



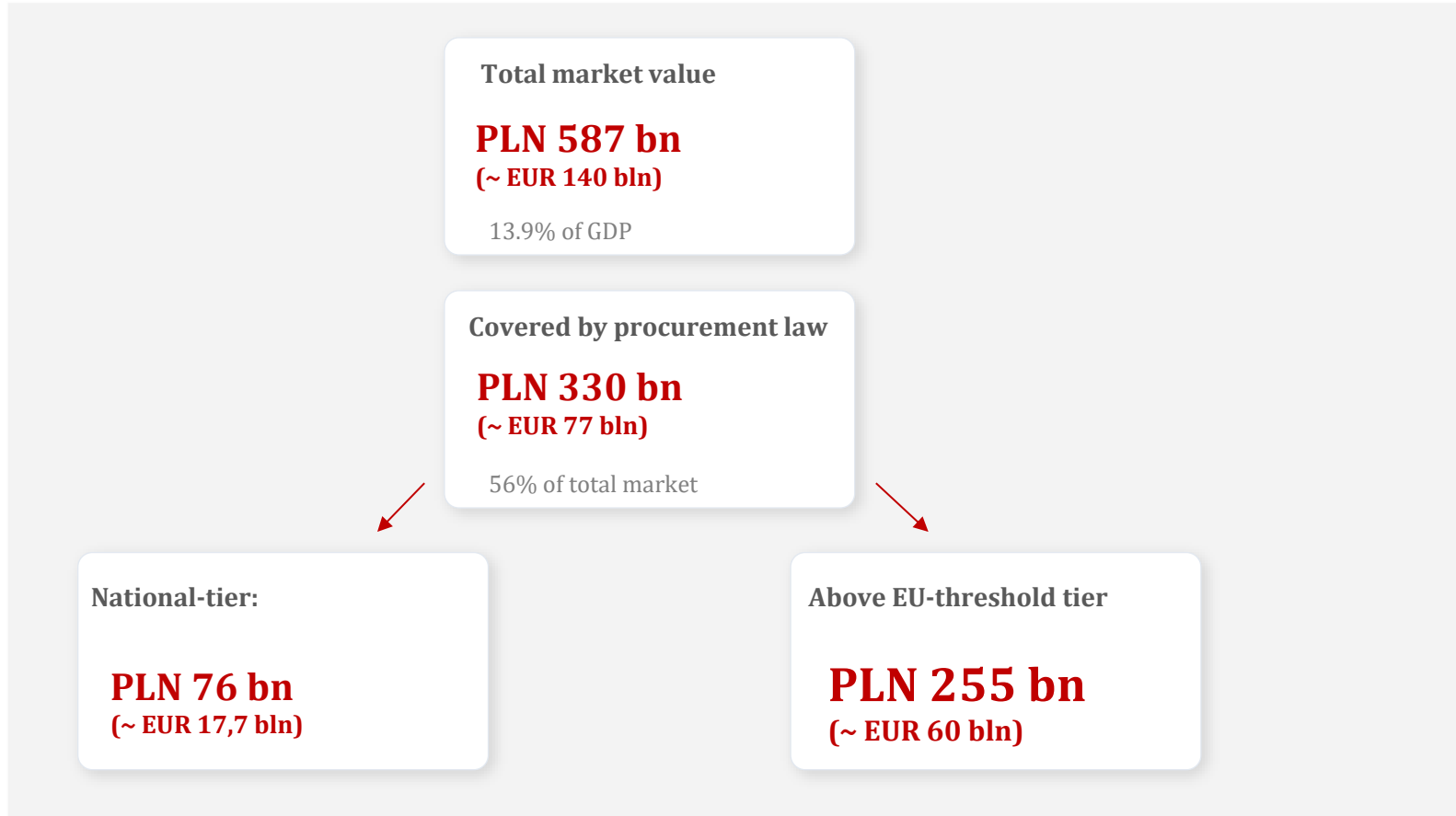
**Polish
Economic
Institute**

Public Procurement in Poland

Key Challenges and Upcoming EU Reform

Paula Kukołowicz

Poland's Public Procurement Market at a Glance



How Much Do Foreign Firms Win?

