



Monitoring the implementation of green public procurement in Berlin



Public Procurement Principle: **Balance, Evaluation**



Procurement Stage: **Tendering, Post-award**



Audience: **Policy maker, Procuring entity**

Description

Berlin is one of the federal states in Germany that has tracked the implementation of regulations related to complementary policy objectives. Berlin has included in its procurement law the option to give preference to environmentally friendly products and services. In 2013, Berlin issued its Administrative Regulation of Procurement and the Environment (Verwaltungsvorschrift Beschaffung und Umwelt, VwVBU) in order to further support contracting authorities. VwVBU made it mandatory for authorities to conduct environmentally friendly procurement. The regulation also contained a number of templates that could be used to draft environmentally friendly specifications for 65 standard goods and services.

In 2015, Berlin took steps to determine to what extent the regulation had been implemented. To do so, Berlin hired a think tank to conduct two detailed studies. The think tank Öko Institut e.V. explored the extent to which Berlin's contracting authorities observed requirements for environmentally friendly purchasing. The think tank also looked at the economic and environmental impact of the public procurement of 15 goods that were frequently purchased in the state. The studies made the case that VwVBU was successful because it combined binding requirements with very concrete support for implementation. In addition, analysing the savings potential of environmentally friendly procurement, the studies were able to highlight the tangible economic advantage environmentally friendly procurement can produce. Therefore, the studies provided additional incentives for contracting authorities to comply with policies on environmentally friendly procurement.

Status of the implementation of VwVBU

Berlin's senate made the decision to require an evaluation of the implementation of VwVBU. Berlin has 2 000 contracting authorities that are required to implement VwVBU. Öko Institut e.V. conducted written and face-to-face interviews with procurers, bidders and suppliers. The analysis found that VwVBU was well implemented, with most procurement following environmentally friendly criteria. According to the interviews, a decisive factor was that the regulation included templates that were relatively simple to transfer into every day procurement cases. Challenges remained in areas where technical specifications were complex, and where deep knowledge was required to evaluate proposals. The study recommended creating a centralised procurement unit combined with an online catalogue to alleviate pressures for individual contracting authorities.

Economic savings through environmentally friendly procurement in Berlin

Furthermore, the study aimed at identifying how much money Berlin could save by procuring environmentally friendly goods instead of standard versions. It is worth noting that the study did not attempt to identify actual savings due to a lack of data. Instead, it compared 15 products and services typically procured by Berlin's administration, like computers, paper, lamps, garbage disposals and cars against market prices. The study analysed two aspects: 1) the life-cycle costs of the 15 products and services; 2) the aggregated savings that these 15 products would accrue per year if purchased through an environmentally friendly as opposed to conventional process.

Overall, the study found that purchasing these 15 products in an environmentally friendly way would result in: 1) savings of 3.8%; and 2) a 47% reduction in CO2 emissions. The study found that ten items had lower life-cycle costs, while five were more expensive. However, the more expensive products included some for which the environmental effect was much more positive than the limited cost increase. For example, dishwashers were much more energy efficient and cost only a small amount more. In addition, by using more expensive construction equipment in works projects, those works projects emitted fewer particles. This demonstrates that Berlin could adopt a policy to require contracting authorities to always purchase in an environmentally friendly way.

Source: OECD (2019), [Public Procurement in Germany: Strategic Dimensions for Well-being and Growth](#), OECD Publishing, Paris

