



Strengthening Public Procurement for Climate Action and Competitiveness

Reform options for the EU public
procurement directive

IISD REPORT

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Strengthening Public Procurement for Climate Action and Competitiveness: Reform options for the EU public procurement directive

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Executive Summary

Public procurement is one of the European Union's (EU's) most powerful yet underused instruments for advancing the green transition. Each year, public authorities across the EU spend close to EUR 2 trillion, or about 14% of GDP, on goods, services, and works. This spending power can play a decisive role in creating demand for innovative low-carbon products, driving a circular economy, and strengthening Europe's industrial competitiveness. In addition, public procurement holds major risks and opportunities for other EU policy objectives, such as protecting biodiversity and labour standards, creating fair and resilient supply chains, and reaching climate goals.

Yet, the current EU public procurement framework, particularly Directive 2014/24/EU, has not fully delivered on this potential for driving the green transition. While it allows the use of environmental criteria, it does not require them. As a result, the implementation of green public procurement (GPP) remains limited and fragmented. Only 21% of larger contracts¹ include environmental considerations, and most contracts are still awarded based on the lowest price.

The low and uneven implementation of GPP fails to send a clear demand signal to companies, missing a critical opportunity to drive European industry forward and prepare businesses to lead global competition in green markets. Instead of spurring innovation, current practices largely reinforce business-as-usual approaches.

Legal uncertainty, inconsistent monitoring, and a fragmented legal framework constrain progress and discourage contracting authorities from using their purchasing power for strategic policy objectives and integrating green criteria where they can spur innovation. For more than a decade, the EU has missed opportunities to drive its businesses toward strategic innovation in line with its climate and sustainability objectives.

These missed opportunities highlight the need for reform as the European Commission revises the public procurement directives.² The revision provides a chance to modernize the framework and make procurement a central driver of the EU's climate, industrial, and competitiveness goals.

Five high-level recommendations can strengthen GPP across the EU:

1. **Make GPP the default and set clear targets** by shifting from voluntary to mandatory implementation through a “comply-or-explain” approach supported by measurable EU-wide targets.
2. **Tie European preference rules to environmental performance** so that any “Buy European” or minimum EU content rules directly contribute to sustainability objectives.

¹ The EU procurement directives apply to larger contracts above certain monetary thresholds, which we also call the EU thresholds.

² This refers to the three main procurement directives under review: 2014/24/EU, 2014/25/EU, and 2014/23/EU.



3. **Simplify and harmonize public procurement** by reducing administrative complexity, aligning sectoral legislation, promoting the use of digital tools and common standards, and requiring the development of procurement strategies and GPP action plans.
4. **Strengthen monitoring and accountability** by developing harmonized data systems to track implementation and environmental outcomes.
5. **Invest in professionalization** by building the skills, tools, and institutional capacity needed for contracting authorities to apply GPP effectively.

These recommendations can be put into practice through a set of detailed reform options presented in this report. These measures support simplification and strategic procurement, two main objectives of the EU procurement reform.

Together, these reforms provide a practical roadmap for strengthening GPP across the EU. They would simplify procedures, improve monitoring and accountability, and build professional capacity within public institutions. By creating consistent demand for sustainable goods, works, and services, the reforms would support market development and innovation to achieve the EU's climate goals and better value for public money.

Public procurement must play a central role in delivering Europe's climate ambitions. In November 2025, the EU Environment Council adopted a revised European Climate Law with a binding 90% emissions reduction target by 2040, alongside updated nationally determined contributions. Against this backdrop, strengthening GPP is an essential measure for climate action and developing clean lead markets. Doing so will better align public spending with the EU's industrial policy, including the forthcoming Industrial Accelerator Act, and position procurement as a key instrument for driving Europe's green transition.



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Abbreviations and Acronyms

CJEU	Court of Justice of the European Union
EMAS	Eco-Management and Audit Scheme
ESPD	European Single Procurement Document
EU	European Union
GDP	gross domestic product
GPP	green public procurement
IAA	Industrial Accelerator Act
IPI	International Procurement Instrument
ISO	International Organization for Standardization
LCC	life-cycle costing
OECD	Organisation for Economic Co-operation and Development
PPDS	Public Procurement Data Space
SME	small and medium-sized enterprise
SPP	sustainable public procurement



1.0 Introduction

Public procurement is a powerful tool for governments to achieve economic, social, and environmental objectives. In the European Union (EU), public authorities collectively spend close to EUR 2 trillion annually on procurement—equivalent to around 14% of the EU’s GDP (European Court of Auditors, 2023). This scale means procurement is not only an administrative function but a strategic instrument that can shape markets, stimulate innovation, and drive the green transition.

Among its many strategic uses, procurement can be used to address environmental challenges and support companies in transitioning to more sustainable practices. This is captured under the concept of green public procurement (GPP), which focuses specifically on reducing environmental impacts. The European Commission (2008) defines GPP as a “process whereby public authorities seek to procure goods, services and works with reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.” For more than a decade, the EU has promoted GPP as a way to ensure that public spending supports sustainability objectives.

The current EU procurement framework, particularly Directive 2014/24/EU, provides a legal basis for contracting authorities to include environmental considerations in procurement processes. Yet, because the framework makes GPP voluntary rather than mandatory, implementation has been fragmented and limited in scope. Only about 21% of contracts above EU thresholds are currently considered “green” (Public Procurement Data Space [PPDS], n.d.-b), reflecting missed opportunities to align procurement with the EU’s climate and competitiveness goals.

In 2024, the European Commission launched a revision of the EU Public Procurement Directives (2014/23/EU, 2014/24/EU, and 2014/25/EU), building on the reform agenda set out in the Letta (2024) and Draghi (2024) reports. This process creates a critical opportunity to strengthen the role of procurement as a strategic policy tool—one that not only supports innovation and competitiveness but also accelerates the EU’s transition to climate neutrality.

The International Institute for Sustainable Development, with support from the European Climate Foundation, is working with partners across Europe to develop reform recommendations for the EU Public Procurement Directive (2014/24/EU). The project combines legal and policy research with broad stakeholder engagement to identify challenges for GPP, explore options for reform, and promote ambitious yet practical solutions to scale up GPP.

This paper is structured as follows: Section 2 details the methodology used, Section 3 examines the challenges and missed opportunities of the current EU Public Procurement Directive in mainstreaming GPP, and Section 4 presents policy reform options for strengthening GPP under the directive.



2.0 Research Methodology

This report is based on a mixed-methods approach that combines desk research, stakeholder engagement, and legal analysis to examine the challenges of implementing GPP under the current EU framework and to develop recommendations for the revision of the EU Public Procurement Directive (2014/24/EU).

A literature review was conducted to map existing research, policy documents, and institutional reports related to the implementation of GPP in the EU. This included academic publications, European Commission guidance, and submissions to the European Commission's public consultation and call for evidence about the procurement directives. We also reviewed analyses and articles from institutions such as the Organisation for Economic Co-operation and Development (OECD), European Environmental Bureau, and the city networks ICLEI Europe and the Association of Cities and Regions for Sustainable Resource Management. The literature review provided the foundation for identifying recurring challenges, best practices, and gaps in the current framework.

A targeted survey was designed to gather both quantitative and qualitative data from practitioners and experts across the EU. The survey focused on implementation challenges under the current directive, with particular attention to legal uncertainties, practical barriers, and opportunities for reform. Responses from 44 survey participants were analyzed to identify trends and to provide empirical evidence to support the development of policy options.

We also conducted **structured engagement with stakeholders** at different levels, including

- Two broad knowledge-sharing and engagement workshops with partners from civil society and think tanks. Each workshop was attended by 30 to 40 participants with expertise and interest in public procurement. During these sessions, participants explored challenges, shared experiences, and provided feedback on potential reform options.
- Eleven bilateral consultations with key stakeholders from civil society and the private sector that aimed to gather more detailed and targeted input on high-level and specific policy asks.

The methodology also included **a review of relevant EU and national case law** to assess how environmental considerations have been interpreted and applied under the procurement directives. This analysis helped to clarify legal uncertainties and informed the development of reform proposals.



3.0 Challenges in the EU Public Procurement Directive to Support a Green Transition

This chapter examines the limitations of the current EU Public Procurement Directives in advancing the green transition. Despite their potential, the directives continue to fall short in mainstreaming GPP. Three interrelated challenges stand out:

- a fragmented legal landscape,
- the voluntary nature of GPP, and
- perceived legal uncertainty.

These challenges not only constrain procurement authorities but also weaken the market signals needed to drive low-carbon innovation.

3.1 Background on the EU Public Procurement Directives

The current EU public procurement framework is governed by three primary directives adopted in 2014: the Public Sector Directive (2014/24/EU), which applies to general public contracts; the Utilities Directive (2014/25/EU), covering contracts in the water, energy, transport, and postal services sectors; and the Concessions Directive (2014/23/EU), which regulates the award of concession contracts. These directives apply to procurement procedures above specific financial thresholds set by the EU. These directives, which replaced 2004 rules, were designed not only to streamline procurement procedures but also to support broader policy objectives like innovation, social inclusion, and sustainability.

The 2014 directives recognize public procurement as a strategic policy tool to advance broader societal goals. They explicitly encourage contracting authorities to integrate environmental considerations throughout the procurement process, aiming to “enable procurers to make better use of public procurement in support of common societal goals,” including environmental protection (European Parliament and the Council, 2014; Sapir et al., 2022). Contracting authorities may include green requirements in selection criteria, technical specifications, award criteria, and contract performance clauses, provided these are relevant to the subject matter of the contract and comply with fundamental procurement principles such as transparency, equal treatment, and proportionality (Mélou, 2020; Pouikli, 2020).

The directives thus open the door for sustainable public procurement (SPP) or GPP under EU law. However, these remain voluntary. The directives leave it at the discretion of member states and contracting authorities to use green criteria. The Public Procurement Directive (2014/24/EU) acknowledges that ultimately it is up to individual authorities to decide when to include environmental considerations in their procurements. As a result, GPP continues to be a non-compulsory policy instrument at the EU level, with the exception of some mandatory GPP requirements in sectoral legislation.



The ongoing process for reforming the EU's Public Procurement Directives (2014/23/EU, 2014/24/EU, and 2014/25/EU) signals a renewed interest in procurement as a lever for strategic objectives. Initiated under the second Von der Leyen Commission, the reform gained momentum in 2024 as part of broader efforts to strengthen the EU's strategic autonomy (Janssen, 2025). This shift in focus is largely driven by recent geopolitical challenges, including the Russian invasion of Ukraine, which have highlighted the need to secure supply chains and strengthen European industrial capabilities. The agenda has also been shaped by the Letta (2024) and Draghi (2024) reports, both of which call for leveraging public procurement to enhance EU competitiveness and innovation. These publications, alongside a report from the European Court of Auditors (2023), emphasize the need to improve access for start-ups and small and medium-sized enterprises (SMEs) and promote EU-based suppliers, especially in strategic sectors such as defence and infrastructure, to support the development of robust European industrial ecosystems.

