BUY BETTER
TO BUILD BETTER

CREATING LEAD MARKETS FOR THE CONSTRUCTION SECTOR THROUGH EFFECTIVE PUBLIC PROCUREMENT

Recommendations for the upcoming Industrial Decarbonisation Accelerator Act

July 2025

Buy Better to Build Better brings together forward-thinking stakeholders from industry, public authorities and civil society, under a shared commitment to mainstream public procurement as a core lever in driving decarbonisation and competitiveness of the EU construction sector.

We welcome the opportunity to provide feedback and targeted evidence over the importance of effectively designing the upcoming Industrial Decarbonisation Accelerator Act (IDAA).

For more details, please contact us at tudor.cherhat@ecostandard.org.

A full list of members is available here.

Executive summary

Energy-intensive industries need targeted support to decarbonise rapidly and remain competitive. As a major consumer of basic materials such as concrete and steel, the public sector holds significant leverage to drive this transition. To unlock this potential, the IDAA should set out a clear vision for using public procurement as a strategic tool. **Our recommendations build upon existing best practices and align with existing legislation,** to ensure a coherent and effective European public procurement framework.

Key recommendations

Develop non-price requirements for publicly procured materials	Given their large volumes, demand for basic construction materials (e.g. concrete, steel) should be driven by robust environmental requirements on embodied emissions and circularity. Criteria that promote Europe's resilience should also be considered for strategic sectors (e.g. steel).
Reinforce governance through national targets or quotas	To be effective, procurement requirements should be linked to long-term national targets or quotas - guided by a common EU trajectory. This will help structure and monitor implementation, prepare the market and ensure public authorities allocate their resources more strategically.
Promote a flexible awarding system that rewards innovators	The IDAA should encourage public authorities to procure beyond-the-lowest price. Developing EU-wide methodologies (e.g. on lifecycle costing) should be considered to support awarding based on best value for money.
Adopt technology-neutral labels for concrete and steel	Labels should promote innovation and fair competition, ensuring market access for the latest technologies, in line with EU's climate and circular economy goals.
Support lead market creation through complementary measures	This includes financial incentives (e.g. public funding for industries that shift to green business models), access to affordable energy, private procurement initiatives and action plans tailored to the needs of strategic sectors.

Ground rules for creating lead markets that deliver effective change

To maintain its competitive edge and decarbonise, Europe urgently needs to accelerate the industrial transformation of strategic sectors, as emissions from energy-intensive industries (EII) have remained largely unchanged over the past years[1].

As highlighted in the Draghi report, increasing demand for low-carbon and circular solutions must be done through standardized requirements in public procurement.

The IDAA represents a major opportunity to bring European innovation at the core of industrial policies. To succeed, it must be built on **three key principles**:

1. **Public procurement should focus on rewarding best performers in strategic sectors – such as construction materials.**
   - Construction, in particular cement and steel, should be identified as strategic sectors. These materials represent a small share of total construction costs, while their volumes are substantial to create economies of scale (31% of construction investments are publicly funded)[2].
   - Policies to identify what is green (i.e. through labelling) and to ease procurement (i.e. non-price requirements) should be designed to deliver both on sustainability (decarbonisation, energy efficiency, circularity)[3] and lead-markets creation.
2. **Public procurement should be made easy and straightforward for public procurers – at all levels**. As hubs of economic activity and innovation, cities and regions play a central role in supporting European competitiveness.

> "**Introduce low-carbon criteria and minimum environmental sustainability requirements for public procurement when applying the principle of most economic advantageous tender in EU public procurement directives.** *This can be launched by the EU for procurement values above the threshold at which EU rules apply, and later become pan-European legislation for Member States. Green public procurement can be implemented by, for example, applying adjustment factors based on lifecycle emissions to the economic evaluation of bids, or through the establishment of shadow prices for the emissions associated with each proposal."*
>
> *Mario Draghi – Future of European Competitiveness, 2024*

[1] EU Emissions Trading System has reduced emissions in the sectors covered by 50% since 2005 - European Commission

[2] Public procurement construction steel and cement EU FINAL

[3] In line with article 3 of the Energy Efficiency Directive, Members States are required to ensure that the most energy efficient solutions are assessed in policy and (major) investments decisions, including for non-energy sectors that have a high impact on energy consumption (e.g. steel, cement…). Additionally, the EU's Circular Economy Action Plan foresees the transition to a circular economy to reduce pressure on natural resources and create green jobs, notably for intermediate products (e.g. cement, steel).

