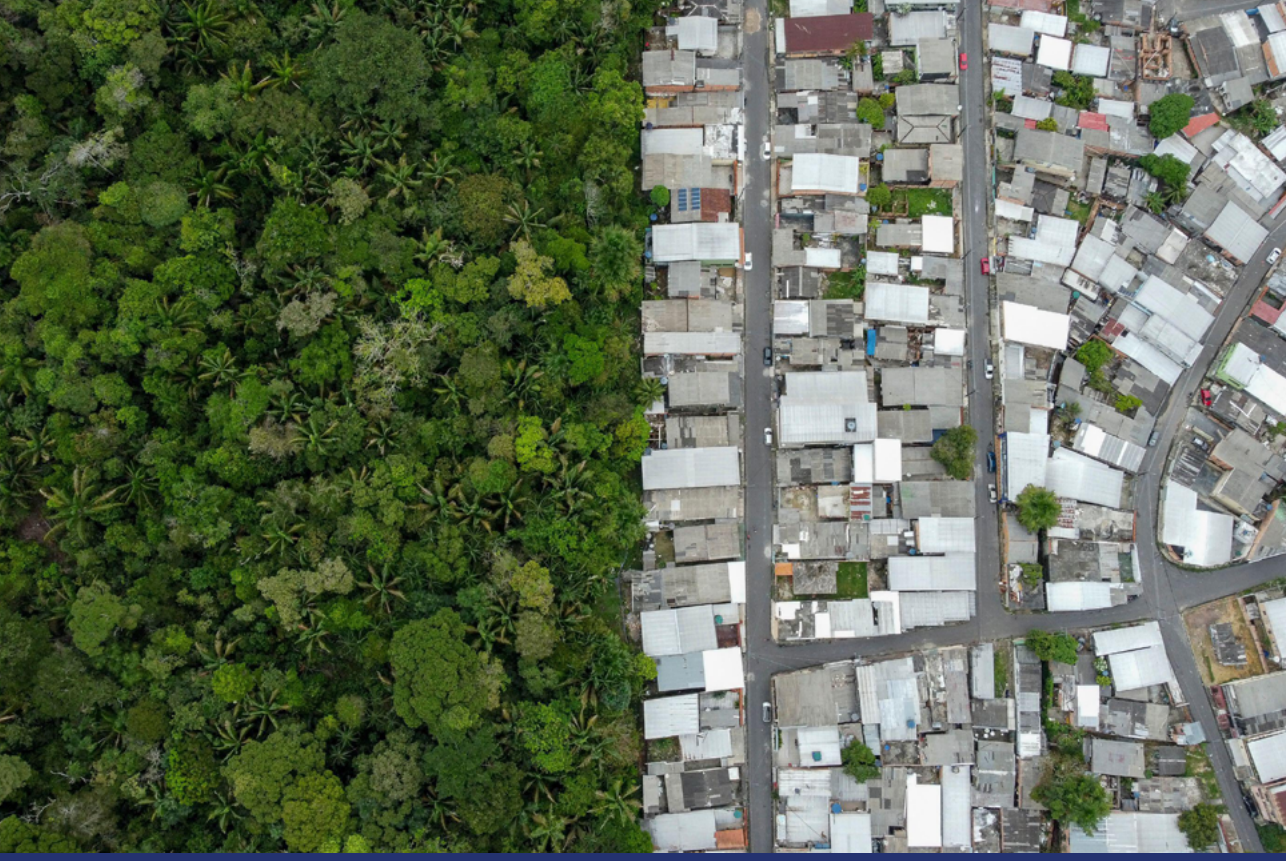

The Belém Declaration on Sustainable Public Procurement: from commitment to implementation

IIPP POLICY REPORT November 2026

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MINISTÉRIO DA GESTÃO E DA INOVAÇÃO EM SERVIÇOS PÚBLICOS

GOVERNO DO BRASIL
DO LADO DO POVO BRASILEIRO

The Belém Declaration on Sustainable Public Procurement: from commitment to implementation

IIPP Policy Report, November 2026

This report builds on an ongoing partnership between the University College London (UCL) Institute for Innovation and Public Purpose (IIPP) and Brazil's Ministry of Management and Innovation in Public Services (MGI) to help design the tools and institutions needed to deliver an economic transformation agenda.

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Published by

UCL Institute for Innovation and Public Purpose (IIPP)
11 Montague Street London, WC1B 5BP
ucl.ac.uk/bartlett/public-purpose

This report can be referenced as follows:

Mazzucato, M. and Dweck, E. (2026). *The Belém Declaration on Sustainable Public Procurement: from commitment to implementation*. UCL Institute for Innovation and Public Purpose, Policy Report Series (Policy Report 2026/07). ISBN 978-1-917384-44-5.

Available at: https://www.ucl.ac.uk/bartlett/publications/2026/nov/belem-declaration-procurement-inclusive-and-sustainable-growth

Read this report online:

Acknowledgements:

This report is an independent study, funded by a research grant from the Open Society Foundations. It is grounded in the insights, experience and feedback shared by Brazilian academics, public officials and government representatives through a series of conversations over the past year. The authors are grateful for the feedback received from a workshop held on September 15, 2026, convened in Brasilia with public officials and government representatives from the Agência Brasileira de Desenvolvimento Industrial, Brazilian nonprofit supporting governments on sustainable public procurement, Comissão Interministerial de Contratações Públicas para o Desenvolvimento Sustentável, Confederação Nacional da Indústria, Ministério da Cultura, Ministério da Fazenda, Ministério da Gestão e da Inovação em Serviços Públicos, Ministério do Desenvolvimento, Indústria, Comércio e Serviços, Ministério do Meio Ambiente e Mudança do Clima, Open Society Foundation, Serviço Brasileiro de Apoio às Micro e Pequenas Empresas. The authors are especially thankful to Ignacio Paiva, Gabriel Romitelli and Anna Hope Emerson from IIPP and Felipe Guth, Gabriela Maretto, Giselle Coelho, and Leonardo Campos from MGI for their substantial contributions to the development of the report, including research assistance, support with drafting, and the preparation and synthesis of evidence. We also thank our colleagues at the UCL Institute for Innovation and Public Purpose, including Manuel Maldonado, Liliana Hertling, Lara Merling for their contributions to this report. Any errors or omissions remain the responsibility of the authors.

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Foreword by Minister Esther Dweck

For most of the past four decades, public procurement in Brazil, as in much of the world, answered a narrow question: how to buy at the lowest price with the least legal risk. That question produced rules and controls designed to protect the public purse. It did not produce a state able to use its purchasing power, around 16% of GDP, as a lever for development. What changed the question in Brazil was the return of development policy. Industrial strategy, the energy transition and the reduction of territorial inequality all need instruments that act on demand, and public procurement is the largest of them. But an instrument is only as strategic as the state that wields it. This is why we treat the transformation of the State not as an administrative sideline to development policy, but as one of its conditions. Strategic procurement is where the two agendas become one.

The legal mandate is already in place. The 2021 Public Procurement Law made sustainable national development a guiding principle of public purchasing, and the National Strategy for Public Procurement for Sustainable Development (ENCP), established in December 2025, turned that principle into a strategy. The ENCP does not stop at economic, social and environmental objectives: its fourth axis is management, with the explicit aim of strengthening state capacities for the strategic use of purchasing power. The diagnosis behind that choice is the one this report reaches. The gap between ambition and delivery is not a gap in rules but in capabilities. In a federation of 27 states and 5,569 municipalities with very unequal resources, it cannot be closed by a national norm alone.

Building those capabilities has therefore meant working with subnational governments, not over them. Contrata+Brasil illustrates this idea. The platform began as a municipal innovation in Recife, capital of the state of Pernambuco, that allowed individual entrepreneurs to supply the city with minimal bureaucracy. Scaled nationally by our Ministry, by September 2026 it connected 2,268 public bodies to more than 18,500 individual entrepreneurs, with nearly 7,000 contracts concluded. Recife is now one of the first pilots of the ENCP itself. Knowledge travelled from the municipality to the federal government and back, and each step added capacity. The ENCP pilots in Recife and Bahia follow the same logic: they are designed to produce evidence other governments can use. The aim is not to centralise procurement, but to make strategic procurement possible at every level of government.

Brazil proposed the Belém Declaration on Sustainable Public Procurement at COP30, in November 2025, because this transformation cannot be completed by one country alone. Eight countries, five Brazilian states and 34 municipalities have since joined, and Brazil co-leads the Plan to Accelerate Solutions on Sustainable Public Procurement with UNEP's One Planet Network and UNIDO's Industrial Deep Decarbonisation Initiative. Legitimacy flows in both directions. Brazil's domestic experience makes the Declaration a commitment drawn from implementation, not a substitute for it. In return, a shared international commitment gives national and local governments political backing and technical reference points (common standards, comparable metrics, peer learning) for decisions that judge value beyond price. It also reinforces what developing countries cannot take for granted: the policy space to use procurement as an instrument of development. The Montreal Protocol showed that a shared commitment can act as a market signal long before it becomes universal. A voluntary declaration can do the same, provided it is backed by credible delivery.

This report, written with Mariana Mazzucato and the UCL Institute for Innovation and Public Purpose, is an attempt to make that delivery legible. Built on a year of exchanges with Brazilian officials and a workshop in Brasília in September 2026, it sets out what Brazil has learned, including where it is still learning, in a form other signatories can test and adapt. We bring it to COP31 as a contribution to implementation.

For the Brazilian government, the four years ahead will be about precisely that: consolidating the ENCP across the federation, investing in the capabilities it requires, and coordinating public demand to shape markets for sustainable and innovative solutions. Internationally, success will not be measured in signatures, but in how many governments can point to contracts, markets and capabilities that changed as a result. The question is no longer whether governments should buy differently. It is whether they are building the capacity to do so.





Esther Dweck
Minister of Management and Innovation in Public Services, Government of Brazil

Preface by Professor Mariana Mazzucato

Public procurement is a powerful tool governments can use to shape markets towards collective goals. Yet its potential remains largely untapped. Too often, procurement is treated as an administrative function focused on compliance, cost minimisation and the purchase of goods and services, rather than as a strategic instrument for driving innovation, building productive capabilities and delivering inclusive and sustainable growth.

This is a central idea in our work at the Institute for Innovation and Public Purpose (IIPP) at University College London: the state should not be understood merely as a market fixer, correcting failures after they occur, but as a market shaper, capable of directing economic activity towards collective goals. This is not about top-down management but about steering to catalyse bottom-up innovation towards mission accomplishment. Missions around health, climate, hunger and more. For example, outcomes-oriented procurement can be used to stimulate local investment in sustainable food production and innovative collaborations for making sure that every child has access to healthy, sustainable and tasty school lunch. This requires a very different mindset which brings welfare goals to the centre of innovation policy, a practice that Brazil has led on. If we are serious about achieving growth that is inclusive, innovation-led and sustainable, we must rethink how the state deploys its instruments, including the enormous purchasing power of the public sector.

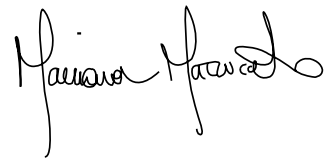
Our partnership at IIPP with Brazil's Ministry of Management and Innovation in Public Services (MGI) has been especially meaningful to us. Over more than three years, this collaboration has demonstrated what becomes possible when research and policymaking come together not simply to analyse the challenges governments face, but to work collectively towards transforming how the state operates. Our piece on State Transformation have worked not only on procurement but also rethinking state-owned enterprises (SOEs) and digital public infrastructure. It has been a process of mutual learning, grounded in the recognition that building a more capable state requires ambition, experimentation and a willingness to challenge established ways of doing things. Brazil's commitment in the last years to rethink the role of public institutions— from procurement to, SOEs and public loans via its public bank BNDES— in shaping a more inclusive and sustainable economy provides meaningful lessons for other governments. This partnership reflects something fundamental to IIPP's mission: that the purpose of public policy is not merely to manage what exists, but to help create the conditions for a better future. The work presented in this brief is part of that ongoing effort, and we hope it will contribute to sustaining this ambition in Brazil and inspiring similar transformations around the world.

The Belém Declaration on Sustainable Public Procurement, launched at COP30 in Brazil, in an important step in this direction. It creates an opportunity to move beyond a narrow understanding of sustainability as a set of criteria added to individual tenders, towards a more ambitious vision of procurement as a means of building the markets, productive capabilities and partnerships required for inclusive and sustainable growth. The Declaration has established a shared political commitment. The question now is what governments will do with it.

