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Study on "Strategic use of public procurement in promoting green, social and innovation policies"

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pwc

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Study on "Strategic Use of Public Procurement in promoting green, social and innovation policies"

Final Report

2015 Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

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EXECUTIVE SUMMARY

The overall objective of this study was to take stock of experiences in integrating green, social and innovation considerations in public procurement policy, processes and practices in 10 selected Member States (MS), namely Austria, France, Latvia, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom.

More specifically, the study aims to assemble a comprehensive picture of the current strategic public procurement policies and practices in place, estimate the magnitude of strategic public procurement in those MS, and propose measures to further develop the use of strategic public procurement.

The methodology, results and main findings of the study are summarised below.

Background and context

As an introduction, Section 1 presents the background and context of strategic public procurement, including the current and upcoming legal framework as well as the definition of the three key areas of strategic public procurement. It also defines the objectives and scope of the study.

This study is conducted in the context of the transposition of the 2014 public procurement directives, which have a number of implications for strategic public procurement, as they introduce important novelties related to environmental and social considerations, "MEAT", innovation as well as monitoring requirements for strategic public procurement.

Methodology

Section 2 outlines the methodological approach of the analysis, consisting of a desk review, a key words-based analysis of procurement data from the TED relational database, and semi-structured interviews with relevant stakeholders. A particular emphasis is put on the methodology of the TED data analysis whose results are shown in Section 5.

National frameworks of strategic public procurement

Section 3 analyses the policy frameworks of strategic public procurement defined at national level in the 10 MS:

The study finds that GPP presents the most mature and institutionalised approaches to strategic public procurement compared to SRPP and PPI. In fact, MS have often updated their GPP policy at least once. While only taken up by a minority of countries analysed, mandatory GPP approaches are not uncommon.

SRPP, on the other presents less consistency in terms of trends identified, which may be related to the fact that SRPP consists in a variety of different policy approaches. It has generally been introduced more recently and is usually carried out on a voluntary basis. Only a few countries have introduced targets for SRPP. Incidentally, targets for SRPP are set if an integrated approach to SRPP/GPP has been implemented.

Finally, PPI has been institutionalised recently by a large number of countries in the sample, whereas a few frontrunners have already longstanding experience with PPI. PPI is conducted exclusively as voluntary policy due to the complex and non-standardisable nature of the policy. Certain MS have set targets as percentage of procurement expenditure.

Support actions to strategic public procurement

Section 4 presents the existing actions to support the uptake of strategic public procurement.

As a general trend it can be observed that strong support measures correlated with the experience and sophistication of approaches in strategic public procurement. One of the most important support actions introduced by some MS is related to dedicated support bodies that act as "one-stop shops" for methodological support and guidance to contracting authorities with strategic public procurement.

Furthermore, tools are very helpful in reducing the complexity of strategic public procurement if developed in a user-friendly manner. In addition to web-based criteria libraries, sophisticated tools have been developed for many other purposes, such as calculation of life cycle costs, scorecards for assessing strategic tenders as well as matching of supply and demand of innovative goods and services.

Finally, awareness-raising represents a very important aspect for the uptake of strategic public procurement, in particular when first introducing such a policy. MS have established various mechanisms related to awareness-raising, notably training, networks and other opportunities for exchange as well as participation to EU flagship projects. The latter often contribute to bottom-up take of strategic public procurement thanks to dedicated modules for capacity building.

Practices of strategic public procurement

Section 5 focuses on the strategic public procurement practices in place in the 10 MS including the results of the key words based analysis of 2013 TED data. The approach of using key words in TED data to estimate the magnitude of strategic procurement was selected because it offered the best combination of MS coverage, uniformity of data, and wealth of observations. However, this approach also has limitations that should be kept in mind when interpreting the results.

First, the data does vary among MS in terms of both the kinds of procedures published on TED, and the amount of detail included in individual files because publication of tender notices on TED is voluntary below EU thresholds, and their contents are not controlled for completeness. As a result, the content of TED cannot be assumed to be either wholly representative of total national procurement, or perfectly comparable among between MS.

Second, because the TED data does not include primary tender documents, the methodology used was to search contract notices and contract award notices for key words identified as indicators of GPP, SRPP or PPI. However, the mention of a key word in a contract notice or contract award notices does not necessarily mean that the tender is green, socially responsible or innovative procurement. Likewise, the lack of a key word does not rule out the presence of strategic elements. Furthermore, it must be noted that the key words applied for identifying GPP contracts, do not correspond to GPP criteria set at national or EU level. In addition, this study looked at procurement of all kinds of goods, services and works, including those with limited environmental impacts, while GPP targets set at European or national level usually refer to the procurement with higher environmental relevance. As a result, identification of a key word in the analysis can only be considered as indicative of strategic procurement.

The estimated magnitude of strategic public procurement indicates that, for the 10 selected MS, GPP, which is the most institutionalised type of strategic procurement, is most widely used representing 14% of procurement procedures in number and 25% in value. SRPP ranks second with respectively 10% of procedures in number and 17% in

value, and PPI ranks third with 1% of procedures in number and 7% in value (see table below).

Table 1: Estimated magnitude of strategic public procurement based on TED database

	GPP	SRPP	PPI
Share of procurement procedures in number	14%	10%	1%
Share of procurement procedures in value	25%	17%	7%

Source: Analysis of 2013 TED data.

In terms of criteria and concepts related to strategic public procurement and identified in tender documents through a key words search, the most commonly used ones deal with sustainability, respect of basic human rights and working conditions, and prototypes or pilots.

The analysis looks at linkages between uptake results and national policy frameworks. In terms of institutionalisation, stronger policy frameworks for GPP and SRPP coincide with higher uptake results. The setting of targets, on the other hand, does not consistently coincide with stronger uptake for all three types of strategic public procurement. Lastly, mandatory provisions for strategic public procurement are linked to stronger uptake results.

The type of contracting authorities that are carrying out the main share of strategic procurement procedures are clearly regional and local authorities both in terms of number and value for GPP and SRPP. This is more nuanced for PPI, where national authorities and utilities play an important role, too.

Regarding the type of contract, strategic public procurement follows a similar tendency that overall procurement at EU level with a majority of services contracts. Same applies to type of procedure, where open procedures are leading the field.

In addition, the results indicate that there is no clear relationship between the use of strategic public procurement and EU co-funding, except for PPI in some cases where European initiatives might foster knowledge sharing and the uptake of such practices.

A particular focus is made on aggregated procurement carried out by central purchasing bodies, which do play a major role in the development of strategic public procurement in their respective countries. This is reflected in the analysis of the TED data where aggregated procurement by central purchasing bodies or sub-national joint procurement represents almost a third of strategic public procurement by value across the 10 Member States.

Finally, some deterrent impacts of strategic public procurement are identified. They mostly deal with the distortion of competition due to practices which tend to favour local and regional operators, the biased implementation of the competitive dialogue procedure, the conduction of aggregated procurement in situations of low mature markets, and the lack on precise guidance on what is allowed and what is not.

Monitoring and evaluation of strategic public procurement

Section 6 analyses the systems in place to monitor and evaluate strategic public procurement in the 10 MS.

The overall picture presents a patchy development of monitoring systems across the 10 MS. GPP is mostly monitored consistent with the fact that it is the most mature policy. SRPP is monitored less, while PPI is currently only monitored by one country. As a general tendency MS monitor strategic public procurement if they have set up a target for GPP, SRPP or PPI respectively. However, monitoring may not always be

carried out as a regular exercise but may consist in an ad hoc survey or evaluation. It must be noted that many MS have plans to upgrade their monitoring system in the coming years, in particular with respect to PPI. Currently, gaps in available data and methodological issues hinder the development of comprehensive monitoring systems as well as the comparability of results across countries. Evaluations and impact assessment studies are carried out frequently only a few countries. Results are generally published, but mostly in form on annual reports or similar and are not available as machine-readable datasets.

In-depth country reports

Section 7 contains the in-depth country reports, which present per MS the overview of its strategic public procurement framework and practices in a way that is comprehensive and easily comparable across the 10 MS. The information presented was acquired through desk research of EU and national sources as well as semi-structured interviews with relevant stakeholders in the 10 MS.

Case studies

Section 8 presents three case studies which are examples of strategic public procurement initiatives both in terms of implementation as well as monitoring and assessment of the results produced.

The case study "Ökokauf Wien – GPP policy in the City of Vienna" about the City of Vienna's longstanding GPP policy approach describes how economic and environmental benefits were achieved thanks to large scale uptake of the policy by the municipal administration. Engagement with stakeholders, i.e. market participants, public buyers and administrations, and the wider public, was key to generate buy-in and commitment to the policy.

As part of the Greater London Authority (GLA) Group, Transport for London (TfL) has been pioneering innovative approaches in the field of social and sustainable procurement since the 2006 launch of overarching procurement policy "Responsible Procurement". Activities such as apprenticeships or the use of the London Minimum Wage generated important socio-economic impacts in terms of employment and social inclusion.

The "BCN Open Challenge" by the City of Barcelona consisted in a call to business to propose solutions for six challenges related to public space and public services. The initiative has resulted in accelerated innovation and economic development as a spill-over effect from the procurement practice. Defining clear needs as well as strong backing by city institutions have paved the way for this successful initiative.

Conclusions and recommendations

Finally, Section 9 expands first on the main challenges related to strategic public procurement, notably the barriers and resistances of public buyers such as additional costs and workload as well as other cross-cutting challenges.

Important barriers to strategic public procurement have been identified. From the perspective of the public buyer, barriers relate to: enhanced risk involved by such practices; increased workload; higher upfront costs; lack of clear value added; and gaps in necessary skills. From a market perspective, identified barriers relate to the lack of maturity for certain GPP/SRPP/PPI goods and services demanded, or conversely to lack of flexibility of the procurement process to showcase the best offer.

Second, a list of lessons learnt and recommendations for a stronger uptake of strategic public procurement are provided based on identified good and bad practices.

In order to strengthen uptake of GPP/SRPP/PPI, the following recommendations for action are developed in detail:

- Signal ambition and commitment to strategic public procurement;
- Take a holistic approach, which integrates the various strands of strategic public procurement and exploits the synergies among them;
- Set incentives for strategic public procurement, either as mandatory or as voluntary practices;
- Carefully assess needs before engaging in procurement;
- Experiment by setting-up structures for continuous improvement and learning;
- Support practitioners with user-friendly tools, dedicated bodies, dissemination of best practices, and mechanisms of knowledge sharing;
- Focus on achieving high impacts, notably by working with central purchasing bodies and prioritising key sectors;
- Improve monitoring systems by developing harmonised methodologies and strengthening automatic data collection.

GLOSSARY OF ACRONYMS

Acronym	Definition
BBG	Bundesbeschaffung GmbH (Austria)
CA	Contract award
CAN	Contract award notice
CN	Contract notice
CO2	Carbon dioxide
COFOG	Classification of the Functions of Government
CPV	Common Procurement Vocabulary
EC	European Commission
ECF	Elementary chlorine free
EMAS	Eco-Management and Audit Scheme
EU	European Union
GBS	Government Buying Standards
GDP	Gross Domestic Product
GPP	Green public procurement
ILO	International Labour Organisation
IQR	Interquartile range
KET	Key enabling technology
LCC	Life-Cycle-Cost
MS	Member States
NAP	National Action Plan
PCP	Pre-commercial procurement
PES	Primary energy savings
PPI	Public procurement of innovation
R&D	Research and Development
RDI	Research, development and innovation
RIS3	Research and Innovation Strategies for Smart Specialisation
SME	Small and medium-sized enterprise
SRPP	Socially responsible public procurement
SVHC	Substance of very high concern
TCF	Totally chlorine free
TCO	Total-Cost-of-Ownership
TED	Tenders Electronic Daily
TFV	Total final value

1. INTRODUCTION

1.1. Background and context of strategic public procurement

Public procurement is a significant tool of the European Single Market as it represents 19% of the Gross Domestic Product (GDP) of the European Union (EU)[1], spent by the public sector and utility service providers on public works, goods and services. Given its huge economic weight, public procurement is a powerful instrument to pursue broader policy objectives and foster growth in the EU.

Traditionally, public procurement aims at ensuring that public funds are spent in an economically efficient way, and at guaranteeing the best value for money for the public buyer. However, in the last decade, public procurement has also acquired a strategic role. Governments are shifting away from considering procurement a purely administrative function, and are increasingly using public tenders as a means for achieving policy goals, notably in the realms of innovation, sustainable and social development.

In parallel, global strategic challenges are mounting. Political will to tackle these has grown at EU level, too. With the launch of the Europe 2020 Strategy for Smart, Sustainable and Inclusive Growth, innovation as well as sustainable and inclusive economic development have been recognised as key elements for Europe's long-term competitiveness.

Attention to public procurement has surged as a result of the economic and financial crisis and the ensuing pressure on government budgets. As governments are expected "to do more with less", public procurement has witnessed considerable reform activity towards the pursuit of various socio-economic goals. Demand coming from the public purse can significantly affect and strengthen markets for innovative, environmentally and socially responsible goods, services and works.

Governments faced with greater budget constraints on the one hand, and in need to overcome strategic challenges on the other, have recognised public procurement as an instrument to tackle both these needs.

The following section briefly describes the current and upcoming legal framework of strategic public procurement as well as the key areas and the definition of strategic public procurement at EU level.

1.1.1. Legal framework of strategic public procurement

To achieve the goals of generating a single procurement market, public procurement legislation in the EU is governed by the basic principles of equal treatment and non-discrimination, transparency, proportionality and mutual recognition. The EU directives forming the current and the upcoming legal basis for the above-threshold procurement are listed below. Importantly, **three new directives on public procurement** were adopted in February 2014, two revising existing directives on general procurement and procurement in the utilities sector and one new directive on concession contracts:

- Directive 2004/18/EC for general public procurement ('Classical' directive);
- Directive 2004/17/EC for entities operating in the water, energy, transport and postal services sectors (Utilities directive);

[1] European Commission DG TRADE (2015), Chief Economist Note: International Public Procurement: From Scant Facts to Hard Data, available at: http://trade.ec.europa.eu/doclib/docs/2015/april/tradoc_153347.pdf
See also the EU official submission to the WTO reported under Article XIX:5 of the GPA agreement, available at: http://www.wto.org/english/tratop_e/gproc_e/notnat_e.htm#statPro

- Directives 89/665/EEC and 92/13/EEC, amended by Directive 2007/66/EC, with regard to improving the effectiveness of review procedures concerning the award of public contracts (Remedies directives);
- Directive 2009/81/EC on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security (Defence directive);
- Directive 2014/24/EU on public procurement and repealing Directive 2004/18/EC;
- Directive 2014/25/EU on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC;
- Directive 2014/23/EU on the award of concession contracts.

The three new directives adopted in 2014 will enter into force at different times over the next year, as EU Member States (MS) may transpose them until 2016.

EU-wide public procurement legislation applies only above certain thresholds. If the value of the contract is below the threshold set by the directive, national rules apply; otherwise, the contract is subject to EU directives. In practice, similar rules and principles often apply above and below EU thresholds. In addition, procurement is also subject to EU case law as established by the Court of Justice of the European Union.

While the tenets of public procurement regulation are mostly unchanged, the 2014 directives have important implications for the strategic use of public procurement. In fact, the introduction of strategic objectives is promoted in various areas of the legal framework.

Some of the main areas of change in the legal framework are presented below.

Simplification. A key theme of the new directives is simplifying public procurement through a reduction of administrative burden for contracting authorities and economic operators. E-procurement is an important aspect in this respect. EU Member States are required to introduce mandatory e-notification in 2016 and e-submission in 2018. Reduction in administrative burden, quicker procedures and savings are expected from the uptake of e-procurement. In addition, according to the new directives, only the winning company will be required to present administrative documentation, thereby reducing administrative burden for both economic operators and contracting authorities.

'MEAT'. The new directives emphasise the 'most economically advantageous tender' (MEAT) as award criterion for public contracts. As a result, contracting authorities will be increasingly required to assess quality elements when reviewing tenders, and no longer decide on the basis of the lowest price only.

SME participation. Small and medium-sized enterprises (SMEs) are considered the backbone of the EU's economy as well as an important source of innovation. However, their participation in public procurement is often low due to strict requirements and administrative burden associated with the tendering procedures. With the new directives, SME access is encouraged through the division of contracts into lots and lower turnover requirements for participation.

Innovation. The new directives have important implications for innovation policy. In particular, innovation partnerships are newly introduced tendering procedures that allow contracting authorities to procure solutions that are not yet available on the market. Specifically, contracting authorities can set up structured partnerships with suppliers to develop a new product, service or works, including the purchase of the final outcome. It works similarly to the competitive dialogue procedure but has a wider

scope as it covers more phases of the innovation procurement process from the funding of R&D to the acquisition of finished products or services, with the involvement of one or more economic operators in each phase. In addition to the innovation partnership, the competitive dialogue procedure has been simplified in order to facilitate tenders of complex projects where no clear solution can be adequately defined in advance.

Environmental considerations. The life-cycle costing approach is introduced in the new directives in order to encourage contracting authorities to consider the full costs (including externalities) of their purchases. An environmentally friendly production process can also be rewarded in the award decision. Furthermore, the new regulation allows the reference to specific labels.

Social considerations. A new cross-cutting clause will require that tender procedures take into account the respect of applicable environmental, social or labour law obligations under EU and national rules, collective agreements or international law. In addition, participation of vulnerable and disadvantaged people may be considered in the award of contracts. The new directives also state the possibility to reserve procurement procedures to specific structures (such as sheltered workshops) or social enterprises working for the inclusion of disadvantaged people.

Monitoring requirements. The new directives have additional requirements in terms of monitoring of public procurement. MS will need to submit a monitoring report every three years with information on areas of irregularities and legal uncertainties, prevention and detection of fraud, corruption and conflict of interest as well as the level of SME participation to procurement processes. According to article 83(3) of the Directive 2014/24/EU on public procurement, "the Commission may, not more than every three years, request Member States to provide information on the practical implementation of national strategic procurement policies". In this context, the EC is currently preparing more precise guidance on the information that should be requested.

1.1.2. Key areas of strategic public procurement

Traditionally public administrations have sought to achieve the best value for money with respect to their purchases (within the limits of and in accordance with the applicable legal rules). Given the heavy weight of public procurement on GDP, governments are increasingly using procurement as a means to pursue strategic policy goals beyond what is economically advantageous. For instance, 22 out of 28 EU MS have introduced National Action Plans (NAP) for the greening of procurement.[2] Similar efforts are ongoing at international level, too. Notably, OECD countries are actively pursuing broader policy goals through green procurement, innovation procurement and support to SMEs in public tendering processes.[3]

The following are the commonly used forms of strategic public procurement, which also correspond to the three focus areas of the study:

- Green public procurement (GPP);
- Socially responsible public procurement (SRPP);
- Public procurement of innovation (PPI).

[2] DG ENV (2015), Green Public Procurement National Action Plans, available at : http://ec.europa.eu/environment/gpp/action_plan_en.htm
[3] See for instance 'Strategic Public Procurement' in OECD (2013) Government at a Glance 2013, available at: http://dx.doi.org/10.1787/gov_glance-2013-en

The Commission defines **Green public procurement (GPP)** in the Communication (COM (2008) 400) 'Public procurement for a better environment' as 'a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.' Furthermore, sustainable public procurement aims at striking a balance between the economic, social and environmental dimension when making a procurement choice. Life-cycle costing plays an important role in GPP, as it includes environmental externalities in the pricing of goods and services, and therefore contributes to a better visibility of the most economically advantageous tender (MEAT).

Socially responsible public procurement (SRPP) includes social aspects in the purchasing decision of the public body. The Commission already developed in 2010[4] a list of social considerations that could be included in tender processes. This included employment opportunities, decent work, compliance with social and labour rights, social inclusion (including persons with disabilities), equal opportunities, accessibility and design for all, taking into account sustainability criteria, ethical trade issues, and wider voluntary compliance with corporate social responsibility.

Public procurement of innovation (PPI) or Public procurement of innovative solutions refers to the contracting authority procuring innovative goods and services that are not yet commercially available on a large-scale basis. With the public authority acting as the launch customer, innovation procurement is a demand-side instrument for fostering innovation. It should be noted that PPI does not necessarily include the procurement of R&D services, which corresponds to another approach called "pre-commercial procurement" (PCP)[5]. Furthermore, in the next years, the new directives on public procurement will help fostering PPI by encouraging contracting authorities to develop innovation-friendly tender processes and thus support businesses to develop their capacity for innovation while guaranteeing the basic requirements of competition, transparency and equal treatment.

1.2. Objectives and scope of the study

The strategic use of public procurement is relatively new, and thus is being adopted and adapted on an ongoing basis by the MS. While the EC has already provided some guidance to assist MS in this process, an overview of the current state of play could provide valuable input to the policy-making practices and strengthening of institutional capacity.

In this context, the present study aims to **provide an overview of strategic public procurement policies, processes and good practices in 10 Member States** (MS).

More specifically, the objectives of this study are:

- Assemble a comprehensive picture of current strategic public procurement policies and processes put in place in the 10 selected EU MS;
- Estimate the magnitude of strategic public procurement in 10 MS;
- Propose measures to strengthen the strategic use of public procurement systems and processes based on the practical examples and best practices identified.

[4] DG EMPL (2010), Buying Social - A Guide to Taking Account of Social Considerations in Public Procurement, available at: http://ec.europa.eu/social/BlobServlet?docId=6457&langId=en

[5] DG ENTR (2014), Public Procurement as a Driver of Innovation in SMEs and Public Services, Guidebook series "How to support SME Policy from Structural Funds", available at: http://ec.europa.eu/growth/smes/business-friendly-environment/regional-policies/index_en.htm

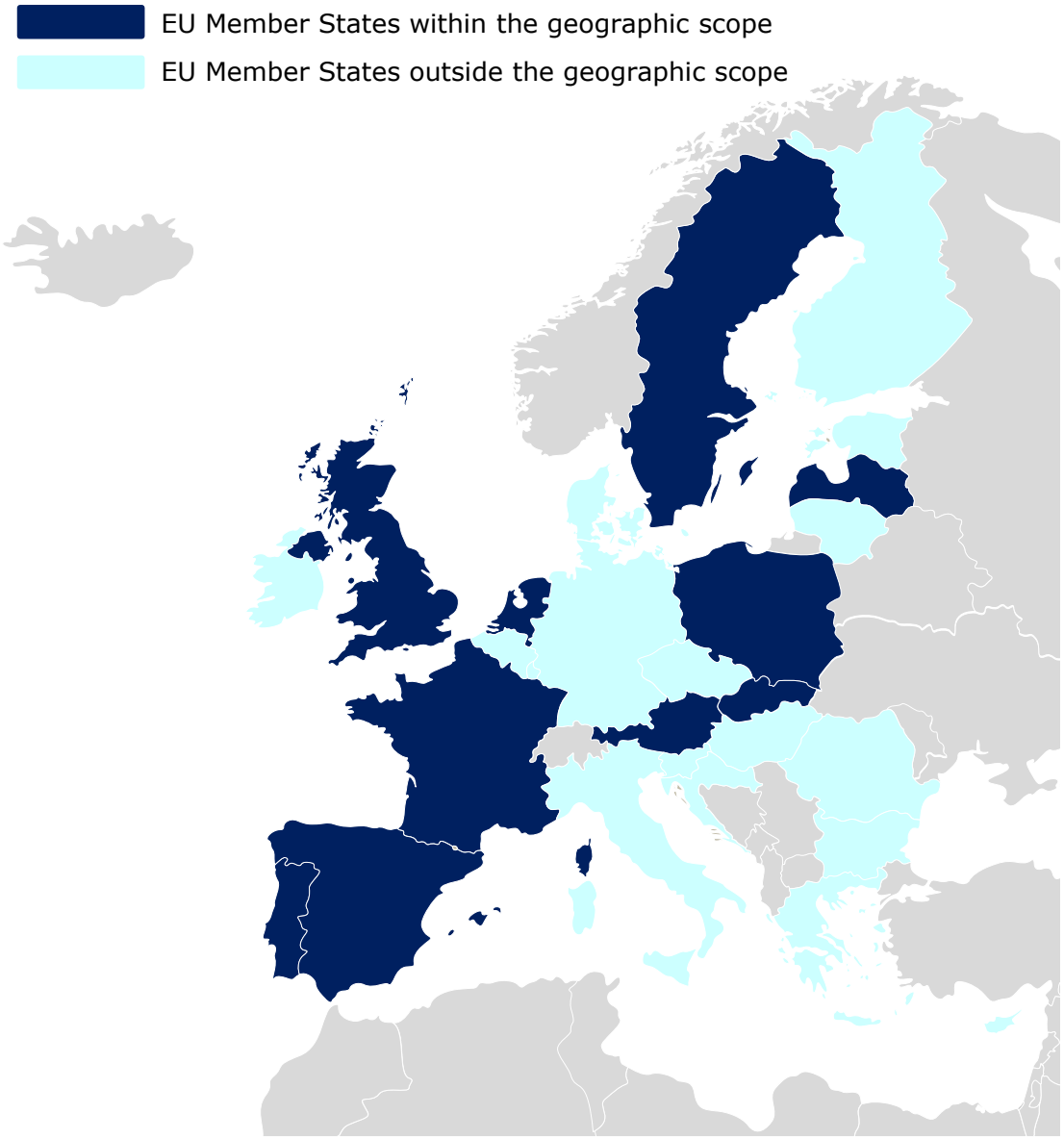
Ultimately, the study might help the EC develop guidance documents and tools to support a better and wider use of strategic public procurement in the EU.

In terms of thematic scope, this study will focus on the three key types of strategic public procurement presented above (see section Key areas of strategic public procurement), *i.e.* green, socially responsible and public procurement of innovation.

The study was conducted between June 2015 to December 2015.

The geographic scope of this study covers a selection of 10 Member States of the EU (see map below): Austria; France; Latvia; the Netherlands; Poland; Portugal; Slovakia; Spain; Sweden; United Kingdom.

Figure 1: Geographic scope of the study



After an overview of the methodology of the study, the Final Report presents the results and findings of the analysis for all 10 Member States. These findings are organised according to the following sections:

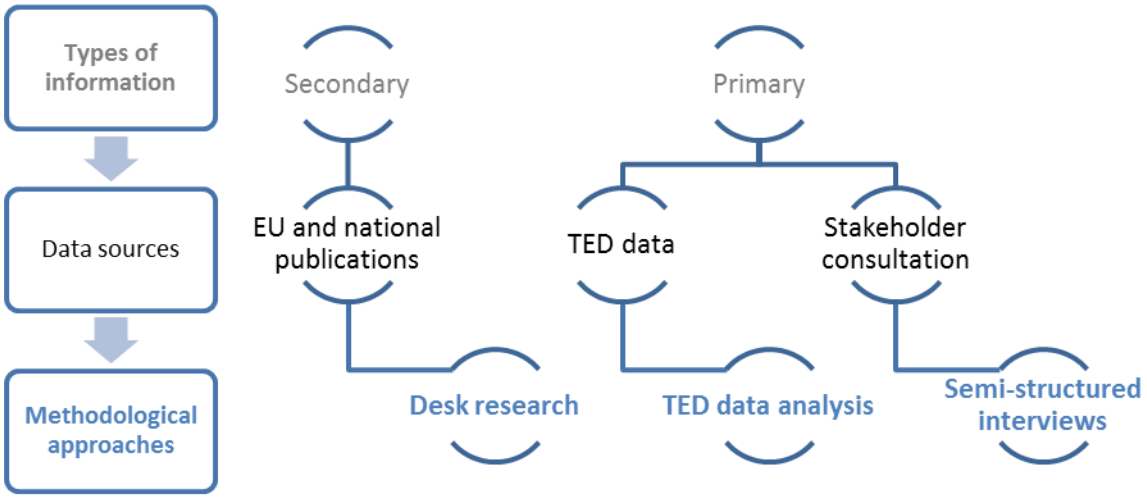
- National frameworks of strategic public procurement;
- Support actions to strategic public procurement;

- Practices of strategic public procurement including the analysis of 2013 TED data;
- Monitoring and evaluation of strategic public procurement;
- In-depth country reports;
- Case studies; and
- Conclusions and recommendations.

2. METHODOLOGICAL APPROACH

The methodology of the study was developed on the basis of the three main available sources of information on strategic public procurement in Europe. As presented in the figure below, a specific methodological approach was developed and implemented for each type of information coming from both primary and secondary sources.

Figure 2: Methodology structure



The three main streams that structure the study's methodology are detailed in the present chapter:

- Desk research based on EU and national publications, *i.e.* reports, guidelines and factsheets;
- TED data analysis based on 2013 data extracted from the electronic database of the Supplement to the Official Journal of the EU;
- Semi-structured interviews with stakeholders in the 10 MS.

2.1. Desk research

The first phase of the study consisted in the collection and analysis of a range of data at EU and international level as well as in each of the MS in order to build the lay of the land of the experiences of the 10 MS in integrating strategic public policy considerations into procurement practices. The goal of this phase was twofold:

- Gather a comprehensive picture of strategic public procurement in the 10 MS as a basis for the in-depth country reports, including policy strategies and monitoring information in the field of strategic public procurement;
- Identify key issues for further research and stakeholder consultation that would guide further phases of the study, *e.g.* potential best practices.

As a result of the desk review phase, we collected and reviewed the relevant publicly available information on policies, as well as key aspects tied to policy implementation and assessment.

The types of information collected cover a number of different thematic dimensions: the legal, institutional and policy landscape, tools and methods as well as monitoring and evaluation of strategic public procurement practices. For each thematic dimension, details are provided below on the type of information gathered.

Table 2: Types of information collected

Thematic dimension	Type of information collected
Legal and policy documentation	Institutions involved in promoting and carrying out strategic public procurement
	Legal and policy landscape in the strategic use of public procurement at national, regional and local level as applicable
	Sectors affected by strategic public procurement
Tools, methods and guidance	Specific guidance and tools for supporting contracting authorities in strategic public procurement
	Specific actions and methods in place to carry out strategic public procurement
	Methods for monitoring compliance of contracts with environmental/social/innovation criteria
Monitoring and performance of strategic public procurement	Targets and mandatory requirements
	Descriptive information on methods used by MS to collect quantitative data
	Evaluation studies (*ex-ante, ex post*) on strategic use of public procurement
	Publicly available monitoring data

2.2. TED data analysis

A key element of understanding the use of strategic public procurement among national, regional and local authorities in the EU is to quantify to what extent it is being practiced. As such, one of the key goals of the present study is to estimate the use of strategic procurement in a way that is systematic and comparable across MS.

The goal of the quantification exercise is to estimate the following specific indicators:

- Number of green/social/innovation procurement procedures which took place, as a share of the total number of procurement procedures;
- Total value of green/social/innovation procurement procedures which took place.

The fact that reliable and comprehensive statistics on the use of strategic public procurement do not currently exist is a result of two main challenges to quantifying strategic procurement, namely:

- The lack of broadly accepted definitions and estimation standards for GPP, SRPP and PPI;
- The limited data collection and monitoring being done by Member States and at EU level.

As a result, this information must either be collected, or estimated using existing data sources. As such, the three potential sources for such an estimation would be conducting a survey of procurement practitioners, using national procurement databases, or using the EU-wide procurement database, TED.

For this study, the EU-wide **Tenders Electronic Daily[6] (TED)** database was chosen as the primary data source. TED is the online version of the Supplement to the Official Journal of the European Union, and serves as an EU-wide e-notification platform. It publishes **Contract Notices** providing information on, and links to calls for tenders,

[6] Supplement to the Official Journal of the EU, available at: http://ted.europa.eu/

and **Contract Award Notices** containing information on winning bids, as well as other types of public procurement related documents and information.

TED is commonly used as a source for procurement information, because its EU wide coverage and uniform template allow researchers to track information across the EU. It is notably used as the basis of DG GROW's annual Public Procurement Indicators reports. The key advantages of TED are that any data collected should be less biased than a survey as it covers the entire population of above-threshold notices rather than only a sample and the reporting was done independently of this study, that notices include the value of the contract, and that the data is broadly comparable across all EU MS.

This data collection process used in this study involved searching selected fields in the available contract notices and contract award notices for a list of key terms and phrases associated with strategic public procurement concepts to identify the number, and monetary value, of those procurement procedures that include them.

Although TED was considered the best available data source for this study, it was not designed as a strategic procurement policy tracking tool, and thus there are some **limitations** in using it as such. It is important to keep these limitations in mind when considering the results below.

First, the share of procurement procedures posted to TED varies by MS. Publishing information on TED is mandatory for procedures that exceed EU thresholds in value, and voluntary below them. As a result, some MS post a greater share of procurement procedures on TED than others. Among the 10 selected MS, amounts range from 8% in the Netherlands to 57% in Slovakia (see Table 3). Furthermore, the value threshold also implies that different kinds of procurement procedures are posted by those who publish below threshold procedures compared with those MS that post only above-threshold procedures. This means that the sample of procurement procedures analysed within TED cannot be considered as fully representative of all public procurement conducted in the ten selected MS.

Table 3: Value of TED notices as share of total procurement

	Total value of notice on TED (EUR) in 2013 (excluding utilities)	Share of total estimated procurement (excluding utilities)	# contract notices posted in TED in 2014	# contract award notices posted in TED in 2014
Austria	4,157,752,573	12%	2,956	2,315
France	56,730,388,641	18%	40,516	32,921
Latvia	1,379,839,659	52%	1,123	1,233
Netherlands	10,359,452,963	8%	3,874	3,412
Poland	22,318,884,373	48%	22,210	22,308
Portugal	2,720,222,950	16%	1,599	2,026
Spain	13,350,010,157	13%	8,706	9,088
Slovakia	4,836,983,562	57%	1,565	1,303
Sweden	15,653,246,403	23%	6,382	3,795
United Kingdom	90,349,740,982	33%	10,159	7,681

Source: DG GROW's TED Structured dataset

In addition to differences in the kinds of procedures published on TED, the level of details included in individual contract notices and contract award notices can vary significantly across MS as well. For instance, the content of the contract notices and contract award notices published in TED for Austria, Latvia and Sweden is relatively limited compared with those posted by France and the United Kingdom. The greater level of detail makes it more likely that a given key word will be identified in those MS

regardless of the content of the underlying tender documents, and could contribute to underestimation of strategic procurement in more parsimonious MS.

This in turn points to another limitation of using TED as a data source, namely the fact that it contains only notices. Primary source documents, such as technical specifications and evaluation criteria, are not included in any comprehensive and searchable database. Thus, in order to generate insight on strategic public procurement from the information available in contract notices and contract award notices, the methodological approach adopted uses key words as indicators for GPP, SRPP and PPI, rather than their incorporation in the actual tender documents. This is also why the key words used do not correspond to GPP/SRPP/PPI criteria that have been adopted in some MS for use in technical specifications and evaluation criteria.

Because the primary tender documents are not available to be searched, the identification of key words must be understood as an indicator of strategic procurement rather than conclusive proof or measurement. The presence of a key word in the contract notice may not correspond to its incorporation in the underlying documents, and the absence of such a reference does not mean that the procedure does not incorporate green, socially responsible or innovative goals. Notably, there are some concepts, particularly in PPI, which do not lend themselves well to key word searches, which would result in their systematic underestimation using this methodology.

