

German Institute for Economic Research – DIW Berlin

Green Public Procurement for a low-carbon materials sector

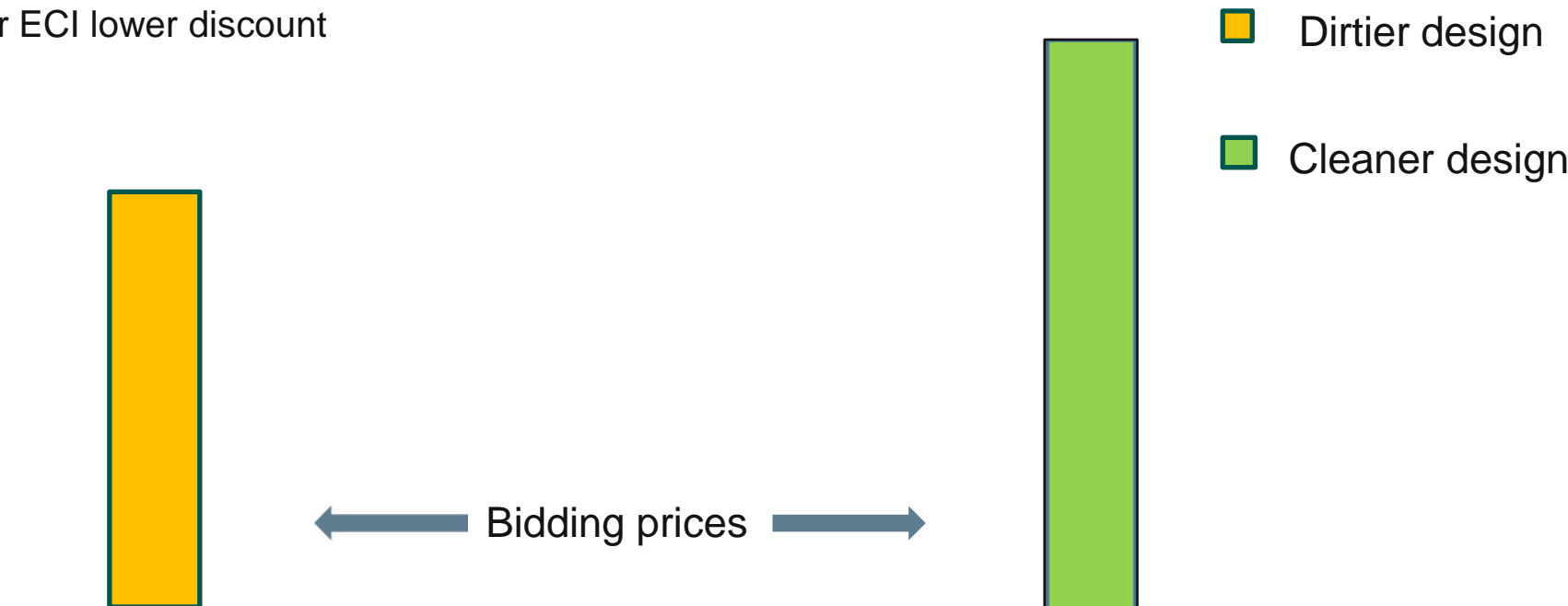
Olga Chiappinelli

COP23 Bonn, 7th November 2017, Policy Design for a Climate Friendly Materials Sector

- Public purchasers are important buyers of buildings and infrastructure (15% of total investment in OECD)
- Potential of GPP for:
 - reducing environmental impact of public purchasers
 - creating markets for climate friendly options
 - aggregating demand to allow for economies of scale
 - spurring innovation with no or limited need of new spending
 - supporting the public awareness for climate friendly materials
- In EU regulatory framework exists for GPP including environmental externalities through life-cycle costing (LCC)