This policy report, *The Belem Declaration on Sustainable Public Procurement: from commitment to implementation*, addresses precisely this challenge. Drawing on Brazil's experience and international examples, such as school feeding programmes, it examines the institutional, governance and capability challenges that stand between political ambition and meaningful results. It makes an important distinction: sustainable public procurement is not simply about adding environmental criteria to conventional tenders. It requires a more ambitious approach to the role of the state in shaping markets and aligning public expenditure with long-term economic, social and environmental objectives.

Achieving this shift demands more than new regulations. It requires a capable public sector, effective coordination across ministries and levels of government, meaningful engagement with businesses and civil society, and mechanisms for learning and adapting over time. Procurement cannot deliver economic transformation in isolation. It is a demand-side tool that can work with supply-side tools (e.g. public loans),





Professor Mariana Mazzucato
Professor in the Economics of Innovation and Public Value, University College London and Founding Director of the UCL Institute for Innovation and Public Purpose

embedded within a broader mission-oriented industrial strategy that aligns public investment, innovation policy, financial instruments and regulatory frameworks around clearly defined objectives.

Brazil offers a valuable setting in which to explore these questions. As the country enters President Lula's next term, the priority is to strengthen the capabilities, coordination mechanisms and governance arrangements needed to make sustainable public procurement an enduring feature of Brazil's development strategy. In doing so, Brazil can generate lessons that extend beyond its own borders, helping to shape the implementation of the Belém Declaration and the international coalition committed to advancing sustainable public procurement.

Realising this potential will depend on sustained collaboration across government, between the public and private sectors, and among international partners. In this context, the ongoing collaboration between MGI and IIPP will remain particularly important. Building on several years of join work connecting research, policy design and implementation, we will remain at the disposal of the Brazilian Government to help shape policies for the coming years.

The Declaration also offers an opportunity to deepen international cooperation, for example by sharing best practices and creating communities of practice. Governments face common challenges in developing sustainable supply chains, stimulating innovation and ensuring that the benefits of the green transition are widely shared. Multilateral institutions like the multilateral development banks (MDBs) can work in a more coordinated way with national banks, forming an SDG multiplier effect. Sharing experiences, building collective capabilities and coordinating action across countries can help accelerate progress while allowing solutions to reflect different institutional and economic contexts.

The coming years will be crucial to ensure that the momentum generated in Belém translates into long-term institutional change. The Belém Declaration provides a starting point, but its impact will depend on what governments do next. This brief outlines practical steps for Brazil and other countries to translate the Declaration into procurement practices, institutional capabilities and stronger collaboration across government and with the private sector.

Executive Summary

This report examines how governments can use the Belém Declaration on Sustainable Public Procurement to strengthen the contribution of public purchasing to inclusive and sustainable growth. Launched at COP30, the Declaration sets out four shared priorities for national and subnational governments: integrating sustainability into procurement, scaling up its use, fostering inclusive engagement and strengthening collaboration and institutional learning. Drawing on Brazil's and international experience, the brief examines how governments can advance these priorities through domestic policy and procurement practice, and how the Belém Declaration and the Plan to Accelerate Solutions in Sustainable Public Procurement (PAS-SPP) can support their efforts.

Public procurement accounted for an estimated 16% of Brazil's GDP in 2021. At that scale, public purchasing can influence what firms produce, where they invest and who can supply public markets. The report takes an outcomes-oriented approach to sustainable public procurement. This means defining what a purchase should achieve and carrying those objectives through planning, tender design, supplier selection and contract management. Brazil's National School Feeding Programme illustrates how purchasing can serve several objectives at once. Its requirement to source a share of food from family farmers supports local producers while contributing to the programme's food and nutrition security goals.

Brazil's 2021 Public Procurement Law made sustainable national development a guiding principle of public purchasing. The National Strategy for Public Procurement for Sustainable Development (ENCP), established in December 2025, provides a framework for putting that principle into practice across federal, state and municipal governments. Pilots in Bahia and Recife are testing how the strategy works in different institutional and economic settings and are already generating several practical lessons for the implementation of SPP in Brazil and globally.

The report identifies several barriers to wider adoption of sustainable public procurement. These include strengthening institutional and technical capacities, harmonising sustainability standards and measurement frameworks. Progress is also hindered by limited fiscal space and access to finance, particularly at the municipal level, alongside risk-averse procurement cultures that discourage experimentation and innovation. Coordination to aggregate demand and

shape markets is also addressed in the brief. For instance, when purchasing is fragmented across authorities, individual contracts may be too small or unpredictable to justify supplier investment in new products or production methods. Smaller authorities may lack the expertise to assess markets, design sustainability requirements and verify that suppliers meet them, as well as also have limited scope to finance higher upfront costs, even where a purchase could generate savings over time or benefits elsewhere in government. Together, these constraints explain why progress depends on coordination, access to finance and the capacity to test and evaluate new approaches. It also examines the challenges facing the Belém Declaration, particularly the difficulty of securing additional signatories and the limitations of its enforcement and accountability mechanisms. Unlike a legally binding treaty, the Declaration does not impose formal obligations or provide for sanctions in cases of non-compliance. Its implementation therefore depends largely on the political commitment and institutional capacity of individual signatories.

High-level recommendations

1. **Coordinate procurement across government.** Align purchasing plans with industrial, climate, innovation and social objectives. Use joint purchasing, framework agreements or municipal consortia where pooling demand can give suppliers a more predictable market. Preserve scope for local authorities to respond to local needs and for smaller suppliers to compete.
2. **Connect public purchasing with finance and supplier development.** Engage suppliers and financial institutions to assess what markets can deliver and where investment is needed. Consider costs over the life of a purchase alongside wider economic, social and environmental benefits. Improve access to finance where upfront costs constrain adoption and use clear performance requirements to guide supplier investment.
3. **Build the capabilities to test, evaluate and adapt.** Equip procurement teams, particularly in smaller authorities, with specialist training, practical guidance and shared tools. Use pilots and phased delivery to manage risk and apply lessons to future tenders. Invest in comparable standards and better data so buyers can verify supplier claims and assess outcomes. In Brazil, the Public Procurement Observatory and the MIRA impact model can help assess how purchasing choices affect employment, production and emissions.
4. **Use the Declaration to strengthen international cooperation.** Draw on its shared priorities when setting domestic objectives, targets and action plans. Use PAS-SPP and existing networks to share model criteria and tender documents, provide technical assistance and support peer learning. A voluntary reporting framework could help governments compare progress, identify gaps and share approaches that others can adapt.

For Brazil, the priority over the next years is to embed the ENCP across levels of government, using evidence generated through pilot initiatives to inform and guide its wider adoption. At the international level, the Belém Declaration has the potential to offer signatories a platform to exchange evidence, compare procurement practices and strengthen the institutional capabilities required to advance and sustain the sustainable public procurement implementation.

1. State capacity for a green transition: outcomes oriented procurement

Public procurement is increasingly recognised as one of the most powerful yet underused levers available to governments seeking to shape markets and the direction of economies (Edler, 2023; Mazzucato et al, 2025). Representing 16% of Brazil's GDP in 2021, public purchasing power can be mobilised to stimulate innovation, strengthen domestic industrial capabilities and support suppliers such as small and medium enterprises (SMEs) (Mazzucato et al, 2024a). In particular, public procurement has emerged as a key lever to accelerate the transition to low-carbon economies (OECD, 2024; Mazzucato and Emerson, 2026).

This trend has gained significant international momentum through the Belém Declaration on Sustainable Public Procurement, launched at COP30 in Belém, Brazil, and the Plan to Accelerate Solutions in Sustainable Public Procurement (PAS-SPP). The Declaration provides a platform for national and subnational governments to express their political commitment to scaling up sustainable public procurement, while PAS-SPP brings together multilateral organisations, non-profit organisations and other stakeholders to accelerate implementation and support the adoption of sustainable public procurement practices worldwide. The Declaration reflects a growing policy consensus that achieving the green and just transition requires a fundamental rethinking of how governments use their purchasing power. Its four core principles – integrating sustainability, scaling implementation, fostering inclusion and strengthening international collaboration – establish a framework for translating high-level policy commitments in practice at both national and local levels (MGI, 2025).

It is worth clarifying what is meant by sustainable public procurement (SPP) in this paper. As SPP gains traction, different interpretations have emerged in both academic and policy settings, ranging from the inclusion of a single environmental clause in a conventional tender to a fundamental reorientation of how governments leverage their purchasing power (Mazzucato and Emerson, 2026). In the context of the Belém Declaration and PAS-SPP, we interpret SPP to mean an explicitly outcomes-oriented approach to procurement designed to shape markets, rather than a compliance-driven, box-ticking exercise. In other words, we interpret SPP to mean a mission-oriented instrument that sets expectations through demand signals; directs investment; and generates spillovers across supply chains. It is therefore not only about *what* governments buy, but also about *how* they buy. Brazil deliberately uses the term 'sustainable' instead of 'green' to emphasise that environmental objectives cannot be separated from questions about who produces, under what working conditions, and with what social and economic consequences.

Yet despite the growing number of countries adopting SPP policies and legal frameworks, implementation continues to lag behind ambition. This implementation gap reflects not only technical challenges, but also deeper institutional, fiscal and governance constraints that limit governments' ability to use procurement to drive strategic policy outcomes. Brazil illustrates both the opportunities and the challenges of this transition. Traditionally, Brazilian public procurement has been primarily organised around legal compliance, transparency and fiscal control (Mazzucato et al, 2024). Procurement systems have historically prioritised efficiency, procedural conformity and the selection of the lowest-price bid, reflecting longstanding concerns with corruption prevention and public accountability. Although these principles remain fundamental, recent reforms indicate a gradual shift towards recognising procurement as an instrument capable of advancing broader public policy objectives (Mazzucato et al, 2024) and the growing recognition of SPP sits squarely within that trend.

The challenge, therefore, is not simply to introduce sustainability criteria into procurement frameworks, but to develop the institutional arrangements, fiscal approaches, governance mechanisms and public-sector capabilities needed to translate policy ambition into tangible outcomes. Rather than treating the gap between ambition and delivery as an obstacle, it can be understood as an opportunity for institutional innovation: building the governance frameworks, technical capacities and dynamic capabilities required to establish a robust ecosystem for SPP. Sharing lessons between signatories will be essential to identifying and scaling effective practices. Brazil's role in conceptualising the Declaration, serving as an early signatory, and testing its implementation at both national and subnational levels positions it as an important case for understanding what effective delivery of the Declaration's ambitions can look like.

This policy brief examines these challenges and opportunities through the lens of Brazil's experience with respect to the wider international context. It analyses Brazil's transition from a compliance- and cost-savings-oriented procurement model towards a more strategic or 'mission-oriented' approach, identifying how implementation constraints can be transformed into opportunities for advancing SPP. This paper also draws comparative lessons from national and subnational governments that have embraced outcomes-oriented approaches to procurement. One critical lesson from international experience is that procurement on its own is not sufficient for economic transformation; instead, it

must be embedded within a broader, outcomes-oriented (or 'mission-oriented') industrial strategy framework (Mazzucato et al, 2024b).

This paper builds on more than three years of continuous collaboration between the UCL Institute for Innovation and Public Purpose (IIPP) and Brazil's Ministry of Management and Innovation in Public Services (MGI) to advance a mission-oriented approach to economic transformation and state capacity in Brazil. Previous work has explored how public procurement can create markets and steer innovation towards strategic priorities (Mazzucato et al, 2024), how digital public infrastructure can support inclusive and sustainable development (Eaves et al, 2024), how state-owned enterprises (SOEs) can be coordinated to advance shared policy objectives (Mazzucato et al, 2024). These contributions were brought together in *State Transformation in Brazil*, which examines how procurement, SOEs and digital public infrastructure can be aligned to support sustainable and inclusive growth through a whole-of-government approach (Mazzucato et al, 2025). More recently, work on state capacity and capabilities for a just green transition has emphasised the institutional capabilities, coordination mechanisms and policy instruments needed to translate political commitments into tangible outcomes (Dweck and Mazzucato, 2025). Building on this body of work, the present paper examines sustainable public procurement as one component of a broader mission-oriented industrial strategy in which multiple policy instruments and institutions must work together to deliver shared economic, social and environmental objectives.

