



Sustainable Procurement at GIZ

2019/2020 Report

As a federally owned enterprise, GIZ supports the German Government in achieving its objectives in the field of international cooperation for sustainable development.

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Registered offices
Bonn and Eschborn, Germany

Procurement and Contracting Division
Dag-Hammarskjöld-Weg 1-5
65760 Eschborn, Germany
T +49 61 96 79-0
F +49 61 96 79-11 15

E sustainable.procurement@giz.de
I www.giz.de

Editors:
Marcel Nitschmann, Felix Schulze, Stephanie Czyba, Sofia Nürnberger, Jessica Zandt

Design/layout:
Ira Olaleye, Eschborn

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Foreword

Dear readers,

‘Sustainable. The obvious choice.’ The title of GIZ’s Sustainability Programme is a clear statement of the company’s position and its intention to make corporate sustainability an integral component of its business processes.

With the goal of enabling current and future generations to live in dignity and safety, GIZ is committed to living up to its particular responsibility for the environment and society as a service provider in the field of international cooperation for sustainable development and education. This extends beyond its project activities to its own internal processes, where GIZ is working constantly on establishing sustainable structures. GIZ implements corresponding measures as part of its sustainability management system, especially for business processes with major environmental and social impacts. Procurement at GIZ is one of these.

Sustainable procurement is a top priority for GIZ, a federally owned company. The volume of contracts awarded by GIZ has virtually doubled since 2014, totalling some EUR 1,838 million in 2020. This is equivalent to around 55% of its total business volume, meaning that GIZ awards more than every second euro to third parties. GIZ procurement thus offers effective leverage for promoting sustainability in our value and supply chains.

In order to significantly reduce the social and environmental risks in our supply chain, we require the goods and services we procure, including construction work, to meet the highest standards of sustainability. Amongst other things, avoiding and/or reducing greenhouse gases – up to 80 per cent of which are generated in a company’s procurement and supply chains – is of essential importance. The 2021–2025 Sustainability Programme manifests this commitment and sets ambitious goals for the years ahead. By the year 2025, we aim to have defined binding minimum standards or guidelines for 90 per cent of all materials, equipment, services and construction work with a high sustainability potential.

In past years, GIZ, together with its suppliers and service providers, has already succeeded in achieving a great deal in the area of procurement. Thus, we are consistently squaring up to our responsibility and our principle of ensuring product and service procurement to the highest standards of sustainability all around the globe. With this report, we would like to inform you about our achievements and successes to date and also about our plans moving forward.

We hope you find the report interesting and look forward to receiving your feedback and questions, which you can send to sustainable.procurement@giz.de.

Kind regards,



Immanuel Gebhardt
Director of the Procurement
and Contracting Division



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1 Principle of sustainable procurement

The concept of sustainability is based on three dimensions: social responsibility, ecological balance and economic capability. These can also be applied to the procurement of materials, equipment and services. Sustainable procurement can only function effectively and underpin sustainable development if all three dimensions are in play together.

International standard ISO 20400:2017 defines sustainable procurement as procurement that has the most positive environmental, social, and economic impacts possible over the entire life cycle. The standard also describes what companies can do to make their procurement system more sustainable. GIZ has aligned its practices with this ISO standard in order to: mainstream sustainability in the procurement process; assess opportunities and risks; define measures and implement them effectively; and regularly measure the degree to which targets have been successfully achieved. In so doing, GIZ is ensuring its policy and processes are internationally comparable.



2 Developments over recent years

In recent years, sustainability has played an increasing role in societal and business activity. The embedding of sustainability in norms and legal provisions has reinforced this development. Such provisions now apply to many sectors and also to a range of cross-cutting processes, including sustainable procurement. These standards, legal regulations and frameworks are the basis for sustainability activities and measures at GIZ.

2.1 International frameworks for sustainability

International and European agreements under international law constitute international frameworks that set out social, environmental and economic targets that can only be achieved through joint action. Only very few of these agreements have a direct legal bearing on GIZ as a federal enterprise. However, since they can be binding for the Federal German Government, they can also impact GIZ indirectly at least. For GIZ, these frameworks serve as guidance, irrespective of any legal requirements that may or may not be in force.

