity with the Vietnamese business culture can be ameliorated with thorough preparation or local partners. The second part of the EU strategy to open public procurement projects in Vietnam ties into these softer barriers of entry.
- **Missions like the Goose mission give EU SMEs an opportunity to gain invaluable experience and connections** which are essential to practically execute public procurement projects. The opportunity to go on a 'low barrier of entry' physical mission is often not available to the average SME without the support of EU projects like Goose.
- We should also not underestimate the additional **prestige of an 'EU mission'** brings to the table and the doors which are opened for EU consortia which otherwise might have remained closed for a single country. Vietnamese businesses clearly see potential in cooperation with EU companies both domestically and internationally.
- To summarize; the EU strategy to open the Vietnamese public procurement market can be split into **three aspects supporting EU SMEs**. First, the **FTA** which opens the market, makes public procurement a viable option for EU SMEs and alleviates trade barriers to compete. Secondly, **physical missions** and other concrete initiatives in support of SMEs, which lower the barrier of entry and make sure SMEs gain access to the local contacts they need to make public procurement projects happen.
- Finally, the **prestige and allure of the EU** market gets EU SMEs in the room, even for partners or projects which would otherwise be hard to access. The potential of a mutually beneficial deal in which the Vietnamese partner can count on the EU SME as a local EU partner is an enticing reason for some VN stakeholders to start negotiations. Additionally, **EU SMEs can**



access several supporting agencies and other EU financial stakeholders which can boost the perceived potential in the eyes of Vietnamese tendering authorities and other partners.

- GOOSE mission marked a pivotal effort to enhance the transparency and accessibility of public procurement in Vietnam for companies. It served as a crucial step, facilitating participants in familiarizing themselves with key stakeholders and gaining early access to essential aspects of public tenders. However, for EU enterprises to secure a foothold in Vietnam's public market will necessitate ongoing investment and persistence. Continued efforts will be vital in navigating the complexities of the procurement processes and fostering long-term engagement.

Recommendations concerning EU's trade agreements with third countries

On a more general basis, and to wrap up GOOSE's learnings in the 6 markets in target, while, at the same time, taking inspiration from the mentioned report from the EU's Court of Auditors (available here: https://www.eca.europa.eu/ECAPublications/SR-2023-28/SR-2023-28_EN.pdf), **we would like to conclude with 10 ideas to make the most of the EU's trade agreements including public procurement:**

1. Formulate and prioritise fewer, but clearer and more measurable objectives

Do not deal with foreign administrations in toto, select those institutions within the target countries that are best fit to work on an equal basis, with the best staff, profiles really aiming at raising the country's public procurement's efficiency and efficacy.

2. Create a join database, together with the other parties, including a Scoreboard

To follow up and to monitor progresses of SMEs accessing public projects in each other jurisdictions. Pick up clear indicators, objectives, and an easy way to report to the two parties. Although GOOSE and COSME's call 6 sister projects have given an excellent overview on the current state of European SMEs accessing third-markets' public projects, yet, having a database with clear indicators will offer the European commission a sound overview on the real openness of a country's public procurement.

The Scoreboard could be in the same line as the EU's [Access to public procurement | Single Market Scoreboard \(europa.eu\)](https://ec.europa.eu/economy_finance/scoreboard), although possibly adapted to the different reality.

Some of the features of the database is that, for example, in the focused sectors/segments, single bidding or tenders with 3 or fewer bids should be considered as a red flag that there is a problem to address for that specific institution.

3. Start working under a more detailed approach with those countries with 10+ years of the agreement in force

As mentioned before, Norway and Chile should be prime targets, with 20+ years of the respective agreements, whilst Colombia and Serbia should follow, with 10+.

4. Use available tools and institutions, such as the EEN networks in third countries

To monitor, follow-up, and to promote substantial cross-border tendering, local institutions could be given a higher role, possibly with indicators and activities to follow in the matter.

5. Create the mechanisms to tackle and overcome key obstacles



Give European SMEs the tools to elevate complains; brief with the companies, and act accordingly, using, for example, bilateral commissions created ad-hoc to elevate their issues and to find out solutions, together with the partner countries.

