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## **“Supporting European SMEs in the field of circular economy to participate in public procurement in Eastern Countries” (P2GreenEST)**

### **Deliverable 2.3**

#### **SMEs cross-regional SWOT analysis**



**COS-PPOUT-2020-2-03**



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**Project:** “Supporting EU SMEs in the field of circular economy to participate in public procurement in Eastern Countries” (P2Green EST)

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## Table of Acronyms

Acronym	Description
SWOT	Strengths, Weaknesses, Opportunities, and Threats
EU	European Union
SMEs	Small and medium-sized enterprises
PP	Public Procurement / Public procurers
BSOs	Business Support Organisations
B2B	Business to Business
B2P	Business to Procurers
FADE	Asturian Federation of Entrepreneurs
CCI RM	Chamber of Commerce and Industry of the Republic of Moldova
CCI	Chamber of Commerce and Industry



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## Executive abstract

The internationalisation of companies through their participation in international public tenders continues to be a minority for European SMEs. Moreover, when it comes to participating in tenders in non-EU countries, the barriers are even higher, and participation is drastically reduced.

Eastern countries, such as Moldova and Ukraine, present interesting business opportunities in the field of the circular economy, in sectors such as energy, water and waste management, where European SMEs have a wealth of experience and know-how.

Having detected this situation, the P2GreenEST project, co-financed by the COSME programme of the European Commission, was launched. The project is aiming at developing Business Support Organisations' (BSOs) and clusters' capacities to support EU innovative green SMEs' internationalisation and participation in public procurement in Eastern non-EU countries, especially in Moldova and Ukraine and in the sectors mentioned above: energy, water, and waste management.

With the main objective of orienting the project towards the success of the SMEs, a market study and this cross-regional SWOT analysis were carried out.

With this SWOT analysis, the P2GreenEST project partners have tried to analyse the main strengths, weaknesses, opportunities, and threats that SMEs would face when participating in a tender in Eastern non-EU countries. For this purpose, we have developed a questionnaire that we translated into the different languages of the participating SMEs, and we have conducted several interviews with business organisations, clusters, and experts in international public tenders.

A total of 51 SMEs participated in our questionnaire and the surveyed organisations represent more than 900 SMEs in total. The sectors of activity of most of the SMEs surveyed were energy, water, engineering, and biomass. 71% of interviewed SMEs had participated in a bidding process before, most of them in a European country. In addition, among the SMEs that participated in tenders, 71.4% of them were successful in these processes, however, 38% of SMEs stated that they are not used to seeking tenders. Among the main reasons SMEs highlighted for participating in tenders in Eastern countries were the search for new market opportunities and the possibility to launch a new product or service there. In addition, 53% of SMEs saw themselves able to participate in tenders without problems, while 39% thought they might encounter problems, and only 8% of them did not think they were ready.

After analysing the results of the questionnaire, the interviews and the literature on international tenders, we obtain the following main conclusions of the SWOT analysis:

- **Strengths:**
  - SMEs are more flexible and reactive
  - Offer competitive prices
  - Have experience in implementing circular economy solutions in the selected sectors
  - Are specialized in innovative solutions and technologies
  - Have managers involved in the project reducing decision-making time
  - Manifest greater dedication to projects



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- **Weaknesses:**
  - Size of SMEs
  - Lack of interest in public contracts
  - Inability to align their service provisions with specific needs of the public sector
  - Lack of experience
  - Difficulties in communicating with public authorities
  - Linguistic barriers
  - Funding interesting tenders
  - Lack of guidance, advice, and support
  - Administrative burden and excessive requirements
- **Opportunities:**
  - Ukraine and Moldova start to implement circular economy solutions in the water, energy, and waste management sectors where many European SMEs have experience
  - The development of these sectors is supported by governments and development agencies
  - High potential of some sub-sectors
  - Agreements between the EU and the Eastern countries
- **Threats:**
  - Uninteresting tenders
  - Bureaucracy problems: lack of common rules, electronic signature...
  - Legislative changes as the selected sectors are undergoing significant changes
  - Lack of transparency
  - Country risk indicators
  - Lack of knowledge/ trust from local actors in SMEs' solutions
  - Contracts not divided into lots
  - Long payment terms and delays

On the other hand, based on these results, the main measures to be implemented throughout the project are the following:

- Centralised website collecting opportunities in public tenders ([P2 Green EST](#))
- Exploring opportunities in multilateral tenders
- B2B events with foreign companies
- Brokerage events
- Partnerships with local actors
- Capacity-building webinars for SMEs and public procurers
- Promoting SMEs' communication with public authorities
- Discovery visits in the targeted countries



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# 1. Introduction

P2GreenEST is a project aiming at developing Business Support Organisations' (BSO) and clusters' capacities to support EU innovative green SMEs' internationalisation and participation in public procurement in Eastern non-EU countries.

The overall project is based on the circular economy approach, in line with the New European Green Deal's objective to create new markets for climate neutral and circular products. The partners have already identified the following challenges: sustainable water management, waste management, and energy production, of major importance in the Eastern region, with a focus on Moldova and Ukraine.

The strong European partnership from France, Spain and Romania, enriched by a fourth strategic partner from Moldova, will positively impact 18 clusters and BSOs, more than 1600 SMEs, and around 30 Eastern public procurers.

The objectives of the project are embodied in its activities, that will enable European BSOs to build their capacity on public procurement and knowledge on Eastern markets and opportunities, provide advisory services to EU SMEs through an internationalisation strategy and a Help Desk, implement a win-win situation for EU and Eastern public procurers through knowledge-sharing, B2B and B2P meetings or international trade missions.

It will elaborate outputs such as a joint internationalisation strategy and its roadmap, launch an E-watch system, organise training and networking events (B2B, B2P) on public procurement, set up a Help Desk, and organise international trade missions.

The main project result will be to enable EU SMEs, through interregional and cross sectoral cluster cooperation, to deploy innovative green solutions that meet the needs of Eastern regions, allowing a win-win situation: EU SMEs become more competitive while non-EU countries gain knowledge on existing innovative green technologies for addressing their specific environmental challenges.

In order to focus the project correctly towards the success of the SMEs, the partners have carried out a cross-regional SWOT analysis that has helped us to identify the strengths, weaknesses, opportunities and threats that SMEs could face when participating in international public tenders.

In this respect, the main tool we have used is a questionnaire in which a total of fifty-one companies from France, Moldova, Romania, and Spain participated. Each partner translated the English questionnaire into its own language and was responsible for collecting the responses from SMEs in its territory. All data collected in the questionnaire were processed in accordance with the European Data Protection Regulation and the national regulations of the participating SMEs' countries.

On the other hand, each member of the project has conducted interviews with different BSOs, clusters and experts in international tenders, representing approximately 900 SMEs in total, whose contributions have been very useful in determining the future actions to be implemented.

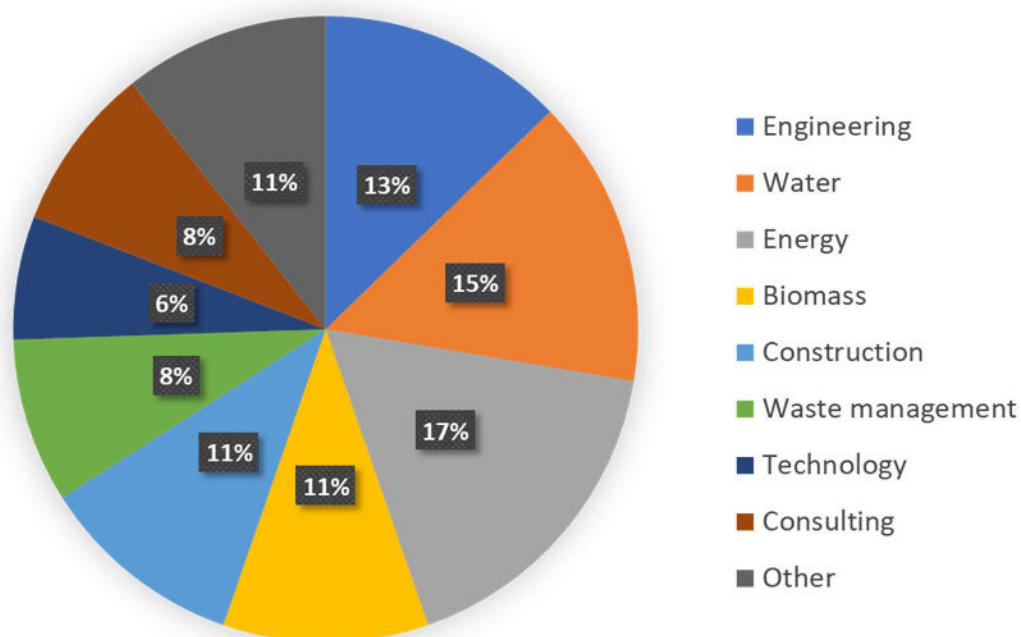
In addition, we have analysed information contained in different reports on the participation of SMEs in public tenders, which has allowed us to have a broader and more contrasted view on the challenges they may face and has helped us to identify other possible support measures that we can implement throughout the project.

## 2. P2GreenEST questionnaire

The questionnaire is the central tool that has been used to analyse the needs of companies to participate in public tenders in Eastern Partnership countries. In order to achieve as many responses as possible, the questionnaire was translated into the partners' languages (Spanish, French and Romanian).

A total of **fifty-one responses were obtained**, although only forty-nine of these responses were considered for the central analysis, as they were collected within the deadline. The main sectors to which the surveyed SMEs belong are represented in the following graph:

Graph 1. Sectors



In this respect, the participation of many SMEs from the energy, water and waste management sectors should be noted, fully coinciding with the sectors on which we have focused our project. In addition, the participation of construction, engineering and biomass companies is noteworthy. This will allow us to get first-hand knowledge of the needs and suggestions of the SMEs in these sectors, so that we can focus the project in that direction.

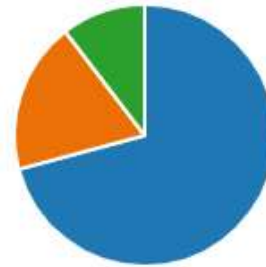
### A. Turnover

In relation to the turnover of the participating companies, 34 SMEs (71%) have turnover of less than 2 million euros, 9 SMEs (19%) between 2 and 10 million euros, and only 5 SMEs (10%) have a turnover of more than 10 million euros.



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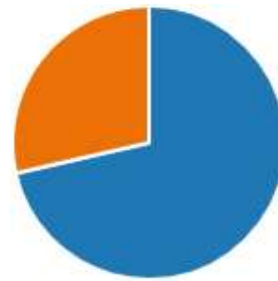
Graph 2. Turnover



### B. Previous participation in tenders

The questionnaire was aimed at obtaining responses from both companies that had participated in tenders, to learn about their experiences of success or failure, and from companies that had never participated in public tenders, in order to learn about their reasons and possible barriers. In this sense, **71% of the SMEs that responded to the questionnaire had already participated in some kind of tenders** in the past, while **29% of them had never done so**.

Graph 3. Previous participation in tenders



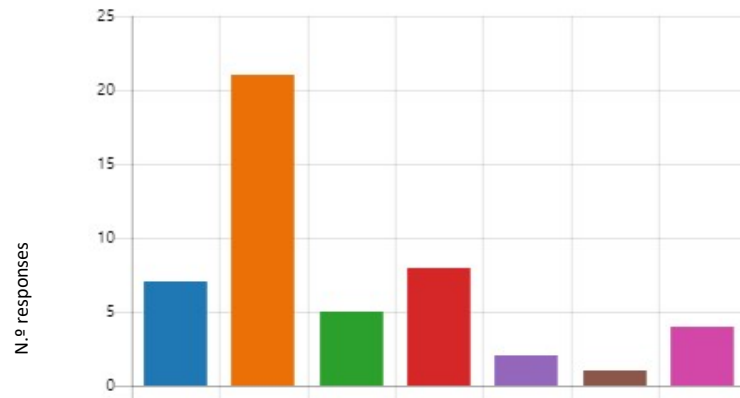
### C. Place of participation in tenders

The 35 SMEs that had participated in public tenders were asked where they had participated in public tenders. **Most of them** had participated in tenders **in an EU country (21 SMEs)**. None of the Spanish SMEs have participated in tenders in Moldova, Ukraine, or other Eastern countries, while one French company has participated in a tender in Ukraine. There is more participation in the target countries among Romanian companies, two SMEs participated in tenders in Moldova, one SME in tenders in Ukraine and one in other Eastern countries.

On the other hand, all Moldovan SMEs that have participated in tenders have done so in their own country, and one of them has also participated in tenders in a European country or a European institution.

*Graph 4. Place of participation in tenders*

In my region (EU)	7
In my country (EU)	21
In other EU countries/ EU insti...	5
Moldova	8
Ukraine	2
Other Eastern countries	1
Outside the EU and Eastern co...	4



#### ***D. Successful bidding and lessons learned***

SMEs that participated in tenders in Moldova or Ukraine did so mainly in the following sectors: construction, telecommunications, rail transport, pharmaceuticals, willow plantations, recycling, energy, and education.

Among the SMEs that participated in tenders, it is encouraging to see that 71.4% were successful in these processes, which implies that many SMEs are aware of how these processes work and are fully capable of participating in them.

*Graph 5. Successful bidding*

Yes	22
No	3



SMEs that had participated in tenders were asked for **lessons learned**. From their contributions we highlight the following:

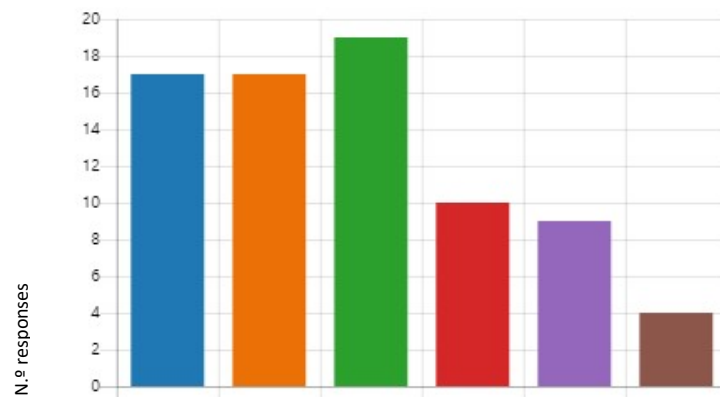
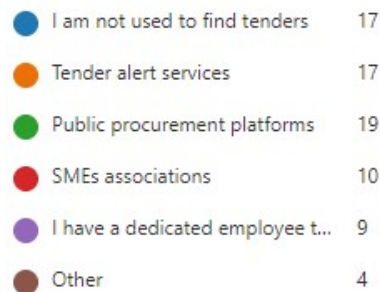
- Communication with the public authorities before the bid submission is important.
- The importance of developing a network in order to be reactive when tenders are published.
- Creating a consortium increases the chances for SMEs to win a tender.
- The need to securitize payments.
- Some SMEs underline that bureaucracy problems, lack of transparency and very short deadlines make it uninteresting for them to participate in public tenders.

