JUNE 2025

Dear Members of the European Parliament,

As the European Parliament prepares for the pivotal vote on the Public Procurement Report (2024/2103(INI)) in the IMCO Committee on 25–26 June, the **Network for Sustainable Development in Public Procurement (NSDPP)** calls on you to support a procurement framework that places long-term value, fairness, and sustainability at its core.

The EU spends around 14% of its GDP on public procurement. How this money is spent profoundly shapes the social, environmental, and economic fabric of the Union. The current legislative revision offers a historic opportunity to address the persistent problems of race-to-the-bottom bidding, social dumping, and underuse of procurement as a strategic lever for sustainable development.

NSDPP is a coalition of social and environmental NGOs and trade unions advocating for a just, future-proof procurement system. We welcome many of the compromise amendments currently on the table. However, some others threaten to undermine this progress. In the pages that follow, we outline the amendments we encourage you to support—and those we urge you to reject—structured around the network's key priorities.

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1. **Ensure that the Most Economically Advantageous Tender (MEAT) remains the default award criterion and is implemented instead of the "lowest price option"**

For too long, focusing solely on the "lowest price" has hurt quality, workers' rights, and sustainable businesses. We urge the Parliament to back compromise amendments keeping the Most Economically Advantageous Tender (MEAT) the default, ensuring tenders are assessed not just on cost, but also on quality, sustainability, and social value. Public procurement must serve the long-term public interest.

COMPROMISE AMENDMENTS TO KEEP
18b. "Insists that more contracts should be awarded based on the best price-quality ratio, for instance through use of Most Economic Advantageous Tender (MEAT)…" **18a.** "Highlights the need of educating contracting authorities by explaining the rules… including legal basis for MEAT criteria... "
Why support: • Strong promotion of MEAT over price-only decisions. • Emphasises capacity-building so MEAT is confidently used by contracting authorities.

19. "Requests the establishment of... independent oversight bodies with sufficient powers... to promote legal certainty and consistency across public procurement in the EU**.**
Why support: • Shifts evaluation from "lowest price" to long-term value. • Promotes the use of social and quality criteria. • Supports capacity-building to empower public authorities. • Increases legal certainty and discourages price undercutting.

2. Social and environmental criteria should become the default option when awarding public contracts

Applying non-price criteria in public procurement – such as social and environmental – is key to ensuring fair wages, decent jobs, decarbonisation and inclusion. Yet, as demonstrated by the European Court of Auditors' report on public procurement (2023), the provisions supporting public procurement beyond price (strategic procurement) are underused in practice. To ensure best value for money and redirect taxpayers' money towards significant societal value, the Directives should provide public authorities with a clear legal mandate in moving beyond procurement on the lowest price. Common and mandatory minimum criteria, including through sectoral legislation, would give authorities the clarity to act fairly and confidently.

Furthermore, to ensure compliance with social and environmental standards, a comprehensive monitoring, auditing, and reporting framework should be implemented.

COMPROMISE AMENDMENTS TO KEEP
5. "Recognises, in this context, that public procurement can be a useful tool for achieving strategic objectives such as innovation and sustainability or supporting strategic industries (...) and is an engine for fulfilling tasks whose primary function is to achieve best value for money (..)
Why support: • Priority should be given in achieving best value for money. Environmental and social conditionality represent the best way to redistribute taxpayers' money towards goods/services with added societal value.
COMPROMISE AMENDMENTS TO MODIFY
3b. "points to significant legal and administrative differences across Member States (...); calls, nonetheless, for ensuring that sectoral legislation remains harmonised with the overall procurement frameworks and remains restricted to technical specifications"
Why and how this should be amended: • Positive: harmonisation can bring significant added value, including investment certainty for tenderers. • Negative: scope restricted to technical specifications. Targets, quotas and criteria, including social and environmental, should be clearly mentioned as the default option when procuring within the scope of the Directives.

3. Enhance social economy access to public procurement

The coalition advocates for the explicit inclusion of social economy entities in targeted measures for public procurement access. The EU social economy, with over 4.3 million entities and 11.4 million employees, delivers vital services, strengthens communities, and prioritises social and environmental goals. Aligning public procurement with innovation and sustainability, alongside specific support for the social economy, builds a resilient and competitive European social market. The 2023 EU Council recommendation further emphasises the importance of social economy access to public procurement and its societal value.

