EuropaBio Response to the Call for Evidence on the evaluation of the Public Procurement Directives

EuropaBio, the industry association for biotechnology in Europe, welcomes the opportunity to contribute to the evaluation of the public procurement Directive 2014/24/EU.

Biotechnologies play an essential and significant role for the delivery of EU goals for competitive, healthy, resilient and sustainable economies and societies. While public procurement can contribute towards stimulating the uptake of innovative biotechnology products as well as upscaling biomanufacturing processes, it should be adapted across sectors. To support a targeted approach, specific considerations for the healthcare and industrial biotechnology sectors are outlined below.

Supporting the market expansion of bio-based products with public procurement

In biotech applications across sectors including agri-food, consumer products, chemicals and plastics, public procurement could be used as a pulling measure to support market expansion, looking to existing programmes worldwide such as the USDA "Biopreferred" programme[1] for inspiration. This programme establishes minimum bio-based content targets for determined categories of products. The system is based on a self-certification system and information is publicly accessible. By ensuring the necessary market conditions for companies to drive significant investment in the EU, public procurement can also be used to achieve the EU objectives of health resilience and greener manufacturing.

It is also crucial that public procurement provisions are coherent across existing legislations. For example, the EU Net-Zero Industry Act includes provisions for sustainability and resilience contribution in public procurement procedures. Other examples include the need for coherent product environmental footprint methodologies applied across legislation to account for biogenic carbon and level the playing field with fossil-based products. More generally, the use of Innovation Partnerships for biotechnology and biomanufacturing innovation should be further promoted.

EuropaBio recommends the following changes to public procurement provisions:

- Strengthen provisions and accompanying guidelines to give SMEs greater access to public procurement by reducing the cost and/or burden of participating, including by ensuring contract size is not an obstacle, giving sufficient time to prepare bids, ensuring timely

[1] https://www.biopreferred.gov/BioPreferred/faces/pages/AboutBioPreferred.xhtml

payments, setting proportionate qualification and economic criteria, and dividing contracts into lots.

- Review procurement guidelines to introduce the Most Economically Advantageous Tender (MEAT) criteria to ensure the value recognition of biotechnology innovation, including the biomanufacturing process.
- Set out guidelines on "buying innovative" adapted to the procurement of innovative products.
    - For bio-based products and biotech applications outside of healthcare, expand the scope of public procurement to cover both sustainable public procurement and green public procurement.

A triple win for healthcare: Fit-for-purpose public procurement

Implementation of fit-for-purpose procurement rules can deliver a triple win including for patients' access to innovative biotech medicines, for industry's capacity to innovate, and for Member States' ability to improve the value and effectiveness of healthcare spending. In a polarized geopolitical landscape, EuropaBio believes that changes to procurement criteria should only be introduced following meaningful discussions between public authorities and industry experts. These discussions should duly consider the EU's position in global innovative pharmaceutical value chains and its leadership potential in biotech. EuropaBio recommends the following:

- Strengthen provisions and accompanying guidelines to give SMEs greater access to public procurement in line with the recommendations in the previous section.
- Set out guidelines on "buying innovative" adapted to the procurement of innovative biotech therapies that reflect their unique characteristics and therapeutic values, including:
    - Multi-disciplinary approach by involving clinical experts, health economists, and patients in developing technical tender criteria
    - Homogeneity of tendering lots by avoiding bundling of on- and off-patent biological medicines
    - Competition by guaranteeing fair competition between all potential suppliers, avoiding discrimination against originator manufacturers, and foster the participation of SMEs
    - Transparency by ensuring clarity on eligibility criteria and decision-making process for the award, including the weight of each criterion for the tender
    - Value-based criteria, inspired by MEAT, to fully consider the value of biological medicines, including life-cycle costs and quality consideration, as well as societal, environmental, resilience criteria and beyond immediate cost considerations.