6. Foster exchanges of best practices with foreign PA

Again, pick up those institutions with more commitment, resources, and elaborate a 2–4-year plan to train them on the best lessons learned to implement for better more efficient public procurement.

Think of the wealth of data and institutions that the many EU jurisdictions can offer.

Use incentives, such as prizes and recognitions, to those instances of your partner's PA that show commitment towards a real openness to foreign players.

Those local institutions with a better approach may also be prone to share information at the "planning" stage; this market intelligence could be share by the shared platform mentioned above, or by a TED + upgrade.

Another field with ample opportunities is to promote more "strategic procurement" in the partner countries, related to environmental, social, or innovative issues.

Another idea to implement in this sense is to promote mobility between administrations: i.e., PA from EU member states working within the partner countries' selected PA, and vice versa. It is also interesting professionalizing PP practitioners, in the same line as for the case of Croatia (see page 46 of the Court of Auditors report), in which a mandatory public procurement certification system has been set up.

7. Why not integrating the countries under EPA-GPA in a TED+ platform?

This could enhance European SMEs accessing a wealth of tenders from the partner countries; it would also give those partner countries' institutions a clearer path to gain access to (potential) foreign suppliers.

Of course, it will only include tenders above the set threshold, of between 150 and 200,000 €, depending on the country. Yet, this will already be a start to integrating the market intelligence that an open public tender database provides.

Note that in the case of Norway, public tenders are already shared via TED, as well as some of Serbia's.

8. For a real commitment, why not lowering the bar of the thresholds?

It is open to discussion if they are low or high; according to GOOSE, they are indeed too high: take Norway, where the new threshold for tenders to fall under the EEA has been increased to 1,4 million NOK, which equals to 131,000 € approx. granted, this is below Colombia's, for example (180,000 €), yet, according to our sources most procurement conducted in Norway falls well below this threshold of 1,4 million NOK, or 131,000 €.

If lowering the bar is too much of an issue, at least open the floor that specific instances of the third countries' PA are free to open up tenders below the given thresholds.

9. Truth being said, partner countries may tell the commission to first tackle Europe's Single market issues with public procurement

We already mentioned the not so positive note from the Court of Auditors' report, regarding the low level of realization of a "single market in public procurement".

Accordingly, foreign PA may, cynically or not, pinpoint to it when asked to improve matters in terms of opening their respective public procurement to European companies.



10. Nevertheless, a push towards a better integration in terms of public procurement between the EU and third countries is needed

GOOSE intends that it benefits all parties. We also believe that the European project, for all its imperfections, is the example of successful economic integration, a unique rare case that has successfully achieved the miracle of the single market. Therefore, the European Commission has the legitimacy, and the responsibility as well, to foster real economic integration with targeted parties; granted, including the chapter of public procurement.



14 Recommendations for an eventual new call to tackle public procurement

- **GOOSE would like to propose a unique centralized Platform, also for Tender tracking**

As we already suggested in report 4.2, GOOSE deems it crucial to centralize the business intelligence of different projects such as in the current call.

A European-wide platform (potentially under EEN/EISMEA), will be more efficient than a standalone website for each partner. This will clearly attract a larger base of interested parties, either firms or entities, than the aggregated of each project's website.

Albeit it may need stronger coordination, we believe that by having a clear set of goals, worked by qualified consortia, and led by professional BSO, then it should not be a hard deal.

While each consortium may have a dedicated section, there are tools that we have shared and that could be sharing content, such as tender tracking, in which clearly the more countries under focus, the merrier; library, in which to retrieve material for business intelligence, as well as podcasts and videos.

Additionally, by setting up the projects this way the different consortia could have a healthy competition, in terms of business alerts detected, or the quality of the informative material.

These are just ideas that could be explored further in future calls.

Additional benefits of such a platform/portal: continuity of activities; avoiding having different organisations doing the same work in parallel, avoiding dead-end websites, with a bunch of information being lost; more visibility; and uniformity of content; in parallel the European brand could be better sold and promoted; finally, a consolidated website would greatly benefit the ease of use and accessibility for SMEs.

