

Ten improvements to Public Procurement Directives to ensure resilience, achieve strategic autonomy and build EU lead markets based on sustainability principles

SAVE PLANET –
'FOR THE BENEFIT OF ALL' APPROACH

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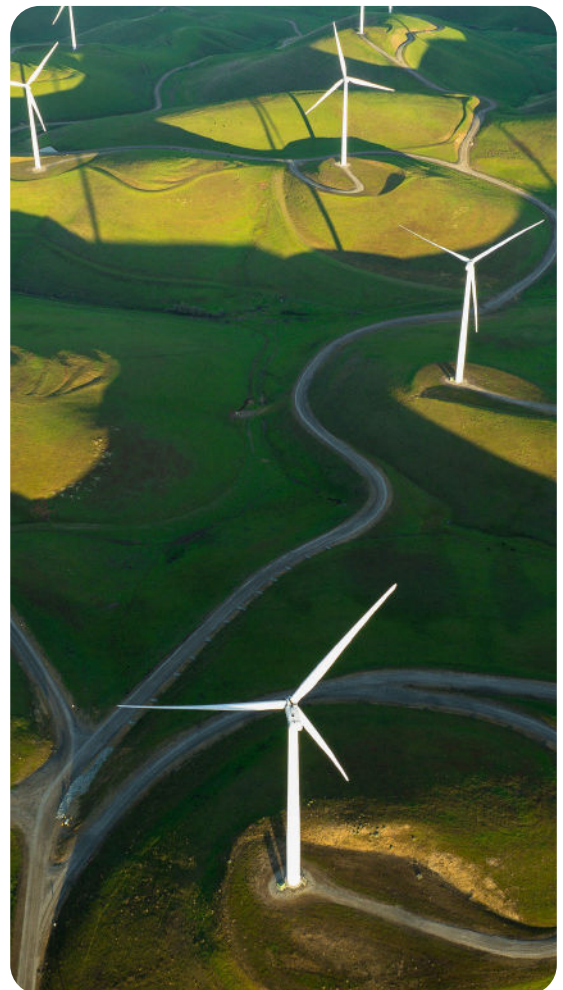


INTRODUCTION

As a leading European initiative committed to driving climate innovation, Climate KIC is submitting herewith our feedback and a set of concrete proposals to the European Commission's 'consultation to collect in-depth and high-quality evidence, information, data and feedback on how Directives 2014/23/EU, 2014/24/EU and 2014/25/EU have performed. It also aims to determine whether the directives are still fit for purpose, adequate and sufficient to achieve EU policy objectives.'

Climate KIC competence and extensive expertise in this field spans across the following areas, that are particularly relevant here:

- **Climate and environmental changes** – their challenges and opportunities on the mitigation and adaptation side.
- **Sustainability principles** in designing and delivering products, services and processes in public and private spheres, redesigning business models.
- **Innovations** – from technological to social, working with industry R&D, universities, entrepreneurial support organisations, startups, scale-ups and investors, community-based social innovators, advanced and out of the box processes and methodologies (e.g. policy sandboxes) and radical collaborations (Systems Transformation Hubⁱ or Collaborativeⁱⁱ).
- **Systems transformation** – place based and across multiple levels of government.





Our experience stems from concrete implementations of place-based initiatives, working hands-on with national, regional and local governments and in close cooperation with a wide variety of stakeholders: businesses large and small, including startups, research organisations and academia, civil society, citizens. We work both with the demand side (buyers of solutions) as well as supply (solutions providers) – across various industry sectors, programmes and projects supporting the development of competitive ‘green’ solutions and climate services.

Through our work in three EU Horizon Europe Missions: Climate Neutral and Smart Citiesⁱⁱⁱ Adaptation to Climate Change and Healthy Soils^{iv}, we are working closely with cities, regions, businesses and other key stakeholders across Europe to implement solutions that can make our economy and society ‘fit for 2025, 2030, 2040, 2050’ targets. As part of the Mission Adaptation, we have been working with 69 regions and communities as part of the P2R, ARCADIA, DesirMED, NBRACER and VALORADA projects. We also work with and across national governments in large-scale Deep Demonstrations^v aimed at transforming systems. In Ireland^{vi} – with the Ministry of Agriculture on sustainable food systems and across several ministries in Slovenia^{vii} to transfer to a circular, regenerative and low-carbon economy.