National-tier: 7.7% of contracts (2021–2025), with two distinct channels:

Direct

Firm registered abroad wins contract directly

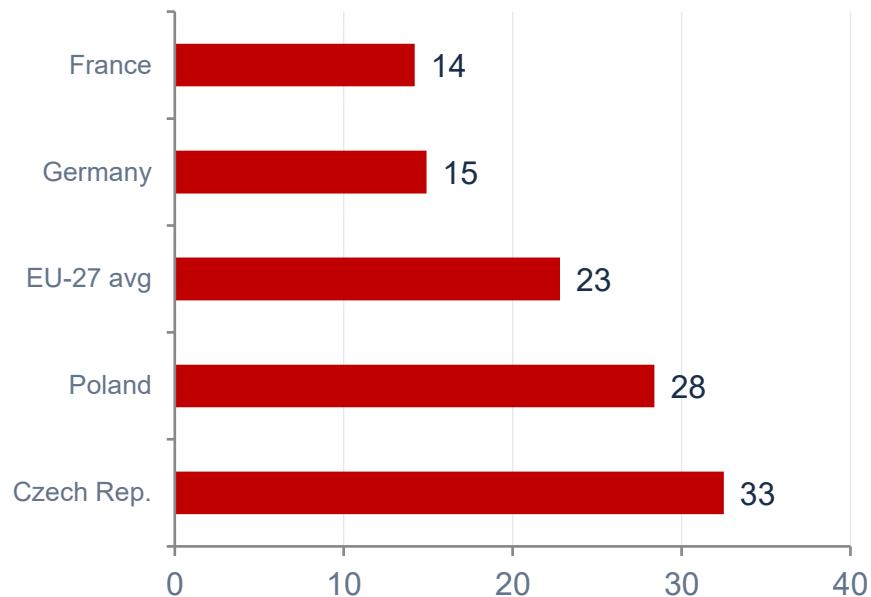
0.4% of national-tier contracts

Indirect

Polish-registered firm, foreign ultimate owner

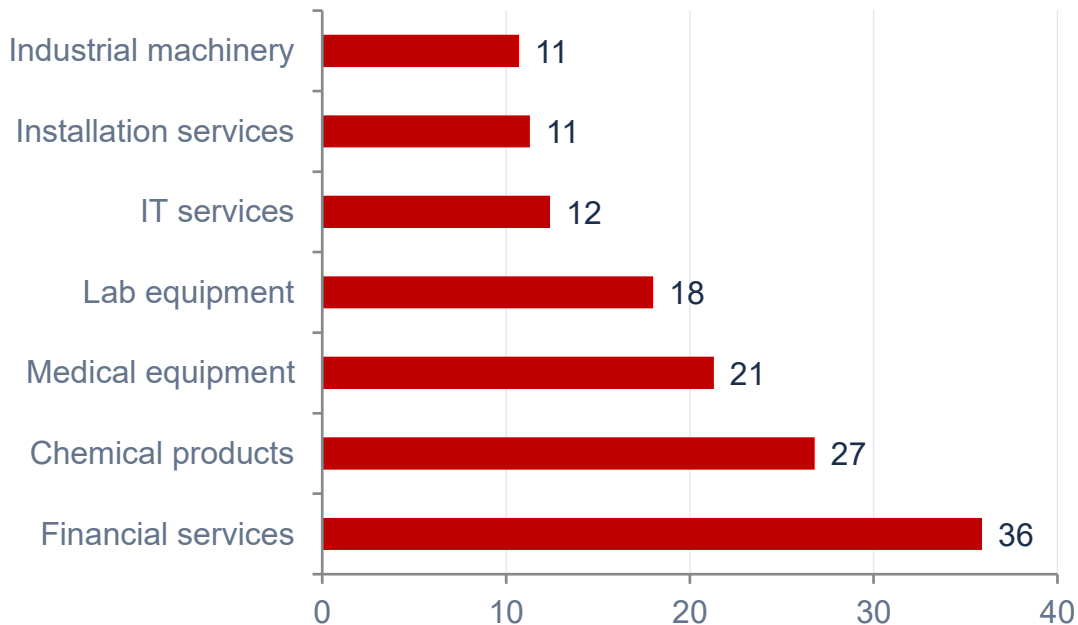
7.3% of national-tier contracts

Foreign share in EU-threshold contracts, 2016–19 (%)



Where Foreign Firms Concentrate

Foreign share in national-tier contracts by sector, 2021–25 (%)

