



Buying wisely

The Fair Trade Movement's
recommendations for the review of the EU's
2014/24 Public Procurement Directive

POSITION PAPER

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**Fair
Trade**
ADVOCACY OFFICE

1. Background information

The [2014/24/EU Directive of the European Parliament and of the Council](#), adopted on 26 February 2014, repeals Directive 2004/18/EC with the aim of modernising public procurement within the European Union. Its main objective is to simplify public procurement rules, promote fair competition, and encourage strategic use of procurement to achieve social, environmental, and economic objectives.

The Fair Trade Movement recognises the opportunities the Directive has created to advance social, environmental, and economic goals. However, it is crucial to safeguard and build upon these achievements. Without a stronger regulatory framework, sustainability criteria risk being sidelined in favour of lower costs, jeopardising efforts to establish fair and ethical supply chains and to benefit responsible businesses. This position paper outlines the Fair Trade Movement's key recommendations for enhancing strategic public procurement, ensuring that the [14% of GDP spent on public procurement in the EU](#) benefits business actors who generate positive social and environmental impacts.

2. Recommendations from the Fair Trade Movement

Make the Most Economically Advantageous Tender (MEAT) the default criteria

The [reliance on the lowest price criterion in public procurement has fuelled a "race to the bottom"](#), prioritising cost over ethical commitments and disadvantaging Fair Trade operators, whose prices reflect higher social and environmental standards. To address this, the "Most Economically Advantageous Tender" (MEAT) criteria must become the default, ensuring that social and environmental considerations take precedence over price alone.

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Embedding **third-party certifications** within the MEAT criteria would **simplify** purchasing decisions and foster greater **competition** within the common market. Public authorities often cite the abundance of labels and a [lack of their expertise](#) as barriers to sustainable procurement. Allowing recognised certifications to verify compliance would make procurement more accessible and strengthen sustainability requirements.

A [2023 European Court of Auditors report](#) further underscored these concerns, finding that despite the 2014 directive reform, strategic procurement focused on environmental, social, or innovative aspects remains limited, with decreased competition of bidders and with most contracts still awarded primarily on price.

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Enhance legal certainty for Sustainable Public Procurement uptake

A key challenge in implementing sustainability criteria is the restrictive interpretation of the "link to the subject matter" principle, which limits the use of social and environmental requirements in public procurement.

Public buyers should be allowed to require **third-party certifications as part of the MEAT criteria**, rather than only in technical specifications, award criteria or contract performance when directly linked to the contract.

Exempting sustainability aspects from the link to the subject matter would provide **legal clarity**, reduce the risk of [legal disputes](#) and ensure more consistent implementation across Member States. This approach aligns with the [EU horizontal guidelines](#), which **allow for a broader interpretation of what can be considered in procurement decisions**, encouraging public authorities to integrate sustainability criteria even if they are not directly tied to the contract's main objective.

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Enhance social economy access to public procurement

Despite prioritising social, environmental, and cultural impact over profit, Fair Trade operators which include actors like cooperatives and social enterprises are often excluded from public procurement opportunities. The [2023 European Court of Auditors report](#) highlights that the 2014 reform has not increased the participation of Small and Medium Enterprises (SMEs) in public procurement, often due to their [limited administrative staff and lack of expertise](#).

To improve access for social economy actors, introduce mandatory **provisions for market reservations and smaller lots**. Additionally, **more leniency towards joint bids** should be considered, allowing smaller entities to collaborate with larger ones to overcome capacity and resource constraints. This would not only increase participation but also foster partnerships that align with the social and environmental objectives of public procurement.

Further leveraging the [Social Economy Action Plan \(SEAP\)](#) and the [2023 Council Recommendation's](#) public procurement dispositions is crucial for promoting these models.

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Beyond voluntary approaches: inclusion of Fair Trade references

The directive allows contracting authorities to include social and environmental provisions in technical specifications, but these are not mandatory, leading to inconsistent application and weak enforcement across Member States. Voluntary guidelines, like the [Green](#) and [Social Public Procurement](#) ones, have also proven [insufficient](#).

Incorporating **clear references to Fair Trade** in a revised EU directive could **reduce legal uncertainty for both public buyers and bidders**. [Italy's Minimum Environmental Criteria Law \(CAM\)](#) provides a useful model, as it includes references to Fairtrade International and

the World Fair Trade Organization certifications. CAM also sets mandatory sustainability requirements, particularly for public catering, such as the use of Fair Trade products.