In order to mitigate and control for the identification of false positives, quality checks were performed on the preliminary results of identified procurement procedures. The quality checks focused on identifying the false positive by checking the greatest number of hits of key words. The key words list was subsequently corrected to reduce the bias of false positives. However, since it is not possible to do a check for false negatives, the result of these controls would tend to result in an underestimate of strategic public procurement in all categories.

Another aspect that is worth highlighting is the fact that this methodology measures strategic public procurement as a share of total public procurement, whereas some MS monitor strategic procurement, particularly GPP, relative only to the most relevant product groups, e.g. construction and transport for GPP. Because relevant product groups vary among GPP, SRPP and PPI, and in order to provide comparable statistics for all three categories, the use of strategic procurement is considered as a share of all product categories.

To allow comparison with national monitoring data when available, the key words search was conducted on procurement procedures initiated in 2013, some of them lasting until 2014. To do so, the date of publication of the contract notice was chosen as a reference to select the data.

The methodology adopted for the analysis of TED data is presented in detail in Appendix.

2.3. Semi-structured interviews

The final activity of the study was to validate and complete the information gathered by desk research through consultation of relevant stakeholders in the 10 MS, in order to get a more nuanced and detailed understanding of the key issues related to strategic public procurement.

For this purpose, semi-structured interviews were carried out with key players in the field of strategic public procurement, such as policy makers and practitioners.

Objectives of the interviews

The objectives of the stakeholder consultation were to confirm and validate desk review results as well as collect the kind of information that cannot be found in desk research of official reports and documents, and is not reflected in pure quantitative data.

More specifically, further information on the following elements was gathered:

- **Operational aspects:** This includes knowledge of the way country-specific institutions function in practice, *i.e.* how policies are carried out and which main issues are faced by each MS.

- **Critical success factors**: National stakeholders were also consulted to share insights on the critical success factors and barriers to successful policy implementation, as well as on the impacts of strategic public procurement beyond publicly available information.

- **Feed-back on the implementation of good practices**: Another important aspect of the interviews related to feedback on identified practices, to which stakeholders have direct access on the ground. This was particularly useful to gather a practical understanding crucial to make relevant recommendations.

- **Monitoring data on the magnitude of public procurement**: Lastly, consultations aimed at gathering further information and details on the monitoring and evaluation of strategic public procurement. This includes both access to new sources of information as well as operational aspects of data collection and performance monitoring of strategic public procurement.

Interviews were conducted in the 10 MS with national public procurement policy bodies, relevant thematic ministries, and central purchasing bodies. Where relevant, stakeholders from regional and local authorities as well as academia and NGOs were also considered.

Semi-structured interview approach

The interviews were conducted according to a semi-structured approach, which allowed new ideas to be brought up during the interview according to the discussions.

As a support for preparation for both the interviewer and the interviewee, an interview guide was developed to support and orientate the discussions during the interviews, and was thus used in a flexible manner. The indicative interview guide was meant to provide an overview of key themes that were covered during the course of the interviews.

It was developed based on the outcomes of the desk review phase, and mainly focused on the following elements:

- Position and role of the interviewee's organisation in the national public procurement system;
- Assessment of key features of the policies for strategic public procurement in the country;
- Existing support tools/systems/documents for the use of strategic public procurement;
- Key success factors in the use of strategic public procurement;
- Barriers to the uptake of strategic public procurement;

- Evidence on the use of strategic public procurement in the country (existing monitoring and evaluation systems);
- Insights and views on the effects of strategic public procurement in achieving green, social and innovative policy goals;
- Main takeaways and recommendations for the future.

The interview guide is included in Appendix of the present report.

The outputs of the interviews conducted helped refining the draft in-depth country reports, identifying common trends as well as formulating final recommendations.

3. NATIONAL FRAMEWORKS OF STRATEGIC PUBLIC PROCUREMENT

This chapter provides an overview of the level of institutionalisation of GPP, SRPP and PPI policies in the 10 MS. National frameworks for strategic public procurement can take various forms and may be more or less formalised. By looking at the national frameworks, were identified a number of key trends that relate to the institutional and policy frameworks of GPP, SRPP and PPI respectively. To discuss the trends observed, a number of governance elements are compared and contrasted in the 10 MS, as presented below. Specifically, the level of institutionalisation of policies, the use of mandatory or voluntary approaches as well as target-setting form the core of the analysis.

3.1. Level of institutionalisation of strategic public procurement

Policies related to strategic public procurement can take various levels of institutionalisation, as policies can be implemented via Action Plans or anchored in the legal basis or simply be established as a practice without a clear policy framework. The level of institutionalisation has important implications for the uptake of the policies for strategic public procurement for three main reasons. First, a full-fledged policy framework signals political commitment to a given area, often in form of targets or similar objectives. Second, a formalised policy generally introduces means and measures to achieve the stated goals. Third, such reference framework may serve as a basis for action of stakeholders involved.

For the purposes of this analysis, a policy for strategic public procurement is considered institutionalised if at least one of the following elements is in place:

- Action plan or strategy;
- Dedicated legislation that introduces elements on strategic public procurement beyond the EU directives;
- Formal framework for training or similar.

A comparison of the policy frameworks in place in the 10 MS highlights the following key trends.

Formalised and mature practices in green public procurement

GPP is the most mature area in the field of strategic public procurement. Not only does it present the greatest level of institutionalisation of policy—in all 10 MS analysed in this study, GPP policy has been formalised either through a strategy, an action plan, a legislative provision, or a combination of these—but GPP practices are more frequently established as mandatory practices and GPP policies generally offer more support structures.

The GPP Action Plans typically contain a description of product groups for which green criteria apply, targets for GPP uptake, as well as a set of priority measures for reaching the targets. In some countries, notably in France and Spain, the GPP Action Plan at national level is not the only instrument for GPP policy. In Spain's decentralised system, autonomous regions and municipalities implement their own policies in the field of green procurement. In France, a different programme for the public administration ("Exemplary State") runs in parallel to the GPP Action Plan.

Based on the level of institutionalisation, GPP can be considered relatively mature as a policy initiative. Nine out of ten countries scrutinised introduced a GPP Action Plan already in the mid-2000s. The UK stands out as having initiated its GPP with the "Quick Wins"—its former GPP criteria— back in 2003. The majority of MS have revisited their GPP approaches at least since once first introduction demonstrating a recurring commitment to GPP policy. Latvia on the other hand introduced its first GPP Action most recently in 2009, but has adopted its updated version in 2015. Portugal presents a singular case, as it has formalised GPP policy in 2008-2010, yet no update of its policy has occurred since. In fact, the new Portuguese GPP action plan has been drafted but is waiting for approval since 2013.

Despite relatively longstanding policy approaches in all MS, there are significant differences among the countries analysed, which are mostly related to the practice on the ground. A few frontrunners stand out for having significantly broadened the scope of GPP and introduced dedicated structures to support GPP. For instance, the Dutch GPP policy has undergone significant changes from a focus on implementing GPP criteria in a large variety of product groups, to a comprehensive sustainable procurement approach that takes into account circular purchasing, as well as social and innovation procurement. In Sweden, a newly created body centralises all support functions for procurement, including GPP.

Uneven institutionalisation of socially responsible public procurement

The level of institutionalisation of SRPP, on the other hand, is more uneven across the 10 MS. Specifically only six of the countries analysed have implemented a fully formalised approach to SRPP, *e.g.* by defining social criteria to be used in tendering processes and setting up SRPP targets, measures and governance structures. Also SRPP approaches were generally introduced later compared to GPP, *i.e.* in the early 2010s.

In terms of the types of instruments used to formalise SRPP, there are no clear trends in the 10 MS. In France and Poland, SRPP is included in the GPP Action Plans under the umbrella of sustainable public procurement. With the Social Value Act, the UK has opted for a legislative approach. While the scope of the Social Value Act can be broader than SRPP, it does foster the inclusion of social aspects in procurement. On the other hand, the Social Value Act is only limited to services. In Spain, the introduction of SRPP is fragmented. There several overarching frameworks at national level, *i.e.* the Disability Strategy, the Corporate Social Responsibility and the National Reform Programme, but also many laws or other instruments applied at regional and local level.

It must be noted that SRPP is sometimes sponsored by third sector organisations, which define social criteria and provide guidance on how to procure responsibly. This is the case in Slovakia for instance, where the NGO EPIC prepares tender documents for SRPP. Similarly, in Austria the SRPP initiative called SO:FAIR led by the NGO Südwind develops SRPP criteria and makes guidance available to procurers.

Active development of public procurement of innovation

Seven MS have introduced some form of institutionalised PPI policy framework, which makes it the second most formalised approach of strategic public procurement after GPP. Compared to the more mature GPP approaches, PPI has been institutionalised recently in a number of countries. For instance, France, Austria, Spain as well as Poland have introduced PPI since the 2010s. Some notable exceptions to this trend are the UK, Sweden and the Netherlands, which have a longstanding tradition of using demand-side innovation policy levers, which dates back to the 2000s or earlier.

There is no consistency with respect to PPI about the instruments used by MS to establish innovation procurement policies. In Austria there is a dedicated PPI Action Plan, whereas in France and Poland PPI is part of broader national policies for growth and competitiveness. Spain includes PPI in its innovation strategy. Poland focuses on a programme dedicated to increase skills and awareness for PPI. In the Netherlands, there is a parliamentary motion supporting PPI as well as a specific programme dedicated to PPI for small businesses. In the UK, PPI is implemented through the Small Business Research Initiative (SBRI).

In addition to national level policy instruments, many national stakeholders are participating in EU-funded projects related to PPI or similar mutual learning activities (*e.g.* Poland, Sweden, Slovakia, UK). Projects at EU level may be focused on pre-commercial procurement or innovation procurement including capacity building.

Table 4 below provides an overview of the level of institutionalisation of strategic public procurement in the 10 MS analysed. This table captures formalised policies for strategic public procurement at national level. Formalised policies are defined as action plan/strategy or similar, a legislative approach, or an institutionalised practice, for instance a scheme for training.

Table 4: Formalised policies in strategic public procurement

Formalised policies for strategic public procurement			
	GPP	**SRPP**	**PPI**
Austria	√		√
France	√	√	√
Latvia	√		
Netherlands	√	√	√
Poland	√	√	√
Portugal	√*		
Slovakia	√		
Spain	√	√	√
Sweden	√	√	√
United Kingdom	√	√	√

** The Portuguese GPP Action Plan is currently under revision*

Integrated approaches for GPP and SRPP

A number of countries have introduced an integrated approach for GPP and SRPP, which typically runs under a framework for sustainable public procurement. In fact, such an approach has been adopted by five countries (Austria, France, Netherlands, Sweden, Poland), whereby green and social criteria have been developed as part of the same policy.

It must be noted that the development of social criteria in Austria is foreseen in the Action Plan of 2010, but the social criteria have not yet been adopted. The UK also has implemented its combined approach in a different way as opposed to establishing social and green criteria. Specifically, the UK with its Social Value Act allows contracting authorities to consider social value when procuring services, whereby social value is broadly defined as social, environmental or economic benefits. In this sense, the UK approach is not only limited to criteria but gives flexibility to contracting authorities to define social value for themselves.

Table 5: MS with an integrated approach GPP and SRPP

Integrated approach GPP and SRPP	
Austria	√
France	√
Netherlands	√
Poland	√
Sweden	√

3.2. Mandatory vs. voluntary

National frameworks for strategic public procurement typically fall under a voluntary or mandatory scheme. A third possibility consists in a "comply or explain" obligation, but none of the MS analysed have introduced such an approach to their policies for strategic public procurement. Whether a mandatory or voluntary approach is adopted often depends on the administrative culture of the particular country. Some countries adopt a voluntary scheme, which rests on supporting contracting authorities with tools and guidance, while other MS use mandatory requirements to foster the use of strategic public procurement. Furthermore, often not all public entities are mandated to implement strategic public procurement, but only selected entities, *e.g.* at central government level.

GPP largely voluntary, but mandatory for some central governments

The majority of MS have adopted a voluntary approach to GPP, while Austria, the UK and the Netherlands have taken a mandatory approach for the central government. For instance, federal ministries in Austria have signed up to formal declarations defining their level of uptake of GPP criteria. In addition, Austria's central purchasing body BBG, fully-owned by the Austrian Ministry of Finance, is also obliged to implement green criteria in its framework agreements. The UK also has a mandatory approach for GPP, which is anchored in the overarching Greening Government Commitments. In the Netherlands, the central government as well as some sub-central authorities have agreed to adopt the minimum requirements defined in the GPP criteria. The GPP Action Plan of 2008-2010 in Portugal was legally binding, too. However, Portugal's present GPP Action Plan is under revision and waiting for approval since 2013. In France, GPP is mandated only for selected product groups.

Other MS have opted for a voluntary approach in pursuing GPP policy. This may be motivated by the fact that an imposition of a policy may place greater emphasis on compliance instead of actually achieving the goals of the policy. Voluntary approaches are often common in decentralised states in order to leave as much autonomy to the sub-central level as possible.

Mostly voluntary approaches for SRPP

Both mandatory and voluntary approaches have been chosen by MS with respect to SRPP, yet the majority of MS have opted for voluntary SRPP schemes. This is potentially linked to the fact that SRPP has many different forms of application and may vary significantly in the way the policy is conceived. For instance, SRPP may refer to policies related to ethical sourcing, employment and skills, equal opportunities and many more. As a result, it may be difficult to standardise and mandate it across government. On the other hand, some SRPP approaches based on social criteria regarding the respect of ILO conventions may be widely applicable and lend themselves better to mandatory implementation.

In fact, out of the six countries that have a formalised SRPP strategy, only the Netherlands and France have committed to the mandatory implementation of social standards at national level. In Spain, SRPP policy is largely defined at regional and

local level, where jurisdictions have established SRPP policy both on a voluntary and mandatory basis (see example below). At national level, however, SRPP is voluntary.

The Dutch central government has an obligation to respect core ILO criteria in all its contracts above EU thresholds. In addition, for the product groups coffee/tea, cocoa, textile and flowers more restrictive criteria apply covering also working hours, health and safety at the workplace and adequate wage. France requires the introduction of basic mandatory SRPP requirements in all tenders published.

Spain: When a targeted SRPP mandatory approach generates a routine

In 2009, the city of Avilés, located in the Asturias region in Spain, approved an instruction for the introduction of social criteria in public tenders of the municipality[7]. In particular, these rules set the obligation to include social criteria in tenders for contract of more than EUR 100,000 and with a duration of more than 4 months. These rules apply to all types of contracts *i.e.* works, supplies and services. As an exception, it is possible not to apply this mandatory requirement if the inclusion of a social criteria would not be consistent with the subject of the contract. The reasons of excluding such criteria have then to be adequately justified and validated according to a "comply or explain" approach.

This mandatory requirement targeting a reduced number of contracts had actually had a positive side-effect on the procurement below the EUR 100,000 threshold. Indeed, public buyers have adapted the same processes, documents and templates and now tend to incorporate social criteria in a vast majority of tenders, even if they are not obliged to do so.

The level of uptake of SRPP in the municipality actually significantly increased, not because there is a greater awareness and acceptance of SRPP among practitioners, but because it is easier and faster for them to apply SRPP to all tenders than to deals with several internal processes.

PPI is carried out only a voluntary basis

In contrast to the other two types of strategic public procurement, PPI is exclusively carried out on a voluntary basis. In part this could be related to the fact that PPI approaches are relatively recent and may need more time to mature before they are mandated. On the other hand, it must be noted that PPI is more complex and less suitable to standardisation as SRPP and GPP, where ready-made criteria can simply be "copy and pasted" in tender documents. PPI usually responds to specific needs of the contracting authority and therefore it is not applicable as a "one size fits all" policy.

[7] Asturias Official Gazette (2009), Instruction for the inclusión of social criteria in public contracts of the Municipality of Avilés (*Instrucción para la incorporación de criterios sociales en los contratos públicos del Ayuntamiento de Avilés*), available at: https://sede.asturias.es/bopa/2009/11/25/2009-26730.pdf

Table 6 summarises whether MS have adopted a mandatory or voluntary approach with respect to GPP, SRPP and PPI respectively. The information refers to policy-making at national level.

Table 6: Mandatory or voluntary approaches to strategic public procurement

	GPP	SRPP	PPI
Austria	Mandatory for central government	Voluntary	Voluntary
France	Mandatory for selected product groups	Mandatory	Voluntary
Latvia	Voluntary	n/a	n/a
Netherlands	Mandatory for central government	Mandatory for central government	Voluntary
Poland	Voluntary	Voluntary	Voluntary
Portugal	n/a	n/a	n/a
Slovakia	Voluntary	n/a	n/a
Spain	Voluntary	Voluntary	Voluntary
Sweden	Voluntary	Voluntary	Voluntary
United Kingdom	Mandatory for central government	Voluntary	Voluntary

3.3. Use of Targets

Overall targets feature prominently in strategic public procurement. They provide an easy-to-capture indication for broad commitment to a given policy initiative. From the analysis conducted, it appears that MS have two main approaches to target-setting. In some MS targets represent concrete measurable objective that is enforceable, whereas in other MS targets have rather a signalling function embodying an ambition. Whenever targets are set as measurable objectives, monitoring generally ensues. On the other hand, targets may not be monitored in case these are the expression of a political ambition.

Regardless of the specific purpose of the targets, there are important differences among countries with respect to target setting: first, whether targets are set or not; second, for which type of strategic public procurement they are more likely to be set; third, how are targets they defined. The main observations with respect to the use of targets are presented below.

Widespread use of targets for GPP

Target-setting is very common for GPP, as 7 out of 10 MS have adopted GPP targets. These targets vary depending on the level of ambition of a particular country as well as the level of maturity. The range is quite broad, as it varies from 20% in Poland up to the target of 100% in the Netherlands. France, Poland and Latvia lie below the EU target of 50% and Slovakia above at 65%. Portugal had a target of 50% for the time period of 2008-2010 when its GPP Action Plan was in force, but currently no GPP targets are in place. In the remaining countries it is not clear cut whether their targets lie below or above the EU target, as they have defined the targets differently.

In fact, targets are often not set uniformly across MS and defined differently in each country. In most cases GPP targets are defined as involving the use of one or more green criteria per procedure. On the other hand, Spain for example has set specific targets at product group level. In the UK the target consists in the mandatory application of the UK's green criteria in five product groups for all the central government's purchases.

Also there may be differences in the applicable scope of targets. For instance, the Netherlands and Slovakia make distinctions in their targets for the central government and sub-central entities.

The Netherlands used ambitious GPP targets aiming as much as reaching a 100% sustainable procurement for central government by 2010 when it started implementing its programme for green procurement in 2005. However, it must be noted that GPP targets in the Netherlands are currently under discussion.

NETHERLANDS: A 100% target setting a clear ambition towards sustainability

The Government of the Netherlands introduced a very ambitious political target of reaching 100% sustainable public procurement within five years in the timeframe from 2005 to 2010. The policy for sustainable procurement was championed by the Ministry of Infrastructure and Environment.

The Dutch move towards sustainable procurement kick-started with a political ambition signalled by a clear target. Based on this objective, the Ministry of Infrastructure and Environment devised an approach to sustainable procurement that could be implemented relatively easily by contracting authorities. Specifically, a comprehensive library of ready-made environmental criteria was developed, which represented a key success factor for the strong uptake of sustainable public procurement.

Business played an important role in positioning the country as a frontrunner in the field of GPP too, as it gave constructive input on how to shape the policy and demanded ambition from policymakers. The feedback gathered on the policy approach was used to adjust it. In a relatively short time, the target of 100% sustainable procurement was achieved within the set timeframe and the Netherlands established its position as a frontrunner in the field. [8]

In a nutshell, the success of the Dutch sustainable procurement policy rested on several key elements: an ambitious vision backed by strong political commitment, a constructive cooperation with the business sector, an experimental approach that was adjusted and "fixed" along the way, and, not least, easy-to-use instruments available for contracting authorities.

Limited use of targets for SRPP

In the case of SRPP, the use of targets is more limited compared to GPP. Specifically, France and Poland are two countries that apply national level targets both to GPP and SRPP. In contrast, the Netherlands does not maintain a target but it has mandated the use of social clauses for the central government. In Spain there is no nationally-mandated SRPP target, but there are some SRPP targets at regional and local level.

Moreover, SRPP targets are generally less ambitious compared to GPP: France requires 25% of tenders to include at least one social clause; Poland aims for a 10% uptake level of SRPP.

PPI targets are set as percentage of procurement expenditure

Given the nature of innovation procurement, setting targets for PPI is more complex compared to GPP and SRPP. Most countries have opted for not setting PPI targets, in part because it is difficult to precisely define what "innovation" constitutes. Also, another difficulty lies in determining a target that is realistic given that there rarely is a baseline for setting a benchmark. Also, there may be differences in the relevance of PPI based on the sector. In some sectors such as health or defence innovation plays a

[8] PIANOo (2011) "100%? Six years of sustainable procurement in the Netherlands", available at: https://www.pianoo.nl/sites/default/files/documents/documents/sixyearsofsustainableprocurementinthenetherlands.pdf

key role but this may not be the case for sectors where more traditional procurement prevails or when standardised goods for every-day use are purchased.

Only Spain, France and the Netherlands have decided to set PPI targets, which they have defined as a percentage of procurement expenditure dedicated to PPI. The percentages set by these MS range from 2% in France to 2.5% in the Netherlands to 3% in Spain.

Table 7 gives on overview of the use of targets at national level in the 10 MS for GPP/SRPP/PPI. The information refers to target-setting at national level and does not consider possible targets at regional and local level.

Table 7: Use of targets in strategic public procurement

	GPP	SRPP	PPI
Austria	No	n/a	No
France	√	√	√
Latvia	√	n/a	n/a
Netherlands	√	No	√
Poland	√	√	No
Portugal	n/a	n/a	n/a
Slovakia	√	n/a	n/a
Spain	√	No	√
Sweden	No	No	No
United Kingdom	√	No	No

4. SUPPORT ACTIONS TO STRATEGIC PUBLIC PROCUREMENT

This section presents some of the main support actions that MS implement in order to foster the uptake of strategic public procurement. In addition to governance structures that signal a commitment to strategic public procurement, support actions are often key to enable procurement practitioners with the means necessary to implement such policies. As a general tendency, the level of experience and sophistication of approaches in GPP/SRPP/PPI correlates with strong support measures.

The main types of support actions can be classified as:

- Specific support bodies;
- Guidance and tools;
- Training;
- Networks/Events;
- EU projects.

By comparing practices in 10 MS, the following observations and trends can be drawn related to support actions for strategic public procurement.

4.1. Specific support bodies at national level

A number of MS have introduced specific bodies that are dedicated to supporting either public procurement processes in general or strategic public procurement specifically. These bodies are typically the contact points for questions, guidance as well as the facilitators of the networks of procurers. Furthermore they are repositories of guidance materials and tools related to strategic public procurement, such as a library of GPP/SRPP criteria or similar.

A notable example, Sweden has introduced its specific support body most recently, *i.e.* the National Agency for Public Procurement (UHM). The Agency concentrates all activities related to procurement support into one body in order to increase visibility for stakeholders (including the supply side) and strengthen competency. PIANOo, as the Dutch expertise centre on public procurement also has a very comprehensive role both in providing guidance as well as in delivering strategic thinking on how to further develop policies in the field of strategic public procurement.

A summary of the main role and services provided by specific support bodies is provided in Table 8 below.

Table 8: Specific support bodies

Country	Specific support body	Function
Austria	PPI Support Centre (*IÖB Servicestelle*)	• Supports contracting authorities in all matters related to PPI • Offers a variety of services, which include individual support to carrying out PPI as well as training, networking and dissemination of information • Manages an online platform for PPI available to suppliers and contracting authorities

Country	Specific support body	Function
	NaBe Servicestelle	• Connects public purchasers around the theme of GPP • Information dissemination and helpdesk function
Netherlands	PIANOo	• The Dutch expertise centre on public procurement • Repository of GPP/SRPP criteria as well as best practice, guidance and other support material • Offers a helpdesk
Poland	Public Procurement Office (PPO)	• PPO is Poland's main procurement body • PPO provides dedicated sections on GPP/SRPP on its website including criteria, guidance, best practices and a library of case law on GPP/SRPP
Sweden	National Agency for Public Procurement (UHM)	• Created in 2015, UHM provides all support services related to procurement and strategic public procurement • Repository for GPP/SRPP criteria including managing the online criteria wizard • Offers helpdesk and tailored support for PPI

The Swedish case described below shows the variety of support for strategic public procurement that a dedicated body can provide.

SWEDEN: National Agency for Public Procurement (UHM)

In Sweden, the newly created National Agency for Public Procurement (UHM) gathers all support functions for strategic public procurement in a "one-stop-shop" with the objective of increasing the competence, availability, consistency and visibility of procurement support for procurement stakeholders, including the business sector.

The UHM provides a comprehensive offer of tools and services to contracting authorities in the field of strategic public procurement. For instance, for GPP/SRPP it offers an online criteria wizard, which allows choosing three different levels of ambition: basic, advanced, frontrunner. In the domain of innovation, among other measures, the UHM provides ad-hoc consultation and support to contracting authorities that are interested in carrying PPI. It also manages the CSR Compass tool for SRPP[9].

In terms of GPP related support, the Public Society for Environmental Management of the Basque Country region (IHOBE) has developed multiple tools and guidance over the past 10 years.

SPAIN: Basque Public Society for Environmental Management (IHOBE)

IHOBE is a public body of the Basque Country, which aims at protecting the environment working with all levels of public authorities within the Basque Country region. Since 2005, it actively promotes GPP through the development of a specific strategy, criteria and conditions of execution, as well as support for contracting authorities and market analysis of the supply side. Nowadays, IHOBE still develops an important set of technical guidance, disseminates good practices and provides training and informative activities to support the uptake of GPP. It also acts as a hub of mutual learning and exchange of experience and develops monitoring and evaluation of

[9] National Agency for Public Procurement Website, available at: http://www.upphandlingsmyndigheten.se/

strategic public procurement through the publication of tendency reports several times a year[10].

4.2. Guidance and tools

Guidance and tools represent two very important elements for the uptake of strategic public procurement. Contracting authorities very often express the need for guidance, as strategic public procurement adds a layer of complexity to procurement procedures. Tools, on the other hand, have the potential to simplify strategic public procurement in many areas, such as the quantification of costs and benefits or the management of a sustainable supply chain.

Various types of guidance available in all MS

A variety of guidance is available in the 10 MS analysed, with no clear trend emerging as to which types of guidance are most widespread. Furthermore, there is no consistency across countries as to which institution or body is the main source for guidance. This role is often taken by the ministry or any other body in charge of the specific type of strategic public procurement, but it may be taken by third sector or other institutions. Dedicated support body, on the other hand, act as "one-stop-shop" by providing contracting authorities with guidance. These bodies are the repositories of knowledge material related strategic public procurement, *e.g.* handbooks and manuals, examples of best practices etc.

Table 9 contains common examples of available guidance in the 10 MS.

Table 9: Examples common guidance for strategic public procurement

Type	Function	Example
Handbook/manual	• Provide users with instructions on how to conduct strategic public procurement	France: GEM-DD guides for GPP
Helpdesk	• Ad-hoc support for contracting authorities	The Netherlands: PIANOo Helpdesk
Library of case law	• Allows contracting authorities to draw on jurisdiction on strategic public procurement to answer legal questions	Poland: Library of national and EU case law on GPP and SRPP
Best practice case studies	• Practical examples of implementation allowing to draw lessons for practical implementation	Poland/The Netherlands: Catalogue of best practices

The Swedish CRS Compass example below illustrates how an online platform can provide multiple types of support for both contracting authorities and economic operators in the field of SRPP.

SWEDEN: CSR Compass for contracting authorities and SMEs

In Sweden, the recently created UHM manages a free web-based online tool called CSR Compass, the aim of which is to help SMEs incorporate social responsibility and promote the active social integration of vulnerable categories. A key facet of the CSR Compass consists of its various support functions to help contracting authorities integrate social requirements in their supply chain. These notably comprise templates,

[10] IHOBE, *Environmental policy: Green public procurement, available at*: http://www.ihobe.eus/Paginas/Ficha.aspx?IdMenu=95390acd-6155-45cc-b339-1e2b3e4435ef&Idioma=es-ES

guidance, as well as specific examples of sustainable purchasing practices.

Since its setting-up in 2010, the CSR Compass has helped a number of companies foster responsible supply chain management, notably by giving them guidance on creating codes of conduct. The key to this success was the readiness of most companies to draw on financial resources for CSR initiatives, which they perceive as key drivers for long-term profitability.

In the UK, the comprehensive toolkit of the Croydon Council, which aims at helping integrating social value to public procurement, has been a basis for the further development of such practices in the whole country.

UNITED KINGDOM: Creation of a social value toolkit by the Croydon Council

In 2012, the Croydon London Borough Council developed a toolkit deemed to "inspiring and creating social value in Croydon"[11] within the framework of its 2011-2015 'Stronger and Communities Strategy' aimed at building stronger and active communities. The primary purpose of the toolkit was to provide advice to the Croydon Council's commissioners, as well as their service providers – ranging from SMEs and social organisations to voluntary sector organisations –, on how to integrate social value into the procurement processes. The toolkit notably encouraged procurers to follow best practice examples and put forward a number of comprehensive options available.

The approach taken by the Croydon Council thus served as a forerunner to the Public Services Social Value Act of 2012 through which public authorities were required to "consider, prior to undertaking the procurement process, how any services procured – whether covered by the Public Contracts Regulations 2006 or otherwise – might improve economic, social and environmental well-being"[12].

Simplifying strategic public procurement through tools

Tools are very useful in making public procurement simple and easy to implement, thereby helping in reducing common barriers to the uptake of strategic public procurement. Easy-to-use libraries of GPP criteria have been instrumental in making GPP accessible to a wider procurement audience. Currently Sweden is leading the way with an online wizard that helps contracting authorities implementing GPP/SRPP criteria in a very user-friendly way.

Beyond the criteria libraries, tools in the field of strategic public procurement have become quite sophisticated and are addressing other areas and needs. For instance the software-based tool applied by the Dutch Ministry of Infrastructures and Environment (*Rjkswaterstaat)* helps assessing the sustainability of materials over their life cycle. If their use is ensured, tools have the potential to greatly simply strategic public procurement and thus contribute to its uptake. Yet, tools may be expensive to develop and may need regular update, which poses a barrier to their development. Importantly, take-up of tools by users is crucial highlighting the importance of user-friendliness and wide dissemination.

Sweden, the Netherlands and the United Kingdom are leading the way with a host of sophisticated tools, some of which are presented in Table 10 below. In recent times,

[11] Croydon London Borough Council (2013), Inspiring and Creating Social Value in Croydon – A Social Value Toolkit for Commissioners, available at: https://www.croydon.gov.uk/sites/default/files/articles/downloads/socialvalue.pdf
[12] Croydon London Borough Council (2012), Commissioning Strategy Meeting local needs and delivering value for money, available at: https://www.croydon.gov.uk/sites/default/files/articles/downloads/commissioning.pdf

Austria has developed interesting tools for PPI, such as an online platform, which allows suppliers to present their innovative offers and contracting authorities to describe their needs.

Some examples of tools are presented in Table 10 below.

Table 10: Select examples of tools

Tool	Country	Function
PPI Online platform	Austria	• Matching supply and demand for innovative products
IUB Calculator	Latvia	• Lifecycle cost calculator for vehicles
DuboCalc	Netherlands	• Software for quantification of the sustainability of materials based on their life cycle
CO2 Performance ladder	Netherlands	• Incentive system for CO2 reduction
CSR Compass	Sweden	• Online tool that supports business and contracting authorities in including social responsibility in the supply chain
GPP/SRPP criteria wizard	Sweden	• Web-based GPP/SRPP criteria with three different levels of ambition
Balanced Scorecard of procurement procedures	United Kingdom	• ODA Balanced Scorecard for London 2012 Olympic Games
Flexible Framework Tool	United Kingdom	• Methodology for self-assessment of procurement procedures including measurement, monitoring and improvement.
CAESER	United Kingdom	• CAESER allows tracking sustainability in the supply chain

The good practices below consist in specific tools that have been developed in Latvia and in the UK to help public buyers to use the lifecycle costing approach and to assess sustainable performance of purchases respectively.

LATVIA: IUB Lifecycle cost online calculator for vehicles

In Latvia, the Procurement Monitoring Bureau (IUB) has developed a calculator tool that aims at helping in assessment of lifecycle costs of vehicles. The calculator is available on the IUB website[13] and its access is free of charge for any operator. To estimate the lifecycle cost of vehicles, the calculator takes into account the following elements: (1) total lifecycle distance of the vehicle, (2) fuel type, (3) fuel consumption, (4) CO2 emissions (g/km), (5) cost of CO2 emissions (g/km), (6) NOx emissions (g/km), (7) NMHC emissions (g/km), (8) PM emissions. Once the user has provided the information for each one of these fields, the calculator provides several results. The total operational lifecycle cost is then obtained through the sum of the operational lifecycle cost for energy consumption, the operational lifecycle cost of carbon dioxide emissions and the operational lifecycle costs for pollutant emissions.

[13] Latvian Procurement Monitoring Bureau (IUB), Lifecycle cost calculator tool, available at: http://iub.gov.lv/kalkulators

UNITED KINGDOM: ODA Balanced Scorecard for London 2012 Olympic Games

As a key part of its 2007 Procurement Policy, the Olympic Delivery Authority (ODA) developed a balanced scorecard to evaluate bids[14], which was used during the 2012 Olympic Games construction project. It consists of a grid emphasising the ODA's priority themes, stated mission objectives, as well as a few factors recognised as decisive to achieve these objectives. Each of these factors, alongside their respective goals was supported by a series of indicators through which performance during delivery can be assessed and measured[15].

Sustainability considerations were envisaged as part of the definition of value for money in the scoreboard. These could be checked, scored and monitored at each stage of the procurement process. In addition, there was the possibility to weight the sustainability scores together with other aspects in the evaluation of tenders, such as health and safety throughout the contract execution.

Following the 2012 Olympic Games, the ODA's Balanced Scorecard approach was identified as good practice by the government, which subsequently promoted its use among other major public sector projects. Furthermore, the government is currently working in partnership with the ODA to develop and share the principles underlying their success, widening their access to departments implementing major projects.

4.3. Awareness-raising through training, networks and EU projects

Awareness-raising is often the first step for introducing policies in the field of strategic public procurement. As such, it is considered of primary importance. There are a number of ways to generate awareness for strategic public procurement. The most common practices include training, networks, events and channels to exchange best practices, as well participation to EU projects. In the following some relevant examples of awareness-raising carried out in the 10 MS will be presented.

Training

Training for strategic public procurement is a widespread practice for generating awareness as well as enhancing the skill level related to GPP/SRPP/PPI. In fact, training is often a cornerstone of action plans for strategic public procurement. Slovakia's GPP Action Plan for instance places great emphasis to the need of training and awareness-raising.

In most MS, some form of training is available to procurement practitioners. Given that GPP is the most formalised policy, most training is available for GPP, too. Importantly, training may not only be carried out face-to-face. Sweden has developed online training modules for contracting authorities. EU projects also play an important role in filling the training gap.

The example below shows how the Polish strategy on sustainable purchase has paid a strong attention to awareness raising in the whole country.

