

Partnership on Innovative and Responsible Public Procurement 2nd April 2025

URBAN AGENDA Partnership on Innovative and Responsible Public Procurement for the EU

# Action Plan 2025-2028

\*\*\*The Pact of Amsterdam states that the Action Plan "can be regarded as non-binding." Therefore, the actions presented in the Action Plan and these new actions are not compulsory. \*\*\*

Disclaimer: This document is a Final Action Plan and includes the European Commission consultation and the public feedback.



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# Executive summary

Background: The 'Pact of Amsterdam' of May 2016 has established the Urban Agenda for the EU: a new working method of thematic Partnerships seeking to optimise the utilisation of the growth potential of cities and to address social challenges. The Urban Agenda for the EU focuses specifically on three pillars of EU policymaking and implementation: better regulation, better funding, and better knowledge. In 2018, the Action Plan of the Urban Agenda Partnership on Innovative and Responsible Public Procurement was approved with seven actions, which were delivered in 2020. Hereby the link to the Final report 2018-2021:

https://drive.google.com/file/d/11dUORHueVPIn iJXOmSZEur42xVpsrd0/view?usp=sharing

In 2021 the partners of the Urban Agenda Partnership on Innovative and Responsible Public Procurement decided to continue their work, convinced that public procurement is a strategic tool that is more important, solid, and vital than ever when it comes to dealing with economic, environmental, and social challenges. The Action Plan 2022 included three actions with eleven sub actions. In 2024, the Partnership delivered all actions and sub actions formulated in the Action Plan 2022. More about deliverables, results and outcomes you can find in the Final report 2022-2024: <a href="https://drive.google.com/file/d/1xZ9ZKBBzV-6OQEpHnyfu3Yxw-6uu-VYZ/view?usp=sharing">https://drive.google.com/file/d/1xZ9ZKBBzV-6OQEpHnyfu3Yxw-6uu-VYZ/view?usp=sharing</a>

In November 2024, the Partnership members organised a dedicated meeting where they identified, proposed, and discussed the possible topics for the new Action Plan they would like to work on in the period 2025-2028. As a result of the meeting new actions were formulated, action groups formed and action leaders appointed.

The Action Plan 2025-2028 presents the following three actions:

Action 1: Capacity building for Public Procurement as a Strategic tool

Action 2: Advocacy for better regulation

Action 3: Better funding to stimulate strategic procurement.

All three actions also contribute to the general goals of the Urban Agenda for the EU1.

The Urban Agenda Partnership on Innovative and Responsible Public Procurement will contribute to better knowledge on public procurement as a strategic tool, will identify possible struggles and challenges encountered on current regulation and legislation, and will provide recommendations on innovative, and responsible procurement and better funding within the urban context. Alongside that, it will collaborate with European Innovation Council (EIC), <a href="IPTF-Innovation Procurement Task Force">IPTF-Innovation Procurement Task Force</a>, the Eurocities Working Group on Public Procurement, the Big Buyers Working Together project, and Community members.

<sup>&</sup>lt;sup>1</sup> Leipzig Charter and Ljubljana Agreement



The Urban Agenda Partnership on Innovative and Responsible Public Procurement will look for collaboration with other Urban Agenda partnerships and European Commission Directorate- Generals, as well as the links of these actions with the United Nations' Sustainable Development Goals.

With the three actions of the Action Plan 2025-2028, this document continues to build on the existing initiatives and projects and will focus on innovative and responsible public procurement as a strategic tool in realising social, economic, and environmental policy goals.

# Key definitions

To avoid any potential confusion and interpretation, the following main definitions used in this document are based on existing EU directives and European Commission guidelines:

- **Public Procurement of Innovation**: A process where public authorities procure new or significantly improved products, services, or works that are not yet available on the market, with the aim of addressing specific societal needs and fostering innovation.
- **Innovative Public Procurement**: A process that applies a novel approach to procurement, using functional requirements and evaluation criteria to optimize social, environmental, and economic benefits, fostering sustainability and social responsibility.
- **Responsible Public Procurement**: Procurement that integrates social, environmental, and economic criteria to deliver long-term benefits to society and the environment.
- **Strategic Public Procurement**: The use of public procurement as a tool to achieve a wide range of policy objectives, including climate adaptation, digitalization, circular economy, and social justice.

# 1. Introduction

# 1.1. Urban Agenda for the EU

The 'Pact of Amsterdam' of May 2016 has established the Urban Agenda for the EU: a new working method of thematic Partnerships seeking to optimise the utilisation of the growth potential of cities and to address social challenges. The Urban Agenda for the EU focuses specifically on three pillars of EU policy making and implementation: better regulation, better funding, and better knowledge. It aims to do so through better cooperation between cities, regions, Member States, the European Commission, expert organisations, and other stakeholders. The Partnership on Innovative and Responsible Public Procurement is one of the twenty thematic Partnerships and was formally established in May 2017.

# 1.2. Background of the partnership

Three quarters of the total European population live in cities<sup>2</sup>. Cities play an essential role and are responsible for providing public services to ensure a better quality of life for their citizens. In the process of doing this, cities operate in a rapidly changing social, economic, and environmental context, which creates both opportunities and challenges.

Every year, over 250,000 public authorities in the EU spend 14%³ of gross domestic product (GDP) around €2,000 billion on purchasing services, works and supplies. Leveraging this vast spending power, public authorities can have influence through responsible and innovative procurement. The public sector can use procurement to boost jobs, growth, and investment, create a more innovative economy, promote resource and energy efficiency, as well as human rights, equality and social inclusiveness (cultural integration and the inclusion of minorities and disadvantaged persons). It can help achieve EU Green Deal goals, speeding up the circular economy and sustainability.