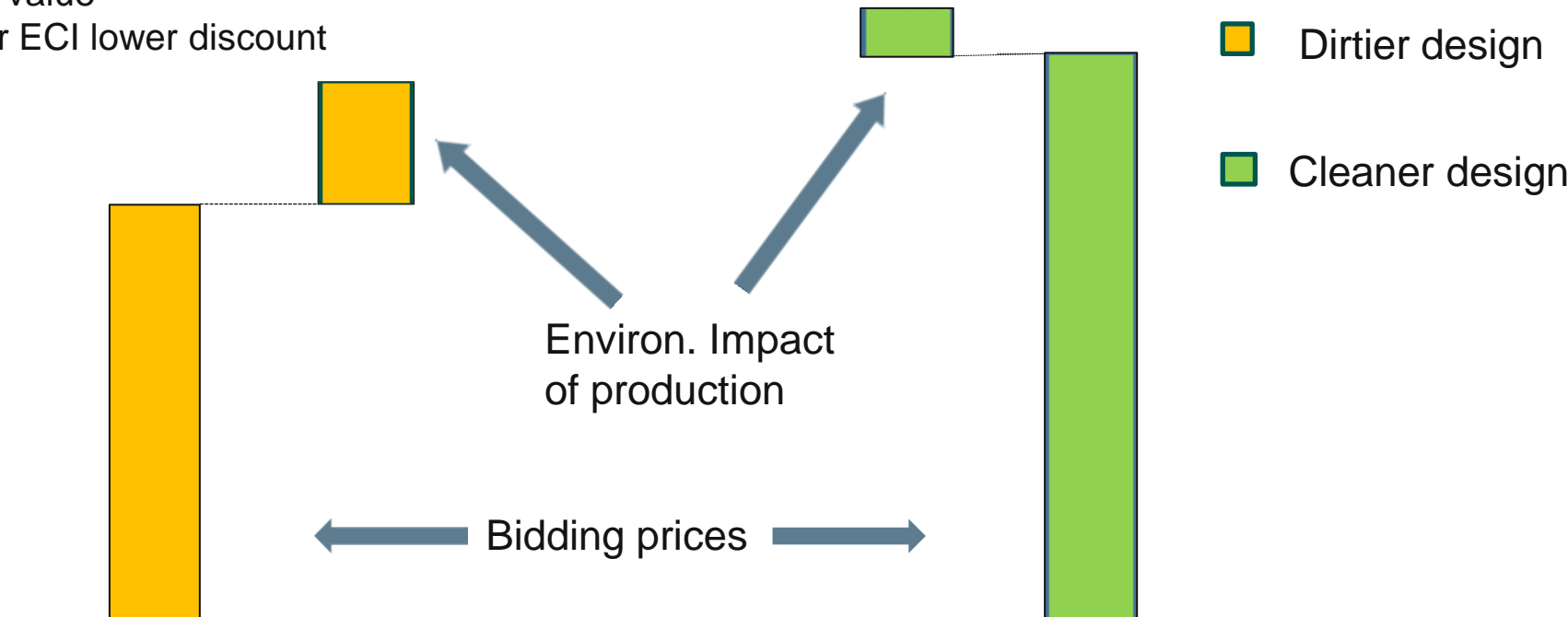
Example of a greener proposal with a higher purchase cost winning a tender

- MEAT award criterion (both price and quality)
- Environmental impact of design on LCC basis (material and energy use) → ECI value
- Higher ECI lower discount