The P2GreenEST project partners believe that it is interesting to know whether companies are used to search for tenders and, if so, what means they use to do it, in order to guide the development of our own tender search tools.

### E. Means of seeking tenders

The level of tender-seeking among the SMEs surveyed is uneven. While 19 SMEs stated that they use public procurement platforms, 17 SMEs indicated that they are not used to seeking tenders and the same number used public procurement platforms. In addition, 10 SMEs are informed about public tenders through SMEs associations and 9 SMEs have an employee dedicated to seeking tenders. Finally, some companies find out about the publication of tenders through partners.

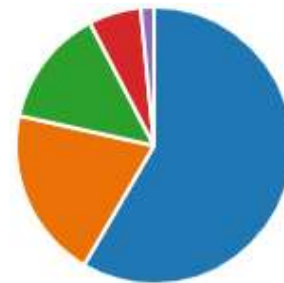
Graph 6. Means of seeking tenders



### F. Reasons for participating in eastern tenders

For this question, SMEs could select more than one answer. **77.5% of SMEs** indicate that they would participate in tenders in Eastern countries **to seek new market opportunities**, 13 SMEs would do so to launch a product or service. In addition, 9 companies believe that the project can help them to launch a research and development (R&D) project.

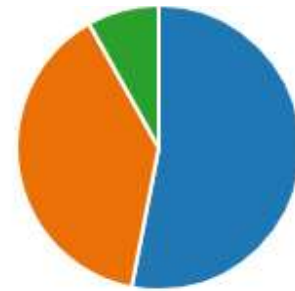
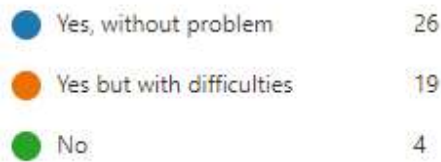
Graph 7. Reasons for participating in eastern tenders



### G. Ability to participate in tenders

53% of the participants (26) responded that their SME would be able to participate in public tenders without any problems, while 39% (19) would be able to participate but would encounter some problems. Only 4 SMEs, 8% of the total, believe that they would not be able to participate in tenders.

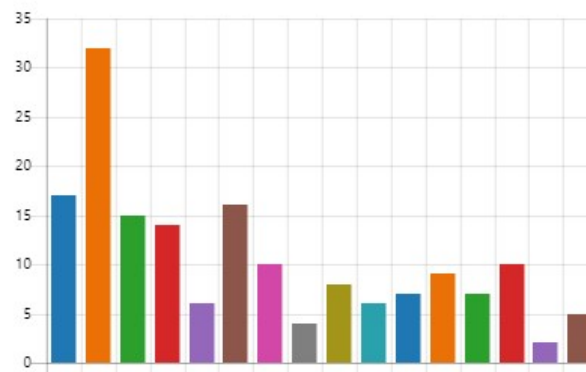
*Graph 8. Ability to participate in tenders*



#### **H. Main difficulties in tendering**

In order to correctly focus the project on the success of SMEs, it is essential to analyse the main barriers that SMEs may encounter when bidding for tenders in Eastern countries. In this respect, it is worth noting that 65% of companies believe that they would have difficulties in identifying interesting tenders. In addition, the main difficulties include the following: Linguistic barriers; using public procurement platforms; communicating with the public sector; lack of guidance, advice or support, cost of compiling a tender and the difficulty of being competitive when price is the only criterion.

*Graph 9. Main difficulties in tendering*



Other than those mentioned above, common barriers for 7-9 SMEs include the following: Excessive requirements of financial guarantees, organisational capability/ lack of internal resources, requirements for previous experience and obstacles hampering collaboration/consortia.

If companies identified that there was a barrier missing from our list of responses that they considered relevant, they could let us know. In this regard, SMEs added the following:

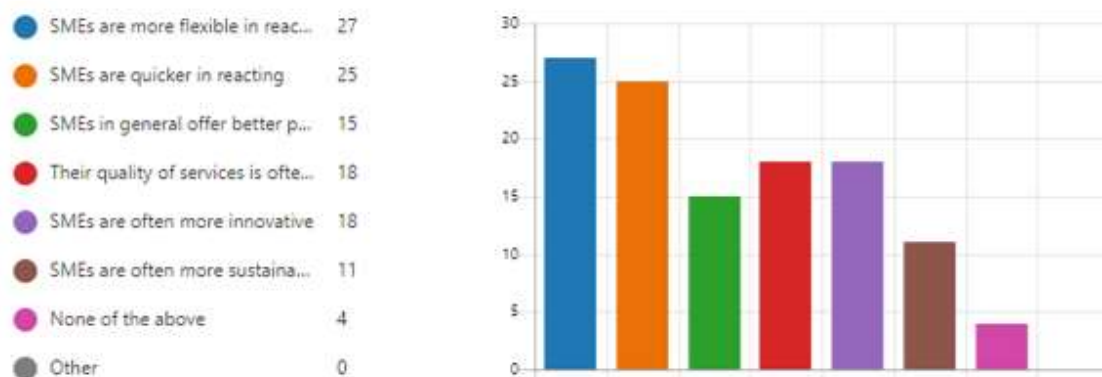
- Delayed payments for the works executed. Advance purchase of expensive equipment from running projects.
- Lack of knowledge/trust from local actors in our solutions.
- Final price vs. local competitors.
- Not knowing the country risk indicators (economic, legislative, political, lobby).
- Legislative changes during the process

### ***I. Main strengths for SMEs to participate in tenders***

With the next question of the questionnaire, we wanted to find out the strengths of companies when bidding for tenders in Eastern countries.

In this respect, 55% of companies believe that SMEs are more flexible in reacting, 51% of them that they are quicker in reacting. In addition, 18 SMEs believe that their quality of services is often better and they are often more innovative.

*Graphic 10. Main strengths for SMEs to participate in tenders*



### ***J. Actions that can improve SMEs participation in tenders***

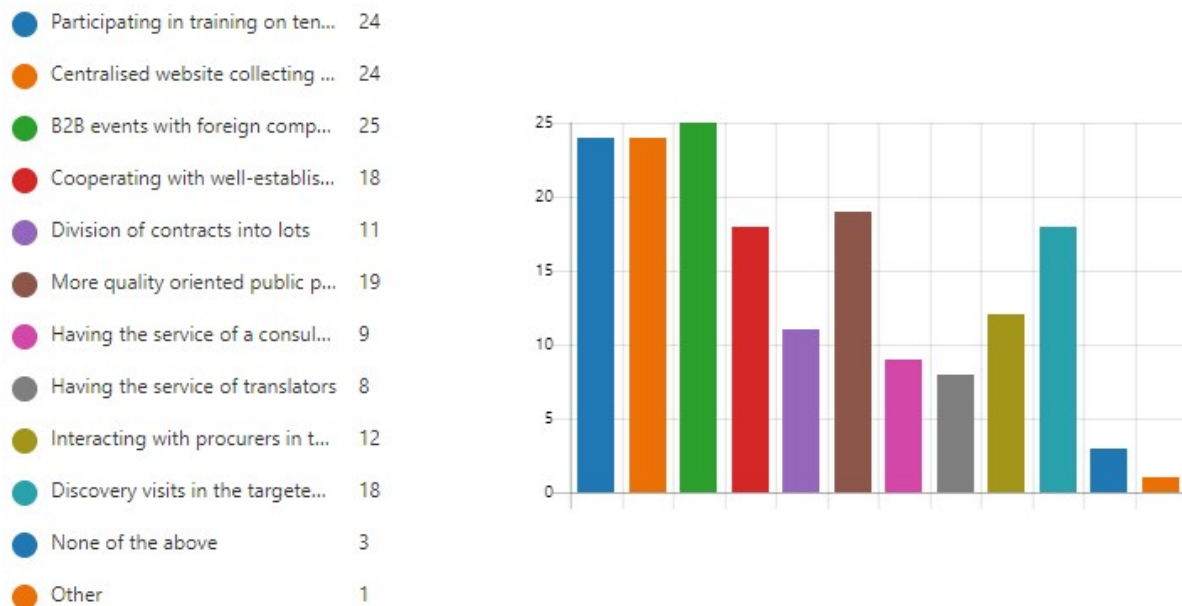
Finally, we consulted SMEs on possible actions that could make it easier for them to participate in tenders in Eastern countries, and the most voted were the following:

- B2B events with foreign companies to form consortia
- Centralised website collecting opportunities in public tenders
- Participating in training on tender preparation
- More quality oriented public procurement (versus price only criterion)
- Cooperating with well-established companies in Eastern countries
- Discovery visits in the targeted countries

- Interacting with procurers in the early stages of tenders

In addition, it should be noted that 11 SMEs indicated that it would be interesting to divide contracts into lots, 9 SMEs that it would be interesting to have the services of a consultancy firm, and 8 SMEs would like to use the services of a translator.

*Graph 11. Actions that can improve SMEs participation in tenders*



## 2.1. Spanish SMEs

In the case of Spain, 12 SMEs responded to the questionnaire.

### A. Turnover

In relation to the turnover of the Spanish companies, 6 SMEs (50%) have turnover of less than 2 million euros, 4 SMEs (33%) between 2 and 10 million euros, and 2 SMEs (16%) have a turnover of more than 10 million euros.

*Graph 12. Turnover (Spanish SMEs)*

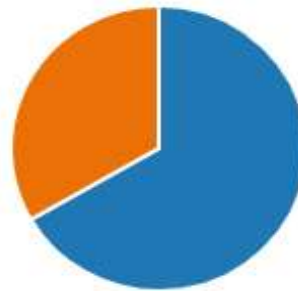


Regarding the average number of responses, Spanish SMEs respond to a profile with a higher turnover, as half of them recognise having more than 2 million euros and almost 17% have a turnover of more than 10 million euros. It can be concluded that these SMEs interested in this field (public procurement in ...) have a greater capacity to access new markets and participate in more complex bidding processes for this type of company.

### **B. Previous participation in tenders**

As in the average results, most of the Spanish SMEs that responded to the questionnaire (67%) have participated in tendering processes. This response may indicate that those SMEs that have previously participated in other public tender processes, even if they are mostly in EU countries (which are closer and have more similar markets) are more interested and prepared to go for a tender in the countries under study.

*Graph 13. Previous participation in tenders (Spanish SMEs)*

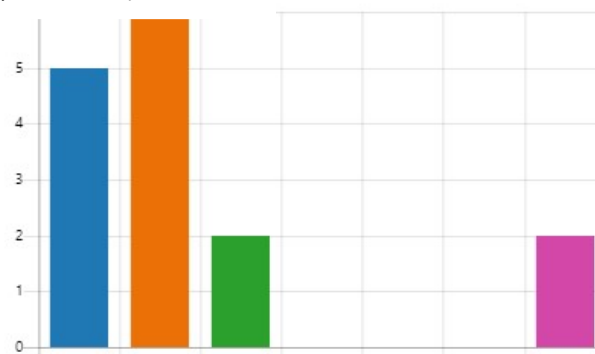


Thus, not having participated in a public tender before seems to be a clear barrier when facing these processes in more complex, different and distant Eastern countries and in the specific sectors of activity in which the project P2GreenEst is focused.

### **C. Place of participation in tenders**

Spanish SMEs have mostly participated in public tenders in their region and country, with only 2 participating in another EU country and outside the EU. It seems necessary to reinforce the support and training of our SMEs to access new markets and more complex tenders.

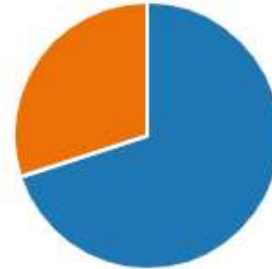
*Graph 14. Place of participation in tenders (Spanish SMEs)*



### **D. Successful bidding**

Despite having a majority participation in tendering processes in their country or region, the Spanish SMEs respondents have obtained a lower success rate, with 70% compared to almost 90% of the European SMEs surveyed. This reinforces the need to offer greater support to our SMEs and the importance of projects such as P2GreenEST.

Graphic 15. Successful bidding (Spanish SMEs)

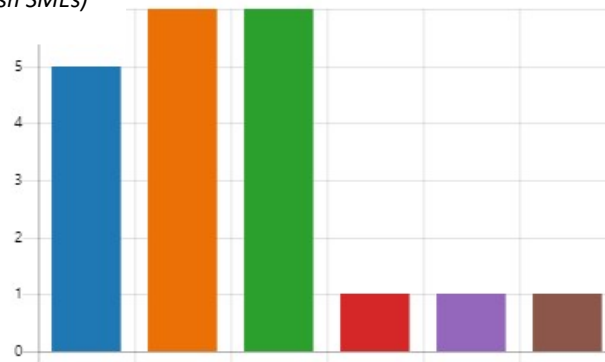


### E. Means of seeking tenders

For this question, Spanish SMEs have selected more than one answer.

A significant number of companies (almost 42%) are not used to public tenders' platforms, neither at the national level, nor at the European level. To help SMEs to participate in these processes, especially in more remote or complex countries, it is necessary to overcome this barrier of lack of knowledge and help them not only to know what tools are available, which ones they can use, but also how to use them to obtain the information they always need in the most effective way.

Graphic 16. Means of seeking tenders (Spanish SMEs)

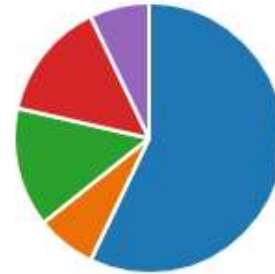


Those that check tenders do so, in a higher percentage than their European peers, through alert services and procurement platforms, with a residual (only one SME) using the services offered by associations or having a dedicated procurement staff, which is the most optimal solution.

### F. Reasons for participating in eastern tenders

For Spanish SMEs, as for the rest of the European participants, the main reason for participating in eastern tenders is to find new market opportunities (67%), followed (and in this they differ from the average) by launching a new project (16%). They do not find it as much of an opportunity to launch a new product as the Europeans do, probably because they are the most distant and unknown country in the Moldovan and Ukrainian markets.

