

Statement: the IAA risks missing the mark on lead markets for concrete and steel

February 2026

The Draghi and Letta reports said it clearly: strategic procurement of clean and innovative technologies is essential to support early movers and reward best performers.

The Clean Industrial Deal has a core aim to boost demand through non-price criteria in public procurement, stressing the need for a “clear link between incentives for decarbonisation and circularity efforts by industry”. Prioritising construction materials is a first step in the right direction, and companies and public buyers need clear market signals. However, the latest IAA draft falls short from properly targeting two high-impact sectors: concrete and steel.

The quotas (set in Annexe II) - 5% and 25% for concrete and steel respectively - **are disconnected from what is feasible and needed to create strong lead markets in Europe.**

For the **steel** sector alone, a 25% quota for green steel will affect less than 4% of total EU steel demand¹. Given that a significant share of construction steel (primary end market) is already produced via scrap-based EAF routes, the proposal is likely to be **largely met by existing supply patterns instead of generating a strong demand signal.**

For **concrete**, a 5% quota won't provide any meaningful investment certainty, as it would cover only about 1.5% of the total EU concrete demand². Substantial decarbonisation is already technically scalable through clinker substitution, alternative binders and process innovation.

To create market transformation and change the production patterns, the quota must exceed the share of already-qualifying supply. It is critical that the European Commission delivers on its initial ambition: creating markets for low-carbon materials, in line with the political mandate. In doing so, we believe two options need to be considered:

- 1) **Quotas should be significantly higher** and accompanied by a clearly defined trajectory for gradual increase, reflecting the market readiness. **They should also be determined in alignment with the low-carbon definitions established under the CPR/ESPR.** Numerical targets are hard to provide without clarity on what qualifies as low-carbon.

¹ Based on estimates of [public construction](#) (11%) and [public automotive](#) procurement (2.5%) as shares of total EU steel consumption.

² The [estimate](#) that 31% of EU cement demand is linked to public procurement is used as a proxy for calculating the public share of concrete demand.



2) **Refrain from using quota altogether and provide a clear mandate to the CPR and ESCR (including timelines) for developing green procurement requirements.**

This would allow to continue the work started in product legislation - building directly on the low-carbon definitions - avoiding duplication and ensuring regulatory coherence including with the existing voluntary EU GPP criteria for [office buildings](#) and [roads](#).

Both options would send a clear and credible signal across the EU market. As the largest category of public procurement procedures, construction should be the first sector to receive an ambitious demand signal.

The [Buy Better to Build Better coalition](#), bringing together 38 forward-thinking stakeholders from industry, public authorities and civil society, reiterates the [shared commitment](#) of mainstreaming public procurement as a core lever in driving decarbonisation and competitiveness of the European industry.