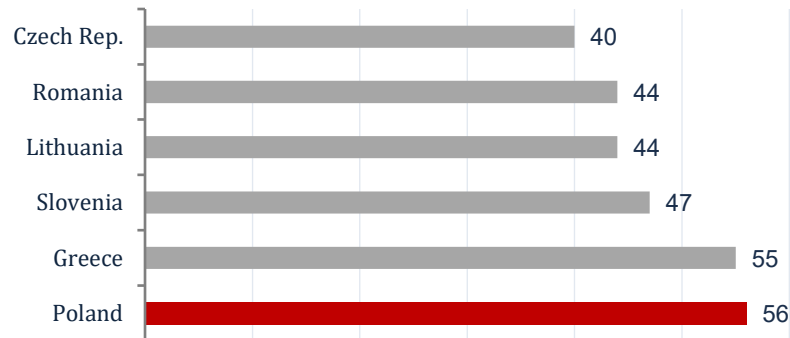


Key Insight

- Foreign firms dominate in technology-intensive and specialist segments
- In IT & specialist services: 19% of all national-tier contracts — 2.5× their overall share
- Reflects a capability gap, not just cost advantage.
- Often, foreign contractors are preferred.

Poland Ranks Last in EU for Competition

Single-bid share in above-threshold procurement, 2024 (%)



Root Causes

- Over-specified technical requirements
- Complex procedures deterring new-entrants
- 2014 reform: competition declined

Low Competition Has a Real Price

EU

Single-bid contracts cost on average 9.6% more

EC & Fazekas, 2022

Spain

Each extra bidder reduces price by 2.1%

Shagbazian et al., 2026

Czech Rep.

Banning single-bid awards reduced prices by ~6.1%

Titl, 2025

A New Wave of EU Procurement Reform

Legislative Timeline



Implications for Polish Contracting Authorities

New mandatory criteria — training needed

Contracting authorities must develop new evaluation capabilities.

Lower competition risk

Non-price criteria reduce effective supplier pools.

Cost premium — budget implications

Green and EU-origin products will be more expensive

Key Takeaways

01

Foreign firms — present, but concentrated, underestimated

7.7% of national-tier contracts go to foreign-owned firms; above EU thresholds: 28.4%; 19% in IT & specialist services. Some preference for foreign suppliers with recognised market position

02

Low competition is Poland's biggest procurement problem

56% single-bid tenders — highest in the EU. Research shows this is costing taxpayers real money. Root causes: too complex procurement procedures & specifications tailored for specific bidders.

03

Non-price criteria are coming — ready or not

NZIA, IAA, CAIDA and the planned directive revision will all introduce mandatory non-price requirements. The adoption of the new laws might be not simple not straightforward.



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Case study
**Public procurement in
the energy sector:
Poland and Ukraine**

Research question and data

How competitive is procurement by energy network operators in Ukraine vs. Poland — and what does it mean for reconstruction financing?

Ukraine — Prozorro

34 network operators (TSO + oblenergo + DTEK).
~28.9k tenders, 2016–2026.

Poland — TED

6 network operators: PSE, PGE
Dystrybucja, Tauron, Energa-Operator,
Enea Operator, Stoen.
Contract award notices, ~2.9k, 2016–
2026.

Firm health — Orbis

Winners matched to Orbis:
size, ownership, financial liquidity.

Why it matters: war damage to Ukraine's grid (2022-now)

\$20bn+

estimated war damage to Ukraine's electricity sector

2300+

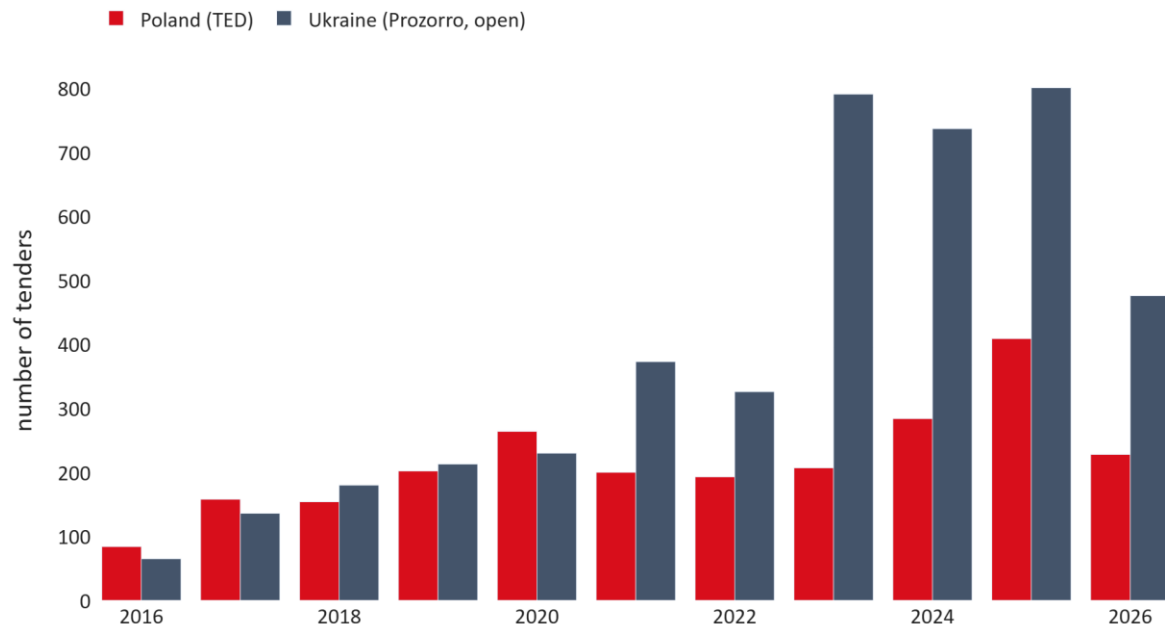
attacks on energy infrastructure (900+ on transmission lines)