There are numerous ways for cities to deliver public services. They can decide to perform the services themselves, subsidise them, or provide them by tendering out contracts. Once the decision is made to provide public services by tendering out a contract, one enters the realm of this Partnership: innovative and responsible public procurement. This Partnership creates the opportunity for cities and Member States to work closely together with the European institutions to research and assess how to facilitate an increased use of innovative and responsible public procurement as a strategic tool.

In 2018, the Action Plan of the Urban Agenda Partnership was approved with seven actions, which were delivered in 2020. With a view to disseminating the knowledge gained and guidance and to make

<sup>&</sup>lt;sup>3</sup> Public procurement (europa.eu)



<sup>&</sup>lt;sup>2</sup> Urban population - European Union | Data (worldbank.org)

the presentation of the deliverables more user-friendly and accessible, an E-learning module was developed: <u>Urban Agenda - Public Procurement (maester.com)</u>

In 2024, the Action Plan 2022-2024 actions and sub actions were delivered, see Figure 1.

# Overview of deliverables

Sub-action 1.1 Survey of learning needs, priorities and obstacles delivered in collaboration with EU funded PROCEDIN project: Deliverable 2.1

Sub-action 1.2 Platform has been developed and built: www.uapublicprocurement.eu

Sub-action 1.3 Community of procurers established as a learning network through Platform (sub action 1.2): Become a Community Member



Sub-action 1.4 Update of existing Partnerships' learning resources has been done in collaboration with EU funded PROCEDIN project: <a href="https://www.uapp.maester.com">www.uapp.maester.com</a>, in particular 'Legal framework of Innovation Procurement.'

Sub-action 1.5 Advocacy Paper is developed by the partners of the Urban Agenda Partnership and published: UAPP Position Paper

All action 2 sub actions are developed in collaboration with EU funded PROCEDIN project.

Content

Sub-action 2.1 EU Green Deal related public procurement and innovation

trainings: <u>Legal Frameworks and Training Sessions – PROCEDIN</u>
Sub-action 2.2 Expert briefings: <u>Project Results & Outputs – PROCEDIN</u>

Sub-action 2.3 Signpost resources helping users access the right resources

for their needs: Resources for Buyers and Suppliers - PROCEDIN

Sub-action 3.1 Guidance with 10 activities is developed. regions and cities can undertake across the Cycle of Public Procurement to realise Economic Regeneration Sub-action 3.2 Promote guidance through article:

Cities must rethink procurement for a healthier economic

Sub-action 3.3 Additional case study examples are collected and included in Partnerships' E-Learning module: <a href="https://www.uapp.maester.com">www.uapp.maester.com</a>

Figure 1. Overview of deliverables of the Action Plan 2022-2024.

At the end of 2024, the partners of the Urban Agenda Partnership on Innovative and Responsible Public Procurement formulated new actions and sub actions for the period 2025-2028 – convinced that public procurement as a strategic tool is more important, solid, and vital than ever in dealing with economic, environmental, and social challenges – formulated new actions and sub-actions for the coming period 2025-2028. After a brainstorming session during a dedicated meeting with the partners, the Urban Agenda Partnership identified and scoped out three new actions presented in this Action Plan 2025-2028.



#### 1.2.1. Presentation of the Partnership and composition

The members of the partnership are:

- Cities/Urban Authorities: Haarlem (The Netherlands) (coordinator), Gabrovo (Bulgaria), Turin (Italy), Tallinn (Estonia), Leiden (The Netherlands).
- Regions/provinces: Metropolis Nantes (France), Barcelona Provincial Council (Spain).
- Member States: Czech Republic (Ministry of Agriculture); Cyprus (Cyprus Energy Agency), Scotland (Scottish Government), The Netherlands RWS (Dutch Ministry of Infrastructure and Water Management).
- European/national city umbrella organisations: ACR+ (Association of Cities and Regions for sustainable resource management), CEMR (Council of European Municipalities and Regions), EUROCITIES (the leading Network of major European Cities), EUROTOWNS (Network of Small and Medium-Sized European Cities), ICLEI (Local Governments for Sustainability network), VNG (Organisation of Dutch Municipalities).
- European institutions: European Commission: DG REGIO, DG GROW, DG CONNECT, DG RTD, DG ENV and EIC (European Innovation Council).
- Educational institutions: University of Twente (The Netherlands), NEVI (Dutch professional association for procurement, specialised in procurement trainings in the Netherlands).
- Expert organisations: Dutch Climate Alliance, PIANOo (Dutch National Competence Centre on Public Procurement), Procure2Innovate (European Network of Competence Centres for Innovation Procurement), ProcurFinland (Finnish expert organisation on procurement), SGI Europe (European centre for employers and enterprises providing public services of general interest), URBACT (European centre for sustainable integrated urban development), SERN (Sweden Emilia Romagna Network).

Alongside the Procurement Platform, the Urban Agenda Partnership on Innovative and Responsible Public Procurement will be providing value in several ways:

- The composition of the Urban Agenda Partnership is focused on European cities and towns and includes a range of stakeholders as active partners; but also on other EU public authorities.
- An extensive and growing network on local/regional/national/European level since 2017.



- The Urban Agenda Partnership network is not a project with an end date; the Partnership is built on continued cooperation and collaboration.
- A collaborative, partner-driven approach, with content created by the Urban Agenda partners using their knowledge, experience, and expertise. This also means that entities outside of the UA partnership can join this platform and give their input.
- > The partnership remains open to new members who wish to contribute their experience and knowledge in the field of innovative and responsible public procurement.



Figure 2: Members of the Urban Agenda Partnership on Innovative and Responsible Public Procurement

The main coordination body of the Urban Agenda for the EU is the meeting of the Directors-General on Urban Matters (DGUM) from the Member States and their equivalents. The DGUM meetings are held once every Presidency, i.e. twice per year. In addition to the Member States, the European Commission, the Committee of the Regions, the Council of European Municipalities and Regions (CEMR), the European Urban Initiative (EUI), Eurocities and other organisations also participate. The Urban Development Group (UDG) meets at technical level to prepare the meetings of the DGUM.

