

Brussels, 1 July 2026

Key messages from EBC and EFBWW following the joint event on “Limiting Subcontracting in Public Procurement” in the European Parliament

The European Federation of Building and Woodworkers (EFBWW) and the European Builders Confederation (EBC) recognise that action is needed to promote and support responsible subcontracting in the construction sector. Genuine subcontracting schemes should promote innovation and enable specialisation and collaboration.

At the same time both organisations observe that long and opaque subcontracting chains in public procurement can create significant challenges and additional costs with little or no added value. These include unfair competition, pressure on SMEs, reduced transparency, difficulties in enforcing labour standards, increased risks of social dumping, poor working conditions and workers’ exploitation.

The organisations also note that several Member States have developed sector-specific approaches to address risks linked to excessively long subcontracting chains, providing useful experiences and practical lessons for any future EU action in this area.

As the European Union prepares the revision of its public procurement framework, EFBWW and EBC call for EU action to better frame vertical subcontracting chains in construction in public contracts. Such action should promote quality, transparency, accountability and fair competition throughout the execution of publicly funded construction projects.

In this context, EBC and EFBWW identify six common priorities:

- 1. Ensure that public money supports fair competition and decent working conditions:** Public procurement should reward quality, compliance and genuine economic activity. Public funds should not support business models based on social dumping, regulatory circumvention or unfair competition.
- 2. Limit subcontracting by tackling long and opaque subcontracting chains in public contracts:** Public procurement rules should promote transparent and accountable contracting structures, address subcontracting arrangements that dilute responsibility, weaken oversight and undermine the proper execution of contracts, and facilitate participation of genuine construction companies, particularly SMEs, rather than cascading structures.
- 3. Define clear, proportionate and transparent liability rules:** Accountability and responsibility in subcontracting chains are important to deter unfair competition and avoid bad working conditions, with the main contractor retaining overall responsibility and taking into account the specific realities of SMEs.
- 4. Ban financial subcontracting:** Public contracts should not be awarded to companies that merely act as intermediaries without carrying out a meaningful share of the contracted works. Main contractors must retain a genuine operational role in project delivery and contracting authorities should have the capacity to identify and exclude companies previously involved in fraudulent activities.

5. **Ensure genuine operational capacity of main contractors:** Contracting authorities should ensure that companies awarded public contracts possess the technical, organisational and workforce capacity necessary to perform a substantial part of the works for which they are contracted.
6. **Strengthen transparency, inspections and enforcement:** Effective enforcement remains essential. Improved transparency throughout subcontracting chains, reinforced labour inspections, enhanced cross-border cooperation and a reinforced role for competent authorities are necessary to ensure compliance with applicable rules.

EBC and EFBWW stand ready to contribute constructively to future discussions with the European institutions and national authorities to ensure that public procurement supports both a competitive, SME-friendly construction sector and quality, direct employment with good working conditions.

European Federation of Building and Woodworkers EFBWW

The European Federation of Building and Woodworkers (EFBWW) represents the trade unions in construction, wood, forestry, and building materials in Europe.

European Builders Confederation EBC

The European Builders Confederation (EBC) is the employers' organisation representing micro, small, and medium-sized enterprises (SMEs) and craft trades in the construction sector.