In addition, data from the European Court of Auditors (2023) points to systemic challenges in the EU's public procurement. Competition in the EU procurement market has been declining: between 2011 and 2021, the share of single-bidding procedures for contracts above EU thresholds rose from about 23.5% to 41.8%, while the average number of bidders per procedure fell from roughly 5.7 to 3.2. The report does not identify the underlying cause of this decline but recommends further investigation into the factors that may be limiting participation. It also outlines key priorities, including simplifying and modernizing procurement rules, with the assumption that such reforms will help address the competition issue.

The European Commission organized a call for evidence and public consultation about the public procurement directives, which ran from December 13, 2024, to March 7, 2025.³ The evaluation report with the findings was published in October 2025.⁴ In parallel, the European Parliament adopted an own-initiative report on public procurement in September 2025, calling for simplification and reduced administrative burdens while maintaining strong social and environmental standards and improving EU competitiveness (European Parliament, 2025b). A European Commission proposal for new legislation is expected in the second quarter of 2026, according to the 2026 Work Programme (European Commission, 2025b).

3.2 Challenges With the Current Directive

Despite their potential to serve as a strategic tool for the green transition, the current EU Public Procurement Directive (2014/24/EU) faces several key limitations. These challenges, stemming from a fragmented legal landscape, the voluntary nature of GPP, and perceived legal uncertainty, have hindered the systematic implementation of sustainable procurement across the EU. The following subsections examine these three challenges in greater detail. A summary is presented in Table 1.

³ See the call for evidence here: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14427-Public-procurement-directives-evaluation_en

⁴ See the evaluation report here: <https://public-buyers-community.ec.europa.eu/news/publication-evaluation-public-procurement-directives>



Table 1. Key challenges of the current EU Public Procurement Directive (2014/24/EU)

Challenge	Key Issues
Fragmented legal landscape	<ul style="list-style-type: none"> • Different transposition and interpretation across member states • Overlapping rules from sectoral legislations with weak enforcement • Complexity at the local level makes it hard for contracting authorities and SMEs to apply GPP
Voluntary nature of GPP	<ul style="list-style-type: none"> • No binding targets, criteria, or systematic monitoring • Most contracts still awarded based on lowest price • Weak market signals discourage investment in sustainable alternatives
Perceived legal uncertainty	<ul style="list-style-type: none"> • Vague rules and inconsistent interpretation across member states • “Link to subject matter” rule restricts broader sustainability criteria • Difficulties verifying equivalent certifications create compliance risks

Source: Authors’ compilation.

3.2.1 Fragmented Legal Landscape

The European Union’s Public Procurement Directive (2014/24/EU) was designed to harmonize procurement rules and foster competition across member states. However, the existing structure fails to provide a cohesive framework that effectively promotes sustainability and fair competition, two crucial pillars for achieving value for money in procurement processes.

While the directive establishes overarching principles, member states transpose these principles into national legislation and interpret and implement the rules differently. This variability creates inconsistent requirements, diverse procedures, and uneven emphasis on environmental criteria.

Moreover, fragmentation extends beyond the main EU Public Procurement Directive (2014/24/EU), affecting sustainability obligations outlined in other EU legal instruments. The EU has introduced binding GPP requirements in sector-specific legislation across multiple areas (see Table 2). However, national authorities do not consistently adopt or enforce these requirements. Procurement bodies thus encounter substantial legal complexity and national variation under the current EU policy framework, causing uncertainty and inefficiencies that impede consistent integration of environmental criteria (Sapir et al., 2022).



Table 2. Examples of EU sectoral legislation with binding GPP requirements

Year	Description
2019	Directive 2019/1161 on Clean and Energy-Efficient Road Transport Vehicles sets out binding targets for the procurement of clean vehicles.
2023	Directive 2023/1791 on Energy Efficiency requires public entities to prioritize energy-efficient performance in the procurement of products, buildings, and services.
2024	Regulation 2024/1735 (Net-Zero Industry Act) introduces minimum mandatory sustainability requirements for the procurement of net-zero products and technologies.
2025	Regulation 2025/40 on Packaging and Packaging Waste introduces minimum mandatory sustainability requirements for public contracts related to packaging or products/services using packaging (by 2030).
Ongoing	The Industrial Accelerator Act is expected to introduce clean, resilient, circular, and cybersecure criteria to strengthen demand for EU-made clean products in energy-intensive sectors.
Ongoing	The Circular Economy Act is expected to require public authorities to prioritize products with high recycled content, using procurement power to stimulate demand for secondary raw materials.

Note: A more comprehensive overview of sectoral legislation is provided in Appendix A.
Source: Authors' compilation.

This challenge is particularly acute at the local level. A significant portion of government expenditure is carried out by regions, cities, and municipalities (European Commission, 2023). Yet, these entities—along with SMEs—face major difficulties in applying the public procurement directives, particularly in strategic procurement. The European Commission notes that while innovative, green, and socially responsible public procurement is considered important by these levels, the overly complex legal framework (often exacerbated by poor transposition of EU law, over-regulation, or fragmentation at the national level) and the fear of litigation prevent them from using strategic procurement procedures (European Commission, 2023).

The uptake and implementation method of GPP differs significantly across EU countries (Bechauf et al., 2023; Cherhat, 2024; OECD, 2024), and a lack of comprehensive quantitative monitoring further hampers progress (Erizaputri et al., 2024). Effective public procurement governance relies on the availability of consistent and high-quality data. However, significant gaps and discrepancies persist at both the EU and national levels, which weaken transparency and limit the ability of member states to effectively monitor performance and align procurement with broader policy objectives. Integrating data on procedures above and below EU thresholds remains a challenge, with initiatives such as the Public Procurement Data Space (PPDS) still in the early stages of implementation (European Commission, 2025a).

Contracting authorities also often face time and resource limitations that make it difficult to navigate this complex regulatory environment. While some initiatives, such as



ProcureCompEU, aim to advance professionalization, they have yet to sufficiently strengthen GPP-specific capabilities or address the fragmented nature of procurement laws.

As a result, the growing complexity and disjointed nature of GPP-related rules across legal instruments undermine consistent implementation across the EU (Sapir et al., 2022). Public buyers typically default to the main EU Public Procurement Directive, and are frequently unaware of, or unable to comply with, sector-specific sustainability requirements.

3.2.2 The Voluntary Nature of GPP

One of the key factors contributing to the limited uptake of GPP across EU member states is the directive's voluntary rather than mandatory stance on GPP. Although a wide range of environmental criteria and guidance is readily available, the non-binding nature of GPP often makes contracting authorities default to buying based on the cheapest purchase price. Mechanisms like Most Economically Advantageous Tender and life-cycle costing (LCC) are available under EU legislation, but since their application is not mandatory, national administrations have made only modest use of them (Mélon, 2020).

Several issues illustrate this trend:

- In 2022–2025, 53.4% of public contracts were awarded solely based on the lowest price, with no consideration of sustainability or life-cycle costs (PPDS, n.d.-a).
- Partial data from the PPDS shows that only 21.4% of contracts above the EU thresholds included environmental criteria (PPDS, n.d.-b).
- The directive (2014/24/EU) lacks precise legal definitions and guidance on what qualifies as GPP.
- It does not establish compulsory targets or criteria for GPP.
- No mandatory or systematic monitoring mechanisms are in place for tracking GPP implementation. For example, the GPP fields in eForms are voluntary, contributing to incomplete data in the PPDS.

This voluntary approach weakens competitive dynamics in green tenders and hinders public buyers from maximizing long-term value. As Pouikli (2021) observes, leaving adoption entirely at the discretion of contracting authorities dilutes GPP's transformative potential. Carreras and Vannoni (2023) also add that the absence of a binding GPP framework fails to generate a strong enough market signal, discouraging suppliers from investing in sustainable alternatives and thereby diminishing competition.

The consequences of this voluntary approach are particularly acute in the construction sector, which represents 5.5% of EU GDP and accounts for one fifth of procurement-related emissions (Eurostat, 2021; United Nations Environment Programme, 2022). Steel and cement—together responsible for 13.5% of global greenhouse gas emissions—flow in large volumes into publicly funded projects, yet green criteria for their use remain optional and fragmented across member states. Without mandatory requirements, implementation of GPP in construction is expected to progress, only slowly (Steinmann et al., 2024). Recent estimates suggest that steel and cement used in EU public construction generated around 51 Mt CO₂



in 2019, with public procurement accounting for roughly 31% of cement and 11% of steel demand across the Union. Mandating green criteria for these materials could therefore unlock substantial emission reductions while increasing total construction procurement costs by only 1%–2.2% (Wyns et al., 2023).

3.2.3 Perceived Legal Uncertainty

The EU Public Procurement Directives include multiple provisions that explicitly permit environmental considerations throughout the procurement process. As detailed in Box 1, Directive 2014/24/EC enables contracting authorities to integrate environmental criteria at multiple stages, including technical specifications, award criteria, LCC, and contract performance conditions.

Box 1. Legal framework for GPP in EU Directive 2014/24/EC

The EU Public Procurement Directive 2014/24/EC includes several provisions that permit environmental considerations in procurement:

- Article 18(2): Requires that procurement processes respect obligations relating to environmental protection, emphasizing that contracting authorities “shall take appropriate measures to ensure that in the performance of public contracts economic operators comply with applicable obligations in the fields of environmental, social and labour law.”
- Article 42: Technical specifications may be formulated “in terms of performance or functional requirements, including environmental characteristics, provided that the parameters are sufficiently precise to allow tenderers to determine the subject-matter of the contract.”
- Article 43: Contracting authorities may “require a specific label as means of proof that the works, services or supplies correspond to the required characteristics,” provided “the label requirements only concern criteria which are linked to the subject-matter of the contract.” Authorities “shall accept all labels that confirm that the works, supplies or services meet equivalent label requirements.”
- Article 56 (1): Allows authorities to reject tenders not complying with applicable environmental obligations.
- Article 62(1): Contracting authorities may require “certificates drawn up by independent bodies attesting that the economic operator complies with certain quality assurance standards” and environmental management systems.
- Article 67: Allows a consideration of social, environmental, and innovative aspects in award criteria.
- Article 68: Introduces the possibility of utilizing life-cycle cost methodologies.
- Article 70: Allows the establishment of contract performance clauses related to environmental and social considerations.
- Article 71: Subcontractors are also required to comply with green criteria.

Source: *European Parliament and the Council, 2014.*



Despite these provisions permitting environmental considerations in procurement, the directives fall short of providing the mandatory framework and legal clarity necessary to support the robust and harmonized application of GPP across the procurement cycle. Contracting authorities remain risk-averse, as guidance for universal (mandatory) application is missing. Procurement practitioners often express concerns about vague legal terminology, the absence of mandatory GPP targets, and inconsistencies in how the directives are interpreted across member states (Janssen & Caranta, 2023).

