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Deutsches Institut für
Entwicklungspolitik



German Development
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What is joint procurement and how can we use it for sustainability?

Insights from German and selected European Frontrunners

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I. What is joint public procurement and how does it relate to SPP?

II. The four pillars of joint public procurement initiatives

III. Different forms of joint public procurement in Germany and Europe

IV. Concluding remarks

I. Joint public procurement and its relation to SPP



“**Cooperative purchasing** is defined as the cooperation between two or more organisations in a purchasing group in one or more steps of the purchasing process by sharing and/or bundling their purchasing volumes, information, and/or resources. A **purchasing group** is defined as an organisation in which cooperative purchasing processes take place. A purchasing group consists of dependent or independent organisations that share and/or bundle together in order to achieve mutually compatible goals that they could not achieve easily alone.”

(Schotanus & Telgen, 2007)

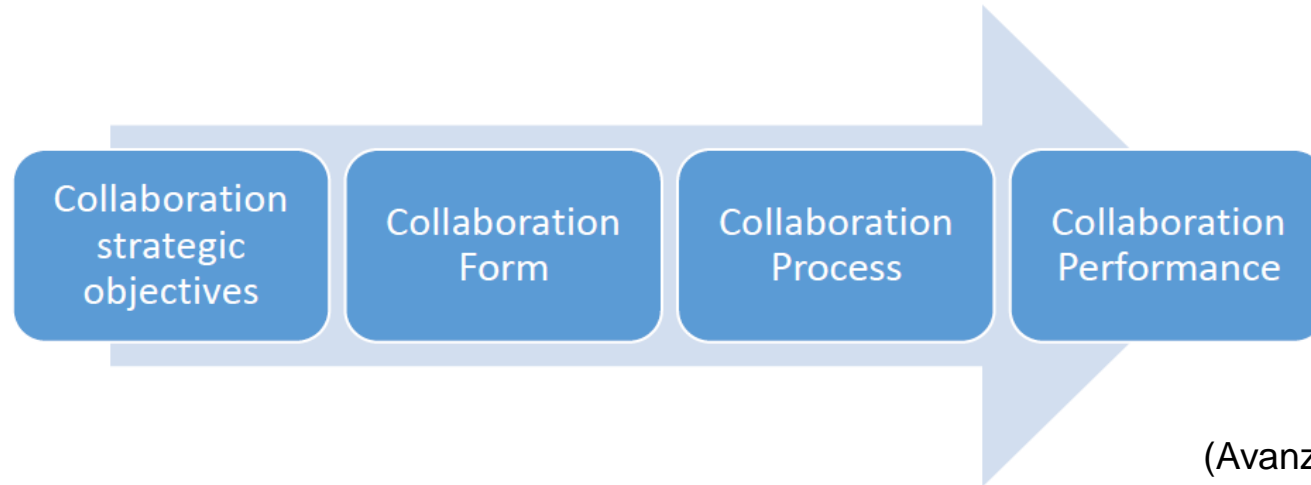


I. Joint public procurement and its relation to SPP

Reasons to believe that joint procurement (can) have positive impacts on the sustainability of purchased products/services

1. Purchasing groups demand higher amounts of products/services for more money => more attractive for enterprises to shift production modes
2. Joint procurement often leads to more available resources (personnel, knowledge etc.) in the procurement process
3. Additional resources have further implications
 - a) Door-opener for municipalities that did not include sustainability criteria up to now
 - b) Basis for combining strategic goals such as sustainability and innovation => purchasing groups as launching customers
 - c) stronger focus on contract management

