North Rhine – Westphalia, Western Germany

General Description	Public Procurement statistics	Public Procurement expertise	Facts and figures
Population 2018: 17.910.000 **GDP 2017:** EUR 693,3 billion **Employment % in different sectors:** 73,9 % service sector; 25,4% industry and construction sector; 0,7% agricultural sector. In terms of industry, the leading sectors are mechanical engineering (203.300 employees). The forestry and timber industry employs around 160.000 employees subject to social insurance contributions and 31.000 marginal part-time workers. The Forestry and Wood Sector Cluster achieved a turnover of 39,49 billion euros in 2014. With about 7% of the turnover and 9% of the employees in the manufacturing industry, the Economic Cluster Forestry and Wood is a considerable economic factor in NRW. **Forest area and forest cover:** 909.511 ha; 26,7%	Volume: Federal Government estimation per year: EUR 280-360 billion for Germany; EU Commission estimation: EUR 400 billion for Germany. This is approximately **10 to 15 percent of GDP.** Breakdown: The procurement transactions of the public authorities account for about 12 per cent of Federal, about 30 percent on state and about 58 percent at the municipal level. The volume of public procurement in North Rhine-Westphalia is estimated at EUR **40 to 100 billion per year** which translates to around **6,4-16% of the regional GDP.**	• Ministry of Economy, Innovation, • Digitization and EnergyNRW (MWIDE) • Eine Welt Netz NRW • Kompass Nachhaltigkeit • Allianz für nachhaltige Beschaffung (BMWi) – national level **Contact persons:** • Annette Schmidt - Head of the Public Procurement Law Unit, Central awarding office, pricing • Ann-Kathrin Voge– Kompass Nachhaligkeit NRW • Jürgen Sokoll – Eine Welt Netz NRW	Regarding the volume of public procurement in Germany there are still **no uniform procurement statistics at federal level**. Statistics are only available for procurement volumes above the EU thresholds (TED database). As part of the 2016 reform of public procurement law, the Public Procurement Statistics Ordinance (VergStatVO) created the basis for the establishment of general nationwide public procurement statistics. The Federal Statistical Office (Destatis) was commissioned to implement the technical and organizational requirements for procurement statistics. The **public procurement statistics have been put into operation in October 2020**. First results are expected in 2022.

Products & services related to forest bioeconomy (and examples)

2019: Handbook for the procurement of sustainable office equipment (Construction and real estate operations North Rhine-Westphalia)
2019: Pilot project Cologne: socially responsible procurement of toys
2017: Düsseldorf carried out a tendering procedure for environmentally friendly and healthy school furniture.
The city of Solingen made it mandatory, that wooden office furniture must be FSC, PEFC certified

Key goals, drivers, philosophy	Reports, checklists, award criteria	Recent or planned changes
The state procurement law was changed in NRW in 2018 and has ben radically shortened. NRW used to have a comprehensive and detailed procurement law on state level (Bundesland level). The revised law is now very short (4 paragraphs) and does not include any ecological standards for public procurement anymore. Municipalities can go on with the procedures they did before 2018 voluntarily (e.g. inclusion of environmental criteria in public tenders). Some municipalities that have been active in these regards (ecological and social criteria in the pp procedures) but have been uncertain on how to deal with the new law, implemented own council orders to create a guideline with criteria and commitments on a municipal level to replace the former state law. **The abolishment of ecological standard in the procurement law leads to i) the fact that a large share of people responsible for PP won´t include ecological, social or innovative criteria ii) a bad signal to the economy because ecological and social rules that have been established break away and create uncertainty and iii) the creation of a "rag rug" of the procurement processes in NRW.**	An award procedure is conducted with the aim of finding the **most economical offer, i.e. the offer with the best price-quality ratio**. Other award principles to be observed: Principle of **transparency**, principle of **competition** and principle of **equal treatment.** For procurements above the EU threshold, authorities are encouraged to move from the '**price-only' criteria to the 'MEAT' criteria** (most economically advantageous tender) when awarding contracts. Meat Criteria allow the **integration of environmental aspects**. For tenders below the EU thresholds eological, social or innovative requirements with regard to the product, the object of the service or the performance of the service **can** be defined by the awarding authorities on a **case-by-case basis and precisely tailored to the service or product** and used as a basis for the award decision.	In NRW, **sustainability aspects of public procurement have been regulated** in the North Rhine-Westphalia Tariff Compliance and Procurement Act (TVgG-NRW) since 2012. TVgG-NRW stipulated, inter alia, that **life-cycle costs and environmental and energy efficiency criteria** should be considered when awarding contracts. The state government that came to power after the elections in May 2017. In contrast to its predecessor, the reformed TVgG NRW no longer explicitly refers to the inclusion of environmental aspects in public procurement. The shortening of the procurement law and the possibility that municipalities can go on with their procedures that they did before 2018 voluntarily, created a "rag rug" of procurement procedures in NRW. Although no change in legislation in NRW is planned, the Ministry of Economics NRW stated that the publishing of a practical guideline for GPP in NRW is planned.

Pathways, challenges and opportunities

Regional/national strategies mentioning greening of PP as a way forward:
• Regional Innovation Strategy of the State of North Rhine-Westphalia within the framework of the EU Structural Funds 2014-2020
• 2016: Sustainability strategy (federal state government)
• 2013: Cornerstones of a bioeconomy strategy (federal state government)

Challenges to successfully implement the regional opportunities for green/sustainable/innovative public procurement:
• Higher degree of centralization of PP or joint PP
• Professionalization of PP by training those responsible for PP
• Practical support by guidance and guidelines on GPP