This uncertainty has been reflected in multiple legal disputes brought before both national courts and the Court of Justice of the European Union. As a result, many contracting authorities hesitate to apply GPP, fearing legal disputes or scrutiny from auditors who typically emphasize compliance and cost-effectiveness over sustainability goals. Further uncertainty stems from the requirement that environmental criteria must be directly linked to the subject matter of the contract, restricting the broader inclusion of sustainability standards that target supplier practices (Janssen & Caranta, 2023; Mähönen et al., 2023).

Mélon (2020) argues that the “link to subject matter” rule makes it harder for buyers to ask for broader sustainability criteria. It only allows requirements tied directly to the product or service being purchased, such as its origin or production method. But truly sustainable products also depend on how suppliers operate more generally. For example, whether they design for repair and reuse, use renewable energy, or report their carbon footprint. This restriction reduces the environmental gains that GPP could deliver (Mélon, 2020).

Additionally, contracting authorities frequently encounter difficulties in identifying equivalent environmental certifications and verifying bidder compliance, adding another layer of complexity to effective GPP adoption. For instance, for reasons of non-discrimination, procurers cannot require one specific certification but must also accept equivalent proof. In principle, tenderers provide this proof, yet in practice, authorities still have to assess and decide whether it is genuinely equivalent. This evaluation is often challenging, as available standards are fragmented and lack common or harmonized benchmarks, making comparisons resource intensive and uncertain (Nordic Council of Ministers, 2017; Ranganathan & Thiemann, 2025).

The International Institute for Sustainable Development conducted a survey with procurement stakeholders in June 2025 that provides anecdotal evidence of how these uncertainties are experienced in practice. Among the 44 stakeholders who responded, 23 were EU member states, with the majority based in Western Europe. Approximately 84% of these respondents described the clarity of GPP rules as only “moderate” or “slight.” The biggest challenges they identified were defining and applying green criteria and ensuring legal compliance. While the sample was small and skewed toward civil society and advisory experts rather than procuring authorities, the results nonetheless underline that legal ambiguity is a recurring obstacle, with some respondents reporting that they had avoided using green criteria altogether due to fear of litigation or compliance risks.

These dynamics are also reflected in the jurisprudence of the Court of Justice of the European Union (CJEU), which has clarified the legality of GPP but imposed conditions that limit its ambition (see Box 2).



Box 2. The limits of GPP: EU and Polish cases

The jurisprudence of the **CJEU** has been central to clarifying whether and how environmental criteria can be applied in procurement. Three landmark rulings illustrate both the opportunities and the limits of the current framework:

- **Concordia Bus Finland and Helsingin kaupunki, HKL-Bussiliikenne (C-513/99, 2002):** The CJEU held that contracting authorities may include ecological criteria as award factors, provided they are linked to the subject matter of the contract and comply with the principles of transparency, equal treatment, and proportionality. This ruling was the first to affirm explicitly that GPP is legally permissible.
- **EVN AG/Wienstrom and Republik Österreich (C-448/01, 2003):** Reaffirmed the legality of ecological award criteria but also imposed strict conditions: criteria must be transparent, non-discriminatory, expressly stated in the tender documents, and directly linked to the subject matter of the contract. This clarified the boundaries of GPP but also narrowed contracting authorities' flexibility.
- **European Commission v. Kingdom of the Netherlands ("Max Havelaar," C-368/10, 2012):** Concerned the use of social and environmental labels such as Fair Trade. The CJEU ruled that while labels themselves cannot be required in most cases, the underlying criteria they represent may be referenced, provided these are transparent, objective, and accessible to all potential bidders.

Implications: These rulings collectively confirmed that GPP is allowed under EU law. However, they also created significant practical constraints:

- environmental or social criteria cannot give contracting authorities "unrestricted freedom of choice,"
- criteria must allow for effective competition among bidders,
- criteria must always be explicitly included in tender documents or notices,
- all requirements must be demonstrably linked to the subject matter of the contract, and
- contracting authorities must accept "equivalent proof," not only specific certifications.

These conditions have fuelled legal uncertainty and caution among public buyers. Many authorities remain reluctant to apply ambitious environmental criteria for fear of breaching EU law, triggering litigation, or facing scrutiny from auditors.

The case law of the **Polish National Appeals Chamber (KIO)** illustrates how the requirements for GPP are interpreted at the national level. Five notable rulings highlight both the scope and the limits of GPP in practice:

- **KIO 2016/2101 (Waste management in Poznań):** The case concerned an appeal against a tender for waste management services. The appellant challenged the bid evaluation criteria, including the requirement for ISO 14001 certification and the obligation to conduct educational activities for residents, arguing that



these were unclear, not directly linked to the contract, and unfairly favoured certain bidders. The appellant also objected to the failure to divide the main task into smaller lots, which they claimed disadvantaged SMEs. The KIO dismissed the appeal, finding that the criteria were connected to the environmental and educational objectives of the contract and ruling that bidders must meet the stated requirements rather than expect them to be adjusted (KIO, 2016).

- **KIO 2358/14 (Road maintenance in Chorzów):** The appellant objected to participation conditions, including the requirement for the Eco-Management and Audit Scheme (EMAS) or ISO 14001 environmental management certificates, arguing these were unnecessary since the contracting authority had not specified performance according to these systems. The KIO upheld the appeal, ordering the deletion of the requirement for an environmental management system as disproportionate. This case highlights how environmental management obligations can be cancelled if not properly justified, underscoring both the legal uncertainty and procedural complexity surrounding GPP criteria (KIO, 2014).
- **KIO 578/17 and KIO 582/17 (ICT equipment procurement):** This case challenged the use of the total cost of ownership ecolabel as an award criterion in a tender for computers and laptops, along with complaints about restrictive technical specifications. The KIO dismissed the appeals, confirming that the TCO certificate was a valid award criterion, as it was linked to the subject matter of the contract and did not unduly restrict competition (KIO, 2017a, 2017b).
- **KIO 295/20 (Medical waste management in Wrocław):** The appellant objected to the requirement for ISO 9001 and ISO 14001 certificates for the waste incineration plant. The KIO partially upheld the appeal, removing the ISO requirements as unnecessary and not supported by the contract's technical demands, while upholding other environmental verification requirements. This ruling again demonstrates how EMS obligations are a recurring source of contention in Polish GPP practice (KIO, 2020).

Implications: These rulings demonstrate that while Polish authorities may reference environmental certificates or ecolabels, their use must meet strict conditions for proportionality, the link to the subject matter and transparency. The cases also indicate the uncertainty and risk of litigation that public authorities face when applying standard GPP requirements such as environmental management systems.

Box 3. EU case law on third-country access to EU procurement

The CJEU recently ruled on the participation of third-country economic operators in EU public procurement, clarifying the limits of their access where no trade agreement applies. The rulings highlight the EU's restrictive stance that market access and equal treatment for third-country bidders remain firmly tied to the EU's trade policy competence, thereby adding another layer of complexity for contracting authorities.

- **Kolin İnşaat Turizm Sanayi ve Ticaret AŞ v. Državna komisija za kontrolu postupaka javne nabave (“Kolin,” 2024):** The Grand Chamber confirmed



that Articles 25 (Directive 2014/24) and 43 (Directive 2014/25) do not grant “equal treatment” to non-covered third-country bidders. Such treatment only arises under the Government Procurement Agreement or other binding trade agreements. Contracting authorities may admit these bidders under national law, but without entitlements to EU law remedies or protections. The CJEU reaffirmed that competence to open the EU procurement market rests exclusively with the Union under Article 207 TFEU.

- **CRRC Qingdao Sifang Co. Ltd v. Astra Vagoane Călători SA v. Autoritatea pentru Reformă Feroviară and Alstom Ferroviaria SpA (“Qingdao,” 2005):** The Fourth Chamber emphasized that procurement directives cannot themselves be a basis for extending rights to non-covered bidders. Granting such access would amount to the EU unilaterally opening its procurement market, which lies strictly within its trade policy discretion. The judgment also highlighted the role of the International Procurement Instrument (IPI Regulation) as a tool to regulate reciprocity and safeguard EU market interests.

Implications: Together, Kolin and Qingdao reaffirm the EU’s exclusive competence and establish systemic safeguards. However, the rulings still have some open issues, such as

- no automatic equal treatment: Non-covered bidders cannot claim that treatment is “no less favourable” under procurement directives.
- member state limits: States and contracting authorities may allow participation but cannot create EU law rights or remedies by general rule.
- risk of fragmentation: Admitting such bidders under national laws may generate legal uncertainty, varied remedies, and administrative discretion.
- trade policy linkage: Market access is conditional on reciprocity and determined through EU agreements and instruments such as the IPI.

These rulings align procurement law with EU trade policy but leave national authorities facing ambiguity in managing bids from non-covered operators.

Beyond case law, the EU has also developed trade instruments to regulate third-country participation in its procurement markets. The IPI, adopted in 2022, allows the European Commission to restrict access to tenders where third countries do not grant comparable openness to EU suppliers, thereby ensuring reciprocity. To date, the IPI has been applied only once, in a 2025 measure restricting the participation of certain Chinese suppliers in public tenders for medical devices (A&O Shearman, 2025). In parallel, the Foreign Subsidies Regulation, in force since 2023, empowers the European Commission to investigate and address distortive foreign subsidies in large public tenders.

These measures operate outside the procurement directives but serve to protect the integrity and fairness of the EU’s internal market, addressing competitive imbalances and reinforcing the EU’s strategic autonomy. However, their implementation may also introduce additional procedural complexity for contracting authorities, further underscoring the need for clear guidance and coordination.



3.3 Missed Opportunities in the Current Framework

The EU's current approach to GPP represents a missed opportunity to align public spending with climate and industrial policy, underscoring the need to strengthen GPP within the existing framework. Evidence from several member states demonstrates quick progress once sustainability is embedded as the norm:

- **embedding circular practices:** In Italy, compulsory Minimum Environmental Criteria (called CAM in Italian) for buildings and roads have made environmental considerations routine, integrating recycled content, selective demolition, and energy-efficient design into everyday practice (Ministero dell'Ambiente e della Sicurezza Energetica, n.d.).
- **achieving system-wide uptake:** Lithuania's national green procurement targets pushed the share of tenders meeting sustainability criteria from just 5% in 2020 to over 90% in 2023 (Open Contracting Partnership, 2023).
- **lowering carbon emissions:** In Ireland, the first public tender applying the CO₂ Performance Ladder reduced emissions by 21% compared to a conventional approach, showing the tangible benefits of using robust third-party verified certifications for GPP (CO₂ Performance Ladder, 2025).
- **stimulating green innovation:** In Germany, firms that won governmental contracts with environmental award criteria showed increased innovation in subsequent years, highlighting GPP as an effective demand-side innovation policy tool, especially for product environmental innovations and SMEs (Janssen & Caranta, 2023).