- Simple procurement rules should be developed to facilitate broader uptake, enable greater SME participation, and stimulate cross-border procurement.
- Equally important is ensuring sufficient national capacity to implement GPP and ensure compliance and monitoring. The legal basis for such rules already exists in several EU legislative frameworks. The IDAA should focus on ensuring coherence and complementarity with these provisions[4].

3. **Lead markets must be supported by a robust portfolio of measures**. These include:
   - Multiplying impact through private procurement, to reinforce lead market creation via economies of scale. This has the potential to provide investment certainty for construction players, notably by setting one-off criteria for any procurement process.
   - Financing and market development for secondary materials to further scale up green production capacity[5], secure circular feedstock and support enabling infrastructure (e.g. improved recycling system, clean electricity grids, hydrogen production).

Public procurement for energy-intensive materials – done easy in 3 steps

Under the IDAA, public procurement rules for strategic sectors must be properly designed to ensure straightforward implementation by public authorities, while maintaining coherence with other legislation (i.e. sectoral rules, Public Procurement Directives).

We suggest a 3-step approach that combines **minimum technical requirements on (environmental) performance and robust labels (step A)** with **long-term targets or quotas (step B), supported by a flexible awarding system focused on procuring beyond price (step C).** This approach provides a baseline for defining what is green, while allowing contracting authorities to set more ambitious requirements and reward early movers.

While Step A and Step B should be directly addressed in the IDAA, step C should be made a priority in the upcoming revision of the Public Procurement Directives. This will ensure that sector-specific measures under the IDAA are complemented by a strong policy incentive to procure beyond lowest-price.

[4] Relevant legislation includes the Construction Products Regulation, the Ecodesign for Sustainable Products Regulation, the Energy Performance of Buildings Directive and the Energy Efficiency Directive.

[5] A relevant example comes from the cement industry, where fourteen out of fifteen Innovation Fund awards - worth €2.3 billion - have gone to CCS projects, while only one - €4.5 million - has supported SCM projects. There are already nearly 20 SCMs available across Europe, with their volume exceeding the current cement consumption level in Europe.

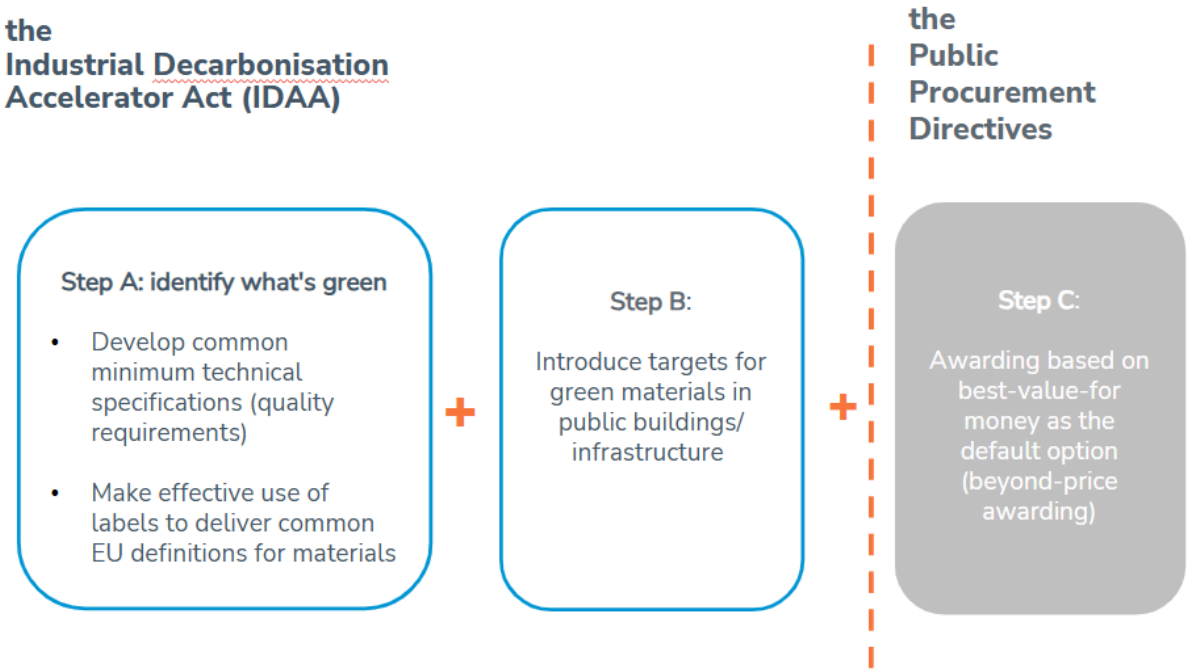


Figure 1: Complementarity of procurement measures across the IDAA and the Public Procurement Directives