\$91 bn

energy-sector reconstruction needs over the next decade (RDNA5)

Rebuilding the grid is among Ukraine's most urgent — and largest — investment needs; how it is procured will shape recovery.

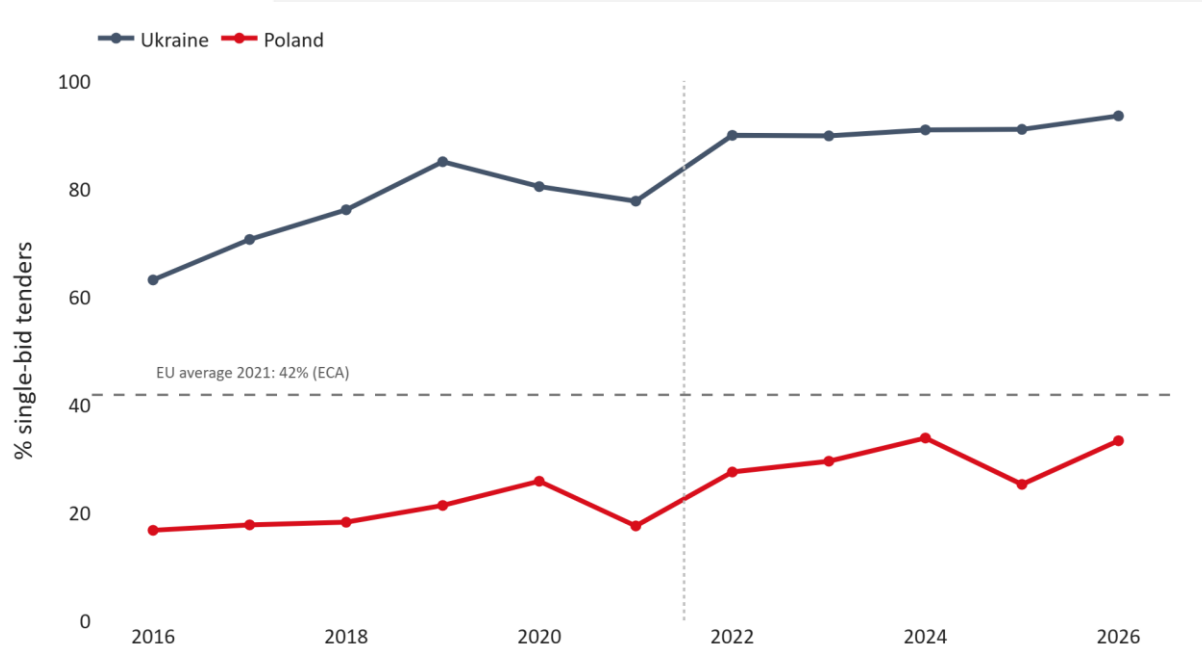
Volume: rising in Ukraine, stable in Poland



Key points

- Open-tender volume in Ukraine grows — post-2022 grid reconstruction drives it.
- Poland is stable (~150–400 per year).
- Scale does not translate into competition (next slide).

Competition: single-bid tenders dominate in Ukraine



87%

single-bid tenders — Ukraine (avg. 2016–2026)

25%*

single-bid tenders — Poland (avg. 2016–2026)

Even less competition after 2022 in UA:

78% (2016–2021) → 91% (2022–2026)

Average bids: UA 1.25 vs PL 3.73.