These examples highlight the scale of opportunity that the EU is currently missing. Without ambitious reform that strengthens GPP, it risks falling behind and foregoing the industrial, environmental, and social benefits that GPP can unlock. The key question is therefore not whether sustainability should be more firmly embedded in the procurement framework, but how. The following section turns to this question, outlining possible reform options for integrating GPP into the EU directives and assessing their respective advantages and drawbacks.



4.0 Options for Reform

As the European Commission advances the revision of the EU Public Procurement Directives, two overarching priorities stand at the forefront: simplification and strategic procurement. Strengthening GPP in the directives can contribute to both of these priorities. This is particularly important, given the growing body of sectoral legislation introducing binding GPP requirements (see Table 1 in Section 3.2.1), which has created a fragmented landscape that complicates compliance for procurement bodies.

A clearer GPP framework can simplify procurement by providing legal clarity, harmonized criteria, and predictable market signals. At the same time, a revised procurement framework can boost strategic procurement by aligning public spending with long-term EU objectives such as climate neutrality, competitiveness, and industrial resilience. We have compiled a set of reform options that outline how the directives can be modernized to strengthen the uptake and effectiveness of GPP:

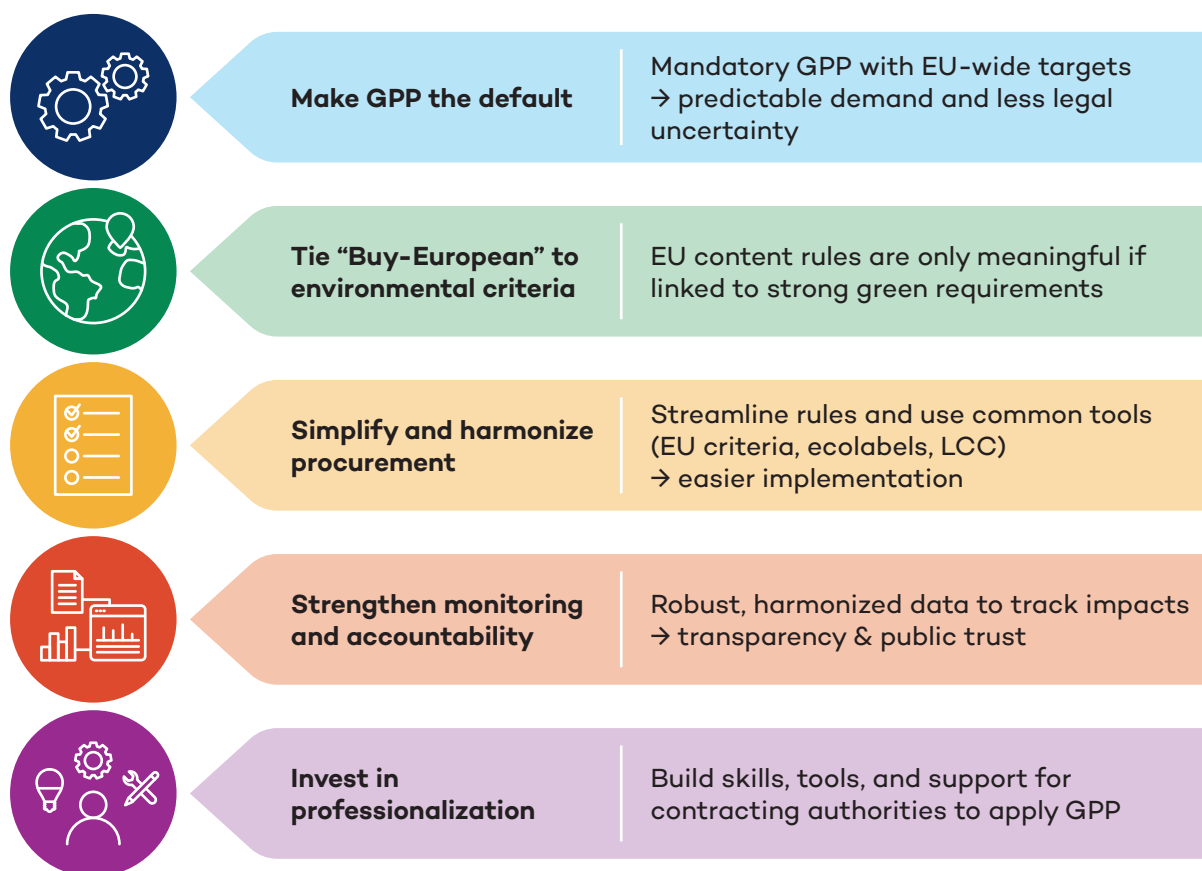
- High-level recommendations to describe the overarching shifts needed to mainstream GPP across the EU.
- Detailed reform options detailing how these high-level objectives can be operationalized through concrete measures.

4.1 High-Level Recommendations

Building on the overarching priorities for reform, the following high-level recommendations identify where decisive action is needed to mainstream GPP across the EU. They highlight five priority areas that can simplify procurement, strengthen accountability, and align public spending with long-term EU objectives. Figure 1 summarizes these asks.



Figure 1. High-level recommendations



Source: Authors' compilation.

4.1.1 Make GPP the Default and Set Clear Targets for GPP

Making GPP the default and setting clear EU-wide targets within a revised directive will mark a decisive shift from voluntary to mandatory implementation. For procurers, establishing binding environmental requirements across member states simplifies procedures and reduces legal uncertainty. For companies, clear targets provide predictable demand and stronger market signals, encouraging investment in sustainable goods and services. Making GPP mandatory would also help create lead markets for energy-intensive sectors, fostering coherence with the forthcoming Industrial Accelerator Act (IAA).

4.1.2 Tie European Preference Rules to Environmental Performance

“Buy European” and minimum EU content requirements must be tied to strong environmental criteria to strengthen the internal market and enhance EU competitiveness. Since public procurement in the EU is already predominantly local, geographic requirements alone are unlikely to deliver meaningful reductions in carbon emissions.

Despite the EU's relatively open procurement framework, available data shows that a significant share of public contracts goes to local companies. In 2021, 40% of winning bidders



were registered in the same region as the contracting authority, with particularly high local procurement rates in transport services (73%) and construction (55%) (European Court of Auditors, 2023). Cross-border participation remains limited: only about 4% of the total awarded value and 2% of contract awards were made directly to firms established in other EU member states or third countries, though indirect cross-border procurement through value chains accounts for around 20% of overall procurement (European Commission, 2025a).

Against this backdrop, the real opportunity lies in linking EU content provisions with sustainability performance to ensure that public spending supports industrial decarbonization and innovation. Evidence from Carbone4 (Aulanier et al., 2024) shows that local content criteria alone have limited climate or employment benefits. However, when coupled with carbon and sustainability requirements, they can substantially reduce emissions, redirect spending toward low-carbon activities, and create green jobs across the EU.

This approach aligns with ongoing legislative initiatives, notably the IAA (formerly the Industrial Decarbonisation Accelerator Act), announced in the 2025 Commission Work Programme. The act seeks to boost demand for EU-made clean products by introducing clean, circular, resilient, and cybersecure criteria, and by establishing a low-carbon label initially for steel and cement. Ensuring coherence between these emerging sectoral measures and the revised EU Public Procurement Directive will be crucial. Clear cross-referencing between the two frameworks could help contracting authorities apply EU content rules consistently, ensuring that such provisions strengthen competitiveness while directly contributing to decarbonization objectives.

4.1.3 Simplify and Harmonize Public Procurement

The fragmented landscape of sectoral legislation and uneven national practices currently create legal uncertainty and administrative burdens. Streamlining requirements, clarifying expectations for contracting authorities, improving data systems, and consolidating the use of existing GPP tools—such as EU criteria, ecolabels, and LCC—will make sustainable procurement easier to implement. This will foster healthy competition for public contracts and ease the burden on suppliers and procurers.

4.1.4 Strengthen Monitoring and Accountability

Strengthening monitoring and accountability is essential to ensure that GPP delivers on its objectives and does not remain merely a paper exercise. Establishing robust and harmonized data systems to track implementation and outcomes will improve transparency and enable policy-makers to identify gaps, measure progress against targets, and adjust strategies where necessary. A stronger monitoring framework will help to demonstrate the added value of GPP through impacts such as carbon reductions, resource efficiency, and social benefits, thereby reinforcing public trust and political support. Reliable data also provides contracting authorities and suppliers with feedback loops to improve procurement practices and guide future investments.



4.1.5 Invest in Professionalization to Strengthen the Capacity of Contracting Authorities for Strategic, Effective Procurement

GPP can only succeed if contracting authorities and suppliers have the skills, tools, and institutional support needed to apply environmental criteria consistently. Building professional capacity through training, competence frameworks, guidance materials, and infrastructure such as competence centres will help bridge the gap between legal provisions and practice. Professionalization also enhances efficiency, reduces procedural risks, and ensures that procurement decisions advance strategic objectives.

4.2 Detailed Reform Options

The high-level recommendations provide the overall direction for reform, but they need to be translated into concrete measures when reforming the procurement directives. The detailed reform options are grouped around the European Commission's two main priorities of simplification and strategic procurement, illustrating how stronger GPP can simultaneously reduce administrative complexity and enhance the EU's ability to leverage procurement for strategic policy objectives.

Detailed reform options supporting simplification:

- Make GPP the default through a comply-or-explain approach.
- Encourage the use of the ready-made EU GPP criteria.
- Clarify requirements for the link between environmental criteria and the subject matter of the contract.
- Encourage the use of robust, third-party-verified labels and certifications.
- Harmonize procurement requirements from sectoral legislation to simplify their implementation.
- Build the capacity of contracting authorities and suppliers for GPP.
- Harness digitalization and automation to simplify and monitor GPP.

Detailed reform options supporting strategic procurement:

- Strengthen sustainable procurement as a core principle.
- Mandate that all contracts are awarded based on price and non-price criteria, including life-cycle considerations.
- Set clear, time-bound targets for GPP.
- Demand that member states develop and implement publicly available procurement strategies.
- Demand that contracting authorities develop and implement publicly available GPP action plans.
- Strengthen monitoring and accountability: establish robust, harmonized data systems to track GPP implementation and outcomes.
- Tie European preference rules to meaningful green criteria to ensure environmental benefits.



4.2.1 Detailed Reform Options for Simplification

Simplification is essential to address the fragmented nature of the current procurement framework. The focus of simplification in public procurement needs to be on the ease of doing business with government in a clear and transparent manner. It should also be on the strengthening of the role, capacity, and knowledge of contracting authorities. Contracting authorities often face unclear legal requirements, overlapping rules from sectoral legislation, and limited access to practical tools.