Furthermore, to help bridge public buyers' knowledge gap on the availability of sustainable products, the updated Directive should draw from [Poland's Public Procurement Law](#), which requires a market analysis for procedures above certain thresholds. A similar approach at the EU level could encourage public buyers to work with a catalogue of product categories requiring the application of social and environmental criteria, where market supply allows.

The Directive must ensure that public buyers integrate Fair Trade criteria into at least **25% of their purchases within a list of categories in which there is sufficient offer of different fairly traded products to allow for competition among suppliers**. This has proven to be feasible by existing practices in Italy and in Paris, where the city has committed to [100% fairly sourced cocoa and banana by 2026](#).

Enhance professionalisation of contracting authorities

The Fair Trade Movement has emphasised the need for enhanced guidance and training for procurement officials. By **professionalising contracting authorities** and adopting a more **strategic approach**, officials will be better equipped to integrate sustainability considerations into their decisions. These steps are instrumental in **fostering competition, improving procurement efficiency, and promoting sustainable public procurement**. Without sufficient capacity and expertise, mandatory rules on sustainable public procurement are less likely to succeed. To address this, the Fair Trade Movement recommends to:

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- **Invest in the professional development of procurement officials** (EU regulations could allocate resources and require Member States to create a **certifying body** for procurement professionals). This would standardise training, ensuring officials can effectively integrate sustainability into procurement decisions, boosting consistency and trust in the process.
- Promote the creation of **Sustainable Public Procurement (SPP) knowledge centres** at the EU, national, and regional levels, establishing a network to share best practices, training materials, and data on SPP adoption and challenges.
- Develop a **ledger-based technological tool** to assist with compliance to mandatory SPP rules, offering a centralised platform for best practices and guidelines.

Strengthening Human and Social Rights in the EU Directive

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The 2014 Directive must be updated to ensure that contracting authorities account for human rights and environmental risks in their procurement decisions. Specifically, the Directive should enforce the right to adequate remuneration (via living wages and living incomes), compliance with collective agreements, and adherence to ILO standards, such as [ratifying ILO Convention No. 94](#). It should also align with internationally recognised

frameworks for responsible business conduct, such as the [UN Guiding Principles on Business and Human Rights \(UNGPs\)](#) and the [OECD Guidelines for Multinational Enterprises](#).

By requiring public buyers to assess and address human rights and environmental risks in procurement decisions, the revised Directive can turn public procurement into a powerful tool for **promoting fair labour practices, securing living wages, and ensuring greater transparency** in global markets.

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The revision should also align with new EU initiatives, particularly Article 31 of the Corporate Sustainability Due Diligence Directive (CSDDD).

Compliance with the [CSDDD](#) should therefore be included as an “environmental or social aspect” in award criteria, alongside Fair Trade operators' commitment to Human Rights and Environmental Due Diligence (HREDD). Although Fair Trade enterprises are too small to fall within the CSDDD’s scope, they still conduct due diligence. Their adherence to HREDD should be recognised in award criteria to ensure fair competition and prevent undue advantages for larger actors.

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Place greater emphasis on monitoring and measuring sustainability

The **lack of reliable data on socially responsible public procurement (SRPP)** in the EU makes it challenging to assess its impact, as public buyers are not required to report how they consider social and environmental factors. To address this, EU legislation should mandate that public authorities should have the same level of access as investors to sustainability reporting of companies.

Reliable data is crucial for **assessing risks and monitoring suppliers’ compliance with human rights and environmental standards**.

To improve accountability, the revised directive should require public authorities to disclose their contractors, ensuring transparency and facilitating accountability. An EU-wide registry to share data on contractors’ human rights and sustainability ratings would help authorities assess suppliers based on sustainability criteria.

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Integrate Gender Equality lens into Public Procurement

Public procurement policies should promote gender equality, recognising the [disproportionate impact of unsustainable practices on women and girls](#).

The Directive allows authorities to prioritise companies that ensure equal opportunities or demonstrate gender equality. The EU and Member States can drive change by demanding sustainable products, including from women-led cooperatives. Clear guidelines, training, and practical tools are needed for effective implementation, while transparency through gender-disaggregated data will help assess impact and identify improvements.