**Germany**

*Strategic framework, action plan and scope for procurement for innovation policy*

Procurement for innovation is part of the overall innovation strategy of the German federal government. The “High-tech-Strategy Germany” encompasses all research, technology and innovation measures of the German government. Innovative procurement is the most important measure under the framework of demand oriented policy instruments. The overall strategic goal is to encourage public procurers to buy more innovative and sustainable products. Recently, the ministers for economic affairs of the federal states (Länder) also decided to put stronger emphasis on innovative and sustainable products and services in public procurement.

Germany applies a broad definition of innovation including non-technological products and services. Germany distinguishes innovative procurement processes such as electronic procedures and innovative products (PPI). Some German PCP projects have been started.

*Implementation*

Since 2014, a competence centre for innovative procurement (KOINNO) is established to fulfil several tasks:

- giving advice to procurement offices
- collecting good examples
- building up a database for innovative products, services, procedures and other solutions, which could be used by procurers, as well as information to areas where innovative solutions are required
- conferences for exchange of good practice, including an annual conference of the Federal Ministry for Economic Affairs and Energy (BMWi)
- award by the BMWi for the procurement of an innovative good/solution and for an innovative procurement process
- support of a pre-commercial procurement case as a model.

As a consequence of the 2016 evaluation of the competence centre for innovative procurement (KOINNO) it is intended to increase the work on public relation, individual case consultation and the involvement of the professional decision making level (mayors, head of departments, ministers). KOINNO will be continued in 2017.

Germany’s federal government recently published a guideline for procurers that helps them use instruments to foster innovative procurement.

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* OECD Survey Part I submitted by Wolfgang Crasemann, Head of Unit, Federal Ministry for Economic Affairs and Energy (BMWi).
Challenges, risks and solutions to overcome obstacles

Germany faced the following challenges in supporting procurement for innovation:

- Lack of political support.
- Lack of qualified staff, who think more strategically instead of regulation-oriented.
- The mentality and risk aversion: Public procurers mostly prefer well-known products and services, not new ones; they hesitate to exchange with businesses and to learn about new technologies. The only way to overcome this is to continuously provide information and training.
- Financial restrictions: Mostly, the budget for investment costs is separate from the budget of operating costs. Consequently, the advantage of an innovative product is not always obvious for the procurer.
- Complexity of the instrument of PCP and the costly measure to start a competition between companies and research organisations: Procurers have to finance more than one organisation. For them, it is not obvious that these higher costs at the beginning will pay off in the future.

While the competence centre works towards overcoming these obstacles, challenges remain.

Key lessons learned

Germany’s main lessons learned are that: it is important to continue with the ongoing measures; and to increase activities if more funds are available (high multiplier effect of the budget.)

Measurement and impact assessment

Germany uses evaluation studies.

It is extremely difficult to set quantitative targets. There is no survey about the amount of innovative procurements in Germany. However, a study to investigate possibilities to survey the most relevant statistical data was launched.