



Sustainable public procurement – How does the public sector buy?

The public sector procures a wide range of products and services – paper and office supplies, street cleaning vehicles, food in schools and canteens, workwear for firefighters and care workers, the construction and maintenance of roads and public buildings. If federal and state governments and municipal authorities consider sustainability aspects when purchasing goods and services, this makes an appreciable contribution to resource conservation, environmental protection, climate change mitigation and fair working conditions.

Public procurement functions as a model. If the letter from the government agency is printed on recycled paper and the school canteen offers organic food, this raises public awareness of sustainability as an issue. Sustainable public procurement promotes sustainable businesses and structures – locally and globally. Furthermore, the subsequent costs of sustainable products are often lower, for example in terms of energy consumption.

Taken together, the bodies that award public contracts have an enormous budget: the total is estimated at between 150 and 440 billion euros each year in Germany alone. However, this is spread across a large number of individual procurement departments in the various branches of national and local government. In consequence, many individual decisions in favour of sustainability must be made if the public sector is to wield its market power as a major consumer to full effect.

Necessities and difficulties of sustainable procurement

In its National Action Plan (NAP) on implementation of the UN Guiding Principles on Business and Human Rights, which was adopted on 21 December 2016, the German government affirmed in connection with public procurement that “The federal, state, and local authorities bear particular responsibility in this domain, in that they must discharge the state duty to protect human rights and ensure that the use of public funds does not cause or foster any adverse impact on human rights.”

However, not all the proposals in the sustainability strategy are incorporated into legal requirements. For example, Germany’s federal and regional-state (Land) procurement law sets out the principles of eco-friendly and socially fair public procurement, but concrete rules for procurement departments are also needed and these are often lacking.

Sustainability criteria for all public invitations to tender need to be defined and systematically documented. In addition, steps must be taken at the outset to identify how the relevant proof of the environmental and social performance of products and services is to be obtained. A greater

emphasis on sustainable procurement processes in the strategic orientation of public procurement departments is helpful here.

Towards sustainable procurement

Procurement departments need a clear policy framework and support for sustainable procurement. In addition to the legal rules, a decision of principle at policy level or a declaration by senior administration officials is very helpful in this regard. This commitment to environmentally friendly and socially fair procurement must be put in writing, perhaps in a special procedural directive or a supplement to existing procurement rules.

Setting up a working group within a public-sector organisation makes the strategic orientation visible and shows that there are people behind the concept who care about it and are addressing it. They specify targets for the procurement process, assign responsibilities and set out reporting obligations. Other tasks include selecting product groups and defining criteria.

Collaboration with central procurement departments and other public institutions is useful. Other important tools are training sessions for employees and the creation of relevant guidelines and documents (such as the guidelines: [Grundlagen der umweltfreundlichen öffentlichen Beschaffung](#) [Principles of eco-friendly public procurement]).

Legal options with regard to sustainable procurement

Both EU regulations and national procurement law set out how public procurement departments can – and in some cases must – consider sustainability aspects.

This can occur at different stages of the procurement process – when characterising the requirements for the goods or service (minimum requirements), when specifying the award criteria to be used in the evaluation of tenders, or during the implementation of contracts, for example in connection with the supply of goods or the delivery of services (contract execution conditions)

Studies by the Oeko-Institut: guidelines at national, EU and international level

On behalf of the German Federal Environment Agency (UBA), the Oeko-Institut has investigated the legal means by which the public sector can take account of qualitative, environmental, innovative and social criteria in its procurement processes. For example, the law states that above specific thresholds for different procurement groups (e.g. EUR 144,000 for supply and service contracts placed by upper and top-level federal authorities), environmental aspects must be considered when public bodies procure goods, devices and equipment that consume energy; road vehicles are included in this.

The report explains how the reform of procurement law in 2016/2017 makes it easier to procure sustainable products. For example, public procurement departments can refer generally to quality labels (ecolabels) when setting out the technical specification of goods or services. These labels – which include the German Blue Angel (Blauer Engel) and the EU Ecolabel – are awarded to products or services that have certain environmental properties.

[Umweltfreundliche öffentliche Beschaffung](#) [Eco-friendly public procurement]: Legal opinion by the Oeko-Institut on behalf of the Federal Environment Agency

In addition, public-sector procurement departments can require providers to meet certain environmental management standards. EMAS (the Eco-Management and Audit Scheme, also known as the EU Eco-Audit) illustrates how environmental management systems can be used in the procurement of services and construction work.

[“EMAS in public procurement”: brochure by the Oeko-Institut on behalf of the Federal Environment Agency](#)

The Oeko-Institut is also addressing the framework for sustainable procurement at international level. For example, it was involved in reviewing procurement criteria in the EU context and in assisting the ASEAN countries to implement a sustainable public procurement system.

Biodiversity criteria in the German government’s procurement

On behalf of the German Federal Agency for Nature Conservation (BfN), Oeko-Institut researchers are investigating how sustainable procurement can help conserve biodiversity. The manufacture of paper products and printed materials, food production and the composition of canteen menus can have significant impacts on biodiversity in Germany and worldwide.

The research project aims to produce drafts of general administrative provisions that require public procurement departments to adhere to binding rules on catering and canteen operations and the procurement of paper products and hygiene articles.

The research team, which includes the Institute for Ecological Economy Research (IÖW) and the law firm Dageförde, has produced concepts for the design of procurement requirements and reviewed their practicality in workshops and discussions with experts. The project’s findings are to be incorporated into the further decision-making process on implementation of the German government’s programme of sustainability measures.

[*Biodiversitätsschutz in der Beschaffung des Bundes – Praktische Konkretisierungen in den Produktgruppen Lebensmittel und Papier*](#) [Biodiversity conservation in the federal government’s procurement – Practical steps in the product groups of food and paper]: Oeko-Institut research project on behalf of the German Federal Agency for Nature Conservation

Further information

[The Oeko-Institut’s “EcoTopTen” information platform \(in German\)](#)

Principles of eco-friendly public procurement: [*Umweltfreundliche Beschaffung – Schulungsskript 1*](#) [Eco-friendly procurement – Training script 1]: Guidelines produced by the Oeko-Institut on behalf of the Federal Environment Agency

Introduction to the calculation of life-cycle costs and their utilisation in procurement processes: [*Umweltfreundliche Beschaffung – Schulungsskript 2*](#) [Eco-friendly procurement – Training script 2]: Guidelines produced by the Oeko-Institut on behalf of the Federal Environment Agency

Introduction to the use of ecolabel product criteria: [*Umweltfreundliche Beschaffung – Schulungsskript 3*](#) [Eco-friendly procurement – Training script 3]: Guidelines produced by the Oeko-Institut on behalf of the Federal Environment Agency

[*Nachhaltige Beschaffung konkret*](#) [Sustainable procurement in concrete terms]: Guidelines produced by the Oeko-Institut on behalf of the Baden-Württemberg Ministry of the Environment,

Climate Protection and the Energy Sector and the Baden-Württemberg State Institute for the Environment, Measurements and Nature Conservation (LUBW)

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Oeko-Institut is a leading independent European research and consultancy institute working for a sustainable future. Founded in 1977, the institute develops principles and strategies for realising the vision of sustainable development globally, nationally and locally. Oeko-Institut is represented at three locations in Germany – Freiburg, Darmstadt and Berlin.