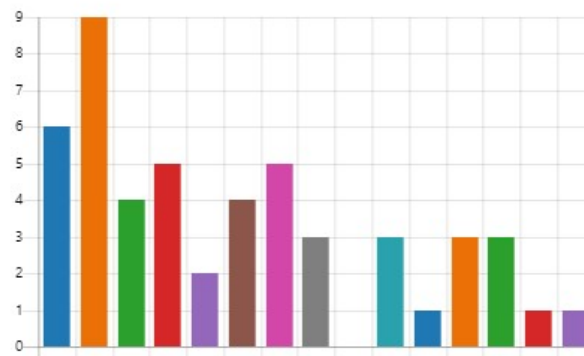
Graph 17. Reasons for participating in eastern tenders (Spanish SMEs)



### G. Main difficulties in tendering

The main barriers identified by Spanish SMES are the following: finding interesting tenders, as the first one and more mentioned (same as in rest of countries analysed) according with their products/services and corporate strategy, followed of linguistic barriers, communicating with the public sector, cost of compiling a tender and the difficulty of being competitive when price is the only criterion. These results are very similar to the average.

Graph 18. Main difficulties in tendering (Spanish SMEs)

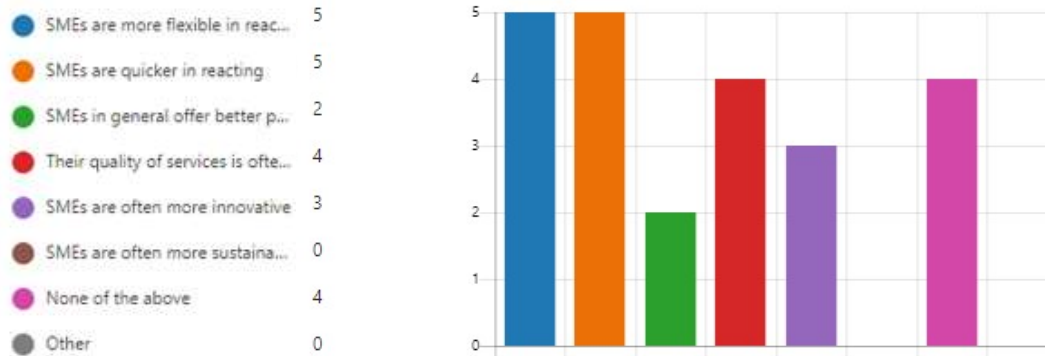


In addition, one Spanish SME identified as an additional problem the final price against local competitors, given that in the selected countries prices are significantly lower, so it is very likely that a European company cannot compete on cost with a local company, and lower cost is often the main criterion for awarding a tender.

#### **H. Main strengths for SMEs to participate in tenders**

The strengths considered by the Spanish SMEs are very similar to those indicated by their European colleagues, although with a greater mention or more emphasis on those related to being more flexible and quicker in reacting (nearly 50%).

Graph 19. Main strengths in tendering (Spanish SMEs)



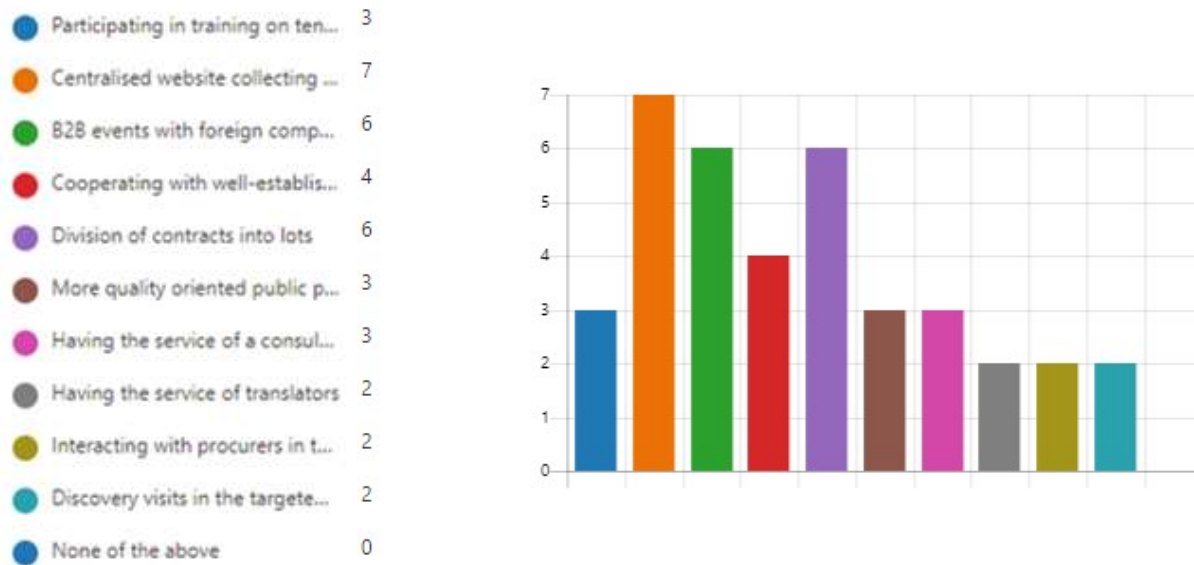
Then, and remarked more firmly than the average, they consider the quality of their services offered to be a great strength for participating in tender processes, something to be valued since with the assistance and advice needed, they may be motivated to participate in tenders in Eastern countries (and even more if these tenders are interesting).

#### **I. Actions that can improve SMEs participation in tenders**

Finally, results on possible actions that could make it easier for Spanish SMEs to participate in tenders in Eastern countries differed significantly from the average, being the most voted or most pointed out in descending order (most voted first):

- Centralised website collecting opportunities in public tenders, as first and more important one.
- B2B events with foreign companies to form consortia
- More quality oriented public procurement (versus price only criterion).
- Cooperating with well-established companies in Eastern countries

Graph 20. Actions that can improve SMEs participation in tenders (Spanish SMEs)



On the other hand, for the respondent Spanish SMES are less important:

- Participating in training on tender preparation
- Discovery visits in the targeted countries
- Interacting with procurers in the early stages of tenders

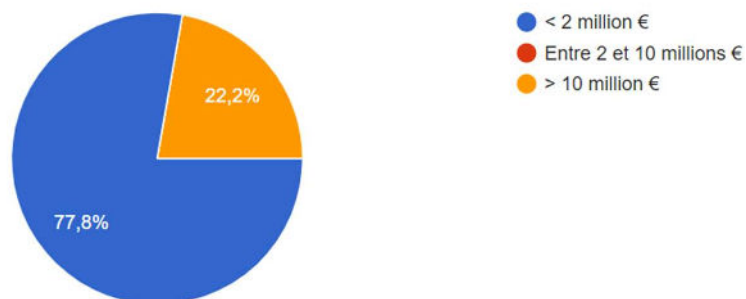
## 2.2. French SMEs

In the case of France, 9 SMEs and 1 mid-cap company replied to the questionnaire.

### A. Turnover

Among the French SMEs interviewed, 7 SMEs (77.8%) have a turnover of less than 2 million Euros, 2 of them above 10 million Euros, and one that decided not to communicate on their annual turnover.

Graph 21. Turnover (French SMEs)



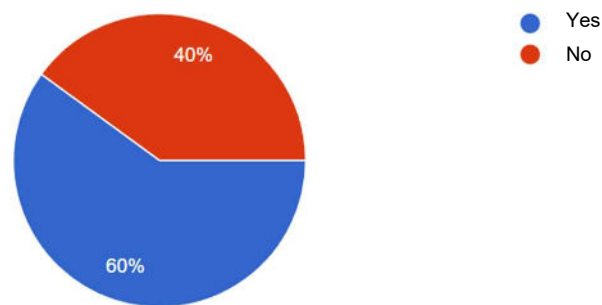
## B. Previous participation in tenders

60% of French SMEs interviewed have a previous experience in tenders. This indicates that these SMEs have already shown interest to public procurement and might show interest in new public procurement opportunities.

The 4 SMEs interviewed that have not yet participated in public procurement tenders, have a potential to participate in future tenders, as they have shown interest to it by answering this questionnaire.

Both categories of respondents are potential bidders to international public procurement tenders.

Graph 22. Previous participation in tenders (French SMEs)

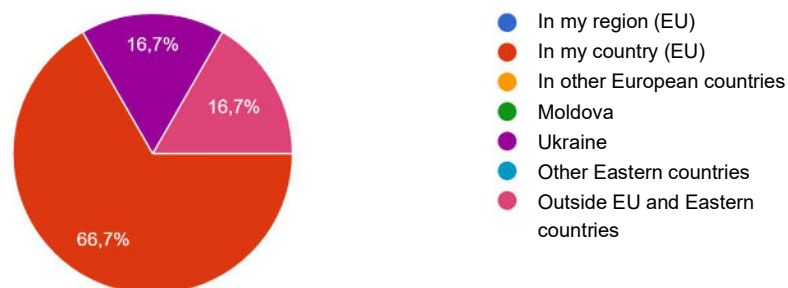


## C. Place of participation in tenders

Most of the surveyed SMEs that have previous experience in public tenders have participated to local, regional, or national surveys. It is interesting to note that one of the companies has relevant anterior experience in Ukraine, and one other outside of EU and Eastern countries.

Although no existential experience in the targeted countries is noted among the responding SMEs, the fact that these have previous experience in general with public procurement bids is beneficial since it shows that the SMEs have knowledge and interest in these opportunities.

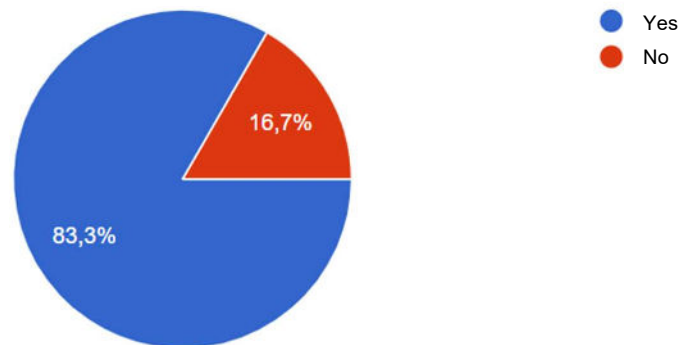
Graph 23. Place of participation in tenders (French SMEs)



#### D. Successful bidding

French SMEs have a high percentage of success, with only one failure in bidding. Although we can note that most of the tenders were local/regional/national, the high success rate shows that the interviewed SMEs have the capacity to build a strong and awarded tender.

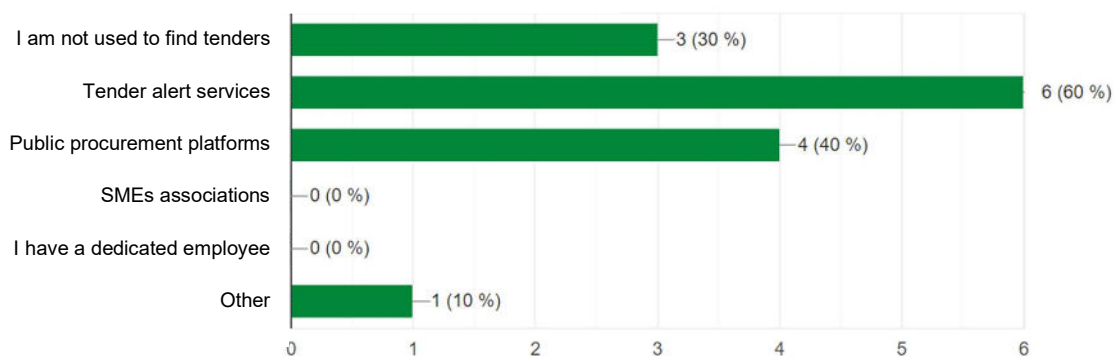
Graph 24. Successful bidding (French SMEs)



#### E. Means of seeking tenders

It is relevant to highlight the fact that 60% of the respondents have stated that they use tender alert services to keep up to date with tenders. 40% of them use public procurement platforms. All of these results are encouraging for P2GreenEST help-desk.

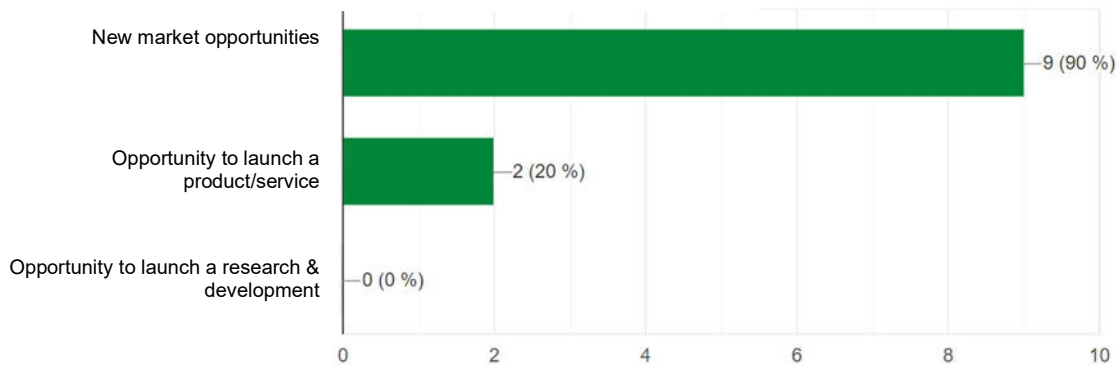
Graph 25. Means of seeking tenders (French SMEs)



#### F. Reasons for participating in eastern tenders

For French SMEs as for the other European participants, the large majority of reasons to participate in Eastern tenders is to find new market opportunities (90%). Some others see the opportunity to launch a new product/service in the targeted countries, adapted to the country's needs.

Graph 26. Reasons for participating in eastern tenders (French SMEs)



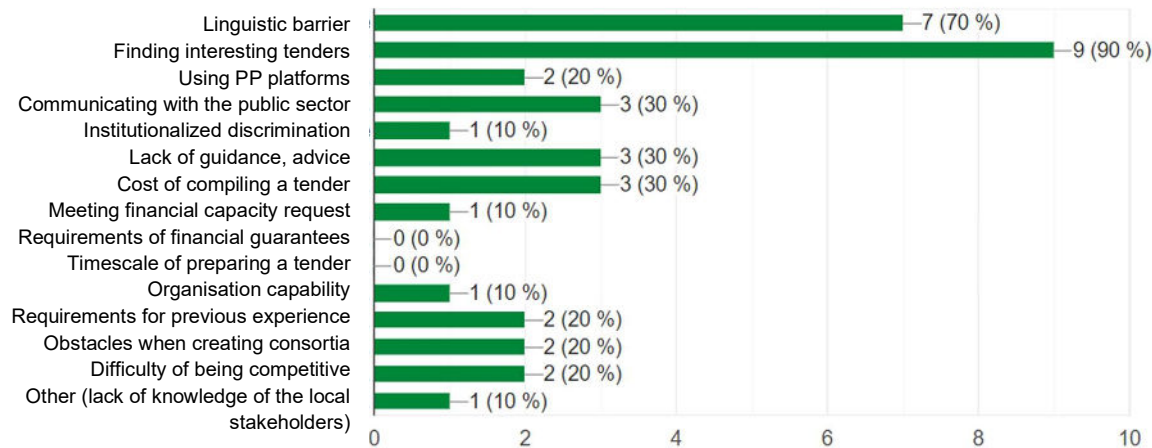
### G. Main difficulties in tendering

Tendering in new countries can lead to many difficulties for international bidders. Among the participating French SMEs, the main difficulty identified is the trickiness of finding adapted calls for international bidders. This is explained with the difficulty to adapt their product/service to the local ecosystem as well as the difficulty to match with the targeted country's corporate strategy. The other main obstacle is a very practical issue: the language barrier. In fact, most of the European countries are not Ukrainian, Moldovan and Russian speaking countries – Romania being one of the only Moldovan-speaking country part of the EU. SMEs think that although language barrier can be lifted with proper translation, the effort will be considerable to put in place adequate translation.