2.1.1 Sustainable Development Goals (SDGs)



With the 2030 Agenda, the global community defined 17 goals for sustainable social, economic and environmental development. These Sustainable Development Goals (SDGs) are a universal call to action that applies to all countries in equal measure. Germany has committed itself to implementing them in its National Sustainable Development Strategy¹. The SDGs are intrinsic to GIZ's work. They not only provide the framework for GIZ projects worldwide, but also demonstrate how GIZ needs to act as a company in order to generate an impact that extends beyond its projects. When it comes to sustainable procurement, SDG 12 – Responsible consumption and production – is of elementary importance. In terms of content, it is about changing patterns of consumption and production so that waste (linear economy) is replaced by recycling (circular economy). The aim is to work towards a circular economy by promoting sustainable products and production methods, supply chain standards and waste avoidance.



¹ [Germany's National Sustainable Development Strategy \(bundesregierung.de\)](https://www.bundesregierung.de)

2.1.2 Paris Agreement

The Paris UN Climate Change Conference (COP21) in December 2015 resulted in the Paris Agreement. This is the first-ever universal, legally binding global climate change agreement, one that provides a global framework for addressing climate change. It sets out to limit the increase in global average temperature to well below 2°C compared to pre-industrial levels. However, to significantly reduce the risks and impacts of climate change, the increase in average temperatures actually needs to be kept below 1.5°C. Set by the parties themselves, the respective national climate action objectives (Nationally Determined Contributions – NDCs) do not form part of the agreement. However, the governments are obliged to present new NDCs every five years. Germany ratified the agreement on 5 October 2016². GIZ not only advises on climate action and climate change adaptation in many of its projects but, in keeping with its role model function as an international federally owned enterprise, has set itself demanding emission reduction targets.



2.1.3 European Climate Change Regulation

Regulation (EU) 2018/842 of the European Parliament and Council of 30 May 2018 on binding annual greenhouse gas (GHG) emission reductions by Member States from 2021 to 2030 (Effort Sharing Regulation) contributes to climate action under the Paris Agreement. This regulation provides for a 30 per cent EU-wide total reduction in emissions for 2030 compared to the baseline year of 2005 in the non-ETS³ sector and obliges all Member States to put in place binding individual annual targets⁴. Each Member State is obliged to reduce its GHG emissions every year for the period as of 2021 as defined by a linear trajectory. The binding reduction target for Germany for 2030 compared to 2005 is 38 per cent.



2.1.4 UN Guiding Principles on Business and Human Rights

Endorsed by the UN Human Rights Council, the Guiding Principles on Business and Human Rights are a global instrument for preventing, addressing and remedying human rights abuses committed in business operations. In Germany, these guiding principles are implemented through the 2016 National Action Plan on Business and Human Rights (NAP). Setting out the position of the German Government, the NAP describes five core steps that enterprises can take to integrate due diligence in the field of human rights in their business processes. GIZ aims to integrate these core elements by the end of 2020 and thus take part in the German Government's training programme. There is a direct correlation between the NAP and GIZ's procurement processes in terms of respect for human rights in the value and supply chains.



² Paris Agreement | Climate policy (europa.eu)

³ ETS: European Union Emissions Trading System

⁴ cf. Art. 4 1 and 2 in conjunction with Annex I of the EU Regulation



2.2 Framework for public procurement

GIZ is a federal enterprise and thus bound by public procurement regulations. As GIZ mainly uses taxpayers' money, it is expected to handle these financial resources efficiently and responsibly. The legal framework for procurement at GIZ is based on international agreements, European guidelines, German laws and ordinances and internal company regulations.

2.2.1 Agreement on Government Procurement (GPA)

The Agreement on Government Procurement (GPA) was signed in Marrakesh on 15 April 1994. As a party to the GPA, the EU has committed to adhere to the given rules for ensuring open, fair and transparent conditions of international competition. The GPA acknowledges the procuring body's right to foster compliance with environmentally relevant and sustainable criteria.

2.2.2 European Directive on Public Procurement

The new and latest edition of the Directive of the European Parliament on Public Procurement (2014/24/EU, 2014/25/EU and 2014/23/EU) came into force in March 2014. Under this directive, compliance with obligations in the field of environmental, social and labour law is now a general principle of public procurement and to be regarded as equal with other procurement principles. In this way, public procurement now takes significantly better account of social and environmentally relevant criteria, such as the ILO core labour standards, for example, or life-cycle costs.