Procurement plays a critical role in the work we are supporting. We would welcome adjustments in policy and in the interdependencies around policy (e.g. related legal frameworks) to ensure that procurement can play a more

effective, catalytic role to enable lead markets for sustainable reindustrialisation and sustainable transformation to form in Europe by unlocking greater momentum, positive feedback in action and outcomes, and single market benefits.

To provide one substantive example: the 112 Cities selected for the EU Cities Mission are working towards accelerated decarbonisation by 2030. To achieve this, these cities need sustainable products, services, materials and infrastructure in key sectors including energy, mobility, construction and retrofit, digital infrastructure, water, waste, logistics, food systems and more. Based on their Climate City Contracts^{viii}, climate action plans and associated investment plans, we begin to be able to calculate the magnitude of aggregated demand associated with the Mission cities for sustainable solutions – which presents a clear directional signal and quantifiable economies of scale for key technologies and solutions, sufficient to generate lead markets, especially as these cities are a fraction of the market



in Europe. Enabling such markets to form, enabling the matching of demand with supply effectively and efficiently, will build Europe's competitiveness based on the green transition. Green transition here means delivering benefits to the citizens and to the economy (not just being profitable), shifting of production and service delivery to methods that take into account climate and environmental constraints, and using innovations to turn transition into opportunity. For example, rebuilding after major flooding should trigger guidance and incentives to build back better – to make infrastructure more resilient and sustainable, climate neutral and circular, using adaptation principles, technology and nature-based solutions. This will ensure that these investments are resilient to future shocks and importantly, insurable.

Climate KIC also works with many more regions and cities as part of the more recent EU Mission for (sustainable) Soil^{ix} and land management projects and is involved in the precommercial procurement PCP-WISE project. PCP-WISE is a first major project using precommercial procurement to support the development and uptake of innovative climate services with a number of European public procurers

across Europe. However, the need and potential of Europe to leverage PCP (and PPI) to build leadership in innovative solutions for climate change is considerably larger and should be capitalised upon.

In all these spheres we are working on defining how strategic, green, and innovative procurement solutions need to be defined and implemented so that they enable and accelerate the transition to climate neutrality and hence spearhead Europe's lead markets based upon products and services that are:

- **Resilient** - to evolving climate and environmental changes and global shocks,
- **Use sustainability principles as a competitive advantage** - cutting emissions and pollution, increasing circularity, lowering the need for virgin materials, improving citizen's health and prosperity)
- **Advance Europe's strategic autonomy and security** - through dual use, i.e. using defence investments to the maximum and including 'food and water security' in the scope of current security concerns.



The European Commission's forthcoming evaluation of public procurement directives (2014/23/EU, 2014/24/EU, and 2014/25/EU) **is deeply welcomed as it presents a key opportunity to align procurement policies with the EU's 'competitive sustainability', resilience and strategic autonomy aims and implementation**, from the market signals perspective (beyond the regulatory compass). Given that public procurement accounts for approximately 14% of the EU's GDP, rules and criteria in the procurement directives can significantly contribute to **reducing emissions, fostering circularity, improving resilience of the supply chains, creating clean lead markets (for large corporations operating across the single market, as well as clusters, mid-size companies, SMEs and innovative startups) and societal benefits** – while operating within planetary boundaries^x.

This proposal builds on Climate KIC learnings so far and aims to help strengthen EU public procurement directives, ensuring they align with Europe's objectives hitherto (like the European Green Deal and delivering on the goals set out in the Paris Agreement) as well as the newly announced Clean Industrial Deal, Omnibus or the upcoming Circular Economy Act.

The main goal of our proposals is to be able to use procurement more strategically and systemically hence in this document we refer to Strategic Public Procurement (SPP). SPP embodies 'green' (i.e. based on 'competitive sustainability' concept), innovative, socially responsible public procurement, which is why these approaches should be considered together.