Simplification is an opportunity to make procurement procedures less complex, more flexible, and easier to implement for contracting authorities and businesses, particularly SMEs. The aim is to reduce administrative burdens, cut red tape, and make the system more efficient, while at the same time preserving transparency, competition, and accountability.

The detailed reform options presented in Table 3 outline specific measures that could strengthen GPP and contribute to the simplification of public procurement in the EU.

Table 3. Detailed reform options for simplification

1. Make GPP the default through a comply-or-explain approach	
Detailed reform options	<p>Make GPP the default through a comply-or-explain approach where contracting authorities apply environmental criteria by default in every tendering process and need to justify when this is not possible in exceptional cases.</p> <p>Valid exceptions could include cases where the market is not yet ready, no suitable green alternatives are available, or, in rare cases, where the green solution remains demonstrably more expensive over the life cycle.</p> <p>More detailed or stringent requirements for GPP, for example, from sectoral legislation, would remain untouched by these more general procedural requirements.</p> <p>To support this, early market engagement should also be conducted to assess supplier readiness and signal upcoming green requirements.</p>
Rationale/ change	<p>GPP in the current directive is encouraged but voluntary. Uptake is low, with only about 15% of tenders including environmental criteria and 60% of contracts being awarded based on lowest price as the only award criterion (PPDS, n.d.-a; PPDS, n.d.-b).</p> <p>Research indicates that such procedural rules can be well combined with substantive requirements (Schotanus & Nicolas, 2023).</p> <p>In Belgium, early market engagement under the procurement law has helped level the playing field by giving companies up to 12 months to prepare for mandatory requirements (Vlaanderen Circulair, 2024).</p>



<p>Advantages</p>	<p>Flexibility for contracting authorities: GPP can be implemented in various stages of the procurement process and through diverse approaches (green subject matter of the contract, selection criteria, tech specs, award criteria, contract performance clauses) (Mähönen et al., 2023).</p> <p>A clear signal to the market and procurers, with flexibility to account for varying market readiness (Mähönen et al., 2023).</p> <p>Mandatory GPP will increase market demand for environmentally friendly goods, works, and services, stimulating innovation in private markets. This increased demand can also lead to lower costs for sustainable products and services due to economies of scope and scale (Mélon, 2020).</p>
<p>Risks</p>	<p>Requires clear definitions of what qualifies as “green” to avoid legal uncertainty. Open and vague norms risk creating legal uncertainty and inconsistent application, as shown in the Netherlands’ “societal value” clause (Heijnsbroek, 2023).</p> <p>There needs to be an organization responsible for determining whether an exception is justified, with clear criteria to guide this assessment, presumably established at the member state level.</p> <p>The comply-or-explain approach can add administrative burdens, especially where authorities lack knowledge and resources for GPP (Janssen & Carranta, 2023; Mähönen, 2023). Without sufficient training, guidance, and tools, authorities may resort to superficial justifications, undermining procurement efficiency and outcomes (Mähönen, 2023).</p> <p>Procedural requirements do not provide clear instructions for buyers, and therefore, it can be harder to assess or monitor how extensively SPP/GPP is being implemented (Schotanus & Nicolas, 2023)</p>

2. Encourage (or mandate) the use of the ready-made EU GPP criteria

<p>Detailed reform options</p>	<p>Consider making the core EU GPP criteria mandatory (progressively) and encouraging the use of the comprehensive criteria, recognizing that these comprehensive criteria are more ambitious and often require stronger technical expertise to apply effectively. If national versions of the criteria exist, encourage their use.</p> <p>To improve accessibility, the criteria should be consolidated into a user-friendly, searchable database, ideally available in all EU languages and linked with platforms such as the PPDS.</p>
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<p>Rationale/ change</p>	<p>Mandating EU GPP criteria at the EU level would be a relatively modest step, as several member states already require their use nationally. Italy, Portugal, Lithuania, and Slovenia have made certain EU GPP criteria mandatory in their national legislation, while the Netherlands has procedural requirements for GPP (ConsultaLEX, n.d.; Lietuvos Respublikos Aplinkos Ministras, 2021; Ministero dell’Ambiente e della Sicurezza Energetica, n.d.; PIANOo, n.d.; Republic of Slovenia, 2022). This existing practice demonstrates both the feasibility and acceptability of mandatory criteria. Lifting these requirements to the EU level would deliver significant benefits in terms of simplification, reduced administrative burden for national governments overseeing GPP, and easier compliance for companies operating across multiple member states.</p>
<p>Advantages</p>	<p>EU GPP criteria exist for about 14 product groups and services (e.g. catering, roads, road transport, office buildings).⁵ Developed through a robust, multi-stakeholder approach, the criteria are relatively easy to use for procurers. They help to identify relevant environmental impacts and ways to reduce them across the procurement cycle. The criteria have two levels (core and comprehensive), making them suitable for both GPP beginners and experts. The criteria are seen as legally safe to use, and procurers like to mimic such GPP approaches that are also used elsewhere.</p> <p>Wider adoption of harmonized criteria would ease the administrative workload for national governments overseeing GPP and simplify compliance for companies active across multiple member states (Hasanbeigi et al., 2019).</p>
<p>Risks</p>	<p>EU GPP criteria are only available for specific products /services and need to be well-maintained—for example, to keep up with innovation in the market.</p> <p>Procurers and bidders need sufficient GPP skills. Studies show that procurers call for clearer guidelines and regular training (Caruana & Vassallo, 2024).</p>

⁵ Read more about EU GPP criteria here: https://green-forum.ec.europa.eu/green-business/green-public-procurement/gpp-criteria-and-requirements_en



3. Clarify the interpretation of the “link to the subject matter” in relation to the use of environmental and social criteria

<p>Detailed reform options</p>	<p>Clarify the interpretation of the “link to the subject matter” in relation to the use of environmental and social criteria to combat legal ambiguity for contracting authorities.</p> <p>The directive should clarify what constitutes a valid link to the subject matter. This can be achieved, for instance, by simplifying language and removing jargon, offering a more comprehensive set of definitions, or explicitly confirming that environmental criteria are considered linked to the subject matter and proportionate.</p> <p>Allowing procurers to require robust third-party labels and certifications, even if not all their underlying requirements are directly related to the subject matter of the contract, would strengthen the practical use of such tools and give contracting authorities greater confidence in applying them. For instance, this could give contracting authorities more flexibility to use organization-level sustainability certifications in the award criteria.</p>
<p>Rationale/ change</p>	<p>Article 43 of Directive 2014/24/EU allows ecolabels only when their criteria are directly linked to the subject matter and accessible to all bidders. Authorities cannot require an ecolabel in full if it contains unrelated criteria but may reference the relevant parts. Similarly, Article 67 requires award criteria to be linked to the subject matter and explicitly allows environmental considerations, as long as they relate to the goods, services, or works across their life cycle.</p> <p>Strict requirements complicate—and therefore discourage—the use of robust GPP tools like ecolabels or the CO₂ Performance Ladder, which also cover company-level requirements. In practice, procurers often struggle to prove a direct connection (Andhov et al., 2020; Janssen & Caranta, 2023), raising fears of challenges for disproportionate criteria (Lazo Vitoria, 2023).</p>
<p>Advantages</p>	<p>Addresses common legal concerns of procurers.</p> <p>Clearer rules would make it easier for authorities to rely on existing ecolabels and other robust GPP tools, such as environmental management systems. The use of these tools would simplify procedures and reduce administrative burden (McLennan, 2024).</p> <p>Research suggests that relaxing or even removing the strict subject matter link could enable contracts to include organizational-level criteria, which would significantly enhance social value creation (Nicolas & Schotanus, 2025). This shift would allow public buyers to pursue a wider range of economic, environmental, and social benefits for communities, moving beyond narrow contractual outputs.</p>



<p>Risks</p>	<p>Weakening the link to the subject matter may create risks of misuse, as relaxing or removing the requirement entirely could open the door to arbitrary or unverifiable criteria. The main concern is that such criteria may be difficult to compare across tenders and could result in discrimination (e.g., favouring certain bidders), undermining fairness and objectivity in the procurement process. Without a clear link, contracting authorities risk basing decisions on factors that are not directly related to the contract, which may ultimately lead to unfair competition and non-meritocratic outcomes (Semple, 2016).</p>
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4. Encourage the use of robust, third-party-verified labels and certifications

<p>Detailed reform options</p>	<p>Encourage the use of robust, third-party-verified labels and certifications to ease the implementation of GPP.</p> <p>This can be supported by creating a clearer connection between the EU GPP criteria and widely recognized tools, such as the EU Ecolabel and the Eco-Management and Audit Scheme, which would simplify procedures and promote Europe-wide harmonization of sustainable procurement practices (Guarini et al., 2025).</p> <p>This could also be linked to the labelling initiative envisioned under the IAA, which aims to establish EU-wide low-carbon labels for strategic sectors such as steel and cement, ensuring coherence between product labelling and procurement criteria.</p> <p>In addition, an EU-level mechanism—for example, a shared repository or regularly updated guidance—could identify which labels, certifications, and standards comply with directive requirements and provide model clauses and practical procedures for assessing alternative forms of evidence.</p>
<p>Rationale/ change</p>	<p>Labels and management systems are already encouraged in the Directive 2014/24/EU (articles 75 and 88), so it is important to avoid weakening these provisions. As noted in the reform option on clarifying the link to subject matter, Article 43 sets strict rules for the use of labels, requiring that the criteria are directly linked to the subject matter of the contract. Contracting authorities are therefore often limited to referring only to certain parts of a label rather than the label as a whole (Article 43.2). In practice, this restricts the use of comprehensive ecolabels, such as the EU Ecolabel or Nordic Swan, despite their potential to simplify and harmonize sustainable procurement.</p>
<p>Advantages</p>	<p>Third-party-verified labels and certifications are robust and ensure high environmental performance (e.g., in contrast to self-declarations that risk greenwashing).</p> <p>Labels are easy to use for procurers and reduce their burden to access compliance.</p> <p>Companies can easily understand the requirements and use the same label in various bids instead of providing customized proof each time. (McLennan, 2024)</p>



<p>Risks</p>	<p>Obtaining and maintaining third-party certifications can be costly for companies, potentially placing a burden on SMEs that may lack the resources and expertise to navigate complex certification processes (ICLEI Europe, 2025). This can disadvantage SMEs in procurement competitions, potentially reducing competition and limiting the diversity of suppliers.</p> <p>In some markets, the presence of multiple labels and certifications creates confusion for buyers and procurers.</p> <p>The requirement to accept “equivalent” standards can be problematic, since not all standards are genuinely comparable.</p> <p>(Nordic Council of Ministers, 2017)</p> <p>This could rely on the labelling envisioned under the IAA.</p>
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5. Harmonize GPP-related procurement requirements from sectoral legislation to simplify their implementation