2.2.3 German Public Procurement Law

The German regulations governing public procurement are essentially anchored in the Act against Restraints on Competition (Competition Act, GWB). The Ordinance on the Award of Public Contracts (VgV) regulates procurement procedures above certain EU thresholds. The thresholds define when regulations based on EU law apply and depend both on the item being procured and the place of procurement. The EU Commission reviews the EU thresholds every two years, adapting them as necessary. **As GIZ is a public contracting authority pursuant to Section 99 (2) GWB, it must comply with the Ordinance on the Award of Public Contracts (VgV) and with Part A of the German Construction Contract Procedures (VOB/A) for contracts above the EU threshold.**

Below the thresholds, the Regulation on Sub-threshold Procurement (UVgO) applies for federal authorities and most of the federal states. For construction contracts below the EU thresholds, the regulations given in VOB/A (Section 1) apply. **As a general rule, in the case of commissions from German ministries, GIZ is contractually obliged to apply UVgO and VOB/A.**

2.2.4 GIZ's internal regulations and special features

In addition to the above, GIZ's binding internal body of regulations sets out clear processes and regulations for the procurement of materials, equipment and services and/or for subcontracting consulting companies and consultants/appraisers, for commissioning construction and planning services, for renting property and for concluding (integrated) development partnerships with the private sector.



The Procurement and Contracting Division is responsible for ensuring that, when procuring services, construction work and materials and equipment in Germany, the relevant contracting rules provided for by law and specified by the commissioning party are applied, including the principles of cost-effectiveness and appropriateness, competition, equal treatment of tenderers, transparency and social and environmental compatibility.

For procurements in the country of assignment, the responsible country office is obliged to apply the German contracting rules *mutatis mutandis* in compliance with the above principles.

With procurements under co-financed commissions, it is sometimes necessary to take account of the specifications set by the respective co-financier.

For procurements under International Services (InS), the contracting rules specified by the client apply, provided they do not conflict with applicable legislation. If the InS client does not specify any particular contracting rules, then the regulations above apply.

Usage outside Germany of appropriately modified German contracting rules is regulated by a special agreement to the General Agreement between BMZ and GIZ. Accordingly, these regulations generally have to be taken into account. However, where objectively justified, it is possible to deviate in places from the corresponding regulations in order to address specific local features. Using the contracting rules *mutatis mutandis* also means that, in the case of procurement outside Germany, the contracting principles apply. With respect to sustainability, it is important to point out here that the most economically advantageous offer is determined on the basis of the best price-performance ratio and that qualitative, environmentally relevant and social criteria can be considered as a component of performance. Pursuant to the General Agreement with BMZ, GIZ is not obliged to apply Section 1 of the VOB/A for construction projects outside the EU. Nonetheless, when awarding construction contracts, GIZ does use VOB/A as its basis.

3 Sustainable procurement at GIZ

Sustainable procurement offers numerous opportunities – for companies, suppliers, service providers and society. We not only advise on the topic of sustainability and sustainable procurement in various countries, but have also set ourselves the goal of consistently adapting our own procurement processes. In this way, we aim to continue spearheading the integration of sustainability in procurement and, together with our key stakeholders, achieve greater compliance with our high standards. Sustainable procurement will not only continue to broaden the impact of our projects. Our demand will foster market transformation. This is because greater demand for sustainable products and services will increase their supply which, in turn, will go hand in hand with the development of sustainable innovations. Having said this, sustainable procurement can sometimes be a major challenge, as sustainable alternatives are not available everywhere, especially in some of GIZ's partner countries. In such instances, transport to the target country can be considered. Owing to these challenges, sustainability is being integrated systematically into our organisation and its structures.

3.1 History of sustainable procurement

In GIZ's predecessor organisation, the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), importance was already attached to integrating sustainability into internal processes. In 1999, climate and environmental data was collected for offices in Germany for the first time, and in 2009 GIZ initiated its own first climate action project. Also since 2009, sustainability aspects have been discussed and agreed between the requisitioning party, the Procurement and Contracting Division and the former Environmental Management Officer, now the Sustainability Office, and integrated into certain framework contracts. The Procurement and Contracting Division quickly set up a dedicated Sustainable Procurement Team to advise on tendering procedures and to strategically implement sustainability in contracting processes.