#### 1.2.2. Partnership Objectives

Every year, over 250,000 public authorities in the EU spend around 14% of GDP on the purchase of services, works and supplies. In many sectors such as energy, transport, waste management, social protection and the provision of health or education services, public authorities are the principal buyers.<sup>4</sup>

Public procurement is becoming more strategic, more collaborative (across ecosystems), and more innovative when public procurement agreed policies are effectively implemented. Innovative and responsible public procurement empowers public authorities to obtain pioneering and innovative solutions customised to their specific needs. In the spirit of the above, many municipalities (such as those involved in the Covenant of Mayors for Climate and Energy initiative) also engage in green public procurement of higher efficiency equipment as an effective and widely accepted strategy<sup>5</sup>.

This approach can help local and central governments provide the best possible quality services to the taxpayer while saving costs at the same time. It will boost the competitiveness of European industry, including small and medium-sized enterprises (SMEs). At the same time, it encourages more efficient, sustainable, and innovative public services.

This Partnership aims to push forward the development and implementation of an ambitious procurement strategy as an integrated and supportive management tool for governance. Using public procurement and the procurement of innovation as a strategic management tool, cities can significantly increase the positive impact on their social, economic, and environmental objectives. When procurement strategies are well aligned in an overall management strategy, procurement can contribute as a catalyst at all levels of the multi-level governance in the EU Urban Agenda. Thus, the Partnership contributes to achieving the wider objectives of the Urban Agenda, which is to realise the full potential of urban areas towards achieving the objectives of the EU and related national priorities, in the full respect of subsidiarity and proportionality principles and competences.

The Action Plan 2025-2028 aims to put forward a package of suggested actions that helps cities to address the challenges they experience in deploying innovative and responsible public procurement. The actions were assessed and selected based on six criteria: urgent needs, impact, feasibility, expertise within the Partnership, added value and sustainability. In the Action Plan 2025-2028, three new actions have been identified to help cities address the challenges they experience.

<sup>&</sup>lt;sup>4</sup> <u>Public procurement (europa.eu)</u>

<sup>&</sup>lt;sup>5</sup> Covenant of Mayors - Home

# 1.2.3. Working method and methodology

The Draft Action Plan of the Partnership was presented in January 2025. This draft was the result of the demanding work of the Partnership in the last quarter of 2024. From January to February 2025, the public consultation took place. In this public consultation, public organisations, NGOs, private organisations, and other stakeholders provided their input and feedback on the Draft Action Plan 2025-2028. During the public consultation period received relevant feedback responses were implemented in the updated version of the Action Plan 2025-2028. Also, consultation feedback from the European Commission on the Action Plan 2025-2028 was provided. The received feedback responses are integrated in the final version of the Action Plan 2025-2028. For better transparancy about the implemented feedback, a separate feedback report will be created. In April 2025 the final version of the Action Plan 2025-2028 together with the feedback report was sent to the DGUM meeting. After acknowledgement of the Action Plan, the members of the Partnership will start implementation of the actions.

The Urban Agenda Partnership on Innovative and Responsible Public Procurement expects to set up about four meetings per year, two physical and two online meetings. The Urban Agenda Partnership will be led by a coordinator (City of Haarlem, The Netherlands). Next to these general meetings for the whole Partnership, the members of the Action Groups will work on the three actions by using e.g. conference calls, e-mails and if necessary and possible in-person meetings. This way, the momentum will be maintained in the process of implementation of the three actions. Every Action Group will be coordinated by one or more action leader(s).

It is important that the briefings, materials, and other outputs produced by the Urban Agenda Partnership are easy to read and to understand, and not too complex or difficult. Accessibility is key.

Different activities of this Action Plan 2025-2028 will have different timelines depending on the priority, order, and complexity.

# 2. Three actions on Innovative and Responsible Public Procurement

Looking across public procurement in Europe, we note there are plenty of initiatives and projects to develop strategic procurement, but also see many falter or fail when initial funding streams dry up. The strength of this Urban Agenda Partnership is that it has proven its added value through time. This network has already operated successfully since 2017, during this time two Action Plans have been approved and fully delivered. An important aspect is that the members of the Partnership are intrinsically motivated. There is a core group of partners and the Partnership is dynamic, regularly welcoming new members and proving resilient to members leaving (e.g. as a consequence of reorganisations, capacity or budget cuts).

This Action Plan 2025-2028 aims to contribute to the main objectives of the Urban Agenda of the EU through its three main objectives and pillars:

- 1. Better knowledge: Action 1 and Action 2 (sub-action 2.3)
- 2. Better regulation: Action 2 (sub-action 2.1 and sub-action 2.2)
- 3. Better funding: Action 3

The three actions of the Action Plan 2025-2028 are:

1. Better knowledge: Capacity Building for Public Procurement as a Strategic tool (Action 1) and on Regulation (Action 2)

#### **Capacity Building for Public Procurement as a Strategic tool**

Capacity building and capability within and beyond the UAPP (Urban Agenda on Responsible and Innovative Public Procurement) community can enhance knowledge of innovative, responsible and strategic procurement. Innovative procurement is a process that applies a novel approach to procurement, using functional requirements and selection criteria to optimise social, environmental, and economic benefits, fostering sustainability and social responsibility, while citizens' interests and rights playing an important role. Responsible public procurement is procurement that integrates social, environmental, and economic criteria to deliver long-term benefits to society and the environment within the frame wof Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014. It is important to achieve the best value for money, evaluating Total Cost of Ownership (TCO) instead of the purchase price. Strategic Procurement focuses on usage of public procurement as a tool to influence sectoral policies to encourage the realisation of values that are important for society and to achieve a wide range of policy objectives, including sustainability, climate change adaptation, digitalisation, the use of AI, circular economy, and

social justice. The aim is to influence stakeholders on a wider scale than just to meet criteria for procurement related objectives. When we mention Strategic Procurement, we also mean inclusion of responsible and innovative public procurement. Monitoring the use of criteria that support policy objectives helps to identify where additional actions are needed.