*Scope is the energy (grid-operator) sector. Within it, works (CPV 45) are highly competitive (~11%), equipment (~24%) less so.

Poland's national single-bidding is higher (~34%), so energy procurement here is more competitive than Poland's average — Poland overall is among the EU's least competitive.

Thinner and more concentrated in Ukraine than in Poland

87% vs 25%

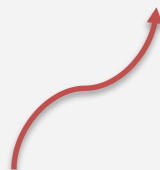
single-bid tenders — Ukraine vs Poland

26% vs 15%

share of contracts won by the top 20 firms
— Ukraine vs Poland

5%

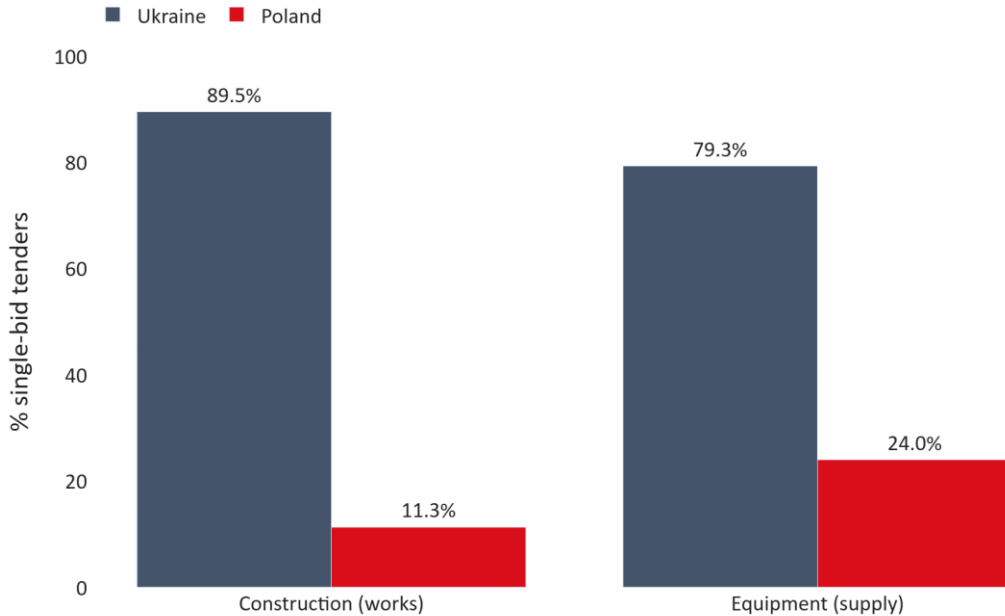
of UA winners share contacts with another
bidder



Example: one mobile number links 3 differently-named firms that won 316 contracts (signal, not proof).

Even under open procedures, Ukraine's market is more single-bid, more concentrated, and shows signals of connected bidders.