Other obstacles are the lack of advice and supervision and the difficulty to communicate with the public sector. Another notable difficulty is the related costs that are involved when bidding internationally, which can be considerable for SMEs. As is the issue of aligning with the request to prior experience in bidding onto the market: in fact, most of the SMEs interviewed have no records of bids in the targeted countries, thus meaning they would be unable to justify such experience, often requested as mandatory.

Finally, being competitive is a difficulty for SMEs, since the local market prices are in average bellow the EU prices, SMEs will have difficulties to align with the market, and this will often put their bids in jeopardy since the lower cost is the main criterion when awarding a tender.

Graph 27. Main difficulties in tendering (French SMEs)



## H. Main strengths for SMEs to participate in tenders

Generally speaking, French SMEs consider that their offers and position on the market is a great advantage when participating in tenders. In fact, their reactivity, price position and innovative products/services are benefits when bidding. SMEs have a higher capacity of adaptation than larger companies.

Graph 28. Main strengths for SMEs to participate in tenders (French SMEs)



## I. Actions that can improve SMEs participation in tenders

In majority, French SMEs consider B2B meetings and cooperation with international companies, and possibly well established in the targeted countries, a valuable help for them to participate in international tenders. Furthermore, a centralized website compiling tenders will, according to the interviewees, contribute to their success when bidding in international public markets. Trainings and discovery visits are also useful actions for SMEs. Finally, dividing the contracts into lots could be beneficial as it will better fit with SMEs scope of actions.

Graph 29. Actions that can improve SMEs participation in tenders (French SMEs)



## 2.3. Romanian SMEs

The questionnaire has been sent out to a number of around 400 SMEs and 20 BSOs across Romania. These companies have been contacted either through emails, or by phone or directly. Selection of the companies has been made either through Cluster organization or BSOs or through dedicated platforms, such as [www.kompass.ro](http://www.kompass.ro). Targeted companies: from the sectors of environment, waste, water and energy.

Furthermore, the questionnaire was posted as a call of participation in the survey on LinkedIn, Facebook as well as on the website of the Green Energy Cluster.

In the case of Romania, 18 SMEs responded to the questionnaire.

### A. Turnover

In relation to the turnover of the Romanian companies, 14 SMEs (78%) have turnover of less than 2 million euros, 4 SMEs (22%) between 2 and 10 million euros.

Graph 30. Turnover (Romanian SMEs)



Most of the respondents are small enterprises, with fields of activity in the biomass area (feedstock production, biowaste management, short rotation crop cultivation, composting and heating technologies), electric energy production from syngas, as well as in the field of energy related services (ESCO services, energy consulting, auditing). On the other hand, companies dealing with water management, sewerage, water installation have also contributed with answering the questionnaire. Finally, enterprises that are either traders or manufacturers of machineries and equipment for waste management or construction industry.

## B. Previous participation in tenders

Graph 31. Previous participation in tenders (Romanian SMEs)



Most of the respondents (14 companies out of the 18) have been participated previously in project tenders. This clearly indicates the openness towards participating in public tenders.

## C. Place of participation in tenders

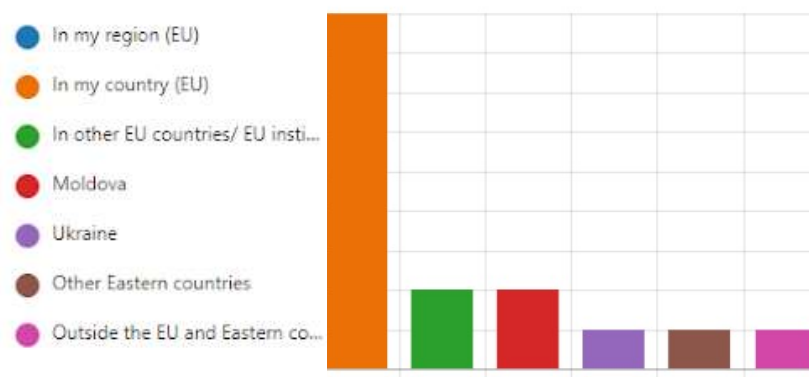
SMEs have responded that they participated mostly in tenders in their country. Only 2 SMEs stated that they took part in public tenders in the target countries, namely Republic of Moldova and Ukraine.

Both companies: Kontrastwege SRL and Domokos Arpad I.I. have been jointly participating in tenders, however back five years ago. Both companies are active in the field of energy willow plantations.

The activity of KWG includes the distribution of seedlings for energy willow plantations and the construction of heat plants. KWG also provides recommendations for briquetting and pelletizing equipment. In 2007, they started working with the Swedish research institute Lantmannen Agroenergi and Kontrastwege SRL became the first representative and licensed distributor of energy willow for Romania and the Republic of Moldova.

Another company, Explocom GK SRL which produces barbecue and grill charcoal, charcoal briquettes, industrial coal and Biofarm+ organic soil fertilizer has indicated to be participating in tenders in the Ukrainian market.

Graph 32. Place of participation in tenders (Romanian SMEs)



#### D. Successful bidding

Graph 33. Successful bidding (Romanian SMEs)



The answers to the present question cannot be interpreted as only a small number of the companies responded to this question (only 4 out of the 14 who have indicated that participated in tenders).

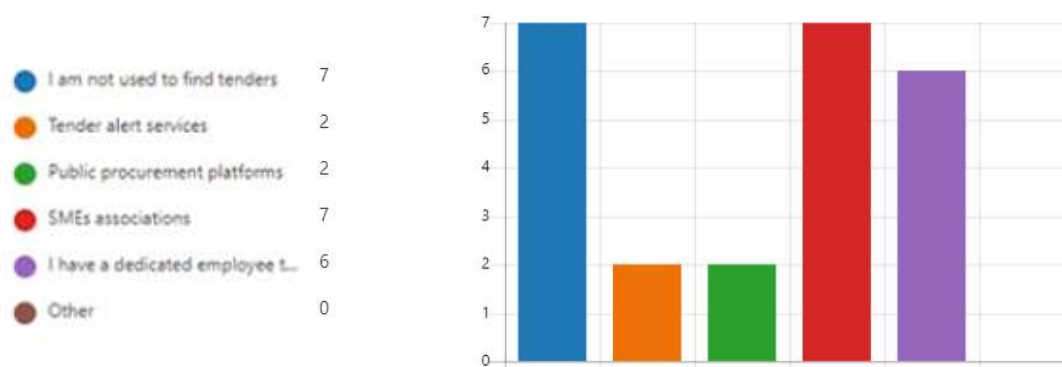
As additional information to the current and previous question, the following platform has been consulted: <https://bi.open-contracting.org/moldova/bidders>. The aim of the query was to have an overview about the number of Romanian bidders in the Moldovan market.

With reference to the period 2019- up to the date of accession of the portal (12.12.2021) a number of 35 Romanian companies figure as bidders. Out of them 15 enterprises appear to have concluded contracts and successfully participated in the tenders.

#### E. Means of seeking tenders

A significant number of companies (39%) are not used to seek tenders. Respondents are mostly getting information from business support organisations or having an employee or the administrator him/herself looking after tenders. In order to increase the participation of SMEs in EaP countries tenders it is necessary to offer them more information and knowledge on how to find tenders appropriately and efficiently.

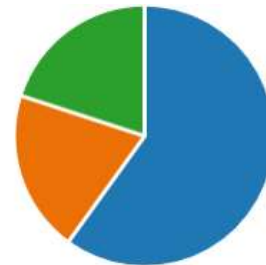
Graph 34. Means of seeking tenders (Romanian SMEs)



### F. Reasons for participating in eastern tenders

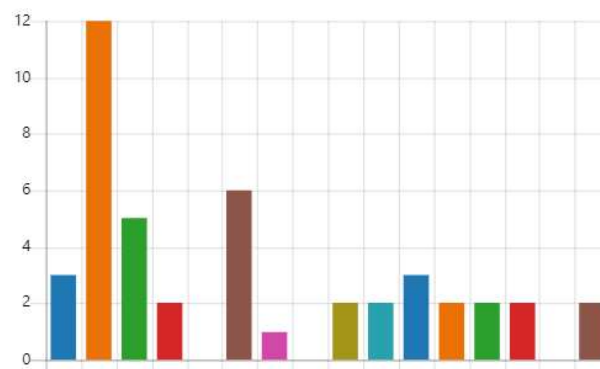
For 60% of the respondents to the questionnaire the main reason and motivation for participating in eastern tenders is to find new market opportunities, followed by the opportunity - in equal proportion (20%) to launch a product/service or to launch a research project.

Graph 35. Reasons for participating in eastern tenders (Romanian SMEs)



### G. Main difficulties in tendering

Graph 36. Main difficulties in tendering (Romanian SMEs)

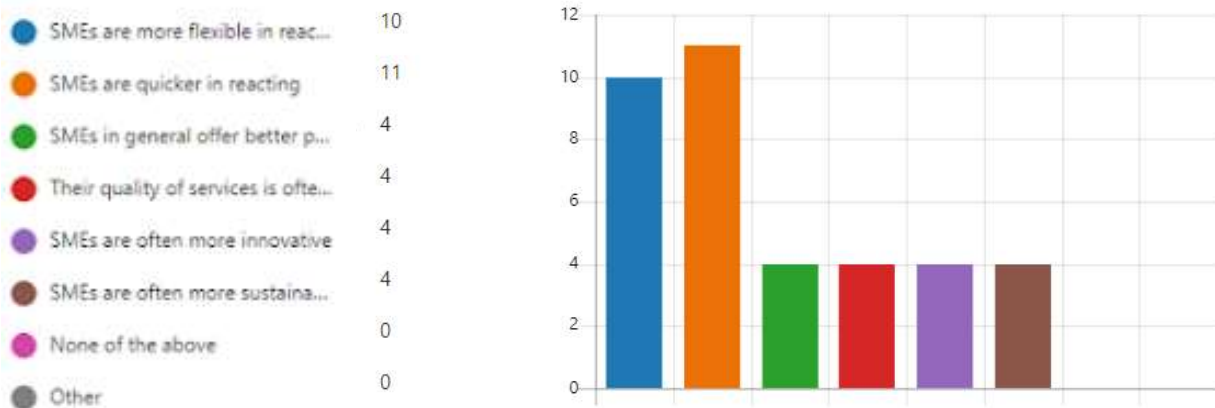


The most obvious difficulty mentioned by the SMEs when tendering is related to finding relevant tenders, lack of advice, guidance and support as well as using tendering platforms. This demonstrates the necessity of developing adequate supporting service by the P2GreenEST project. SMEs would like

to get information about where to look for tenders, how to search for tenders and how to participate in public acquisitions.

### H. Main strengths for SMEs to participate in tenders

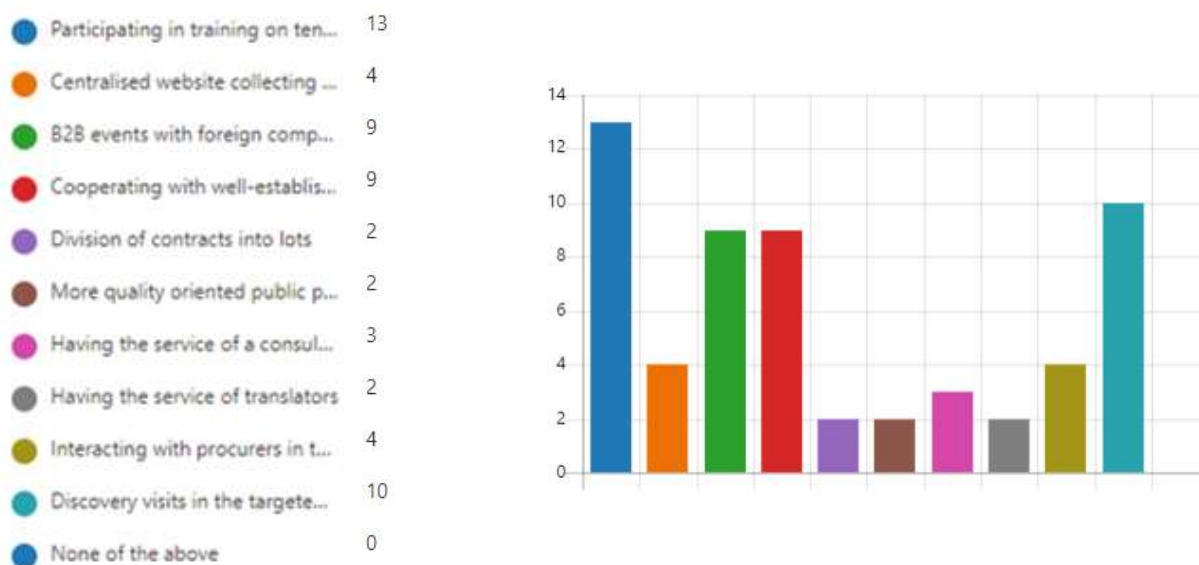
Graph 37. Main strengths for SMEs to participate in tenders (Romanian SMEs)



Respondents to the survey indicated as major strength the quick reaction of SMEs when participating in tenders as well as their flexibility.

### I. Actions that can improve SMEs participation in tenders

Graph 38. Actions that can improve SMEs participation in tenders (Romanian SMEs)



Most of the respondents consider that trainings on public tenders in Eastern countries would enable them to strengthen their knowledge and would make them more capable to participate. Given the

proximity of the target countries, discovery visits, fact-finding missions could be worth to explore and to know more about the public procurement market. Direct contacts, cooperation with SMEs from the target markets have been also mentioned as relevant aspects that would increase SMEs interest in Moldovan and Ukrainian public procurement markets.