During the Action Plan 2022-2024 period, the Urban Agenda on Innovative and Responsible Public Procurement, developed a web-based Platform to support this strand of work. Users can register and become community members in order to receive new, interesting, and useful information about public procurement as a strategic tool. So it is not only the partners of the Urban Agenda who benefit from capacity building activities and learning materials, but also community members. This concept creates a so-called second circle around the Urban Agenda Partnership broadenings its outreach and impact.

#### **Capacity Building on Regulation in Public Procurement**

Capacity building is crucial for awareness and access to materials and tools on regulation in public procurement. By developing and sharing existing resources, stakeholders can better navigate the complexities of regulatory frameworks and learn from sustainable practices.

One effective approach is to engage in awareness-raising activities that highlight where to find relevant materials and tools. This can include creating a centralised repository of resources, such as guidelines, case studies, and best practices, specifically tailored to advocacy efforts.

Participating in national and EU-level events is another vital component of this capacity-building effort. These gatherings provide platforms for stakeholders to exchange knowledge and experiences, showcasing successful advocacy strategies. For example, demonstration projects and twinning initiatives with advanced partners can illustrate how they effectively utilise tools and regulations to achieve sustainable procurement goals. Learning from these examples can inspire and equip others to adopt similar approaches in their own contexts.

By focusing on these capacity-building activities, we can create a robust network of informed public authorities who are better equipped on regulations that support sustainable procurement practices. This collective effort not only enhances individual knowledge but also strengthens the overall movement towards sustainability in procurement.

# 2. Better regulation: Advocacy for better regulation

The EU Directives on Public Procurement might be revised during the 2024-2029 Commission mandate. The Urban Agenda Partnership on Innovative and Responsible Public Procurement for the EU aims to provide the Commission with input and recommendations throughout this process.

3. Better funding: Better funding can stimulate Public Procurement as a Strategic tool.

As part of this action recommendations on how to use funding to stimulate Public Procurement as a Strategic tool will be provided. Better funding on Strategic Procurement will help European public authorities to overcome challenges they are dealing with, such as climate adaptation, energy transition, circular economy and competitiveness.

The Partnership will not only focus on new actions, but also will update existing materials, to ensure the value of the deliverables from the previous periods of this Partnership is sustained. In particular, the Urban Agenda Partnership will further update the E-Learning module (<u>Urban Agenda - Public Procurement</u>) and Position Paper with the most impactful recommendations to enable the effective use of public procurement as a strategic tool (<u>Urban Agenda Position Paper Final Version 1.1</u>).

# 2.1 Action 1: Capacity Building for Public Procurement as a Strategic tool

# 2.1.1 Description of the action

Public procurement is an important strategic tool that helps cities to deal with different economic, environmental, and social (including gender-responsible) challenges. It is no longer seen as only of interest to public buyers and budget holders, but also as highly relevant to government leaders and stakeholders as they address key policy priorities. The connection between the budget holders and decision makers is essential for responsible public procurement efforts to succeed. Since its launch in 2017, the Partnership has developed into an active procurement professionals' and stakeholders' network. Action 1 will contribute to the further capacity building and knowledge development in this network, increase membership and community, and develop its role and influence. All materials produced by the Partnership, information shared by partner networks, and related EU-funded projects will be published on the sustainable online UAPP platform, where cities, regions, Member States and the European Commission co-develop public procurement practices and share knowledge with the Urban Agenda Partnership, community members and all stakeholders interested in public procurement as a strategic instrument. This information and materials might also be interesting for students, as they are future European procurers, sustainability advisors, decision makers, engineers, and so on.

The main focus of this action will be on Innovation, Circular Procurement, Socially Responsible Public Procurement and the Professionalisation of Public Procurement.

#### 2.1.2 What is the specific problem?

- ➤ Public authorities face problems, issues, and challenges in multiple areas such as climate adaptation, stimulating SMEs, circular economy transition, energy transition, social inclusion, and fighting unemployment.
- Many public authorities still procure and select suppliers based on the lowest price<sup>6</sup>, resulting in outmoded solutions for the problems that present themselves and a lack of coordination between public procurement processes and other goals of the relevant public authority, such as climate action, social inclusion, or a sustainability strategy.
- ➤ Employment opportunities for disadvantaged groups (e.g., long-term unemployed, persons with disabilities, migrants). It is important to ensure diversity and equal opportunities in public contracts. Social inequalities could be reduced through procurement policies. If social inclusion is not explicitly mentioned, it may be overlooked as a key component of responsible procurement. Social inclusion should be highlighted because unemployment is only one aspect of social inclusion.

<sup>&</sup>lt;sup>6</sup> Based on the data collected by the EU 60.1% of the awarded contracts are based only on price (see link)https://api.prod.public-procurement-data-space.europa.eu/superset/dashboard/64/?standalone=true

For example, the criteria in general should also consider how to include younger/older people (were relevant), and also foreigners (strict language requirements etc might also affect both unemployment and competition). Also, gender equality is relevant. For example, parental leave or working-part time for specific reasons should not exclude any specialists from fulfilling public contracts.

- Public authorities vary to a large extent in their level of professionalism with respect to the public procurement function in the organisation. For example, there are large differences in professionalism between small and large municipalities, provinces and central government agencies who procure works, products and services on a far larger scale. For this reason, capacity building for strategic public procurement cannot be a one size fits all approach.
- > The diversity of problems is accompanied by a lack of knowledge on innovative and innovation procurement tools among public authorities and how to use these tools effectively to address challenges.
- The current EU Directives on Public Procurement could be further improved to stimulate the use of public procurement as a strategic tool to tackle challenges public authorities are dealing with.

