

Sustainable and Innovation Promoting Public Procurement

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Public procurement promoting sustainability and innovation (PPP-S&I) is seen as an important demand side policy instrument on the European level as well as on national levels. The European Commission confirms this amongst others in the strategy 'Europe 2020', and countries such as the United Kingdom, the Netherlands Germany, Spain, Italy and Austria already implemented specific programs.

The basic rationale behind all these activities can be found in the notion of "grand challenges". That is, major societal problems, such as climate change, energy, resource scarcity, safety/security, health and ageing which are becoming more urgent day by day. PPP-S&I provides a powerful instrument for addressing these problems because of the impressive financial numbers: public procurement represents about 17% of the EU's GDP.

Nevertheless, S&I are not primary procurement issues. The principle of the lowest price and economic considerations are dominating. This results in a somewhat reserved attitude from the procurers' perspective and makes clear that only a small fraction of the large public procurement budget can be used for the promotion of S&I and the addressing of grand challenges. But also with this small fraction significant impacts can be achieved and therefore it is worth to overcome the existing barriers.

The paper/presentation will start with basic definitions concerning PPP-S&I, discuss afterwards the inherent tension between primary and secondary procurement goals (i.e. economic versus grand challenges rationales) and devote the third part to examples of good practice in PPP-S&I.