This brief comes at a particularly consequential moment, both internationally and domestically. In Brazil, President Lula's next presidential term represents a critical opportunity to consolidate this progress made over the past four years, advance existing commitments and embed sustainable public procurement more firmly within the country's broader development strategy. Internationally, COP31 in Türkiye and COP32 in Ethiopia provide important opportunities to sustain momentum behind the Belém Declaration, broaden the coalition of participating governments and strengthen the links between international commitments and domestic implementation. At the same time, Brazil's emerging national and subnational experiences provide valuable opportunities to test and refine the recommendations set out in this brief, generating lessons to support implementation in Brazil and inform the wider international coalition. Together, these developments create a decisive window to translate the political momentum generated by the Declaration into sustained institutional change and tangible outcomes.

The paper analyses the main challenges to implementing the Belém Declaration and scaling up SPP locally and globally, and identifies four opportunities for advancing it. First, it calls for a whole-of-government approach that strengthens interministerial coordination through mechanisms such as the Interministerial Commission on Public Procurement for Sustainable Development (CICS), aligning procurement with industrial, innovation, environmental and fiscal policies. Second, it highlights the importance of structured public-private coordination among government, suppliers, financial institutions, academia and civil society to stimulate innovation, expand sustainable supply and strengthen market readiness. Third, it emphasises the need to translate the Belém Declaration's international commitments into domestic action by expanding government participation, mobilising international networks, and establishing clear implementation strategies, monitoring mechanisms and accountability frameworks. Finally, it stresses the importance of building the dynamic capabilities of public institutions and procurement professionals through training, digital tools, knowledge sharing and institutional learning. Together, these priorities position SPP not merely as a means of purchasing goods and services more sustainably, but as a strategic instrument for coordinating public action, shaping markets, and advancing Brazil's wider economic, social and environmental objectives.

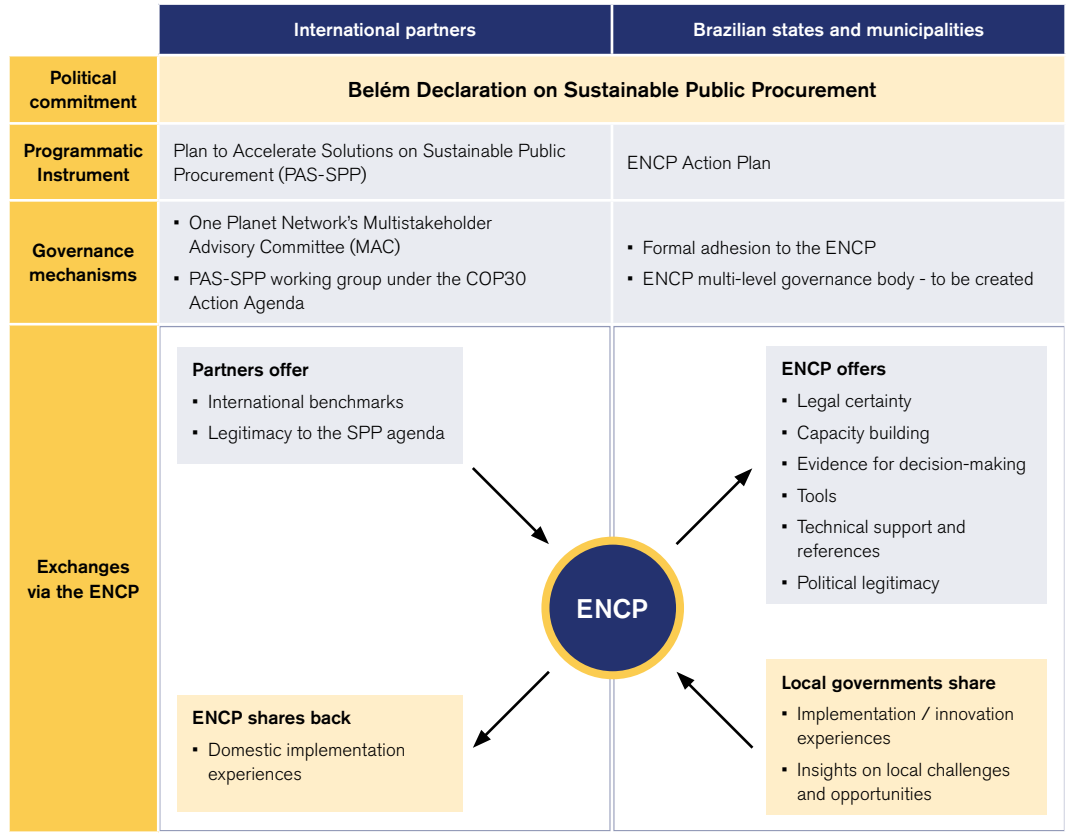
The remainder of the report proceeds as follows. Section 2 sets out the international architecture established through the Belém Declaration and PAS-SPP, alongside emerging domestic implementation experiences in Brazil. Section 3 analyses the principal challenges to scaling SPP, both within Brazil and globally. Section 4 translates these challenges into opportunities, drawing on both international collaboration and domestic changes to procurement frameworks and delivery practices. Section 5 concludes with a forward-looking agenda for embedding SPP as a long-term policy priority in Brazil.

2. Setting the direction: the Belém Declaration and the international architecture for sustainable public procurement

Ahead of COP30, Brazil developed the Belém Declaration on Sustainable Public Procurement as an engagement strategy to raise the visibility and ambition of SPP internationally, and to establish a common direction across national and subnational governments. Building on the commitment under SDG 12.7 to 'promote public procurement practices that are sustainable, in accordance with national policies and priorities,' the Declaration provides a shared political framework around which governments can align their efforts (MGI, 2025).

The Declaration is complemented by PAS-SPP, which provides an international framework for moving from political commitment towards implementation. In Brazil, this connects with the National Strategy for Sustainable Public Procurement (Estratégia Nacional de Contratações Públicas para o Desenvolvimento Sustentável – ENCP) and its implementation across levels of government, including ongoing pilots in Recife and Bahia. As Brazil's Ministry of Management and Innovation in Public Services (Ministério da Gestão e da Inovação em Serviços Públicos – MGI) international and intergovernmental cooperation framework illustrates, these different levels are intended to reinforce one another (see Figure 1): international cooperation provides benchmarks, legitimacy and knowledge exchange, while domestic implementation generates practical experience and evidence that can inform the wider SPP agenda (MGI, 2025). The implementation logic, therefore, combines an international agenda with concrete local and national initiatives.

Figure 1. ENCP international and intergovernmental cooperation.



Source: Adapted from MGI, 2025.

In addition to the Belém Declaration and PAS-SPP, the Brazilian Government has made significant progress in strengthening public procurement as a strategic instrument for economic, social and environmental development. The MGI has been working to move beyond the traditional understanding of procurement as simply a process for purchasing goods and services, increasingly using the purchasing power of the state to advance broader public policy objectives.

The Ministry has three departments working specifically on public procurement including regulation and standard-setting; the development of new procurement models; and the use of procurement to promote sustainable, inclusive economic development.[1] This institutional structure allows us to work simultaneously on

1 The three departments are: the Directorate of Public Procurement Strategies for Sustainable Development (Diretoria de Estratégias em Contratações Públicas para o Desenvolvimento Sustentável- DECS), the Directorate of Logistics Standards and Systems (Diretoria de Normas e Sistemas de Logística -DELOG), and the Central Purchasing Unit (Central de Compras).

improving the rules governing procurement, developing new approaches and using public demand to support broader development objectives.

The Ministry is developing pilot projects with the city of Recife and the state of Bahia, which are presented in Section 2.3. The objective is to test new approaches in practice, understand what works, and generate evidence and lessons that can subsequently be scaled up to other states and municipalities. This is an important part of the government's approach to develop procurement models that are grounded in practical experience and can be replicated across the country.

The Brazilian Government has also reviewed the country's position in relation to international trade agreements and public procurement rules, including the Mercosur–European Union negotiations and discussions involving the WTO and OECD. MGI has worked to preserve Brazil's policy space in public procurement in the context of different trade agreements, including negotiations with Singapore and Canada, and, most importantly, the Mercosur–European Union Trade Agreement. The MGI participated in the renegotiation of the government procurement chapter to ensure that the agreement would not restrict the country's ability to use public procurement as an instrument of economic and industrial development. The country preserved the possibility of applying margins of preference for domestic production, micro and small companies, non-profit institutions and family farming, while also keeping Brazil's Unified Health System (Sistema Único de Saúde - SUS) procurement outside the scope of the agreement.

Under the New Public Procurement Law (Law nº 14,133/2021), the government also decided to maintain its ability to use margins of preference of up to 10% for products and services produced in Brazil, or recycled, recyclable or biodegradable products. This can be increased to 20% to favour innovative domestic products and services competing against foreign products and services.

Another important advancement was the creation of Contrata+Brasil, a digital platform that simplifies the process for public agencies to contract service and food providers, especially SMEs, individual microentrepreneurs (microempreendedores Individuais – MEIs), family farmers and cooperatives. As of 26 October 2026, the platform had recorded 10,068 signed contracts, predominantly for services (8,808), followed by food (1,005) and events (255). In terms of contract value, food accounted for R$50.5 million, services for R$54.8 million, and events for R$1.2 million, bringing the total contracted value to R$106.5 million.

Regarding the participating actors on the demand side, the platform already has 2,869 government entities signed on, including 1,265 federal agencies, 888 municipal governments (equivalent to 15.9% of Brazil's 5,569 municipalities), and 18 out of the 27 state governments. On the supply side, the platform had registered 29,310 individual micro-entrepreneurs (MEIs) offering services and event-related activities. Its food supply network comprised 14,058 family farmers (11,042 of whom are affiliated with cooperatives), 611 cooperatives and associations holding a CAF (Family Farming Registry) certificate, and 1,314 other food suppliers, including informal groups, and companies (MGI, 2026).

The country has also made important progress on transparency and the use of procurement data. In 2026 MGI launched the Federal Government's Public Procurement Open Data Portal and an updated dashboard, which aggregates data on contracts awarded by municipalities, states, the Federal District and federal government. These initiatives, coordinated by the MGI's Secretariat of Management and Innovation (Seges), strengthen access to procurement information and support the analysis of public spending patterns. Complementing these efforts, the government also launched the Public Procurement Observatory, which aims to provide a more systematic analytical approach to public procurement, enabling evidence-based policy design and decision-making. MGI is also developing MIRA, a predictive model designed to help decision-makers estimate the potential economic, environmental and social impacts of public procurement decisions, further strengthening the capacity to align public spending with broader policy objectives.

Taken together, these initiatives represent an important shift in public procurement in Brazil, making procurement not only more efficient and transparent, but also a strategic instrument for economic development, sustainability, technological development, social inclusion and the strengthening of domestic productive capabilities.

2.1 The core principles of the Belém Declaration

The Belém Declaration is a voluntary and non-binding commitment by national and subnational governments to progressively advance SPP, organised around four mutually reinforcing principles. Rather than prescribing a single procurement model, these principles establish a common direction for governments to use purchasing power more strategically, while allowing implementation to respond to different institutional, economic and territorial contexts.

Principle 1: integrating sustainability into procurement

The first principle concerns embedding sustainability objectives into how governments procure, moving beyond their treatment as additional criteria attached to otherwise conventional tenders. Consistent with an outcomes-oriented approach to SPP, this means considering environmental and social objectives throughout procurement decisions, and using public demand strategically to support wider policy goals, rather than approaching sustainability primarily as a compliance exercise.

How governments buy can influence the direction in which markets develop. Sustainable procurement can create demand for solutions aligned with public objectives, signal which problems and performance characteristics governments value, and direct private investment and innovation accordingly. Procurement can therefore move beyond purchasing existing greener alternatives to actively shaping markets and production systems towards sustainability objectives (Mazzucato and Emerson, 2026).

Principle 2: scaling sustainable public procurement

The second principle focuses on expanding SPP across government expenditure, while using the scale of public demand to develop markets, particularly in sectors with significant sustainability impacts. Scaling therefore means more than applying sustainability requirements to a larger number of contracts: it involves creating sufficiently large and predictable demand signals to support investment, innovation and the development of productive capacity in strategic areas.