[14] London 2012 Olympic and Paralympic Games - The Legacy: Sustainable Procurement for Construction Projects - A Guide, available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224038/pb13977-sustainable-procurement-construction.PDF

[15] John Mead and Stephen Gruneberg (2015), Programme Procurement in Construction: Learning from London 2012

POLAND: Awareness raising campaign on the New Approach to Public Procurement

In April 2008 the Polish Council of Ministers adopted "The new approach to public procurement. Public Procurement and SMEs, Innovation and Sustainable Development"[16]. On the basis of this strategy, the Public Procurement Office and the Polish Agency for Enterprise Development launched and implemented the "New Approach" project from 2010 to 2013. It included activities aimed at fostering the uptake of green, social, electronic and innovative procurement as much as enhancing participation of SMEs as contractors in procurement procedures.

The "New Approach" project mainly consisted in a wide awareness raising campaign on sustainable and innovative procurement which included trainings, consultancy and other knowledge dissemination activities. The outcome of the "New Approach" project included: 48 two-day trainings for local, regional and central level administrations with 1013 participants representing 646 institutions and entities; 3 conferences targeting all kinds of procurement market players; 3 conferences targeting auditors of Regional Chambers of Accounts as well as the Supreme Chamber of Control, and elaboration of 28 publications and 19 journal articles[17].

Networks, events and exchange of best practices

Another important support measure for strategic public procurement is related to facilitating the connections among people that perform similar roles and may have different levels of experience with strategic public procurement. Sharing best practices remains one of the most effective ways to strengthen uptake of these policy initiatives. Various forms of such initiatives are present in all countries. Often networks and similar ways for exchange present an opportunity for connecting with buyers at regional and local level, which may be less aware of the policies launched by the central government.

Dedicated support bodies often act as facilitators, as they often organise events and conferences around the themes of strategic public procurement on a regular basis. For instance PIANOo is active in launching events on GPP/SRPP/PPI. In some MS, networks are established for the exchange of best practices. Notable examples in this respect are the Public Procurement and Sustainable Development Regional Networks in France that connect public buyers with a view of fostering the uptake of GPP/SRPP at local level. Other forms of exchange include for example the Forum of Socially Responsible Procurement for SRPP in SPAIN, *i.e.* an initiative that connects public buyers, business and the third sector with the goal of including disabled people in the job market.

The importance of stakeholders' involvement as a key success factor of strategic public procurement is illustrated below by the Dutch example on Green Deals.

NETHERLANDS: Green Deal on circular procurement

In 2011, the Government of the Netherlands introduced 'Green Deals'[18], which consist in agreements between the central government and businesses, citizens' groups, as well as other governmental bodies, with the aim of helping them implement their sustainability plans[18]. Among these Green Deals, the one on Circular Procurement

[16] Council of Ministers (2008), *The new approach to public procurement. Public Procurement and SMEs, Innovation and Sustainable Development*, available at: http://www.mg.gov.pl/NR/rdonlyres/2776CA90-55D5-45B3-80C8-B9A5DF0078ED/50209/NowePodejscieENG.pdf

[17] Polish Agency for Enterprise Development (2013), *A new approach to public procurement. Third Research Report*, available at: http://www.parp.gov.pl/nowe-podejscie-do-zamowien-publicznych-raport-z-badan-2013

[18] Government of the Netherlands (2012), Green Deal, information from the government and applications, available at http://www.rijksoverheid.nl/onderwerpen/duurzame-economie/green-deal

launched in 2013 stands out for the opportunity that it provides to social organisations and other governmental bodies to engage in circular purchases.

The organisations engaged in circular procurement under this agreement can report to the government on their respective experiences and on the main structural challenges that they encounter[19]. The key role for government is then to help them overcome these barriers, whether by modifying legislation and fostering networking, giving support in gaining access to capital markets, or sharing knowledge notably by providing insight into relevant legislation.

For the time being, the Green Deal has been signed by 32 entities within the framework of 64 projects[19]. This has given the government the opportunity to weigh up the advantages and drawbacks of circular procurement, and communicate on the benefits that it provides for circular economy and green growth.

EU flagship projects

Another important means to collect experience and raise awareness around the topics of strategic public procurement is participation to EU projects in the field. EU projects may also be geared at enhancing capacity in these areas, as they can include training as well as networking and similar capacity building exercises. EU projects cover all types of strategic public procurement, *i.e.* GPP, SRPP and PPI and the all 10 MS are involved at least in one of these.

Some notable examples for GPP include the GPP 2020, which focuses on reduction of carbon emissions and has a training module aimed at "training the trainer". Furthermore, the SPP-Building has also supported a number of flagship initiatives in Portugal in the field of sustainable procurement.

Importantly, innovation procurement including PCP is supported strongly by EU projects. Thematic areas covered include construction (INNOBUILD), elderly care (SILVER), city lighting (ENIGMA), office furniture and lighting (INNOBOOSTER), only to mention a few examples.

The box below presents an interesting Portuguese SRPP initiative which has been promoted and shared to help capacity building in other European countries.

PORTUGAL: The use of SRPP in waste management (LIPOR)

The Intermunicipal Waste Management of Greater Porto (LIPOR) has been implementing SRPP policies since 2008 and was granted the Corporate Social Responsibility (CSR) standard SA8000 in 2009.

LIPOR first started its policy towards SRPP by introducing a Code of Conduct for its suppliers, with the goal of achieving commitment to the main principles of the Human Rights Declaration, core ILO Conventions and National Legislation. It then developed and started applying appropriate verification schemes such as signing of the Code of Conduct, self-assessment forms which suppliers have to fill in at the beginning of contracts or yearly auditing processes for strategic suppliers, the priority being awareness-raising rather than coercion. The verification schemes are applied as part of the contract performance clauses and are announced to the suppliers during the call for tenders. Additionally, every year LIPOR organises a workshop on social responsibility with its suppliers. Since 2010, LIPOR has participated in the European project "Building SPP", which is funded by the Life+ Programme and aims at building capacities in sustainable procurement in municipalities in Portugal and Greece. Finally,

[19] European Commission (2015), GPP interview, Issue no. 48, available at: http://ec.europa.eu/environment/gpp/pdf/news_alert/Issue48_NewsAlert_Interview.pdf

LIPOR also publishes an annual sustainability report.

The response by suppliers to LIPOR's SRPP initiatives has been generally positive and cooperation high. Suppliers agree to participate in verification schemes and workshops and testify about their actions.

Important lessons for SRPP can be drawn from the LIPOR case. Firstly, the creation of partnerships and exchange of information with suppliers, as LIPOR did through verification schemes and workshops, encourages them to commit to social responsibility goals. Secondly, it is important to not only get supplier to sign a code of conduct, but also to verify that the document is taken into account and its principles are implemented.

5. PRACTICES OF STRATEGIC PUBLIC PROCUREMENT

This section presents the main trends across the 10 selected Member States (MS) in terms of actual practices of strategic public procurement. The analysis is mainly based on 2013 TED data and has been completed thanks to the outcomes of the desk research and the stakeholders consultation.

The aggregated analysis for the 10 selected Member States is presented below whereas country-specific data is included and analysed in the in-depth country reports. While the estimated magnitude of strategic public procurement based on the analysis of 2013 TED data is provided for each country, the further cross-analysis of results per country is not presented for five MS due to their small sample size[20].

5.1. Estimated magnitude of strategic public procurement

This section presents the results of the estimation of the magnitude of strategic public procurement on the basis of TED 2013 data. Before preceding to the presentation of findings, it is important to note that the results of this estimation will differ substantially from other analyses of TED data, notably the Public Procurement Indicators 2013 published by DG GROW[23], and to explain why. In the following, the key differences in the methodological approach to calculations are discussed. The results of the estimate of GPP, SRPP and PPI are then presented.

Note on methodological differences

The identification of strategic public procurement procedures in the TED data for the present study has been based on the contents of unique contract notices published in TED in 2013 for the 10 selected MS, as described in the presentation of the methodological approach in Section 2.2 and in Appendix 10.2.3. Estimations of the number and value of individual procurement procedures were based on contract notices (CNs) followed by contract award notices (CANs). The reason for this approach is that it considers procurement that has actually been concluded. Furthermore, CNs typically have better description of the object of the contract and are thus being better suited for a key word search.

Furthermore, for each procurement procedure the value in EUR was either calculated from values provided in TED data, or, in case of missing information, the value was estimated as described in Appendix 10.2.4 Approach for the estimation of the value of public procurement procedures.

By comparing the data used for this study with the Public Procurement Indicators 2013 report[21], a number of discrepancies appear in terms of both number of procurement procedures identified and value of total public procurement per country, shown in Table 11 below. There are several reasons for these discrepancies:

- **Dataset differences**. In the present study only CNs which were followed by CANs, i.e. Standard Form 3, Standard Form 6, Standard Form 18, were considered[22]. In contrast, the Public Procurement Indicators Report analyses all CNs. As a result, the dataset studied is considerably smaller as compared to the Public Procurement Indicators Report. The main differences are summarised in Table 11 below.

[20] Austria (40 procedures for GPP, 42 for SRPP, 12 for PPI), Latvia (2 procedures for GPP, 0 for SRPP and 0 for PPI), Portugal (17 procedures for GPP, 3 for SRPP, 1 for PPI), Slovakia (103 procedures for GPP, 105 for SRPP, 2 for PPI), Sweden (96 procedures for GPP, 17 for SRPP, 23 for PPI).
[21] See data for 10 MS in Table 9 in DG GROW (2015), Public Procurement Indicators 2013, available at: http://ec.europa.eu/growth/single-market/public-procurement/studies-networks/index_en.htm
[22] Further information on Standard Forms for public procurement available here: http://simap.ted.europa.eu/standard-forms-for-public-procurement

- **Differences due to value estimation methods**. As described in the Public Procurement Indicators 2013 report, the method for computing the estimated value of procurement used by DG GROW involved multiplying the total number of CANs by the mean value of all CANs between 4,500 and EUR 100 million. In addition to this, it is mentioned that to control for outliers, the values of larger notices were manually checked and corrected if necessary. Because manual corrections of large contracts was not feasible in the context of this study, the use of median value instead of mean was considered, as outlined in greater detail in detail in Appendix 10.2.4, and adopted, primarily with an eye to avoiding overestimation of results.

Table 11 below shows the total numbers and values of procurement procedures per country based on the TED dataset used for the purpose of this study. To avoid any misunderstanding and misuse of the study results, these figures are presented along with the results published in the Public Procurement Indicators 2013[23] report.

Table 11: Comparison of the dataset used for the present study with the 2013 Public Procurement Indicators report.

Country	Results based of the TED dataset of the present study		Results of the 2013 Public Procurement Indicators Report 2013 (Table 4 and Table 3)	
	Number of procedures	Estimated value of procedures in billion EUR	Number of contract notices (with utilities)	Estimated value of tenders (with utilities) in billion EUR
Austria	1,261	2.41	3,076	5.94
Spain	6,115	19.64	7,993	16.46
France	23,312	42.84	43,429	65.8
Latvia	821	1.63	954	1.88
Netherlands	2,613	5.5	3,720	12.66
Poland	18,584	28.16	22,976	32.05
Portugal	729	7.03	1,556	3.25
Sweden	3,039	3.03	6,294	19.6
Slovakia	1,125	12.51	1,583	5.54
United Kingdom	4,253	141.15	9,913	108.86

Source: Analysis of 2013 TED data.

Estimated magnitude of strategic public procurement

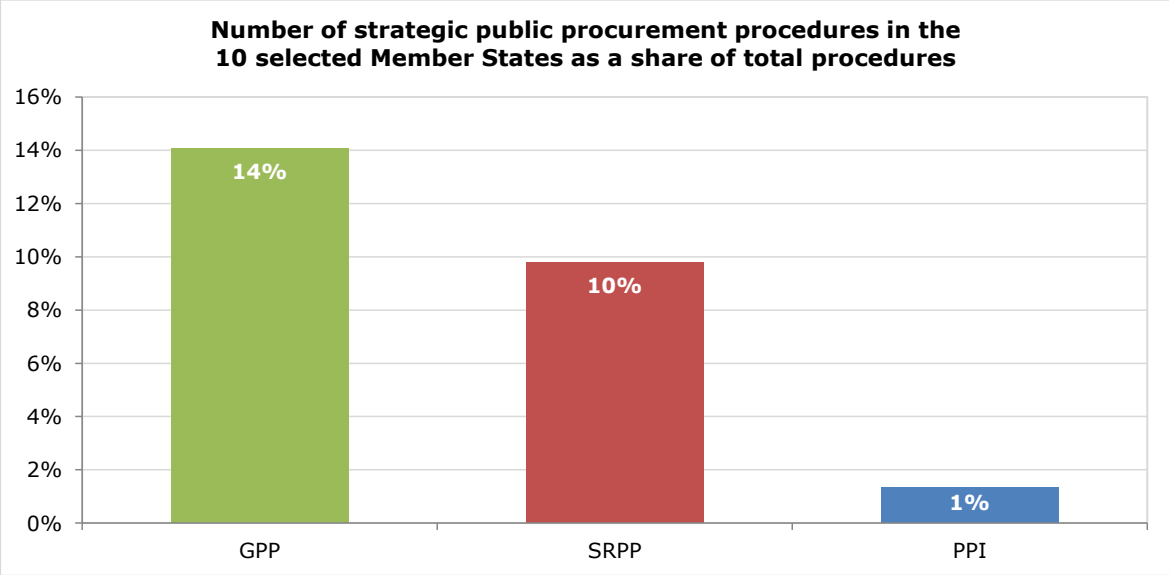
Based on the analysis of TED data for the 10 selected MS, it is possible to identify a number of tendencies regarding the use of strategic public procurement in the EU. The total value of public procurement published on TED for the 10 MS in 2013 considered for this analysis amounts to EUR 264 billion.

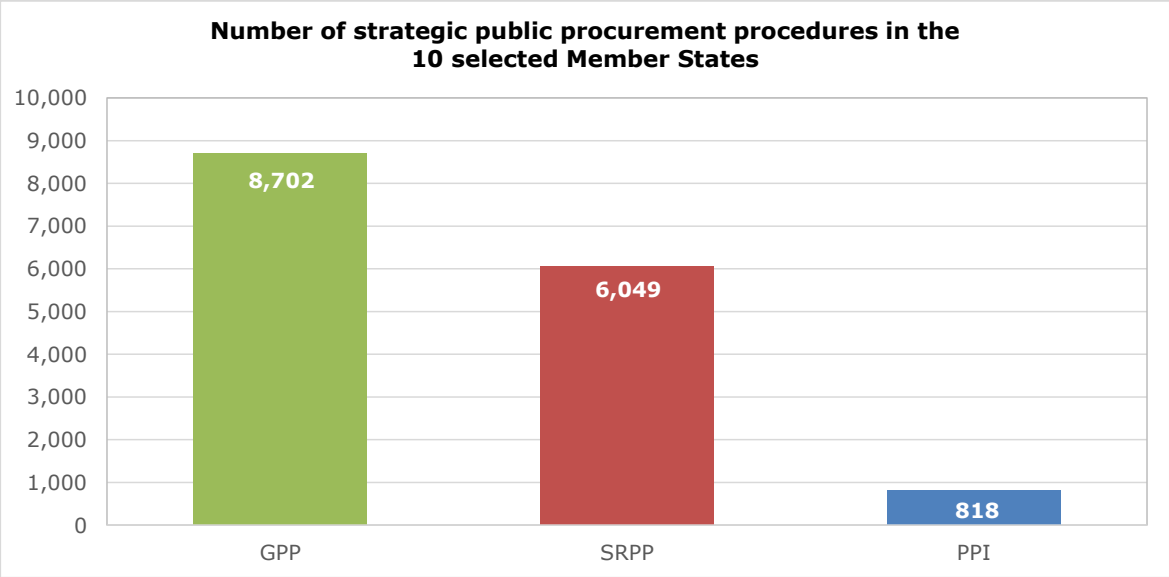
[23] DG GROW (2015), Public Procurement Indicators 2013, available at: http://ec.europa.eu/growth/single-market/public-procurement/studies-networks/index_en.htm

From the overall findings of data analysis, it emerges that the strategic use of public procurement is still not very common. GPP has the highest levels of uptake and is found in 14% of procedures analysed, corresponding to approximately 9,000 procedures, while SRPP and PPI are less common representing 10% and 1% of procedures, respectively.

It should be noted that procedures identified as strategic public procurement are not exclusive, as a single procedure may identify a green, social or innovation tender at the same time. As a result, the estimates for GPP, SRPP and PPI cannot be summed to gather a total estimate of strategic public procurement.

Figure 3: Number of strategic procurement procedures in the 10 MS in 2013



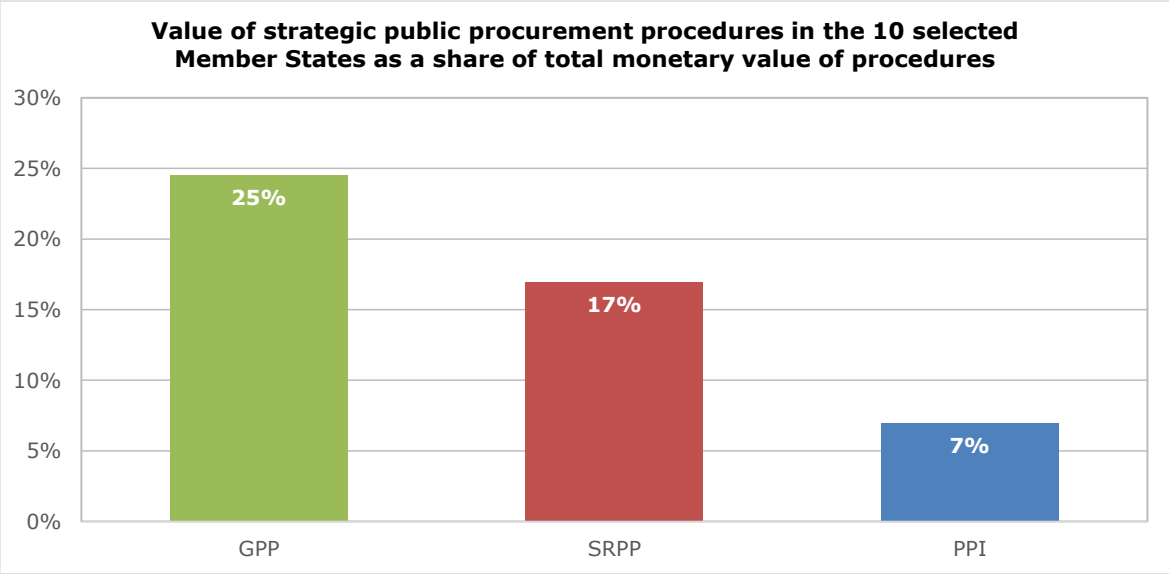


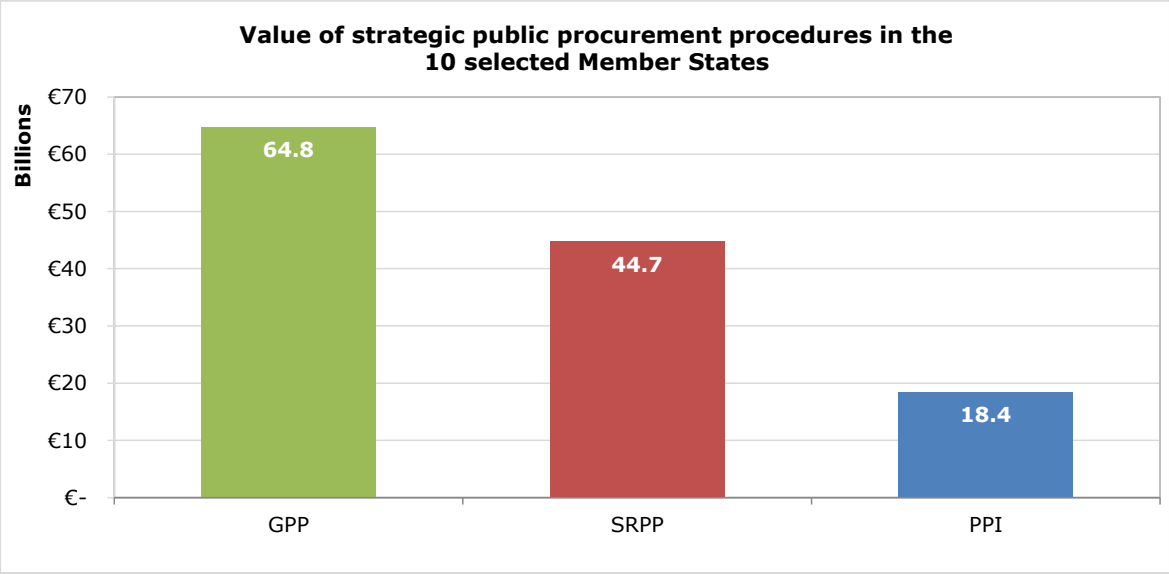
Source: Analysis of 2013 TED data.

Relative to its magnitude in number of procedures, the take up of strategic procurement looks higher when measured in the value of contracts. GPP procedures amount to EUR 64.8 billion in 2013 representing 25% of the total value of procurement published in TED (EUR 264 billion), while SRPP procedures are estimated at EUR 44.7 billion (17%) and PPI at EUR 18.4 billion (7%).

It should be highlighted that the estimated value of contracts published in TED in 2013 is not equal to the annual procurement budget of an MS. In fact, the estimate may include contracts that represent future spending over several years, particularly in the case of large framework contracts. Consequently, the estimated value of contracts per MS cannot be strictly compared with annual budgets or expenditure figures.

Figure 4: Value of strategic procurement procedures in the 10 MS in 2013





Source: Analysis of 2013 TED data.

There was substantial variation among the selected MS in terms of the share of procurement procedures identified as incorporating strategic goals (see Figure 5 and Figure 6). Overall, more economically developed MS showed the strongest results in both the share in number and value of strategic procurement. Detailed results per MS are presented in the table below.

Table 12: Estimated magnitude of strategic public procurement in number and value by Member State

	GPP					
	Number of GPP procurement procedures	Share out of total number of procurement procedures	Value of GPP procurement procedures (in millions)	Share out of total value of procurement	Total number of procurement procedures per country	Total value of procurement procedures per country (in millions)
Austria	40	3%	47€	2%	1,261	2,411€
Spain	517	8%	3,518€	18%	6,115	19,636€
France	5,320	23%	15,928€	37%	23,312	42,842€
Latvia	2	0%	5€	0%	821	1,633€
Netherlands	648	25%	1,788€	32%	2,613	5,531€
Poland	820	4%	2,096€	7%	18,584	28,159€
Portugal	17	2%	24€	0%	729	7,025€
Sweden	96	3%	64€	2%	3,039	3,025€
Slovakia	103	9%	555€	4%	1,125	12,506€
United Kingdom	1,139	27%	40,785€	29%	4,253	141,153€
Total	**8,702**	**14%**	**64,810€**	**25%**	**61,852**	**263,921€**

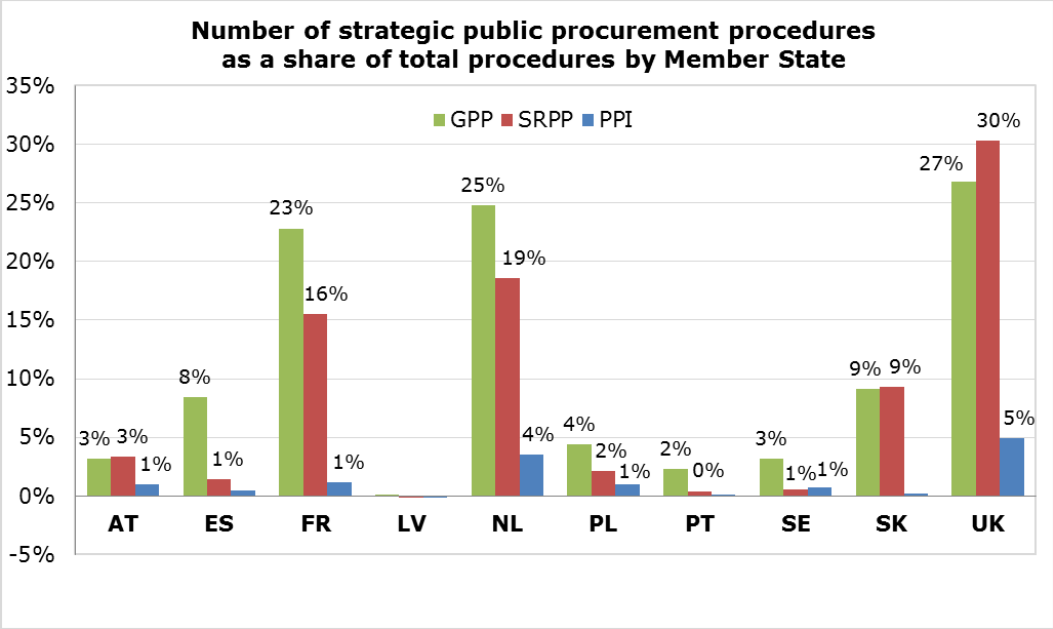
	SRPP					
	Number of SRPP procurement procedures	Share of total number of procurement procedures	Value of SRPP procurement procedures (in millions)	Share out of total value of procurement	Total number of procurement procedures per country	Total value of procurement procedures per country (in millions)
Austria	42	3%	49€	2%	1,261	2,411€
Spain	89	1%	197€	1%	6,115	19,636€
France	3,622	16%	13,330€	31%	23,312	42,842€
Latvia	0	0%	-€	0%	821	1,633€
Netherlands	486	19%	1,748€	32%	2,613	5,531€
Poland	397	2%	1,115€	4%	18,584	28,159€
Portugal	3	0%	1€	0%	729	7,025€
Sweden	17	1%	18€	1%	3,039	3,025€
Slovakia	105	9%	107€	1%	1,125	12,506€
United Kingdom	1,288	30%	28,180€	20%	4,253	141,153€
Total	**6,049**	**10%**	**44,745€**	**0%**	**61,852**	**263,921€**

	PPI					
	Number of PPI procurement procedures	Share of total number of procurement procedures	Value of PPI procurement procedures (in millions)	Share out of total value of procurement	Total number of procurement procedures per country	Total value of procurement procedures per country (in millions)
Austria	12	1%	10€	0%	1,261	2,411€
Spain	29	0%	23€	0%	6,115	19,636€
France	273	1%	2,193€	5%	23,312	42,842€
Latvia	0	0%	-€	0%	821	1,633€
Netherlands	93	4%	296€	5%	2,613	5,531€
Poland	176	1%	312€	1%	18,584	28,159€
Portugal	1	0%	4€	0%	729	7,025€
Sweden	23	1%	27€	1%	3,039	3,025€
Slovakia	2	0%	24€	0%	1,125	12,506€
United Kingdom	209	5%	15,555€	11%	4,253	141,153€
Total	**818**	**1%**	**18,444€**	**7%**	**61,852**	**263,921€**

Source: Analysis of 2013 TED data.

The UK is the leader in all three categories. France and the Netherlands both perform well in share of GPP and SRPP procedures. In terms of PPI, the UK leads the field with 5% of all procedures, followed by the Netherlands close behind with 4% of PPI procedures. Austria, Sweden and Latvia appear to lag substantially behind their peers in all three categories, although their results may be impacted by the lower quality of information in their TED files. Portugal also shows some of the lowest levels of uptake of strategic public procurement. Among the less economically developed MS, Slovakia stands out as a relatively strong performer in GPP and SRPP.

Figure 5: Number of strategic procurement procedures by MS

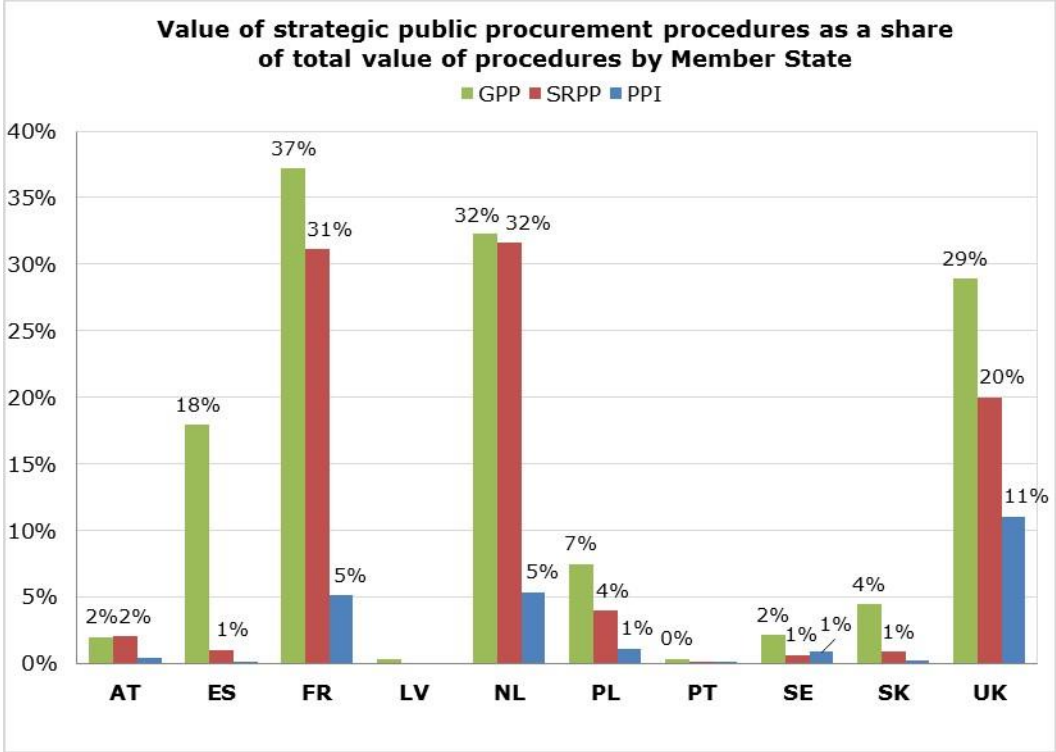


Source: Analysis of 2013 TED data.

The value of the procedures identified is a factor of three issues: the size of the MS economy, the number of procedures and the relative size of procedures. As a result, the United Kingdom and France, each with a large number of identified strategic procedures and GDPs of just under EUR 3 trillion, dominate the field. In relative terms, GPP represented around one third of procurement procedures in 2013 in France (37%), the Netherlands (32%) and the UK (29%). These three MS also leads for SRPP with respectively 31%, 32% and 20% and with much lower values for PPI (5%, 5% and 11%).

For the remaining MS, the combination of comparatively small overall procurement spending with the low numbers of identified procedures results in comparatively smaller values of strategic public procurement.

Figure 6: Value of strategic procurement procedures by MS in 2013



Source: Analysis of 2013 TED data.

5.2. Analysis of links with national policy frameworks

The following section looks at the relationship between national policy frameworks and results from the TED data analysis in order to identify patterns of uptake linked to the level of institutionalisation and maturity of policies, the setting of targets as well as the use of a mandatory or voluntary policy schemes. In order to simplify the analysis, for each of the three categories of strategic public procurement, MS have been grouped according to their uptake in value terms as described below.

For GPP and SRPP uptake were grouped using the following classification:

- 0-5% - Low
- 6%-20% - Medium
- Above 20% - High

Given the lower uptake rates for PPI, a modified uptake scale was used:

- 0-3% - Low
- 4-10% - Medium
- Above 10% - High

Level of institutionalisation and maturity

In the following, the relationship between uptake and the degree of institutionalisation and maturity of strategic public procurement policy is considered in order to determine whether higher institutionalisation and maturity are associated with higher levels of GPP, SRPP, or PPI.

A number of dimensions were taken into account for each strategic public procurement policy in order to define the level of institutionalisation and maturity, as presented in

Table 13, Table 14, and Table 15. First, the existence of an institutionalised policy was taken into account. Second, whether a country had an early start of the strategic procurement policy in question. Third, the presence of dedicated support as well as sophisticated tools is considered as an important characteristic of overall level of maturity of GPP/SRPP/PPI policy.

Positive relationship of GPP institutionalisation and uptake

By comparing GPP institutionalisation and uptake results, clear links between a strong policy framework and high uptake levels are observed for the Netherlands, France and the UK. As summarised in Table 13 below, the Netherlands had an early start on its GPP policy, offers a host of sophisticated tools and dedicated support and it GPP policy can thus be considered mature. This overall level of maturity correlates with comparatively high levels of GPP uptake in terms of value (32%) and number of procedures (25%). A positive link between policy framework and uptake results appears also in France and in the UK, as both countries can be considered relatively mature in terms of GPP policy and they both show high levels of GPP uptake according to the TED analysis. In fact, France has the highest uptake of GPP in terms of value (37%) and strong uptake in terms of number (23%), while the UK shows GPP uptake levels above 20% both in terms of value (29%) and number (27%).

The TED results for Poland and Spain are also consistent with the assumption that higher levels of policy institutionalisation—notably through dedicated support mechanisms—result in relatively higher levels of uptake. These two countries present "medium" levels of uptake in value terms, which coincides with relatively more developed GPP policy frameworks. In fact, the two countries have introduced some form of dedicated support in addition to a formalised GPP policy. Slovakia has also introduced dedicated support to GPP but it shows lower uptake results, particularly in terms of value (4%). Latvia and Portugal can be considered less mature in terms of their GPP policy frameworks and this correlates with low levels of GPP uptake. However, the data for Latvia needs to be interpreted with caution due to a comparatively lower of information in its contract notices and contract award notices.

In Sweden and Austria, on the other hand, the relatively high level of maturity of GPP policy is not reflected in the TED data analysis. Sweden has developed a user-friendly library of criteria and it supports contracting authorities with a dedicated body. Notwithstanding, GPP uptake is very low according to the data (only 2% in terms of value and 3% in terms of number). Similarly in Austria a GPP support body is available and a number of GPP flagship initiatives are present on the territory, but results from the TED data analysis show a 2% GPP uptake in terms of value and 3% in terms of number. Again, it must be noted that the TED results for these two countries must be cautioned, as the contract notices and contract award notices contained little information in both these countries limiting the effectiveness of the key word search.

Table 13: Link GPP policy and uptake

	GPP policy	Early starter	Dedicated support	Sophisticated tools	GPP uptake
Austria	√	No	Yes	No	Low
France	√	No	Yes	Yes	High
Latvia	√	No	No	Yes	Low
Netherlands	√	Yes	Yes	Yes	High
Poland	√	No	Yes	No	Medium
Portugal	√*	No	No	No	Low
Slovakia	√	No	Yes	No	Low
Spain	√	No	Yes	No	Medium
Sweden	√	No	Yes	Yes	Low
United Kingdom	√	Yes	No	Yes	High

** The Portuguese GPP Action Plan is currently under revision*

Clear patterns for SRPP institutionalisation and uptake

In terms of SRPP, the links between policy frameworks (or lack thereof) and uptake of SRPP are relatively consistent. Again, a clear relationship between well-developed policy frameworks and strong uptake results for SRPP policy can be observed for France, the Netherlands and the UK. These three countries have set up either dedicated support or sophisticated tools for SRPP in addition to a formalised SRPP policy. These mature policy frameworks also translate into medium or high levels of SRPP uptake: 31% in value terms or 16% in number of procedures for France; 32% in value terms or 19% in number of procedures for the Netherlands; 20% in value terms or 30% in number of procedures for the UK.