#### 2.1.3. What action is needed?

Action is needed to provide Urban Agenda partners (first circle), the community members through the existing UAPP Platform (second circle) and all interested stakeholders (third circle) with new, interesting information, knowledge, best practices and learning materials.

#### Through Action 1, the Partnership will:

- ➤ Help to bridge public authorities' knowledge gaps through capacity building, raising their awareness and knowledge on the strategic role of public procurement, such as Circular Procurement, Innovation, Socially Responsible Public Procurement and Professionalisation
- ➤ Help public authorities to raise their awareness about existing tools and resources, such as UAPP E-Learning model, Carbon Pricing Model (Carbon pricing is an instrument that captures the external costs of greenhouse gas (GHG) emissions), environmental cost indicator (with an aim to include environmental costs to determine the best tender offer), Green Public Procurement criteria and so on.
- ➤ Help authorities to identify the use of public procurement as a tool to stimulate SMEs through innovation procurement, reducing of the bureaucratic burden, and through the simplification of tender documentation.

<sup>&</sup>lt;sup>7</sup>https://green-business.ec.europa.eu/green-public-procurement/gpp-criteria-and-requirements\_en

- ➤ Provide synergy with research institutions when it comes to innovation procurement and collaboration with the European Innovation Council (EIC). Increase the Partnership with new dedicated members, second circle of community members and third circle of all interested stakeholders through the UAPP Platform, Procurement events, sessions, webinars.
- Provide knowledge and experience exchange and guidance on how public procurement can help cities and other public authorities deal with problems, issues, and challenges.
- Create a gateway to specific training facilities provided by European Institutions.

#### 2.1.4 Objectives

The Action 1 objective is 'Capacity Building for Public Procurement as a Strategic tool'.

Who will be the target group of this Action? The partners of the Urban Agenda Partnership on Innovative and Responsible Public Procurement and their networks. Additionally, community members will be involved and will include other procurers, budget holders, students, legal and sustainability advisors. Through the Partnerships' UAPP Platform and through Procurement events, sessions, and conferences the partners will expand the outreach to all stakeholders who are interested in public procurement as a strategic tool.

Objective of this action is Capacity Building on Strategic Procurement, including Innovative and Responsible Public Procurement. With **Capacity Building** we mean developing and strengthening the skills, abilities, processes and resources that public organisations need in order to use public procurement as a strategic tool. With **Strategic Public Procurement** we mean the use of public procurement as a tool to achieve a wide range of policy objectives, including climate adaptation, digitalization, circular economy, and social justice. The Urban Agenda Partnership will in particular focus on Circular Procurement, Socially Responsible Public Procurement, Innovation Procurement, and Professionalisation of public procurement within this Action 1.

#### 2.1.5. How to implement the action? What needs to be done?

ACTION 1	ACTION 1 Capacity Building for Public Procurement as a Strategic tool		
Sub-action	1.1 Capacity Building on Circular Procurement		
	Deliverables	Estimated deadline	
1	Webinar on implementation of Circular Procurement	2025	
	in the organisation		
2	Webinar on market dialogue and Green Deal	2026	
3	Webinar(s) on Carbon Pricing Model and Policy	2026-2027	

4	Collection of case studies on Circular Procurement for inclusion in the E-Learning module of the Urban Agenda	2026
Sub-action Procurer	on 1.2 Capacity Building on Socially Responsible Public nent	
	Deliverables	Estimated deadline
1	Collection of case studies on socially responsible	2026
_	public procurement with examples from as much as	
	possible of EU member states, with aim to promote	
	best practices and foster collaboration across the EU	
2	Identification challenges and solutions in socially	2026
	responsible public procurement (also social inclusion,	
	gender responsible public procurement etc)	
3	Upgrade of the E-Learning module of Urban Agenda	2027
	with new module on socially responsible public	
	procurement, Carbon Pricing Model	
4	Seminar on challenges and solutions, e.g. on	2027
	incorporation of contracting clauses with a gender	
	perspective and an intersectional perspective	
5	Identification of synergies of city-to-city exchange	2026-2028
	(together with EUI)	
Sub-action	on 1.3 Capacity Building on Innovation Procurement	
	Deliverables	Estimated deadline
1	Mapping existing tool on the use of big data in	2025-2026
	innovation procurement	
2	Online training (recorded and included in the E-	2026
	Learning module)	
3	Best practices collection	2026
4	Webinar(s) on e.g. how to use technology to tackle	2026
	societal and urban challenges, procurement clauses	
	for Al	
5	Synergies with EIC work	2025-2028
Sub-action	on 1.4 Capacity Building through Professionalisation	
	Deliverables	Estimated deadline
1	Article on opportunities and lessons learnt for better	2025-2026
	job design and career pathways for procurers, to	
	attract and retain talented staff	
2	Guidance on professionalisation	2027-2028

# 2.1.6. Implementation risks

- Doubles with existing capacity building materials.
- Accessibility and dissemination of developed capacity building materials.
- Resistance on the part of operators to incorporate environmental, social (and especially gender and intersectionality) and innovation clauses.
- ➤ Language barriers especially for procurers from small and medium sized cities and local stakeholders.

# 2.1.7. Which partners?

#### Action co-leaders:

- > City of Haarlem
- City of Gabrovo
- University Twente

#### Members:

- > Barcelona Provincial Council
- Nantes Metropole
- Czech Republic
- City of Tallinn
- City of Leiden
- > SERN
- > Dutch Ministry of Water management and Infrastructure
- > ICLEI Local Governments for Sustainability
- Cyprus Energy Agency
- ➤ ACR+
- Pianoo
- DG ENV
- DG REGIO
- > DG GROW
- > European Innovation Council
- Klimaatverbond (Dutch Climate Alliance)
- Scotland (The Scottish Government)
- City of Turin

#### Stakeholders:

> All members of the partnership

# 2.2 Action 2: Advocacy for better regulation

#### 2.2.1. Description of the action

Through Action 2, the Partnership will provide the Commission with input and recommendations on better regulation. In 2024, the Commission announced the upcoming revision of the EU Directives on Public Procurement. The Urban Agenda Partnership on Public Procurement for the EU will participate in the process by providing input and advice.