Firms are more likely to invest in new capabilities and technologies when they can anticipate sustained demand. SPP can act as a market initiator, escalator or consolidator, supporting emerging solutions at different stages of their development. For green technologies in particular, aggregating purchasing power and providing longer-term demand certainty can help reduce market uncertainty, support economies of scale and mobilise complementary investment (Mazzucato and Emerson, 2026).

Principle 3: fostering inclusive engagement

The third principle recognises that sustainable procurement should be shaped through engagement with the actors and communities affected by the challenges it seeks to address. This implies opening procurement processes to different forms of knowledge and perspectives, and creating opportunities for public institutions, suppliers, civil society and communities to contribute to defining needs and developing solutions, rather than treating procurement objectives as exclusively technical decisions.

Inclusion is a central part of MGI's procurement policies; through pilot projects, the Ministry actively seeks to include individuals, recognising them as creators of economic and public value. These pilots aim to support women experiencing domestic violence, people leaving prison, family farmers, recyclable materials cooperatives and other groups, and public procurement can be understood as a mechanism for creating opportunities for them.

An outcomes-oriented approach not only depends on how public value is defined, but also by whom. A mission-oriented approach treats value creation as both political and participative, and places importance on the relationships and processes through which outcomes are generated. Building capabilities for civic engagement, co-design and deliberation can therefore strengthen governments' ability to define procurement objectives and assess whether resulting solutions respond to collectively defined needs (Mazzucato and Emerson, 2026).

Figure 2. Different procurement approaches and their interlinkages.

Source: Mazzucato & Emerson, 2026.

Principle 4: strengthening collaboration and institutional learning

The fourth principle positions cooperation across governments and jurisdictions as a mechanism for strengthening the capabilities required to implement SPP. Sharing implementation experiences, tools and knowledge can allow governments to learn from different approaches, adapt successful practices to their own contexts, and develop stronger institutional capabilities, while creating a basis for tracking progress across the wider SPP agenda.

Sustainable procurement requires capabilities that extend beyond conventional contract administration, including sector-specific expertise, strategic coordination, evaluation and the ability to learn through experimentation. These capabilities cannot simply be prescribed through procurement rules; they develop through practice and institutional learning. Cross-government collaboration can therefore help turn individual implementation experiences into shared knowledge and strengthen governments' capacity to use procurement strategically over time (Mazzucato and Emerson, 2026).

Taken together, the four principles provide a useful framework for advancing SPP, because they establish a shared direction without prescribing a unique procurement model. This flexibility allows governments to adapt implementation to their institutional contexts, policy priorities and levels of capacity, while encouraging a shift towards more outcomes-oriented approaches. However, principles alone cannot guarantee implementation: their broad scope may make them difficult to translate into operational requirements, monitor consistently or enforce in practice.

Their effectiveness therefore depends on translating political commitments into clear implementation strategies, measurable objectives, institutional responsibilities and accountability mechanisms. The challenge is to preserve the flexibility needed to foster innovation and local adaptation, while establishing sufficiently clear expectations to drive action and assess progress. In this sense, the principles can be understood as a foundation upon which governments can build the governance arrangements, capabilities and instruments needed to turn the Declaration's ambitions into tangible outcomes. The ENCP pilot projects in Bahia and Recife, presented in Section 2.3, offer a concrete example of how to turn ambition into action.

2.2 Plan to Accelerate Solutions in Sustainable Public Procurement: operationalising the global ambition

PAS-SPP translates the political commitments of the Belém Declaration into a framework for implementation. It seeks to close the gap between policy ambition and procurement practice by strengthening institutional capacity and applying three complementary lenses – what governments buy, who they buy from and how they buy – across high-impact sectors, including the built environment, food, health, transport and ICT. Across these areas, PAS-SPP combines capacity-building, more holistic and inclusive procurement practices, and stronger evidence and accountability systems to advance circularity, decarbonisation and progress towards SDG 12.7.1 – 'Number of countries implementing sustainable public procurement policies and action plans'.

PAS-SPP advances this agenda through two complementary implementation pathways. The first takes a system-wide approach, seeking to embed SPP across key sectors and government procurement systems. The second focuses specifically on using public procurement to create demand for low-carbon products from hard-to-abate industries, beginning with cement, concrete and steel for construction. Together, these pathways combine the breadth required to integrate sustainability across government purchasing with the sectoral depth required to transform high-emission markets, while aligning implementation with a just transition and improving the measurement of impacts, including embodied greenhouse gas emissions. This dual approach is a strength of PAS-SPP: it recognises that SPP requires both changes to routine purchasing practices and targeted interventions capable of shifting markets. However, the two pathways will only reinforce each other if sectoral initiatives are integrated into broader procurement strategies, rather than remaining isolated pilots or voluntary commitments.

Implementing the first pathway rests on four mutually reinforcing levers. PAS-SPP seeks to: strengthen the professionalisation and capabilities of procurement officials and value-chain actors, through training and tailored legal and technical assistance; move procurement decisions beyond the lowest upfront price through lifecycle-based sustainability criteria, ecolabels, certifications and other tools for assessing holistic value; strengthen multi-stakeholder collaboration and early market engagement to align incentives, identify barriers and enable more inclusive participation; and develop evidence, monitoring and accountability systems capable of tracking the use of sustainability criteria and their economic, environmental and social outcomes. Together, these mechanisms are intended to embed SPP within government systems rather than relying on isolated sustainable purchasing decisions. Their effectiveness, however, depends on complementary institutional conditions. Training and technical assistance must be accompanied by clear mandates, sustained funding, political leadership, and coordination between procurement authorities and the ministries responsible for industrial development, climate, finance and sectoral policies. Lifecycle approaches also require reliable data, appropriate assessment methodologies and procurement rules that allow buyers to consider long-term environmental and social value without creating disproportionate administrative burdens. Without these conditions sustainability criteria risk remaining optional or inconsistently applied, particularly where

procurement officials face pressure to minimise upfront costs, comply with rigid budget constraints or avoid legal and reputational risks.

The second pathway applies this approach more deliberately to industrial transformation, initially targeting steel, cement and concrete, which PAS-SPP identifies as collectively responsible for around 15% of global CO_2 emissions. Through the Industrial Deep Decarbonisation Initiative (IDDI) Green Public Procurement Pledge, governments can aggregate and publicise procurement commitments for low- and near-zero-emission materials, creating more credible demand signals for industry to invest in transition and breakthrough technologies. This is complemented by efforts to harmonise emissions-reporting methodologies and definitions, improve transparency and comparability, and build partnerships that allow developing economies and smaller, women-led, youth and Indigenous suppliers to participate in emerging low-carbon markets. PAS-SPP also seeks to amplify complementary private-sector demand initiatives, including the First Movers Coalition, ConcreteZero and SteelZero, to strengthen the overall demand signal for low-emission products.

PAS-SPP translates these mechanisms into measurable outcomes for 2030. It aims for at least 20 countries to be implementing SPP as a driver of a just climate transition, supported by technical assistance and institutional capacity-building, and for at least 15 governments to commit to green public procurement (GPP) for low- and near-zero-emission cement, concrete and steel in public infrastructure. It also seeks to embed lifecycle and circularity considerations in procurement decisions and strengthen monitoring aligned with SDG 12.7.1, supported by indicators covering technical assistance, procurement officials trained, adoption of procurement tools, GPP commitments and national reporting. In this way, PAS-SPP links international cooperation to concrete changes in government procurement systems, while generating evidence through which implementation and impact can be tracked over time.

2.3 Emerging domestic experiences: National Strategy for Public Procurement for Sustainable Development pilots in Bahia and Recife

Brazil's National Strategy for Sustainable Public Procurement (ENCP) provides the domestic framework through which Brazil is translating the international direction established by the Belém Declaration and PAS-SPP into national implementation. Established by Presidential Decree No. 12,771/2025 and launched in December 2025, ENCP aims to articulate and guide the use of public purchasing power to expand national productive and technological capabilities, and promote sustainable, fair and sovereign development (MGI, 2025).

ENCP is designed to support implementation across different levels of government. The decree provides for the adhesion of states and municipalities to the strategy, with the mechanism to be regulated by MGI. This builds on a range of SPP-related policies and practices already available to subnational governments, including preferential treatment for micro and small enterprises, purchasing from family farming, preferences for locally produced goods and inputs, measures to support local commerce and socially vulnerable groups, and the adoption of more sustainable technical specifications (MGI, 2025).

As part of its implementation, MGI is working with Bahia and Recife on pilot projects that test different approaches to using public procurement as a tool for development. These are practical initiatives designed to generate institutional learning, establish implementation benchmarks, and identify approaches that can be scaled to other states and municipalities, while also informing and influencing best practices internationally through the Belém Declaration. MGI provides technical and methodological support, monitoring and evaluation, project documentation and engagement with national partners, while the state and municipal governments coordinate implementation locally and engage government teams and relevant stakeholders (MGI, 2025).

The pilots have two main objectives. First, they seek to understand the specific incentives, opportunities, limitations and barriers associated with implementing ENCP guidelines at the subnational level. Second, they aim to generate concrete implementation references that can guide and inform other states and municipalities as they adopt ENCP. The pilots therefore provide an initial evidence base for understanding how the national strategy operates across different subnational contexts (MGI, 2025).

2.3.1 ENCP pilots in Recife

Recife, the capital of Pernambuco in northeastern Brazil, is a major urban and economic centre with a population of approximately 1.6 million. Its economy is dominated by the tertiary sector, which accounts for 69.1% of economic activity, followed by public administration (17%) and industry (13.7%), while agriculture contributes just 0.1%. The employment structure similarly reflects the importance of services and government, with the services sector accounting for 49% of employment and public administration for 26.5%. Among specific activities,

public administration (26.4%), retail trade (8.4%) and human health services (7.4%) are the leading sources of employment. This economic and employment profile provides an important context for exploring how public procurement can support broader social and economic objectives in the municipality.

Public procurement in Recife is conducted in a predominantly centralised manner by the Secretariat of Planning and Management (SEPLAG), which conducts bidding processes for almost all municipal agencies. The Recife pilot is coordinated by SEPLAG and brings together the Secretariat of Education (SEDUC), the Secretariat of Labour, Professional Training and Entrepreneurship (STQP), the Secretariat of Women (SEMUL), the Ministry of Entrepreneurship and Small and Micro Enterprises, and the Brazilian Micro and Small Business Support Service (Sebrae) office in Pernambuco. The pilot comprises three complementary initiatives that use public procurement as a tool for inclusive and sustainable development.

Table 2. ENCP pilots in Recife at a glance

Project	What it tests	Main theme
Contrata+Brasil for individual entrepreneurs	Expands use of the platform on both the supply and the demand sides, so that procurement supports income and economic security for micro-entrepreneurs (MEIs), including supply to municipal schools	Inclusion; small businesses; capacity-building
Quotas in outsourced service contracts	Reserves a minimum share of the contract workforce for women who have experienced domestic violence (National Procurement Law, Art. 25, §9º, I)	Inclusion; domestic violence
Local sustainable materials	Reduces the carbon footprint of urban maintenance and construction by procuring sustainable materials made from shellfish waste, creating demand for these materials and connecting environmental solutions with viable markets	Sustainability; new materials; local production

2.3.2 ENCP pilots in Bahia

Bahia, located in northeastern Brazil, is the most populous state in the region and the fourth most populous in the country, with 14.9 million inhabitants across 417 municipalities. Its economy is the seventh largest in Brazil and the state's productive structure is dominated by the tertiary sector, which accounts for 44.1% of GDP, followed by industry (25.1%). Agriculture remains an important economic activity, particularly through the production of soybeans, cocoa and cotton. Bahia also has a diversified industrial base, with construction, public utilities, food processing, chemicals, and pulp and paper among its leading industries. Economic activity is regionally concentrated, with the Salvador metropolitan area accounting for 37.97% of state GDP. The employment structure reflects the importance of services and government, with the services sector accounting for 34.5% of employment and public administration for 28.4%. Among specific activities, public administration (28.4%), retail trade (11.4%) and human health services (5.9%) are the leading sources of employment. This regional and sectoral diversity provides an important context for examining how public procurement can support local economic development, and broader social and environmental objectives.

Public procurement in Bahia is carried out in a decentralised manner by the public agencies that comprise the state government. At the state level, the Bahia State Secretariat of Administration (SAEB) is responsible for planning, coordinating, supervising and evaluating procurement within the state.