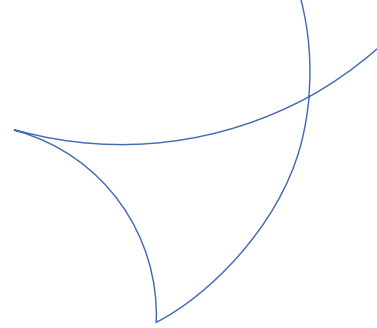
As our work in this field is ongoing, and we stand ready to further support the Commission in this process providing more in-depth and/or more targeted feedback or examples. To this end we are already planning the following workshops and policy labs aimed at gathering further evidence and feedback. If necessary, we will be happy to adjust their scope to be able to provide further, more in-depth / targeted feedback from Climate KIC community and stakeholders.

- **Meeting on Strategic Public Procurement (SPP) & Pre-Commercial Procurement (PCP) on March 18-19, 2025** - will be held online to support Mission Cities in fostering the green transition. The event aims to help cities adopt strategic procurement approaches and promote PCP/PPI as a powerful tool to drive innovation and sustainability. Sessions will cover policy frameworks, funding opportunities, technical assistance through SPIN4EIC and EAFIP, and specific initiatives like the InnoMatch project and projects like PCP-Wise and SPACE4Cities, with Climate KIC



- involved in PCP-Wise. Further steps will be taken to continue supporting cities through the NZC Portal and a dedicated Strategic Public Procurement (SPP) group, ensuring ongoing collaboration and knowledge sharing.
- **Policy lab** in cooperation with the Systems Transformation Hub^{xi} involving stakeholders and communities across the 5 organisations to identify challenges and proposals for solutions to advancing cross-system policy implementation.
- **Cities-industry dialogues in various Member States to aligning supply and demand from Mission Cities** (e.g. France, Poland, Finland, Austria, Germany and The Netherlands).
- **Climate KIC is also an active member** of the Big Buyers Community of Practice^{xii}.





OUR RECOMMENDATIONS

SAVE PLANET – ‘for the benefit of all’ approach:

Strengthened Enforcement & Greenwashing Sanctions in Public Procurement

Allowing Joint and transnational Procurement

Value-Based MEAT+ (Most Economically Advantageous Tender +)

Enhancing Digitalisation and Transparency in Green Procurement

Prioritising Circular Economy and Sustainable Resource Use

Lowering Barriers for SME Participation in Strategic Public Procurement (SPP)

Advancing Pre-Commercial Procurement (PCP) Adoption

New Carbon Footprint Criteria in Award Decisions

Enforcing Mandatory Green Public Procurement (GPP) Targets

Targeting Innovation in Procurement Definitions



1. Definition of Innovation

Current issue:

Lack of definition. A clear and consistent definition of innovation in procurement directives is essential to enhance legal certainty. This will ensure that innovative solutions are systematically considered in public tenders and support the advancements and ambitions of transforming systems and creating lead markets.

Proposal:

- Establish a definition of innovation

2. Joint procurement and transnational procurement

Current issue:

While EU public procurement directives provide a legal basis for cross-border cooperation, practical, legal, and administrative barriers often make it difficult or even impossible to implement such collaborations effectively. Given the international nature of climate change challenges, cross-border joint procurement / transnational procurement (including pre-commercial procurement) should be facilitated in practical terms.

Furthermore, effort is needed to both ‘green the procurement’ rules and practices (in the sense of ensuring that what public authorities procure has a better climate and environmental performance) and ‘procure for green’ (i.e. boosting the procurement of tools, services and solutions that actively address climate change challenges and needs, for instance AI driven climate services etc).

Proposal:

- Establish clear and flexible guidelines for joint / transnational procurement under the directives.
- Enable cities and regions to pool demand for climate-friendly solutions, reducing costs and increasing market impact and lead market creation.
- Facilitate service providers (including SMEs, as this is where innovation usually lies, rather than in larger providers) to gain better understanding of the processes and benefits around joint procurement, allowing them to scale up their products and services.