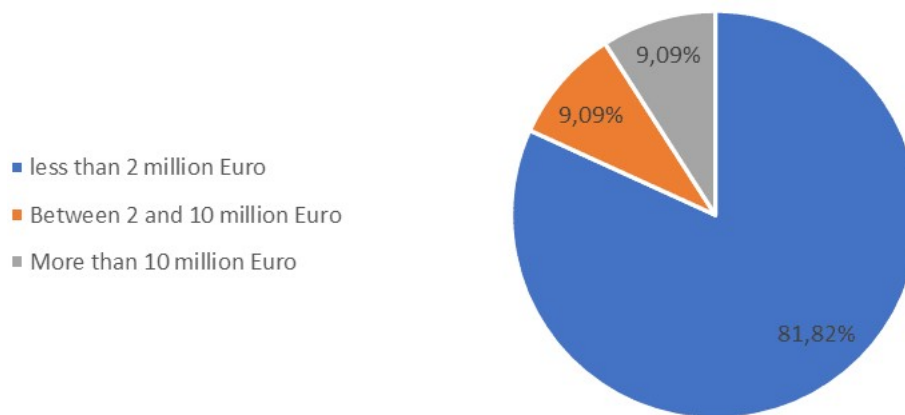
## 2.4. Moldovan SMEs

In the case of the Republic of Moldova 11 companies have responded to the SWOT questionnaire (2 after the established deadline). The questionnaire was sent to more than 200 SMEs in the Republic of Moldova and to 5 BSOs. The companies were interviewed by e-mail or directly by phone.

### A. Turnover

Among the Moldovan SMEs interviewed, 9 SMEs (81,82%) have a turnover of less than 2 million Euros, 1 enterprise (9,09%) has between 2 and 10 million Euro turnover and 1 company (9,09%) over 10 million Euro annual turnover.

Graph 39. Turnover (Moldovan SMEs)



### B. Previous participation in tenders

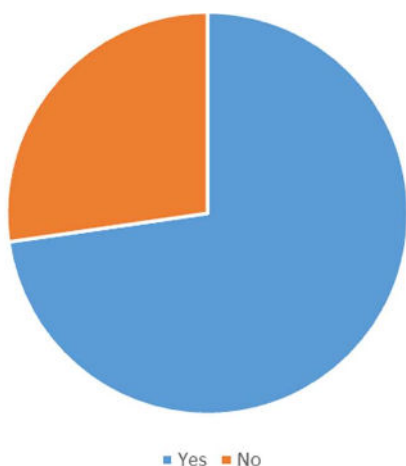
Eight (8) of Moldovan SMEs interviewed or 72,73% have a previous experience in tenders. This indicates that these SMEs have already shown interest in public procurement and might show interest in new public procurement opportunities.

The 3 SMEs interviewed that have not yet participated in public procurement tenders, have a potential to participate in future tenders, as they have shown interest to it by answering this questionnaire.

Both categories of respondents are potential bidders to international public procurement tenders.

Moreover, Moldovan companies are more familiarized with the current public procurement procedures in the Republic of Moldova and are aware of the existing barriers.

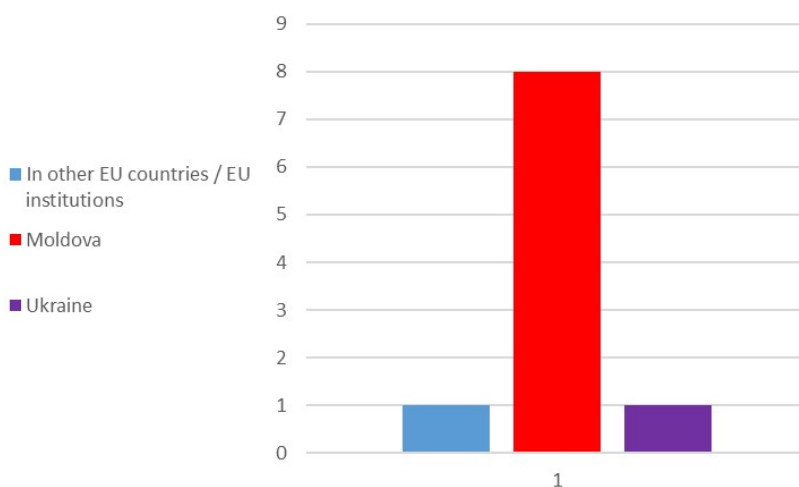
Graph 40. Previous participation in tenders (Moldovan SMEs)



### C. Place of participation in tenders

Most of the surveyed SMEs from the Republic of Moldova that have previous experience in public procurement have participated in tenders at national level in their own country. It is interesting to note that one of the companies has relevant previous experience in Ukraine, and one in European Union countries.

Graph 41. Place of participation in tenders (Moldovan SMEs)

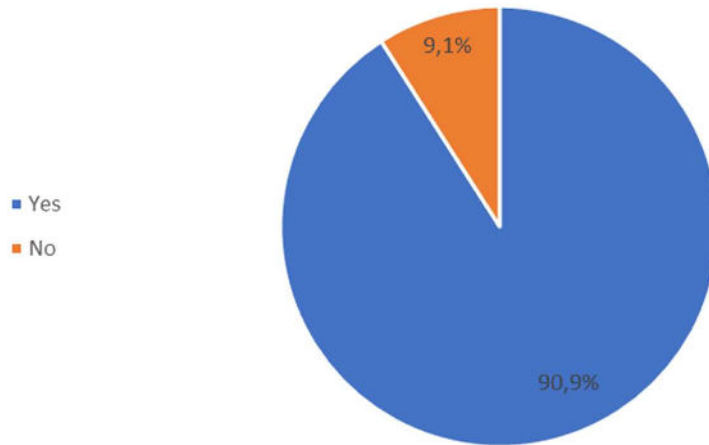


Graph ... - Place of participation in tenders (Moldovan SMEs)

### D. Successful bidding

Moldovan SMEs have a high percentage of success, with only one failure in bidding. Although we can note that most of the tenders were national, the high success rate shows that the interviewed SMEs have the capacity to build a strong and awarded tender. Also, some companies mentioned that not all of their participation in tenders was successful.

Graph 42. Successful bidding (Moldovan SMEs)



### E. Means of seeking tenders

For this question the companies from the Republic of Moldova have chosen more options.

It is relevant to highlight the fact that 72,73% of the respondents from the Republic of Moldova have stated that they use public procurement platforms to keep up to date with tenders. This fact is due to the existence of an electronic tendering system in the Republic of Moldova, allowing resident companies to register and search constantly for opportunities or receive notifications. 45,45% of the respondent SMEs use tender alert services and 27,27% have a dedicated employer responsible for monitoring the tender opportunities. All of these results are encouraging for the P2GreenEST e-watch tool but also the strong necessity to find a reliable e-watch system able to identify for us the most important offers.

Graph 43. Means of seeking tenders (Moldovan SMEs)

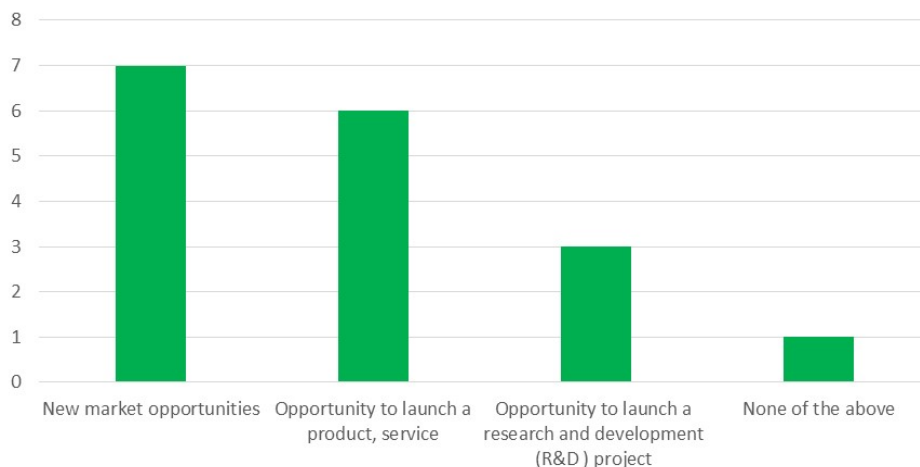


### F. Reasons for participating in Eastern tenders

For Moldovan SMEs, the main reason to participate in tenders is to find new market opportunities (63,64%). The second important reason is the opportunity to launch a new product/service in the

targeted countries (for 54,55% of SMEs). Also, some companies see the opportunity to launch a research and development (R&D) project.

*Graph 44. Reasons for participating in Eastern tenders (Moldovan SMEs)*



### **G. Main difficulties in tendering**

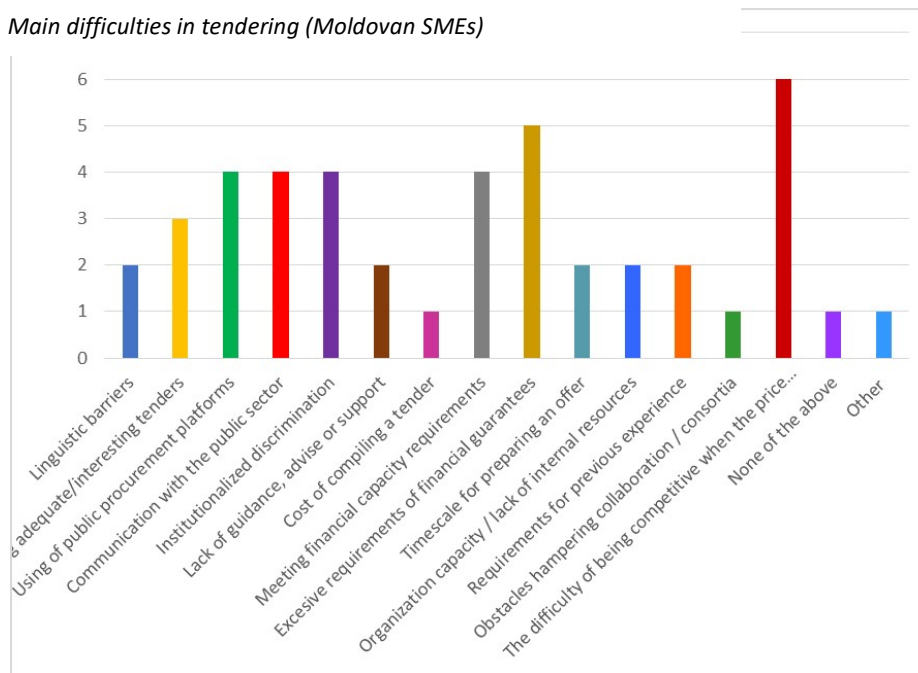
Although Moldovan companies are tendering usually in their own country, still they face plenty of barriers given the specific nature of the public procurement system in Eastern Europe (Eastern Partnership) countries. Among the participating Moldovan SMEs, the main barrier identified is the difficulty of being competitive when the price is the only criterion (54,55%).

Another obstacle is the excessive requirements of financial guarantees (45,45%).

Other difficulties are the using of a public procurement platform, communication with the public sector, institutionalized discrimination, meeting financial capacity requirements.

It is worth mentioning that Moldovan SMEs stated all mentioned difficulties in the SWOT questionnaire, which indicates the need for specialized training and advice in order to support SMEs in the public procurement process.

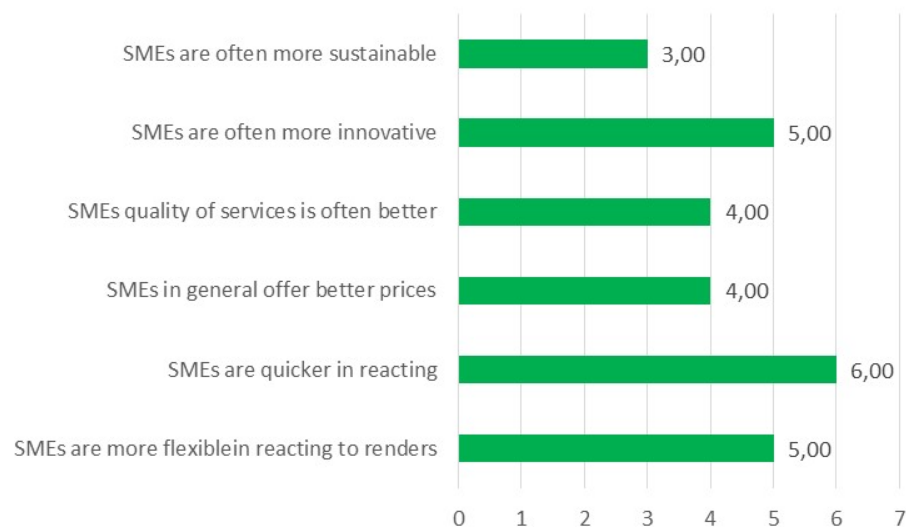
Graph 45. Main difficulties in tendering (Moldovan SMEs)



#### H. Main strengths for Moldovan SMEs to participate in tenders

Generally speaking, Moldovan SMEs consider that their offers and position on the market is a great advantage when participating in tenders. In fact, their flexibility, reactivity, price position and innovative products/services are benefits when bidding. SMEs have a higher capacity of adaptation than larger companies.

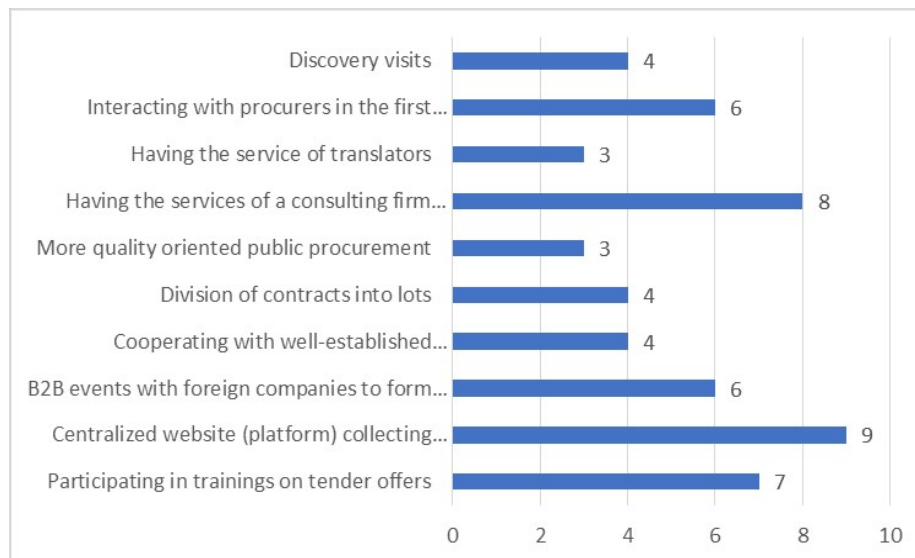
Graph 46. Main strengths to participate in tenders (Moldovan SMEs)



## I. Actions that can improve SMEs participation in tenders

The majority of Moldovan SMEs consider that centralized websites (platforms) collecting public tender opportunities (81,82%), as well as the services of consulting companies (63,63%) are a valuable help for them to participate in international tenders. Furthermore, participating in trainings on tender offers, B2B events with foreign companies, as well as interacting with procurers in the first stages of preparing a tender offer, according to the interviewees, contribute to their success when bidding in international public markets. Discovery visits, division of contracts into lots, cooperating with well-established enterprises in public procurement are also useful actions for SMEs.