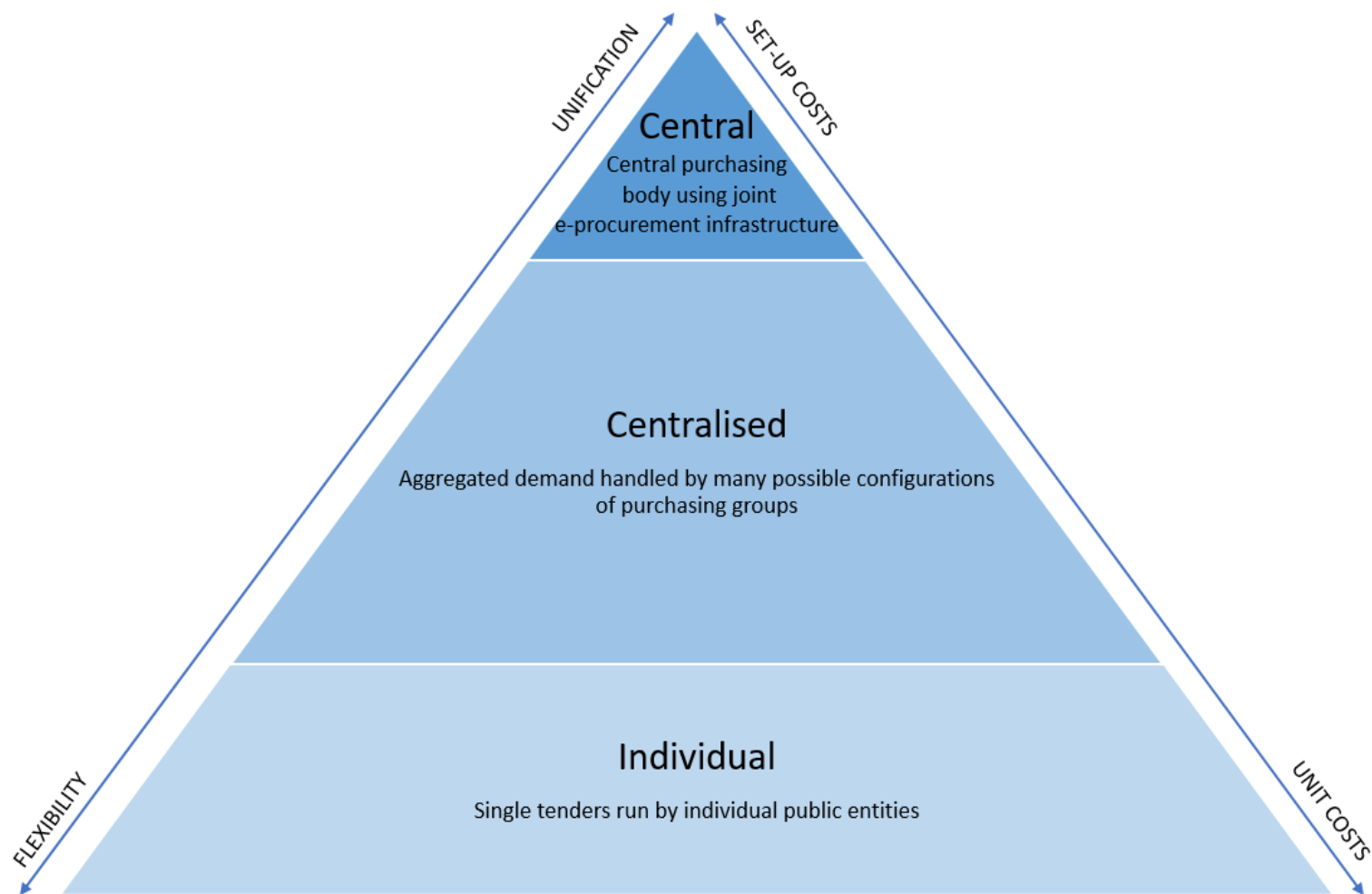
II. The four pillars of joint public procurement initiatives



(Avanzato, 2017)

- Basis for participating (or setting up) a purchasing group are objectives
 - a) from the public entity that would like to join, e.g. better price conditions, less process costs
 - b) from the purchasing group (if it already exists), e.g. aims at purchasing specific products, openness towards new members

II. The four pillars of joint public procurement initiatives



Adapted from Avanzato, 2017

III. Forms of joint public procurement in Germany & Europe



1. Joint procurement on district level
 - Mostly only centralisation of procurement duties
 - In some cases deep integration, incl. joint purchasing (e.g. District of Groß-Gerau)
2. “Loose” joint procurement networks of cities
 - Cooperation from time to time/on project basis or permanent cooperation but only for one or few products (such as copy paper or road salt)
3. “Advanced” joint procurement networks of city
 - city networks with joint procurement activities on a regular and integrated basis (e.g. with sharing or centralizing procurement duties or a joint e-catalogue)
4. Central service providers for specific product groups
 - Public entities can procure specific items, e.g. IT products via Dataport or Kopit
 - Advantage regarding sustainability: pooled expertise
5. Supraregional providers of procurement services
 - consult on tenders, accompany procedures and have own e-catalogues (e.g. Kopart, Koka)

III. Forms of joint public procurement in Germany & Europe



- Looking to other European countries, we see a mixed picture regarding joint procurement; some Best Practices when it comes to the integration of sustainability criteria:
 - Scandinavian countries and some others (e.g. Italy): centralised procurement structures on the national level, such as Hansel in Finland or Consip in Italy
 - Few cases of very deep integration on the regional level, e.g. in the Austrian state of Vorarlberg
 - City Networks, including the one lead by the City of Haarlem (which combines sustainable and innovative procurement targets)

IV. Concluding remarks



- Joint public procurement **can** bring sustainable and strategic procurement in general forward **but** this is not necessarily the case
- What we really need is an exchange on Good Practices within and between regions and countries, right now everyone pretty much reinvents wheel
- Exchange needs to be organized and accompanied → public advising institutions need more capacity/resources to consult and connect public entities



Thank you!

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