The Bahia pilot is coordinated by SAEB and brings together economic, labour, regional development and penitentiary administration authorities, alongside key industry and innovation organisations, including the National Industry Confederation (CNI), the Bahia State Federation of Industry (FIEB), SENAI/CIMATEC and Sebrae Bahia, as well as other state secretariats. There are currently six pilot projects being designed and implemented in the state, focused on using procurement as a strategic policy instrument.



Itapuã Beach, with Salvador in the background, Bahia, Brazil. Photograph: Márcio Filho / MTUR.

Table 3. ENCP pilots in Bahia at a glance

Project	What it tests	Main theme
Micro and small enterprises in public tenders	Reduces barriers to participation (rules, systems, communication, supplier capacity) and compare interventions	Inclusion; small businesses
Strategic industrial sectors	Develops a method to identify sectors where state demand can best support socioeconomic development and uses this to support strategic industrial sectors in Bahia	Industrial policy; methodology
SAEB procurement capabilities	Trains procurement professionals on how to implement sustainable public procurement	Capabilities
Sustainability criteria in the catalogue	Implements sustainability criteria into procurement decisions, moving from binary flags to standardised definitions	Sustainability; standards
Family farmers	Raises the share of food bought from family farms and extends the approach beyond school feeding to other food categories	Inclusion; family farming; PNAE
Quotas for former inmates	Uses quotas in outsourced service contracts to support the socioeconomic inclusion of former inmates, building on the Pró-Trabalho (Pro-Work) programme	Inclusion

2.3.3 Lessons learned and next steps

The Recife and Bahia pilot projects are already generating several practical lessons for the implementation of SPP in Brazil. First, **procurement at the state and municipal levels is already largely local** in terms of direct suppliers, who are predominantly based within the respective regions. This could provide an important lever for local economic development, although local purchasing alone does not necessarily translate into broader developmental impacts. The local presence of a supplier does not necessarily means that the goods or services procured are locally produced or that the associated economic value is retained within the region. The pilots therefore highlight the importance of looking beyond suppliers' geographical location, and understanding the productive ecosystems and value chains behind procurement, to identify how public purchasing power can strengthen local production capabilities, generate employment, foster innovation and support value creation.

Second, the pilots highlight **data availability as an important capability constraint.** While basic procurement information is generally available, more detailed data, such as the origin of purchased goods, supplier characteristics,

value chains and the economic effects of procurement, can be difficult to obtain. Better data would help governments identify where procurement interventions are most appropriate and assess whether they are generating the intended economic, social and environmental outcomes.

Third, the experience shows that **early-stage procurement projects are inherently exploratory.** Defining an intervention and identifying a viable course of action can take time, and project development may be less linear than initially anticipated. Rather than following a predetermined sequence, opportunities often emerge through the capabilities, relationships and knowledge available within the implementing team. This points to the importance of allowing space for experimentation, learning and adaptation when developing procurement initiatives.

Fourth, procurement is most effective when it operates as part of a **broader policy mix**, alongside instruments such as R&D support, skills development, finance, regulation and innovation policy (Edquist et al, 2015; Miedzinski et al, 2019; Criscuolo et al, 2022). Such coordination can help align public demand with supply-side policies, reduce the risks faced by firms developing new products and technologies, and create a more predictable environment for investment and innovation. In this way, procurement can contribute not only to meeting immediate public-sector needs, but also to broader industrial objectives. A whole-of-government approach requires a stronger connection between procurement and broader industrial policy.

Figure 3. Supply- and demand-side instruments along the innovation chain

Source: Mazzucato and Emerson (2026).

Finally, the pilots raise a broader multi-level governance challenge. If public procurement is used more systematically to promote local development, there

is a need to consider how local and regional objectives interact with national objectives, including the reduction of regional inequalities. Supporting local suppliers in one jurisdiction may generate important benefits there, but a national procurement strategy also needs to consider how purchasing power can contribute to more balanced development across regions.

Since the start of the projects, the pilots have already made important progress, while also highlighting challenges that need to be addressed for this approach to become more systematic. Key achievements include strong engagement from local teams, involvement of diverse government departments as well as other stakeholders, and stronger integration with existing MGI policies and initiatives across different departments. The pilots have given the coordinating secretariats a greater ability to mobilise other government bodies and stakeholders around the procurement agenda, which has traditionally tended to be more reactive.

The process has also empowered procurement teams to revisit previously deprioritised agendas and demonstrated the breadth of issues that procurement can potentially address, reflected in the diversity of topics and problems taken forward. On the other hand, the pilots have also highlighted important challenges for SPP. The most prominent is the difficulty of making development objectives the starting point for procurement decisions. This is not yet standard practice among procurement teams and socioeconomic development goals are not always clearly defined.

The Recife and Bahia pilots can become implementation references for ENCP, moving from individual experiments to a shared basis for action across levels of government. This requires a deliberate cycle of experience, evidence, learning and scaling: testing approaches in real institutional settings; documenting the conditions that enable or constrain implementation; translating experience into practical lessons and replicable approaches; and using those lessons to strengthen ENCP implementation across federal, state and municipal governments. In this way, the value of the pilots extends beyond their immediate projects, creating an evidence base that can inform future procurement initiatives and support the gradual institutionalisation of more strategic public procurement practices.

The pilots should therefore be understood not only as individual procurement initiatives, but also as learning mechanisms for building institutional capability and developing a more strategic approach to public procurement. Further experience from Recife and Bahia will be important in refining this approach, and MGI could identify additional lessons from the implementation process that should be incorporated into the assessment.

3. Closing the implementation gap: challenges for scaling sustainable public procurement globally

The growing recognition of SPP as a strategic policy instrument has shifted the international debate from why governments should adopt sustainable procurement towards how they can implement it effectively. When implemented correctly within a broader, outcomes-oriented industrial policy framework, strategic approaches to public procurement have the potential to accelerate decarbonisation, foster innovation, strengthen domestic industries, promote social inclusion and improve the delivery of public services (Mazzucato et al, 2025). Yet despite an increasing number of countries adopting SPP policies and legal frameworks, implementation continues to lag behind ambition. This implementation gap reflects not only technical challenges, but also deeper institutional, fiscal and governance constraints that limit governments' ability to use procurement to drive strategic policy outcomes.

Brazil illustrates both the opportunities and the challenges of this transition. Traditionally, Brazilian public procurement has been primarily organised around legal compliance, transparency and fiscal control (Mazzucato et al, 2024). Procurement systems have historically prioritised efficiency, procedural conformity and the selection of the lowest price bid, reflecting longstanding concerns with corruption prevention and public accountability. Although these principles remain fundamental, recent reforms indicate a gradual shift towards recognising procurement as an instrument capable of advancing broader public policy objectives (Mazzucato et al, 2024) and the growing recognition of SPP sits squarely within that trend.

This transition is reflected in ENCP, which positions procurement as a mechanism for promoting sustainable development through the integration of environmental, social, economic, and management objectives into purchasing decisions. Rather than treating sustainability as an additional procurement criterion, ENCP seeks to embed it across the procurement cycle, and encourage governments to use public purchasing power to stimulate innovation, strengthen domestic productive capacities, promote social inclusion and contribute to climate objectives.

In parallel, the Belém Declaration reinforces this strategic vision at the international level by recognising that SPP can contribute to accelerating the transition towards sustainable economies, foster innovation and resilience, and strengthen institutional cooperation among governments. Additionally,

PAS-SPP lists a series of levers to implement SPP, which are analysed in this section. However, while establishing high-level, strategic objectives is a critical step in transforming procurement systems, these objectives must be followed up by deeper changes to entrenched working practices established around procurement systems designed primarily to ensure legal compliance. The principal challenge is therefore no longer demonstrating the value of sustainable procurement, but developing the skills and dynamic capabilities required to implement it consistently across governments. This section analyses the main challenges for scaling SPP in Brazil and globally, given these constraints.

3.1 Expanding national and international engagement

Achieving international and national engagement is one of the most challenging aspects of the Belém Declaration. As of August 2026, only eight countries have signed it: Angola, Brazil, Lithuania, Mexico, the Netherlands, the Dominican Republic, Canada and Uruguay. Within Brazil, five of the country's 27 states are signatories (Ceará, Minas Gerais, Pernambuco, Rio de Janeiro and Rio Grande do Norte), representing approximately 28.5% of Brazil's population. At the municipal level, only 34 municipalities have signed the Declaration, including five state capitals, Campo Grande, Curitiba, Florianópolis, Porto Velho and Recife, accounting for 8.1% of Brazil's population (IBGE, 2025).

Nationally, MGI's engagement strategy focuses on leveraging its federative coordination mechanisms to engage states and municipalities. Through the National Programme for Management and Innovation (Programa Nacional de Gestão e Inovação – PNGI), the Ministry presents the Belém Declaration as a policy instrument available to subnational governments. Constant participation in events with mayors and municipalities is also used to get direct, one-to-one engagement, particularly with smaller municipalities.

MGI has developed a strategic plan and action framework to engage with other countries and subnational entities, with the objective of expanding participation in, and strengthening commitment to, the Declaration. This approach seeks to promote the broader adoption of the Declaration's principles across different levels of government and jurisdictions, while fostering international cooperation and knowledge exchange on SPP. By engaging both national and subnational actors, MGI aims to strengthen the Declaration as a platform for coordinated policy action and to support the development and implementation of more sustainable procurement practices across different institutional contexts.

3.2 Strengthening implementation and accountability mechanisms

As an international declaration, the Belém Declaration faces inherent limitations in terms of enforcement and accountability. Unlike a legally binding treaty, it does not create formal obligations or sanctions for signatories, making implementation largely dependent on domestic political commitment and institutional capacity. Strengthening its impact therefore requires mechanisms that can translate the Declaration's principles into measurable national commitments and create incentives for governments to implement them.

Although the Belém Declaration does not have the legal status or enforcement mechanisms of an international treaty, it can incorporate lessons learned and best practices from successful international agreements, such as the Montreal Protocol.

Box 1. What the Belém Declaration can learn from the Montreal Protocol

The Montreal Protocol provides an inspiring example of how international cooperation can translate a shared environmental objective into coordinated action, technological innovation and systemic change. Considered one of the most successful environmental agreements ever (Molina and Zaelke, 2017), the Protocol, adopted in 1987, established a global framework for phasing out ozone-depleting substances (ODSs). Its achievements are substantial: universal ratification, the phasing-out of approximately 99% of controlled ODSs globally and the beginning of ozone layer recovery. Under continued implementation, ozone levels are projected to return to 1980 values by mid-century, helping avoid 0.5°C of global (World Meteorological Organisation, 2023).

The Protocol's success, however, extended beyond legally binding targets. As Whitesides (2020) argues, although science provided the initial impetus, scientific evidence alone could not secure political support or ratification. Diplomats, industry representatives, scientists and civil society helped build consensus through public awareness, science communication and mobilisation (Molina and Zaelke, 2017). The agreement also evolved through scientific assessment, negotiation and institutional learning,

allowing provisions to be strengthened as new evidence emerged. Differentiated responsibilities, and financial and technical assistance, helped reconcile the interests and capabilities of core and peripheral countries.

The Protocol also shaped markets by establishing a credible phase-out trajectory for CFCs and other ODSs, signalling growing demand for alternatives and encouraging investment in innovation. Following its adoption, patents for CFC substitutes increased by approximately 400% and scientific publications by around 500% (Dugoua, 2021). This demonstrates how international commitments can redirect technological development towards collective goals.

Although the Belém Declaration lacks the Protocol's legal status and enforcement mechanisms, it could apply similar principles to SPP. Long-term commitments, common targets, implementation roadmaps, monitoring, and technical and financial support could provide clearer demand signals and reduce uncertainty for suppliers and investors. The Declaration could thus move beyond encouraging sustainable purchasing to create a more predictable market environment that incentivises businesses to develop and scale sustainable solutions.

When it comes to subnational entities, larger municipalities and more dynamic states are generally in a better position to absorb the costs and risks of innovative approaches, and can act as early adopters. The challenge is to create mechanisms that allow these experiences to generate learning and spillovers for smaller governments, rather than assuming that the same strategy will work everywhere. Ultimately, the implementation gap represents the principal challenge facing SPP worldwide. Brazil's experience demonstrates that legal reforms and strategic commitments are necessary, but insufficient to transform procurement into an effective instrument for sustainable development.