Step A: Straightforward baseline requirements and definitions for green products

Minimum technical specifications

Member States' National Action Plans and studies[6] show that, where EU-wide procurement criteria exist (e.g. EU GPP criteria for Office building design, construction and management[7]), national procurement requirements are often built upon them. **Technical specifications** offer a straightforward way to define performance requirements. They provide clear and measurable conditions against which bids can be assessed. Operating on a pass/fail basis, they serve as a tool for setting minimum compliance thresholds.

When applied consistently, they can help create an EU-wide level playing field—enabling fair competition among companies while allowing public authorities to implement and even raise their level of ambition. This underscores the value of **having EU-wide requirements, as they serve as a common reference, reducing administrative burden while easing cross-border procurement**.

[6] Study on "Strategic use of public procurement in promoting green, social and innovation policies" - Publications Office of the EU; Driving-GPP-in-construction-Ramboll-November-2024.pdf
[7] GPP Criteria and Requirements - European Commission

How to do it:

- **Develop a common set of EU-wide minimum requirements** to provide clarity for authorities, and bidders, improve SMEs engagement and de-risk investments. This is key in construction, where SME concentration is particularly high and innovative solutions are readily available to the European market.
- **Deliver requirements with the greatest added value: embodied emissions and circularity**. Limiting global warming of basic carbon-intensive materials (e.g. concrete, steel) should be accompanied by resource efficiency measures, notably by reintegrating precious resources into new products. A quarter of the EU construction sector's public procurement-related emissions could be reduced this way[8].
- **Ensure complementarity with existing legislation to simplify tendering processes**, especially for downstream sectors (e.g. buildings, infrastructure). Product-level criteria should be developed with a long-term vision of aligning with project-level requirements (i.e. as foreseen in the Energy Performance of Buildings Directive and existing EU GPP criteria for office building design and construction).

[8] ECOS-report-Buy-better-to-build-better-November-2024.pdf

Best practices on technical specifications[9]

The Swedish Transport Administration has a two-level approach for infrastructure projects, based on project value:

- **Projects <50 mil SEK** (≈ €4,555,000) require a max GWP limit for materials like cement, concrete, steel, asphalt .
- **Projects > 50 mil SEK** require a decrease of GHG emissions, compared to a baseline, in the form of a contract clause. An LCA tool is provided to the bidder for the LCA calculation of the whole project.

EPDs (based on EN15804) are required as verification documents for the climate performance of materials, which are interpreted centrally at the Transport Administration – to ensure fair, predictable and transparent way of using climate requirements. Data is collected regularly to update requirement level and the default values in the LCA models[10]. If the contractor or material supplier outperforms the threshold values, they are eligible for a bonus. Conversely, failure to meet the requirements results in penalty fees. On average, a reduction of 18% was required compared to the baseline, while the average reduction achieved has been 23%.

Portugal has made it mandatory to use construction materials with the lowest possible environmental impact throughout their life cycle and to incorporate circularity measures (waste prevention, reuse, recycling, and separate collection). Additionally, mandatory technical specifications include general requirements for energy and environmental self-sufficiency, such as energy solutions aimed at self-sufficiency and the reduction of installed capacity, preferably using passive solutions and local renewable energy production to achieve zero emissions[11].

In **Italy**, Minimum Environmental Criteria (CAM) are mandatory for all procuring authorities at national and subnational levels. These criteria resemble EU GPP criteria, and cover various product groups, including buildings and roads. Public authorities are required to use these technical specifications and contract performance clauses, while retaining the flexibility of applying environmental requirements in the awarding phase on a voluntary basis.

At local level, the city of Zurich requires that all concrete used in public buildings contain a minimum of 25 to 50% recycled aggregates. As a result, almost all concrete used in Zurich's public buildings contain a minimum of 50% recycled content, with some projects reaching 98%. Additionally, it mandates the use of low-carbon cements to reduce embodied carbon in concrete.

By exploiting its purchasing power, Zurich has created demand for more sustainable concrete and has supported systemic change in its construction market: in only a couple of years, the number of suppliers of recycled concrete has increased from one to ten[12].