2013 constituted a breakthrough with the rollout of the Eco-Management and Audit Scheme (EMAS) as a tool for improving environmental performance. Furthermore, GIZ piloted its first-ever eco-balance analysis outside Germany thanks to the development of its own corporate sustainability tool for offices in the field, namely the Corporate Sustainability Handprint © (CSH). With an eye to economic performance capacity, the CSH determines the scope of sustainable procurement and fosters suitable measures at GIZ's locations outside Germany too.

Environmental standards have always been taken into account and integrated where appropriate, especially in framework agreements concluded via the Procurement and Contracting Division. In 2014, the company switched to green power at its largest sites in Germany and in 2016, our first new building in Bonn was awarded Gold Standard certification by the German Sustainable Building Council (DNGB).

In our corporate strategies for 2017–2019 and 2020–2022, sustainability – including sustainable procurement – was defined as an integral component of our business processes. Likewise, the latest environmental programme has identified clear measures and indicators for procurement, driving forward the integration of sustainability in procurement processes both at the strategic and the operational level. With a view to procuring goods and services to the highest standards of sustainability, GIZ issued a **company-wide policy** on this topic at the end of 2020. Its enforcement as of 2021 underscores GIZ’s core corporate principles and maps out a clear strategic orientation for the years ahead.

→ [Company-wide policy on sustainable procurement](#)

In its latest **Sustainability Programme 2021–2025** with the title ‘Sustainable. The obvious choice.’ GIZ has set itself the clear-cut objective of engaging in sustainable action both inside and outside Germany. Sustainable procurement constitutes one of four core topics in this programme. Responsibility for implementing the programme is anchored across all levels at GIZ. Sustainability is our main guiding principle within the overall framework of our cross-cutting corporate values. We believe that only by combining social responsibility, ecological balance and economic capacity will current and future generations be able to lead secure and dignified lives.

→ [GIZs Sustainability Programme 2021–2025](#)

3.2 Strategic orientation

The Procurement and Contracting Division took the decision to align its activities with ISO 20400:2017 at the start of 2020. As the first international standard for sustainable procurement, it describes how a company can integrate sustainability considerations at a strategic level within its procurement practices. With this alignment, GIZ is ensuring international comparability. On the back of this decision, process areas requiring adaptation have since been identified. An initial assessment has indicated that this standard is in line with the German Government’s upcoming corporate due diligence law (adopted under the title ‘Act on Corporate Due Diligence in Supply Chains’ (LkSG)).

3.2.1 Contractual documents

In Germany, GIZ bases its purchase and service contracts on its General Purchase Conditions (AEB) and General Terms and Conditions of Contract (AVB). Both stipulate that contractors must observe the Code of Conduct and labour standards, in particular the core labour standards of the International Labour Organization (ILO), as well as with the Minimum Wage Act (MiLoG). Since 2020, the AVB also contain extensive obligations regarding environmental protection, human rights and social standards.

The templates for grants and subsidy agreements were also adapted in 2020 to ensure that financing recipients buy materials, equipment and services to the highest possible standards of sustainability. The General Purchase Conditions (AEB), additional contractual conditions for construction work and special agreements were all aligned at the end of 2020.

3.2.2 Setting priorities

Prioritisation is imperative in order to effectively achieve our corporate objective of purchasing materials, equipment and services to the highest standards of sustainability, especially when the range of procurement is as broad as it is at GIZ. For this reason, a standard process was defined at the end of 2019 for long-term contracts for GIZ's own requirements, and also for framework agreements, in order to coordinate, and where appropriate mainstream, standardised sustainability criteria. The requesting units as well as the Sustainability Office and the Procurement and Contracting Division are actively involved in this process, their aim being to work together to find ambitious but at the same time marketplace-workable solutions. The sustainability criteria thus agreed are then applied as the minimum standard for comparable future tenders.

In parallel, the risks associated with frequently procured materials, equipment and services were categorised in 2020 for the first time ever in a process that examined environmental and social risks, including possible human rights abuses, and also reputation risks. Internal guidelines that set out concrete risk-minimising measures, possible sustainability standards and templates for terms of reference will be developed successively in the years ahead for particularly high-risk products and services.

3.2.3 Monitoring

The German locations are EMAS certified and thus obliged to measure and disclose their corporate environmental impacts.