Graph 47. Actions that can improve SMEs participation in tenders (Moldovan)



## 3. Interviews

### 3.1. ÉA ÉCO-ENTREPRISES

Éa éco-entreprises conducted in-depth interviews with clusters and BSOs in order to collect data from a wide range of companies, through the scope of BSOs. This way, issues and obstacles encountered by SMEs are put into perspective with other SMEs from each ecosystem, meaning that the conclusions are more large and less specific to individual actors.

- A) In that view, **Actility** was interviewed on 10th December 2021. The following interview was held after Actility answered the main SWOT analysis questionnaire. We decided to conduct an in-depth interview in order to get his feedback. In fact, the company has participated in tenders in Ukraine.

#### *Brief presentation of the company and the interviewee*

*Roman Savin, Business Development Manager. Actility is a company working in Telecommunication Internet of Things. Actility supports Service Providers and enterprises along their IoT network lifecycle from connectivity deployment to mass monetization. Actility is in a unique position to provide both unlicensed spectrum-based connectivity with LoRaWAN and licensed-spectrum LTE IoT with NB-IoT and LTE-M for service providers or MVNOs. From support in radio infrastructure deployment, network capacity studies, LoRaWAN core network servers and OSS/BSS solutions, Actility supplies all necessary bricks for a scalable and secure IoT network infrastructure.*

#### *How did they find the tender they participated in?*

*On Prozorro, but discussions were launched with the city council and local partners before.*

#### *What was the main reason they participated in that tender?*

*Kiev City Council had a water consumption problem and Actility had the solution.*

#### *Lessons learnt: rights and wrongs*

*Rights: Language facilitates a lot of things. Roman did not notice before that English lacks from Prozorro, as he speaks native Ukrainian.*

*Officials are interested in support, but it is essential to target the public procurers dealing with the tenders as they have concrete knowledge about the needs.*

***Local system integrators** facilitate bidding as they are inspiring confidence to local stakeholders, know the national legislation, have the electronic signatures...*

#### *What actions do they think should be implemented in the framework of this project to help other European SMEs to participate in tenders in these market*

*Have a **good market analysis**, do not focus EU SMEs on market segments which are more competitive for national companies. For example, the Ukrainian market is very poor in segments such as softwares. Actility has very few competitors in this field, while the sensors market is already occupied by some neighbouring-countries companies.*

*For foreign companies it is **almost impossible to use Prozorro** due to language barriers, electronic signatures, and other administrative difficulties....*

*It is essential to work with **local system integrators** in order to do business. This is a point to be considered by P2GreenEST team when building the P2GreenEST support service.*



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*Sign an agreement with the local integrators which position themselves on the market/ answer to the tender.*

**B)** Furthermore, a questionnaire was put in place to be sent to **Clusters and BSOs** (see the questionnaire below)

Firstly, the *Moldovan Technology Transfer Network* (MTTN), representing 100 entities, answered with a local point of view. From their experience, the main difficulty encountered by international companies bidding into Moldavian public market is that there is a mandatory request to be with Moldavian nationality, as residency is mandatory to be able to submit an offer. This means that P2GreenEST will have to shift slightly its tasks in order to help create consortia between international and national companies. MTTN gives policy recommendations by suggesting national think tanks and other stakeholders (ODIMM and National Public Acquisition Agency) to propose a revision of the law in order to attract foreign companies on the public market. Another comment comes from a more administrative point of view, since MTTN puts an emphasis on suggesting companies carefully read the terms of reference of the tenders in order to comply fully and adequately to them. Furthermore, MTTN notes that usually the time allowed to prepare bids after the launch of a tender is short, and that translating bids into Romanian can be onerous. MTTN comments that some national and foreign organizations criticize the insufficient transparency of Moldova's public procurement practices.

Secondly, the French Cluster *France Water Team* (FWT) responded by a comment: they and their members are not present on the Moldavian and Ukrainian public procurement markets. FWT represents 400 members of the French water ecosystem, and based on their information, no member has ever bid into these public markets. Furthermore, their knowledge of the market is very slim, perhaps even nonexistent. This statement can be relevant to our analysis: the French companies, as well as BSOs and clusters, have strong needs of training and learning of these two targeted countries' public procurement systems.



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## Questionnaire for clusters and BSOs:

### Questionnaire P2GreenEST for Clusters and BSOs

As part of our SWOT analysis, we would like to interview you in order to collect good practices from your members when participating in international tenders.

\*Obligatoire

1. Name of your Entity \*

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2. Your name \*

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3. Experiences in participation of SMEs in tenders (in general) \*

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4. Numbers of SMEs you represent/ you are working with? \*

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5. Experience in participation in tenders outside EU / especially in EaP countries \*

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6. Lessons learnt: rights and wrongs \*

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7. What do you think are the main barriers that a European SME can have when participating in an international tender / EaP countries? \*

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8. What type of actions do you think should be implemented by our partnership to help European SMEs to participate in tenders in these markets (Moldova and Ukraine)? \*

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9. If you have a good practice in terms of Public Procurement to share with us please write it here briefly \*

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10. Could you recommend some platform that your members/you use to keep track of the upcoming tenders? \*

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Ce contenu n'est ni rédigé, ni cautionné par Google

Google Forms



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### 3.2. GREEN ENERGY CLUSTER

Green Energy Cluster selected the Association of Romanian Clusters - CLUSTERO to give their recommendations on increasing SMEs participation in public tenders. Founded in 2011, CLUSTERO is the representative body of Romanian clusters and the main platform of cooperation, exchange of information and support towards the development of the national cluster landscape based on innovation and internationalisation. Currently, the Association gathers 47 of the most active Romanian clusters in the field of textiles, renewable energy, wood and furniture, ICT, agri-food etc. At their turn, they represent 2000 enterprises, 189.000 employees, 9 billion EUR turnover and 1 billion EUR exports (2019).

The Association offers information on regulations regarding clusters' activity, sources of financing and events; it supports the establishment and development of clusters as well as the collaboration within and between clusters through network generation; it monitors and assesses cluster performance and organises cluster management trainings and international conferences and events; it supports cluster interests at national and international level. CLUSTERO is a founding member of the European Cluster Alliance, the representative body of clusters at European level, as well as of EUCLES, the newly established body leading the cluster excellence evaluation process.

As a result of CLUSTERO's actions, Romanian clusters rank on top concerning cluster management excellence as shown by ESCA evaluations (5 gold, 14 silver and 58 bronze labelled clusters since 2013). In cooperation with selected clusters, CLUSTERO has already started developing innovative instruments in order to better reach cluster members (especially SMEs with targeted support). The current challenge faced by Romanian clusters and in the wider sense the

Romanian economy is their integration into new industrial and digitalised value chains in order to increase competitiveness based on innovation, internationalisation and especially Industry 4.0 approaches.

**Main barriers** that a European SME can have when participating in a tender in EaP countries:

- different business culture
- language problems
- different regulatory system

**Actions to be implemented** to help European SMEs to participate in tenders in EaP markets (internationalization activities in link with project procurement):

- organisation of more actions in support of internationalisation: in/outward company missions and brokerage events
- enhance cluster to cluster cooperation

**Experiences of SMEs** in participating in tenders in EaP - any lessons **learnt to share**:

- the best entry option is finding a local partner



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### 3.3. CHAMBER OF COMMERCE AND INDUSTRY OF MOLDOVA

An interview was conducted with the Vice-President of the Chamber of Commerce and Industry of the Republic of Moldova, Mr. Mihai Bilba, in order to understand the role of BSOs in offering services for the SMEs interested in the public procurement opportunities in the Eastern Partnership countries.

Chambers of Commerce and Industry are organizations offering a wide range of services to SMEs, including consultations for participating in tenders in any economic sector.

The Chamber of Commerce and Industry of the Republic of Moldova, with the support of international donors, particularly the German Agency for International Cooperation (GIZ) has implemented several projects related to public procurement in the Republic of Moldova. One of these projects, "Modernization of local public services" included such activities as training aimed at building the capacities of SMEs to participate efficiently in tenders, create consortia with foreign partners and increase the competitiveness of SMEs participating in public procurement. Also, the SMEs participated in company missions and B2B sessions to Romania (the main economic partner of the Republic of Moldova) in order to establish partnerships for joint application to the public procurement bids launched for water and sanitation sectors.

Further, a brief information on the opportunities which can be utilized by the European SMEs in order to participate successfully in public procurement in the Republic of Moldova, as well as some recommendations are presented.

Speaking about the procedure of European SMEs participation in public procurement tenders in the Republic of Moldova, it can be noted that it is quite simple.

In accordance with art. 16 of the Law on public procurement no. 131/2015, any economic operator, resident or non-resident has the right to participate in the procedure for awarding the public procurement contract. Foreign economic operators have the same rights as the economic operators from the Republic of Moldova when it comes to participation in public tenders.

Any foreign company interested in participating in public procurement in the Republic of Moldova must register on one of the procurement platforms of the national MTender procurement system (achizitii.md, e-licitatie.md, yptender.md). Registration on these platforms is accessible and free, both for resident and non-resident economic operators. (The registration procedure may differ from platform to platform, but each of them provides customer support for guidance).

There are, however, **some technical and legal barriers for foreign companies**. The first barrier refers to obtaining the electronic signature, which, according to the law, is mandatory for participation in electronic public procurement. On the offers submitted electronically, in accordance with the legislation in force (art. 33, point i) of the Law no. 131/2015), the application of the electronic signature is requested. The electronic signature issued by authorities from countries other than the Republic of Moldova is not recognized. Therefore, a foreign economic operator must obtain the electronic signature issued in the Republic of Moldova. However, the issuance of the electronic signature is conditioned by the identification of the holder. And the identification data is considered the name, surname and identification number of the natural person. In the process of obtaining the electronic signature, the Republic of Moldova identity card, residence permit, or other document containing the personal identification number is required.



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Another barrier may be the language of the bids. All economic operators, including non-residents, must submit a tender in the language specified in the award documentation. Although the award documentation shall be drawn up and published by the contracting authority in the state language, it may also be drawn up in one of the languages of international circulation in the following cases:

- the nature of the requested goods, works and services requires the participation/involvement of foreign economic operators, resources from abroad, foreign technologies, the provision of expertise services or the involvement of foreign competitors.
- the estimated value of the requested goods, works and services exceeds the thresholds provided in Law No. 131/15 at art. 2 para. (3). (goods / services > 2.3 million lei or 115 thousand Euro, works > 90 million lei or 4,5 million Euro).

Regarding the **actions that should be undertaken by the authorities**, it is necessary to identify a solution for the electronic signature (either by signing agreements with other countries for the recognition of the foreign electronic signatures, or by facilitating the process of obtaining it for non-resident economic operators). It also requires a review and standardization of the procedure for registering non-resident economic operators on the procurement platforms of the MTender electronic system.

Referring to the actions of business support organizations and business associations, they should launch promotion and support programs on public procurement market access for European companies. These programs should provide information, support and expertise on the national legal framework, the functioning of the public procurement system, the applicable public procurement procedures, the system, and procedure for contesting, as well as the association with local companies for bidding in the Republic. Moldova.

Recommendations for European companies regarding participation in public tenders in the Republic of Moldova

European companies should, first of all, analyse the public procurement market in the Republic of Moldova and, in particular, obtain more information for the sector in which they operate and for which they intend to participate in public procurement procedures in the Republic of Moldova. Also here, it is recommended to analyse and get familiarized with the provisions of the legal framework, the operation of the electronic procurement system, as well as other mandatory requirements to be met for participation in tenders. In this regard, European companies can use the services of local business support organizations like the chamber of commerce and industry organizations, or the experts specialized in the preparation of documents in accordance with the legal framework, qualification requirements, and possibly the preparation and submission of a complaint in the event of infringements admitted by the contracting authority.

Secondly, in order to obtain the electronic signature, one solution is to delegate by proxy the right to electronically sign the offers to a natural person resident in the Republic of Moldova, holder of a qualified electronic signature issued in the Republic of Moldova.

Another opportunity is the examination of the possibility of bidding in public procurement procedures in association with a local company with experience in the public procurement market. The Law on public procurement No. 131/2015 in art. 16, paragraph (3) offers the right of economic operators to associate for the purpose of submitting tenders and/or to present themselves as associated tenderers. The advantages of associating with a local company are that the local company already knows the



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public procurement market very well, including the legal framework, the procedure for submitting, registering and using the electronic system and also has an electronic signature, etc.

And last, but not least, it is recommended that foreign companies interested in tender opportunities in the Republic of Moldova use their right to request clarifications on the award documentation whenever necessary. Law no. 131/2015 (art. 35) provides that any interested economic operator has the right to request clarifications regarding the award documentation. In practical terms, clarifications are published exclusively through the electronic system, when the procurement procedure is in the clarification period. The deadline for requesting clarifications differs depending on the procedure and the value of the purchase and is usually between 3 and 9 days. It should be noted that, in accordance with the law, the contracting authority has the obligation to respond clearly and completely unambiguously as soon as possible to any clarification requested, within a period which should not normally exceed 3 working days from the receipt of such a request from the economic operator, except for the procedure for requesting price offers, in which case this period must not exceed one working day. And in the electronic system a procurement procedure is temporarily suspended if the contracting authority has not answered at least one clarification question. The procedure is resumed as soon as the publishing authority answers all clarification questions.

The Chamber of Commerce and Industry of the Republic of Moldova is ready to offer individualized advisory services in order to make the process of participating in public procurement bids as efficient as possible. In case an European SMEs is interested in creating consortia with local companies, it can recommend reliable local companies from, which have proven experience in public procurement and can contribute to the successful outcome of European SMEs participation in public procurement in the Republic of Moldova.

### 3.4. FADE

The Asturian Federation of Entrepreneurs (FADE) selected the Trade Promotion Agency of the Principality of Asturias (ASTUREX) and the Technological Corporation of Andalusia (CTA) to give us their views on the project approach and to deepen our understanding of the threats and actions to be implemented.

#### **A) Trade Promotion Agency of the Principality of Asturias (ASTUREX)**

ASTUREX is the leading institution in trade promotion for companies established in Asturias (Spain). It was established in 2005 from a joint commitment of all regional agents, public and private, involved in business and economic internationalization.

Among its many services aimed at the internationalisation of companies, ASTUREX helps Asturian companies to participate in international tenders and promotes the creation of consortia.