In the United States, maximum allowable embodied carbon limits for common, carbon-intensive materials (e.g. concrete, steel, insulation, glass, asphalt) have been implemented for public buildings and infrastructure projects at federal and state level, through the Buy Clean Initiative. These criteria target upfront greenhouse gas emissions from the A1–A3 life cycle stages (raw material extraction,

transport and manufacturing) and are developed based on EPD data and become more stringent over time.[13]
For implementation, small quantity thresholds for material procurement and project cost limits were introduced below which EPD requirements do not apply to limit undue burden on project staff and SMEs). For example, under Buy Clean Colorado, EPDs are not required for materials purchased in quantities below $25,000–$50,000, or for projects with a total cost below $3 million—a threshold that is expected to decrease over time as market readiness improve[14].

Labelling right

Identifying green products helps buyers - whether public or private – in making informed decisions. To serve this purpose, these should be **easy to use**, **technology-neutral and supporting innovation and fair competition**. Existing provisions on procurement – under the Public Procurement Directives[15] - already provide robust principles when developing green labels. These must be followed when designing labels under the IDAA, in particular:

- **Objective, verifiable and non-discriminatory criteria.** In the context of the IDAA, this is particularly relevant for circularity (i.e. labels should support and not penalise recycling or reuse); market segments (i.e. labels should work for the needs of all underlying market segments, e.g. steel in construction vs. automotive).
- **Established through open and transparent procedures.** Include all relevant stakeholders, from government bodies to manufacturers, consumers, social partners and non-governmental organisations.

How to do it:

- **Prioritise labels based on products' actual emissions**. Labels should focus on delivering a common methodology across market operators, based on primary data and lifecycle assessment on products' climate change impact (total Global Warming Potential). To maximise impact, emissions from upstream manufacturing processes (steel making and cement production, scope 1, 2 and 3 where carbon hotspots are present) should be prioritised. Labels should also consider new technologies that are about to land on the market, without hindering their uptake and rewarding their decarbonisation potential.

[9] *A mapping of existing GPP requirements for construction sector across the EU (both at product and project level) is available here. Other in-depth case studies can be found here.*
[10] New study for European Climate Foundation tackles embedded emissions in Nordic transport infrastructure - Ramboll Group
[11] Government of Portugal, 2023.
[12] Recycled concrete and low-carbon cement
[13] CLF Report Released: GHG Emissions Inventory from Washington Roadways - Carbon Leadership Forum
[14] Colorado Department of Transportation Buy Clean Colorado Act Policy
[15] Art. 43 of Directive - 2014/24 - EN - EUR-Lex

- **Develop a label that works for the construction sector and ensures the uptake of circular and resource-efficient products**. For key construction materials like steel and cement, decarbonisation and circularity go hand in hand (e.g. scrap-based steel making, clinker substitution in cement). For example, a well-established European scrap-based EAF market already exists for construction steel, where scrap accounts for nearly all the input material. Diluting this advantage would risk discouraging recycling efforts in Europe[16]. It is crucial that any label/classification take this into account to reward energy- and feedstock-saving technologies. ***Therefore, we strongly suggest the Commission to avoid applying inappropriate performance categories to long products.***
- **Avoid duplication and overlapping systems/ requirements, focus on complementing existing efforts**. Construction-specific legislation (the Construction Product Regulation) already mandates gradual disclosure of environmental information through Environmental Product Declarations (EPDs). These requirements follow widely used and internationally recognized LCA methodologies that integrate environmental indicators beyond GWP (e.g. recycling, water use, toxicity etc.)[17]. With the IDAA fast tracking disclosure of the carbon footprint of key materials (cement, steel) at the manufacturing stage, it is imperative that a classification system based on classes of performance remains a key pillar of these disclosures. This will ensure continuity with sectoral work, allowing the CPR and ESPR to address other lifecycle stages and environmental impacts, without unnecessary legal burden.

[16] Between 80-85% of construction steel used in Europe consist of long products (wire rod, rebar, merchant bar, structural sections, etc.) produced via scrap-based EAF routes, often at low-emissions (EU EAF crude steel production uses scrap as its metallic input at an average rate 93%). Europe's primary steel production is still largely BF-BOF based and NG-DRI production outside Europe is increasing exports into Europe (around 1 million tonnes in 2024), which might risk creating a structural opening for NG-DRI imports, displacing low-emission, EU produced long steel