All countries that lack an SRPP policy framework also present low levels of SRPP uptake, which is the case for Austria, Latvia, Portugal and Slovakia. Poland has a less mature SRPP policy framework, which coincides with low uptake results (4% in value terms and 2% in number of procedures). In Spain the picture is mixed in terms of institutionalisation and maturity of SRPP policy given the de-centralised governance of the country. There are pockets of well-developed SRPP policies including some forms of dedicated support, but this is not uniform across the country. However, the relative maturity of the policy is not reflected in the data, as according to the TED analysis SRPP uptake in Spain is limited to 1% in terms of value and 1% in terms of number of procedures.

Again the low uptake results for Sweden are inconsistent with the level of maturity of SRPP policy, as Sweden has dedicated support as well as sophisticated SRPP tools, but this is potentially linked to the low levels of information available in the Swedish TED data.

Table 14: Link SRPP policy and uptake

	SRPP policy	Early starter	Dedicated support	Sophisticated tools	SRPP uptake
Austria	n/a	n/a	n/a	n/a	Low
France	√	Yes	Yes	No	High
Latvia	n/a	n/a	n/a	n/a	Low
Netherlands	√	No	Yes	Yes	High
Poland	√	No	Yes	No	Low
Portugal	n/a	n/a	n/a	n/a	Low
Slovakia	n/a	n/a	n/a	n/a	Low
Spain	√	No	Yes	No	Low
Sweden	√	No	Yes	Yes	Low
United Kingdom	√	No	No	Yes	Medium

Weak relationship of PPI institutionalisation and uptake

The relationship between national policy frameworks and uptake results is less strong for PPI. A clear link emerges for the UK, which presents the highest levels of uptake from the sample (11% in value terms or 5% in number) and also has a strong PPI policy framework. In fact, the UK has longstanding experience with PPI and is implementing the SBRI programme through its innovation agency Innovate UK.

Also in the Netherlands and France a link between relatively mature PPI policy frameworks and "medium" uptake results can be observed. The Netherlands is early starter in terms of PPI policy and has introduced various forms of support to PPI through the procurement expertise centre PIANOo. In terms of PPI uptake, the Netherlands marks 5% expressed in value terms and 4% in number of procedures.

France, too, shows a 5% PPI uptake in terms of value (1% in number of procedures) even though its policy framework is less developed as compared to the Dutch PPI system.

Once again, Sweden and Austria are characterised by relatively mature frameworks for PPI policy, which is not reflected in the TED data analysis. In fact, Austria has recently introduced dedicated support as well as specific PPI tools, *i.e.* a PPI online platform. Yet uptake is less than 1% in terms of value and 1% in terms of number in Austria. Sweden has a longstanding practice of innovation procurement accompanied by support structures, but uptake is modest at 1% in terms of value and 1% in terms of number.

In Poland and Spain, the institutionalisation of a PPI policy including support initiatives is not associated with higher levels of uptake according to the TED data. Finally, Latvia, Portugal and Slovakia have not introduced a PPI policy, which correlates with low levels of PPI uptake based on the TED data analysis.

Table 15: Link PPI policy and uptake

	PPI policy	Early starter	Dedicated support	Sophisticated tools	PPI uptake
Austria	√	No	Yes	Yes	Low
France	√	No	Yes	No	Medium
Latvia	n/a	n/a	n/a	n/a	Low
Netherlands	√	Yes	Yes	No	Medium
Poland	√	No	Yes	No	Low
Portugal	n/a	n/a	n/a	n/a	Low
Slovakia	n/a	n/a	n/a	n/a	Low
Spain	√	No	Yes	No	Low
Sweden	√	Yes	Yes	No	Low
United Kingdom	√	Yes	Yes	No	High

Overall patterns of institutionalisation and uptake

As a general tendency, it can be observed that the institutionalisation and maturity of a strategic public procurement policy coincides with higher levels of uptake according to the TED data analysis. This emerges most strongly for SRPP, where a link between institutionalisation and uptake results can be observed in all MS with the exception of Sweden.

In terms of GPP, positive links can be observed particularly for France, the Netherlands and the UK. A weaker link emerges, too, for Spain and Poland, which have less mature policy frameworks paired with "medium" levels of uptake. Portugal, on the other hand, has the least institutionalised policy framework, which coincides with low uptake rates.

For PPI, the picture is more nuanced, possibly because PPI has only been recently introduced in a number of countries and presents overall the lowest levels of uptake. The strongest relationship is observed in the UK, the Netherlands and France, where relatively strong policy frameworks are associated with medium to high levels of uptake. All other MS present low PPI uptake results regardless of the institutionalisation and maturity of their policy frameworks.

Target-setting compared to uptake of strategic public procurement

As an important element of national policy frameworks, this section explores the relationship between the setting of targets and uptake results in order to identify whether the presence of targets is associated with higher uptake of strategic public

procurement. A summary of target-setting and levels of uptake for GPP/SRPP/PPI per MS is presented in Table 16.

Positive link between GPP uptake and target-setting

In general, a positive link between uptake and target-setting can be observed for GPP. With the exceptions of Portugal and Sweden, all MS have set GPP targets in one form or other. Austria has a *de facto* 100% target, having made the use of GPP criteria mandatory for the central government.

For the eight countries that have established targets, overall a positive link emerges between target setting and levels of GPP uptake for five countries. . This link appears strongest in France, the Netherlands and the UK, where GPP uptake is among the highest of the sample of 10 MS. Yet this relationship holds also for Poland, and Spain, where GPP uptake is in the "medium" range between 6 and 20% of procurement in value terms. In Austria, Latvia and Slovakia, on the other hand, targets do not coincide with higher uptake. However, it must be noted that data results from Austria and Latvia presents weaknesses and thus conclusions on the basis of these results need to be treated with caution. Slovakia presents low results in terms of value (4%) but has higher GPP uptake in terms of number of procedure (9%).

In the remaining countries that have not set targets, i.e. Portugal, and Sweden, GPP uptake levels are relatively low underscoring the relationship between target-setting and uptake results. However, this observation needs to be cautioned. For Sweden caution is necessary due to shortcomings in the TED data results. In Portugal, on the other hand, one of the factors in the low levels of uptake of GPP policy may be the current absence of an overarching GPP policy framework.

Nuanced link between SRPP target-setting and uptake results

Overall, a nuanced relationship between target and uptake emerges for SRPP: target-setting is associated with higher uptake results for two out of three countries (FR and NL), while the absence of targets coincides with lower SRPP uptake for several countries of the sample. In Poland and the UK no links can be established between the presence of targets and uptake of SRPP.

Only France and Poland have set targets for SRPP out of the 10 MS analysed. The Netherlands, on the other hand, has made SRPP mandatory for the central government above certain threshold, establishing thus a *de facto* target of 100%. Out of these three MS, a clear relationship between target-setting and uptake levels can be observed for only France and the Netherlands. In Poland, targets do not coincide with strong levels of uptake, thereby nuancing the link between targets and higher uptake. In the UK, too, no relationship between targets and uptake can be observed, as it registers "medium" uptake levels but no SRPP targets have been set.

The absence of targets in all remaining MS of the sample (AT, LV, PT, SK, SE) correlates with low levels of uptake, thereby supporting the link between target-setting and uptake of SRPP. However, this needs to be nuanced. Austria, Latvia, Portugal and Slovakia lack a policy for SRPP altogether, which is potentially a factor for the low levels of uptake. Furthermore, data for Sweden, Austria and Latvia needs to be interpreted with caution. Thus, Spain remains as an example for a MS, where the absence of SRPP targets coincides with lower levels of uptake.

Mixed results on the link between PPI targets and uptake

Overall, no strong link emerges from the setting of a PPI target and the uptake of innovation procurement. Out of the three countries that have defined PPI targets, i.e. France, the Netherlands and Spain, only France and the Netherlands present medium levels of PPI uptake both at 5% in terms of value. In Spain, on the other hand, PPI

represents less than 1% of procurement in terms of both value and number of procedures.

In Sweden, Austria and Poland the absence of targets is linked to low levels of PPI uptake, indicating a relationship between targets and levels of uptake. However, as already discussed, the TED results for Sweden and Austria show particular shortcomings and therefore no conclusions should be drawn on the basis of these two countries.

The UK example undermines the relationship between PPI uptake and target-setting. In fact, the UK has the strongest uptake of PPI within the sample of 10 MS (11% in value and 5% in number of procedures), yet no uptake targets have been set.

Also, uptake is low for the countries that lack both a policy framework and a target (LV, PT, SK) but this may be related to the general lack of a framework and not specifically to the absence of a target.

Table 16: Link between presence of targets and level of uptake

	GPP target	GPP uptake	SRPP target	SRPP uptake	PPI target	PPI uptake
Austria	No*	Low	n/a	Low	No	Low
France	√	High	√	High	√	Medium
Latvia	√	Low	n/a	Low	n/a	Low
Netherlands	√	High	No*	High	√	Medium
Poland	√	Medium	√	Low	No	Low
Portugal	n/a	Low	n/a	Low	n/a	Low
Slovakia	√	Low	n/a	Low	n/a	Low
Spain	√	Medium	No	Low	√	Low
Sweden	No	Low	No	Low	No	Low
United Kingdom	√	High	No	Medium	No	High

** Mandatory policy, i.e. target 100%*

Mandatory vs. voluntary

The 10 MS analysed have taken different approaches to mandatory or voluntary approaches to strategic public procurement. Voluntary approaches more common, but in some countries strategic public procurement has been mandated for certain public entities.

With the exception of Austria, there is a clear correlation of high levels of uptake whenever a policy is mandatory. This is the case for GPP and SRPP in France and the Netherlands, as well as for GPP in the UK, as summarised in Table 17 below. Austria on the other hand presents low levels of GPP uptake despite mandatory application of GPP criteria at central government level. However, TED data results in Austria are not considered to be representative.

Table 17: Link between mandatory strategic public procurement policies and levels of uptake

	GPP	GPP uptake	SRPP	SRPP uptake	PPI	PPI uptake
Austria	Mandatory for central government	Low	Voluntary	Low	Voluntary	Low

	GPP	GPP uptake	SRPP	SRPP uptake	PPI	PPI uptake
France	Mandatory for selected product groups	High	Mandatory	High	Voluntary	Medium
Latvia	Voluntary	Low	n/a	Low	n/a	Low
Netherlands	Mandatory for central government	High	Mandatory for central government	High	Voluntary	Medium
Poland	Voluntary	Medium	Voluntary	Low	Voluntary	Low
Portugal	n/a	Low	n/a	Low	n/a	Low
Slovakia	Voluntary	Low	n/a	Low	n/a	Low
Spain	Voluntary	Medium	Voluntary	Low	Voluntary	Low
Sweden	Voluntary	Low	Voluntary	Low	Voluntary	Low
United Kingdom	Mandatory for central government	High	Voluntary	Medium	Voluntary	High

5.3. Most commonly used criteria and considerations

The definitions of green, socially responsible and innovative procurement may vary among MS and even between contracting authorities within the same country. However, some concepts and general considerations and criteria are commonly shared and accepted. As explained before in the section "1.1.2. Key areas of strategic public procurement", Green Public Procurement refers to the purchase of goods, services and works with a reduced environmental impact throughout their lifecycle. SRPP includes social aspects in the purchasing decision of public bodies and can cover labour inclusion, decent work, social and labour rights, equal opportunity or accessibility.

These policy goals are reflected in tender documents using contract specifications, selection and award criteria or functional requirements. The analysis conducted on 2013 TED database in the framework of the current study consisted in identifying strategic public procurement procedures thanks to a key word search within the information provided in contract award notices and contract notices, in particular in the description of the award criteria.

The present section aims at highlighting the most common key terms found during this search as they might correspond to the most frequently used criteria, considerations or concepts of strategic public procurement in the 10 MS.

For GPP, the most commonly used criteria deal with sustainability. Indeed, sustainable policy approaches aim to conciliate environmental, social and economic considerations and are very likely to apply to public procurement. The broader concepts of environmental performance and environmental management are also often mentioned in the data analysed.

The use of certifications is widespread as they represent a practical and reliable way for contracting authorities to verify the compliance of bidders with environmental or even social standards. In fact, most approaches to GPP make references to environmental certifications, environmental management systems, labels, and similar instruments used to verify compliance with environmental standards. Public procurement practitioners are keen to use certifications, standards and eco-labels also because they are objective and measurable, contribute to the harmonisation of criteria between contracting authorities, help verify compliance with requirements and also can support monitoring and measurement of the uptake of strategic public procurement.

In that sense, the International Organization for Standardization (ISO) is currently developing a new standard on sustainable procurement. The future ISO 20400 standard will result in guidelines and principles for all stakeholders working with internal and external purchasing processes, including suppliers, public and private buyers, and local authorities as part of an effort to demonstrate good practices for sustainable purchasing[24].

The use of recycled materials, recycling processes and of renewable energies seem also to become a common practice. In addition, in the construction sector, the common rule is now to build eco-friendly and to maximise energy savings. The results also highlight that recurrent GPP key terms often deals with the reduction of environmental risks related to hazardous products or materials as well as with recycling practices and for the use of recycled products and materials.

Table 18: Most common key terms for GPP

Search Term	No.	Share
Sustainable_sustainability_durability	2,307	*20%*
Certification	1,940	*17%*
Renewable_renewable energy source	1,329	*12%*
Recyclability_recycled_recycling	713	*6%*
ISO 14001_ISO 50001	627	*6%*
Environmental protection	541	*5%*
Environmental management	413	*4%*
Green	378	*3%*
Hazardousness_hazardous waste	363	*3%*
Waste management	342	*3%*

Source: Analysis of 2013 TED data.

From the TED data analysis, it emerges that the primary focus of SRPP is related to the respect of basic human and social rights through the reduction of exploitative labour practices and the respect of social norms. Furthermore, SRPP is strongly focused on the inclusion of people at risk of exclusion from labour markets as the results highlight a strong occurrence of SRPP procedures related to the inclusion of vulnerable persons. This could be linked to the fact that the 2004 procurement directives explicitly allow to reserve performance of contracts to sheltered workshops which are organisations that employ people with disabilities.

Equal opportunities, diversity and gender equality are also among the most common used requirements observed in the procurement procedures notices published in TED. Mandatory social security requirements and the compliance with International Labour Organisation (ILO) standards also take an important role for SRPP.

In addition, labour conditions and rights are another key aspect of the social clauses included in public tenders. The focus on health and well-being at work through corporate social responsibility, decent working conditions and hours should also be highlighted as a common way to take social considerations into account in public purchase.

[24] ISO (2014), ISO 20400: Sustainable procurement one step closer to an ISO standard, available at: http://www.iso.org/iso/home/news_index/news_archive/news.htm?refid=Ref1873

Table 19: Most common search terms for SRPP

Search Term	No.	Share
Exploitative_exploitation	1,871	*27%*
Handicap_disabled person	1,690	*25%*
Social insurance_social security	865	*13%*
Equal opportunities_equal chances_equality_equal treatment_gender balance_gender equality	666	*10%*
International Labour Organization _International Labour Organisation _ILO Convention	218	*3%*
Diversity_diversity policy	200	*3%*
Working hours	129	*2%*
Labour conditions_working condition	119	*2%*
Social protection	114	*2%*
OHSAS 18001	97	*1%*

Source: Analysis of 2013 TED data.

Regarding PPI, the most common key terms identified, *i.e.* "prototype", "pilot", "innovation", "innovative solution" do not provide precise insight on the most widely used criteria. This is partly linked to the fact that the purchase of innovative or technological solutions and the support of innovation through public procurement is not easy to capture.

According to most PPI guidance, innovative tenders can include innovation-related requirements in the technical and quality criteria, needs assessment, performance or functional specificities. In that sense, the actual clauses and criteria used in PPI vary according to the subject of the tender and the main activity of the contracting authority. That is why, apart the generic terms used to track PPI in the TED database no specific key words can be used to identify specific criteria.

However, the relatively high occurrence of pilot concept, prototype should be highlighted because they can be the basis for innovation in a wide range of products across all industrial sectors. In addition, the common reference to "competitive dialogue" also indicates a tendency to stimulate co-construction of complex solutions through PPI approaches.

Table 20: Most common search terms for PPI

Search Term	No.	Share
Prototype_pilot	340	*39%*
Innovative_innovative solution	324	*37%*
Fully automated	73	*8%*
Competitive dialogue	55	*6%*
Research and development	19	*2%*
Intellectual property_intellectual property right	12	*1%*
New technology_new technologies	11	*1%*

Source: Analysis of 2013 TED data.

5.4. Type of contracting authority

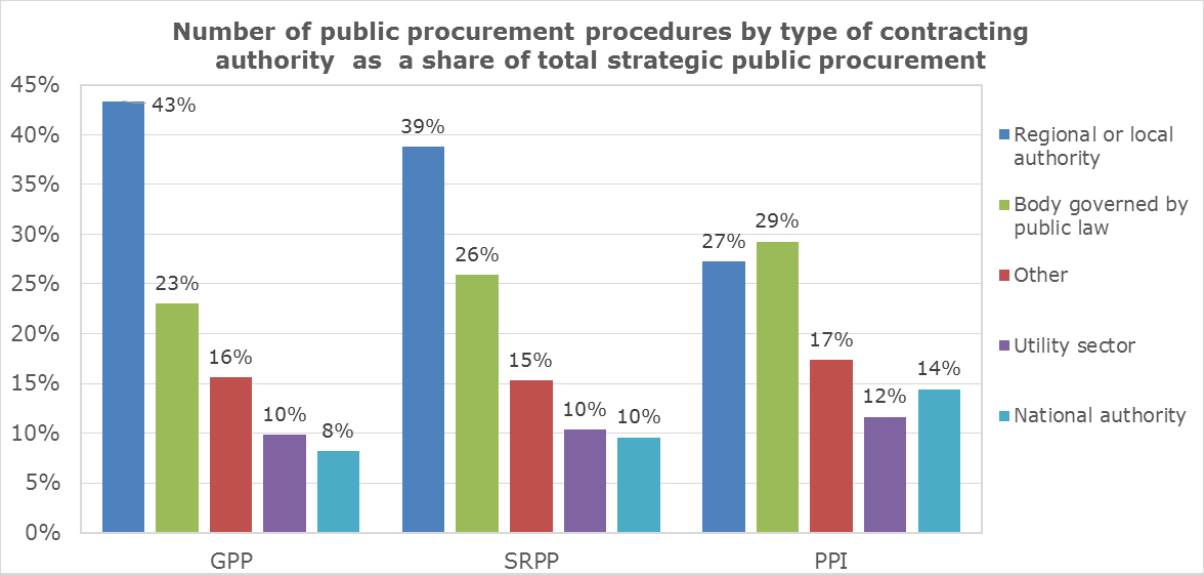
Another dimension that can be observed by taking stock of strategic public procurement policies in 10 MS, is whether strategic public procurement has greater relevance at central level or is fragmented among regional and local actors. In the

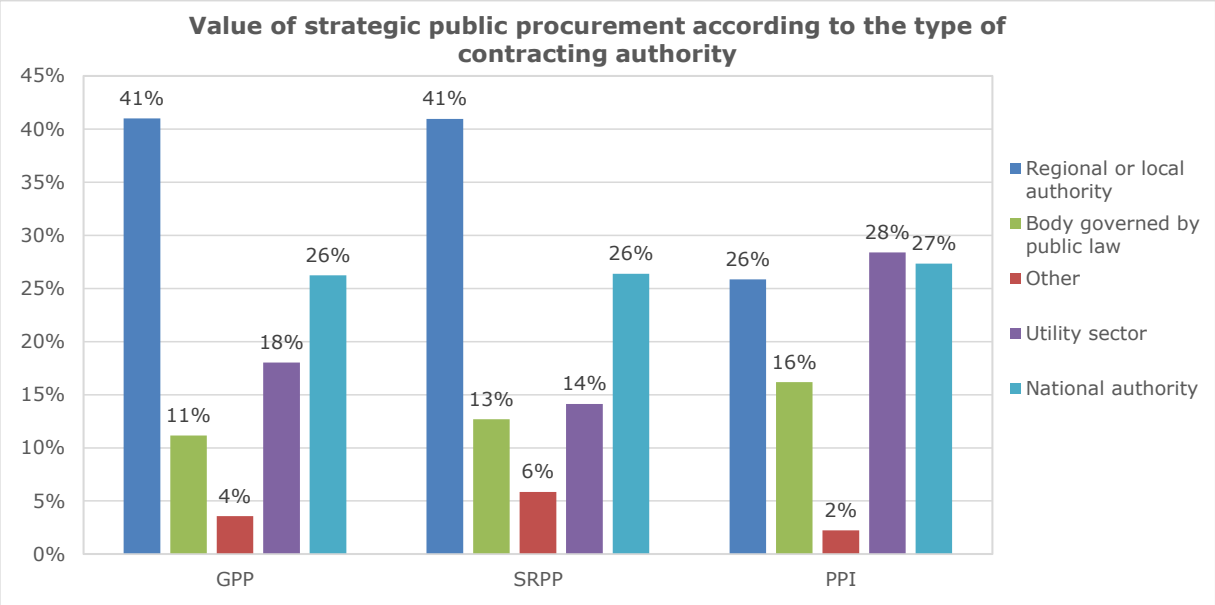
majority of countries, the picture is mixed, with initiatives both at central and local levels.

Across the 10 selected MS, the distribution of identified strategic procurement procedures by type of contracting authority was by and large comparable to the distribution of total procedures as identified by DG GROW's analysis of TED indicators for 2013. It appears that regional and local authorities conduct a plurality of strategic procurement procedures, followed by bodies governed by public law such as public schools, universities and hospitals. National bodies or central governments have a low share of strategic procurement procedures, but they account for larger amounts of strategic procurement in terms of value. Similarly, utilities in the water, energy, transport and postal services sectors present higher levels of strategic procurement in value terms compared to numbers of procedures, especially for PPI.

The data presented in Figure 7 does not take into account the missing information in the TED regarding the type of contracting authority.

Figure 7: Type of Contracting Authority





Source: Analysis of 2013 TED data.

While strategic procurement procedures may overall be more concentrated at regional and local level, it should be noted that mandatory requirements, are however more common at central government level, particularly in the field of GPP and SRPP (*e.g.* the Netherlands, Austria, the United Kingdom).

Among other MS with high absolute numbers of identified procedures, in Spain the regional and local contracting authorities are the primary drivers of strategic public procurement with 54% of GPP procedures, 58% for SRPP and 52% for PPI. In Poland, the roles are reversed, with the regional and local authorities performing an outsized share of GPP procedures and central government leading on SRPP.

5.5. Type of contract

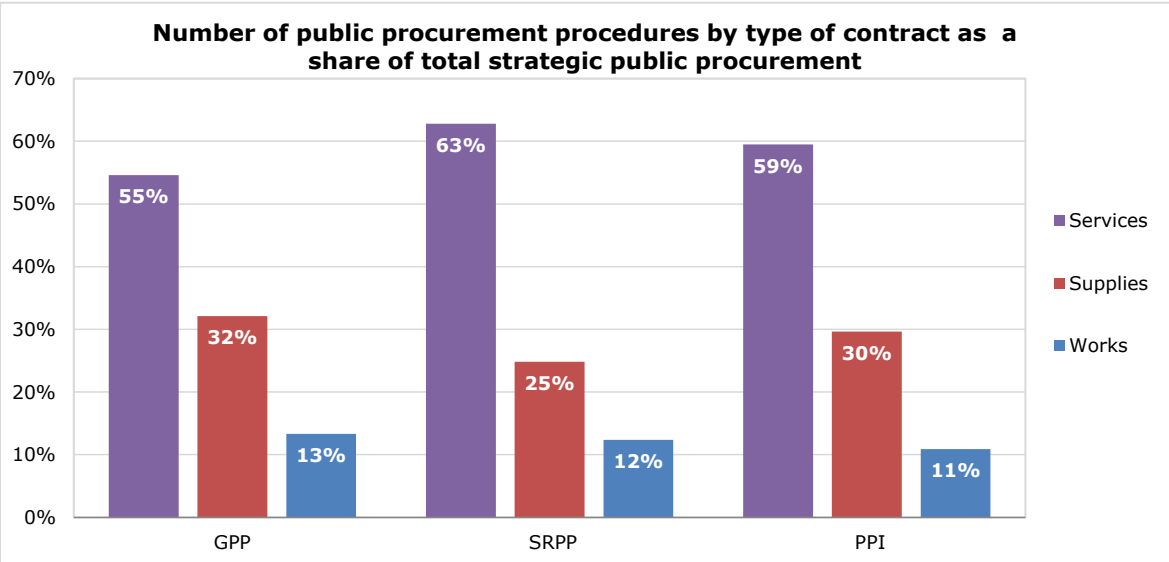
According to the DG GROW analysis of TED indicators for 2013, services make up roughly half of all procurement procedures in the 10 selected MS, followed closely by supplies, with public works contracts accounting for the smallest share, that is less than 10%. The results of the strategic procurement procedures search follows the same tendency as the analysis of DG GROW's 2013 Public Procurement Indicators report, with services contracts accounting for the plurality of contracts in all three categories, and works playing the smallest role.

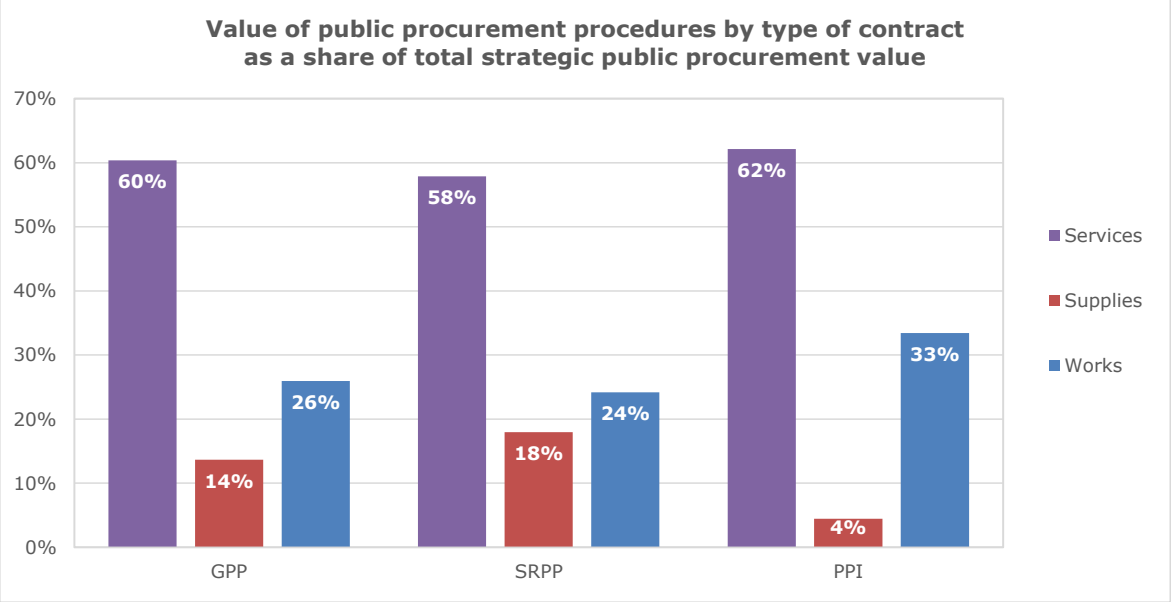
However, when analysing strategic public procurement procedures by value, the relative importance of works contracts increases substantially for GPP, SRPP and PPI. In part, this can be explained by the high relative average value of public works projects as compared with supplies contracts. Indeed, the average value of works contracts published in TED in 2013 for the 10 MS (EUR 16.9 million) amounts to more than 4 times the value of supplies contracts (EUR 3.9 million) and about twice the value of services contracts (EUR 8.5 million).

More to the point, it appears that works contracts lend themselves well to strategic policy goals. That is, the high budgets, design and execution phases, the need for personnel, and use of a wide range of materials, methods, lend themselves well to the incorporation of green (design, materials, methods), socially responsible (suppliers and employers), and innovative (design, materials and methods) policies.

The data presented in Figure 8 does not take into account the missing information in TED on the type of contract.

Figure 8: Type of contract





Source: Analysis of 2013 TED data.

5.6. Type of procedure

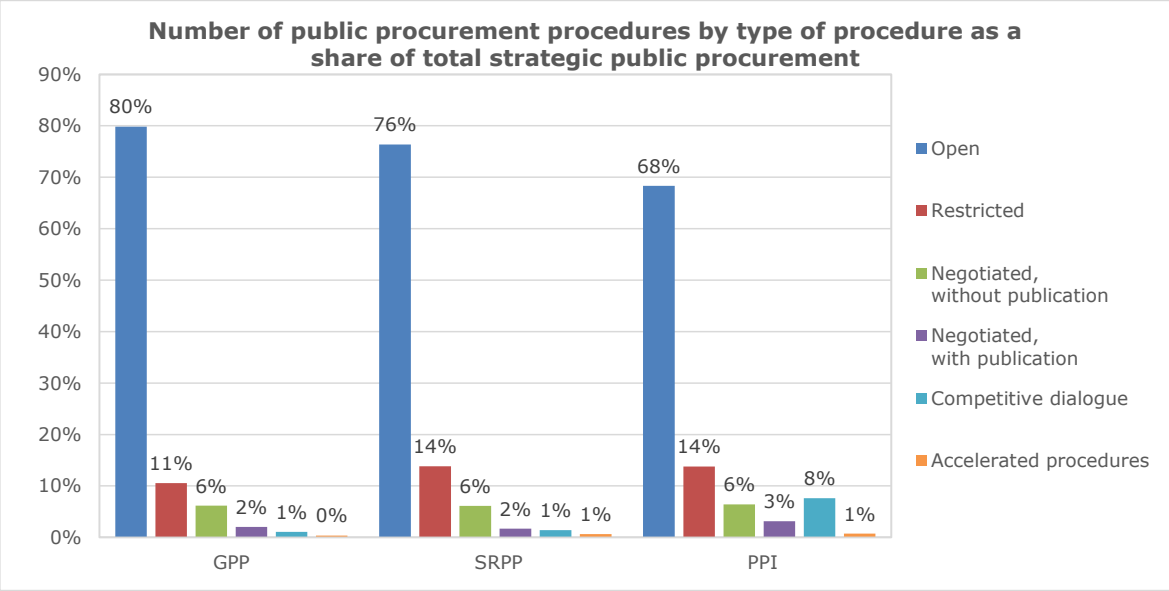
In terms of the type of procedure used, GPP, SRPP and PPI procedures track closely with the overall trend in European public procurement, in that a strong majority is being conducted through open procedures. Open procedures make up more than 60% of procedures in both the 10 selected MS and the EU as a whole. The one exception to this is the UK, which conducts comparatively fewer open procedures in favour of restricted procedures and negotiated procedures with publication.

Due primarily to the influence of the UK, negotiated procedures may be overrepresented in the findings on strategic procurement relative to the overall procurement trend in the 10 selected MS.

Greater use of the competitive dialogue procedure is observed for PPI, as this procedure allows more flexibility to develop an understanding for the needs of the contracting authority and is thus generally considered more apt for PPI.

The data presented in Figure 9 below does not take into account the missing information in TED regarding the type of procedure.

Figure 9: Type of procedure



Source: Analysis of 2013 TED data.

5.7. Incidence of EU co-funding

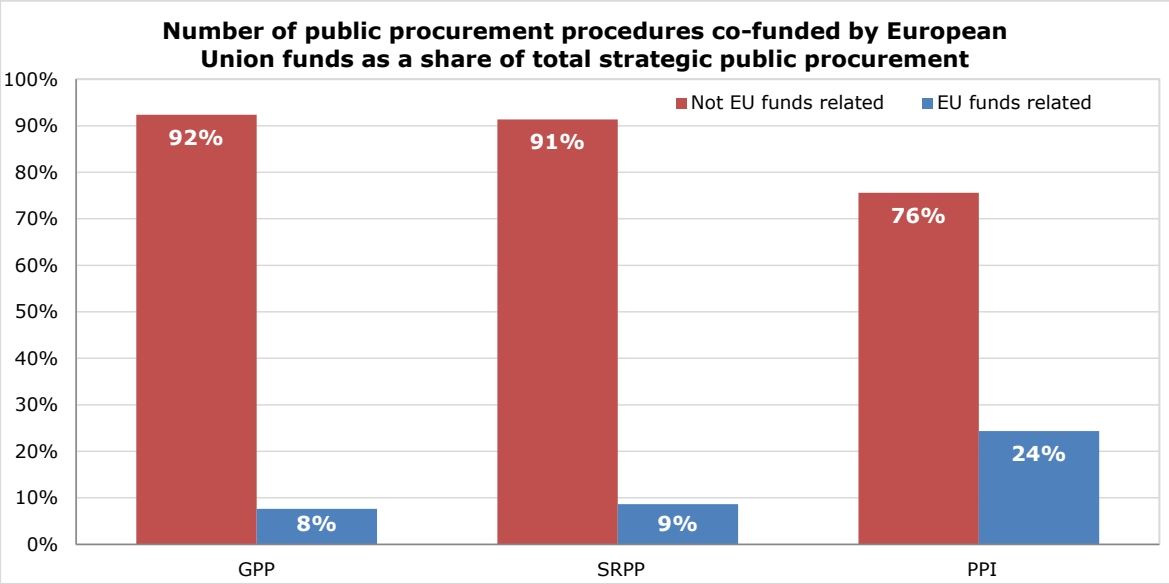
The impact of EU funding on the implementation of strategic public procurement is made clear by the results shown in the figure below. According to the DG GROW 2013 Public Procurement Indicators report, the median share of procedures co-funded using EU funds in 2014 in the 10 selected MS was roughly 13%. In contrast, the share of strategic procurement procedures co-funded by EU funds ranges from 8% for GPP, 9% for SRPP and 24% for PPI.

This indicates that the relationship between the use of strategic procurement and the involvement of EU funding is weak for GPP and SRPP, but plays a sizeable role for PPI. In fact, EU funds, notably European Structural Investment Funds (ESI Funds) can play a role in fostering the uptake of PPI. This tendency might be confirmed in the future since the Horizon 2020 programme, launched in 2014, reinforces the co-financing for European public procurers that address common challenges by undertaking PCPs or PPIs. In addition, the 2014-2020 programming period has created new opportunities for synergies in the use of ESI funds and Horizon 2020 funds to co-finance PCPs and PPI projects[25]. Incidentally, in Spain the vast majority of PPI procedures are co-funded by European Regional Development Fund (ERDF) programmes highlighting the role of EU funds in fostering innovation.

The data presented in Figure 10 below does not take into account the missing information in TED on the incidence of EU co-funding.