M<sup>a</sup> Ángeles Álvarez López is the person in charge of the international tendering service within the organisation and has extensive experience in accompanying Asturian companies in different international tendering processes.

In her opinion, it is essential to bear in mind that each company must have its own roadmap and it is, therefore, important to carry out a SWOT analysis of each of them before participating in this type of process. For an SME to be able to win an international tender, it is essential to correctly determine its own market niche and SMEs must be prepared and trained for this and take into account that it is a process that can be long and complicated, where the expected result is not always obtained.



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Álvarez points out that we should also focus on international tenders for consultancy services, as several Asturian companies have been successful in participating in this type of process and often go unnoticed. In addition, she indicates that it is essential that BSOs awaken the interest of SMEs in targeted markets and, in her experience, the best results in international public tenders have happened when a company somewhat larger than an SME has a tractor effect on SMEs in the region. Therefore, although the COSME programme is for SMEs, Álvarez considers it necessary in regions such as Asturias, where SMEs are not used to international tenders in these markets, to extend our target audience to companies somewhat larger than SMEs, which have experience in international tenders in the sectors selected in this project and can form consortia with SMEs.

On the other hand, Álvarez advises us that the P2GreenEST project should encourage the Moldovan and Ukrainian authorities to seek opportunities in multilateral tenders, mainly from the European Union. In this sense, these countries should negotiate with the European authorities to obtain funding for tenders and European SMEs would submit a tender offer with European transparency standards and in an official EU language, thus reducing the threats that many European SMEs pointed out in the questionnaire.

#### **B) Technological Corporation of Andalusia (CTA)**

Technological Corporation of Andalusia (CTA) is a strategic partner for innovation. It helps businesses, universities, public authorities and other bodies to successfully achieve their R&D objectives and valorise the results.

Founded in 2005, with the aid of the Andalusian Regional Government, it is a private foundation acting as a public-private partnership and cross-sectoral cluster which works to promote innovation and comprises 168 member companies, of which approximately 100 are SMEs. In addition, its partners include companies in the P2GreenEST project areas, especially in the energy sector, and many of the projects they develop with SMEs are in the field of circular economy and digital transformation.

The person we interviewed was Carlos García, Head of Sector of Public Procurement and Building and Infrastructure Investments. Furthermore, Carlos is the coordinator of the European project P5Innobroker, also funded by the COSME programme, in which Éa Éco-entreprises participates together with four other southern European entities. This is a strategic project for the European Commission's Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, which aims to promote the launch and implementation of Public Procurement of Innovation initiatives on a large scale in Europe, given their important dynamizing effect on the business world and the modernisation of public administrations.

CTA has experience in multilateral tenders, both presenting themselves and accompanying some of their associates in these processes. Specifically, they have worked on multilateral tenders for developing countries, mostly in South America and, although he reports on the complexity of these processes, Garcia explains that without multilateral tenders it would be even more difficult for a European SME to enter markets in developing countries.

He explains that for an SME to be interested in this type of process, the public contracts must be relevant, and the country's environment must be at least minimally attractive. In addition, the vast majority of Spanish SMEs tend to go to these types of tenders together with larger companies or local partners, who know the terrain well, the legal requirements and have a network of contacts in the country. He therefore considers it important that, within the framework of the project, we promote



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the networking of the participant SMEs by events or direct and reverse missions in the selected markets.

On the other hand, Carlos Garcia points out that the strengths of SMEs include their differentiation through technology and innovative solutions. Therefore, tenders that are divided into lots and that include an innovative component are generally more attractive to SMEs, which also facilitates the creation of consortia with larger companies.

Finally, Carlos stresses the usefulness of newsletters and regularly updated, practical and user-friendly Country Factsheets with clear indications and orientations on the local context in which we provide up-to-date information on the selected countries and sectors.

## 4. Analysis of the results

After the cross-regional study of the results of the questionnaire and taking into account the contributions received in the different interviews carried out, we proceed to analyse the results of the SWOT analysis, differentiating between its different components: strengths (S), weaknesses (W), opportunities (O) and threats (T).

### 4.1. Strengths

**Strengths** are capabilities that enable a company or unit to perform well, capabilities that need to be leveraged<sup>1</sup>.

The questionnaire highlighted several strong points of SMEs to participate in PP:

- SMEs are more flexible and reactive. Thanks to their flexibility they can often provide services of better quality according to the needs of Public Procurers and their territories (tailored solutions and technologies).
- SMEs can offer competitive pricing arrangements compared to the bigger companies.
- SMEs make the difference through technology and innovative solutions.
- By participating in PP, SMEs can develop new services and projects, become more competitive and grow at national and international level.
- Being positioned on PP tenders, innovative/sustainable SMEs may get good reference for Private Procurers thus increasing the trust on their solutions.

By purchasing innovative/ sustainable solutions, public bodies may also deliver efficient public services, with lower energy consumption, lower life-cycle costs, less impacts/ zero environmental impact and many other advantages aiming to move forward the economic and ecologic transition. At the same time, by procuring innovative technologies, Public Procurers offer to SMEs the chance to grow and develop as 77,5% of SMEs see the public procurement as new market opportunities.

### 4.2. Weaknesses

**Weaknesses** are characteristics that prohibit a company or unit for performing well and need to be addressed<sup>2</sup>.

#### a) Size of SMEs

Small size means that SMEs are subject to internal resource and capacity constraints such as finance, human capital, IT skills, human resources, administrative skills and knowledge (Karjalainen and Kemppainen, 2008; Loader, 2013). This limits their chance of success in public tendering (Temponi and Cui, 2008) because resource-constrained firms may not have the capacity to deliver public-sector contracts, which are characteristically large or complex.<sup>3</sup> By the way, just 18% of the interviewed SMEs have a dedicated employee searching for PP offers.

#### b) Lack of interest

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<sup>1</sup> SWOT Analysis I: Looking Outside for Threats and Opportunities. Harvard Business School Publishing Corporation (2005). p.2.

<sup>2</sup> ibid p.2.

<sup>3</sup> Akenroye, T.O., Owens, J.D., Elbaz, J., Durowoju, O.A., 2020. Dynamic capabilities for SME participation in public procurement. BPMJ 26, 857–888.



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Another impediment for them may be the **lack of interest** in public contracts due to previous unsuccessful attempts. Rising awareness to both, PP and SMEs, about the positive effects that PP may have on SMEs growth and development is essential and the clusters and BSO are key for doing it.

Additionally, the P2GreenEST questionnaire proved that for Spanish and French SMEs this geographic destination (Eastern Europe) is new. That is why a good communication and training on this axis will be key for getting good results.

#### **c) Inability of SMEs to align their service provisions with specific needs of the public sector<sup>4</sup>**

Often innovative SMEs have difficulties to position on the Public Procurement offers. The classic PP is often based on price and not the efficiency of solutions (services and products). This is why sourcing innovation and sustainable products is a crucial aspect to be taken into account and developed by public authorities. Especially in Eastern countries where the PP systems are often using classic PP. The role of CCIs, clusters, BSOs is key for doing that.

#### **d) Lack of experience**

- Lack of proven track record/ references
- SMEs often lack prior knowledge of tender participation
- Lack of bid preparation skills
- Lack of knowledge about public bidding process
- Lack adequate resources (legal, admin, marketing, human capital, IT, alert portals)
- Lack of systems or IT skills/special platforms: 32 respondent SMEs consider that one of the main difficulties in tendering it to find interesting tenders

#### **e) Difficulties in communicating with public authorities**

For a foreign company it is impossible to bid in an unknown country without knowing the market and the local buyers. During the P2GreenEST interview, Asturex mentioned that additionally to a joint market screening (as the one done by our P2GreenEST team), an individual market screening is mandatory.

This individual market screening may help SMEs to identify interesting potential buyers-public procurers. Our analysis proved that good communication between the suppliers and the buyers is essential for identifying the need and this may help SMEs to better align to the tender request. Knowing the SME before receiving the offer may also inspire trust in the buyer. So, **communication at an early stage of a tender is essential.**

Public buyers lack adequate skills to make the contracting process more attractive to and often prefer to do business with well-established larger companies. Large companies are more likely to access public sector contracts than SMEs that are fresh in the market. Public procurers perceive a risk in contracting with SMEs which do not have enough references, or financial (in)security.

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<sup>4</sup> ibidem



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SMEs consider that the financial requirements of public-sector suppliers are too high for them to meet.

A common complaint of SMEs is that public buyers rely on large, established suppliers to the exclusion of smaller, younger firms (Loader, 2005, 2015; Walker and Preuss, 2008). By being proactive and marketing their business by, for example, attending trade fairs, arranging product demonstrations, or exploiting social media, SMEs can increase their visibility to buyers and showcase their attributes.<sup>5</sup>

Success is also contingent on the ability of firms to engage with public buyers, market their goods and services to them and challenge their pre-conceptions of smaller suppliers and what they can offer. All this suggests that **relational** and **procedural capabilities** are important for explaining activity and performance in public contract competitions.

Anything that SMEs can do to influence the priorities of public buyers and shift award criteria towards their own strengths, particularly on innovativeness and customer responsiveness (Woldesenbet et al., 2012), should advantage them. Relational capability is also about creating demand for new products and services and informing purchasing intentions of public buyers before they ever issue a formal request for tender (RFT). Pre-tender engagement of this kind has been shown to be associated with above-average bid outcomes for SMEs by McKevitt and Davis (2013).<sup>6</sup>

#### **f) Linguistic Barriers**

It has to be noticed that just one SME from France is positioned on Eastern markets, but it has to be pointed out that its employee is Ukrainian. During the interview with him he realised that Prozzoro Portal is in Ukrainian language and just some titles are in English. He agreed that for a non-local company it is impossible to look for tenders on it.

#### **g) Funding Interesting Tenders**

Together with the language issue, 32 SMEs point out the difficulty to find tenders.

During the market screening the P2GreenEST team could also observe that it is impossible to follow the tender alerts without a special dedicated tool. Unfortunately, there is no free tool to do it. It seems that several private tools exist, but they are all paid.

#### **h) Lack of guidance advice and support**

Taking into account its size, or lack of time, an SMEs needs to get supported to bid at international scale, especially in the unknown geographic regions. Without linguistic, legal and cultural support the international tendering may quickly become non-attractive for SMEs.

#### **i) Administrative burden and excessive requirements of financial guarantees**

SMEs perceive the procurement process as **costly** and **time-consuming**. The short deadlines often request huge time and financial commitment (translation, legal advice) to submit a competitive bidding proposal. Although the widespread adoption of electronic systems (Prozorro, Etender....) is expected to streamline procurement processes and make bidding more efficient, evidence suggests that SMEs might lack computing systems (specialised platforms), IT and linguistic skills especially for international

<sup>5</sup> Flynn, A., Davis, P., 2017. Investigating the effect of tendering capabilities on SME activity and performance in public contract competitions. *International Small Business Journal* 35, 449–469. <https://doi.org/10.1177/0266242616630035>

<sup>6</sup> ibidem



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tendering. The financial guarantee systematically requested is another point that discourages SMEs to renounce to international bidding.

### 4.3. Opportunities

**Opportunities** are trends, forces, events, and ideas that a company or unit can capitalize on<sup>7</sup>.

Although the sectors of circular economy, including waste and water management, as well as energy efficiency are at the very incipient stage of development in the Republic of Moldova and Ukraine, the problems existing in these areas make the relevant stakeholders and the entire society become more aware of the need to improve the situation and create opportunities, including through public procurement procedures.

Among the main opportunities existing on the Moldovan and Ukrainian public procurement market for the P2GreenEST targeted sectors could be mentioned:

- Continuous improvement of the legislative framework in the water, waste management and energy efficiency sectors and gradual harmonization with the European Union legislation.
- At the practical level, very few initiatives have been implemented, meaning that the targeted sectors have unexplored potential, especially for European SMEs, which possess new technologies and can bring innovation to the markets of the Republic of Moldova and Ukraine.
- The areas of waste and water management, as well as energy efficiency are strongly supported by development partners (donor institutions) both in Ukraine, and in the Republic of Moldova, which opens new opportunities for European partners and offers the possibility to participate in bids which are organized in accordance with EU procedures, are more transparent and closely monitored and supported by the involved stakeholders.
- The potential of renewable energy sources (RES), especially in the Republic of Moldova is not fully exploited, specifically regarding wind and solar sources. Renewables represent 20% of Moldova's energy mix, consisting almost fully of solid biofuels.
- The following alternative energy sub-sectors have been identified as being of high opportunity for future project development in the Republic of Moldova and Ukraine:
  - Small hydro facilitated by a network of large and smaller rivers
  - Solar energy (both Moldova and Ukraine can benefit from solar energy, having more than 250 sunny days per year)
  - Wind energy
  - Geothermal - due to its high price, geothermal technologies (heat pumps) only represent a small number of projects throughout the targeted countries
  - Biomass energy
- The market for water collection and treatment in Ukraine is very competitive. A range of local and foreign companies from different areas of the water sector already have a long history of business in Ukraine. However, it is estimated that 60-75% of the water technology is imported into Ukraine.
- Opportunities offered by international cooperation in river basin management of the cross-border bodies of water in the Republic of Moldova and Ukraine and the implementation of the European Water Framework Directive.

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<sup>7</sup> SWOT Analysis I: Looking Outside for Threats and Opportunities. Harvard Business School Publishing Corporation (2005). p.2.



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- International collaboration on national and municipal levels also represents a huge business opportunity.
- The DCFTA and AA agreements signed with the EU by the Republic of Moldova and Ukraine create opportunities for improvements in the sectors, including more investment and technical assistance projects.

#### 4.4. Threats

Threats are possible events or forces outside of the companies' control that the company needs to plan for or decide how to mitigate<sup>8</sup>.

The main threats we identified in the framework of this project are as follows:

- **Uninteresting tenders**

65% of the SMEs who completed the questionnaire indicated that they often have problems in finding interesting international tenders. This is compounded by the fact that many SMEs are unfamiliar with seeking tenders, even in their own country. In this sense, 35% of SMEs indicated that they are not used to seeking tenders and only 18% of the companies surveyed indicated that they had an employee dedicated to seeking tenders.

Among the factors that can make a tender in Eastern countries uninteresting for a European SME are the short time to apply for a tender, the difficulty of being competitive when the price is the only criterion for awarding a tender and the insufficient opportunity to ask questions about unclarity before tendering. In addition, many SMEs report that public authorities often do not take into account the specificities of SMEs when preparing tenders.

- **Linguistic barriers**

Language barriers are one of the main obstacles reported by SMEs in the questionnaire. The fact that most tenders in Moldova and Ukraine are published in their own languages and that many websites are not translated into English makes it very difficult for European SMEs to participate in tenders in these countries.