[17] According to EN15804+A2 environmental indicators

Concept for a labelling scheme

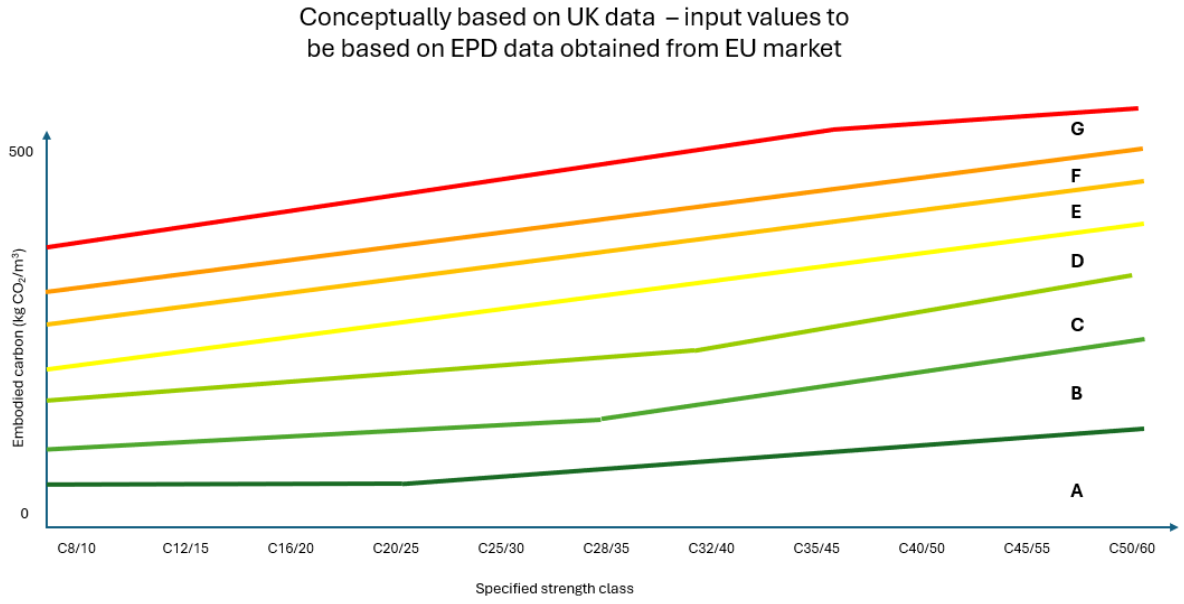
The principles above should underpin the development of a labelling scheme, aligned with other EU and international legislation. Such a scheme can be used to label all, even more complex, downstream products containing steel or concrete.

Concrete

With over 40% of all EU concrete purchased by public buyers, public procurement typically operates at the concrete level (or further downstream). It is therefore relevant to look at how criteria could be applied at the concrete level to enable broader decarbonisation measures, including the use of SCMs, optimised mix designs, and increased recycling

The proposed label is designed to comply with all relevant EU legislation and leverages global best practices and methodologies, including from the LCCG, Concrete Zero, GCCA and others:

- Classes of performance are from A to G according to the products footprint and per strength class – with the limit G class representing the legally acceptable to enter the European market
- A labelling system is applied at the level of concrete (and not cement), reflecting how markets operate in practice and ensuring an innovation-friendly, technology-neutral framework for producers.

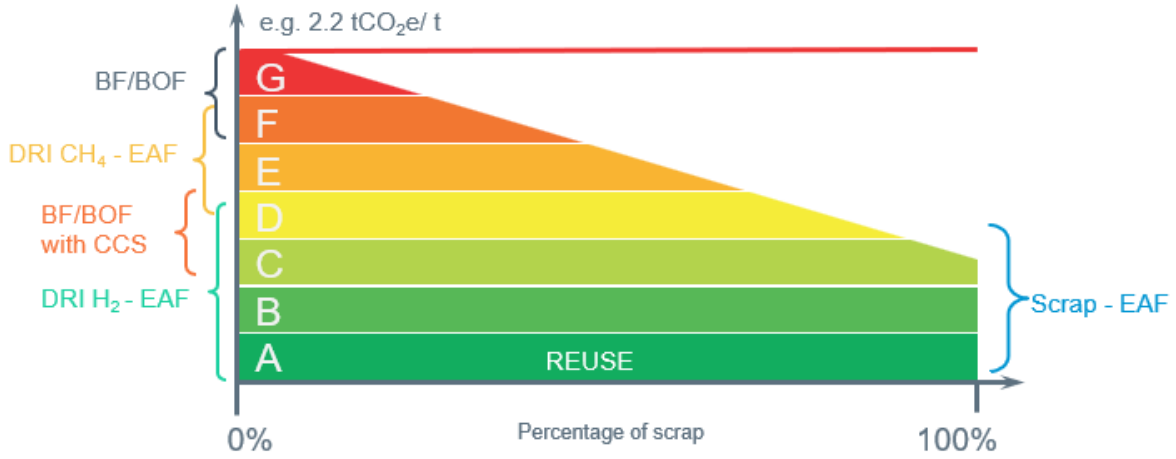


Steel

If one label is pursued for all product segments, it should not penalise circularity and should fully account for actual emissions. The proposed label is based on long-standing legislative efforts such as the Ecodesign Directive and Energy Labelling, as well as disclosing methodologies embedded into the Construction Products Regulation:

- Classes of performance from A to G classify products according to the production pathway (technology neutral) – with the limit in the G class representing the maximum emission allowed at crude steel level for products placed on the EU market.
- The dividing line between B-C classes is relevant for public procurement and incentives (provisions in ESPR Art. 65 and CPR Art. 82) and should be set around 0.4 tCO2e/t.

With this concept, primary and secondary routes would be incentivised to decarbonise. Reuse of steel elements would be automatically classified A as it does not embed scope 1 nor 2 emissions.



Step B: Long-term targets for the construction sector

Mainstreaming procurement policies has historically worked when indexed to long-term targets – at national level. Broader political ownership of public procurement as a strategic instrument at all levels of government[18] should translate into overarching targets for key sectors – such as construction.

This will send **a predictable signal to the market**, while helping contracting authorities identify strategic areas, better plan their budgets, and allocate resources effectively.

[18] DocsRoom - European Commission

How to do it:

These targets should be:

- **Nationally set - with a common trajectory indexed to Europe's decarbonisation and climate goals**: guided by a common EU trajectory, Member States should establish targets for the uptake of non-price requirements in public procurement. These should be gradually implemented, adapted to accommodate the capacity of local and regional authorities, who procure a great share of construction projects[19]. The integration of Whole Life Cycle targets under the EPBD could serve as guidance in developing these targets.
- **Based on common assessment and regular reporting/evaluation.** Transposition of key provisions – notably on strategic procurement - has been often complex and weak across many Member States[20]. Properly reporting and labelling contracts according to their use of green criteria can improve transparency, foster competition and ease market access for innovative and sustainable businesses.

[19] The Types of Authorities performing Green Public Procurement within Europe
[20] Special report 28/2023: Public procurement in the EU | European Court of Auditors

Best practices on targets

Lithuania rapidly scaled up GPP through a combination of ambitious targets, professionalization and robust monitoring. In 2021, the government, led by the Lithuanian Public Procurement Office (LPPO) and the Ministry of Environment and Innovation, set a goal to achieve 100% green procurement by 2023, backed by a mandate for green criteria for at least 50% of total procurement value across various spending areas. To support this, the LPPO established a Competence Centre providing extensive training and guidance, while a professionalisation action plan introduced mandatory certification and comprehensive GPP courses for procurement professionals[21].
Lithuania's strong emphasis on monitoring has been instrumental, with the LPPO enhancing GPP tracking through a comprehensive monitoring dashboard integrated into the public authorities' scoreboard. This tool provides detailed insights into GPP adoption, allowing for targeted assistance and cross-learning among institutions. By December 2023, 94% of public procurement by value and 93% by total procedures met green criteria, a significant increase from 5% in 2020.

The French 2022-2025 National Plan for Sustainable Purchases includes an objective of 100% of public procurements including at least one environmental criterion by 2025. To achieve this target, France has worked on putting place key levers to achieve these targets: from training for decentralised authorities to an online platform supporting buyers in identifying more sustainable solutions. This has ensured a sharp increase in uptake, with a rate of 54.7% against a target of 60% in 2023 and an expected 83% adoption by 2025[22]. France also put in place sectoral targets supporting the uptake of low-carbon construction materials: from January 1st 2030, 25% of materials used in deep renovations or new construction (publicly procured) will have to be bio-based or low-carbon[23]. The target is reinforced by the French Climate and Resilience Law which foresees mandatory environmental technical requirements and award criteria embedded by August 2026. Additionally, the Re2020 regulation sets embodied carbon limits for new buildings, anticipating the whole-life carbon approach under the EPBD recast.

Ireland has established a headline target for concrete products - ready-mix and pre-cast products - purchased by public bodies or used in public construction to contain at least 30% clinker substitutes[24].

Romania's National Action Program for GPP 2025-2030 has introduced annual gradual targets for 22 categories of goods, services and projects, including for the construction of buildings and roads. Starting in 2026, environmental criteria will apply to 20% of public procurement for office buildings and road construction, increasing to 40% by 2028-2030.[25]

Besides specific climate requirements on materials (see Step A), **the Swedish Transport Administration** has introduced a target to make its infrastructure climate neutral by 2040. This also includes sub targets for reducing emissions compared to a 2015 baseline: 2025: 30%, 2030: 60%, 2035: 80%.