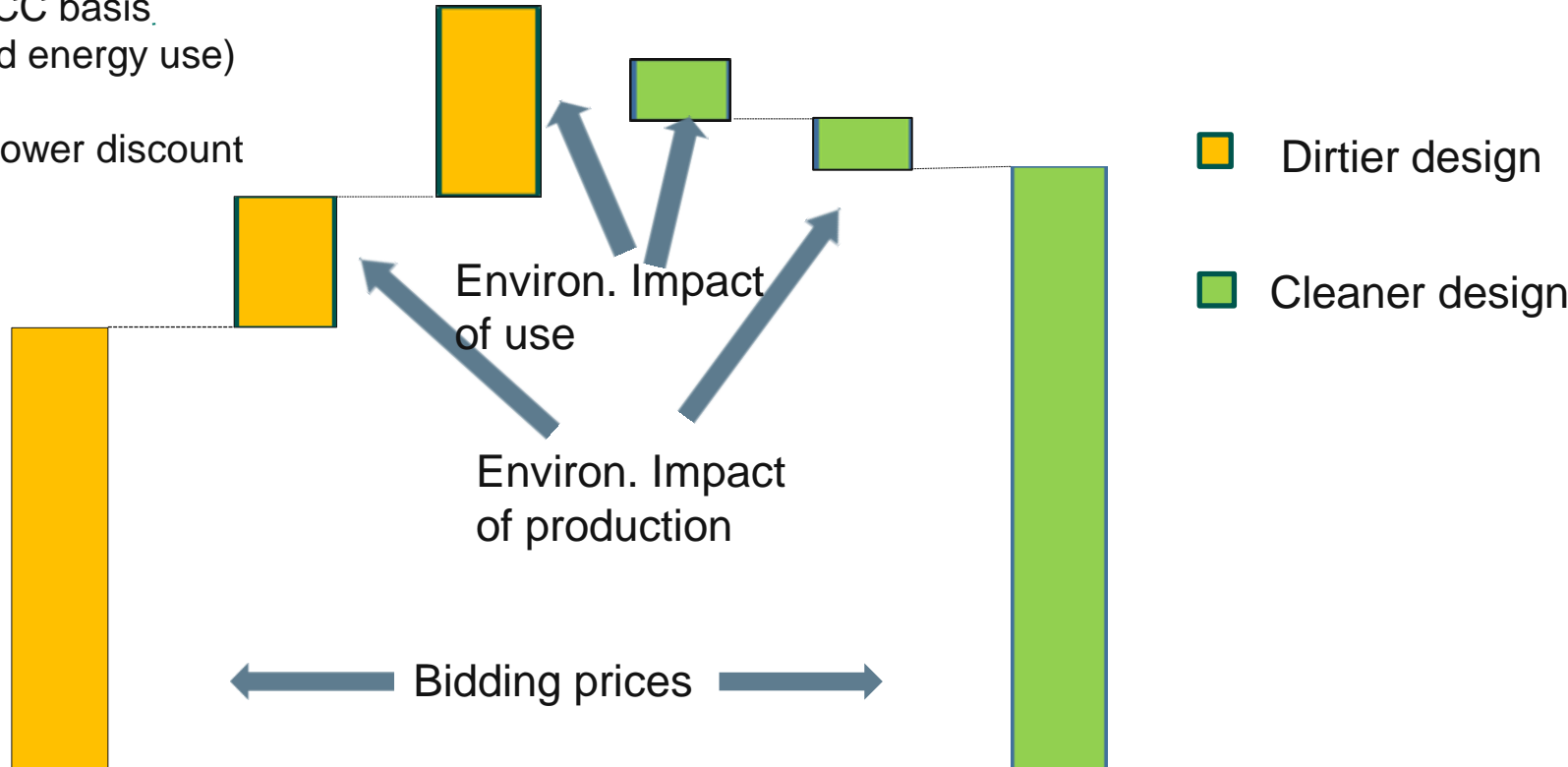
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- GPP underused and potential unexploited
- Lowest-price criterion dominant
 - Lack of political support
 - Administrative capacity for GPP
- Needed:
 - Clear governance structure
 - Training of officials
 - Funding arrangement at local level
 - More coordination and communication between authorities

Thank you for your attention.



**DIW Berlin — Deutsches Institut
für Wirtschaftsforschung e.V.**
Mohrenstraße 58, 10117 Berlin
www.diw.de

Editor
