



Procurement of multilateral banks in Europe: specificities of the Italian model and policy implications

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- Securing World Bank procurement contracts can enhance a company's growth perspectives due to market diversification, internationalization, client base expansion, and reputational benefits.
- We apply various statistical and econometric techniques to World Bank data covering the period from 2000 to 2019. We look at the annual value of awarded contracts and at their number. We compare Italian data with those of its European and G7 peers. We pay particular attention to the European landscape and discover a different structure among the 4 best performing countries: France, Germany, Spain, and Italy. The first two countries have companies able to win a high number of contracts, but with low value; the other two have companies with the opposite situation.
- Concerning the value of awarded projects, Italian firms performed relatively poorly until 2006, when the value of their contracts increased sharply, outperforming G7 and EU peers. The best performance occurred between 2010 and 2015. Analyzing the number of contracts, we find good resilience of Italian firms. Italian numbers slowly increased since 2015, while G7 ones sharply decreased. In terms of concentration, the Italian market is characterized by a few dominant companies in both contract number and value, contrasting with France's more diversified distribution, suggesting a need for Italian firms to enhance participation and address market concentration. Statistical analysis reveals significant differences between Italian and French companies in variables like Employees, Turnover, Intangibles, and ROCE, indicating varying business profiles. Geographic distribution and industry concentration analysis show that French companies have a more diverse business landscape, while Italian companies exhibit specialization in certain sectors, highlighting unique strengths in international development projects.
- Overall, our results suggest that Italian companies obtain less procurement than other European companies, but with a higher economic value, leading to an increase in the concentration of winning companies and constant persistence that prevents new entrants. Unlike France, Italy has a lower presence of firms spread over the whole territory, is more

concentrated in the manufacturing sector and involves more small and medium-sized companies with low levels of investment in intangible assets.

- In order to reduce the Italian concentration and increase the number of firms taking part in WB procurements, several instruments can be used: promoting awareness among companies of the opportunities offered by WB procurement tenders through information campaigns and regional seminars; offering advisory services and training programs to help companies prepare competitive bids and adhere to the requirements; and promoting the formation of consortia or clusters of companies that can work together and share resources and expertise to participate in procurement tenders. This holistic approach aims to reduce disparities between companies, promote competitiveness and ensure a fairer participation of SMEs in international procurement opportunities, thus helping to strengthen Italy's entire corporate network.