Delivering the ambitions articulated in ENCP, the Belém Declaration and PAS-SPP will require sustained investment in institutional capabilities, stronger intergovernmental coordination, more sophisticated monitoring systems, better alignment between public demand and market development, and continued international cooperation. Closing the implementation gap therefore depends not simply on adopting new procurement rules, but on strengthening the capacities of the state to use procurement strategically as a driver of inclusive, sustainable and innovation-led growth. Section 4 addresses the main strategies.

3.3 Enhancing technical capacities and knowledge exchange

Capacities and capabilities are critical conditions for the effective design and implementation of public policies, including SPP (Kattel et al, 2022; Grimbert et al, 2024; Mazzucato et al, 2025; Dweck and Mazzucato, 2025; Spanó et al, 2026). Insufficient technical proficiency, institutional capabilities and administrative capacity can significantly constrain governments' ability to design and implement policies that pursue objectives beyond conventional cost and efficiency considerations. These constraints are particularly relevant to SPP, where public authorities must incorporate environmental and social objectives into procurement processes, while ensuring compliance with complex legal and procedural requirements.

In Brazil, these challenges are compounded by substantial differences in productive structures and institutional capacities across territories. There are significant differences in capacities and capabilities across Brazilian states and municipalities, which shape their ability to implement SPP. Smaller and less-resourced municipalities often depend heavily on transfers from the federal government, leaving limited fiscal and institutional space to experiment, innovate or take risks. In practice, this means that municipalities may have little room to experiment when testing new procurement approaches, making them more likely to rely on established procedures and solutions, while larger administrations may have greater capacity to develop dedicated sustainability strategies and procurement expertise.

The challenge is not simply one of having more personnel, but of developing the specific capabilities required to use procurement strategically. Conventional procurement systems tend to prioritise compliance, price and procedural efficiency, while SPP demands public officials understand the environmental and social impacts associated with different products and services, identify relevant sustainability standards and certifications, develop appropriate technical specifications and award criteria, and assess suppliers' claims.

This requires knowledge that is often highly specialised and may not traditionally form part of procurement officials' responsibilities. For example, incorporating environmental considerations into the procurement of construction, transport, energy or food services requires an understanding of sector-specific technologies, emissions, life-cycle impacts and supply-chain practices (Spanó

et al, 2022). Without these capabilities, sustainability criteria risk being either insufficiently ambitious or poorly designed.

This also creates an important information asymmetry, which is critical for public procurement: suppliers generally possess substantially more knowledge about their products and production processes than public buyers. Where procuring authorities lack the capacity to independently assess this information, there is a risk that sustainability requirements reflect suppliers' existing offerings rather than the public sector's broader policy objectives. It may also make authorities more vulnerable to vague or difficult-to-verify environmental claims, particularly where markets lack standardised metrics or reliable certification mechanisms.

These challenges are closely linked to the capacity to evaluate and monitor procurement outcomes. SPP requires public authorities not only to specify sustainability requirements at the beginning of a procurement process, but also to determine whether these requirements have been fulfilled during contract implementation. This requires appropriate indicators, monitoring systems, data access, analytical capacity and technical expertise. Strengthening SPP therefore requires capabilities across the entire procurement cycle, from needs assessment and specification design to supplier selection, contract management and evaluation.

3.4 Advancing harmonisation of standards and taxonomies

The development and harmonisation of standards, taxonomies and measurement methodologies is another important condition for scaling SPP highlighted in PAS-SPP. Governments may face uncertainty about how to define sustainability requirements, assess competing solutions, verify environmental claims and compare products across suppliers. As a result, the absence of common definitions and assessment methodologies can create additional transaction costs and information asymmetries for both buyers and suppliers, and discourage public authorities from incorporating more ambitious sustainability criteria into procurement processes.

When governments use common definitions and technical criteria, suppliers receive clearer signals regarding the characteristics that public buyers are seeking. This can reduce the risk associated with developing and scaling sustainable products, and facilitate competition among suppliers. Common standards can therefore operate not only as measurement tools, but also as market-shaping instruments: by establishing predictable expectations for environmental performance, governments can create more stable demand for sustainable solutions and encourage suppliers to invest in innovation and production capacity.

More broadly, harmonising standards and data would strengthen the credibility and accuracy of SPP. Interoperable definitions and reporting methodologies would improve the comparability of environmental performance across suppliers and procurement processes, reduce the scope for inconsistent or unsubstantiated sustainability claims and enable governments to measure emissions reductions more consistently. This is particularly important as governments increasingly seek to demonstrate the contribution of procurement to national climate and sustainability targets. Without common measurement frameworks, it becomes difficult to aggregate procurement-level outcomes or determine whether changes in purchasing practices are producing meaningful environmental impacts.

The objective should therefore not be to impose a single uniform standard across all sectors and jurisdictions, but to promote greater interoperability between existing systems, while establishing common principles, definitions and minimum requirements. Over time, greater harmonisation could reduce uncertainty for procuring authorities, lower compliance costs for suppliers, facilitate cross-border participation, and create more credible and transparent markets for sustainable products. In this sense, standardisation is not merely a technical exercise: it is an enabling condition for scaling SPP, and for using public procurement as a mechanism to create predictable demand for sustainable and low-emission solutions.

3.5 Improving demand coordination and market-shaping capacity

Scale is a critical determinant of the effectiveness of SPP, particularly when governments seek not only to purchase goods and services, but also to shape markets, stimulate innovation and achieve broader policy objectives. First, when procurement demand is fragmented across numerous contracting authorities – which is the case for subnational entities – each individual tender may be too small to create meaningful incentives for suppliers to adapt their products, invest in new capabilities or comply with sustainability criteria. Joint procurement, framework agreements, central purchasing bodies, inter-municipal cooperation

and coordinated procurement strategies can pool demand across public authorities, and thereby increase the scale and predictability of the market signal sent to suppliers.

Second, limited procurement volumes can make innovation economically unattractive or financially unviable for suppliers. Developing a new product, adapting an existing technology to public-sector requirements, undertaking testing and certification or establishing new production capacity often involve substantial fixed costs that must be recovered over a sufficiently large number of sales. Where an individual public authority requires only a small quantity, suppliers may be unable to spread these costs across enough units to generate an adequate return on investment.

The problem is therefore not simply one of purchasing power, but also of demand certainty and market formation. Suppliers are more likely to invest in innovative solutions when they can anticipate a sufficiently large and stable market for the resulting product. Aggregating demand can address this problem by transforming multiple small and uncertain procurement opportunities into a larger and more predictable demand signal. In fact, Brazil has extensive experience with consortia of municipalities established to jointly manage services, public works or activities of common interest, such as health, sanitation, public security and infrastructure.

However, large, centralised procurement can reduce the ability of smaller authorities to address locally specific needs or experiment with alternative solutions. It may also favour larger incumbent suppliers that possess the production capacity, financial resources and administrative capabilities required to compete for large contracts, potentially creating barriers for SMEs and innovative start-ups. Strategic procurement therefore requires a balance between achieving sufficient scale to create meaningful market incentives and maintaining sufficient flexibility to support competition, experimentation and diversity among suppliers.

Box 2 – School Feeding Programmes

The global food system, as presently structured, is increasingly unsustainable, and rising population pressures are likely to exacerbate food insecurity, hunger, and malnutrition. Procurement is a powerful state tool that can be leveraged to address this challenge.

Through a research partnership with the UN World Food Programme, the IIPP developed a report, *A Mission-Oriented Approach to School Meals: An Opportunity for Cross-Departmental and Multi-Sector Industrial Strategy*, highlighting how, by leveraging procurement for school feeding programmes, the state can translate food system challenges into market opportunities for companies that are willing to innovate and invest alongside governments, thereby improving agricultural, education and health outcomes whilst boosting local economies. Building on this report, the IIPP published three case studies examining national school meals programmes in Brazil, Scotland and Sweden, showing how governments have shifted school feeding from a welfare policy into a mission-oriented industrial strategy.

In Brazil, researchers examined the Programa Nacional de Alimentação Escolar (PNAE), highlighting its role in advancing national food and nutrition security goals, and its crucial requirement that at least 30% (at the time of publication) of food is procured from local family farmers which helped stimulate local economies, with some regions sourcing entirely from these producers. In Sweden, the national 'school meals mission' integrated objectives across health, climate, environment and social wellbeing, demonstrating how coordinated policy can unlock systems-wide benefits. Through the innovation agency Vinnova, the programme supported pilot projects that generate practical insights for schools and municipalities. In Scotland, the government expanded universal school meals despite fiscal constraints, using the programme to tackle poverty, support local businesses, and improve health and educational outcomes. Public procurement played a central role, encouraging participation from small and medium-sized enterprises and third-sector organisations while promoting innovation.

The case studies present how school meals can be used as a strategic demand-side policy tool within mission-oriented industrial strategies, shaping markets for sustainable and healthy food while supporting broader food system transformation.

Expanding access to financing instruments and overcoming fiscal constraints

Fiscal constraints are a significant barrier to the adoption of sustainable and innovative public procurement in Brazil, particularly at the municipal level. Brazil has 5,569 municipalities, with substantial variation in population, economic activity, fiscal capacity and administrative resources. Municipalities have highly unequal fiscal capacities and many depend substantially on intergovernmental transfers. Municipal revenues are heavily reliant on the federal Municipal Participation Fund (Fundo de Participação dos Municípios – FPM) and the state-level ICMS revenue-sharing mechanism, which together constitute major sources of revenue for around 90% of Brazilian municipalities (Peres, 2020). This dependence makes local governments particularly vulnerable to economic downturns and fluctuations in tax revenues.

At the same time, a large share of municipal budgets is absorbed by mandatory or highly constrained expenditures. Spending on health, education, personnel and other protected areas leaves relatively little fiscal space for discretionary investment (Peres, 2020). This is particularly relevant for sustainable procurement, which can require higher upfront expenditure, despite generating financial, environmental or social returns over the medium and long term.

Fiscal constraints should also be considered in relation to how procurement costs and benefits are assessed. Evaluating a procurement decision primarily through its price or its impact on a single departmental budget can obscure wider sources of public value. A procurement that requires higher initial expenditure for one government body may generate spillover effects, generating employment, strengthening local productive capacity, increasing tax revenues, and delivering environmental and social benefits elsewhere in government and over a longer time horizon. Fragmented budgets and short-term evaluation horizons can therefore make investments with positive overall public returns appear unaffordable. A stronger best-value approach could complement conventional cost assessments by considering these wider and longer-term fiscal, economic, social and environmental effects, supported where possible by practical tools for assessing and, where feasible, quantifying them.

Access to capital and credit represents an additional constraint. Because much municipal revenue is committed to existing obligations, relatively little remains for investment. Financing investments in areas such as infrastructure, housing and sanitation requires access to credit, which is not a reality for a large proportion of municipalities. The fiscal situation is particularly difficult among smaller municipalities: more than one third of Brazilian municipalities are classified as being in a difficult or critical fiscal situation, despite increased fund transfers from the Federal Government in recent years (Firjan, 2025).

These constraints are compounded by a collective action problem. Successful SPP initiatives can generate knowledge, market development and other spillover benefits that extend beyond the government that initially invests in them. However, there are few mechanisms to share these initial costs or financially reward subnational governments willing to experiment and take the lead. Expanding access to dedicated financing instruments could therefore help reduce the upfront fiscal burden, and enable cities and states to adopt more ambitious sustainable procurement practices.

Box 3 – Expanding access to financing instruments: lessons from international practice

International experiences highlight the importance of combining different financing instruments to overcome fiscal constraints.

First, public development banks can play a stronger role in expanding access to long-term, patient, affordable, and outcomes-oriented finance, particularly for subnational governments (Mazzucato and Macfarlane, 2023). As illustrated by Mexico's development-finance architecture – which includes institutions such as NAFIN, Banobras and FONADIN –, institutions can combine direct lending with credit guarantees, co-financing, concessional financing and risk-sharing instruments to support infrastructure and public investment. These mechanisms can help reduce financing constraints, mobilise additional resources and enable governments to undertake investments that might otherwise be difficult to finance (Mazzucato & Merling, 2026).

