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From: DE Delegation  
To: Working Party on Trade Questions

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Subject: International Procurement Instrument (IPI) - DE draft suggestions for Art. 4-6

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## DE draft suggestions for Art. 4, 5 and 6

The following suggestions reflect in writing the proposals already presented in the WPTQ. The aim is to make the instrument more workable in practice and to reduce the administrative burden for both companies and contracting authorities:

### Art. 4.6: New subparagraph (c):

“(c) with which an agreement in the field of public procurement exists engages in serious negotiations extending the scope of the agreement. Such negotiations shall be concluded within a reasonable period of time and no later than [tbd] after their initiation. If no agreement is reached, the Commission may suggest the adoption of an IPI measure.”

- First seek for a negotiated solution with our GPA and FHA partners instead of a unilateral IPI measure.

### Art. 5.4: New subparagraph (c):

“(c) impose a combination of (a) and (b), if different sectors or categories of goods and services are subject to the IPI measure.”

- Clarification that a combination of exclusion and price adjustment is possible if the IPI measure affects more than one sector (example: sector “A” subject to PAM and sector “B” subject to exclusions).

### Art. 6.1(c) and 6.2:

- *Art. 6.1(c):*

Insert term “- **upon request** -” after “to provide”.

Insert term “(a) and” after “point”.

- *Art. 6.2: New second sentence:*

“The contracting authority or the contracting entity **shall** request evidence in case of reasonable indications of non-compliance with para 1 (a) and (b) or if the contract is awarded to a consortium comprising a legal person originating in the country subject to an IPI measure.”

- Reduce administrative burden for both companies and contracting authorities. Obligation to provide proof should be limited to particularly relevant cases.

### Art. 6.1(d): Revised text:

“(d) a penalty clause allowing for a proportionate penalty in case of a breach of the commitments referred to in points (a), (b) and (c) of at least 10 % and up to 60 % of the total value of the contract depending on the gravity of the breach and other relevant circumstances of the individual case.”

- Ensure proportionate penalty and application by CAs / CEs.