<p>Detailed reform options</p>	<p>Harmonizing procurement requirements can be done by fostering coherence of GPP requirements across different EU policies, easing access to information about sectoral rules, e.g., by improving the Procurement for Buyers Platform,⁶ better cross-referencing requirements in the main directive, and/or issuing European Commission guidance or communications that clearly map relevant requirements and can be adapted by procurers. These steps would prevent rules from becoming scattered, contradictory, or difficult to find.</p>
<p>Rationale/ change</p>	<p>GPP requirements sit scattered in different laws and policies, limiting their implementation.</p> <p>With many legislative proposals now including GPP requirements or provisions to make SPP mandatory (e.g., IAA, Construction Products Regulation, the upcoming Net Zero Industry Act), it is crucial to enhance the visibility and coherence of these rules.</p> <p>Existing tools, such as the Procurement for Buyers Platform, attempt to consolidate information but remain incomplete.</p>
<p>Advantages</p>	<p>Simplification and potential for scaling GPP without adding new requirements.</p> <p>Aligning requirements across legislation would also make procurement more transparent and predictable for companies, reducing bureaucracy and easing compliance.</p>
<p>Risks</p>	<p>Cross-referencing would need lots of details and regular updates. It may not be practical to annex all details to the directive.</p> <p>A lack of coordination within the European Commission itself complicates harmonization, as national experts are often brought into discussions only after sectoral policies have been decided.</p>

⁶ See the Procurement for Buyers website here: <https://webgate.ec.europa.eu/procurementbuyers/#/procurementlocation>



6. Build the capacity of contracting authorities and suppliers for GPP

<p>Detailed reform options</p>	<p>Specific training is essential for the practical implementation of GPP. Member states should provide localized and sector-specific courses that equip procurers with the skills to integrate environmental criteria effectively into tenders.</p> <p>Improved access to resources will also make GPP easier to apply. This could include user-friendly online tools with EU GPP criteria, translations into multiple languages, and standard contracts or sample lists of green and social criteria that contracting authorities can use directly.</p> <p>Professionalization should be reinforced through ProcureCompEU,⁷ which already sets out valuable competencies on sustainable procurement. These competencies could be made mandatory, for example, by requiring at least one member of each procurement committee or all larger contracting authorities to meet defined competency standards.</p> <p>Finally, systemic challenges in procurement careers must be addressed to secure long-term professionalization. This requires better salaries, clearer career progression, and stronger staff retention. It also means developing professional profiles, certification schemes, and EU-wide accreditation to improve recognition and mobility. Academic programs and specializations in procurement should be expanded, supported by campaigns that raise the visibility of procurement as a career path.</p>
<p>Rationale/ change</p>	<p>Professionalization is the backbone of effective public procurement that meets public needs while advancing strategic objectives. Procurers (and bidders) need training, guidance, and infrastructure to implement GPP.</p> <p>The EU's GPP page provides valuable resources, including a helpdesk, but is not widely known.⁸</p> <p>Member states that perform well in GPP often have dedicated competence centres and targeted training programs, such as Germany's Competence Centre for Sustainable Procurement (KNB) and Finland's KEINO Centre, which provide tailored guidance and capacity building. Similar initiatives exist in countries like Spain, Malta, the Netherlands, Denmark, and Norway, where training goes beyond legal compliance to cover practical skills such as LCC and strategic procurement. However, access to such resources is uneven: in 2020, only 35% of OECD countries had mandatory training systems for public procurement officers, and competency models or certification frameworks remain limited (OECD, 2023).</p>

⁷ The EU's competency framework for public procurement professionals, ProcurCompEU, can be found here: https://commission.europa.eu/funding-tenders/tools-public-buyers/professionalisation-public-buyers/procurcompeu-european-competency-framework-public-procurement-professionals_en

⁸ Visit the page here: https://green-forum.ec.europa.eu/green-business/green-public-procurement/gpp-criteria-and-requirements_en



<p>Advantages</p>	<p>Better GPP skills simplify and ease its implementation without changing rules. Improved training, methodological assistance, and practical tools such as guidelines, templates, and help desks enable procurers to navigate existing frameworks more effectively. By building these skills, authorities can apply environmental criteria with greater confidence and consistency.</p> <p>Professionalization can lead to efficiency gains in procurement, with considerable savings. It can also reduce systemic issues like long procedure times and decreasing competition. Evidence shows that higher competence in procurement reduces cost overruns, delays, and renegotiations, directly translating into financial savings and smoother processes. Professionalization also lowers administrative costs for suppliers, which encourages broader market access and helps sustain competition (OECD, 2023).</p> <p>ProcureCompEU is an established set of competencies across the procurement cycle and four career levels. All career levels include relevant skills for SPP and achieving value for money.</p>
<p>Risks</p>	<p>It is unclear how capacity-building requirements could be prescribed in the directive, since implementation would ultimately depend on member states.</p> <p>ProcurCompEU was designed as a flexible and customizable tool (OECD, 2023). If imposed as a strict mandate without room for adaptation, it risks being seen as an administrative burden (OECD, 2023).</p> <p>Professionalization efforts risk being interpreted as simply adding staff, whereas the focus should be on streamlining processes and reducing duplication.</p>

7. Harness digitalization and automation to simplify GPP

<p>Detailed reform options</p>	<p>Digitalization and automation can act as cross-cutting enablers of GPP, supporting simplification, harmonization, and monitoring while improving access to tools and data.</p> <p>Key areas for action include</p> <ul style="list-style-type: none"> • developing interoperable digital infrastructure linking the PPDS, eForms, and EU GPP criteria databases; • embedding automated features that suggest or verify environmental criteria, recognized labels, or LCC templates; and • using AI-based analytics to monitor contract performance and detect non-compliance.
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<p>Rationale/ change</p>	<p>Despite the progress in e-procurement across the EU, the current systems remain fragmented, and the current EU procurement system has not yet achieved a true digital transformation. Directive 2014/24/EU mainly moved paper-based processes online instead of building a modern digital system from the ground up (Telles, 2025). As a result, many procedures are still based on uploading forms and notices rather than using data that is automatically recorded and shared across platforms. This approach limits the ability to collect reliable and complete information across member states.</p> <p>In addition, sustainability fields in the new eForms remain optional, which leads to uneven reporting and weak incentives for contracting authorities to provide environmental data (Telles, 2025).</p>
<p>Advantages</p>	<p>Digitalization would allow automatic data capture, reduce manual reporting, and harmonize data across member states. Linking PPDS, eForms, and GPP criteria databases would support better comparability and transparency.</p> <p>AI can help governments deliver greater public value by promoting sustainability—such as monitoring GPP practices, tracking carbon emissions, and supporting social objectives throughout the procurement cycle (Andersson et al., 2025; Malacina et al., 2022).</p> <p>The shift would also enhance accountability by making sustainability performance data openly available and interoperable across jurisdictions.</p>
<p>Risks</p>	<p>Requires significant upfront investment in digital infrastructure, governance, and interoperability standards across member states.</p> <p>Public agencies often lack the technical skills needed, highlighting the need for training and capacity building (Andersson et al., 2025).</p> <p>Ethical concerns like transparency, fairness, and bias also need careful attention. On the technical side, integrating AI with old systems can be difficult, and there is often resistance to change.</p>

Source: Authors' compilation.

4.2.2 Detailed Reform Options for Strategic Procurement

Strategic procurement goes beyond administrative efficiency by aligning public spending with broader policy objectives, such as climate neutrality, circularity, innovation, and social inclusion. The detailed reform options for strategic procurement focus on strengthening green objectives as a core element of the revised public procurement directive. These include mandating the use of non-price award criteria, setting clear and time-bound GPP targets, and requiring member states and contracting authorities to adopt publicly available strategies and action plans. Stronger monitoring and accountability systems are also essential to ensure that these commitments translate into tangible outcomes, supported by reliable data on environmental and social impacts.

Taken together, these measures would help create a coherent framework that provides legal certainty, encourages innovation, and sends predictable demand signals to markets while also reducing fragmentation in current practices. The detailed reform options presented in section



4.2 outline specific measures that could strengthen GPP and contribute to the strategic dimension of public procurement in the EU.

Table 4. Detailed reform options for strategic public procurement

1. Strengthen strategic/sustainable procurement as a core principle	
Detailed reform options	<p>Strategic procurement covers various objectives, such as green/ environmental goals (including circularity and decarbonization), social objectives, European preference, and innovation.</p> <p>The revised directive should recognize sustainability as a principle of public procurement alongside the established principles of transparency, equal treatment, and non-discrimination—for example, in article 18 of Directive 2014/24/EU.</p>
Rationale/ change	<p>Making sustainable procurement a principle for procurement can help open the door for more flexible requirements on the link to the subject matter.</p> <p>Article 18(2) already obliges member states to ensure compliance with environmental, social, and labour law, but its vague wording (“shall take appropriate measures”) and unclear addressees limit enforceability. Current ambiguity turns the provision into a declaratory statement rather than a binding obligation, weakening its potential to mainstream sustainability.</p> <p>Elevating sustainability to a core principle in Article 18(1) and clarifying Article 18(2) as a concrete obligation for both member states and contracting authorities would close this gap.</p> <p>(Pouikli, 2021)</p>
Advantages	<p>It would clarify vague terms like “shall” and “appropriate measures”, giving Article 18 real legal weight instead of being just a declaratory principle.</p> <p>Clearer rules would send a strong signal to procurers and other stakeholders, and this would likely increase uptake of GPP.</p> <p>(Pouikli, 2021)</p>
Risks	<p>Careful drafting is required: vague wording could again dilute, rather than strengthen, sustainability principles.</p> <p>There could be legal challenges if sustainability is framed too broadly without a clear definition.</p>



2. Mandate that all contracts are awarded based on price and non-price criteria, including life-cycle considerations

<p>Detailed reform options</p>	<p>Mandate that all contracts are awarded based on price and non-price criteria, including life-cycle considerations.</p> <p>In particular, award contracts based on environmental criteria other than price. Options:</p> <ul style="list-style-type: none"> • Limit the use of lowest price as the only award criterion (with exceptions, e.g., subject of the contract is green). • Prescribe a minimum weight for non-price criteria, e.g., at least 50% of the weight on strategic/environmental criteria. For instance, Spain's General Public Sector Contracts Law requires quality criteria to represent at least 51% of the total score for "services to the person," while Canary Islands regulations cap price at 30%, effectively giving non-price criteria a minimum weight of 70% (Lazo Vitoria, 2023). • Foster LCC that includes environmental impacts.
<p>Rationale/ change</p>	<p>Currently, about 60% of contracts are awarded based on the lowest purchase price (European Court of Auditors, 2023). This reform option would help to move away from awarding based on the cheapest bid.</p> <p>This is a core policy ask from the Buy Better to Build Better coalition.⁹</p>
<p>Advantages</p>	<p>Meaningful award criteria help to reward performance that goes beyond minimum technical specifications. This can incentivize new innovations and structural changes, e.g., the uptake of recycled materials (Mähönen et al., 2023).</p> <p>LCC allows a long-term perspective that combines economic efficiency with considering environmental impacts (OECD, 2022). Taking a long-term perspective is essential to overcome the perception that GPP is costlier: while green products or services may have higher upfront prices, they often deliver lower total costs over their life cycle—through, for instance, savings in energy use, maintenance, and end-of-life disposal.</p> <p>The change would send a clear procedural signal and acts as a "demand-pull instrument" that creates market certainty and encourages investment (Mähönen et al., 2023).</p>