This integration of different business intelligence and tools into a single unique official EU/EC web network will imply higher visibility and sustainability of the different projects.

As stated before, by joining forces between different projects the usefulness of the single portal would grow exponentially; for instance, instead of 6 markets available from GOOSE, they would be accessing business intelligence from all the 6 sister projects.

By doing this, the portal's users will be given access to a considerable critical mass of wealth of information, for up to 15 markets, some of which with 2 or 3 projects working on them, as highlighted here below:

1. Israel
2. Taiwan
3. Singapore
4. Vietnam
5. Canada, with 3 sister projects targeting it
6. Colombia, with 2 sister projects targeting it
7. Switzerland
8. Ukraine, 2 projects targeting it
9. USA, 2 projects targeting it
10. Japan, 2 projects targeting it
11. Moldova
12. Serbia, 2 projects targeting it
13. Chile



14. Norway
15. Vietnam

This centralized platform, and its eventual Tender tracking tool, may possibly add a feature of “partnerships”, thus promoting the interaction between European suppliers and their potential peers in the third markets, such as local firms eager to partner with European companies, to subcontract to them, to go after upcoming tenders, etc.

- **Open-up specific "test areas" within third countries, for consortia to concentrate on**
Rather than targeting a whole national public procurement market, suggest specific institutions and/or sectors to target as testbeds on how public projects are accessible to foreign firms.
- **More interaction between BSOs implementing projects and EU's trade officers**
This has nothing to do with the interaction between this consortium and EISMEA, which has been excellent. Here we refer to having a direct line between the project and the European Commission related bodies, such as DG TRADE and DG GROW. We believe it will be functional including during the implementation of projects; the possibility to give projects a more "official" nature will grant them better recognition from third countries' public administrations. This will possibly translate into better engagement with local actors, as well as even more credibility vis-a-vis firms participating (considering that we are testing frontier areas of European policies).
- **A unified platform for CRM EU-wide would help tracking firms engaged**
One of the challenges of such a multinational project as GOOSE is to do follow up on the firms engaging in the activities-. Consider for that the 4 different “business jurisdictions”, most of the times joining forces, providing centralized services in the target markets, to companies from the 4 corners, but yet being blind on these companies' overall. With a unified platform you will have instant communication, transparency, and operability. A unified platform, in which BSOs could upload their interactions with firms, would help the coordination with stakeholders' accountability, as well as will have further benefits in terms of final reporting. This unified platform could be integrated in existing initiatives from EISMA, EEN, etc.
- **All in all, GOOSE is aware that “competition” between projects is essentially fruitful**
We are well aware of the benefits of a healthy competition; in fact, we have liked comparing which project has engaged more firms, or which one has had better results in terms of leads and business achieved; granted this is non-other than positive. Yet, together with this constructive competition, there are worthy areas to explore of collaboration, and joining forces.
- **Planning joint activities between different projects of the same call, such as a BSC**
We believe that, given the inherent similarity of approach of some projects, the fact that we share Albeit the Balanced Scorecard was only half done by GOOSE, due to the factors already mentioned, we believe it could be a useful tool for SMEs. If only it were to be built by different consortia, thus benefiting with a wider reach of inputs, building up a comprehensive self-assessing tool for SMEs eager to explore public opportunities, within the EU and beyond.



- **More flexibility to project leader, the one who assumes most of the responsibility**
This may refer to giving the PL sufficient discretionary powers, and room for manoeuvre also vis-à-vis partners.
In pilot projects, such as the current call, more room for manoeuvre may refer to, according to circumstances, to be able to work with a minimum 2 partners, not the 3 requested.
Additionally, most problems could better be solved on the go, such as when staff from BSO outside of HQs needs to be involved in specific activities: flexibility, including from financing side of EISMEA.
 - **A higher budget would make for a better positioning European firms in third-countries**
In the case of GOOSE, roughly 400K for 4 partners for 3 years limits scope and reach of a project, GOOSE understand that budgets are, by definition, constrained, yet, in the case of this call, a higher one would have helped for more implication for staff, repeat business missions to followup on leads, better engage local institutions, coordinate activities between sister projects, etc.
-