Second, financing mechanisms should also address constraints on the supply side. Smaller businesses, cooperatives and local suppliers often lack the working capital needed to participate in public contracts. Instruments such as reverse factoring, invoice factoring and dedicated SME credit facilities can improve suppliers' access to working capital and broaden their participation in public procurement. Plan México, for example, proposes a development banking fund for SMEs, suppliers and exporters, alongside a reverse factoring mechanism in which financing conditions are based on the creditworthiness of larger anchor companies (Gobierno

de México, 2025). Similar arrangements could help smaller businesses, cooperatives and local suppliers participate in SPP.

Finally, financing instruments need to be accompanied by fiscal frameworks that recognise the long-term returns of public investment. As argued by the Global Council on New Economics (2026) co-chaired by Professor Mazzucato, fiscal responsibility should consider not only immediate expenditure and debt, but also the productive capacity, resilience and future revenues that investment can generate. This requires longer evaluation horizons and a stronger focus on the economic and social costs of underinvestment.

3.6 Overcoming the risk-averse culture in public procurement

For the past four decades, the dominant paradigm of public procurement has emphasised minimising legal risk, focusing on procedural compliance and controlling costs (Mazzucato et al, 2025). While these objectives remain important, an excessive focus on avoiding risk can constrain procurement's ability to support innovation and achieve broader policy objectives. Procurement officials may therefore have strong incentives to favour established solutions over innovative approaches whose outcomes are less certain.

This challenge is particularly pronounced at the subnational level. In Brazil, states and municipalities are responsible for delivering essential public services, including healthcare, education, social assistance and public transportation, where interruptions or failures can have significant social consequences. The high costs of failure can consequently discourage public authorities from experimenting with new procurement approaches, even when these could generate longer-term benefits. Enabling greater risk-taking therefore requires not simply accepting more risk, but designing procurement processes that manage and contain it. Pilots, phased implementation, testing before scale-up, performance monitoring and contingency plans can allow public authorities to experiment while limiting exposure to failure.

4. Building the conditions for delivery: strategic opportunities for Brazil

Implementing SPP at scale requires more than establishing policy commitments or introducing sustainability criteria into tendering processes. It depends on building the institutional, economic and political conditions that enable public purchasing power to drive structural change. For Brazil, this means connecting procurement to broader industrial, environmental and social objectives, while strengthening the capabilities needed to translate strategic ambitions into practical outcomes.

This section examines four complementary dimensions of this challenge, which, together, frame SPP not simply as an administrative function, but as a strategic instrument of public policy. Their development can help Brazil move from fragmented initiatives towards a more coherent, adaptive and ambitious approach to mobilising public expenditure for a green and inclusive transformation, while also influencing a global sustainability agenda.

4.1 A whole-of-government approach

Key recommendation: Strengthen interministerial coordination through governance mechanisms such as the Interministerial Commission on Public Procurement for Sustainable Development (CICS), aligning procurement with industrial, innovation, environmental and fiscal policies across government.

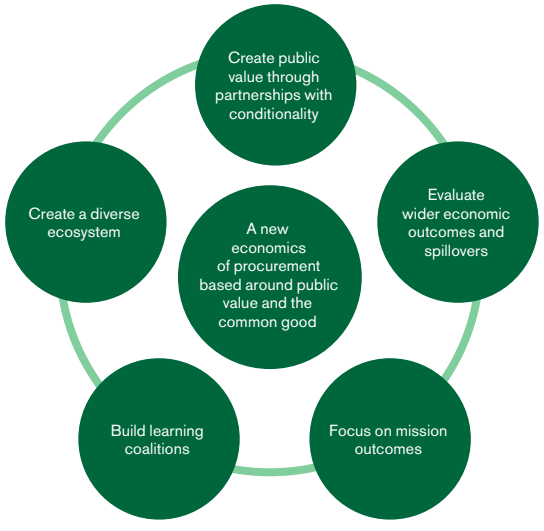
A key opportunity for Brazil is to strengthen coordination across government so that public procurement can generate stronger and more predictable demand for sustainable and innovative goods and services. At present, procurement demand can be fragmented across ministries and public institutions, limiting the scale and visibility of public-sector demand, and potentially reducing incentives for suppliers to invest in new products, technologies and sustainable production processes. This challenge is particularly relevant where individual procuring entities have insufficient demand to influence markets on their own. A whole-of-government approach could therefore help aggregate and coordinate demand, creating stronger market signals while improving the strategic use of public expenditure.

Governance mechanisms such as the Interministerial Commission on Public Procurement for Sustainable Development (Comissão Interministerial de Contratações Públicas para o Desenvolvimento Sustentável – CICS) could provide a platform for such coordination, bringing together procurement priorities with industrial, innovation, environmental and fiscal policies. Rather than treating procurement as a standalone administrative function, this approach would enable government to use its purchasing power more strategically to support broader policy objectives, and create demand for products and solutions aligned with national missions.

This coordination could also build on the experience of ministries such as Culture and Environment, where procurement can be connected to wider social, environmental and developmental objectives (Mazzucato, 2026). Mazzucato and Emerson (2026) similarly emphasise the importance of institutional coordination and demand-side instruments in translating mission-oriented strategies into concrete outcomes. In this context, strengthening whole-of-government coordination would not necessarily require centralising procurement, but rather creating mechanisms through which different institutions can identify shared priorities, aggregate demand where appropriate and align procurement strategies with broader government objectives.

In fact, procurement can be repositioned from a transactional function focused primarily on purchasing at the lowest price towards a strategic instrument for achieving public outcomes. This requires adopting a new economics of procurement centred on public value and the common good, where purchasing decisions are explicitly connected to broader policy objectives.

Figure 4. Procurement based around public value and the common good



Source: Authors' construction.

Procurement should also become a mechanism for learning and collaboration. Building learning coalitions across government, suppliers, academia and civil society can strengthen capabilities, share knowledge and improve future procurement cycles.

In the case of subnational entities in Brazil, the creation and use of inter-municipal consortia, mentioned in Section 3.5, could provide an important mechanism for aggregating demand. Individual municipalities may have limited purchasing power to generate sufficient scale or influence supplier behaviour, particularly when procuring more innovative or sustainable products and services. By aggregating procurement needs across municipalities, consortia can increase the size and predictability of demand, reduce transaction costs and potentially create stronger market signals for suppliers.

Finally, conditionalities should also be considered in procurement. Governments can set conditions and selection criteria in tenders to require changes in how they produce, invest and innovate. By attaching market access, contracts or other forms of public demand to clear conditions (for example, requirements relating to local capabilities, technology development, workforce skills, investment, supply-chain resilience or environmental performance), governments can use their purchasing power to secure productive, technological and sustainability outcomes that go beyond the immediate acquisition of a good or service. Such conditionality can therefore help turn government demand into a mechanism for building capabilities and transforming markets, rather than simply purchasing what suppliers already offer.

Together, these elements position procurement not simply as a means of acquiring goods and services, but as a strategic lever for shaping markets and delivering public value.

4.2 Shaping markets through public–private coordination

Key recommendation: Promote structured engagement between government, suppliers, financial institutions, academia and civil society to stimulate innovation, expand sustainable supply and strengthen market readiness.

Brazil could strengthen structured engagement between government, suppliers, financial institutions, academia and civil society to address information asymmetries, improve market intelligence, and stimulate the development and

adoption of innovative and sustainable solutions. Public procurement can play a strategic role in creating market conditions through clear standards, long-term demand signals and targeted conditionalities. One example is the European Commission's Green Public Procurement (GPP) Criteria, which provides an interesting benchmark for strengthening SPP frameworks. Rather than leaving environmental considerations to individual procuring authorities, the Commission has developed common, evidence-based criteria that can be incorporated into tenders for specific categories of goods, services and works. The criteria are designed around a life-cycle approach, using measurable environmental performance indicators and clearly defined methods for verifying compliance. They are also differentiated between 'core' criteria, which provide an accessible minimum level of ambition, and 'comprehensive' criteria, which enable procurers to pursue higher environmental performance.

In Brazil, the government set out the Brazilian Sustainable Taxonomy (Taxonomia Sustentável Brasileira), a classification system for activities, assets and project categories that contribute to the achievement of climate, environmental and social objectives through specific criteria. Its three goals are to mobilise public and private investment towards sustainable and inclusive development, promote technological advancement to enhance Brazil's sustainable productivity and competitiveness, and improve data, transparency and integrity in sustainable finance.

Additionally, the Brazilian government is set to publish a decree establishing criteria and mechanisms aimed at promoting sustainable national development in public procurement by the Federal Public Administration. It will take into account the environmental, social, and economic impacts throughout the life cycle of goods, services, and public works and regulate mechanisms for demonstrating compliance with these requirements, as well as prior consultation for the acquisition of movable assets, and consideration of indirect costs and greenhouse gas emission mitigation practices for tie-breaking purposes in procurement procedures.

Greater coordination could also help align public-sector requirements with suppliers' capabilities and encourage investment in sustainable supply chains. In this regard, the proposed PAS-SPP initiative's emphasis on harmonising greenhouse gas emissions' reporting methodologies and interoperable definitions could provide a useful basis for improving comparability, and reducing information gaps between buyers and suppliers.

This coordination should also consider the broader systems of production that underpin economic activity, rather than focusing only on individual suppliers

or contracts. Procurement can help recognise and strengthen the networks of workers, knowledge, capabilities and productive activities that generate economic and social value, but may remain invisible in conventional procurement and economic analysis. Examples such as carnival and recycling illustrate how value can be created through distributed productive ecosystems involving multiple actors and forms of knowledge. Adopting this perspective would broaden market-shaping efforts from considering which suppliers receive contracts towards understanding how public demand can strengthen productive ecosystems, capabilities and value chains.

Table 3. A new economics of procurement

	OLD PRACTICE	NEW PRACTICE
Goals	Each service area focuses on its own outcomes	A whole-of-government approach in which each service or department frames its activity from the perspective of the mission outcomes
Contract management	Key performance indicators are set and data is collected to measure whether providers are on track; financial incentives are built in to ensure compliance	Commissioners and providers use quantitative and qualitative data (including user research) to constantly learn about the problem and iterate their approach; providers are not held to account for outcomes that are not in their control, but the quality of their learning processes may be assessed
Supplier ecosystem	Commissioners procure from whoever the most suitable supplier at the time is; they are agnostic about the composition of the market or the characteristics of their providers, as long as the quality of the good or service they are procuring is high	Commissioners recognise that a diverse ecosystem brings greater resilience and flexibility to meet their needs; they proactively seek opportunities to enable smaller organisations to compete
Value	Commissioners emphasise measurable forms of social value and negotiate on a contract-by-contract basis; there is a clear framework for measuring, assessing and comparing social value contributions	Commissioners see each act of procurement in the context of how it contributes to the mission specifically and the common good generally; broad forms of co-created public value, such as citizen input and quality processes, are legitimised; comparing different forms of value is recognised as an inherently values-based discussion
Public-private partnership	Private sector companies are delivery partners of government, but there is little or no attempt to influence their business practices	Commissioners set strong conditionality requirements on private sector partners to shape and co-create markets towards the common good – from how they treat workers to how they use profits
Evaluation	Providers are evaluated individually and against a narrow set of metrics that only consider the service being delivered	Commissioners evaluate the health of the system as a whole and the wider economic outcomes of the service, as well as the extent to which the service itself has met its goals

Source: Based on Mazzucato and Wainwright, 2024

The public–private interface should also be considered more broadly than conventional public procurement. Public–private partnerships (PPPs), concessions and auctions can provide additional mechanisms through which governments shape private sector behaviour and attach conditions to access to public opportunities. These instruments can therefore be connected to broader development objectives through appropriate conditionalities. For example, domestic content requirements incorporated into PPPs can be used to influence production and investment decisions, while pursuing wider economic and industrial objectives.

International cooperation could complement these efforts through common guidelines, model criteria, technical assistance and capacity-building. A voluntary monitoring and reporting framework, supported by a shared international dashboard, could further strengthen transparency and create reputational incentives by tracking indicators such as the share of procurement subject to sustainability criteria, the use of life-cycle costing and the adoption of national SPP targets. Finally, incorporating international commitments into national procurement legislation, strategies and action plans would provide a stronger domestic basis for implementation.

4.3 Public procurement as part of an integrated global coalition

Key recommendation: Strengthen the implementation of the Belém Declaration by expanding government participation, mobilising international networks and establishing clear implementation strategies, monitoring mechanisms and accountability frameworks to translate commitments into domestic action.