During the Action Plan 2022-2024 period, the Partnership set up a Position Paper with ten recommendations. As part of this action the Position Paper will be updated and extended with new insights and case examples to better explain and clarify the specific topics and parts of the Directives where improvement is needed.

#### 2.2.2. What is the specific problem?

The EU Directives on Public Procurement were adopted in 2014. In May 2024, the Council called on the Commission to revise the Directives to address a number of implementation issues including the insufficient use of strategic public procurement. This follows a 2023 report by the European Court of Auditors identifying several critical points with the current state of public procurement in Europe. Another specific problem is that public authorities are not always aware of existing materials, and tools on advocacy for better regulation, or they are aware of some tools but they don't know how to use them due to scattered and insufficiently coordinated resources. It would have an added value to bring resources together if possible and easily access existing resources.

#### 2.2.3. What action is needed?

With the input of the Urban Agenda Partnership on Innovative and Responsible Public Procurement for the EU, the Commission can be provided with valuable input and recommendations from European cities, towns, and other public authorities.

Awareness raising on where to find materials and tools on advocacy for better regulation is an action to develop.

# 2.2.4. Objectives

Knowledge improvement, and procurers and other stakeholders' engagement are covered in Action 1. The focus of Action 2 is on better regulation on Public Procurement, which would enable public authorities to unlock the full potential of public procurement as a strategic tool.

#### Through Action 2, the Partnership will:

- ➤ Provide the Commission with key recommendations on the Public Procurement Directives revision. Existing Position Paper of the Urban Agenda Partnership will be updated with the key recommendations based on the new developments and insights of the partners of the Partnership and their networks. Each key recommendation will be additionally explained using case example.
- > Update the content of its existing Position Paper (delivered as a part of the Action Plan 2022-2024), for example with opportunities of Carbon Pricing in procurement, Artificial Intellegence (AI) in public procurement etc.
- Add practical examples to each recommendation of the Position Paper to explain the importance of each single recommendation.
- ➤ Disseminate information about existing materials and tools including by participating in several events at national and EU levels, for instance by demonstration/twinning from advanced partners on how they use tools and regulation for sustainable procurement.

#### 2.2.5 How to implement the action? What needs to be done?

ACTION 2	Advocacy for better regulation	
Sub-action Revision	n 2.1 Provide input for Public Procurement Directives	
	Deliverables	Estimated deadline
1	Document with feedback of members	2025/2026
2	Recommendations (own recommendations and feed by other networks/ institutions)	2025/2026
Sub-action 2.2 Update Position Paper		
	Deliverables	Estimated deadline
1	Content update	2025
2	Case studies for each recommendation	2025/2026
Sub-action 2.3 Raising awareness of existing resources and tools		
	Deliverables	Estimated deadline
1	List with existing resources and tools	2025-2026
2	Dissemination of resources and tools through a webinar/training on how to use different tools, using experience of advanced public procurement authorities	2027-2028

# 2.2.6. Implementation risks

- > Resource uncertainty among partners can undermine long term planning/actions.
- > Resistance on the part of operators to integrate new regulations in the environmental, social (especially gender and intersectionality) and innovation field.

# 2.2.7. Which partners?

#### Action co-leaders:

- Nantes Metropole
- > City of Haarlem

#### Members:

- > SGI Europe
- Eurocities
- Cyprus Energy Agency
- ➤ ACR+
- ➤ CEMR
- ProcurFinland
- Klimaatverbond (Dutch Climate Alliance)
- > Dutch Ministry of Infrastructure and Water management

#### Stakeholders:

> All members of the partnership

# 2.3 Action 3: Better funding to stimulate strategic procurement

#### 2.3.1. Description of the action

Unfortunately, a lot of public authorities still see public procurement as a purely administrative task, without using it as a strategic tool for several reasons.

The Urban Agenda Partnership on Innovative and Responsible Public Procurement is set to investigate existing gaps, needs, and challenges related to funding in order to enhance strategic procurement practices. By after consulting stakeholders we will be able to formulate key recommendations on future funding that will stimulate use of public procurement as a strategic tool. With the key recommendations we will provide in the scope of this Action 3, we aim a meaningful change that will benefit both public authorities and the communities they serve.

Shifting to a more strategic approach in public procurement requires the active engagement in the design and the implementation of public tenders of different stakeholders, such as end-users, subject-matter experts, managers and suppliers.

#### 2.3.2. What is the specific problem?

Cities across Europe face many challenges such as addressing social and health issues, and enabling safety and environmental sustainability, climate adaptation, energy transition and so on. Public procurement is one lever that cities can use to address these problems, and cities need advice on how they can do so effectively. Unfortunately, there is a lack of funding to stimulate strategic procurement.

The degree of importance granted to the procurement function of public organisations vary widely across different public authorities. Some have capacity building issues, which could be a reason why procurement can not be used as a strategic tool. Sometimes, it is not that public authorities don't want to use public procurement as a strategic tool. Often, they don't do it in a very consistent way. Where one tender can really focus on CO2 reduction, other tenders focus on social equality, or air pollution, or circularity, or green energy, and so on. Strategic procurement is not the best price/quality ratio (which is the other option rather than lowest price), it is a step further. And when there is no consistent tendering of the quality aspects and holistic approach you can't expect the market to change in a consistent way (what should be the ultimate goal for strategic procurement). It is good to underline the importance of citizens as end-users. Strategic public procurement must have a pillar to serve the needs of citizens and not to do business practices within a market economy.