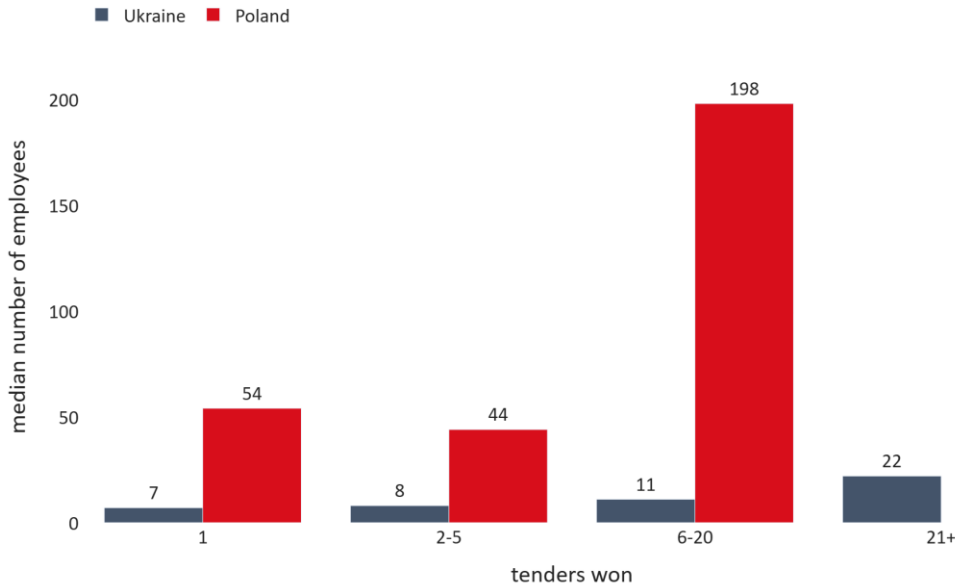
Competition differs by what is bought



What it shows

- Ukraine: equipment is slightly more contested than works (79% vs 90% single-bid) — but both stay largely single-bid.
- Poland: the opposite — works are highly competitive (5.4 bids), equipment less so (2.6), as it is more specialist and foreign-supplied.
- Implication: equipment is the lower-risk, more contestable entry segment in Ukraine.

Contractor size: Polish winners are much larger



Median winner (last year):

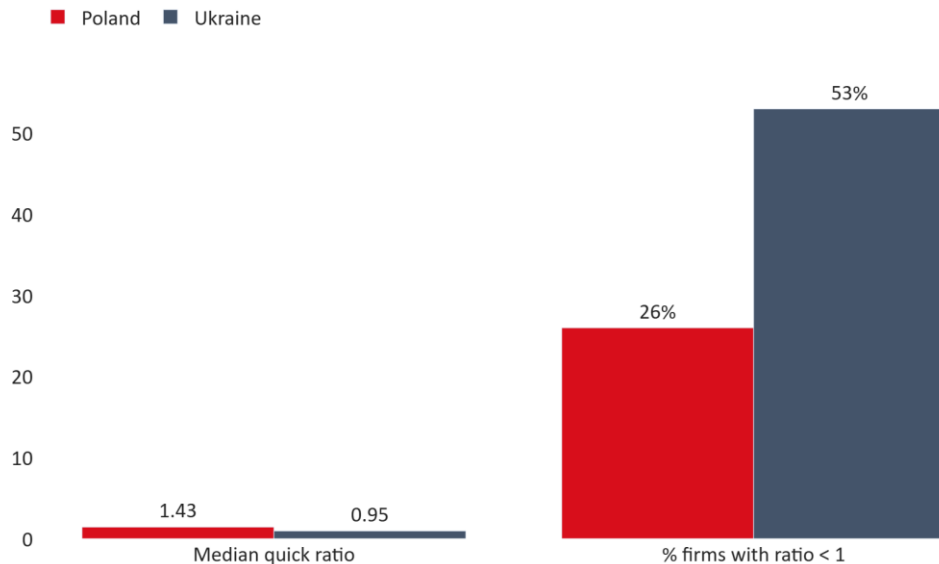
Employees: UA 10 vs PL 55

Revenue: UA \$0.3m vs PL \$20m

The more wins, the bigger the firm

- In UA, median headcount rises from 7 (1 win) to 22 (21+ wins).
- The grid market consolidates around larger, repeat contractors.

Ukrainian contractors have lower financial liquidity



53% vs 26%

firms with quick ratio < 1 (UA vs PL, 2024)

Median quick ratio: UA 0.95 vs PL 1.43.

Over half of Ukrainian winners fall below the safe liquidity threshold (1.0) — twice the Polish share.

Quick ratio (acid test), year 2024; winners matched to Orbis.

Two markets: shared traits, different problems

Shared: both markets are dominated by domestic grid contractors, and competition weakens after 2022 — but the core problems differ.

Poland — competition under-delivered

- Sizeable, yet still relatively uncompetitive.
- Barriers for domestic SMEs: complex procedures, information gaps, admin capacity.
- Strong foreign presence in technology/specialist tenders — Polish firms do not fully benefit.

Ukraine — competition & integrity under war

- Overwhelmingly single-bid and concentrated; signals of connected bidders.
- Winners small and financially weaker; market closed to foreign capital.
- Shaped by war: urgency, emergency/direct procedures, disrupted markets.

Recommendations

1. Strengthen competition in Ukrainian procurement

Tackle single-bidding and lower entry barriers; liberalise the market so more — including foreign — suppliers can bid.

2. Enter by risk: equipment → works → services

Equipment is the lower-risk, more contestable entry point; construction works next; technical services in the long run.

3. De-risk participation

International (e.g. Polish–Ukrainian) consortia, guarantees and preferential financing — given thin competition and financially weaker contractors.

4. Leverage Prozorro's transparency

Use open data for oversight, red-flag detection and to reduce information asymmetry for new entrants.

Thank you

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