- Include incentives/solutions which would furthermore facilitate that cities/regions/countries lagging behind in the adoption of such innovative solutions can catch up. This is in the interest of them as well as larger market creation and accelerating change.

3. MEAT+ (Most Economically Advantageous Tender +)

Current issue:

Despite the MEAT principle being enshrined in procurement directives, many public authorities still default to the lowest price criterion due to budget constraints, legal uncertainty, lack of expertise, and weak enforcement of sustainability criteria. A fundamental shift is needed, away from the lowest price criterion towards MEAT+, which explicitly integrates environmental and climate considerations into procurement decisions.

Proposal:

- Expand the scope of MEAT criteria to prioritise emissions reductions, resource efficiency, circularity etc.
- Develop standardised weightings for environmental criteria to ensure consistent implementation across Member States but leaving a margin for the public procurers flexibility.

[These proposals are consistent with the Omnibus in a sense that such criteria and reporting standards are there but need to be aligned across the market(s)]

4. Strengthened Enforcement & Greenwashing Sanctions in Public Procurement

Current issue:

Greenwashing undermines the impact of green procurement, as there are too few consequences for misleading sustainability claims.

Proposal:

- Financial corrections could be introduced into green public procurement (GPP) to ensure compliance with environmental and climate-related requirements. Currently, the bidding document concerns regular public procurement's



infringement according to the Commission Decision of 14.5.2019, laying down the guidelines for determining financial corrections to be made to expenditures financed by the Union for non - compliance with the applicable rules on public procurement

- Strengthen verification, transparency, and accountability mechanisms to ensure that suppliers genuinely reduce GHG emissions rather than simply claiming to do so (in line with the Green Claims Directive principles).
- Establish an EU Green Procurement Watchdog to monitor, investigate, and sanction cases of greenwashing as well as facilitate compliance and help reduce knowledge, skills and capacity gaps amongst actors.

5. Digitalisation and Transparency in Green Procurement (Green Open Book)

Current Issue:

A lack of transparency in green procurement data limits the ability to track progress and enforce compliance.

Proposal:

- Facilitate digital reporting of environmental and climate-related criteria in public contracts through e-procurement platforms.
 - Require and facilitate – in line with existing reporting standards - winning bidders to disclose their GHG track records and submit annual emission performance updates (additional incentive)
 - Introduce progressive procurement criteria, where companies demonstrate year-on-year GHG reductions to qualify for preferential treatment. Or/and use dynamic scoring models - companies with a proven track record of GHG reductions, receive higher scores than those merely holding a certification.
 - Introduce contractual penalties for (consistently) failing to meet reduction targets they explicitly committed to (e.g., financial penalties, contract termination, exclusion from future tenders).
 - Develop an EU-wide Green Procurement Scorecard to benchmark progress and encourage best practices and capacity building.
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6. Strengthening the Circular Economy and Sustainable Resource Use

Current Issue:

Public procurement does not sufficiently prioritise circular economy principles, leading to reliance on resource-intensive products.

Proposal:

- Update directives to mandate criteria favouring circular economy solutions, such as recycled materials, product reuse, and end-of-life considerations. This would also facilitate market building for circular products/waste.
- Require all public contracts to include, as relevant, provisions for sustainable sourcing, repairability, and recyclability.
- Establish national data bases of materials to be re-used.

An example may be drawn from Belgian Federal Public Service Circular Materials Database (Flanders Green Deal on Circular Procurement - Werflink).

7. Facilitating SME Participation in Strategic Public Procurement (SPP)

Current Issue:

SMEs face difficulties in accessing green public procurement due to complex requirements and competition with larger firms. However, SMEs - especially start-ups - play a key role in driving innovation.

Proposal:

- Establish simplified and proportionate SPP requirements to enhance SME participation, including reduced administrative burdens and flexible compliance mechanisms. Move away from high financial requirements (e.g. turnover thresholds) in favour of experience-based evaluation.
- Introduce reserved contracts (below certain threshold) for SMEs and startups developing green or innovative solutions, particularly in the circular economy and renewable energy sectors.
- Expand joint procurement opportunities for SMEs to collaboratively bid on large green procurement contracts.