Building an effective global coalition will require a concerted effort to secure additional signatories, including through direct engagement with governments and the use of established international networks. PAS-SPP, for example, highlights networks such as the One Planet SPP Programme, which brings together more than 100 members and partners globally, the UN Coalition for Sustainable Procurement and UNIDO's Industrial Deep Decarbonization Initiative (IDDI).

Existing supporters of the Belém Declaration (including Instituto Jataí, Oxford Climate Policy Hub, UNECLAC/CEPAL, UNEP and UNIDO) could provide an important platform for further outreach by leveraging their networks and relationships with governments and other stakeholders. However, expanding the number of signatories is necessary, but not sufficient to ensure the Declaration's effectiveness. Implementation will depend on political commitment, institutional capacity, resources, and concrete mechanisms for monitoring and accountability. The Declaration should therefore be accompanied by a clear implementation strategy that supports countries in translating international commitments into domestic procurement policies, legislation, targets and action plans, while providing mechanisms to track progress and identify implementation gaps.

COP31 in Türkiye represents an important milestone for advancing engagement around the Belém Declaration, both internationally and within Brazil. It provides an opportunity to build on Brazil's efforts to broaden the coalition, encourage additional governments to endorse the Declaration and strengthen domestic engagement to support its implementation.

This is particularly important given that international declarations often rely on voluntary compliance and lack strong enforcement mechanisms, creating a risk of uneven implementation. The MGI strategy could therefore complement coalition-building with a practical approach to implementation, combining political engagement with technical assistance, peer learning, monitoring and support for embedding commitments within national policy frameworks.

4.4 Building dynamic capabilities for sustainable public procurement

Key recommendation: Invest in the capabilities of procurers and public institutions through training, digital tools, knowledge sharing and institutional learning to enable the effective implementation of SPP.

Effective SPP requires sustained investment in the capabilities of procurers and public institutions, including training, digital tools, knowledge-sharing and mechanisms for institutional learning. Capability-building should extend beyond technical procurement skills to include the ability to coordinate across policy areas and levels of government. This is particularly important in Brazil, where productive structures and economic conditions vary considerably across regions.

MGI is already using the National Programme for Management and Innovation (Programa Nacional de Gestão e Inovação - PNGI) as a channel for extending the Belém Declaration to subnational governments. The PNGI provides states and municipalities with a package of services and technological solutions covering areas including digital transformation, innovation, skills and leadership development, logistics and public procurement, transfers and partnerships, and state-owned enterprise governance. This creates an existing institutional platform through which MGI can identify governments interested in SPP, invite them to join the Declaration and connect the political commitment to concrete capacity-building and procurement support.

The National School of Public Administration (Escola Nacional de Administração Pública – ENAP), a federal public foundation linked to MGI, also provides important professional development, specialised procurement training, practical workshops, case studies and communities of practice that help public officials develop the technical and strategic capabilities required for public procurement.

MGI has also developed the Public Procurement Observatory, which aims to strengthen the use of public procurement as an instrument of industrial, social and environmental policy. By consolidating and standardising data from approximately 200 procurement systems, it addresses a longstanding gap in the government's ability to assess whether public spending contributes to national priorities, including the ecological transition, reindustrialisation and the reduction of regional inequalities. Its main innovation is to link procurement data with information on formal employment (Relação Anual de Informações Sociais - RAIS), electronic invoices and socioeconomic and environmental databases which will reveal what was purchased by the three levels of government and at what prices compared to market prices (namely the National Electronic Invoice Database, currently under development in partnership with the Brazilian Federal Revenue Service), and databases developed under the MIRA project (Regionalized Socioeconomic and Environmental Impact Model), which provide information on greenhouse gas emissions, employment, income, tax revenues, and investment by state and economic activity. By cross-referencing these datasets, the government will be able to assess how public spending affects employment, income, investment, tax revenues and greenhouse gas emissions across different economic sectors and territories.

The Observatory also promotes transparency and wider access to evidence through GovHub and its open-data environment, Colibri, developed in partnership with the University of Brasília. Based on free and open-source software, these platforms allow public managers, researchers and civil society organisations to reproduce, audit and adapt analyses without licensing costs. This infrastructure can support the monitoring of the National Strategy on Public Procurement for Sustainable Development (ENCP), the calibration of procurement preferences and the assessment of alternative purchasing strategies. By connecting government purchasing decisions to their wider economic, social and environmental impacts, the Observatory provides an evidence base for aligning public expenditure with Brazil's development priorities.

Lastly, the Ministry is implementing a project called MIRA (Regionalised Socioeconomic and Environmental Impact Model). MGI has developed analytical tools to assess the economic, social and environmental impacts of public policies, particularly public procurement. As part of the National Strategy on Public Procurement for Sustainable Development (ENCP), and under the governance of CICS, the project brings together partners including BNDES, the Jataí Institute, UNDP, ANA and UFRJ. Its modelling framework combines a dynamic multisectoral simulation model, which compares medium- and long-term impacts under different policy scenarios, with a static input-output model focused on short-term effects. Together, these tools estimate how domestic sourcing in public contracts affects variables such as economic output, employment, greenhouse gas emissions and tax revenues.

Beyond developing impact models, MIRA is also building and harmonising the statistical infrastructure needed to support evidence-based policymaking. Its databases include regionalised information on greenhouse gas emissions by economic activity and state, as well as investment absorption matrices, with further datasets on water and energy consumption under development. By linking procurement decisions to their wider economic and environmental effects, MIRA provides an analytical basis for designing and assessing local-content and sustainability criteria in public procurement, helping policymakers anticipate the impacts of different purchasing strategies and align them with ENCP objectives.

The Belém Declaration could complement these efforts by serving as a platform for sharing experiences, institutional practices and practical approaches among signatories. Its website already provides information on participating countries and institutions, creating a basis for peer learning. However, this could be strengthened through more systematic documentation of implementation experiences, practical tools, model procurement documents and peer-to-peer learning among practitioners. This could create an opportunity for signatories and non-signatories to learn from one another and to identify approaches that can be adapted to their own institutional contexts.

Capacity-building should also reach subnational governments and public institutions, which often hold significant purchasing power, but have more limited technical and administrative resources. Accessible guidance, training, technical assistance and model procurement approaches could help translate the Declaration's commitments into concrete practices across diverse institutional settings. In many countries, procurement is often decentralised across subnational governments and public institutions, which collectively can possess significant purchasing power, but often have more limited technical and administrative resources. Since a relevant number of signatories are subnational entities, creating accessible guidance, training programmes, model procurement documents and technical assistance mechanisms could therefore help broaden the capacity base for implementing the Declaration. The experience at the London Borough of Camden, for instance, could illustrate how local authorities can operationalise sustainability objectives through procurement at a local level (Mazzucato et al, 2022).

The pilot projects implemented by the MGI can be important for generating concrete implementation references that guide and inform other states and municipalities. However, on their own, they are insufficient to overcome the key challenges public managers face in public procurement, including the fact that officials remain exposed to the same institutional and legal risks when something goes wrong. Governments should move towards creating genuine institutional spaces for experimentation, developing organisational and governance arrangements, such as sandboxes and govlabs, as well as appropriate mandates and mechanisms for managing risk rather than simply avoiding it.

Finally, capability development needs to be institutionalised as organisational transformation, rather than treated as a series of one-off training initiatives. This requires a broader conception of state capability, encompassing cross-government coordination, safe spaces for experimentation, and mechanisms for evaluation and learning (Mazzucato and Kattel, 2026). Training, communities of practice, digital tools and knowledge-management systems remain important, but should be embedded within organisational cultures that enable officials to act strategically, experiment and learn.

5. Conclusion: Strategic State Capacity for the Green Transition

In recent years, Brazil has implemented a range of initiatives to promote SPP and move beyond a public procurement paradigm excessively focused on lowest price and risk avoidance. These efforts have created important foundations for strengthening the capacity of public procurement to support innovation and advance broader social, economic and environmental policy objectives. The Belém Declaration is situated in that context, representing a significant step forward in advancing SPP both nationally and globally.

By bringing together local and international governments around a shared commitment to integrate sustainability into public purchasing, scale implementation, foster inclusive engagement and strengthen international cooperation, the Declaration establishes an important political and strategic foundation for transforming how governments use their purchasing power. For Brazil, it offers an opportunity to connect its domestic transition towards more strategic and outcomes-oriented procurement with a broader international agenda, reinforcing the role of public demand in supporting sustainable development, innovation and productive transformation.

Globally, it has the potential to create a platform through which governments can learn from one another, coordinate action and build the capabilities required to move SPP beyond isolated initiatives. Its significance, however, will ultimately depend on the ability to translate this political commitment into sustained institutional change and measurable outcomes.

The next four years will be decisive determining whether this ambition translates into lasting institutional change. As Brazil enters President Lula's next presidential term, the priority should be to consolidate the progress achieved, embed sustainable public procurement within the country's long-term development strategy, and ensure that political commitments translate into concrete practices across government. This is also an opportunity to demonstrate how procurement can contribute to Brazil's broader ambitions for reindustrialisation, decarbonisation, social inclusion and innovation-led growth. The challenge is not simply to maintain momentum, but to establish the institutional foundations needed to make these advances lasting.

Three priorities should guide this agenda. First, Brazil should continue to push the SPP agenda through stronger whole-of-government coordination,

integrating procurement with industrial, climate, innovation and social policies, and embedding ENCP across federal and subnational governments. Second, it should invest systematically in the dynamic capabilities required for implementation, particularly among procurement officials and subnational governments, while strengthening standards, data, monitoring and mechanisms for institutional learning. Third, Brazil should use its purchasing power more strategically to shape markets, coordinating demand across government and working with suppliers, financial institutions, academia and civil society to develop sustainable and innovative supply, strengthen domestic productive capabilities and create opportunities for a more inclusive economy.

Delivering this agenda requires sustained collaboration. The ongoing partnership between Brazil's Ministry of Management and Innovation in Public Services (MGI) and UCL's Institute for Innovation and Public Purpose (IIPP) will continue to provide an important foundation for advancing this work over the next four years. Building on several years of joint research, policy development and practical engagement, continued collaboration can help strengthen institutional capabilities, support experimentation and learning, and connect Brazil's domestic reforms with international efforts to transform public procurement. This partnership also offers an opportunity to document and share lessons from implementation, contributing to a growing body of practical knowledge on how governments can use public demand to achieve wider policy objectives.

Internationally, Brazil can use the Belém Declaration as a platform for peer learning, technical cooperation and collective accountability, expanding the coalition while strengthening the mechanisms through which commitments are implemented and results assessed. The objective should not simply be to increase the number of signatories, but to build a community of governments capable of demonstrating measurable progress, learning from one another and sustaining action over time. The coming years, including Brazil's next presidential term and the next COP presidencies, will be critical to maintaining this momentum and turning the Declaration into a lasting international programme of action.

Ultimately, the success of the Belém Declaration will depend on what governments build together after the political commitment has been made. Over the next four years, Brazil has an opportunity to consolidate its leadership and demonstrate that sustainable public procurement can be more than an instrument for purchasing goods and services: it can be a strategic lever for transforming markets, strengthening productive capabilities and delivering inclusive and sustainable growth. The task ahead is to turn the momentum of Belém into lasting institutional change, ensuring that the Declaration becomes not simply a statement of shared ambition, but a foundation for sustained action and tangible public value.

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The Institute for Innovation and Public Purpose (IIPP) at University College London (UCL) brings together cutting-edge academic theory with teaching and policy practice to rethink the role of the state in tackling some of the biggest challenges facing society.

IIPP works with partners to develop a framework that challenges traditional economic thinking, with the goal of creating, nurturing, and evaluating public value in order to achieve growth that is more innovation-led, inclusive, and sustainable. This requires rethinking the underlying economics that have informed the education of global public servants and the design of government policies.

IIPP's work feeds into innovation and industrial policy, macroeconomic and financial reform, institutional change, and sustainable development. A key pillar of IIPP's research is its understanding of markets as outcomes of the interactions between different actors. In this context, public policy should not be seen as simply fixing market failures, but also as actively shaping and co-creating markets. Re-focusing and designing public organisations around mission-led, public purpose aims will help tackle the grand challenges facing the 21st century.

IIPP is uniquely structured to ensure that this groundbreaking academic research is harnessed to tackle real-world policy challenges. IIPP does this through its high-quality teaching programme, its growing global network of partners, and its ambitious policy practice programme.

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