The situation outside Germany is more complex however. To provide our sites worldwide with a management instrument for recording and improving our corporate sustainability performance, we developed our Corporate Sustainability Handprint (CSH). The CSH not only calculates our ecological footprint but also documents our active contribution – our 'handprint' – to the three dimensions of sustainability. This means we use a set of parameters to systematically record our own sustainability performance. Moreover, it allows for the identification of country-specific weaknesses as well as best practices. CSH also promotes exchanges of information between the country offices. In this way, many best practices, including for sustainable procurement, are shared via a company-wide platform. CSH thus helps to save resources overall and to raise efficiency levels, which ultimately cuts costs. Since 2018, it has been mandatory to collect non-financial and emissions data every year and to specify improvement measures. In view of the importance of monitoring for recording and improving GIZ's sustainability performance, the further expansion of our monitoring system commands a prominent position in the sustainability plan.

3.2.4 Empowering HR

A variety of training events and formats were developed and expanded to raise staff awareness of their function and build their capacity. By way of example, mandatory training on this topic is offered regularly in the Procurement and Contracting Division. In 2019, two multi-day workshops were conducted for the field structure to train staff in the Asian and African regions. A third event for the Latin American region was cancelled in 2020 due to the corona virus pandemic. In its place, various virtual formats were offered for staff in the country offices.

3.2.5 Motivating stakeholders

Our **online training for external service providers, the Guide for Practising Corporate Sustainability**, was also relaunched in 2020. This guide provides information about sustainability management at GIZ along with interactive prompts for taking corporate sustainability to the next level. Furthermore, the **Stakeholder Dialogue on Sustainability 2020** dedicated a focal area to the topic of sustainable procurement. Here GIZ engaged in exchanges with representatives from the fields of politics, business, academia and civil society, as well as with its own staff members, and fed the results of this dialogue into the ongoing development of the Sustainability Programme.

- [Online training for external service providers, the Guide for Practising Corporate Sustainability](#)
- [Stakeholder Dialogue on Sustainability 2020](#)

3.2.6 Sustainable financing

In 2020, GIZ entered into financing arrangements with an overall volume of EUR 913.6 million. That is equivalent to around half of its total procurement volume. Financing is when GIZ provides recipients with a non-refundable financial contribution that is earmarked for the rollout of a specific measure or measures. The aim of financing is to empower recipients to realise their own goals through the effective, efficient and sustainable use of resources, for example to establish or expand structures. It is vital to raise recipients' awareness and to stipulate clear terms and conditions to ensure sustainability in financing.

To this end, GIZ made sustainability-friendly amendments to the templates for grant and subsidy agreements in 2020, thereby ensuring that recipients of financing are required to purchase materials, equipment and services to the highest standards of sustainability.

On top of this, officers responsible for the commission (AV) are obliged to carry out a commercial and legal eligibility check (KEP) on the financing recipient for all financing arrangements. This includes, where appropriate, the Safeguards+Gender Management System, which ensures our projects and/or financing are environmentally and socially compatible. The aim is to identify any potential unintended negative impacts on people and interests in our project environments and to deploy specific measures to prevent or mitigate them. Where appropriate, the task of ensuring compliance with requirements is passed on to the recipients, thus rendering it a key component of project implementation.

4 Sustainability criteria for selected procurement processes

GIZ operates in around 120 countries and has a very broad range of projects and activities. The materials, equipment and services procured to implement these projects are correspondingly many and varied. While the supply of sustainable products in Europe is undergoing a strong growth trajectory, the situation in our partner countries is very mixed. Nonetheless, the basic principle of value for money, with due consideration of possible social and/or ecological aspects, remains unchanged. Officers responsible for the commission are duty bound to think in terms of sustainability when making procurements and are themselves required to appraise the extent to which it can be integrated.

Concluding framework agreements in Germany for frequently recurring orders of goods or for items needed for in-house operations serves to promote efficiency and cost-effectiveness. Long-term contracts are concluded for services that are used regularly or on a permanent basis, like office cleaning services, for example. As part of the afore-mentioned standard process, sustainability criteria are discussed and agreed on internally for both contract types and taken into account when awarding a contract. The agreed sustainability criteria serve as minimum standards for future contracts in Germany and as a guideline for tenders outside Germany. The field structure is able to use some of these framework agreements, e.g. for the procurement of vehicles and standard IT equipment. Other framework agreements only cater for the needs of sites in Germany, e.g. because transport to another country would not offer any economic advantages but would often entail environmental downsides.

