



## Sustainable public procurement in the decade of action and delivery for sustainable development\*

### Summary

Sustainable public procurement can be a strategic enabler of progress towards the Sustainable Development Goals. However, the potential of sustainable public procurement is underutilized, especially given that public procurement represents, on average, 13 to 20 per cent of gross domestic product (GDP). By leveraging public expenditure, governments could lead by example, stimulating markets for sustainable products and services and helping steer society towards more sustainable consumption and production patterns. Market mechanisms could be used to expand procurement options but require inspection and enforcement along with the capacity in the public sector to support them and stakeholder engagement. Supreme audit institutions could play a crucial role in monitoring progress at the national level and adequate legislation should be in place for them to do so effectively.

### Recommendations

The Committee recommends that the Council encourage governments to leverage public expenditure to stimulate markets for sustainable products and services and help steer society towards more sustainable consumption and production patterns and to enhance efforts to build

the requisite capacity for the effective management of sustainable public procurement at all levels (Paragraph 11).

► See ECOSOC resolution [2021/12](#)

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\* Excerpt from Committee of Experts on Public Administration, Report on the twentieth session. See Official Records of the Economic and Social Council, 2021, Supplement No. 24 ([E/2021/44-E/C.16/2021/7](#))

## Discussion

### **Sustainable public procurement as a strategic enabler of progress towards the Sustainable Development Goals**

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The Committee underscores that sustainable public procurement, explicitly mentioned in Sustainable Development Goal target 12.7, has huge potential as an enabler of governmental efforts to deliver the Goals. The main purpose of sustainable public procurement is to strike a balance between the environmental, social, and economic aspects of consumption and production and, more specifically, to lend greater weight to social and environmental factors in the purchasing decisions of manufacturers, suppliers, and consumers.

Public procurement represents, on average, 13 per cent to 20 per cent of GDP. Given the large scale of public investment in most countries, the application of sustainability criteria in public procurement could be one of the most impactful tools towards sustainable development. Through the leveraging of

public expenditure, sustainable public procurement enables governments to lead by example, stimulating markets for sustainable products and services and helping steer society towards more sustainable consumption and production patterns.

Sustainable public procurement is a strategic policy instrument in efforts to implement the 2030 Agenda. Sufficient market analysis and market intelligence will be needed to succeed, combined with an understanding of the settings in which procurement is carried out. Such an analysis should take into account questions of political economy, such as existing power relationships, competing interests and the potential for corruption in procurement processes and questions of capacity.

### **Expanding sustainable procurement options**

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The Committee observes that the take-up of sustainable public procurement is hindered by resource considerations. Only 1 per cent of official development assistance is earmarked for the implementation of Sustainable Development Goal 12, with the economic impact of the pandemic expected to exacerbate the situation. A significant challenge is that sustainable products are often more expensive than unsustainable alternatives, owing to internalization of social and environmental costs and more limited supply.

Market mechanisms, such as eco-labelling, could be used to expand procurement options but also come at a cost as they require inspection and enforcement mechanisms across supply chains. The least developed countries face particular challenges in sourcing products that meet the requirements of sustainable production and are unlikely to have the capacity to introduce needed market reforms. One approach could be to prioritize markets for product groups that are available locally, either for domestic consumption or for export, with the aim of making the country a recognized leader in sustainable production in a particular industry.

## Enhancing capacity to manage sustainable public procurement

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The Committee notes that existing institutional mechanisms are often unable to ensure the mainstreaming of sustainable factors in procurement processes in all sectors and at all levels of administration. Various steps have been taken at the national level to build capacity, for example using electronic systems to monitor public procurement performance of public entities and track total expenditures on sustainable products.

A commitment to sustainable public procurement in a country's statutes is also found to be useful, for example by establishing primary and secondary requirements for public procurement. Primary objectives could be that a procurement system must be fair, equitable, transparent, competitive, and cost-effective. Secondary objectives could call for ensuring that procurement reflects Goals linked to resource efficiency, climate change, social responsibility, and economic resilience, for example through preferential treatment of certain categories of persons in the allocation of contracts to address wider social development objectives.

Strengthening the capacity to manage sustainable public procurement will also be crucial. Developing public procurement as a profession could be beneficial, specifically in addressing substantial capability gaps in the day-to-day management of contracts, including the proper specification of sustainability requirements and subsequent product verification. Skill sets could be enhanced through targeted training, for example as part of academic programmes, guidance and resources, helpdesks, and the use of certifications and eco-labels, with a view to closing information gaps and ensuring that procurers are fully aware of the sustainable public procurement methods and tools available to them. Peer-to-peer learning and use of digital tools such as e-procurement systems could also support sustainable public procurement practices. High-level

political buy-in, top management support and awareness among key stakeholders are crucial in instigating positive behavioural changes in support of sustainable public procurement.

Matching national and subnational governance styles to sustainable public procurement mechanisms is critical to engaging with all relevant stakeholders. For instance, a network style of governance, whereby Governments promote collaboration among businesses, public institutions, local authorities, and civil society organizations and support it as a political priority. Regulatory approaches could help to manage supply chains, for example, by having a law to enforce sustainable public procurement with measurable indicators. It is important to look at how goods and services are produced and, in particular, to promote the use of sustainably sourced material and resource efficiency in production methods. Sustainable public procurement should take into account human rights, equity and fair labour practices.

The Committee notes that progress on sustainable public procurement is most effective when a mandatory framework is created that can be combined with voluntary approaches. For example, it could be voluntary to use sustainable public procurement, but at the same time obligatory to use specific product group standards for sustainability. It is important to support Governments in developing a clear and unambiguous national legal framework, in the absence of which procurement officials might hesitate to implement sustainable public procurement practices owing to concerns with compliance risk, vulnerability to fraud and corruption. The Methodology for Assessing Procurement Systems can be used as a diagnostic tool to review public procurement systems and incorporates sustainability factors.

Supreme audit institutions can play an important role in monitoring progress of sustainable public procurement programmes at the national level and adequate legislation should be in place to do so effectively. In addition to the Methodology for Assessing Procurement Systems framework, the use of Sustainable Development Goal indicator 12.7.1

could be expanded to benchmark progress in the implementation of sustainable public procurement policies and action plans at all levels.

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