COMPROMISE AMENDMENTS TO KEEP
26. Calls for enhanced VSEs, SMEs, start-ups and social economy actors support mechanisms to enable these actors to effectively compete in public tenders, including a mandatory SME and start-up test and proper impact assessments by the Commission on any and all new rules, tailored financial instruments, technical assistance programmes for SMEs and social enterprises, including capacity building for SMEs , a reduction in bureaucratic constraints that disproportionately affect SME, start-up and scale-up participation, and where appropriate, the widespread use of sourcing practices by public buyers prior to the design of tender calls, limits on excessive financial capacity and "proof of-past performance" requirements; (714, 715, 716, 718, 719, 720, 722, 723, 725, 761)
27. Calls for the urgent simplification of selection criteria and the creation of a digital database for pre-qualified SMEs and smaller actors to streamline their participation in public procurement; notes that the accreditation systems offer a possibility to determine companies' technical, financial capacity but also professional integrity prior to the tender process; criteria of professional integrity should encompass track record of compliance with applicable labour, human rights and environmental laws; stresses that the EU public procurement framework must ensure equitable access for SMEs, social economy entities and local businesses by promoting simplified procedures, including by ensuring that companies are not required to re-submit in their tender application information that is already publicly available and by applying proportional requirements based on the local context; calls on the Commission to consider mainstreaming division of contracts into smaller lots to prevent dominance by large entities and foster competition, while taking into account that contracts should not be divided where there is a genuine technological or efficiency justification; emphasises the need for clear guidelines determining when non-division of contracts is justified; notes that the division of lots is also an effective means of preventing unfeasible subcontractor chains; (719, 730, 734, 736, 737, 738, 739, 741)
Why support: • Recognises the public value created by social economy organisations. • Promotes inclusive access to procurement markets for all kinds of SMEs. • Recognises division of contracts and limits on "proof of past performance" as one of the key tools to ease public procurement participation.
30a. Highlights the crucial contribution of non-profit organisations, churches and social enterprises in public procurement all around Europe, noting their expertise, strong local connections, and demonstrated capacity to deliver services of high quality; stresses the importance of maintaining and promoting reserved contracts as a powerful instrument to ensure that public procurement supports broader societal objectives, the social economy and the diversity of actors involved; calls, therefore, for strengthening the existing possibility for Member States and contracting authorities to reserve participation in public procurement procedures specifically to actors operating on a non-profit basis; (794)
Why support:

- Recognises reserved contracts as essential tools for the participation of social economy actors in public procurement and to support societal goals.
- Stresses the effectiveness of reserved contracts in supporting the employment of workers with support needs, including persons with disabilities, in public procurement.
- Underscores the need to reinstate the reserved contract provisions in future revisions.

4. Mandatory social criteria should include collective bargaining and align with ILO conventions

Public procurement should uphold the EU's core values—social justice, labour rights, and decent work. Contracts must respect ILO conventions and collective agreements, ensure supply chain due diligence, limit excessive subcontracting, and enforce shared responsibility for violations. The EU must lead by example.

COMPROMISE AMENDMENTS TO MODIFY
1a. Acknowledges the Commission's in-depth analysis and consultation with regards to the revision of EU public procurement legal frameworks; highlights that such consultation should include a regulatory impact assessment respecting free market principles and it main objective – delivering a value through market-based solutions; calls, therefore, for showcasing the effect of potential new rules aimed at promoting sustainable **and social (including promotion of ILO 94)** procurement and fair and effective competition while at the same time achieving as much as possible the removal of excessive and unnecessary administrative barriers and streamlining regulatory provisions; calls on the Commission to streamline and clarify the focus of public procurement goals by establishing a smaller, more precise set of objectives points at the importance for flexibility in determining the nature and inclusion of strategic considerations in public procurement procedures; (213, 211)
Why and how this should be amended: *ILO Convention 94 is the international standard, and the EP report should invite all MS to sign and ratify to have a common ground to harmonise legislation at European level.*

5. Policy coherence

Public procurement must align with EU commitments on sustainability, social rights, and fair taxation. Linking it to policies like the Deforestation Regulation, Circular Economy Act, European Pillar of Social Rights, Social Economy Action Plan and Corporate Sustainability Due Diligence Directive (CSDDD) ensures coherence and credibility. A siloed approach weakens the EU's shared goals and autonomy.

COMPROMISE AMENDMENTS TO KEEP
1. Stresses that European public procurement should remain an essential pillar of the properly functioning internal market and broader economy, and that ambitious, targeted reform is needed to unlock its true potential, [...] calls, therefore, to improve legal certainty and coherence and for the consolidation and a clarification of interactions between public procurement provisions across different pieces of sectoral legislation in order to simplify their application by contracting authorities, emphasizing that many procurement procedures are excessively lengthy, delaying essential investments; adds that public procurements should bring public value on top of contributing to the balanced economic development across the EU (196, 197, 198, 200, 201, 203, 204, 208, 212, 224)

2a. Recalls the consistent European policy objectives reflected in the sectoral regulations, such as sustainability, human rights, innovation, resilience or circularity in the context of the upcoming reform; emphasises the need to prevent the emergence of possible barriers during the upcoming reform, and to identify and overcome the main obstacles to sustainable and resilient procurement, guarantee security of supply and ensure fair and effective competition; (196, 197, 201)

Why support:

- Promotes policy coherence and clarification of interactions between public procurement provisions across sectoral legislation.
- Supports using procurement to bring public value.
- Calls to identify and overcome the main obstacles to sustainable and resilient procurement for a fair and effective competition.