#### 2.3.3. Which action is needed?

The Urban Agenda Partnership on Innovative and Responsible Public Procurement for the EU will provide recommendations on better funding with the aim to stimulate strategic procurement. It could be done in the following ways:

#### 1. Stakeholder Engagement and Consultation

- -Conduct Stakeholder Surveys: Collect input from cities, public authorities, procurement professionals, community members, endusers, managers, and experts to understand their needs and challenges related to funding strategic procurement.
- -Organise Stakeholder Workshops and Focus Groups: Facilitate discussions with key stakeholders to gather insights on how they perceive current funding gaps and what resources would help them use procurement strategically.

#### 2. Address Political and Bureaucratic Barriers

-Engage with EU Policymakers: Work with EU decision-makers to raise awareness about the need for more robust funding mechanisms for strategic procurement. Advocate for policy changes that prioritise funding for innovation, sustainability, and socially responsible procurement practices.

#### 2.3.4. Objectives

Given the urgency of using public procurement as a strategic tool and stimulate public authorities to use public procurement to full potential, the following objectives are relevant:

- Collect input from cities, public authorities, procurement professionals, community members, and experts to understand their needs and challenges related to funding strategic procurement or rather to provide additional funding when meeting European objectives through the Strategic procurement.
- Collect input by facilitating discussions with key stakeholders to gather insights on how they
  perceive current funding gaps and what resources would help them use procurement
  strategically.
- Analyse input from stakeholders.
- Analyse current EU funding opportunities to stimulate strategic procurement.
- Provide the Commission with recommendations on future funding for stimulation of strategic procurement and advocate for policy changes.

#### 2.3.5. How to implement the action? What needs to be done?

ACTION 3 Better funding to stimulate strategic procurement		
Sub-action	3.1 Recommendations on better funding	
	Deliverables	Estimated deadline
1	3.1.1 Stakeholder Engagement and Consultation:	2025-2026
	Survey on needs and challenges related to funding	
	strategic procurement	
2	3.1.2 Stakeholder Engagement and Consultation:	2025-2026
	Stakeholder Workshop and Focus Groups on	
	perceived current funding gaps	
3	3.1.3 Address Political and Bureaucratic Barriers:	2026
	Recommendations on better funding to stimulate	
	strategic procurement (to include in Action 2 sub-	
	action on upgrade of Position Paper)	

# 2.3.6. Implementation risks

- ➤ High upfront costs for Research and Development funds for instance for SMEs and educational organisations, high payback if successful but competition is high.
- > Lack of continuity as funding ends.
- ➤ Policymakers may not prioritize strategic procurement funding or may resist changes to current funding mechanisms.
- > The promotion of public procurement (externalisation) brings with it precariousness in working conditions and in the emptying of contents of public institutions.

# 2.3.7. Which partners?

#### Action co-leaders:

- Nantes Metropole
- City of Haarlem

# Members:

- > ICLEI
- Procure2Innovate
- Klimaatverbond (Dutch Climate Alliance)
- ProcurFinland
- ➤ CEMR

#### Stakeholders:

> All members of the partnership

# 3. Links with other commitments

# 3.1 Link with cross-cutting issues

The Urban Agenda Partnership on Innovative and Responsible Public Procurement for EU successfully collaborated with the following networks and initiatives in the past Action Plan 2022-2024 period and is going to continue this fruitful collaboration also in the upcoming Action Plan 2025-2028 period:

- Big Buyers Working Together project
- Eurocities Working Group on Public Procurement
- PROCEDIN project
- Innovation Procurement Taskforce IPTF Innovation Procurement Task Force
- European Circular Economy Stakeholder Platform (Leadership group Circular Procurement and EU Competitiveness)
- European Innovation Council
- Other Urban Agenda for EU Partnerships

Next to the networks and initiatives above it is important to mention an Initiative of DG Regio and OECD on Strategic Public Procurement (Inforegio - Public Procurement). This initiative included helping contracting authorities across Europe to frame and increase the strategic dimensions of their procurement practices. To do so, five concrete projects involving procurement processes have been selected:

- No procurement is an island. Shifting to a more strategic approach in public procurement requires the active engagement of various stakeholders beyond public procurement professionals.
- Using public procurement more strategically allows to better respond to changing conditions.
- Mainstreaming strategic public procurement requires capable institutions and individuals.
- Risk aversion is one of the main reasons limiting a more strategic approach to public procurement, especially in Cohesion Policy funded projects.

Urban Agenda Partnership on Innovative and Responsible Public Procurement for the EU is committed to taking on board and further build on the valuable insights of DG Regio and OECD initiative on strategic public procurement. By leveraging key insights that recognise the interconnections of various stakeholders, by adopting a more strategic approach, the Urban Agenda Partnership on Public Procurement can enhance our responsiveness to evolving conditions and ensure that procurement practices align with broader policy goals. To mainstream this strategic vision, we will focus on capacity building and empowering professionals at public authorities involved in procurement processes. By addressing these challenges collaboratively, our Urban Agenda Partnership on Innovative and Responsible Public Procurement aims to create a framework that fosters strategic engagement and drives positive outcomes across the EU.

The actions of this Action Plan 2025-2028 have cross-cutting linkages with different Urban Agenda Partnerships. Innovative and Responsible Public Procurement is inherently cross-cutting; working on this topic promotes cooperation across sectors. The following opportunities for synergies can be explored in the course of the implementation of the current Action Plan:

- ➤ Urban Agenda Partnership on Food: public procurement plays a vital role in avoiding food waste, reduction of CO2 (e.g. through production and transport), and making food healthier.
- ➤ Urban Agenda Partnership on Cities Equality: in selection and/or award criteria equality aspect can be used to achieve equality in cities by using procurement as a strategic tool, e.g. balance between male and female employees, equal wages for male, female, disabled employees.
- Urban Agenda Partnership on Jobs and Skills: public procurement can cover social aspects, e.g. help to create new jobs and internships for unemployed people or people with disabilities or distance to the labour market.
- ➤ Urban Agenda Partnership on Sustainable Tourism: the sustainability aspects of tourism can be catalysed using public procurement, and can nudge market parties on tourism (hotels, agencies who set up holiday packages, tourism waste) towards choosing more sustainable solutions.
- ➤ Urban Agenda Partnership on Circular Economy: using circular public procurement as a strategic vehicle to make a transition to circular economy. By using circular criteria when buying goods, services or works, public authorities could have an impact on the market, and stimulate private sector to invest in and offer circular solutions.
- ➤ Urban Agenda Partnership on Climate Adaptation: public authorities can achieve climate adaptation by using climate adaptation aspects in selection and award criteria in procurement. For example, water barriers could be created, protecting citizens from floods, buildings could be isolated to prevent extreme temperature, blue zones (water zones) and shadow places could be created to cool down the urban areas and so on.
- ➤ Urban Agenda Partnership on Urban Mobility: innovative and responsible public procurement can help to make the urban mobility greener and more sustainable, also by involving market parties and stimulating sustainable development and innovation. For example, precommercial procurement (PCP) and public procurement of innovation (PPI) could help to find innovative clean vehicles and stimulate healthier ways of transportation.
- ➤ Urban Agenda Partnership on Air Quality: public authorities can improve air quality by using circular, sustainable criteria in procurement, improving environmental effects in a positive way. Particulate matter, and nitrogen dioxide are the examples of air pollutants. So, by

procuring clean vehicles, green energy solutions, sustainable and clean heating, particular matter, and nitrogen dioxide will be reduced and the air quality in the urban area will be improved.

- ➤ Urban Agenda Partnership on Digital Transition: innovative public procurement can help to speed up the digital transition, e.g. by formulating procurement needs as a challenge. Innovative start-ups and SMEs will be stimulated to produce innovative digital, and Al solutions. For example, increase cyber security of public authorities when it comes to sensitive information.
- > Urban Agenda Partnership on Sustainable Use of Land: by using sustainable and responsible public procurement use of land can be done in a more sustainable and responsible way. For example, by including sustainability criteria, pollution could be combated or decreased.
- > Urban Agenda Partnership on Energy Transition: strategic use of public procurement can lead to innovative solutions when it comes to renewable energy, such as using more solar panels, warm pumping stations and other clean and innovative energy solutions.
- ➤ Urban Agenda Partnership on Greening Cities: the money public authorities spend every year on procurement can be used strategically. If Greening Cities are to be achieved, public procurement is an indispensable tool when greening aspects are included in all procurements to increase biodiversity, more trees and green in cities, and clean vehicles.
- ➤ Urban Agenda Partnership for Building Decarbonisation: The obligation of public entities to renovate 3% per year of the surface of public buildings derived from the Energy Efficiency Directive is a fantastic opportunity to set an example and make exemplary interventions, which encourage deep renovations in the rest of the buildings in the cities. Innovative public procurement can make this objective possible.

# 3.2 The Urban Agenda & Sustainable Development Goals

The Urban Agenda for the EU is part of the EU's commitment to both the New Urban Agenda and the 2030 Agenda for Sustainable Development. The actions addressed in this Action Plan correspond to the commitments and goals set in these international agreements. Innovative and Responsible Public Procurement is a topic that touches upon several of the city's critical challenges, concerning social, economic, and environmental issues.

The Partnership acknowledges the 17 Sustainable Development Goals (SDGs) formulated by the United Nations as relevant for their work. The global challenges they address are also the challenges faced at urban level. While working on its actions, the Partnership aims to contribute to the SDGs and relevant targets.



The actions of this Action Plan can help increase the use of public procurement as a strategic tool and contributes directly and indirectly to all SDGs, but especially to:

- > SDG 1 No poverty, SDG 2 No hunger and SDG 8 Good jobs and economic growth (through the creation of new jobs by using, e.g. Social Return of Investment, through Action 3).
- > SDG 4 Quality education (through the involvement of academia and institutions in Urban Agenda Partnership and open-source materials, tools, and briefings also for students).
- > SDG 5 Gender Equality and SDG 10 Reduced inequalities (through promoting Gender responsible procurement).
- > SDG 6 Clean Water and sanitation, SDG 7 Renewable energy, SDG 12 Responsible consumption, SDG 13 Climate action (through circular procurement and sustainable criteria in public procurement).
- > SDG 9 Innovation and infrastructure (through innovative and innovation procurement, innovation procurement brokerage, through collaboration with European Innovation Council).

# 4. Monitoring

The state of play of the actions and sub-actions will be monitored through a monitoring system developed by EUI. EUI provides the technical secretariat and has an overview of all actions of Thematic Urban Agenda Partnerships. Periodically, the coordinators and (co)leaders of the Partnerships have to fill in the monitoring system regarding the state of play of their actions.

Urban Agenda Partnership on Innovative and Responsible Public Procurement will inform DGUM and EUI in case changes and adjustments which take place in the period 2025-2028, for example, changes in the composition of the Partnership.

Information regarding the Partnership and produced documents will be published on the Urban Agenda website, developed by EUI <u>Public Procurement | UAEU</u>

On the UAPP Platform of the Urban Agenda Partnership on Innovative and Responsible Public Procurement for EU various information can be found, such as a general description of the Partnership and composition, activities, events, EU funded projects, where Urban Agenda partners are or were involved, blogs, documents, and news: Home | Urban Agenda Public Procurement

# 5. To conclude

The Urban Agenda on Innovative and Responsible Public Procurement for the EU focuses specifically on three pillars of EU policy making and implementation: better regulation, better funding, and better knowledge. By the end 2024, partners of the Urban Agenda formulated the new actions for the next period 2025-2028.

For this Action Plan 2025-2028, three actions have been identified:



With the new three actions for Innovative and Responsible Public Procurement, this document continues to build on the many existing initiatives and projects that relate to the work of the Partnership, the previous Action Plan 2018-2022 and Action Plan 2022-2024. We defined three actions to promote public procurement as a strategic tool in realising social, economic, and environmental policy goals.