EU Public Procurement for sustainable, affordable & competitive construction

Position Paper

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Executive summary:

The revision of the European Union (EU) Public Procurement Directives must serve as a strategic lever for decarbonisation, resilience, and EU competitiveness. In construction and renovation, the revised framework should help deliver sustainable and affordable housing while accelerating competitive sustainability in the built environment. It must move beyond lowest-price awards by making whole-life cycle sustainability the standard at building level, whilst establishing an EU framework for strategic sourcing, simpler implementation, stronger Green Public Procurement (GPP), and product- and technology-neutral criteria that foster innovation and fair competition. It must also align with the EU's objectives on circularity, affordability, resilience, and competitiveness, making public procurement a coherent strategic policy instrument.

A strategic revision

Construction and renovation are central to the EU's climate, housing, and competitiveness objectives. Yet, in our industry, procurement practice still relies heavily on lowest-price awards, while sustainability remains unevenly reflected. This weakens procurement's contribution to affordable housing, energy performance of buildings, and demand for circular solutions. This is clearly an issue for a sector that accounts for around one third of all procurement procedures. The revision of the Directives is an important opportunity to embed long-term value, ensure coherence with key EU policy frameworks, and strengthen alignment with the EU's decarbonisation, resilience, and competitiveness objectives. Public procurement must become an EU strategic investment instrument, remaining open, legally robust, WTO-compatible and based on measurable performance criteria.

Construction & renovation priorities

The revised Directives should further promote the use of the most economically advantageous tender, supported by building whole-life-cycle costing, and contribute to a coherent EU approach to strategic sourcing, thereby reducing overreliance on lowest-price-only award criteria.

1. "Made in Europe" strategy for construction

Public procurement should strengthen competitiveness, improve supply-chain resilience, and support the scale-up of low-carbon solutions. In this context, a "Made in Europe" approach for construction should recognise compliance with European standards and support investment in efficient solutions manufactured in Europe, based on objective, proportionate, verifiable and non-discriminatory criteria that preserve product and technology neutrality, support innovation, and ensure fair competition.

2. Building whole-life cycle costing as default in procurement

Lowest-price-only procurement delivers poor value over time. It undervalues energy performance, durability, maintenance, safety in use, and innovative solutions that may cost more upfront but perform better over the building's life. This weakens the delivery of EU objectives on energy performance, affordable housing, climate action, and long-term public asset value.

A building that is cheap to build but expensive to operate, maintain, or adapt is not good value for money. Public construction and renovation contracts must be awarded on building whole-life-cycle value, not lowest upfront cost. The revised framework must make the most economically advantageous tender the standard, backed by life-cycle costing and whole-life sustainability assessment. This is essential to deliver better buildings, stronger value for public money, and the

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EU's decarbonisation, affordability, and circularity objectives. The revised Directives must support harmonised EU methodologies for whole-life sustainability and life-cycle costing, building on the European Commission (EC) Level(s) framework and relevant European standards. This will improve comparability, reduce administrative burden, and provide clearer guidance for contracting authorities.

3. Simplification, digital tools & Green Public Procurement (GPP)

The revised framework must strengthen implementation. In construction and renovation, contracting authorities need simpler, clearer, and more usable rules. The revision must therefore promote selected digital tools, reduce administrative burden, and reinforce GPP, with award criteria that better reflect energy and water efficiency, resilience, durability, maintainability, reparability and circularity. Stronger guidance, consistent methodologies, and robust verification tools are also needed to ensure more uniform application across Member States.

Recommendations

For construction and renovation, the revised Directives must:

- Establish a clear EU-level "Made in Europe" approach that preserve product and technology neutrality to support innovation and fair competition.
- Make the most economically advantageous tender, supported by harmonised building whole-life-cycle sustainability and life-cycle costing assessment, the default approach."
- Harmonise methodologies and strengthen implementation support, including digital tools and clearer verification requirements.

Taken together, these measures would enable public procurement to deliver far greater strategic value for the EU. They would accelerate decarbonisation, strengthen competitiveness, and support the delivery of affordable and resilient housing solutions. Public expenditure would thus be used more effectively, advancing the EU's long-term climate, housing, and competitiveness objectives.

In this respect, the revision of the Public Procurement Directives must be treated as a strategic opportunity to support the EU's transition to a more sustainable, resilient, and competitive economy. A future-proof framework for construction and renovation would help ensure that public funds work harder for the EU's industrial base, climate ambition, and citizens.

Public procurement can contribute to the creation of lead markets where award criteria are stable, transparent, and communicated sufficiently in advance to provide the predictability needed to support industry investment cycles.

Founded in 1988, Construction Products Europe is a Brussels-based international non-profit making association. The association is made up of national and European associations that represent Small and Medium-size Enterprises and world-leading companies. Construction Products Europe aims to promote the European construction industry, to share information on EU legislation and standardisation and to provide input in all European construction-related initiatives.

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