18 d. Calls for revision of exclusion criteria in procurement processes, enabling them to better address specific sectoral risks related to fraud, corruption, and criminal infiltration; suggests the introduction of exclusion grounds based on violations by any economic operator of its obligations regarding applicable labour laws or security of information or security of supply during a previous contract; [...] adds that any economic operator that continues to breach its obligations under applicable labour and environmental laws should effectively be excluded from public procurement markets; (574, 604, 758, 775)

27. Calls for [...] the creation of a digital database for pre-qualified SMEs and smaller actors to streamline their participation in public procurement; [...] criteria of professional integrity should encompass track record of compliance with applicable labour, human rights and environmental laws; (719, 730, 734, 736, 737, 738, 739, 741)

Why support:

- Proposes excluding contractors violating labour rights to uphold social standards.
- Supports using procurement to combat fraud, corruption, and criminal infiltration.
- Calls for legal clarity on what are the exclusion grounds for contracting authorities.

29a. Believes that the professionalisation of public purchasers should be part of improving public procurement methods within the EU; welcomes national initiatives aiming at helping public purchasers to familiarize themselves with the existing legal framework and concepts such as defining the subject-matter and design appropriate selection and award criteria; asks the Commission to develop and promote similar programs at EU level with a focus on making better use of non-price criteria by establishing “ready-to-use" environmental and social criteria; (770)

Why support:

- Supports simplification without compromising sustainability or social value, balancing soft and hard law approaches.
- Supports measure to simplify public procurement for contracting authorities.
- Aligns public procurement with EU social, environmental, and economic goals.

6. Strengthen Member States’ and local authorities’ monitoring schemes

Effective public procurement relies on transparency and data. We call for mandatory national data collection on Sustainable Public Procurement, better publication, and improved tender traceability to spot issues, and monitoring of its impacts to ensure value for money and uphold social and environmental goals.

COMPROMISE AMENDMENTS TO KEEP
4. (....) believes, therefore, that three guiding principles – **value for money**, competition and anti-corruption measures – remain valid in the context of the upcoming reform and should not be compromised;
11. (...) Notes that in certain cases public contracts continue to be awarded primarily based on the lowest price criterion, including due to insufficient training and financial and human resources, restricting procurement authorities from considering additional factors such as innovation and quality-to-price ratio, which leads to suboptimal long-term outcomes misaligned with citizens' interests (...)
12c. (...) Considers as essential that the Commission and Member States systematically analyse procurement data in a comprehensive and structured manner in order to identify and address the underlying causes of declining competition and inefficiencies in procurement processes
28. (...) the introduction of provisions that allow price adjustments in response to cost increases that the bidder could not reasonably have anticipated, such as inflation, material or energy cost increases and changes in labour laws, ensuring contract viability without imposing financial strain on public authorities (...)
Why support: • Enables evidence-based policymaking and helps identifying sector differences as to the number of bidders and the extent of competition. • Increases transparency and contract oversight. • Helps detect inefficiencies, fraud, and systemic issues.

7.Promote the autonomy of local and regional authorities

Local and Regional authorities are by size and quantity the main actor of public procurement. They are best placed to know what needs to be procured. A push to force to tender will be against the objectives of simplification and the autonomy of public administration as stated in article 345 of the EU treaty.

COMPROMISE AMENDMENTS TO KEEP
13. Advocates a clearer distinction between contracting authorities and public undertakings, underlines that the freedom and autonomy of public authorities must always be safeguarded and respected; stresses that direct provision of services by public or local authorities, in-house provision of services, public-public partnerships are and must remain available options and not be put under pressure; (427)
Why support: • The current proposal for article 13c will be a major push towards marketisation of public services and there is a big amount of evidence that shows that competitive compulsive tendering is neither effective nor efficient for local and regional governments.

We call on Members of the European Parliament to seize this opportunity to steer EU public procurement toward a strategic and responsible future. This is not merely a technical reform, it is a chance to redefine how public money shapes the society we live in.

Public procurement must move beyond lowest cost and serve as a strategic tool for sustainable development. We urge you to support the amendments that advance this vision and reject those that perpetuate a race to the bottom.

Sincerely,
The Network for Sustainable Development in Public Procurement (NSDPP)