[25] European Commission (2014), Digital Agenda for Europe: EU funding opportunities for PCP and PPI, available at: http://ec.europa.eu/digital-agenda/news/calls-eu-funding-opportunities-pre-commercial-procurement-and-public-procurement-innovative

Figure 10: Co-funding by EU funds



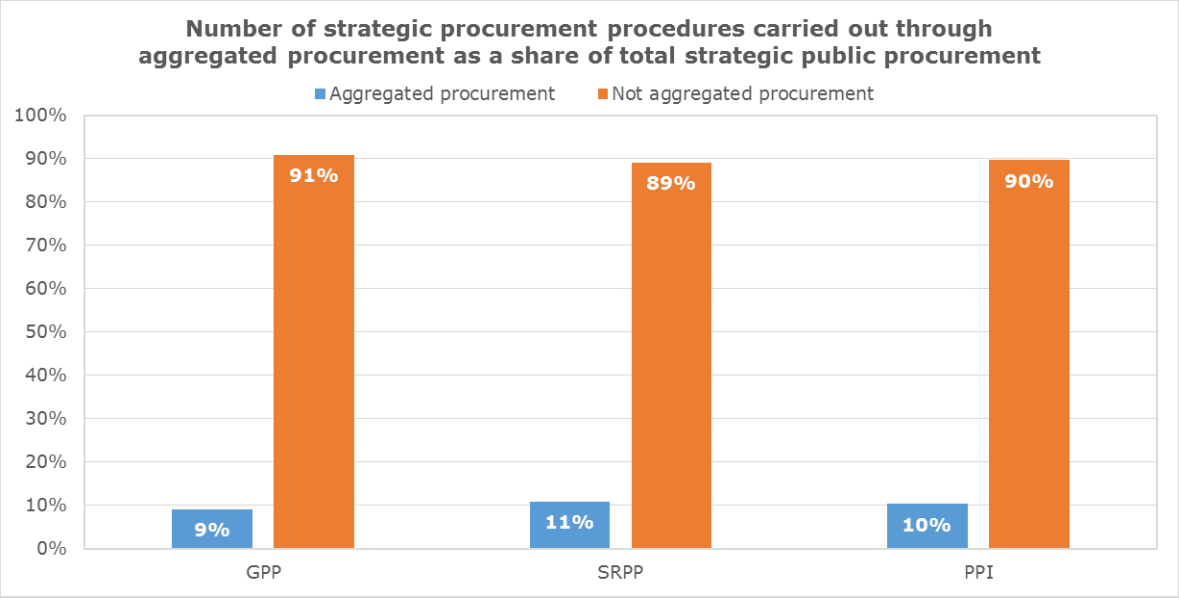
Source: Analysis of 2013 TED data.

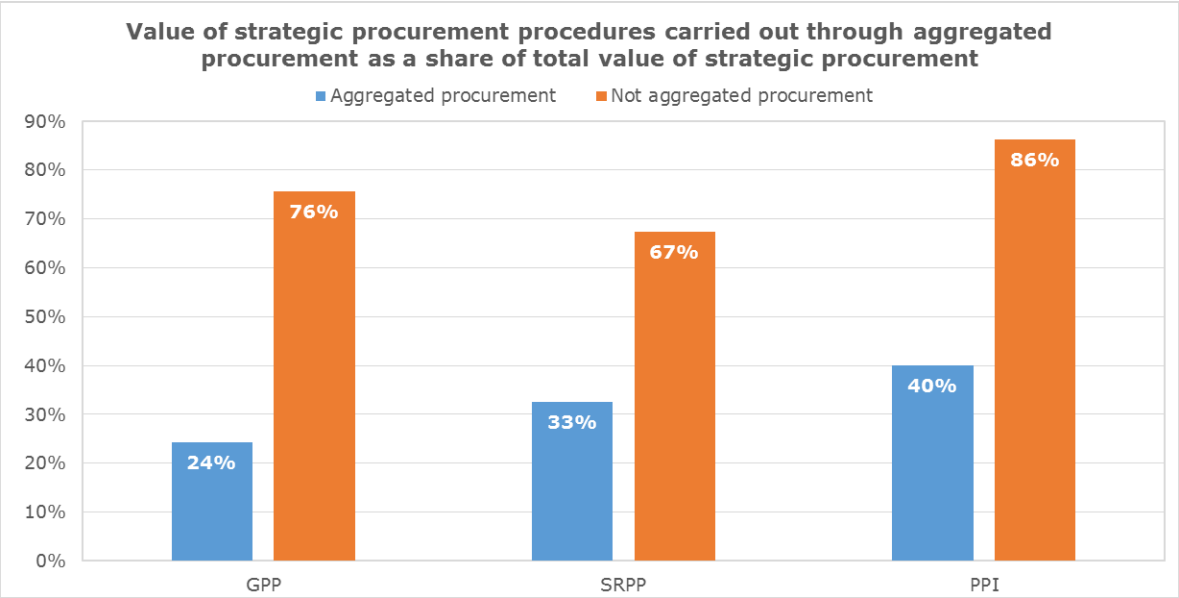
5.8. Incidence of aggregated procurement

Aggregated procurement, whether through national-level central purchasing bodies or sub-national joint procurement, allows public buyers to achieve efficiencies, and strengthen their market position to generate savings. It can also allow them to increase their impact on environmental, social and innovation objectives. As such, joint and central purchasing bodies are key players in the public procurement landscape and often play an important role with respect to strategic public procurement, too.

The analysis of aggregated procurement within 2013 TED data is based on the field "on behalf" of the TED database which allows contracting authorities to indicate if they are purchasing on behalf of other contracting authorities for each procurement procedure. This analysis showed that aggregated procurement represented in 2013 less than 10% of procurement procedures published for all three categories of strategic public procurement (see figure below). Nevertheless, in terms of value, aggregated procurement seems to play a bigger role since it represents 21%, 27% and 29% of GPP, SRPP and PPI procedures respectively. This might derive from the fact that aggregated procurement is mainly conducted through framework contracts or framework agreements and that the individual value of these types of contract is usually much higher than for other procurement procedures.

Figure 11: Aggregated procurement





Source: Analysis of 2013 TED data.

Six of the 10 selected MS have set up a central purchasing body at national level, namely Austria, France, Portugal, Spain, Sweden and the United Kingdom. In the following section, some key trends related to the role of central purchasing bodies in strategic public procurement are described.

Central purchasing bodies as leading actors in the GPP landscape

Among the 10 MS considered in this study, Austria, France, Portugal, Spain and Sweden stood out as those MS where central purchasing bodies are committed to implementing strategic public procurement. For example, the Swedish central purchasing body (*Statens inköpscentral*) applies GPP criteria in the majority of its framework contracts. Similarly, one of the core mandates of the Portuguese central purchasing body *eSPap* is to contribute to environmental protection.

The Austrian example below highlights the important role of key stakeholders such as central purchasing bodies in implementing strategic public procurement.

AUSTRIA: GPP policy at Bundesbeschaffung GmbH (BBG)

One of the key successes of Austria's GPP policy has been to anchor the GPP criteria in the practices of the central purchasing body, the *Bundesbeschaffung GmbH* (BBG). BBG is recognised as a key player in the implementation of GPP since it has included GPP criteria in all its contracts. Purchasing approximately EUR 1.2 billion in 2014[26], the BBG has substantial impact on the market. Importantly, GPP-compliant products are marked as such in its e-catalogue allowing stakeholders to opt for a green choice as well as increasing the visibility of the policy.

An impact assessment of the 2007-2012 GPP activities of BBG was conducted in 2013. Particularly, notable impacts were measured in terms of reduction or power consumption thanks to the purchase of new IT equipment. Also, the BBG carbon footprint was considerably reduced since the proportion of renewable energy sources purchased by BBG went up to 100% of the total mix of energy procured[27].

Policy and advisory role of central purchasing bodies

As described above, central purchasing bodies are important practitioners of strategic procurement, particularly GPP, but in some cases, their role goes beyond its own purchasing to promoting sustainable procurement nationwide. For example, the UK's Crown Commercial Service also has responsibilities as a procurement policymaking body. Similarly, in Portugal *eSPap* makes GPP policy too, including contributing to the creation of the country's new GPP Action Plan together with the Portuguese Environment Agency (APA) and the National Innovation Agency (ANI), which is awaiting approval.

In Austria, the BBG is active on several strategic public procurement issues, and plays a key role as a PPI advisory body by supporting contracting authorities in implementing PPI projects.

Advanced monitoring of strategic public procurement

As large scale purchasers, central purchasing bodies naturally have access to substantial procurement data related to their own framework contracts. Thus, they are in a privileged position to monitor strategic public procurement. As a result, some of the central purchasing bodies under consideration in this study have already developed advanced monitoring systems for strategic public procurement or are working on enhancing them, notably in France and Austria. The French *UGAP* is developing an advanced monitoring tool that will allow its customers to quantify their "sustainable" expenditures. In Austria, the *BBG* monitors GPP/SRPP/PPI on an annual basis. It currently conducts automated tracking for GPP, and is planning to extend the automatic monitoring to PPI and SRPP, too.

[26] Bundesbeschaffung (2015), *Tätigkeitsberichte, available at*: http://www.bbg.gv.at/publikationen/taetigkeitsberichte/
[27] Bundesministerium für Land- und Forstwirtschaft, Umwelt und Wasserwirtschaft (2012), *Response to written parliamentary question of MP Christiane Brunner*, available at: http://www.parlament.gv.at/PAKT/VHG/XXV/AB/AB_02266/imfname_372329.pdf

Table 21: Role of central purchasing body in strategic public procurement

Role of central purchasing body	
Austria – *Bundesbeschaffung* GmbH (BBG)	• Mandatory inclusion of GPP criteria in its framework contracts • Signalling of "green" products in its e-catalogue • Advisory function to contracting authorities via the PPI Service Centre; main focus on PPI but also on GPP/SRPP on request • Advanced monitoring system on GPP/SRPP/PPI with annual reporting to the Ministry of Finance
France - UGAP	• UGAP has a supportive role for GPP/SRPP • A UGAP applies the label "Sustainable development" for better orientation of public buyers towards GPP/SRPP • Important activities in the monitoring field: 1) UGAP is developing a reporting tool that allows contracting authorities to determine how much their procurement is sustainable; 2) UGAP is working on automatic data generation based on customer ID 3) producing procurement data specific to company size, *e.g.* SME, micro-business, large business
Portugal - eSPap	• "Promoting environmental protection through the use of environmental criteria" is part of eSPap's mandate • Targets of 2008-2010 GPP Action Plan valid for eSPap: 50% of procedures and 50% of value of public procurement shall include environmental criteria • Since the introduction of the 2008-2010 GPP Action Plan, eSPap aims at fulfilling GPP priorities in all its contracts • GPP framework agreements on electricity, vehicles, travels considered best practice
Spain - Directorate General for Rationalisation and Centralisation of Procurement	• Acts as central purchasing body for the State administration and related public entities • Public entities can purchase goods and services through an online catalogue • The Directorate implements the targets of the GPP Action Plan
Sweden - *Statens inköpscentral*	• Applies GPP/SRPP criteria either from the Swedish criteria library or from the EU GPP Toolkit, particularly for environmentally critical framework contracts • Has produced an environmental handbook, which guides its GPP purchases. It is available for download on its website and can be of help to other stakeholders. • From an analysis of its framework contracts it emerges that environmental requirements are applied in the majority of framework agreements.
United Kingdom – Crown Commercial Service (CCS)	• As an executive agency of the Cabinet Office, the CCS has responsibilities for procurement policy in addition to aggregating demand for the central government • The Department for Environment, Food and Rural Affairs (DEFRA) collaborates with the CCS to embed UK's Government Buying Standards in the CCS's framework contracts that have high environmental impact, such as ICT and transport.

5.9. Main sectors of strategic public procurement

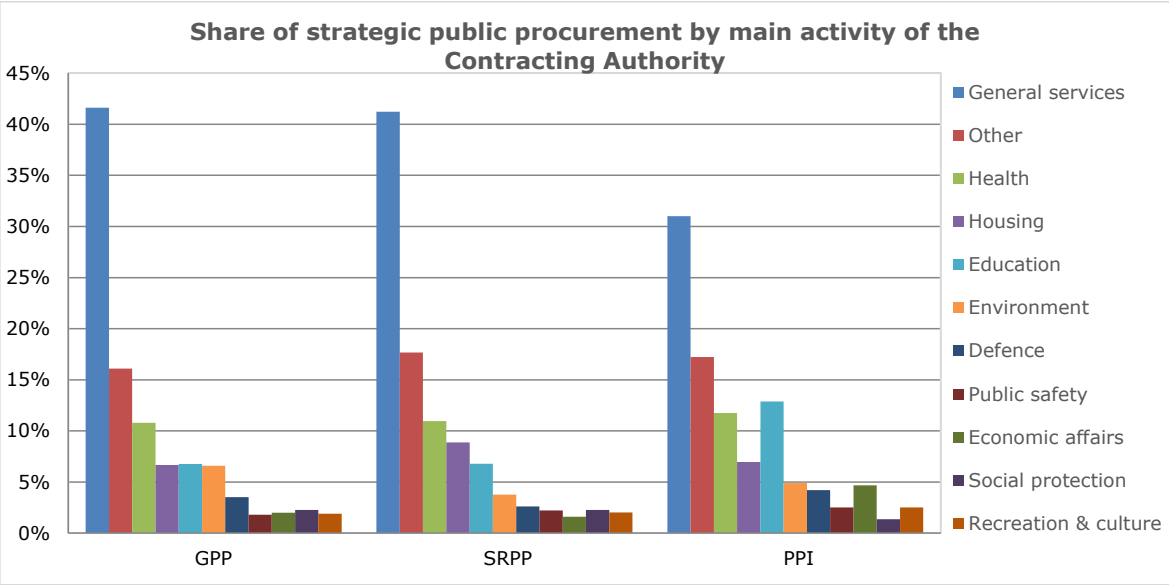
To identify the sectors most affected by strategic public procurement, the present section develops an analysis of the main activity of the contracting authorities and of the main business sectors in which strategic public procurement procedures are conducted by CPV divisions.

The cross-analysis of GPP, SRPP and PPI procurement procedures with the main activity of the contracting authorities reveals that the most common activity is the one that applies to the vast majority of public bodies, namely "general services".

Following the catchall "other" category, which does not allow for a particular analysis, the contracting authorities that use strategic public procurement the next most frequently come from the health sector. The health sector can potentially have a great impact on GPP as it uses a wide range of products and equipment for which criteria can be applied[28]. Innovation is also crucial for this sector which makes use of cutting edge technologies and follows intrinsically technological progress and continuous improvement.

Far behind the health sector, contracting authorities dealing with housing, education and environment activities seem to make an important use of green, social and innovation criteria in their tender processes. Particularly, the housing public sector can potentially have a strong impact on the environment and is increasingly focused on eco-friendly buildings and materials. It also may play an important role in the employment of vulnerable population through social enterprises or specific labour inclusion programmes.

Figure 12: Main activity of the Contracting Authority



Source: Analysis of 2013 TED data.

The Common Procurement Vocabulary (CPV) can provide some insights on the main business sectors affected by strategic public procurement. For the purpose of the present study, the analysis of CPV codes was performed based on the highest aggregate level of CPV codes, namely CPV Divisions[29].

In terms of the business sectors most affected by strategic public procurement, it is important to highlight that most procurement procedures correspond to several CPV divisions and that the representativeness of the CPV divisions for GPP, SRPP and PPI might therefore be slightly biased.

Nevertheless, the results below show some interesting tendencies. In the field of GPP, the purchase of electrical machinery, equipment and consumables shows an important

[28] DG ENV (2014), Electrical and Electronic Equipment used in the Health Care Sector, available at: http://ec.europa.eu/environment/gpp/pdf/criteria/health/TR%20Health%20Care%20EEE.pdf
[29] SIMAP Codes and nomenclature: CPV, available at: http://simap.ted.europa.eu/web/simap/cpv

use of GPP criteria. In addition, sectors such as education and training services, administration, defence and social security as well as recreational services appear to make high use of environmental criteria in public procurement. Not least, practitioners reported that the purchase of clothing and footwear for public agents is also a key area where green purchase can have a beneficial impact on the environment for instance through the use of eco-friendly fibres and fabrics, the avoidance of chemical products in treatments of fabrics and the increase of specific water savings processes in the textile industry.

Table 22: Most common CPV codes in for GPP

	GPP	
CPV Code		
Education and training services	1,191	*17%*
Electrical machinery, apparatus, equipment and consumables; lighting	996	*14%*
Agricultural machinery	575	*8%*
Administration, defence and social security services	488	*7%*
Clothing, footwear, luggage articles and accessories	424	*6%*
Recreational, cultural and sporting services	378	*5%*
Other	2,868	*41%*
Total	**6,920**	***100%***

Source: Analysis of 2013 TED data.

SRPP particularly affects sectors where human resources are key, such as activities related to administration, security and defence services as well as education and training which highly rely on human capital. In addition, the results of the TED data analysis showed that a number of sectors related to the supply of machinery, equipment and diverse products seems to be covered by SRPP, too.

Table 23: Most common CPV codes in SRPP

	SRPP	
CPV Code		
Electrical machinery, apparatus, equipment and consumables; lighting	672	*14%*
Administration, defence and social security services	599	*12%*
Education and training services	499	*10%*
Agricultural machinery	434	*9%*
Clothing, footwear, luggage articles and accessories	304	*6%*
Other	2,318	*48%*
Total	**4,826**	***100%***

Source: Analysis of 2013 TED data.

In terms of the business sectors impacted by PPI, technical products and equipment as well as machinery and industrial products including agricultural machinery represent an important source of PPI. Indeed, innovation is often primarily considered relevant for technological products and hard equipment or machinery.

The results also show that the sector of clothing, footwear and similar are also developing innovation. Finally "soft" innovation (compared to technological and scientific innovation) is coming from recreational, cultural and sporting services, which can bring significant improvement in the way public services are delivered to citizens, for instance in the way public budget is spent through sophisticated revolving mechanisms or financial instruments.

Table 24: Most common CPV codes in PPI

	PPI	
CPV Code		
Clothing, footwear, luggage articles and accessories	80	*13%*
Electrical machinery, apparatus, equipment and consumables; lighting	63	*10%*
Agricultural machinery	59	*10%*
Machinery for mining, quarrying, construction equipment	44	*7%*
Recreational, cultural and sporting services	44	*7%*
Other	318	*52%*
Total	**608**	***100%***

Source: Analysis of 2013 TED data.

In addition, a number of PPI initiatives often emerge from the health and defence sectors. Indeed, in these specific sectors, procurement stakeholders reported that practitioners are more used to think strategically about their future technology needs than in other sectors. For example, in the UK, the SBRI programme is well developed in those sectors (see below).

UNITED KINGDOM: SBRI Healthcare

The Small Business Research Initiative for Healthcare (SBRI Healthcare) is a project of the National Health Service (NHS) of England, supported by the Academic Health Science Networks (AHSNs) which aim to improve healthcare practices thanks to applied research and knowledge exchange. In 2009, several regional NHS started to develop SBRI initiatives to find solutions to identified healthcare problems. It consisted in bringing together business, health, technology and government partners to launch a number of competitions for businesses to address major unmet health needs.

The SBRI Healthcare programme consists in two main phases. Clinicians start with the identification of a challenge to tackle. Challenges are offered to industry, and particularly SMEs and early-stage businesses, to test the feasibility of their ideas and projects. If successful, these ideas can result in a public-funded contract to develop the product. While the public healthcare services have the right to use and license the developed product or technology, its intellectual property remains with the economic operator, contributing to further potential economic development.

Since it was fully launched, the programme has supported more than 100 businesses and helped develop more than 30 new products.

5.10. Deterrent impacts of strategic public procurement

The European Union encourages contracting authorities to promote public policy goals through public procurement to the extent that it is done treating economic operators equally and non-discriminatorily and acting in a transparent way. Indeed, the use of strategic goals in public procurement has to be limited so that it does not deviate European public buyers from the basic principles of equal treatment and non-discrimination, transparency, proportionality and mutual recognition of the European Single procurement market.

A number of potential risks of deterrent impacts of strategic public procurement have been identified and are described below:

- The most common risk of distortion of competition related to strategic public procurement is related to the preference for local, regional or national goods or

services. Indeed, local public authorities may distort competition to favour local contractors while trying to reduce their carbon footprint or to develop the local or regional economy.

- Certifications and standards on green, social and innovative practices are usually considered by contracting authorities as objective and commonly accepted criteria. However, even if they appear to be a practical solution to avoid distortion of competition, their use as criteria must be consistent with the subject of the tender and widely recognised standard and certifications should be prioritised. Indeed, some labels or certifications have been developed at regional and local level to mainly to foster quality and green processes within local businesses.

  However, when used as evaluation criteria in tender procedures, these local or regional certifications might constitute the backdoor to distort competition in favour of local and regional businesses. Thus, for the use of these regional certifications attention should be paid to compliance with the conditions stated in Article 43 of Directive 2014/24/EU.

- In the field of PPI, some risks can also be identified in the use of competitive dialogue. This procedure is mostly used for complex projects because it allows for extended interactions between buyers and bidders in order to achieve tailor-made proposals.

  Yet, once the included economic operators have been selected and the actual dialogue phase has started, contracting authorities should pay attention not to provide more information to one bidder than to another. The discussions carried out individually with each participant must be focused on their respective proposal and any more generic information should be provided to all bidders to ensure a fair and open competition between them.

- Aggregated procurement is often conducted through framework agreements that cover long periods of time (*e.g*. several years). Therefore, the inclusion of strategic criteria in such procedures can have a great impact on strategic goals.

  Nevertheless, in the countries where the market is not mature enough to match strategic requirements, the introduction of strategic criteria in such procedures might limit the choice of contracting authorities to a very low number of economic operators. On the other hand, having more bidders may be preferable, as they give public buyers more options, and thus lead to better value for money. In conclusion, the use of strategic criteria in large aggregated procurement contracts should be limited to the sectors where the market is mature enough to provide goods or services from several different suppliers.

- Some contracting authorities consider that the use of strategic criteria entails greater risks in terms of compliance with competition and equal treatment principles. Partly, this is due to the lack of precise guidance on potential impacts on competition of strategic criteria.

  The fear of possible legal sanctions is particularly dissuasive in less experienced MS where procurement irregularities are still high and where strategic public procurement might add complexity to the existing difficulties.

To avoid market distortion effects when carrying out strategic public procurement, the Court of Justice of the European Union has been producing some relevant case law over the past ten years[30].

[30] Client Earth (2011), *Identifying Opportunities for Sustainable Public Procurement Briefing Series: Briefing No. 3: The guiding principles of public procurement transparency, equal treatment and proportionality*, available at:

In particular, the Court has clarified a number of aspects that should be taken into account when using strategic criteria. According to the Court's case law, strategic criteria must be closely linked to the subject matter of the contract, meaning that they should take into account the functional objectives of the contract but also environmental, social or economic externalities coming directly from the use of the purchased goods or services. For example, in the case of a transport service, the strategic criteria should be applied to the functioning of the service itself but also to the impacts of the transportation mode on the environment (e.g. CO2 emissions, noise pollution) and on social aspects (e.g. working conditions of the staff, safety and security of drivers).

In addition, the Court has stated that whenever a strategic criterion is introduced in a tender procedure, the principle of proportionality should be considered together with a sound analysis of the appropriateness of the criterion to achieve the strategic goal at stake.

http://www.clientearth.org/reports/procurement-briefing-no-3-guiding-principles-equal-treatment-transparency-proportionality.pdf

6. MONITORING AND EVALUATION OF STRATEGIC PUBLIC PROCUREMENT

Monitoring of strategic public procurement is key to inform policymakers as well as the wider public of the results achieved by the policy in place. Information about the level of implementation of a policy intervention serves as background for decision-making and allows drawing conclusions and recommendations for improvement of policy. However, monitoring of strategic public procurement is a complex undertaking and MS struggle with challenges related to data collection as well as to methodological issues. As a result, monitoring still presents some gaps and is an area for improvement.

In the sections below key observations and trends related to the various monitoring systems of MS are presented and analysed with respect to the frequency of monitoring, the type, as well as the level of dissemination of monitoring results. Furthermore, the extent of usage of evaluation and impact assessment studies is analysed. In conclusion, a summary of national monitoring results per MS are provided as well as a description of available national databases on public procurement.

6.1. Monitoring systems in place

The analysis of strategic public procurement looks at the monitoring systems for GPP/SRPP/PPI with a view of comparing practices across MS. It can be observed that monitoring systems are overall patchy for all three types of strategic public procurement. GPP monitoring is most comprehensive, even though only a few MS have a put in place a system that regularly and automatically tracks GPP. SRPP monitoring is generally limited and but monitored together with GPP if an integrated approach to GPP/SRPP has been established. Currently, only the Netherlands has attempted to monitor PPI, but other countries are in the process of developing PPI monitoring systems.

The following challenges are likely to pose a barrier for the development of monitoring systems:

- **Lack of data**: This constitutes one of the key barriers to monitoring. Rarely MS have comprehensive databases from which to draw information on public procurement. This may be linked to the governance structure of a country, *i.e.* in federal and de-centralised states there is often no overall harmonisation of procurement system and therefore exchange of data may neither be automatic nor easy to implement. In fact, in some instances the central government may not have the authority to demand procurement information from sub-central entities.

- **Definition of indicators**: Defining indicators for strategic public procurement is relatively complex. In fact, an accepted definition of 'green' 'social' and 'innovation' procurement and related indicators is lacking. The most common indicator for GPP and SRPP relates to the application of green or social criteria respectively paired with the value of the contract. Yet, to have more meaningful results, other considerations could apply, too. For instance, if the GPP criterion applies only to a small fraction of a large contract, it opens up the question as to whether the entire contract should be considered "green" or only a portion of it. In the case of PPI indicators, the "innovative" character needs to be defined. Alternatively monitoring of PPI can be tied to functional requirements in tendering; yet again, this begs the question of how many functional requirements are necessary for a contract to qualify as innovation procurement.

- **Participation of stakeholders**: Given the lack of already existing data, most monitoring systems rely on some form of data collection, which typically rests on participation of stakeholders. MS are faced with the choice of increasing the burden

on stakeholders by mandating a reporting system or risking low participation rates in data collection exercises and consequently obtaining low quality results.

- **Resources**: Not least, developing a comprehensive monitoring system is a resource-intensive exercise and prompts the consideration of costs vs. benefits.

In spite of the challenges described above, MS have developed some forms of monitoring for strategic public procurement. The key trends are presented below.

GPP monitoring is most developed

As the most institutionalised policy with each of the MS having introduced a policy framework for the greening of public purchases, it follows that GPP is also the most tracked policy. Greater monitoring of GPP is likely linked to the fact that the majority of MS have introduced GPP targets and therefore need to measure their progress with respect to the target. Also, indicators for GPP are easier to gather as opposed to indicators related to *e.g.* innovation.

While some form of GPP monitoring has been carried out by all 10 MS, the level of comprehensiveness of monitoring systems in place varies significantly. In many cases, monitoring is carried on an ad-hoc basis, for instance before the policy is re-designed. This is the case in Austria, where a monitoring and evaluation exercise took place before as part of the re-assessment and evaluation of the GPP Action Plan. Also it must be noted that some MS are in the process of re-designing their monitoring systems, *e.g.* in the Netherlands and Portugal. In Sweden, too, the newly formed National Agency for Public Procurement has recently been tasked with the monitoring function and new developments are expected. Similarly, in Austria there are plans for re-designing GPP monitoring. In Portugal the newly set up procurement regulatory body IMPIC will soon collect data on GPP.

Some MS define regular intervals, in which the policy needs to be evaluated and/or monitored, which are often set in the GPP Action Plan. For example, the Portuguese GPP Action Plan 2008-2010 foresaw a yearly monitoring report as well as comprehensive reporting every three years. However, since the Action Plan expired, monitoring activities were put on hold, too.

In contrast, France, Latvia (see example below), the Netherlands, Sweden, Slovakia as well as the UK monitor GPP on a regular basis. France pays particular attention to monitoring, which is carried out through the Economic Observatory of Public Purchases. For all procedures above EUR 90,000, contracting authorities are required to transmit data on their use of green and social clauses to the Observatory, which then produces a yearly indicator on GPP/SRPP uptake.

LATVIA: Standardised GPP self-reporting

In Latvia, statistics regarding GPP are being collected by means of standardised reporting forms sent by contracting authorities to the Procurement Monitoring Bureau (IUB) as requested by article 83 of the Law on Public Procurement. The collection of data on GPP is part of the overall data collection on public procurement.

This standardised self-reporting allows for the quantification of the share of green procedures out of the total number of procedures in the country. In addition to this standardised reporting, the IUB oversees the application of GPP criteria in for procurement of food and procurement in the field of transport.

The monitoring results are included in the activity reports published by the IUB on an annual basis.

Limited monitoring for SRPP

SRPP is monitored less compared to GPP and is often linked to monitoring systems that are already in place for GPP. In France, for instance, contracting authorities are required to report data on environmental and social clauses to the Economic Observatory of Public Purchases. As a result, France regularly develops indicators on the uptake of SRPP. In Poland, too, SRPP monitoring is performed by the same institution as for GPP, i.e. the Public Procurement Office, and is carried out on a regular basis.

In the Netherlands, compliance with social criteria is measured at central government level, as the central government has an obligation to include SRPP criteria in its procurement. However, the Netherlands is currently revisiting its approach to monitoring, so new developments are expected.

There is no formalised monitoring system for SRPP in the UK, despite the fact that SRPP policy is institutionalised by legislation on social value. On the other hand, the UK's approach to SRPP is quite distinct: the Social Value Act allows considering social impacts when procuring services giving contracting authorities large autonomy in the definition of social value. As such, it may be challenging to capture a variety of approaches to social value procurement through a quantitative analysis. In Spain, there is no comprehensive national monitoring of SRPP, also due to the fact that much of social procurement is governed at regional and local level.

In Austria, an ad hoc survey on SRPP was carried out in 2008, but otherwise there is no monitoring of SRPP.

Methodological challenges for PPI monitoring

While GPP and SRPP monitoring may be burdensome for stakeholders or be limited by the lack of data collection, monitoring of PPI poses the greatest methodological challenge. It is often difficult to define "innovation" and therefore to determine a relevant indicator. One option is to classify various stages of innovation related to the maturity of the given technology. Another difficulty lies in the fact that innovation cannot easily be formulated as a criterion, as it is mostly the case for GPP and SRPP. Instead, innovation procurement often works by applying functional requirements, which are less straightforward to capture for monitoring purposes.

Currently, only the Netherlands has attempted to monitor PPI while the other countries in the sample analysed have not established a PPI monitoring system. Despite the lack of comprehensive PPI monitoring systems, some ad hoc initiatives have taken place, such as a PPI survey in Austria. In the Netherlands, a combination of methodologies (written survey, phone interviews, analysis of tenders) is used to identify tenders that are considered to enhance innovation[31]. Furthermore, France and the Netherlands are in the process of developing more comprehensive PPI monitoring systems, including PPI indicators.

Specifically, France is in the process of developing a PPI monitoring system in order to track the progress on its PPI target of 2% procurement volume awarded to innovative SMEs. The Netherlands, too, is working on strengthening its PPI monitoring system, which will be based on a qualitative and quantitative assessment.

In Spain, contracting authorities can indicate with a "click" in the State Procurement Platform (PLACE) if the procurement procedure is considered innovation procurement. However, this information is neither collected nor used for monitoring purposes. In addition to this source of data, potential monitoring information on PPI may come

[31] European Research Area and Innovation Committee (2015) ERAC Opinion on Innovation Procurement

from the programmes INNODEMANDA/INNOCOMPRA. To date, however, there is no PPI monitoring system in place.

For countries that make use of the Small Business Innovation Research programmes, *i.e.* the Netherlands, Sweden and the UK, it may be easier to collect data related to the call for tenders under these programmes. However, this information is not necessarily systematically tracked, as it is the case for instance in Sweden. Nevertheless, these programmes are usually evaluated. In fact, an evaluation of the SBRI programme is underway in 2015 and the SBIR programme in the Netherlands has been evaluated in 2010.

In Table 25 below a summary of the availability and frequency of monitoring at national level is provided.

Table 25: Regular vs. ad hoc monitoring of strategic public procurement

Monitoring of strategic public procurement			
	GPP	**SRPP**	**PPI**
Austria	Ad hoc/in flux	Ad hoc	Ad hoc
France	Regular	Regular	In flux
Latvia	Regular/in flux	n/a	n/a
Netherlands	Regular/in flux	Regular/in flux	Regular/in flux
Poland	Regular	Regular	No monitoring
Portugal	In flux	n/a	n/a
Slovakia	Regular	n/a	n/a
Spain	Ad hoc	No monitoring	No monitoring
Sweden	Regular/in flux	In flux	No monitoring
United Kingdom	Regular	No monitoring	Ad hoc

6.2. Targets and monitoring

In order to verify whether the target has been met, there needs to be a measurement system and some form of monitoring. As a result, it is generally the case that all countries that have introduced targets also monitor these targets regularly. By looking at targets-setting and monitoring of strategic public procurement it emerges that GPP targets are generally monitored, but no consistent monitoring of SRPP and PPI targets is in place.

Clear pattern for GPP and combined GPP/SRPP approaches

All the countries that have introduced a GPP target, have also implemented a form of monitoring, as summarised in Table 26. As discussed above, however, regardless of their targets not all MS have established a regular reporting system and may only monitor on an ad-hoc basis. In the case of SRPP, targets and monitoring correlate in France and Poland, as these countries have a combined approach to GPP and SRPP policy. Spain presents a complex case, as targets for SRPP are often set at regional and local level, and also monitored locally. However, no target is set at national level and no monitoring occurs either.

PPI targets set, but monitoring in the making

France, the Netherlands and Spain have made important commitments to PPI by setting targets in terms of procurement expenditure dedicated to PPI. While the targets have been set, work on the monitoring system to assess progress towards these targets is still in the making. France and the Netherlands are actively working on PPI indicators and establishing a PPI monitoring system. Challenges are related to the lack of information on innovation expenditure as well as the definition of PPI. In contrast to pre-commercial procurement, PPI is much broader and may involve a

variety of procurement methods. Thus it is even more complex to capture in a statistic.

No targets, yet monitoring

Monitoring can also occur in the absence of a defined target. Sweden is a noteworthy example in this respect. GPP policy rests on voluntary participation, whereby actors are encouraged to implement green criteria, but without a set performance objective. Austria did not set any GPP targets, but the central government has committed itself to apply GPP criteria. The policy is thus monitored on ad hoc basis. Along the same lines, there are no targets for SRPP in the Netherlands, but social criteria are mandatory for central government. As a result, compliance is monitored on a regular basis.

Austria's PPI policy also does not define a target, but it is subject to an ad hoc monitoring survey and a policy evaluation. Also, PPI in the UK is not based on a specific target, yet information on the SBRI programme is collected and a policy evaluation is scheduled in 2015.

Table 26 captures the relationship between target setting and the monitoring of these targets. The information refers to targets at national level.

Table 26: Relationship between targets and monitoring systems

Monitoring of strategic public procurement						
	GPP Targets	**Monitoring GPP**	**SRPP Targets**	**Monitoring SRPP**	**PPI Target**	**Monitoring PPI**
Austria	No	√	n/a	n/a	No	√
France	√	√	√	√	√	In progress
Latvia	√	√	n/a	n/a	n/a	n/a
Netherlands	√	√	No	√	√	√
Poland	√	√	√	√	No	No
Portugal	n/a	n/a	n/a	n/a	n/a	n/a
Slovakia	√	√	n/a	n/a	n/a	n/a
Spain	√	√	No	No	√	No
Sweden	No	√	No	No	No	No
United Kingdom	√	√	No	No	No	√

N/a- no policy in place, No – no targets or no monitoring in place

6.3. Type of monitoring

Monitoring systems for strategic public procurement across the 10 MS vary not only in their scope and frequency, but also in the way data is collected. To date, the most commonly implemented monitoring systems are:

- **Survey:** Commonly used method for collecting data on GPP/SRPP/PPI. Allows also capturing qualitative elements and is adaptable in terms of granularity of information prompted. Usually carried out on an ad hoc basis.