⁹ See more about the coalition here: <https://ecostandard.org/bbbb/>



<p>Risks</p>	<p>LCC is complex and needs specialized skills (OECD, 2022).</p> <p>Mandatory weight on award criteria can lead to a check-box exercise without tangible environmental benefits. For example, the original Clean Vehicles Directive (2009) often resulted in environmental criteria being assigned such low weightings that they had little effect on procurement outcomes (Semple, 2023).</p> <p>Principles need to be well-defined to be meaningful and implementable in the member states. A one-size-fits-all mandatory approach might not be effective and could present challenges if not tailored to specific market maturities and product types. This may reduce competition in cases where green markets are not yet mature (Mélon, 2020).</p> <p>Making value for money mandatory for all contracts may not be the most effective approach; research from Utrecht University shows that using lowest-price models for simpler tenders could save the Dutch government hundreds of millions of euros annually without significant loss of quality (Titl & Schotanus, 2025).</p> <p>For contracting authorities, managing award criteria is generally more complicated than handling standard technical specifications or contract performance requirements (Caranta, 2023).</p>
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3. Set clear, time-bound targets for GPP

<p>Detailed reform options</p>	<p>These should be informed by a baseline assessment of current implementation and increase incrementally, e.g., from 15% of tenders being green in 2025 to 100% in 2029 (or 100% strategic procurement). Targets can be structured as an EU-wide benchmark, broken down into sub-targets differentiated by member states, sectors, and products.</p> <p>Importantly, targets must be accompanied by robust monitoring and reporting mechanisms. Once reliable reporting is in place and more ambitious rules are introduced, targets could evolve from aspirational to binding commitments, ensuring accountability and measurable results (Mähönen et al., 2023).</p>
<p>Rationale/ change</p>	<p>Despite procurement's scale, uptake of GPP remains limited and fragmented.</p> <p>Ambiguous rules and reliance on contracting authorities' discretion create legal uncertainties and hinder uptake.</p> <p>Mandatory targets are needed to align procurement with the EU's environmental goals, e.g., on climate, biodiversity, resource efficiency, and sustainable consumption.</p> <p>(Pouikli, 2020)</p>



<p>Advantages</p>	<p>Provides a clear signal and direction for both procurers and markets. Facilitates monitoring and accountability by setting measurable benchmarks.</p> <p>Helps mainstream GPP and build momentum for broader adoption. (Pouikli, 2020)</p> <p>Demonstrated success in practice: Lithuania set ambitious targets for green spending, which increased the share of tenders meeting sustainability criteria from just 5% in 2020 to more than 90% in 2023 (Open Contracting Partnership, 2023).</p>
<p>Risks</p>	<p>Requires a clear and consistent definition of what qualifies as a “green” or “strategic” tender.</p> <p>Large differences in capacity and readiness across member states make uniform targets difficult to apply.</p> <p>Past experience shows that non-binding goals were often not achieved, raising questions about accountability and enforcement.</p> <p>A risk of increased costs could affect industry support and public acceptance.</p> <p>Successful implementation depends on adequate training and technical expertise.</p> <p>There is concern that this could limit market participation in areas where the supply of green products or services is still constrained (Vlaanderen Circulair, 2024).</p>

4. Demand that member states develop and implement publicly available national procurement strategies

<p>Detailed reform options</p>	<p>Member states should be required to adopt publicly available national procurement strategies, either as standalone frameworks or specific GPP action plans, that guide procurement in line with broader policy goals, such as transparency, efficiency, innovation, and sustainability. These strategies should articulate a clear vision, objectives, principles, and priority actions and, at a minimum, include coverage of GPP, market engagement, professionalization, and effective monitoring systems.</p> <p>To strengthen ambition, strategies should also feature a baseline assessment of current practice, time-bound targets, priority sectors, and dedicated resources for training and implementation.</p> <p>To balance flexibility with accountability, they can include a roadmap for scaling up GPP, with reporting requirements that start broad and deepen as more ambitious or mandatory rules are introduced (Mähönen et al., 2023).</p> <p>The action plan should be updated at least every 5 years to ensure continued relevance.</p>
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Rationale/ change	The European Commission asked member states in 2003 to develop National Action Plans for GPP. While most countries have such a plan, they vary widely in quality, ambition, and timeliness, with significant differences in implementation dates, the binding nature of environmental standards, the choice of priority sectors, and the effectiveness of monitoring mechanisms (Guarini et al., 2025). ¹⁰
Advantages	<p>Supports proper transposition and implementation of strategic procurement.</p> <p>Helps address underlying issues of procurement systems, such as professionalization, fragmented rules and practices, incomplete monitoring, and low competition for tenders.</p> <p>Strong sustainability aspects in the strategies send an important signal to procurers and the market, ensure a coherent approach with monitoring, and can provide the necessary financial and technical resources for GPP implementation.</p> <p>(Lichère, 2025; U.S.-EU Trade and Technology Council Working Group on Climate and Clean Tech, 2024)</p>
Risks	<p>Strategies/action plans at the member state level can have limited impact in decentralized procurement systems, where fragmentation also makes it difficult to devise coherent strategies (World Economic Forum, 2022).</p> <p>Preparing and implementing strategies requires significant resources and staff time, and effectiveness depends heavily on political will in member states. There is a risk that requirements could be cascaded to local authorities without sufficient resources, potentially creating friction between central and local governments.</p> <p>Past experience shows pushback from member states against Brussels dictating roadmaps, with some recommendations never implemented. This raises concerns that such a demand may only gain traction as a secondary measure after new directives are in place.</p>

5. Demand that contracting authorities develop and implement publicly available GPP action plans

Detailed reform options	<p>The action plans should include:</p> <ul style="list-style-type: none"> • a baseline assessment of GPP implementation and internal skills, including market engagement capacity; • time-bound targets for priority sectors or contract types; • clear monitoring and evaluation mechanisms to track progress; and • allocation of resources for training and implementation support.
Rationale/ change	GPP action plans at the level of contracting authorities help translate legal GPP requirements and political ambitions into everyday procurement practice. Currently, only some ambitious contracting authorities have GPP action plans/policies/strategies.

¹⁰ For an overview of the action plans, see: <https://circabc.europa.eu/ui/group/44278090-3fae-4515-bcc2-44fd57c1d0d1/library/c23dd7e0-3f7e-4983-a964-bd9d98a0bbf4/details>



Advantages	Developing an action plan can raise awareness for GPP in the contracting authority and help to provide necessary resources and direction for implementation. Such plans can also send a clear signal to the market.
Risks	<p>The subsidiarity principle may limit the EU's ability to impose mandatory action plans on contracting authorities.</p> <p>Preparing and implementing action plans requires significant staff time and resources, which may be seen as an additional administrative burden.</p> <p>Risk of limited support from local authorities, as mandatory requirements of this nature may be perceived as overly prescriptive.</p>

6. Strengthen monitoring and accountability

Detailed reform options	<p>Strengthen monitoring and accountability by establishing robust, harmonized data systems to track GPP implementation and outcomes. Monitoring could be strengthened by the following options:</p> <p>Improve GPP tracking in PPDS by making the GPP fields in eForms mandatory. The European Commission could strengthen monitoring by ensuring that Annex V of Directive 2014/24/EU explicitly includes sustainability criteria, which would allow these fields to become mandatory in the eForms (Sava, 2023).</p> <p>Extend the use of eForms to also track GPP data below the EU thresholds.</p> <p>Increase the granularity of collected GPP data. In particular, capture GPP efforts and outcomes at different stages of the procurement process and work toward tracking the use of harmonized sustainability criteria.</p> <p>Strengthen contract performance monitoring (Article 70) to ensure that sustainability conditions set in contracts are systematically tracked.</p> <p>Work toward including impact indicators in the monitoring system, such as total CO₂ emissions, reuse and preparation-for-reuse rates, or social employment promotion.</p> <p>Engage local and regional authorities in monitoring to identify successful approaches and collect both quantitative and qualitative evidence of SPP/GPP impacts.</p>
Rationale/ change	<p>Current data systems do not properly track GPP. For example, the GPP fields in eForms are voluntary (Sava, 2023), the EU only tracks contracts above the thresholds, and the monitoring focuses on processes/tenders, not actual environmental outcomes (Erizaputri et al., 2024). Some member states have already made the GPP fields in eForms mandatory and use eForms to track smaller contracts below the EU thresholds.</p> <p>Evidence shows that digital tools used by governments can play a key role in advancing sustainability practices by easing access to markets, enabling the exchange of environmental requirements, and improving performance monitoring (Adjei-Bamfo et al., 2019).</p>



<p>Advantages</p>	<p>Enhances transparency and accountability across procurement processes.</p> <p>Supports informed policy-making by providing reliable data on GPP implementation. Widely recognized as a prerequisite for scaling GPP effectively.</p> <p>Tracks measurable impacts, such as CO₂ emission reductions, resource reuse, and social benefits, which help to make the case for GPP and improve the public perception of procurement.</p> <p>Improves visibility of systemic issues, such as competition levels and market readiness.</p> <p>(OECD, 2024)</p> <p>The high visibility of tenders and contracts has been shown to strengthen the uptake of SPP (Nicolas & Schotanus, 2025).</p>
<p>Risks</p>	<p>Extending monitoring to national levels and contracts below EU thresholds is challenging, as procurement data is often not systematically collected.</p> <p>Expanded monitoring risks creating disproportionate reporting obligations for contracting authorities, SMEs, and social enterprises, while also raising concerns about additional funding and bureaucracy without adequate support (Lichère, 2025).</p> <p>Monitoring must remain simple and practical to avoid discouraging participation or leading to superficial “box-ticking.”</p> <p>Certain outcomes—such as social policy impacts, biodiversity benefits, or emission reductions—are difficult to quantify, require specialized expertise from contracting authorities, and involve methodological complexity.</p> <p>The reform options will require policy changes outside of the public procurement directives.</p>