Integrating sustainability criteria is important for individual procurements too, but not always easy. The risk categorisation outcomes determine the appropriate action, leading to the separate analysis of high-risk products and goods and the definition of risk-reduction measures. Regular training and sensitisation for product procurement officers in Germany enables the dedicated Sustainable Procurement Team to step in and advise on high-risk products.

Below are examples of procurement processes involving sustainability criteria.

4.1.1 Managing waste at Eschborn



An eligibility criterion agreed on for waste disposal at Eschborn restricts admission to tender exclusively to waste-disposal companies pursuant to Section 56 of the Closed Substance Cycle Waste Management Act (KrWG), with due consideration of the Ordinance on Specialised Waste Management Companies (EfbV), whereby such companies must be able to provide corresponding proof of this status. Also, all tenderers must provide proof of certified environmental management pursuant to ISO 14001 or a comparable standard. In the contract award criteria, proof of membership in the waste management association BVSE Entsorgungsgemeinschaft e.V. was rated positively, as this means that the certified waste-disposal company exceeds requirements, for example in the form of additional training.

4.1.2 Construction work



In construction, sustainability actually already starts when planning the construction work, the idea being to minimise any negative environmental impacts as far as possible. For the construction of the playground at the AIZ training site at Campus Kottenforst in Bonn-Röttgen, we only permitted playground apparatus made of certified wood from sustainably managed forests (FSC, PEFC or equivalent standard), and the rubber granulate had to be recycled. The same applies to the refurbishment of the wooden terrace for the company-run kindergarten in Eschborn. Here again, all of the wood used had to be FSC, PEFC certified or meet an equivalent standard.

Furthermore, GIZ intends to have the new building at Campus Eschborn certified in accordance with a recognised and demanding sustainability label. Consequently, the construction contract was concluded on the basis of the DGNB system and its sustainability criteria, with sights firmly set on DGNB Gold Status at least. The building project will be evaluated throughout its entire lifecycle on the basis of environmental, economic, socio-cultural and other criteria – all the way from planning through to deconstruction.

4.1.3 Biogas



GIZ has issued a tender for four locations in Germany (Bonn, Eschborn, Feldafing, Berlin) for supplies of biomethane, whereby high demands are placed on product quality.

The biomethane supplied must be 100 per cent biogas. The biomethane can only be generated using biomass within the meaning of the Biomass Ordinance (BiomasseV), i.e. excluding maize (whole crop) and cereal grain kernels, including corn cob mix and grain maize as well as ground ear maize. The quality and origin of the biomethane is verified by means of the German Energy Agency's (dena) Biogas Register for Germany; specifically, an excerpt from the register must be presented to GIZ as proof. Biomethane is to be supplied on a mass balance basis and the supplier must undertake to refrain from double marketing the biogenic properties of the biomethane.

4.1.4 Building cleaning



In 2020, we stepped up our sustainability criteria for building cleaning in comparison with the previous framework agreements. Eco-friendly consumables and cleaning agents, as confirmed by the Blue Angel or Ecolabel quality mark, continue to be mandatory for maintenance cleaning in Eschborn and Bonn. The fair wage criterion was however extended such that, besides the statutory standard, which stipulates a binding collective cleaning sector wage, the payment of wages above the standard rate was assessed positively in the contract award process. Other criteria for the award of a contract included a requirement for environmental protection measures, as well as social measures in place at the tendering company. On top of this, involvement in GIZ's sustainable waste concept was also expected.

4.1.5 Mouth/nose coverings



As part of the project ‘Support of the German EU Council Presidency 2020 and European Council 2021’, some 84,000 mouth-nose coverings were procured in 2020. These products were required to meet high standards of manufacture and sustainability. The tenderer who won the contract was able to provide proof of independent certification under the ‘Green Button’ label for sustainable textiles, demonstrating compliance with 46 criteria, 20 of which applied to the company and 26 to social and ecological product criteria.

4.1.6 Maintaining outdoor areas at Eschborn



The minimum criterion for this tender was a ban on the use of herbicides for weed control. Furthermore, insecticides may only be used in absolute emergencies and exclusively after prior consultation with GIZ.