In the Netherlands, the "Concrete Agreement" (Betonakkoord) serves as a sector-wide covenant for reducing the CO_2 intensity of concrete. It sets technical targets applied to private and public projects, such as a 49 % reduction in embodied CO_2 by 2030 compared to 1990 and establishes defined

roadmaps and intermediate milestones (including a goal of 20 % reduction per euro spent by 2030 compared to 2024, with an ambition toward 40%)[26].

Step C: Matching technical specification with flexible awarding in complementary legislation to ensure the best value for money

Awarding is a crucial phase of the procurement process: public authorities can finally decide which bidders will carry out a certain service or supply a specific good, among those compliant with the terms of the tender (see *step A1 and A2*). While technical specifications serve as a first checkpoint, **the award phase enables public buyers to identify and reward projects and products that provide the best value for money, and that ultimately exceed minimum requirements set in specifications.**

The Public Procurement Directives – the EU's overarching framework on procurement - **are the right tool to ensure best value for public money**, by promoting a balanced choice between price and costs (quality, environmental and social aspects). At present, about 60% of public contracts across EU are awarded based on their price only, limiting the effective and strategic use of public money.

The Public Procurement Directives should be revised to ensure best value for money when awarding contracts. The new provisions should clearly state that contracts awarded with criteria beyond the lowest purchase price become the default option. A legal mandate to purchase beyond the lowest price should be included under the revision.

[21] How Lithuania fast-tracked green procurement - Open Contracting Partnership
[22] Promoting Strategic and Green Public Procurement in France: Introduction | OECD
[23] French Environmental Code (Code de l'environnement), Article L228-4
[24] Government approves public procurement guidance to promote the reduction of embodied carbon in construction
[25] Romanian government approves green procurement programme - Euractiv
[26] iabse-keynote-concrete-agreement.pdf

How can the IDAA support this change:

The IDAA should ensure alignment with this principle to aim for the best value-for-money in procurement, notably by introducing clear language on moving beyond price at the awarding stage. Guided by proportionality and subsidiarity, the IDAA should:

- **Empower contracting authorities to include decarbonization in different parts of the procurement process and reward bidders who go beyond minimum requirements**. For example, clarifying how technical specifications with labels can be combined with meaningful award criteria. The IDAA could consider incentives for contracting authorities such as decarbonization targets, financial rewards, and public recognition of champions through awards.
- **Consider a standardised methodology at EU level which supports awarding based on best value for public money**. This should be tailored to construction and infrastructural projects. Lifecycle costing (LCC) for example represents a robust approach by which procurers can consider and reduce climate impacts of their procurement while also saving long-term costs. This is particularly relevant for construction, where 80% of the costs (maintenance, renovation, energy supply) happen after a building is constructed.

Cost-effective awarding must not be confused with lowest-price awarding.

According to the Public Procurement Directive 2014/24 (Art. 67 and 68), cost-effective awarding implies looking beyond the initial purchasing price and considering other costs throughout the lifecycle of a product, service or work (e.g. climate change mitigation, energy consumption, maintenance, end of life collection and recycling, etc.)

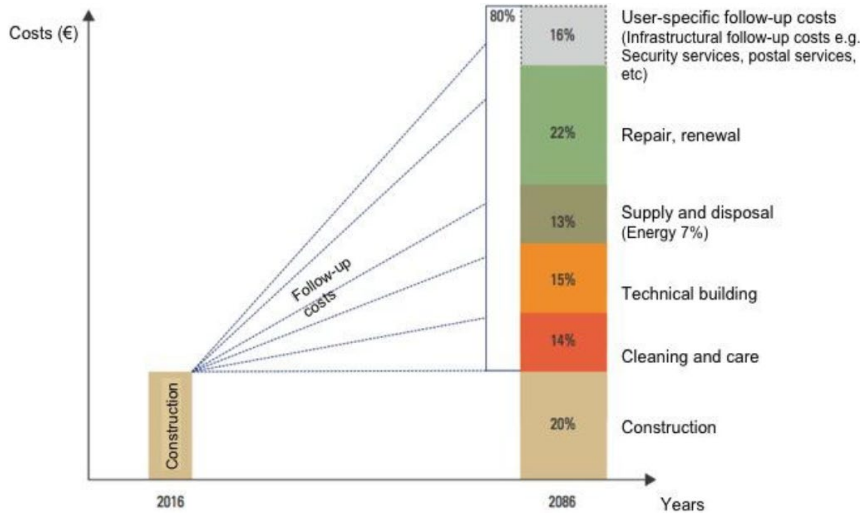


Figure 2: Lifecycle cost accounting for a building over a 70-year-lifespan (Source: ICLEI Europe •• Publications & tools)