7. Tie European preference rules to meaningful green criteria

<p>Detailed reform options</p>	<p>Tie European preference rules to meaningful green criteria to ensure environmental benefits.</p> <p>Relevant sustainability criteria could include LCC that accounts for greenhouse gas and transport emissions, verified ecolabels, carbon footprints or carbon management systems, material circularity, and social sustainability.</p> <p>A clear definition of what qualifies as “Made in Europe” will be essential to provide legal certainty and consistency. EU content requirements may be implemented by giving preference to European suppliers through price advantages or by establishing minimum thresholds for the proportion of components, materials, or labour sourced in the EU domestically or regionally.</p> <p>The IPI case against Chinese medical equipment effectively illustrates how the EU distinguishes “EU origin” from “non-EU origin,” stating that “no more than 50% of the contract value is based on components, parts, or services originating from China or subcontracted to Chinese companies; accordingly, also non-Chinese companies with own or outsourced manufacturing capacities in China or otherwise procuring goods and services from China will be affected by the IPI measure” and “to prevent circumvention of IPI measures, also subsidiaries of Chinese companies established outside of China will be considered as originating from China if they are not “engaged in substantive business operations” in the country in which they are established” (A&O Shearman, 2025).</p> <p>Implementation could focus on strategic sectors and value chains such as steel, automotive, energy infrastructure, and construction, where demand certainty can accelerate decarbonization.</p> <p>To balance competitiveness with legal and trade considerations, rules could be designed flexibly, for instance by requiring that a percentage of the value chain is European, or by applying softer criteria in areas where stricter thresholds would risk incompatibility with international obligations. Clear guidance should also be provided to contracting authorities on when and how to apply these preference rules in practice.</p>
<p>Rationale/ change</p>	<p>Based on today’s best available data, a significant share of public contracts goes to “local” companies. In 2021, 40% of winning bidders were registered in the same region as the contracting authority, with particularly high local procurement in transport services (73%) and construction (55%) (European Court of Auditors, 2023). Thus, local content requirements alone are unlikely to reduce emissions.</p> <p>In the IAA, public procurement is identified as a key instrument to boost demand for EU-made clean products. The IAA aims to introduce clean, circular, resilient, and cybersecure criteria to strengthen the market for EU-produced low-carbon materials, such as steel and cement, supported by a forthcoming low-carbon product label (European Parliament, 2025a).</p> <p>Dependence on foreign supply chains may reduce the lead-market effect of GPP and make the EU more vulnerable to global supply shocks, strengthening the case for linking European preference rules with green criteria (Lappe & Nicoli, 2025).</p>



<p>Advantages</p>	<p>Enhances the competitiveness of European industries producing sustainable goods and services, and can foster a green transition in Europe.</p> <p>Connecting European preference rules with GPP increases political traction.</p> <p>In sectors like recycling, EU content requirements can directly foster a local circular economy by reducing dependence on imported recyclates of doubtful quality. This strengthens domestic recycling markets, improves material traceability, lowers transport emissions, and drives investment in European capacity.</p>
<p>Risks</p>	<p>“Buy European” rules could raise procurement costs, reduce competition—especially in smaller markets—and act like hidden tariffs, as shown by the U.S. Buy American Act (Bombardini et al., 2024).</p> <p>The lack of a consistent definition of “European content” across goods and services risks inconsistent application and legal uncertainty.</p> <p>Globalized production makes origin rules politically sensitive, with risks of disrupting supply chains and breaching WTO rules (Bombardini et al., 2024).</p> <p>Some sectors with high GPP potential are inherently local (e.g., mining, real estate, construction), while others (e.g., manufacturing, transport, retail/wholesale) are heavily import-dependent. Adding EU content rules in import-reliant sectors risks supply shocks and significantly higher prices (Bruegel, 2025).</p>

Source: Authors’ compilation.

4.3 Mapping Interconnections Between Reform Options and High-Level Objectives

The reform options outlined above are not isolated measures. Rather, they form a comprehensive and interconnected framework in which many reform options reinforce each other. For example, making GPP mandatory through a comply-or-explain approach is unlikely to succeed without robust monitoring systems to track compliance and professionalization efforts to equip procurers with the skills to apply new requirements. Similarly, simplifying rules by clarifying the “link to subject matter” or harmonizing sectoral legislation helps reduce legal uncertainty, but these reforms only deliver real impacts when combined with clear targets, monitoring, and the use of credible tools such as ecolabels and certifications.

To illustrate these connections, Table 5 maps the detailed reform options against the five high-level recommendations. This mapping highlights where reforms overlap, reinforce one another, and collectively contribute to the European Commission’s priorities of simplification and strategic procurement.



Table 5. Map of interconnections between detailed reform options and high-level recommendations

Detailed reform option	Make GPP the default and set clear targets	Tie EU preference rules to green criteria	Simplify and harmonize public procurement	Strengthen monitoring and accountability	Invest in professionalization
Make GPP the default through a comply-or-explain approach	✔ Mechanism to embed mandatory GPP			✔ Needs monitoring to enforce	✔ Requires trained procurers
Encourage the use of ready-made EU GPP criteria	✔ Criteria help implement mandatory GPP	✔ Possible to combine green and EU preference criteria	✔ Easy-to-use criteria reduce complexity ✔ More harmonized requirements for companies		✔ Training to apply criteria
Clarify link to subject matter	✔ Creates certainty for widespread GPP		✔ Legal clarity simplifies GPP for procurers		
Encourage third-party labels and certifications	✔ Reliable tools for GPP		✔ Simplifies compliance, harmonizes practices	✔ Can help in monitoring uptake and impact of GPP	✔ Procurers need skills to use
Harmonize procurement requirements from sectoral legislations	✔ Consistency across sectors	✔ EU preference criteria need visibility and harmonization	✔ Removes fragmentation, streamlines requirements	✔ Sectoral requirements need better monitoring	



Detailed reform option	Make GPP the default and set clear targets	Tie EU preference rules to green criteria	Simplify and harmonize public procurement	Strengthen monitoring and accountability	Invest in professionalization
Build the capacity of contracting authorities and suppliers	✔ Skills for implementing GPP		✔ Better GPP skills simplify GPP implementation	✔ Ability to monitor GPP progress	✔ Core reform aspect for the high-level recommendation
Harness digitalization and automation to simplify GPP	✔ Embeds green criteria and automates compliance checks	✔ Supports traceability of environmental and EU-origin criteria	✔ Streamlines processes, reduces paperwork, and harmonizes data systems across member states	✔ Enables real-time monitoring and consistent reporting	✔ Provides intuitive tools and guidance that make GPP easier for procurers
Strengthen strategic/ sustainable procurement as a core principle	✔ Helps to mainstream GPP		✔ Clearer rules		✔ Increased value of GPP skills
Mandate that all contracts be awarded based on price and non-price criteria, including life-cycle considerations	✔ Makes GPP mandatory as part of award criteria			✔ Needs monitoring	✔ Buyers need training in LCC and sustainability criteria
Demand that member states create national action plans	✔ Implement default into local context and set meaningful targets		✔ Consolidate fragmented systems	✔ Plans should include monitoring	✔ Provide local training and resources



Detailed reform option	Make GPP the default and set clear targets	Tie EU preference rules to green criteria	Simplify and harmonize public procurement	Strengthen monitoring and accountability	Invest in professionalization
Demand that contracting authorities create GPP action plans	✔ Translate GPP to the local context		✔ Local plans simplify GPP implementation	✔ Plans should include monitoring	✔ Provide training and resources
Set clear, time-bound targets for GPP	✔ Anchor mandatory uptake		✔ Clear signal for procurers and market	✔ Requires robust reporting	
Strengthen monitoring	✔ Track progress and compliance	✔ Monitor impacts	✔ Harmonized data systems reduce burden	✔ Core reform aspect for the high-level recommendations	✔ Needs training in monitoring systems
Tie EU preference to green criteria		✔ Core reform aspect for the high-level recommendations		✔ Impacts should be monitored	

Source: Authors' compilation.



5.0 Conclusion

Public procurement is a powerful yet underused instrument for advancing climate action, circularity, and competitiveness in the EU. The 2014 procurement directives permit, but do not require, the systematic use of environmental criteria. The current rules around GPP are fragmented, legal uncertainty discourages contracting authorities from using their purchasing power for strategic policy objectives, and public buyers fail to send a clear demand signal to the market.

This report presents tangible reform options for overcoming these structural shortcomings. The package of five high-level recommendations, supported by detailed reform options, provides a roadmap for making GPP the default across the EU. Together, these measures would simplify procedures, strengthen monitoring and accountability, and improve professionalization as the backbone of strong procurement systems. The suggested reforms would also help to create lead markets for low-carbon materials, foster competitiveness and innovation, and ultimately support better value for money for taxpayers.

We invite policy-makers at the EU, national, and subnational levels to carefully consider the analysis and reform options outlined in this paper. They should not miss the rare window of opportunity to transform public procurement from a compliance exercise into a strategic lever for broader policy objectives, such as decarbonization. For years, industry has demanded clarity about the demand for clean products, and procurement reform is the EU's chance to send a clear demand signal and foster lead markets.

Beyond government, the analysis can also inform advocacy by businesses and civil society organizations. These stakeholders have a crucial role in shaping ambitious yet practical reform of the EU's procurement rules that benefits buyers, businesses, and the planet.



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Appendix A. An Overview of EU Sectoral Legislation with Binding GPP Requirements (Long list)

Year	Description
2019	Directive 2019/1161 on Clean and Energy-Efficient Road Transport Vehicles sets binding targets for the procurement of clean vehicles.
2023	Directive 2023/1791 on Energy Efficiency requires public entities to prioritize energy-efficient performance in the procurement of products, buildings, and services.
2023	The Batteries Regulation (2023/1542) introduces due diligence and sustainability requirements for batteries and enables the European Commission to define specific provisions (e.g., on recycled content) for application in public tenders.
2024	Directive 2024/1275 on Energy Performance of Buildings requires all new publicly owned buildings to be zero-emission buildings by 2028.
2024	Regulation 2024/1735 (Net-Zero Industry Act) introduces minimum mandatory sustainability requirements for the procurement of net-zero products and technologies.
2024	The Construction Products Regulation (2024/3110) enables the European Commission to define minimum environmental requirements for purchasing construction products in public tenders.
2024	The Ecodesign of Sustainable Products Regulation (2024/1781) allows the Commission to establish minimum requirements through technical specifications, award criteria, contract performance clauses, or targets.
2025	Regulation 2025/40 on Packaging and Packaging Waste introduces minimum mandatory sustainability requirements for public contracts related to packaging or products/services using packaging (by 2030).
Ongoing	The Industrial Accelerator Act is expected to introduce clean, resilient, circular, and cybersecure criteria to strengthen demand for EU-made clean products in energy-intensive sectors.
Ongoing	The Circular Economy Act is expected to require public authorities to prioritize products with high recycled content, using procurement power to stimulate demand for secondary raw materials.

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