- **Bureaucracy problems**

Administrative requirements for tenders sometimes create too much burden and discourage SMEs participation. In this respect, the complexity of the requirements and the lack of common rules for application and selection criteria of many calls for tender deter SMEs from participating in them.

In this regard, for example, in Moldova, an electronic signature is required to submit a tender offer, and to obtain it, a Moldovan identity card or a residence permit is necessary, so European SMEs are obliged to find a Moldovan partner to participate in a tender in that country.

- **Lack of transparency**

On the other hand, the lack of transparency of the public authorities involved in these processes is another important barrier to SME participation. To increase transparency in these processes, the Moldovan and Ukrainian public authorities should publish clearly and well in advance the selection

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<sup>8</sup> SWOT Analysis I: Looking Outside for Threats and Opportunities. Harvard Business School Publishing Corporation (2005). p.3



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criteria and the criteria they will use to award the tender. In addition, once the tender has been awarded, they should publish the justification for the award. Information in public procurement should be made progressively available as open data in widely used formats that are non-proprietary, searchable, sortable, platform-independent, and machine-readable<sup>9</sup>.

#### – **Legislative changes during the process**

SMEs are concerned about legislative changes that may occur during public procurement processes. These legislative changes may substantially modify the conditions of the process and SMEs may be disadvantaged. The fact that the legislation applicable in the selected countries is not known, and that these countries do not belong to the European Union, means that many companies prefer to participate in tenders in countries whose national rules on public procurement are based on EU directives.

In addition, as these countries do not have much experience in the circular economy, their laws are constantly being updated, which creates uncertainty for European SMEs.

#### – **Country risk indicators**

As we learned from the results of the questionnaire, the vast majority of European SMEs have not participated in public tenders outside the European Union.

As we learned from the results of the questionnaire, the vast majority of European SMEs have not participated in public tenders outside the European Union and, Moldova and Ukraine are not markets with which European SMEs, especially Spanish and French ones, have a strong relationship. Many surveyed SMEs and BSOs do not know basic facts about the selected countries.

In this sense, some SMEs have indicated that one of the main reasons that would keep them away from participating in public tenders in the selected countries is the lack of knowledge of their political, economic, or legislative risk indicators, and the lack of reliable sources where they can obtain this series of data.

#### – **Lack of knowledge/trust from local actors in SMEs' solutions**

Among the actions that made it possible for many SMEs to win a public tender, we find communication with public authorities in the preparation phases of the tender. This upstream work, i.e., lobbying, is very difficult for European SMEs when participating in tenders in Moldova and Ukraine, as they do not know who to approach and face additional difficulties such as language barriers. Moreover, some SMEs report that these communication barriers can lead to local authorities not believing in their solutions.

#### – **Contracts not divided into lots**

Many SMEs are excluded from participating in tenders when contracts are not divided into lots. This is mainly because, in many cases, SMEs are specialised in specific solutions that affect only a part of the contract or that they lack sufficient internal resources to carry out a large-scale project, which would require them to form a consortium to participate in the tender. However, if contracting authorities

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<sup>9</sup> Transparency in public procurement. G20 Position Paper (2015).



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consider dividing contracts into smaller lots, it would make the contracts much more favourable to SMEs<sup>10</sup>.

- **Long payment terms and delays**

Long payment terms and delays in payments are frequent problems in public procurement particularly affecting SMEs, due to the need for immediate liquidity that larger companies can more easily cope with. In addition, to develop some of the awarded projects, many SMEs have to anticipate the purchase of expensive equipment and/or hire more people in their team, which considerably increases costs.

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<sup>10</sup> Division of contract into Lots. Further Education Library of Procurement: <https://www.felp.ac.uk/content/division-contract-lots>



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## 5. Actions to implement in the P2GreenEST project

After having analysed the responses of the SMEs, the interviews carried out with different entities and companies with experience in international tenders, and different reports carried out by international institutions on this issue, we identified the following actions to be implemented to focus the P2GreenEST project towards the success of the SMEs:

### – Centralised website collecting opportunities in public tenders

49% of the SMEs that participated in the questionnaire consider that a website where they could find tenders centrally would facilitate their access to these opportunities. In the case of Spanish SMEs, this percentage rises to 58%. Being aware of this, the P2GreenEST project partners have launched a website where we collect information on tenders in Moldova and Ukraine, and in the sectors on which we have focused the project: water, energy, and waste management.

The link to the website is as follows: [P2 Green EST](#). Specifically, in the "tenders" section, SMEs interested in the project can easily access the tenders previously identified by the partners, by filtering by country and sector. In addition, they will find documents of interest, news related to the project and the events that we will carry out or attend during the project.

In this sense, some experts recommend integrating basic information on Moldova and Ukraine and the main business opportunities detected in the project's sectors of work into the newsletters.

### – Exploring opportunities in multilateral tenders

Several experts on international public tenders expressed in the interviews the need to explore, together with Moldovan and Ukrainian public authorities, the different tendering opportunities that can be offered by multilateral organisations, with a special emphasis on opportunities from European institutions. This would minimise some of the main threats identified: uninteresting tenders, linguistic barriers, bureaucracy problems or lack of transparency among others.

Multilateral processes can also be very interesting for public procurers in Moldova and Ukraine, who can find in these bodies financial support to finance their transition to the circular economy in the water, energy and waste management sectors.

### – B2B events with foreign companies

B2B (business-to-business) events were identified by most of the companies that participated in the questionnaire as one of the main actions to be implemented throughout the project. The main objective of this type of event is to propagate the exchange of information, products, and services between businesses to seek synergies and business opportunities.

Through these events, European SMEs interested in bidding for tenders in Eastern countries will be able to meet other SMEs with similar interests to their own and/or well-established companies in Eastern countries that will have a tractor effect on European SMEs, which will be able to benefit from their know-how and experience in the selected countries and sectors. The identification of well-established companies in these countries and sectors by the project partners will be very important to encourage European SMEs to participate in this project.



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The project partners plan to hold such events both virtually and in person at major international events that we will attend if the evolution of the pandemic permits. Collaboration opportunities promoted by the Enterprise Europe Network (EEN) and Cluster Collaboration Platform will be considered for these types of activities. Specifically, a forum will be provided for interested companies to hold private meetings in which to discuss the possibilities of collaboration for bidding to common public tenders. To reach this objective the exploitation of other resources, as a compliment, already working in the EU (EEN b2match platform) will be deeply explored. In any case, an online tool to discuss and meet will be articulated by the project to hold the eventual meetings among companies involved in the project.

#### – Brokerage events

Brokerage events – also known as business ‘speed dating’ – bring together businesses and other organisations looking for partners to take their projects forward. They often take place alongside international trade fairs and conferences. Participants share their partnership offers or requests and schedule meetings in advance<sup>11</sup>.

In this respect, P2GreenEST project partners will value the participation or the organisation of brokerage events, mainly related to the sectors of the SMEs interested in the project: water, energy, with special attention to biomass, waste management or engineering.

To this end, we will make use of the Enterprise Europe Network, whose partners have extensive experience in organising this type of event.

#### – Partnerships with local actors

As mentioned above, one of the main barriers for European SMEs when bidding for tenders in Eastern countries is the requirement to be accompanied by a local partner to submit a tender offer. In this regard, in addition to promoting B2B events to form consortia between European SMEs and local SMEs in Eastern countries, the P2GreenEST project partners will look for ways for European SMEs to work together with local system integrators in Moldova and Ukraine. In this respect, the Chamber of Commerce and Industry of Moldova can assist European SMEs in finding partners or expert consultants for public tenders.

#### – Capacity-building webinars for SMEs and public procurers

Half of the SMEs that took part in the questionnaire consider it interesting to carry out training on tender preparation. However, this percentage is reduced to 25% in the case of Spanish SMEs and 30% in the case of French SMEs.

To give support to EU SMEs to build their knowledge on public procurement, especially in the targeted countries, we will carry out a series of webinars on public procurement about technical and practical aspects. Specifically, we plan to hold a first session aimed at SMEs with no experience or knowledge of tendering processes and, subsequently, continue to hold different webinars focusing on the selected sectors and countries.

Among the aspects that we plan to cover in the different webinars, we would like to highlight the following: legal aspects of public procurement, tendering procedures in Moldova and Ukraine, tender opportunities in the different sectors, creation of consortia, evaluation of tenders and the awarding process and managing the contract once the award has been made.

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<sup>11</sup> [Enterprise Europe Network \(europa.eu\)](http://europa.eu)



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For the implementation of these training sessions, we plan to subcontract the services of experts in the field, prioritising among those with experience in tendering processes in the selected countries and sectors.

On the other hand, we also plan to carry out capacity-building webinars on circular procurement for public procurers from Moldova and Ukraine. In this respect, we consider it of great interest to raise awareness among the Moldovan and Ukrainian public authorities of the importance of seeking opportunities in multilateral tenders, mainly from the European Institutions. This would facilitate the participation of European SMEs in these processes and increase the resources of public authorities.

Also it seems important to raise their awareness to tendering processes in lots and to include in public tendering processes other aspects and not just the price. Training on these aspects will for sure be very useful.

#### – Promoting SMEs' communication with public authorities

A regular dialogue between SMEs and public procurers can reduce barriers hampering SME access to public procurement<sup>12</sup>. To this end, the project partners will promote different activities to foster communication between public authorities and SMEs.

We plan to hold different B2P (business to procurers) events. Firstly, as a prelude to the international trade missions that will bring European SMEs to the target countries, an online B2P event will be organised. This meeting will be the opportunity of the first dialogue between SMEs and public authorities and can be mutually beneficial, by allowing the public procurers to identify innovative European SMEs that could answer to their needs in line with the circular economy and enabling SMEs to lobby before tenders are published so that facts such as quality rather than price-oriented tendering processes are taken into account, thus favouring the participation of innovative European SMEs in public tenders in their countries.

The Chamber of Commerce and Industry of the Republic of Moldova (CCI RM), due to its strategic geographical position and role, will target relevant public procurers in Moldova and Ukraine to participate in this first B2P online meeting, and ensure its smooth organisation. On the other hand, Éa éco-entreprises can also help in implementing this task, as it has experience in organising “webinars of sourcing” dedicated to public authorities and aiming at show-casing green innovative solutions. This first dialogue will allow qualitative encounters during the international trade missions.

#### – Discovery visits in the targeted countries

37% of the SMEs surveyed said it would be interesting to attend discovery visits in the selected countries, however, this percentage decreases to 17% in the case of Spanish SMEs, while 40% of French SMEs find it interesting.

In this respect, we are planning two trade missions (one in Ukraine and one in Moldova), organised by the CCI RM, coinciding with bigger existing events in both countries to optimise efforts and publicise the project as widely as possible.

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<sup>12</sup> SME need analysis in public procurement. Final Report. Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs. European Commission. 2021. P.144.



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Each European project partner will come with a group of SMEs from the selected sectors, and B2B and B2P meetings will take place, as mentioned above.



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## 6. Conclusion

International public tenders can be an interesting way for SMEs to internationalise. In this sense, public procurement in the EU accounts for about 14% of EU's GDP and<sup>13</sup>, although improvements have been implemented in recent years to encourage SME participation, the data show that still few SMEs participate in this type of international procedures and there are still many barriers that they detect.

The need for this project to try to get European SMEs to participate in international tenders in Moldova and Ukraine has been reaffirmed after having analysed the results of the responses obtained in the SME questionnaire, the input we received through interviews with business organisations, clusters and experts in international tenders, the information from reports on public tenders and the results of the market research also carried out by the project partners.

Firstly, the market research carried out by the project partners has guided us in identifying important business opportunities in the field of circular economy in the energy, water and waste management sectors in Ukraine and Moldova, areas of activity where many European SMEs have experience and could provide innovative solutions.

However, mainly through the answers provided by SMEs and interviews with BSOs, clusters and public procurement experts, we have been able to identify important barriers that we will have to work on, in order to try to reduce their impact and try to make European SMEs able to win public tenders in Moldova and Ukraine. In addition, we have also analysed the strengths and weaknesses of SMEs when bidding for international tenders.

The results of our SWOT analysis are summarised in the following table:

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<sup>13</sup> SME need analysis in public procurement. Final Report. Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs. European Commission. 2021.



Finally, taking into account the results of the SWOT analysis, the following actions to be implemented throughout the project are identified:

- **Centralised website collecting opportunities in public tenders.** Almost half of the SMEs responding to the questionnaire underlined the need for a website to centralise tender

opportunities and different news and events related to the project. In this regard, it should be noted that the project website is already up and running and we have a specific section where we list the tenders we consider relevant in the framework of the project, allowing companies to filter by sector and by country. Link: [P2 Green EST](#).

- **Exploring opportunities in multilateral tenders.** The search for opportunities in multilateral tenders is very important for the success of the project as, on the one hand, it would increase the resources of the Moldovan and Ukrainian public authorities to continue their transition towards a circular economy and, on the other hand, it would encourage the participation of European SMEs by reducing the main threats detected in this SWOT analysis.
- **B2B events with foreign companies.** B2B events were also one of the main actions highlighted by SMEs and experts alike. These actions are mainly of interest when it comes to forming consortia or to find well-established companies in Eastern countries that will have a tractor effect on European SMEs, which will be able to benefit from their know-how and experience in the selected countries and sectors.
- **Brokerage events.** We are considering participating in or even organising such events, mainly in the sectors of water, energy, with special attention to biomass, waste management or engineering. To this end, we will make use of the Enterprise Europe Network, whose partners have extensive experience in organising this type of event.
- **Partnerships with local actors.** One of the main barriers for European SMEs when bidding for tenders in Eastern countries is the requirement to be accompanied by a local partner to submit a tender offer.
- **Capacity-building webinars.** Half of the SMEs that took part in the questionnaire consider it interesting to carry out training on tender preparation. It should be noted that the webinars are aimed at both SMEs and public authorities. Among the aspects that we plan to cover in the different webinars, we would like to highlight the following: legal aspects of public procurement, tendering procedures in Moldova and Ukraine, tender opportunities in the different sectors, creation of consortia, evaluation of tenders... In relation to those addressed to public authorities, it is worth noting the need to link them to the search for opportunities in multilateral tenders, mainly from European institutions.
- **Promoting SMEs' communication with public authorities.** Communication between public procurers and European SMEs may contribute to some of the barriers identified in this analysis. In this sense, we plan to hold different B2P events throughout the different phases of the project.
- **Discovery visits in the targeted countries.** 37% of the SMEs surveyed said it would be interesting to attend discovery visits in the selected countries and some of the experts interviewed highlighted discovery visits as one of the actions that have been useful in projects similar to this one. In this sense, we are planning two trade missions (one in Ukraine and one in Moldova), coinciding with bigger existing events in both countries to optimise efforts and publicise the project as widely as possible.



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