Best practices: how Member States match technical specifications with awarding criteria

The Netherlands is a leading example of promoting cost-effective procurement, by assigning monetary values to environmental performance (through an Environmental Cost Indicator). These values are subtracted from the actual offered price to calculate a 'corrected total price' that accounts for indicators such as climate impact or resource use. The benchmarks for the ECI values are informed by national agreements between industry and authorities (e.g. Betonakkoord).[27]Alongside **Belgium, France, Ireland and Germany, the Netherlands** use the CO2 Performance Ladder to reward bidders for their decarbonization efforts. The Ladder is applied as a voluntary award criterion and bids meeting its climate requirements receive a discount or bonus points. As a third-party verified certification system, the Ladder can be easily integrated into tenders and eases the burden on procurers, while offering sustainable companies a competitive edge in tendering processes. While the Ladder is used specifically at awarding, it is frequently combined with other sustainability and quality requirements (technical specifications) as part of contract design.[28]

Portugal has developed a GPP framework under its ECO360 national strategy (see step A), which applies to the entire public administration and the state's business sector. The framework sets out both mandatory and voluntary GPP principles and criteria, including environmental award criteria, contract performance clauses, and technical specifications.

In line with its National Action Program (see step B), **Romania** will award public contracts based on a weighting of 60% for the fulfilment of green (non-price) criteria and 40% for price.

Best practices are available at sub-national level as well. Based on its Carbon Neutral 2030 Roadmap (which reinforces the importance of clear targets – see step B), the **city of Tampere** has successfully tested the application of environmental requirements at all procurement stages - technical specifications, selection and award criteria, and performance clauses – within the same project. The awarding weighted 70% for price and 30% for qualitative aspects (notably for waste reduction and recycled content of asphalt).[29] All bidders were able to meet the environmental requirements, demonstrating that contractors were ready and able to deliver on ambitious standards once clear demand-side signals were in place.

The construction sector is a good starting point for procuring beyond the lowest price

A frequent challenge associated with moving beyond the lowest price are potential increased cost (green premium). This is a reasonable concern especially for procurers who ultimately have to choose the best option within budget limits. Nevertheless, the construction sector is

[27] Sustainable procurement in the civil engineering procurement domain
[28] What is the CO_2 Performance Ladder? Read all about it
[29] Introducing circular economy procurement to road construction in the City of Tampere - European Commission

strategically well placed to absorb these initial costs and serve as a pilot for applying non-price requirements, for several reasons:

- **High demand for basic materials:** especially for cement and steel (but also for plastics, aluminium or timber), there is a significant demand in buildings and infrastructure projects[30]. This allows the rapid creation of economies of scale, which helps reduce upfront production costs.
- **Low green premiums for end product**: While estimations vary depending on methodological assumptions, the cost increase for low-carbon materials and projects is commonly estimated at low rates.[31] This green premium is further reduced when considering that structural materials represent less than 10% of a project's total cost[32].

Buy Green, but also European – where it makes sense

Given the current geopolitical context, the IDAA should ensure a balanced approach to Buy European. This means that the European preference should:

- Strategically deliver for sectors critical to EU's resilience and competitiveness (e.g. global overcapacity for steel)[33].
- Be designed in compliance with WTO rules and coherent with existing trade mechanisms, such as the CBAM.
- Remain coupled to EU's decarbonization objectives.

We stress the need to thoroughly impact assess these measures, demonstrating a clear, economic and environmental added value. This will ensure a close alignment between low-carbon and European content requirements, as proposed in the Clean Industrial Deal.

[30] Creating markets for climate-friendly basic materials
[31] Public procurement construction steel and cement EU FINAL, Driving-GPP-in-construction-Ramboll-November-2024.pdf, Green Public Procurement of cement and steel in the EU: An overview of the state of play - Bellona EU, 20230504_Green-Public-Procurement_Economic-Assessment.pdf
[32] WEF_Scaling_Low_Carbon_Design_and_Construction_with_Concrete_2023.pdf
[33] Lead Markets: Driving Net-Zero Industries Made in Europe | Strategic Perspectives