8. Encouraging Pre-Commercial Procurement (PCP)/ Public Procurement of Innovative solutions (PPI)

Current Issue:

Although pre-commercial procurement (PCP) falls outside the scope of the Directives, it is a valuable tool as an initial step (pre-commercial) before the standard public procurement procedure under the Directives' rules. Despite its immense potential for climate change mitigation and adaptation and other co-developed highly technological solutions, PCP remains underutilised, which hinders scaling up of solutions where Europe may already have competitive advantage and unique solutions.

Proposal:

- Clarify and strengthen PCP in the directives as a standard procurement approach rather than a regulatory requirement.
- Clearly define the position of intellectual property rights (IPR) transfer in PCP contracts.
- Encourage pre-commercial procurement (PCP) for innovations that enhance climate and biodiversity resilience, supporting both climate change mitigation and adaptation. This includes e.g. solutions such as nature-based approaches with strong adaptation potential or circular economy innovations that promote resource efficiency and waste reduction, giving public buyers a key role in fostering and accelerating sustainable lead markets.

9. Carbon Footprint Criteria in Award Decisions

Current Issue:

Most public tenders still prioritise price over environmental impact, limiting the potential for procurement to drive decarbonisation.

Proposal:

- Amend procurement directives to require CO₂ emission reduction criteria in tenders for goods, works, and services.
- Implement a mandatory carbon impact threshold for suppliers bidding on large-scale projects (e.g., infrastructure, public transport, energy), as far as possible in



sync with existing reporting methods (e.g. ESRS in CSRD) to avoid additional burden.

- Expand the use of green contracting models, such as performance-based contracts, that incentivise CO₂ reductions throughout the contract's lifecycle.
- Promote the CO₂ Performance Ladder (CO₂PL) as an award criterion for tenders above a certain threshold (e.g., large infrastructure projects).

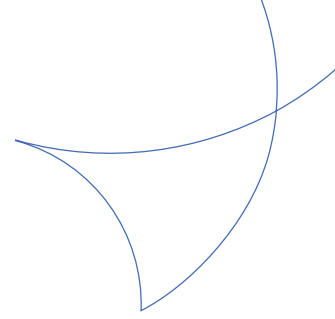
10. Mandatory Green Public Procurement (GPP) Targets

Current Issue:

existing directives encourage, but do not mandate, green procurement, leading to inconsistent implementation across Member States.

Proposal:

- Introduce legally binding minimum green procurement targets for public contracts, particularly in high-impact sectors such as construction, transport, and energy.
- Mandate the use of life-cycle costing (LCC) in procurement evaluations. To prevent inconsistencies, an EU-wide formula should be developed.
- Require contracting authorities to allocate a percentage of procurement budgets to sustainable products and services certified, e.g. under EU ecolabel schemes.
- Support authorities in this transition towards implementing mandatory targets.



ENDNOTES

ⁱ www.systemstransformationhub.org

ⁱⁱ www.thecollaborative.world

ⁱⁱⁱ [European Cities accelerating towards climate neutrality by 2030 | Climate KIC](#)

^{iv} [100 European regions on a transformative climate resilience journey | Climate KIC](#)

^v <https://www.climate-kic.org/programmes/place-based-transformations>

^{vi} <https://www.climate-kic.org/programmes/place-based-transformations/sustainable-food-ireland>

^{vii} <https://www.climate-kic.org/programmes/place-based-transformations/circular-slovenia>

^{viii} <https://netzerocities.app/QR-CCC>

^{ix} <https://www.climate-kic.org/news/eit-climate-kic-joins-eu-mission-soil>

^x [Systems Transformation Hub](#) . Building a secure and thriving Europe: a systems approach to the 2024-2029 strategic agenda

^{xi} [Systems Transformation Hub](#) is a partnership of five system-change organisations: Climate KIC Metabolic, Systemiq, The Club of Rome, World Resource Institute.

^{xii} [Big Buyers Working Together | Public Buyers Community](#)



Initiated by the EIT



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