- **Self-reporting**: Collection of pre-defined indicators on a regular basis.

- **Analysis of tender sample**: Screening tender documentation in order to check whether these include criteria for strategic public procurement.

- **Benchmark/evaluation:** Mix of qualitative and quantitative elements aimed at gathering a holistic picture of the working of the policy. Usually performed on an ad hoc basis.

In addition, recently some MS have introduced or are considering another alternative, which can be referred to as:

- **"Ticking"**. This consists in being able to label a procurement procedure as green, social or innovative directly in an e-procurement platform or similar format through an interface that allows to "tick" a box. In the context of the upcoming e-procurement reforms, "ticking" may acquire a more important role, as it poses a relatively small burden on contracting authorities and allows automatic data collection. Spain uses such an approach for signalling PPI procedures in its e-procurement database, yet not for monitoring purposes. Austria, on the other hand, is considering introducing a GPP monitoring on this basis.

While all these methods are applied by MS, a few observations emerge from the analysis of 10 MS in terms of the types of monitoring systems used.

Self-reporting commonly used for GPP monitoring

Even though there is a great variety in terms of the monitoring system applied, it is observed that GPP is often monitored via self-reporting. In fact, Latvia, France, the Netherlands, as well as the UK make use of self-reporting mechanisms for monitoring GPP. In France and the Netherlands, self-reporting comprises GPP and SRPP standards.

Specifically French contracting authorities are required to send information on their use of environmental and social clauses for contracts above EUR 90,000 to the Economic Observatory of Public Purchases. As this has become a routine praxis, contracts below the threshold are often included, too.

In the Netherlands, the central government measures compliance with various procurement policies through self-reporting on whether environmental and social criteria are incorporated in purchase documents. In the UK, monitoring is carried out at department level with DEFRA collecting and analysing the monitoring data provided on the mandatory Government Buying Standards in five product areas.

In Latvia the Procurement Monitoring Bureau has elaborated a system for collecting data from procuring agencies.

Surveys used for variety of monitoring purposes

Surveys are a popular type of monitoring instrument used in Austria, Spain, Slovakia, Sweden and Portugal for measuring the uptake of GPP. In Austria and Spain surveys were part of an ad hoc monitoring exercise, while in Slovakia and Sweden GPP surveys are carried out on a regular basis. In Portugal, monitoring was limited to the 2008-2010, when the GPP Action Plan was in force.

The use of surveys may be linked to the lack of comprehensive databases and to the governance structures of a particular country. In federal and decentralised states, it is often more complex to automatically gather data on all procurement procedures, and therefore data collection via a survey may be necessary. Detailed information on the uptake of strategic public procurement may be gathered through a survey including information on *e.g.* skills and barriers to uptake, as it is the case for GPP monitoring in Sweden.

Furthermore, additional ad hoc surveys may be conducted with the purpose of gathering a better understanding of the practices and challenges related to strategic public procurement. Such a survey has been carried out in Poland on SRPP implementation.

Lastly, Austria is the only country out of the sample that has carried out a survey on the uptake of PPI. The results have not been published so far.

Analysis of tender documents

Another option for gathering information on strategic public procurement is the direct analysis of tender documents such as contract notices, contract award notices and tender specifications. This certainly very efficient and precise monitoring is very time-consuming and might be conducted on a sample of tender documents. For instance, in Poland, the Public Procurement Office conducts annual monitoring of GPP and SRPP procedures on the basis of such a methodology (see example below).

POLAND: GPP/SRPP monitoring based on the analysis of a 4% sample of tender notices

The Polish Public Procurement Office (PPO) has developed a methodology for GPP/SRPP monitoring based on an analysis of a sample of tender notices and conducts this monitoring annually. The PPO bases its analysis on a 4% sample of randomly chosen public procurement notices published in the national Bulletin of Public Procurement and the European Tenders Electronic Daily web-based database. Contract notices are being checked whether they have sustainable character and/or whether they include sustainable clauses.

The indicators produced each year by the PPO are the share of quantity and value of contracts taking into account environmental aspects as well as the share of quantity and value of procurement taking into account social aspects. The last updated results of this monitoring system are available to the public in the National Action Plan for Sustainable Public Procurement 2013-2016[32].

Ongoing developments include "ticking" and benchmarking

In addition to the methods already in place, some MS are in the process of developing new monitoring systems. The Netherlands is very active in this regard, as it aims at creating a comprehensive benchmark for activities in GPP/SRPP/PPI at national, regional and local level. The envisaged approach is based on a qualitative dimension comprising questions on governance, organisation and procedures, as well as a quantitative dimension focusing on impact indicators as well as descriptive information on PPI. It also aims at covering the supply side of the PPI process. The new system is scheduled to be active in summer 2016.

"Ticking" is already available in Spain on the State Procurement Platform (PLACE) in order to flag whether contracts correspond to PPI or PCP. However, the information is not used for monitoring purposes so far. A similar "ticking" approach is considered in Austria in order to monitor GPP and in France to monitor GPP and SRPP.

6.4. Commonly used monitoring indicators

The analysis of existing monitoring systems for strategic public procurement demonstrates that there are a variety of relatively non-harmonised systems in place, which reflect local specificities and governance structures. Similar applies to the specific monitoring indicators used for GPP/SRPP and PPI respectively. In the following non-exhaustive analysis, we look at commonly applied monitoring indicators for GPP, SRPP and PPI.

[32] Public Procurement Office (2013), *Krajowy Plan Działań w zakresie zrównowaŜonych zamówień publicznych na lata 2013-2016* (The National Action Plan on sustainable public procurement for the years 2013-2016).

GPP/SRPP: variety of indicators for measuring criteria uptake

In general, monitoring of GPP and SRPP captures the uptake of GPP/SRPP criteria in procurement procedures by number and value. Yet differences apply across MS as to the exact indicators monitored, which may lead to inconsistencies in comparing results from one country to another. In fact, indicators are often not set uniformly across MS. Latvia has a precise definition of what is considered "green" procurement, *i.e.* at least one criterion is applied and it represents at least 5% of the total contract amount, while most countries do not consider the financial value represented by GPP or SRPP criteria. Furthermore, specific indicators may be set at product level, as it is the case for Spain, where indicators have been defined for each product group. In addition to the differences in indicators, the scope of the monitoring system may change from one country to another. In summary, the typical elements that may vary across MS include:

- **Applicable thresholds**: A distinction derives from the fact that criteria may be measured either above or below EU thresholds or national thresholds may apply. For instance, in France GPP/SRPP monitoring applies above EUR 90,000.

- **Level of government:** There may be differences in the scope of monitoring indicators in terms of applicable level of government. While in most countries monitoring is concentrated at level of central government, in Sweden it extends to 190 authorities across government.

- **Product level and product groups covered**: Differences can result from the definition of indicators at product level or aggregated level. Furthermore, product groups often vary from MS to MS. In contrast to most countries, Spain has developed specific product based indicators.

- **Financial value**: Procurement procedures may be considered "green" or "social" if only one criterion is applied, but stricter definitions may be used too. For instance, in Latvia requires that the value of green procurement reaches 5% of the total amount of the contract.

The lack of harmonisation, as well as of a commonly accepted definition of GPP/SRPP represent further challenges to cross-country comparisons of strategic public procurement results.

Initial experiences with PPI indicators

As discussed, experience with collecting indicators in the field of PPI is still limited and developments are expected over the coming years. Nevertheless, initial experiences with PPI indicators have been gathered by some MS.

In the Netherlands, so far, the PPI indicator has been defined as 'the number of innovation procurement tenders organised by central government'.

In France two indicators have been introduced since 2014 by the State Purchase Service (SAE), which are defined as follows: 1) "procurement of innovation that is object of the market and aims to cover a new need", and 2) "procurement which responds to and existing covered need for which an innovative response is possible". Measurement is based on the following[33]:

- Total of the amounts of innovation procurement contracts awarded by the department /Total procurement from the Department;

[33] European Research Area and Innovation Committee (ERAC) (2015) ERAC Opinion on Innovation Procurement

- Total of the amounts of innovation procurement contracts awarded by the Department for SMEs / Total procurement of the Department.

Lastly, the PPI survey carried out in Austria aimed at measuring the uptake of innovation procurement based innovation procurement budget as percentage of the overall budget. The survey gathered the following indicators[33]:

- Procurement of goods/services newly developed for the procuring entity;
- First commercial procurement of goods/services;
- Diffusion of innovative goods/services.

Again, work on harmonisation of definitions and indicators is needed in order to generate comparable results across MS.

6.5. Publication of monitoring results

Even though monitoring systems are often not very comprehensive and gather information only on irregular intervals, MS tend to disclose the information collected via their monitoring systems, usually in the form of monitoring reports. This is particularly the case for countries that carry out regular reporting, such as the UK, France and Slovakia. Yet, none of the 10 MS make the monitoring data available in machine-readable form.

Table 27 below provides an overview of the kind of monitoring data that the MS disclose publicly.

Table 27: Publicly available information on monitoring results

MS	Regular publication	Type of information available
Austria		• Only GPP evaluation survey of 2008 is publicly available
France	√	• Indicators on GPP/SRPP published regularly by the Economic Observatory of Public Purchases (OEAP) on the Ministry of Finance website
Latvia		• Indicators on GPP have been published in the GPP Action Plan of 2015
Netherlands	√	• High level information on central government monitoring disclosed in its Annual Operational Management Report (*Jaarrapportage Bedrijfsvoering Rijk*) • Evaluation Reports published
Poland		• Indicators on GPP have been published in the GPP Action Plan of 2013
Portugal		• Currently no monitoring data collected nor published.
Slovakia	√	• Published after approval of Slovak Government
Spain	√	• Monitoring survey on GPP was published in 2011 and 2015
Sweden	√	• Monitoring data is published by the Swedish Environmental Protection Agency until 2013
United Kingdom	√	• Monitoring report on the Greening Government Commitments is published yearly

6.6. Evaluations and impact assessment studies

Policy evaluations are useful instruments to gather a comprehensive picture of the functioning of a particular policy, including its effects and areas for improvement. Impact assessment studies focus on the impacts—social, environmental or economic—of a given policy instrument. Both exercises are valuable for understanding and improving policy measures and are widely applicable to the field of strategic public procurement. While some MS are quite active in this field and evaluate policy regularly, this is not the case for all MS. Some noteworthy examples of policy evaluations and impact assessments are presented below.

The Netherlands makes the widest use of evaluation and impact assessment as tools for studying and refining its policy approaches. In fact, its GPP policy has been evaluated numerous times since 2007. The Dutch SRPP approach and the SBIR programme for PPI were evaluated in 2014 and in 2010 respectively. An impact assessment has been used to gather information on the environmental impacts of GPP criteria.

Policy evaluations are performed relatively frequently in the UK, too. For example, the impact evaluation of its SBRI programme is planned in the course of 2015. It aims at addressing the effectiveness of SBRI's process, the impacts achieved on participating businesses as well as collecting baseline data for further assessments. In addition to the SBRI evaluation, a review of the Social Value Act was performed after two years of the entry into force of the Act. Furthermore, the National Audit Office and the House of Commons regularly review government policy, including policy on sustainable procurement.

In Austria, an evaluation timetable is defined in both the GPP and PPI Action Plan. The GPP evaluation has already been carried out and is due for publication shortly, while the PPI impact assessment is scheduled for 2017.

Policy evaluation is performed at regular intervals in Sweden, too. For instance, the environmental management regulation was evaluated by the Swedish Environmental Protection Agency in 2012. In general the government may evaluate legislation every 3 to 5 years.

The French case below provides a practical example of monitoring the impact of strategic public procurement.

FRANCE: Annual assessment of social inclusion clauses of public tenders

In France, the Houses of Employment (*Maison de l'Emploi*) are local public bodies in charge of labour inclusion. Every year they perform an assessment of the use of social inclusion clauses in public procurement procedures and its impact on employment and on the labour inclusion. Data is provided on the number of hours of work attributed to people at risk of exclusion thanks to public procurement procedures, their age, gender, professional background, and what is the impact on their labour inclusion after the completion of the public contracts. In addition, statistics are produced on the type of contracting authorities who mostly use these clauses, on the types of clauses commonly used and the main sectors affected. Results are consolidated at national level and are publicly available[34].

[34] Alliance Villes Emploi (2014), Consolidation Nationale des résultats des Clauses Sociales d'Insertion et de Promotion de l'Emploi en 2013, available at: http://www.ville-emploi.asso.fr/wp-content/uploads/docs/ConsoClause2014.pdf

6.7. National Monitoring results

Given the variety of national monitoring systems in terms of the methodology applied, the frequency of monitoring and the information collected, monitoring results present a very different picture from country to country, as it is summarised in Table 28 and Table 29. Some form of GPP monitoring is carried in every MS, and therefore information is available for all 10 MS analysed. The main differences result from the granularity of information collected and whether monitoring has a stronger quantitative or qualitative component. In terms of granularity, Spain, the UK and Sweden stand out as having comprehensive and detailed monitoring information.

In terms of SRPP monitoring, only the results from France and Poland are publicly available on a yearly basis, as presented in Table 29 below. In Austria an ad hoc survey of SRPP was carried out in 2008, even though SRPP policy is not fully institutionalised. In Sweden, the development of a SRPP monitoring system is one of the responsibilities of the newly created National Agency for Public Procurement but is not in place yet.

PPI is currently monitored on a regular basis only in the Netherlands, but the results are not published. Austria and the UK have performed or are performing some forms of ad hoc monitoring but these results are not publicly available. In France, a system for monitoring of PPI is being developed at present.

Table 28: Summary of national GPP monitoring results

Country	Latest available year	Institution	Monitoring results	Methodology
Austria	2008	Federal Ministry of Agriculture, Forestry, Environment and Water Management (BMLFUW)	• 36% of survey respondents make use of GPP criteria "always" or "often" • 64% of survey respondents make use of GPP criteria "sometimes" or "never"	Survey
France	2013	Economic Observatory of Public Purchases (OEAP)	• 6.7% of contracts above EUR 90,000 included an environmental clause	Self-declaration
Latvia	2013	Procurement Monitoring Bureau (IUB)	• 3.9% number of tender procedures with environmental requirements out of all public procurement • 7.1% value of tender procedures with environmental requirements out of all public procurement	Self-reporting
Netherlands	2013	Commissioned by the Ministry of Infrastructure and Environment	• 59% of respondents "always" included minimum GPP criteria • 31% of respondents included minimum GPP criteria "in portion of procurement" • 10% of respondents "never" included minimum GPP criteria	Survey
Poland	2014	Public Procurement Office (PPO)	• 9.25% of tender notices have a sustainable character and/or include sustainable clauses	Analysis of tender documents
Portugal	2010	eSPap	• 56% of procedures include environmental criteria, which represent over 60% of procurement value	
Slovakia	2010	Slovak Environment Agency (SAZP) and the Ministry of Environment	• 9.83% number of contracts which include environmental criteria • 50.95% value of contracts which include environmental criteria	Survey (Sample size 242, respondents 86)

Spain	2015	Ministry of Agriculture and Environment	• The survey results cover the period 2011-2014
			• Construction and maintenance:
			  ○ Very high to complete implementation of separate collection systems for waste
			  ○ Very high to complete implementation of water saving systems in buildings, or implementation of plans for such
				Survey

			systems ○ Moderate implementation of provisions for use of recycled materials and collection of waste in technical specifications for building interventions ○ Moderate implementation of preventive maintenance of facilities in contracts for building maintenance • Transport: ○ Moderate implementation of the inclusion of a hybrid, electric or biofuel vehicle in the fleet of the organisation ○ High implementation of the installation of particulate filters in diesel vehicles of the organisation ○ Moderate implementation of vehicles with energy classification A or B according to the catalogue of vehicles IDAE. ○ Moderate implementation of the incorporation of energy efficiency criteria in the contract for courier or parcel of the organisation ○ High to complete implementation of the installation of particulate filters on diesel vehicles where technically feasible • Office equipment: ○ High to complete implementation of application of energy star label for computer equipment acquired in 2014 ○ High to complete implementation of purchase of printing equipment since in 2014 or earlier with recycled paper and two-sided printing option • Paper and publications: ○ Moderate implementation of provisions for replacing publications in paper for electronic publications ○ Moderate implementation of introduction of sustainability criteria in contracts for design and/or printing of publications • Cleaning products and services: ○ High to complete implementation of contract performance conditions related to biodegradability and absence of toxic substances ○ Moderate implementation of use of recycled toilet paper ○ Moderate implementation of use bins, containers, garbage bags and other containers made of recycled materials	

			• Furniture
			  ○ High implementation of provisions on the use of virgin wood from sustainably managed production
			  ○ Moderate to low implementation of the EU Ecolabel award criteria
			  ○ Moderate to low implementation of the award criteria regarding the guarantee of availability of spare parts for five years
			• Events
			  ○ High implementation of the inclusion of information on public transport to access the event site
			  ○ Moderate implementation of separate waste collection
			• Energy
			  ○ High implementation of energy savings
			  ○ Moderate implementation of voluntary systems for integrated environmental commitments	

Sweden	2013	Swedish Environmental Protection Agency	• 53% of organisations have internal environmental objectives and/or internal GPP policies
			• If internal environmental objectives are set up, these are monitored in 56% of cases
			• Environmental requirements applied by respondents in the following areas:
			  ○ Transportation: 74%
			  ○ Energy: 69%
			  ○ IT equipment: 66%
			  ○ Food products: 58%
			  ○ Construction: 52%
			  ○ Other: 14%
			• 70% of respondents always or usually make use of GPP criteria
			• 60% of respondents use the library of GPP criteria
			• 57% of respondents consider the stipulation of environmental requirements as difficult
			• 64% of respondents consider lack of knowledge the greatest obstacle to GPP uptake
				Survey (Sample size 654, respondents 382)

United	2013-	Department for	• For office ICT products full compliance is reported by DCLG, DECC,	Self-declaration

Kingdom	2014	Environment, Food and Rural Affairs (DEFRA)	DFE, DfID, DWP, and Home Office, and by FCO, HM Treasury and MOJ • For office paper, 90-100% compliance by CO, DCLG, DECC, DfE, DfiD, DWP, MOD and MOJ • For food and catering services, important improvements in compliance registered by DECC, DfE, DfID, DWP, FCO, Home Office, HMRC and MOJ • For vehicles, strong performances are registered by all major vehicle procuring departments, with HMRC procurement fully complying with GBS and exceeding it for 22% of expenditure • For furniture there is strong prioritisation of re-used, refurbished or recycled furniture. 100% compliance with GBS is reported for MOD, Home Office, DWP and DfE • For construction it is reported that all major new construction and refurbishment projects are compliant with GBS and with the sustainable timber procurement contractual clauses. Suppliers provide proof of compliance with the Sustainable Timber Policy.	

Table 29: Summary of national SRPP monitoring results

Country	Latest available year	Institution	Monitoring results	Methodology
Austria	2008	BMLFUW	• 20% of survey respondents apply social criteria "always" or "often"	Survey
France	2013	Economic Observatory of Public Purchases (OEAP)	• 6.1% of contracts above EUR 90,000 included an social clause	Self-declaration
Poland	2014	Public Procurement Office (PPO)	• 3.1% of tender notices have a sustainable character and/or include sustainable clauses	Analysis of tender documents

6.8. National databases on public procurement

Many MS operate national level databases generated by their official bulletins, public procurement registries or public procurement observatories. Like TED, these databases represent sources of information on the content of contract notices and contract awards and can potentially be used for monitoring purposes. These national databases include both above and below EU threshold contracts, and thus the data included should be more representative of national procurement systems as a whole than the TED database.

However, these national databases present several limitations as a basis for a systematic monitoring of public procurement and of strategic public procurement in particular. First, such databases do not exist in all MS: Austria or Sweden, for example, have none. Second, those that do exist are highly variable in the scope of contracts covered. Very few MS like the Netherlands or Slovakia cover all procurement within one country. Besides, in France, there is no centralised e-procurement platform and it is only mandatory to provide data to the national Economic Observatory of Public Purchases for contracts above EUR 90,000. In addition, the level of detail made available to the public varies also greatly between countries.

This section presents the available national data sources for each MS. This includes both online databases of public procurement contracts as well as systems collecting and monitoring information on public procurement contracts. Their main features and the ways the information is presented and made available to the public are described below.

Austria – Variety of public and private platforms

In Austria, there is no national portal centralising calls for tenders from different levels of government. Contract notices from public procurers are published on various public and private platforms, like for instance the e-procurement application of the Federal Procurement Agency (BBG) or the portals *lieferanzeiger.at* and *auftrag.at* operated by *Wiener Zeitung Digitale Publikationen GmbH*[35]. This various portals allows for simple search through web-based search engines.

France - Economic Observatory of Public Purchases

Created in 2005 within the Directorate of Legal Affairs of the Ministry of Finance, the Economic Observatory of Public Purchases (*Observatoire économique de l'achat public - OEAP*)[36] collects financial and economic data on public procurement, conducts relevant economic analyses with this data and also provides a forum for dialogue between public procurers on technical and economic aspects of public procurement.

Data is generally collected either through accounting applications like CHORUS or HELIOS for organisations using such instruments or through statistical sheets in paper or electronic form that are self-filled in by contracting authorities. The requirement to provide public procurement data is limited to contracts above EUR 90,000 excluding taxes.

OEAP's publications are available on its website, including in particular annual censuses on public procurement. The annual census provides aggregated data such as the number and value of public contracts or the type of procurers. It also informs about the use of strategic public procurement, specifically about the percentage of

[35]Bundesbeschaffung GmbH e-shop (2015), available at: http://www.bbg.gv.at/lieferanten/infos-zum-e-shop/.
Lieferanzeiger.at website (2015), available at: https://www.pep-online.at/.
Auftrag.at website (2015), available at: https://www.auftrag.at/ .
[36] Economic observatory of public purchase website (Observatoire économique de l'achat public) (2015), available at: http://www.economie.gouv.fr/daj/lobservatoire-economique-lachat-public.

contracts containing social or environmental clauses. Since this information is gathered through self-declarations and thus might be biased, no further analysis is conducted so far on the procedures identified as strategic.

Latvia – Procurement Monitoring Bureau

The Procurement Monitoring Bureau (*IUB*)[37], under the responsibility of the Ministry of Finance, acts as an independent procurement supervisor. Its functions include the managing of the national portal of procurement notices as well as the collection of statistical data on public procurement in Latvia.

Announcements published on IUB homepage cover procurement procedures of state and local government, public service bodies, as well as procurements implemented with the help of European Union funding.

Its search engine allows to search for current and past tenders either by using key words or specific criteria like publication date, subject of procurement or threshold.

The Netherlands - TenderNed

TenderNed[38] is the Dutch government's online tendering system, certified supplier of the European publication platform Tenders Electronic Daily (TED). It is a part of PIANOo, the Dutch Public Procurement Expertise Centre of the Ministry of Economic Affairs.

All Dutch authorities are obliged to publish their national and European tenders on TenderNed's platform, so businesses can access all public publications from a single webpage. Through TenderNed, all parties can digitally manage all steps throughout the entire tender process, if decided by the contracting authority.

With the help of a search engine, it is possible to access information on current and past tenders. Different filters such as type of contract, publication date or type of publication allow to narrow down the search. Individual tender documents can either be downloaded directly on TenderNed or a link to the contracting authority's website is provided.

Poland – Public Procurement Bulletin

The Public Procurement Bulletin (*Biuletynie Zamówień Publicznych*)[39], where all public contracts with values above and below the EU threshold are published, is the main source of information on public procurement in Poland. It can be consulted on the portal of the Public Procurement Office (PPO).

A user login and password, which are provided by the PPO, are needed to access the database and search for contracts. The application then allows for simple searches through key words and basic criteria to access past and present contract notices and tender documents. Individual documents can be downloaded, but there is no public access to machine readable aggregated data. However, the PPO does carry out a monitoring of sustainable procurement every year based on a sample of 4% of contracts published on the Public Procurement Bulletin and on the TED database. The results are available to the public but no access to the raw data is permitted so far.

[37] Procurement Monitoring Bureau website (2015), available at: http://www.iub.gov.lv/.
[38] TenderNed website (2015), available at: http://www.tenderned.nl/.
[39] Public Procurement Office website (2015), available at: http://www.uzp.gov.pl/.

Portugal – Base Portal

BASE[40] is the Portuguese Public Procurement Portal and gathers all relevant information on public procurement. It was established in 2008 as part of the Portuguese Public Contracts Code (PCC), which also governs the mandatory procedures for the formation of public contracts and lays down the rules for their performance, and is managed by the Institute of Construction and Real Estate (*Instituto da Construção e do Imobiliário - InCI*). It is available in Portuguese, English and Spanish.

The databases linked to the portal are constantly updated with information from the national electronic official journal (*Diário da República Eletrónico*), the electronic public procurement platforms and the contracting entities. All that information is subsequently analysed and processed and will serve as a basis for the development of a wide range of studies and statistical analyses.

The BASE portal features a search engine that allows for simple or structured (*e.g.* by contract type, contract value, etc.) searches on present and past public contracts. It also allows presenting and extracting structured statistical information. Nonetheless, no specific statistical analyses is conducted on strategic public procurement.

Slovakia – EVO portal

In Slovakia, it is mandatory to publish all public contracts above EUR 1,000 on the centralised online government contract repository, EVO[41]. The portal, which was launched in 2007, is operated by the Public Procurement Office (PPO) and is accessible through a registration process.

The EVO system covers all phases of the tendering process, from dissemination of tender notices and documents, to the submission of bids and the publication of award notices.

Publicly available information are an overview of all available tenders as well as contract notice details including tender deadlines. In order to get access to tender documents, candidates have to apply for registration through the EVO system and access can then only be granted by the contracting authority issuing the tender.

Spain – Platform for Public Procurement

The Platform for Public Procurement (*Plataforma de Contratación del Sector Público*)[42], which is under the responsibility of the Ministry of Finance and Public Administration, is the main point of access to information on procurement activities of the public sector, so far limited to State administration. Currently the platform is being integrated with similar systems of other administrations, and particularly the autonomous communities.

With the help of a search engine, it is possible to access and download the specifications published in the profiles of the contractor, as well as any other documentation that the contracting authority has decided to make public for the purpose of the award process. Full access to tender documents is provided for all central state public sector as well as two thousand other subsidiary bodies of other administrations which adhered voluntarily. Furthermore, the platform allows for a specific search of innovative procurement by ticking a box.

[40] BASE portal website (2015), available at: http://www.base.gov.pt/.
[41] EVO public procurement portal website (2015), available at: https://evo.gov.sk/.
Public Procurement Office website (2015), available at: http://www.uvo.gov.sk/.
[42] Platform for public procurement website (Plataforma de Contratación del Sector Público) (2015), available at: https://contrataciondelestado.es/.

Sweden – Variety of public and private platforms

In Sweden, there is no single portal centralising calls for tenders from different levels of government. Contract notices from public procurers are published on various public and private platforms, like for instance the public portal *avropa.se* operated by the National Procurement Services, which publishes frameworks agreements from central government authorities, or the private portal *VISMA tendsign*, which is the largest provider of e-procurement in the Nordic countries[43].

UK – Three different repositories

Besides the central UK government, Scotland, Wales and Northern Ireland all have their own dedicated public sector procurement websites.

Contracts Finder[44]

Contracts Finder, operated by the Crown Commercial Service, is the main source of government opportunities worth more than £10,000. It was launched as a beta service in February 2015 and replaced the historic Business Link Contracts Finder website. It does not contain contract information posted prior to this date, which can however be consulted on the Contracts Finder archive (for contract tenders and contracts awarded between 11/2/2011 and 25/2/2015) and downloaded in machine readable format (such as .xlsx or .csv).

Contracts Finder gathers both information on live opportunities and closed tender and contract documents published by central government departments including their agencies, non-departmental public bodies, NHS bodies and local authorities, prime contractors to government departments as well as the wider public sector.

Contracts Finder is designed around its search facility which allows to search for live opportunities or closed tenders by using either key words or specific criteria like location, minimum and/or maximum values or notice type.

Scotland - Public Contracts Scotland[45]

Public Contracts Scotland, launched in 2008, is the Scottish Government's electronic national contracts advertising portal, which contains details of contract opportunities with Scottish Local Authorities, NHS Scotland, the Scottish Government; Agencies and Non Departmental Public Bodies, Higher and Further Education and the Emergency Services.

Its search engine allows to search for current and past tenders either by using either key words or specific criteria like location, buying organisation or notice type.

Wales - Sell2Wales[46]

Sell2Wales is the Welsh government's procurement portal, gathering information on contracts offered by a wide range of publicly-funded organisations including the Welsh Government, local authorities, NHS Trusts as well as colleges and universities.

[43] Avropa website (2015), available at: https://www.avropa.se/.
VISMA tendsign website (2015), available at: http://www.tendsign.com/.
[44] Contracts Finder website (2015), available at: https://www.contractsfinder.service.gov.uk/.
Contracts Finder Archive website (2015), available at: https://data.gov.uk/data/contracts-finder-archive/.
[45] Public Contracts Scotland website (2015), available at: http://www.publiccontractsscotland.gov.uk/.
[46] Sell2Wales website (2015), available at: http://www.sell2wales.gov.uk/.

Its search engine is similar to the Scottish one (see above) and allows to search for current and past tenders either by using either key words or specific criteria like location, buying organisation or notice type.

Northern Ireland - eSourcing NI[47]

eSourcing NI is an electronic Tendering site which allows supplying organisations to take part in tender opportunities led by Northern Ireland Public Sector and Regulated Contracting Authorities, through which all procurement is channelled.

The portal's search engine allows to search for current and past tenders either by using either key words or specific criteria like publication date, buying organisation or work category. It is also possible to extract search results as Excel files.

[47] eSourcing Northern Ireland website (2015), available at: http://www.sell2wales.gov.uk/.

7. IN-DEPTH COUNTRY REPORTS

This chapter contains the in-depth country reports, which present the overview of the strategic public procurement framework and practices per MS. The objective of the in-depth country reports is to provide an overview of actual strategic public procurement systems in a way that is comprehensive and easily comparable across the 10 MS.

The presented information was acquired through desk research of EU and national sources as well as semi-structured interviews with relevant stakeholders in the 10 MS. Each country report is structured according to the following categories.

Table 30. Structure of the in-depth country reports

Country overview
Brief description of the overall public procurement system of the country and introduction to the main features of strategic public procurement.
Legal framework of strategic public procurement
Presentation of the national public procurement legislation and of the relevant provisions for strategic public procurement, including foreseen reforms related to the transposition of the 2014 public procurement directives.
Policy framework
Description of the structures responsible for strategic public procurement at central level (and regional level if relevant) as well as the dedicated support bodies for contracting authorities. Presentation for each type of strategic procurement (GPP, SRPP and PPI) of the strategy or action plan in place, the existing targets and mandatory requirements as well as criteria and related product groups.
Practices of strategic public procurement
Description of the main practices affecting strategic public procurement in the country, including existing guidance (*e.g.* manuals, helpdesk etc.), supporting tools and systems, training and awareness raising, types of contracting authorities as well as main sectors affected, methods and criteria used to ensure compliance with GPP, SRPP and PPI (*e.g.* certifications, seals, labels, etc.). Presentation of flagship initiatives related to strategic public procurement initiatives, practices or tools.
Monitoring and evaluation of strategic public procurement
Monitoring systems in place for GPP, SRPP and PPI, including its scope, type of data collected, frequency of monitoring, publication of data, monitoring results (if applicable) as well as key findings of policy evaluations and impact assessments of strategic public procurement (if applicable).
Analysis
Analysis highlighting the main strengths and best practices as well as weaknesses and main barriers to the take-up of strategic public procurement.
Sources
Bibliography and list of information sources at EU and MS level.

The 10 in-depth country reports are presented as follows in Appendix of the present report:

- Austria;
- France;
- Latvia;
- The Netherlands;
- Poland;
- Portugal;
- Slovakia;
- Spain;
- Sweden;
- The United Kingdom.

8. CASE STUDIES

This section presents in detail three examples of strategic public procurement initiatives both in terms of implementation as well as monitoring and assessment of the results produced. One case study per key area of strategic public procurement is covered:

- GPP: ÖkoKauf Wien (Austria);
- SRPP: Transport for London (United Kingdom);
- PPI: Barcelona Open Challenge (Spain).

For each case study, the example is described and analysed to point out the main benefits and impacts assessed as well as the key success factors and lessons learnt of the initiative.

8.1. ÖkoKauf Wien – GPP policy in the City of Vienna

Launched in 1998 and still in force today, the 'ÖkoKauf' programme of the City of Vienna has been repeatedly labelled a success story in the field of green public procurement including recognition as best practice by the European Commission[48]. The key to the success of 'Ökokauf' lies in the wide uptake of the policy by the Viennese administration, which resulted in significant savings as well as ecological benefits.

The 'Ökokauf' programme was launched by the Municipal Department for Environmental Protection of the City of Vienna. It consists in the development and regular update of a list of eco-criteria applicable to procurement procedures for a number of product groups including construction, food, cleaning, textile, furniture and many more. The criteria are developed in 26 dedicated working groups in cooperation with various departments and services of the City. Additionally, a legal committee reviews legal compliance of the criteria before their publication and a public relations committee is in charge of their dissemination.

'ÖkoKauf' provides tender documents, catalogues of criteria and other procurement-related requirements as tools for the implementation of GPP. Importantly, the eco-criteria have been binding for all departments of the Vienna City Administration since 2003.

Savings and environmental benefits as key accomplishments of Ökokauf Wien

Spending on average EUR 5 billion on goods and services, the large-scale application of the eco-criteria by the Viennese city administration achieved important results. In fact, assessments have shown positive outcomes of the city's policy of applying ecological criteria when purchasing goods and services in terms of environmental and economic efficiency. The main results from a 2014 impact assessment[49] show estimates of annual savings of 15,000 tonnes of CO2, but also EUR 1.5 million saved per year thanks to the use of modern construction technologies and energy efficient appliances. Furthermore, the programme had considerable impact on the market too, as products that do not comply with the eco-criteria have gradually disappeared[50].

[48] European Commission (2015), GPP in practice, available at: http://ec.europa.eu/environment/gpp/case_group_en.htm
[49] ConPlusUltra (2014), Green Public Procurement in the City of Vienna – Impact Analysis, available at: https://www.wien.gv.at/english/environment/protection/pdf/impact-analysis.pdf
[50] OECD (2014) SMART PROCUREMENT Going green: best practices for green procurement – AUSTRIA Vienna ÖkoKauf programme, available at: http://www.oecd.org/gov/ethics/gpp-procurement-Austria-%C3%96koKauf.pdf

Another important result of 'Ökokauf' has been the creation of the Viennese Database for Disinfectants (WIDES), which has gained international recognition as a user-friendly database facilitating procurement in the health care sector regarding effectivity, safety and environmental considerations of disinfectants.

Public relations campaigns for raising awareness and overcoming scepticism

'Ökokauf' is celebrated as a success story not least because of the considerable attention to awareness-raising regarding the accomplishments of the programme. In fact, informing the broader public of the importance of sustainable purchasing is considered an important part of 'Ökokauf'.