In so far as possible, the use of beneficial organisms will be continued. With regard to biodiversity, only local tree and plant species are to be used for follow-up and new plantings and also when redesigning areas. We only permit the use of electric garden blowers for clearing flowerbeds and removing leaves. A positive criterion for awarding the contract was whether or not the company was currently a training enterprise. Staff experience and training along with the use of sustainable and eco-friendly products continued to be positive criteria.

4.1.7 Server



Server procurement focused on energy efficiency, security and, with an eye to the circular economy, recyclability. In the development phase, the manufacturer thus designs the servers in a manner that facilitates their subsequent recycling in its own recycling centre. Furthermore, procuring this kind of server makes for system security, as it considerably reduces key risk potential, such as malfunctions, compatibility problems and conversion costs.

4.1.8 Academy trainers



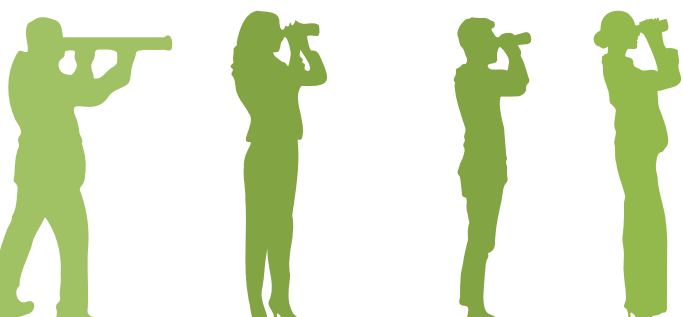
As GIZ’s centre for international human resources development and training, the Academy for International Cooperation (AIZ) offers a large number of different courses. In the contracts for trainers and training course developers, a particular focus is on the topic of mobility. In its standard advance communications, the AIZ requests all trainers give thought to the environmental friendliness of their chosen form of transport. Consequently, travel expense reimbursement is calculated on the basis of the costs of a second-class train journey and local public transport.

5 Outlook

This report provides information on GIZ's framework conditions and activities pertaining to its strategic orientation and sustainable procurement practices in the years 2019 and 2020. During this reporting period, new best practices were identified and rolled out. Furthermore, processes were initiated that will stay with us over the coming years and decisively impact our performance in terms of sustainable procurement.

Today, GIZ is already bound by diverse laws and frameworks that must be complied with, both from a legal standpoint and in terms of GIZ's position as a role model for sustainability. The regulatory landscape is set to become denser in future, which will have ramifications for the terms and conditions governing procurement and procurement processes. To stay ahead of these developments and thus continue to uphold its role as a trailblazer, GIZ will continue to align its procurement processes with the high-level international standard ISO 20400:2017. To this end, GIZ's 2021 – 2025 Sustainability Programme not only thematically prioritises sustainable procurement, it also maps out an implementation plan to ensure its objectives, measures and processes conform to the ISO standard, and identify other fields of action.

With GIZ continuing to aspire to the highest possible level of transparency in its procurement processes, it will in future, over the years ahead, strive to achieve the highest level of sustainability certification currently available to a procurement agency. Given that the ISO 20400:2017 standard does not contain any binding criteria for an external audit system, we have decided in favour of the certification system developed by the Federal Association for Supply Chain Management, Procurement and Logistics (BME) and the JARO Institute for Sustainability and Digitalization.



To ensure environmental and social responsibility in the supply chain, GIZ aims to establish a Code of Conduct for its contractual relations. This Code will strengthen our suppliers along the chain of supply, especially since we will be aiming for compliance with the future Act on Corporate Due Diligence Obligations in Supply Chains.

Stakeholder management is to be strengthened across the board, which is why market dialogues are scheduled for the upcoming reporting period.

Based on risk categorisation for materials, equipment and services, we will be producing successive sets of guidelines in the years ahead. Our aim here is to inform our internal consumers and procurement officers about associated environmental and social risks and to offer guidance on options for mainstreaming sustainability in the procurement process for a particular product or service. The risk analysis is scheduled for revision in 2022.





Deutsche Gesellschaft für
Internationale Zusammenarbeit (GIZ) GmbH

Registered offices
Bonn and Eschborn, Germany

Friedrich-Ebert-Allee 32 + 36
53113 Bonn, Germany
T +49 228 44 60-0
F +49 228 44 60-17 66

Dag-Hammarskjöld-Weg 1 - 5
65760 Eschborn, Germany
T +49 61 96 79-0
F +49 61 96 79-11 15

E info@giz.de
I www.giz.de