

Seminar on Sustainable Government Procurement

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1. Background Information

Government procurement represents a significant share of public spending and plays a key role in helping countries pursue sustainable, resilient, and inclusive development. It is estimated that public procurement accounts for around one-fifth of global GDP, exceeding US\$20 trillion annually (as of 2022).

Given its significant weight and importance in the economy, strategic public procurement instruments can be designed to efficiently address various objectives, such as supporting small and medium-sized enterprises (SMEs), promoting strategic industrial sectors, strengthening innovation and policies towards green transition, and securing access to fundamental services.

Concerning the interaction between international trade and public procurement, it is worth noting that none of the BRICS countries is a full member of the WTO's plurilateral Government Procurement Agreement (GPA). This provides BRICS with the flexibility to frame national public procurement strategies that align with national development goals, a flexibility that is largely unavailable to countries that are full members of the GPA. In Brazil, sustainable government procurement has emerged as a central mechanism within the new industrial policy. The recently created Interministerial Commission on Public Procurement for Sustainable Development (CICS) aims to promote practices focused on inclusion, sustainability, and green development. It also explores tools such as margins of preference, offsets for industrial development, domestic content requirements and technological transfer, and innovative pre-commercial orders – a strategy exemplified by Fiocruz in its international partnership to produce COVID-19 vaccines.

In India, the public procurement of renewable energy technology has helped foster a robust domestic solar panel industry, providing a sustainable and reliable energy supply while supporting local businesses. Similarly, China's focus on green technology procurement has been instrumental in reducing manufacturing emissions, positioning it as a global leader in sustainable production. These examples highlight the transformative potential of strategic procurement policies to address broader development goals, underscoring the importance of such mechanisms within BRICS countries. By leveraging procurement as a tool for industrial and green development, BRICS nations can not only achieve economic growth but also advance environmental sustainability. Furthermore, innovative perspectives in public-private partnerships may be explored to leverage private-sector innovation in achieving procurement sustainability goals.

2. Priorities

The main priority of Brazil's BRICS chairship will be to promote a broad discussion on government procurement as a policy instrument to support sustainable economic growth, aiming at mutual learning and possibly at the identification of cooperation arrangements among members.



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COOPERATING FOR AN INCLUSIVE AND SUSTAINABLE WORLD