To this end, the publication of criteria is accompanied by public relations campaigns aimed at raising awareness among the business community as well as the local and international public via media conferences, press releases, short films and brochures. Particularly in the early days of programme, awareness-raising was important to overcome scepticism towards beliefs about the supposedly negative economic impact of green public procurement.

Refuting misconceptions about higher costs of GPP has been crucial for the overall success of the 'ÖkoKauf' programme. Calculating costs over life cycles as opposed to primary acquisition costs demonstrates that "green" alternatives need not to be more expensive than regular products. Indeed, higher purchase prices of green products and services can often be amortised over time for example through longer shelf-life or lower energy consumption.

Stakeholder engagement as key success factor

Another key success factor of the programme, which can serve as lessons learned for the future implementation of similar policies, has been the effort devoted to stakeholder management from early phases on. In fact, stakeholder engagement allowed endorsement and compliance to green public procurement by policy and decision makers in the city's administration, as well as from the business community.

With regards to stakeholders from the city's administration, the programme's initiators sought the support and involvement of both high-ranking officials at the political level as and procurement practitioners in different departments and services. Thus, 'ÖkoKauf' gained commitment from key policy makers like the City Councillor for Environment, while at the same time ensuring that those who would have to implement GPP policies were involved in the development of related eco-criteria from the start.

Furthermore, engagement with business helped overcoming initial reluctance about committing to stronger environmental requirements. Thanks to early awareness-raising campaigns and the establishment of closer contacts with the city's administrators cooperation with business was moderated successfully.

Finally, the consistent and transparent implementation of the programme throughout the whole administration, illustrated notably by the establishment of a legal committee, further strengthened adherence to the goals of "Ökokauf".

8.2. Transport for London – Responsible Procurement Policy

As part of the Greater London Authority (GLA) Group, Transport for London (TfL) has been pioneering innovative approaches in the field of social and sustainable procurement since the 2006 launch of overarching procurement policy "Responsible Procurement" by the Mayor of London.

TfL is in charge of public transportation in the city of London and spends yearly approximately £1.6 billion on a vast range of goods and services, from transport maintenance to traffic technology[51]. TfL has long been committed to delivering social impacts through its public procurement.

The work of TfL is embedded in the Responsible Procurement policy by the GLA Group, which guided by the vision of London as an 'exemplary, sustainable, world city'. The Responsible Procurement policy revolves around the following themes[52]:

- encouraging a diverse base of suppliers;
- promoting fair employment practices;
- promoting workforce welfare;
- meeting strategic labour needs and enabling training opportunities;
- community benefits;
- ethical sourcing practices;
- promoting greater environmental sustainability.

Responsible Procurement is considered "business as usual" at TfL. Nevertheless, a number of success stories have made TfL a leader in the field, for which it has received numerous external recognitions. TfL conducts activities in virtually all dimensions covered by the policy, such as skills and employment, SME access to contracts, energy efficiency requirements, ethical sourcing, recycling of food waste, and more. Two examples below highlight the social impacts of TfL's procurement practices.

Key accomplishments at TfL – Delivering on apprenticeships and the London Living Wage

A focus of TfL's procurement approach has revolved around the theme of Strategic Labour Needs and Training, which aims at engaging with suppliers in order to generate employment opportunities and enhance training. To meet this ambition, TfL has pioneered setting up schemes for apprenticeships as part of its procurement contracts. The introduction of requirements related to the provision of innovative skills and employment paired with partnerships with suppliers ensures a smooth rollout of the apprenticeship programmes. In fact, the Supplier Skills Team has been set up at the GLA in order to accompany suppliers in meeting contractual requirements related to skills and employment.

By delivering apprenticeships, TfL has a considerable impact on the development of skills and employment. First, it provides young people with an opportunity to enter the job market and develop skills. Second, apprenticeships responds to vital industry needs in terms of building up specific skills, as severe shortages in construction and engineering skills are forecast. Since 2009, TfL has generated over 3,600 apprenticeships in about 100 suppliers thanks to its procurement contracts[53].

Another important accomplishment has been the anchoring of the London Living Wage in TfL's sourcing practices. TfL procures from suppliers that pay the minimum wage necessary for living in the City of London, which is currently set at £9.40[54]. The Living Wage is promoted by the national charity Living Wage Foundation, which also independently certifies employers that pay the living wage. Thanks to TfL contracts

[51] Greater London Authority, Mayor of London (2009), *Delivering value for London: Using procurement to make a positive difference. Responsible procurement Progess Report*, available at: https://www.london.gov.uk/sites/default/files/value-for-london09.pdf
[52] Greater London Authority, Mayor of London (2006, updated in 2008), *The GLA Group Responsible Procurement Policy*, available at: http://legacy.london.gov.uk/gla/tenders/docs/responsibleprocurementpolicy.pdf
[53] Transport for London, Website, available at: https://tfl.gov.uk/info-for/suppliers-and-contractors/supplier-relations
[54] Living Wage Foundation, website, available at: http://www.livingwagemovement.org/about/

2,500 employees are paid the London Living Wage. Importantly, since the Living Wage initiative was adopted by the GLA, it substantially spilled over to the private sector with now over 1,800 accredited employers.

Achieving impacts for stakeholders

With its procurement approach, TfL was able to generate important impacts for businesses and society at large. For instance, the large numbers of apprenticeships created benefits for economic operators and young people alike and contribute to the supply of necessary skills. Similarly, adopting the London Living Wage not only directly impacted a considerable number of employees, but also impacted the wider take-up of the initiative from the private sector.

The successes achieved by TfL have been widely recognised. For example, in 2012, TfL won the Leadership category of the "Race for Opportunity Annual Diversity Awards" for its accomplishments on skills development and employment opportunities[55].

Such external recognition and celebration of success are considered an important factor for motivation of public practitioners, which generates incentive for further development of strategic public procurement practices. In addition, external recognition contributed also to the improvement of the public image of the organisation.

Commitment and supplier engagement as key success factors

As an initiative supported by the Major of London, Responsible Procurement is one of the policy priorities of the City of London and thus enjoys high-level commitment from decision-makers. This allows pursuing and mainstreaming many of the Responsible Procurement approaches to other areas of the city's administration.

Furthermore, constructive cooperation with suppliers was key to delivery some of the policy objectives, notably in the field of employment creation and skills build-up. To this end, TfL applied a "win-win" approach through the collaboration with its suppliers in order to identify mutually beneficial opportunities for tackling skills shortages.

8.3. City of Barcelona – The "BCN Open Challenge" competition

Together with the economic development agency Barcelona Activa, the Barcelona City Council launched in 2014 an international call to businesses and entrepreneurs to propose their innovative solutions to six different challenges to transform public space and services in the city. The call, named "BCN Open Challenge", stated a number of problems faced by the city asking for innovative proposals to tackle them.

Apart from solving these issues, this initiative aimed at accelerating innovation, strengthening small businesses and leveraging public spending more effectively to deliver better public services. Six contracts have been awarded so far and are currently being executed. The procurement process was carried out in two distinct phases.

- First, a "call for ideas" was organised where bidders were asked to propose solution to tackle the six identified challenges. At this stage, no credentials were asked to participants and anonymity was ensured during the whole assessment process. Five solutions per challenge were finally selected and thus 30 participants short-listed.

[55] Mayor of London (2012) Delivering Responsible Procurement

- On the basis of the "call for ideas" outcomes, six different negotiated procedures were launched to select one final bidder per challenge. The selection process ended with the signature of six contracts whose duration go from one to three years according to the challenge.

In addition, the selected bidders were offered the opportunity to benefit from a "business package for growth", which includes a free office in Barcelona, support with financial and human capital development, marketing, financial management and other enabling functions and coordination with relevant local partners. From all five winners, only one actually asked for this support. This is a start-up, which has been actually created after its proposal was accepted for one the challenges.

The Open Challenge budget amounts to EUR 1 million and covers both the organisation of the competition and the contract implementation. It is entirely funded with local funds via Barcelona Activa. Even though an ERDF co-funding was considered at an early stage, it was finally decided not to request it in order to avoid additional delays and complexity in the implementation of the project.

Multiple benefits generated by one PPI initiative

Through these six different challenges, the City of Barcelona is using one PPI initiative to generate multiple benefits to improve the quality of the environment but also fight social exclusion, foster growth and employment and develop access to culture and transparency. The specific benefits are detailed below for each challenge:

- **Reducing bicycle thefts in the city**: The results of the projects seeks to enhance the use of bicycle in Barcelona and increase the, already important, number of cyclists. This will have positive environmental and urban traffic impact.

- **Empowering support systems to reduce social isolation**: The project aims to support families and healthcare professionals in the care of senior citizens to reduce isolation and loneliness through the implementation of a technology platform. This application intends to creates synergies between formal (professional care-takers) and informal (families, friends) stakeholders.

- **Monitoring pedestrian flows in the city**: This projects aims to settle a real-time, public Wi-Fi based, people counting system in order for the city of Barcelona to better manage the pedestrian flows in the city. This is expected to impact a large number of social, cultural, security and traffic management policies carried out by the city.

- **Tools for digitisation of museum and archive collections**: The aim of this challenge is to identify an optimised solution to digitalize all the document and art pieces of the archives, museum and art gallery in Barcelona. This will allow a free access to a high variety of documents through the Internet.

- **Automatic detection and alerts of damaged road surfaces**: This system seeks to allow for a very precise and responsive detection of road damage.

- **Empowering local retail through technology**: The project aims to empower the local retail sector of Barcelona through innovative solutions to improve the competitiveness of these specific types of businesses.

A new way of purchasing solutions while fostering economic growth and employment

The underlying objective of this PPI initiative is not only to develop innovative and tailored solutions to tackle local challenges, but also to support the local economy and

strengthen SMEs and in particular innovative start-ups. That is why the project has been launched and is driven from the local economic agency, Barcelona Activa.

The Open Challenge already has a significant impact on the local economy and employment. First, even if tailored-made to the needs of the city of Barcelona, some of the innovative solutions might be easily applicable to other cities. This might generate economies of scale for the selected economic operators who will be able to further market them in the future.

In addition, the support package offered to the smallest operators represent a priceless opportunity for a small operator to ensure their take off in a competitive environment. An example of a tangible outcome is the creation of two new enterprises thanks to the Open Challenge initiative. A new start-up business and a temporary economic union (UTE) of several companies have been created as a result of the procurement procedure. In particular, the start-up has already generated three full-time jobs.

Clear needs, political commitment and support to economic operators as the main key success factors

As per GPP or SRPP processes, the clear definition of the needs in PPI is a key success factor. The six challenges of the Open Challenge initiative have been defined by the technical departments of the city administration who were best positioned to define precise needs and problems faced. However, the outcomes of one of the project revealed that one of the challenge was defined to precisely (challenge on the digitalisation of documents). The solutions proposed were overall quite similar which suggests that the description of the need was too close to the description of a final output. The key take-away learnt from this experience is that the definition of the need has to be concrete but also has to leave room for creativity and innovation to the potential bidders.

The technical and management support provided by Barcelona Activa to selected bidders is also crucial for the success of the initiative. The abovementioned "business package for growth" allow SMEs and even not-yet-created businesses to access public contracts and develops innovative products and services.

Finally, the strong collaboration and involvement of local public stakeholders (the Barcelona Activa economic agency, the entity "*Barcelona de Serveis Municipals SA*" which acted formally as contracting authority, and the technical departments of the municipality) has been crucial to the success of the project. In particular, the city's relevant technical services were involved in all steps of the projects: definition of challenges, selection of bidders, and follow-up on the implementation phase. It should be noted that the Open Challenge initiative was totally funded from the economic agency Barcelona Activa's budget (EUR 1 million). This has helped to get the technical departments on board because their respective budgets were not affected by this experimental initiative, even if they are the direct beneficiaries of the innovative solutions.

9. CONCLUSIONS AND RECOMMENDATIONS

The goal of this study was to take stock of 10 MS experiences in integrating green, social and innovation considerations in public procurement policy and practice, to estimate the level of uptake and to inform policy-makers at the EU and the MS level.

This final section will first expand on the main challenges related to strategic public procurement identified and reported in the 10 MS, notably the barriers and resistances of public buyers and other cross-cutting challenges.

In a second step, lessons learnt from good and bad practices form the basis of our recommendations for a stronger uptake of strategic public procurement in the EU.

9.1. Barriers and challenges

In addition to the structural complexity of traditional public procurement procedures, policies for the strategic use of public procurement present some specific challenges, which are presented below.

From the practitioners' perspective, the main challenges in implementing strategic public procurement are related to the following elements:

- **"Too expensive"**. One key aspect that poses a challenge for contracting authorities is related to available budgets. Strategic public procurement is very often perceived as more expensive, and may, in fact, require greater up-front expenditure as opposed to conventional procurement. Even though the overall long-term costs of strategic public procurement are often lower if Total-Cost-of-Ownership (TCO) and the Life-Cycle-Costs (LCC) are taken into account, short-term decision-making and annual nature of public budgets prevail.

- **"Too risky"**. A crucial challenge for the uptake of strategic public procurement is related to the greater risks it involves. In fact, the risk-averse culture is quite characteristic of public administrations. Risks can be related to greater exposure to law suits, which are costly and time-consuming. In particular, PPI is inherently a risky business, as it involves purchasing goods and services that have limited testing from the market.

- **"What's the value-added/benefit"**. Beyond the potentially greater upfront costs of strategic public procurement, resistance from practitioners stems from the perceived lack of clear benefits. Demonstrating the value-added is not only important to get public buyers on board, but is also key for politicians to justify policy intervention in the field of strategic public procurement.

- **"More work"**. Not least, strategic public procurement represents a greater workload for public procurers, as it requires a strong assessment of needs before the initiation of the tender processes as well as the use of either more complex procedures or the application of sophisticated technical criteria.

In addition to the difficulties that public buyers may be facing in their daily practices, other challenges are related to:

- **Skills and know-how.** The implementation of strategic public procurement requires a relatively sophisticated level of know-how and competency. For instance, GPP and PPI may require the use of TCO/LCC costing, which are relatively complex to implement. Tendering with functional requirements is an example of a rarely practiced instrument to implement PPI. Besides, sophisticated procedures such as competitive dialogue may be required to effectively carry out PPI. Contracting authorities that only procure occasionally therefore may lack the technical ability to carry out strategic public procurement.

- **Monitoring and evaluating**. A key weak point of strategic public procurement refers to monitoring and evaluation systems. The difficulties are many: first, there is often a lack of data on public procurement in general, as in some countries there are no comprehensive statistics on the purchases of the public sector. Second, monitoring systems vary significantly one from another in terms of scope, frequency of monitoring, and type of data collected, etc. Third, there is a lack of a commonly accepted definition of strategic public procurement, which applies especially to innovation procurement. Lastly, in the majority of cases monitoring is carried out via surveys or self-declarations by contracting authorities, which are subject to low response rates and biases. As a result, the reliability of existing monitoring data may be limited.

- **Maturity of the market**. In a number of fields, even if public buyers are willing to introduce strategic criteria, the supply side is not ready to provide the corresponding products, services or works. This is particularly true in less developed MS where strategic public procurement would restrict requirements too much and would prevent public buyers from accessing the goods or services they actually need.

- **Knowledge of the market from public buyers**. Suppliers often refrain from showcasing and proposing their best product offer due to the limited or perceived limited flexibility of procurement process. If not explicitly required, economic operators tend to closely respond to the requests of the tender. Greater engagement with market as well as allowing more flexibility would ensure that full benefits are reaped from the procurement process, i.e. public buyers are able to deliver value for money by taking into account the best available offer on the market.

9.2. Lessons learnt and recommendations

The present section develops recommendations for a greater use of strategic criteria in public procurement processes in the EU. They are based on lessons learnt from good and bad practices identified throughout the study.

The recommendations are primarily directed at policy makers and procurement practitioners within EU MS targeting a number of key themes, such as policy frameworks, practices and monitoring of strategic public procurement. Furthermore, the recommendations highlight the important role that the Commission can play in fostering the exchange of good practices as well as in the harmonisation of monitoring systems for strategic public procurement.

Be ambitious

Strategic public procurement may be challenging in terms of technical implementation, but it also requires a re-thinking of the role of public procurement. As such, considerable ambition is needed to successfully implement this policy instrument. Despite important interest in the topic by policy-makers, success stories often rest on the ambition of single individuals, who have initiated GPP/SRPP/PPI as a practice or have provided an impulse to develop a strategic policy framework. These localised initiatives can develop momentum if accompanied by a high level of ambition and commitment, notably at political level. Ambition, however, is not only needed at political level, but also in the participation and inclusion of public and private stakeholders, particularly the business community.

Key takeaways:

- **Commit:** Political commitment is very often considered one of the key success factors in implementing strategic public procurement. Commitment is typically demonstrated by setting ambitious targets as a means to signal the priority of strategic public procurement. Targets are also intended to motivate administrations and practitioners, even if these may not be realistic or measurable.

- **Set targets:** Whether they are mandatory or not, targets are useful to demonstrate that there is a clear ambition and objective to foster strategic public procurement. Quantified targets provide clear messages to both public practitioners and economic operators and contribute to raise awareness on the subject. In addition, the achievement of targets might be measured and can potentially result in stronger monitoring of strategic procurement practices.

- **Engage stakeholders:** Successful examples of strategic public procurement have shown the importance of engaging with stakeholders to demonstrate the value-added of purchasing green/social/innovative goods and services. This includes both public buyers and practitioners from sectorial services of an administration, and economic operators.

Think holistic

Strategic public procurement comprises three different policy areas, namely GPP, SRPP, and PPI, which are inter-linked in many ways. However, very often these policy are treated as different topics, and may not directly involve bodies responsible for procurement policy. In fact, different governance structures, policy and support frameworks usually apply to each of the policy in question. For example, national bodies dealing with GPP are often Ministries of Environment or Environmental Agencies; instead there could be a stronger involvement of public procurement bodies. Same applies to the organisational structures of many contracting authorities where the department in charge of sustainable procurement or innovation issues may be disconnected from the purchase unit.

The tendency to consider strategic public procurement through a "silo-thinking" approach within public institutions results in an unclear reward or retribution of the benefits of such practices within an organisation. For instance, a public buyer from the procurement department may not see the benefits or savings generated from the purchase of a green product for a sectorial department. Without integrated approaches of strategic public procurement, the individual decision-maker has no incentive to act outside his or her field of competence.

In addition, a holistic approach to strategic public procurement allows exploiting the synergies from each of these areas creating greater value from the procurement process. For instance, innovation can be considered a cross-cutting theme that is applicable both to environmental and social themes. PPI relies on thinking in procurement in terms of 'needs' and 'challenges' as opposed to goods or services. Such a mind-set opens up opportunities for suppliers to propose innovative solutions that are not linked to a specific product or service.

Similarly, the definition of the "social value" can help contracting authorities identify the main issues that need to be tackled to enhance the well-being of a community or an organisation. These issues can be for instance either strictly social, economic, cultural or environmental. Thanks to these approaches, the procurement policy can be adapted and reoriented to help tackle this challenges through public purchase.

Key takeaways:

- **Sharing the overarching goals of the organisation**: The procurement function is often disconnected from the wider organisational goals. To avoid such disconnection and 'silo-thinking' procurers need to be integrated more closely with the other organisational functions. Moreover, the overarching goals of the organisation—environment-, socio-economic-, or innovation-related—need to feature procurement as a means for their achievement. By contributing to achieving such goals, public buyers would further be rewarded for their efforts in implementing strategic public procurement.

- **Thinking procurement in terms of organisational/societal challenges**: Innovation is a cross-cutting theme and can apply to virtually all areas of public procurement. In most cases, however, it requires a rethinking of the public procurement function from a product-based to a challenge-based approach. The procurer needs to formulate his needs no longer as a product but as a challenge to be solved by a supplier. In technical terms this is achieved by applying functional requirements in the tendering process. Furthermore, technology exchanges with innovation agencies or similar bodies are helpful in order to be aware of latest technological developments and have a better idea of the technological possibilities.

Choose incentives: voluntary vs. mandatory

Once the policy ambition is clear to stakeholders, an appropriate incentive system is important to motivate public buyers. In fact, some of the main barriers to the stronger uptake of strategic public procurement are due to resistances of procurers. In order to overcome these barriers, proper incentives need to be established, which provide a source of motivation for implementing strategic public procurement.

The adoption of voluntary vs. mandatory policies rests on a number of factors and is often closely related to a particular administrative culture. Thus, it should be adapted to the local conditions. A voluntary system leverages on awareness-raising of practitioners as well as "peer pressure" and competition among organisations to excel, while a mandatory system relies on compliance and sanction mechanisms.

Alternatively, a "soft" obligation could be introduced, whereby public buyers are mandated to take into account strategic considerations and provide an explanation if the implementation of GPP/SRPP/PPI is not feasible.

Key takeaways:

- **Incentives through benefits**: Contracting authorities need to have an incentive for practicing strategic public procurement. For instance, savings generated through strategic procurement may be used for other purposes.

- **Incentives through "comply or explain"**: Through a "soft" obligation, procurers are challenged to consider green/social/innovative solutions and give their rationale for the choice of a conventional product or service. Through this mechanism, awareness of strategic public procurement is ensured and it can become increasingly the norm and not the exception.

Assess your needs: the strategic procurement cycle

The thorough assessment of needs before making a procurement decision allows the more effective inclusion of strategic elements in the procurement process. In fact, strategic public procurement can start much earlier than at the decision for a specific product.

The first step to strategic public procurement relates to defining a clear need behind the intent to purchase a certain good or service. The contracting authority needs to be clear on the question "what for" before deciding on the goods, services or works to be purchased. This allows for a broader consideration of alternative means for filling the stated need. For instance, a specific mobility need could be fulfilled by the purchase of cars but could be fulfilled by some other form of shared transportation, too. In this context, formulating functional requirements may be a viable option for allowing the market to propose alternative solutions.

Once the need has been identified, it is worth thinking of how strategic public procurement could add value. The application of green, social and innovative criteria has to be focused on the fields where they can have a substantial impact. As such, proportionality should apply so that strategic criteria do not overcomplicate tender procedures if not necessary. For instance, if a very specific IT service is needed, the application of social clauses on inclusion of the vulnerable persons may not be conducive to the expected results.

Working with the market is another crucial element. Criteria and clauses need to be defined in accordance with the market, as it often has the best insight in what is technically feasible or not. While public procurement may have some ability to steer markets towards higher quality in terms of environmental or social standards or innovative products, this can only be achieved in cooperation with business.

Key takeaways:

- **Assess your needs**: Determine the need behind the intent to procure a given good, service or work. This allows being open about alternative means of fulfilling a need, which are not necessarily linked to a specific product. Also it allows taking into account the largest environmental impacts when framing the procurement decision.

- **Prioritise an aspect of strategic public procurement**: Once the choice for a product or service has been made, it is important to consider which aspect is most relevant for strategic public procurement and define the procurement process accordingly. Proportionality and relevance are the guiding considerations in this respect.

- **Work with business**. Cooperation with the business community is very important, as it represents the other side of public procurement. Strategic public procurement can help industries enhance their products to reach certain standards/levels of quality or boost innovation, but requirements need to be defined in accordance with the market. In fact, business can provide public buyers with market knowledge and thus can help in developing solutions to achieve certain goals or meet certain needs of public administrations.

- **Look for "quick wins":** Based on the needs assessment, it is possible to identify "quick wins" for strategic public procurement, *i.e.* simple measures that do not disrupt the working processes of the organisation, but still yield considerable results in terms of environmental, social or innovation impacts. Typically a "quick win" refers to substituting a product with its environmentally friendly counterpart. An example for an effective "quick win" is reducing beef meat in public canteens, as it has a large impact on CO2 emissions.

Experiment

While policies for GPP/SRPP/PPI have been implemented for some time already, there is still room for improving and fine-tuning these policies on a trial-and-error basis. In fact, the fields of PPI and SRPP are still relatively unexplored in many countries. Standard approaches to GPP with the introduction of criteria are well-tested, but more

holistic approaches to sustainable purchasing are still at an early stage. Finally, many tools and guidance supporting strategic public procurement exist, but these also need to be tested by practitioners and tailored to their needs.

As a result, there is still a great need to experiment with new approaches and learn from practice. Beyond that, a continuous learning process ensures that lessons learnt are taken into account and included in a wider policy framework.

Importantly, an experimental mind-set to strategic public procurement would also foster a certain degree of tolerance for failure, which is necessary when dealing with the greater risks involved, for instance in procuring innovative technologies.

Key takeaways:

- **Learning from practice**: Strategic public procurement needs to be anchored in practice and can only work if tested "in the field". Therefore, pilot projects and similar initiatives are paramount to understand what works and what does not.
- **Continuous learning mechanism**: The feedback gathered from pilot projects needs to be included in the larger policy framework on a continuous basis, potentially through a feedback loop mechanism.
- **Experimental mind-set**: In order to implement some riskier types of procurement, notably in the field of PPI, procurers need to have safe space, where the possibility of failure is tolerated.

Support practitioners

While setting the right framework conditions for a policy intervention is a pre-condition for its success, much of the actual uptake relies on having the instruments for policy implementation. Easy-to-use GPP criteria are a case in point. Thanks to these simple instruments GPP policy has become accessible to a vast number of procurement practitioners, who otherwise may not have been able to implement GPP.

Thus, providing the basic elements to actually put the policy into practice is the key to the successful uptake of strategic public procurement. Appropriate tools and support help overcoming barriers to strategic public procurement, such as complexity, burden and increased workload. Therefore, an important focus of strategic public procurement needs to be on supporting public buyers with appropriate guidance, tools and dedicated structures.

Key takeaways:

- **Make tools user-friendly**: Much of Sweden's success with GPP is based on a very user-friendly interface library of sustainability criteria. An online wizard accompanies the process allowing a choice of three different levels of ambition. Such easy-to-use tools are important in overcoming some of the key barriers for strategic public procurement, *i.e.* complexity and increased workload for contracting authorities.
- **Dedicated support structures**: An adequate offer of tools and support structures is needed for helping contracting authorities in applying GPP/SRPP/PPI. Dedicated bodies are often in the best position to provide competent and speedy help for contracting authorities, while gathering feedback from practitioners and further helping to develop these approaches.
- **Library of best practice case studies**: Even though some form of guidance is available in all MS analysed, many procurers express the need for more thorough best practice case studies, in particular in the area of PPI. This would allow having a

better documentation of the benefits provided by strategic public procurement. Furthermore, case studies could include technical details as a source of learning for practitioners. For instance, sharing details regarding specific award criteria used would allow public buyers having a source for inspiration on how to implement strategic public procurement, as lack of concrete examples of implementation often poses a barrier to further explore the topic. Such a library could be set up at EU level allowing EU-wide exchange of best practice. Also, a larger variety of sectors could be covered by such a library in order to respond to specific sectoral needs.

- **Foster exchanges among practitioners**: Learning from the actual experience of practitioners is one of the most effective ways to learn about strategic public procurement. To this end, exchange programmes could be organised for public buyers, who wish to either learn or teach best practice on strategic public procurement.

- **Define common standards and certifications at EU level**: Contracting authorities are eager to use certifications and standards as strategic criteria for a number of reasons. First, they are commonly accepted and recognised by a majority of stakeholders both at national and international level. They help harmonise criteria among contracting authorities within a MS and even at EU level. Last but not least, contracting authorities can more confidently promote strategic goals thanks to recognised certifications and standards without fearing to distort competition and to be submitted to the corresponding legal sanctions.

Focus on impact

The ultimate objective of strategic public procurement is to have an impact on environmental, societal or economic goals or needs. In this respect, there are a number of considerations that can be taken into account in order to have the biggest impact with strategic public procurement, and therefore ensure an efficient policy intervention.

First, not all sectors have the same relevance in terms of environmental and sustainability impact. Similarly, the public sector needs to play a role in promoting innovation particularly in those sectors that yield clear socio-economic benefits to society. In this respect, it is crucial to prioritise those areas, where strategic public procurement has the greatest impacts.

Furthermore, tackling key actors, such as central purchasing bodies, allows a more targeted and effective intervention. Given the vast amounts of purchasing carried out by central purchasing bodies, these entities can play a very important role in achieving important impacts for GPP, SRPP and PPI respectively.

Finally, it is essential that policies for strategic public procurement are regularly assessed in terms of the impacts they achieve.

Key takeaways:

- **Prioritise relevant sectors**: Strategic public procurement can be applied to all sectors, but its role and usefulness is not equally important in each sector. In case of the environmental effects, the sectors where GPP is most effective have to be prioritised.

- **Targets key actors**: Central purchasing bodies have an important impact given the large-scale purchasing that they carry out. As a result they are a priority stakeholder for implementing strategic public procurement.

- **Assess and monitor impact**: Impact assessments allow the steering of policies to those areas where the effects are largest. Impacts can also be monitored at pilot

project level before the roll-out of policies on a broader scale. However, methodologies to measure impacts are often not well developed and thus need to be strengthened.

Strengthen monitoring

Monitoring represents an area of weakness of strategic public procurement. Most MS carry out some form of monitoring, but it is often performed on an irregular basis and monitoring results, if available, are not always disseminated. As a result, it is difficult to obtain a clear picture on the uptake of strategic public procurement and draw lessons for policy-making.

There are a number of challenges that make monitoring of strategic public procurement a complex, costly and burdensome undertaking:

- **Lack of automatic data collection**: In some MS, there is a general lack of statistical information on public procurement, which makes an automated tracking system even more complex. Even if public procurement data is available, no automatic system for flagging strategic public procurement is in place.

- **Methodological complexity**: A number of methodological questions on monitoring are open given the scarcity of data on public procurement and the lack of uniform definitions on what constitutes a "green", "social" or "innovative" procurement contract.

- **Time-consuming:** As monitoring is not automated, it requires some form of data collection such as a survey, self-declaration, or similar. This is burdensome for both the contracting authority and the body in charge of the monitoring.

In addition to the difficulties described above, there are specific challenges to the monitoring systems introduced at MS level.

- **Survey:** This one of the most common method to monitor strategic public procurement. However, surveys very often have low response rates and may include a bias towards contracting authorities that respond positively; therefore the representativeness of survey results may often be limited.

- **Self-declaration**: Another very common method used to track strategic public procurement consists in asking contracting authorities to declare if a specific tender procedure includes green, social or innovation considerations when providing other information to a national body or e-procurement platform. Although this allows for a systematic and consistent monitoring, this method is subject to self-declaration and may entail a bias towards positive responses.

- **Combination approaches**: Some MS have introduced a combination of approaches, whereby data is collected and qualitative interviews are performed. An analysis of tender documents can also be included in a combination approach. Results may be more reliable with such an approach, but it requires considerably more time and effort and does not allow for systematic comparison and identification of evolution across years.

- **Lack of published monitoring data**: Monitoring data is not always publicly available and particularly not in machine-readable formats. Data quality considerations are part of the reason why data is often not published.

In the context of the 2014 directives, which call for greater monitoring of strategic public procurement and mandate e-procurement, there is room to strengthen procurement automatic data collection and monitoring. Particularly, the article 83(3) of the Directive 2014/24/EU on public procurement, introduces the possibility for the

Commission to request MS to provide information on the practical implementation of national strategic procurement policies. In this context, the EC can play an important role in setting up a specific system and methodology to gather standardised and harmonised data on strategic public procurement across the EU.

Key takeaways:

- **Data needed**: As the analysis of national procurement databases demonstrates, data on public procurement is often patchy thereby making monitoring of procurement policy a challenge. Given procurement significance in terms of economic expenditure, it is worthwhile investing in comprehensive and user-friendly statistics on public procurement, which also track strategic public procurement.

- **Make it easy**: Monitoring needs to require minimum effort on behalf of contracting authorities in order to function. To this end, "ticking" approaches are promising, also considering that these could be linked to e-procurement and would thus require no additional efforts. Contracting authorities would simply be ticking a box if the contract is green, social or innovative.

- **Make it mandatory**: Voluntary monitoring mechanisms have shown that participation is often too low for meaningful results.

- **Share knowledge and harmonise systems**: In the field of monitoring there is ample room to share knowledge and best practices among MS in order to find some answers to the methodological questions that are still open. Knowledge sharing and greater harmonisation would also allow for better comparison across MS.

- **Get help from the EU**: In the context of the monitoring on strategic public procurement introduced by the 2014 directives, the Commission could play a role in gathering best practices as well as developing a harmonised system and methodology for monitoring and evaluating strategic public procurement.

10. APPENDIX

10.1. Bibliography

The main EU and international publications are listed below. The reader should refer to country reports for national sources.

10.1.1. General information on public procurement

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10.1.2. Green public procurement (GPP)

CEPS, College of Europe (2012), *The Uptake of Green Public Procurement in the EU27*.

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10.1.3. Socially responsible public procurement (SRPP)

DG EMPL (2010), *Buying Social - A Guide to Taking Account of Social Considerations in Public Procurement.*

The LANDMARK consortium, c/o World Economy, Ecology & Development (WEED e.V.) (2012), *Good practice in Socially Responsible Public Procurement*.

10.1.4. Public procurement of innovation (PPI)

DG ENTR (2014), *Public Procurement as a Driver of Innovation in SMEs and Public Services*, Guidebook series "How to support SME Policy from Structural Funds".

DG GROW-DG REGIO (2014), *Guidebook 'How to support SME Policy from Structural Funds – Public Procurement as a Driver for Innovation in SMEs and Public Services'*.

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ICLEI – Local Governments for Sustainability (2015), *Guidance for public authorities on Public Procurement of Innovation*, Procurement of Innovation Platform.

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Charles Edquist, Nicholas S. Vonortas, Jon Mikel Zabala-Iturriagagoitia and Jakob Edler (2015), *Public Procurement for Innovation*.

10.2. Detailed methodology for TED data analysis

The methodology adopted for the analysis of TED data is structured into five steps which are presented in detail below:

- Identification of key words;
- Software selection for the analysis of TED data;
- Approach for key word search and estimation of public procurement procedures;
- Approach for the estimation of the value of public procurement procedures;
- Approach for the cross-analysis of results, which consists in considering the relation between the number of strategic procurement procedures with other factors like the types of contracting authority, type of contract, business sectors, etc.

10.2.1. Identification of key words

The first activity was the identification of key words related to the three areas of strategic public procurement, namely GPP, SRPP and PPI. The goal was to identify the key words that would be present in strategic criteria or clauses included in contract notices and contract award notices.

Sources

The key words were identified through the desk research and were refined thanks to a testing process of the data as well as to the interviews conducted with national stakeholders. The main documents consulted are included in Appendix "Bibliography" and include for example the EU GPP criteria[56] or other relevant reference documents at EU level.

We analysed all of the above mentioned documents in order to find relevant key words which were consolidated in a common list:

- GPP: key words mainly include terms related to **environment** (e.g. greening, environmental protection, environmental impact, environmentally friendly, etc.), **energy** (e.g. building schemes, energy efficient, energy class, etc.) or **resources** (e.g. resource efficiency, resource depletion, water-saving, etc.);
- SRPP: key words mainly include terms related to **labour** (e.g. labour law, workers' rights, decent work, etc.), **social issues** (e.g. social inclusion, social sustainability, non-discrimination, equal opportunities, etc.) or **health** (e.g. health at work, safety legislation, etc.);
- PPI: key words mainly include terms related to **technology** (e.g. key enabling technologies, digitisation and automation), **research and development** (e.g. R&D, RDI, prototype, etc.) or **innovation** (e.g. innovative solution, innovation partnership, innovation strategy, etc.).

