

Project Profile of the Nomination for an Award for Innovation in Government Procurement

In order to help improve the management of national procurement systems, the Inter-American Network on Government Procurement (INGP) jointly with the agencies that support it, recognize annually one of the governing contracting bodies of the member countries of the Network, with the "Award for Innovation in Government Procurement", to help develop initiatives and reforms of high impact on their domestic procurement systems.

Country: Brazil

1. Name of the innovation project:

Sustainable Public Purchases in Brazil

2. Objectives and goals of the Innovation Project:

The Brazilian Sustainable Public Purchases aim at preferably acquiring ecologically sustainable goods and services or which produce less environmental impact; to incentive the development of practices which reduce environmental impact on the production and consumption of acquired goods and services; to identify criteria and instruments which induce and allow the selection of socially and environmentally responsible companies. The goal is to establish a continued policy for the use of purchase power by the State to promote sustainable development, in order to create jobs and distribute income, support economically vulnerable minorities, protect the environment, stimulate technological innovation, reduce regional inequalities and incentive local economies, and also improve the international competitiveness of the national economy.

3. Brief description of the innovation implemented:

Sustainable public purchases take into account various environmental, economical and social criteria in all stages of the acquisition process, transforming the States purchase power in an instrument of protection of the environment and social and economic development.

The Secretariat of Logistics and Information Technology (SLTI, in Portuguese), an organ of the Ministry of Planning, Budget and Management, has prioritized sustainability within public purchases. At first, it developed a purchasing system that contains the inscription of all actors involved in the process as well as a catalog of goods and services; following, it computerized the

whole process and developed modalities performed electronically. That is, it organized a transparent and functioning purchase system, lowering not only the organs and agencies operational costs but also of the goods and services acquired and contracted.

Later, a policy was designed especially for micro and small companies (MPEs, in Portuguese), using the States purchase power to incentive their participation in public purchases, strengthening the sector, creating jobs, distributing income and consolidating the market. At the moment, SLTI is strengthening the Sustainable Public Purchases Program so that it includes environmental criteria in public purchases. The Brazilian State no longer wants to be yet another actor within the society's efforts to create a fair model of sustainable development, but also wishes to promote a role-model institutional culture.

Some of the reasons to include environmental criteria in public purchases are as follow. In first place, to develop a public purchase policy that takes into consideration the sustainability criteria, one which is relevant because it can influence the market and consumption standards. The public sector alone is among the biggest buyers of the market, spending around 10 to 15% of the Gross Domestic Product.

Public purchases are not merely a administrative procedure which aims at supplying the Administration with goods, services and works necessary to its existence, but must be oriented to implement public policies that induce a consumption standard that matches the public interest of a more equal and fair society, without compromising the future generation's well being.

Public purchases must incentive the national market to adjust to the new reality of sustainability which has become a differential factor within international competition in the 21st century. The second reason is that acquiring lower environmental impact products represents a more advantageous acquisition, even if it's not of the lowest price available in the market when compared to other conventional products. Although they may be more expensive at the moment of the acquisition, they represent an economy in the long run because the State will not have to spend additional money in repairing environmental damages. Also they consume less energy and materials, incentive the creation of new markets and "green jobs", producing income and increasing levy.

The third reason is that demanding environmental, social and economical criteria within the public purchases confers coherence to the public bidder concerning the State's Constitutional duty to protect the environment and promote social and economical development, thus integrating both intermediate and final performing sectors. The State must give the example and sensitize other consumers as to the environmental and social implications associated with purchases, reassuring the commitment with ethic companies which have good practices towards the environment and social economic development.

Sustainable public purchases comprehend areas such as green computers; certified wood office furniture; recycled paper; clean fuel-run public transportation; organic grocery for public school cafeterias; renewable electricity source; low energy air conditioning; energy-efficient buildings. So, the more advantageous offer must include not only price and adequate specification concerning quality and performance but also concern for the environment. The first important

steps in the planning of the purchase are:

1. To identify goods, services and works more frequently acquired in order to analyze the viability of adopting sustainability demands in future purchases, preferring similar products but that cause lower environmental impact and are more energy-efficient. There must be required sustainable practices in the execution of services and works.
2. To verify market availability. There's greater offer in relation to many products. There are portals with sustainable goods and services catalogs.
3. To gradually include environmental criteria, elaborating clear and precise technical specifications for sustainable products, services and constructions.
4. The new criteria must be included in requests for proposals for acquisitions, services and works.
5. To communicate with other officials to exchange information, ask for support and sensitize them.

4. Starting date of the implementation of the innovation project:

01/20/2010

5. Impact and achievements:

1. Sustainable public purchases had an increase of 219% in the first six months of 2012, when compared to the same period of last year. This year, there were already dealt R\$ 18,3 million against R\$ 5,73 million in 2011. If confronted with purchases made in 2010, the year of the implementation of the policy, the increase was of 358%.
2. The issuing of the Normative Ruling n. 1 in 2010, which disposes of the sustainability criteria for the acquisition of goods, services and works by the Central Government.
3. The inclusion in the Official Goods and Services Catalogs of the differentiation of materials concerning whether they are sustainable or not, making it easier to research for sustainable products.
4. Presently there are 755 cataloged sustainable items.
5. The issuing of Decree 7746-2012 of 2012 which regulates article 3 of Act 8666-1993 and that establishes criteria, practices and directives to promote national sustainable development for public purchases and also creates the Inter-ministerial Committee for Sustainability in the Public Administration (CISAP, in Portuguese).

6. Direct beneficiaries of the initiative:

Society as a whole, as defined by the Brazilian Constitution of 1988: "Article 225: The People have the right to a balanced ecological environment, a good of common use by the people and essential to a healthy quality of life, impinging the Public Authorities and the whole of the

Community with the duty to defend and preserve it for present and futures generations.”

7. Assessment and evaluation index of the initiative (please describe them if they have been conducted):

The policy will be evaluated by instruments within the Sustainable Logistics Management Plan, which was issued by Decree n.7746/2012, article 16, in consistence with each organ or agency's definition as well as that of the Central Organ, by means of static reports of governmental purchases focusing on sustainable purchases.

8. Sustainability of the initiative (please mention activities undertaken that contribute to the initiative's sustainability):

Through the issuing of the Decree 7746-2012, which regulates article 3 of Act 8666-1993, it is possible for organs and agencies to establish criteria, practices and directives for the promotion of sustainable national development in public purchases by Central Government in order to consolidate the Sustainable Public Purchases Program; in addition, it states the creation of the Inter-ministerial Committee for Sustainability in the Public Administration – CISAP, in Portuguese.

9. Replicability of the initiative in other projects or countries (please elaborate on the possibility of reproducing this initiative in any other country and if there is any plan to do so):

Sustainable public purchases can be applied in other countries following the present model used by the Brazilian Central Government.

10. Supplementary document attached to this application (optional)

https://www.planalto.gov.br/ccivil_03/_ato2011-2014/2012/decreto/d7746.htm
[ResponseID2092ItemID3486Instrução-Normativa-01-10.pdf](#)