Construction of the list of key words

The next step consisted in finding related words for each key word, as well as other possible endings or writings, which were then assigned the same main key word thanks to a code. For example, the words ecolabel, eco-label and green label were grouped under the unique code W1 for the purpose of this study.

[56] http://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm

As the vast majority of contract award notices and contract notices are published in TED in national languages, the final list of English key words was then translated into the nine other languages (i.e. French, German, Dutch, Spanish, Polish, Swedish, Portuguese, Latvian and Slovak). As for the words in English, related words as well as other possible endings or wordings were considered. For example, the English key word "environmental impact" was translated into German by using both "*Umweltauswirkung*" and "*Auswirkung auf die Umwelt*". In addition, some English key words were also kept in the lists of key words in other languages because some terms are commonly used in English for countries other than UK (e.g. "key enabling technologies," and "total cost of ownership").

The final list of key words for each of the three areas of strategic public procurement in 10 languages is presented in Appendix "List of key words".

Refinement of the list of key words and quality checks

After the initial list of key words was completed, quality checks were performed to test the effectiveness of the key word list in the context of the TED database. These quality checks were based on the preliminary results and helped verifying that the key words identified actually matched criteria of strategic public procurement. They were systematically conducted for key words with the highest number of hits. As a result of these tests, some words initially included in our list were removed. Typically, key words were eliminated because the resulted in a high number of false positive responses. These include for example "environment", "certificate" and several acronyms such as "CSR", "RD" or "OIT", "RSE" in Latin languages.

10.2.2. Software selection for the analysis of TED data

The approach was based on performing the key word search in the TED data file provided by the EC. To work on such a big dataset, the decision was made to use the R statistical software environment. It allows easy and fast data manipulations, not only in terms of text search, but also for the purposes of further statistical analysis of results. It contains a library of statistical methods enabling sophisticated data processing, when needed. Another convenient feature of R is its capability to interoperate with different type of data formats, including reading and writing data from / to .xlsx files.

Functional description of the programming approach

The data was transmitted to the R code via reference tables. The use of such tables enables easy control and modification of both inputs for the analysis (such as list of the key words per country, grouping of key words per category, etc.) and the output of the results.

The R script, which corresponds to the programming code language, was designed and developed for the specific purpose of the present study. It consists of the following major parts:

- Loading of TED dataset and reference tables;
- Labelling original TED data to specific nomenclature;
- Removing from consideration all entries of TED data that are not followed by Standard Form 3, Standard Form 6 or Standard Form 18;
- Performing key word search per country;
- Detecting procurement procedures per country per type of contract;
- Determining the value of public procurement per country per type of contract;

- Analysis of the results to extract information concerning the magnitude of public procurement per:
  - type of contracting authority;
  - type of procedure;
  - fact of co-funding by EU funds;
  - main activity of the contracting authority;
  - business sector (CPV divisions).
- Outputting the results.

The key parts of the source code are discussed in more detail in the subsections below.

Labelling of the original data

To improve the understanding of the field content of the original data from a simple look at their names, a mapping of the original fields to a specific nomenclature was performed. This enabled more intuitive selection of the fields where the search was made and allowed easier navigation over the data during the search process.

The labelling was made based on the reference table below.

Table 31: Labelling of TED data

New name	Description of the field	Original Name
CAN_NAME	I.1) Official name of the contracting authority	CAE_NAME
CAN_COUNTRY	I.1) Country of the contracting authority	ISO_COUNTRY_CODE
CAN_TYPECA	I.2) Type of the contracting authority	CAE_TYPE
CAN_MAINACTIVITY	I.3) Main activity of the contracting authority	MAIN_ACTIVITY
CAN_TITLE	II.1.1) Title attributed to the contract by the contracting authority	TITLE
CAN_TYPECONTRACT1	II.1.2) Type of contract	TYPE_OF_CONTRACT
CAN_MAINLOCATION	II.1.2) Main site or location of works, place of delivery or of performance	TAL_LOCATION
CAN_NUTSCODE	II.1.2) NUTS code of location	TAL_LOCATION_NUTS
CAN_INFOCONTRACT2	II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)	FRA_AGREEMENT
CAN_INFOCONTRACT3	II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)	DYN_PURCH_SYST
CAN_DESCONTRACT	II.I.5) Short description of the contract or purchase(s)	DESCRIPTION
CAN_CPV	II.1.6) Common Procurement Vocabulary (CPV)	CPV
CAN_TFV	II.2.1) value excluding VAT	VC_VALUE_EUROS
CAN_AWARDCRITERIA1	IV.2.1) Award criteria - Lowest price / MEAT	CRIT_CODE
CAN_CRITERIA	IV.2.1) Award criteria	CRIT_CRITERIA
CAN_CRITERIAW	IV.2.1) Award criteria - weighting	CRIT_WEIGHTS
CA_NOFFERREC1	V.2) Number of offers received	NUMBER_OFFERS

CA_NOFFERREC2	V.2) Number of offers received by electronic means	NUMBER_OFFERS_ELECTRONIC
CA_IESTVAL	V.4) Initial estimated total value of the contract	ESTIMATED_VALUE_EUROS
CA_TFV	V.4) Total final value of the contract	TFV_EUROS
CN_NAME	I.1) Official name of the contracting authority	CAE_NAME_1
CN_COUNTRY	I.1) Country of the contracting authority	ISO_COUNTRY_CODE_1
CN_TYPECA	I.2) Type of the contracting authority	CAE_TYPE_CN
CN_MAINACTIVITY	I.3) Main activity of the contracting authority	MAIN_ACTIVITY_1
CN_TITLE	II.1.1) Title attributed to the contract by the contracting authority	TITLE_1
CN_TYPECONTRACT1	II.1.2) Type of contract	TYPE_OF_CONTRACT_CN
CN_TYPECONTRACT2	II.1.2) Type of contract	B_TAL_WORKS_DESIGN
CN_TYPECONTRACT3	II.1.2) Type of contract	B_TAL_WORKS_EXECUTION
CN_TYPECONTRACT4	II.1.2) Type of contract	B_TAL_WORKS_REALISATION
CN_TYPECONTRACT5	II.1.2) Type of contract	TAL_SUPPLIES_CODE
CN_TYPECONTRACT6	II.1.2) Type of contract	TAL_SERVICE_CATEGORY
CN_MAINLOCATION	II.1.2) Main site or location of works, place of delivery or of performance	TAL_LOCATION_1
CN_NUTSCODE	II.1.2) NUTS code of location	TAL_LOCATION_NUTS_1
CN_INFOCONTRACT1	II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)	B_PUBLIC_CONTRACT
CN_INFOCONTRACT2	II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)	FRA_AGREEMENT_CN
CN_INFOCONTRACT3	II.1.3) Information about a public contract, a framework agreement or a dynamic purchasing system (DPS)	DYN_PURCH_SYST_CN
CN_DESCONTRACT	II.I.5) Short description of the contract or purchase(s)	DESCRIPTION_1
CN_CPV	II.1.6) Common Procurement Vocabulary (CPV)	CPV_CN
CN_LOTS1	II.1.8) This contract is divided into lots	B_LOTS
CN_LOTS2	II.1.8) Number of lots tenders may be submitted	LOTS_SUBMISSION_CODE
CN_VARIANTS	II.1.9) Information about variants	B_VARIANTS
CN_QUANTITY	II.2.1) Total quantity or scope	QUANTITY_OR_SCOPE
CN_EST_VALUE	II.2.1) Estimated value excluding VAT	VC_VALUE_EUROS_1
CN_RANGELOW	II.2.1) Minimal value of the range	VC_RANGE_MIN
CN_RANGEHIGH	II.2.1)Maximal value of the range	VC_RANGE_MAX
CN_OPTIONS	II.2.2) Information about options	B_OPT_OPTIONS
CN_DESOPTIONS	II.2.2) Description of these options	OPT_DESCRIPTION
CN_RECOURSEM	II.2.2) Provisional timetable for recourse in months	OPT_RECOURSE_MO

		NTHS
CN_RECOURSED	II.2.2) Provisional timetable for recourse in days	OPT_RECOURSE_DAYS
CN_RENEWAL	II.2.3) Information about renewals	B_RECURRENT
CN_NRENEWAL	II.2.3) Number of possible renewals	OPT_RENEW_NUMBER
CN_TIMEFRAMEM	II.2.3) Timeframe for subsequent contract in months	OPT_RENEW_TIMEFRAME_MONTHS
CN_TIMEFRAMED	II.2.3) Timeframe for subsequent contract in days	OPT_RENEW_TIMEFRAME_DAYS
CN_DURATIONM	II.3) Duration of the contract or time limit for completion in months	DAD_DURATION_MONTHS
CN_DURATIOND	II.3) Duration of the contract or time limit for completion in days	DAD_DURATION_DAYS
CN_DURATIONSTART	II.3) Starting date of the contract	DT_DAD_CONTRACT_START
CN_DURATIONEND	II.3) Completion date of the contract	DT_DAD_CONTRACT_COMPLETION
CN_CONDITION	III.1.4) Other particular conditions	CRC_PARTICULAR_CONDITIONS
CN_PERSOSITUATION	III.2.1) Personal situation of economic operators, including requirement relating to enrolment on professional or trade registers	C4P_PERSONAL_SITUATION
CN_ECOFINABILITY1	III.2.2) Information and formalities necessary for evaluating if the economic and financial requirements are met	C4P_FINANCIAL_CAPACITY_INFO
CN_ECOFINABILITY2	III.2.2) Minimum level of economic and financial standards possibly required	C4P_FINANCIAL_CAPACITY_REQ
CN_TECHCAP1	III.2.3) Information and formalities necessary for evaluating if the technical capacity requirements are met	C4P_TECHNICAL_CAPACITY_INFO
CN_TECHCAP2	III.2.3) Minimum level of technical capacity standards possibly required	C4P_TECHNICAL_CAPACITY_REQ
CN_RESCONTRACT1	III.2.4) Information about reserved contracts	B_C4P_SHELTERED_RESTRICTED
CN_RESCONTRACT2	III.2.4) Information about reserved contracts	B_C4P_FRAMEWORK_RESTRICTED
CN_PARTPROFESS1	III.3.1) Information about a particular profession	B_PROFESSION_RESERVED
CN_PARTPROFESS2	III.3.1) Information about a particular profession	PROFESSION_INFO
CN_STAFF	III.3.2) Staff responsible for the execution of the services	B_NAMES_INDICATED
CN_TYPEPROC	IV.1.1) Type of procedure	TOP_TYPE
CN_JUSTIFICATION	IV.1.1) Type of procedure	TOP_JUSTIFICATION
CN_NOPERATOR1	IV.1.2) Limitations on the number of operators who will be invited to tender or to participate	TOP_ENV_OPERATORS_NUMBER

10.2.3. Approach for key word search and estimation of public procurement procedures

Key word search

As described above, the key word search was based on the reference table "List of key words" included in Appendix, where the general information was given to enable alignment of the words to one of the three areas of strategic public procurement – GPP, SRPP and PPI.

Because a search that includes all available fields substantially increases the risk of false positive responses, for instance, when the name of a responsible person is written as one of the words selected as key for the search, searches were restricted to the following fields of contract notices and contract award notices.

Table 32: Selection of fields of TED dataset relevant for the key words search

Original Name	Description of the field
TITLE	II.1.1) Title attributed to the contract by the contracting authority
DESCRIPTION	II.I.5) Short description of the contract or purchase(s)
CRIT_CRITERIA	IV.2.1) Award criteria
TITLE_1	II.1.1) Title attributed to the contract by the contracting authority
DESCRIPTION_1	II.I.5) Short description of the contract or purchase(s)
OPT_DESCRIPTION	II.2.2) Description of these options
CRC_PARTICULAR_CONDITIONS	III.1.4) Other particular conditions
C4P_PERSONAL_SITUATION	III.2.1) Personal situation of economic operators, including requirement relating to enrolment on professional or trade registers
C4P_FINANCIAL_CAPACITY_INFO	III.2.2) Information and formalities necessary for evaluating if the economic and financial requirements are met
C4P_FINANCIAL_CAPACITY_REQ	III.2.2) Minimum level of economic and financial standards possibly required
C4P_TECHNICAL_CAPACITY_INFO	III.2.3) Information and formalities necessary for evaluating if the technical capacity requirements are met
C4P_TECHNICAL_CAPACITY_REQ	III.2.3) Minimum level of technical capacity standards possibly required
B_C4P_SHELTERED_RESTRICTED	III.2.4) Information about reserved contracts
B_C4P_FRAMEWORK_RESTRICTED	III.2.4) Information about reserved contracts
B_PROFESSION_RESERVED	III.3.1) Information about a particular profession
PROFESSION_INFO	III.3.1) Information about a particular profession
TOP_CRITERIA_OPERATORS	IV.1.2) Objective criteria for choosing the limited number of candidates
B_CRIT_IN_NOTICE	IV.2.1) Award criteria
B_CRIT_IN_SPECIFICATIONS	IV.2.1) Award criteria
CRIT_CRITERIA_1	IV.2.1) Award criteria
ADDITIONAL_INFO_1	VI.3) Additional information

The restriction improved the quality of the search results. However, some key words led to so many matches (e.g. the word "certificate", for which ~11,000 matches were found only in French contracts), that the value of procurement procedures calculated based on that information was unreasonably high. In situations like that the tendency was to exclude such words from the search list. However, if a quality check showed

that the word was relevant to the subject, such a key word was kept in the list but an error rate was applied.

A search of identified key words from the list presented in Appendix was then performed on a country-specific basis. Only those database entries on contract notices and contract award notices were selected, which were coming from the country under consideration. This approach resulted in substantial time savings for individual searches, and increased of the relevance of search results by avoiding finding matches to the words which might be spelled similarly in several languages, but have low relevance or discrepancy in their meaning for the currently considered country.

As a result of the text search, the indices of the TED dataset lines were returned, where the current word was found. This information was the basis for the further research of the strategic public procurement practices per country.

Differentiation between search results and procurement procedures

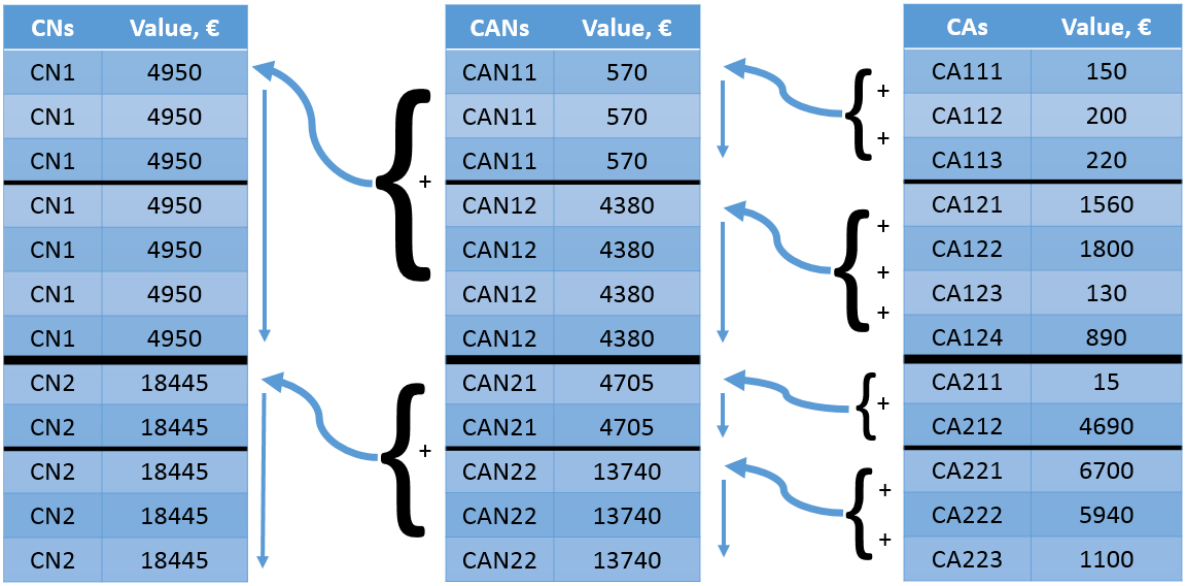
An important issue to take into account for the analysis of the search results was the difference between lines of the data where the key word was found and unique procurement procedures which were in fact represented.

A closer look at the structure of the database is provided by the Commission in the 2015 note "TED processed database. Conditions of Use, Notes & Codebook". This document explains how to distinguish between procurement procedures, contract notices, contract award notices and contract awards.

The procurement procedure, in fact, corresponds to a contract notice (CN). However, to one contract notice several contract award notices (CAN) may correspond, each of which, in turn, may be a summary of several contract awards (CA), as shown in the Figure 13 below. Furthermore, several the results of several CNs can also be reported in one CAN, but as this is very rare, we do not include it in the diagram.

This specific structuring of data was taken into account during the further analysis, such as calculating the number of procurement procedures per country or per specific group (only unique contract notice IDs were considered), or, most importantly, while determining the value of the procurement procedure, as described in the following sections.

Figure 13: Representation of contract notices, contract award notices and contract awards in the TED data.



10.2.4. Approach for the estimation of the value of public procurement procedures

Currency of procurement procedure values

The TED data included in contract award notices and contract notices contains the value of procurement procedures for the 10 selected countries of the present study: Austria, Spain, France, Latvia, Netherlands, Poland, Portugal, Sweden, Slovakia and United Kingdom. In spite of the fact that some of these countries are not currently in the Euro zone (like Poland or the UK), or were not in Euro zone in 2013 (Latvia), the TED dataset provided all the values in Euro. This simplified the study by avoiding the need for considering the currency exchange rates.

Extraction of value of procurement procedure from TED data

A very important indicator of the public procurement procedures analysed in the study is the amount of money spent per country for projects related to green, social or innovative areas. There are several fields in the TED dataset which contain information concerning the potential value of a procurement procedure, as summarised in Table 33 below.

Table 33: Selection of fields of TED dataset to determine the value of procurement procedure

Original Name	Description of the field	New name
TFV_EUROS	V.4) Total final value of the contract	CA_TFV
VC_VALUE_EUROS	II.2.1) value excluding VAT	CAN_TFV
ESTIMATED_VALUE_EUROS	V.4) Initial estimated total value of the contract	CA_IESTVAL
VC_VALUE_EUROS_1	II.2.1) Estimated value excluding VAT	CN_EST_VALUE
VC_RANGE_MIN	II.2.1) Minimal value of the range	CN_RANGELOW

To avoid over-estimating the value of total public procurement per country, the data structure presented in the figure above was taken into account. Values corresponding to contract award notices (CAN) and contract notices (CN) were controlled not to be considered several times by monitoring their IDs.

The approach used for extracting the information concerning values of procurement procedures from TED data was based on assumptions which are outlined in Figure 14 below.

Figure 14: Calculating values of procurement procedures based on TED data.

In addition, the Commission provided the set of total final values for contract award notices which have been manually checked for correctness and are therefore the most trustworthy information concerning the value awarded. Using this additional information, all the total final values in the initial dataset which are represented in the additional list were updated accordingly based on the match of their CAN IDs (field ID_NOTICE).

The process of selection and calculation of values of procurement procedures is described below:

- The total final value (TFV) provided in TED data (field with the original name VC_VALUE_EUROS labelled as CAN_TFV) was considered as the most reliable information concerning the value awarded to the contract award notice and was therefore given the highest priority. The sum of all the available TFV values corresponding to the same procurement procedure was calculated and the number of available values of CANs corresponding to a single procurement procedure was considered. If values were found for all CANs, then the value of the corresponding procurement procedure was considered equal to the sum of its CAN values. If at least one value for CAN was found and some others were missing, it was assumed that taking the average of the existing values to estimate the missing CAN values of the same procurement procedure will be stronger assumption than considering values from other procurement procedures for such estimations. If no information concerning CAN value was provided, the final value of the procurement procedure was assigned as zero and therefore required further estimation as described below. In cases where the total final value of the CAN was not available, the focus was shifted to the contract award level. A set of contract awards corresponding to the contract award notice were considered. The priority in this case was given to consideration of the total final value of contract awards (field TFV_EUROS in TED data). The same logic as for CANs applies here for the estimation of missing CA TFVs in case when at least one TFV is known. For such situations, known TFVs at CA level are considered the best estimates for those missing for the current procurement procedure and therefore the average of the known CA_TFVs was assigned to all missing CA_TFVs for the current contract award notice.

- If no information about TFV for the current group of contract awards corresponding to the contract award notice under consideration was provided, the field to consider was ESTIMATED_VALUE_EUROS of TED data representing the estimated value of the contract award. The same procedure for estimating the missing values as described above for CAN TFVs and CA TFVs was applied in cases where there was at least one estimated value known for the group of contract awards.

- When the methodology described above provided information concerning the value of the contract award notice being under consideration, the resulting value was kept for further calculation of the value of the corresponding contract notice, i.e. procurement procedure.

- In case if the information above was unavailable, the estimated value corresponding to a contract notice was considered (field VC_VALUE_EUROS_1 of TED data)

- Finally, if all of the above information was unavailable, the value of the procurement procedure was estimated to be equal to the value presented in the field VC_RANGE_MIN of TED data. The justification of this assumption is that the actual value granted to a proposal is closer to its minimal estimation margin than on average.

Although TED values at CN level contain only estimated values of the procurement procedure, these are still more realistic estimations of these procedures than those based on calculated estimations taking into account all procurement procedures in the data.

Distinction between value per key word and value per area of public procurement

For the further analysis of public procurement at country level, the following values were calculated:

- Value of procurement procedure corresponding to a key word found;

- Value of the procurement procedure corresponding to the area of public procurement, namely green, socially related and innovative public procurement.

The first value served as a certain indicator of the key word contribution in the description of the related area of public procurement. However, the direct calculation of public procurement per country by simply adding up all the values per key word would not be correct.

Several key words may be found in a combination in the same contract notice as belonging to the same area of public procurement. Therefore, when calculating the total value of a public procurement area for a country, it should be done as follows: all the contract notices corresponding to the key words findings should be grouped by their relation to GPP, SRPP and PPI. Further, the unique procurement procedures should be considered per area and the total value should be calculated based on those unique procurement procedures as described above.

Such approach allows realistic estimation of public procurement in the specified areas at country level, as well as further comparison of volumes of public procurement in the selected areas between countries, i.e. at the European level.

Estimation of procurement procedure value in case of missing information

In the TED data provided by the Commission for this study, there were 61,852 unique procurement procedures identified each being represented by a unique identifier available in the field ID_PREVIOUS_1. After applying the process of determining the value of procurement procedure described above, values for 45,929 procedures were determined. Therefore there were 15,923 procurement procedures (about 26% of the data) which values were unknown and required estimation.

During the study, the following assumptions concerning the nature of a procurement procedure as well as approaches to estimate their missing values were considered.

The values of procurement procedures significantly differ depending on the type of the contracts. Contracts related to works usually require much more resources than those related to services or supplies. Based on this consideration, the initial separation of the procurement procedures per country, depending on their affiliation to one of the above mentioned types was performed. Such separation allows more precise estimation of procurement procedure value in case when such information is missing in the contract notice.

There are several methods commonly used for estimating unknown values of a dataset. The mostly used one is taking the average value of the dataset for such an estimation and this approach was considered in the present study. However, mean is highly affected by very high and very low values, which is relevant for the present research. There are framework contracts in the dataset which have very high values and this significantly increases the mean value of the dataset. Similar situation can occur when there would be numerous contracts with values below threshold included in the dataset, in this case the mean value would be lowered. The summary of conducted comparative analysis of the measures of central tendency is shown in Table 34. It must be noted that for Slovakia there was no need to estimate any procurement procedure value, as all the relevant information was available in the TED dataset.

For all countries and for all subgroups related to the type of contract, mean values exceed EUR 1 million, the amount above which the procurement procedure would be subject to a manual check, as suggested by the Commission. However, in the majority of cases (excluding those for groups related to the type of contract 'Works'), the corresponding median values are below EUR 1 million and in all cases (except of Latvia, group 'Works') mean values exceed median values more than twice. Taking into account the total amount of procurement procedures which require estimation,

the possible overestimation of total public procurement by using mean value can be significant.

The median of the dataset serves therefore as a more robust measure of the central tendency in this case and was taken further as an estimation of the missing values of procurement procedures.

Table 34: Comparison of statistical characteristics of central tendency used for estimation of missing procurement procedure values

MS	Type of contract	Statistics on values of procurement procedures			Number of procurement procedures		
		Median	Mean	Maximum	Total per MS	To be estimated	With value above €1 Mil
AT	Works	559,545	1,623,390	63,988,760	1,261	141	142
	Supplies	594,251	4,029,893	254,160,000		164	56
	Services	771,217	3,571,451	115,693,653		149	69
ES	Works	4,982,432	10,370,932	325,836,032	6,115	3	213
	Supplies	464,180	2,413,607	804,751,940		90	589
	Services	460,245	3,604,713	1,943,460,960		139	913
FR	Works	1,718,471	4,852,968	675,337,158	23,312	963	1,641
	Supplies	251,360	2,067,307	2,024,282,768		3,574	643
	Services	249,932	2,568,187	2,400,000,000		5,256	1,239
LV	Works	6,009,159	7,004,351	19,035,894	821	16	45
	Supplies	286,784	1,769,856	273,904,096		39	74
	Services	307,464	1,497,932	51,367,171		30	42
NL	Works	4,856,000	10,672,967	403,066,424	2,613	133	176
	Supplies	456,404	1,660,864	113,593,388		606	83
	Services	346,904	2,871,454	463,890,912		807	106
PL	Works	1,308,694	7,011,070	776,712,920	18,584	15	701
	Supplies	229,132	925,854	439,567,158		116	1,415
	Services	214,447	1,364,893	2,021,961,600		86	1,448
PT	Works	2,804,129	5,613,783	59,398,828	729	2	67
	Supplies	273,626	23,560,085	5,942,499,800		47	30

	Services	362,112	1,219,310	46,888,200		36	55
SE	Works	5,212,078	6,434,224	35,720,174	3,039	192	48
	Supplies	377,044	1,237,799	52,014,102		1,003	22
	Services	530,335	1,726,726	25,244,244		1,463	62
UK	Works	10,722,969	228,694,725	54,086,239,021	4,253	31	310
	Supplies	940,530	13,920,448	1,915,002,866		249	498
	Services	706,497	24,982,130	9,551,927,381		573	858

Following the approach explained above, to all the missing values of procurement procedures the median values of the subgroup, to which the procedure belongs based on its type of contract, were assigned.

10.2.5. Approach for the cross-analysis of results

To gain a clear view of the strategic public procurement at the European level, an understanding of public procurement specificities existing at country level must be developed. For this purpose several underlying characteristics were selected and analysed across all the countries included in this study.

Division of the key words to sub-groups in GPP, SRPP and PPI areas

First of all, the study of specific terms used to attribute a procurement procedure to a green, socially related or innovative public procurement would be of interest. For this purpose, all the key words related to GPP, SRPP and PPI were divided into sub-groups corresponding to the same message. For instance, the following words in English – 'ecolabel', 'eco-label' and 'green label' were attributed to the same sub-group of words related to GPP.

Although, the size of each of the sub-groups may vary depending on the number of synonyms used to describe the key word in the national language, the total number of sub-groups is the same for all of the 10 countries considered in the study and is as follows:

- Key words related to GPP were divided into 116 sub-groups;
- SRPP key words were divided into 55 sub-groups;
- PPI key words were divided into 20 sub-groups.

Already from the division above, the level of development of the commonly used vocabulary specific for a public procurement area can be estimated: on the one hand, green public procurement is easier to describe and therefore capture. On the other hand, vocabulary for the innovative public procurement is rather broad and although not as rich as for the other two areas of public procurement considered, its usage is more extensive.

Such grouping allows maintaining the balance between specificity necessary to avoid irrelevant matches and flexibility allowing detecting interdisciplinary procurement procedures and relating them to the appropriate area of public procurement. Besides, it is helpful for identifying most relevant key words per public procurement areas across all studied countries.

Selection of TED dataset fields for cross-analysis

For the further analysis of strategic public procurement at country level, the following fields of TED dataset were considered:

Table 35: Selection of fields of TED dataset for cross-analysis

Original Name	Description of the field	Labelling
CAE_TYPE	I.2) Type of the contracting authority	CAN_TYPECA
TYPE_OF_CONTRACT	II.1.2) Type of contract	CAN_TYPECONTRACT1
TOP_TYPE	IV.1.1) Type of procedure	CN_TYPEPROC
EU_FUNDS	VI.2) Information about European Union Funds	CN_FUNDS
MAIN_ACTIVITY_1	I.3) Main activity of the contracting authority	CN_MAINACTIVITY
CPV_CN	II.1.6) Common Procurement Vocabulary (CPV)	CN_CPV
CAE_NAME_1	I.1) Official name of the contracting authority	CN_NAME
CAE_NAME	I.1) Official name of the contracting authority	CAN_NAME
ON_BEHALF	I.4) Contract award on behalf of other contracting authorities	ON_BEHALF

The approach used for the analysis of the above fields has a similar underlying idea as the one for procurement procedure value calculation per area of public procurement. It is based on investigating the fields instances corresponding to unique procurement procedures identified by the key word search and grouped by the area of public procurement.

In addition to the standard set of values relevant for each of the fields from Table 12 as described in the 2015 note "TED processed database. Conditions of Use, Notes & Codebook", another value was added, namely "Missing information in TED". The addition was justified by the fact that for some contract notices the information provided might be incomplete for some of the fields.

To analyse the main activity of the contracting authority, the COFOG division was used according to the OECD (2009), "Classification of the Functions of Government (COFOG)"[57].

The classification of the common procurement vocabulary (CPV) consists of about 9,454 terms listing goods, works and services commonly used in public procurement[58]. To simplify the attribution of the procurement procedures detected with the key word search, the segregation of CPV values was performed based on the highest aggregate level of CPV codes, namely CPV Divisions[59].

In addition, an analysis of the level of uptake of strategic public procurement within central purchasing bodies (CPB) was performed. It was based on the field ON_BEHALF provided additionally to the main dataset.

[57] Classification of the Functions of Government (COFOG), available at http://www.oecd-ilibrary.org/docserver/download/4209151ec037.pdf
[58] European Commission (2008), Public Procurement in the European Union - Guide to the Common Procurement Vocabulary (CPV), available at: http://simap.ted.europa.eu/documents/10184/36234/cpv_2008_guide_en.pdf
[59] SIMAP Codes and nomenclature: CPV, available at: http://simap.ted.europa.eu/web/simap/cpv

10.3. List of key words

The list of key words has been defined in ten languages: German, Spanish, French, Latvian, Dutch, Polish, Portuguese, Swedish, Slovak and English. The English version is included below.

10.3.1. Green public procurement (GPP)

ecolabel	fossil fuel consumption	soil improver
eco-label	fuel consumption	biodegradable
green label	energy consumption	biodegradability
energy efficiency	power consumption	reusable
energy efficient	water consumption	irrigation system
sustainable	gas consumption	noise level
sustainability	air pollutant	noise emission
life cycle	air pollution	environmental hazard
lifecycle	pollutant emissions	paper management
life-cycle	emission of pollutants	resource efficiency
green	thermal insulation	resource efficient
Total Cost of Ownership	biodiversity	resource-efficient
CO2	biological diversity	resource depletion
carbon dioxide	chlorine free	green performance
greenhouse gas	elementary chlorine free	paper saving
emissions	totally chlorine free	lifetime
carbon	durability	lamp lifetime
eco-innovation	forest management	lamp life
environmental protection	water efficient	power density
Government buying standards	water-efficient	dimming
upgradeability	global warming	dimmable
recyclability	global warming potential	lamp efficacy
recycled	product longevity	lamp luminous efficacy
recycling	chemical management system	energy class
hazardousness	substance of very high concern	energy efficiency class
hazardous waste	energy performance	energy management
waste management	energy usage	quality of water
environmental management	energy use	water quality
environmental audit	low power	reparability
resource efficiency	low power mode	land use
environmental performance	low flow	water-saving
greening	low-flow	water saving
renewable	environmental benefit	rational use
renewable energy source	energy audit	low emission vehicle
biocide	energy balance	low-emission vehicle
environmentally friendly	green electricity	eco driving
environment-friendly	organic	alternative fuel
carcinogenic	organic food	environmentally sound
toxic	organically produced	wastewater

poisonous	integrated production	acidification
toxicity	sustainably-produced	water pollution
ozone	sustainably produced	soil pollution
ozone layer	animal welfare	heater efficiency
ozone depletion	welfare of animals	emission limit
phosphate	welfare standard	HQE
environmental issue	seasonal product	DGNB
environmental impact	environmental aspect	Valideo
environmental criterion	renewable material	Triple certification
environmental award criteria	harmful	BREEAM
environmental policy	harmful to the environment	LEED
energy savings	environmentally harmful	Minergie
primary energy savings	herbicide	ISO 14001
fossil fuel	pesticide	ISO 50001

10.3.2. Socially responsible public procurement (SRPP)

accessibility	social enterprise	responsible purchase
disadvantaged	social business	Human Rights Declaration
International Labour Organization	socially responsible	human rights
International Labour Organisation	social responsibility	socially beneficial
ILO Convention	appropriate treatment	benefits for society
equal opportunities	appropriately treated	benefits for the community
equal chances	social impact	produced in a socially responsible way
equality	social outcome	exploitative
equal treatment	social dimension	exploitation
gender balance	social aspect	social label
gender equality	social aspects	social certification
handicap	social issue	labour conditions
disabled person	social consideration	working condition
child labour	social concern	living conditions
fair trade	social policy	social sustainability
fairly traded	social criterion	socially sustainable
ethical trade	social requirement	social inclusion
social clause	social obligation	socially inclusive
vulnerable	social objective	youth employment
social inclusion	social goal	diversity
marginalised	social target	diversity policy
minority	social risk	disabled person
minorities	ethical issue	person with a disability
social standard	infringement	non-discrimination
corporate social responsibility	safety legislation	non discrimination
design for all	safety regulation	social justice
social rights	safe working environment	social cohesion
labour rights	health at work	working hours

workers' rights	health legislation	OHSAS 18001
labour law	minimum wage	ISO 26000
social protection	social insurance	occupational health
decent work	social security	safety management system
employment opportunities	responsible buyer	
sheltered workshops	responsible consumer	
sheltered	responsible consumption	

10.3.3. Public procurement of innovation (PPI)

research and development	SME access	digitisation
competitive dialogue	SME involvement	intelligent solution
competitive procedure with negotiation	SME policy	smart solution
prototype	intellectual property	next generation
pilot	intellectual property right	innovation friendly
innovative	preliminary market consultation	innovation-friendly
innovative solution	test series	smart specialisation strategy
Key enabling technologies	fully automated	regional innovation strategy
Key enabling technology	whole-life costing	RIS3
new technology	whole-life cost	innovation strategy
new technologies	life-cycle cost	needs assessment
innovation partnership	digital agenda	functional requirement

10.4. Interview guide

10.5. In-depth country reports

Individual in-depth country reports are included below in the following order:

- Austria;
- France;
- Latvia;
- Netherlands;
- Poland;
- Portugal;
- Slovakia;
- Spain;
- Sweden;
- United Kingdom.

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