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Press release

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# New report shows how vital government spending is for sustainable development

- Efficient public procurement allows the governments to make substantial progress towards achieving their social, environmental and economic sustainability objectives
- Improved government spending practices can free up resources to address a critical funding gap in achieving the Sustainable Development Goals
- Strategic procurement of goods and services can promote social and environmental sustainability
- Public spending typically comprises between 15-30 per cent of gross domestic product, and is thus a powerful force for change

More effective public spending can play a key role in helping countries make progress towards the Sustainable Development Goals (SDGs), according to a new report by The Economist Intelligence Unit.

Supported by UNOPS, the report, *"The future of public spending: Why the way we spend is critical to the Sustainable Development Goals"*, highlights how less wasteful, more efficient government spending practices can free up resources to address a critical funding gap in achieving the SDGs. At the same time, the strategic procurement of goods and services can promote social and environmental sustainability.

It argues that the sheer size of public spending, typically between 15-30 per cent of gross domestic product, makes it a powerful force for change. Efficient public procurement allows the governments to make substantial progress towards achieving their social, environmental and economic sustainability objectives.

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"How and what governments spend their money on can have a huge impact. It can drive innovation, help build jobs and local economic growth. It can drive behaviour and help contain levels of carbon emissions. As governments face severe funding gaps to achieve their development agenda, they have a unique opportunity to use their purchasing power strategically to make substantial progress in meeting the SDGs - this research really underlines the importance," **said UNOPS Executive Director Grete Faremo.**

"Our study demonstrates a number of ways that governments can use procurement as a lever to achieve sustainability objectives, and that improving the efficiency and effectiveness of public spending can itself release funds for sustainable development," **said Jeremy Kingsley, Senior Editor at The Economist Intelligence Unit.**

While governments are starting to recognize the importance of procurement as a powerful policy tool, problems remain. These include a perception that sustainable development is too expensive or short-term thinking that prioritizes the cheapest price today over the financial, social and environmental cost of a product over its lifetime. Other identified blockages include fragmented organizational structures, corruption and a basic lack of knowledge of the procurement market.

The report also explores how governments can use digital technologies to advance sustainable purchasing, for example, to analyse contracts, monitor supply chains or identify corruption.

**ENDS**

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### Notes to the editors:

- *"The future of public spending: Why the way we spend is critical to the Sustainable Development Goals"* is launched at the World Economic Forum in Davos on 22 January
- The publication is an independent research essay, produced by The Economist Intelligence Unit and supported by UNOPS. It includes contributions from leading experts in related sectors, including from the government of Ghana, the World Bank, the Organisation for Economic Co-operation and Development, the Inter-American Development Bank, Transparency International, Oslo Municipality and the Basel Institute on Governance.

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### About UNOPS:

UNOPS mission is to help people build better lives and countries achieve peace and sustainable development. We help the United Nations, governments and other partners to manage projects, and deliver sustainable infrastructure and procurement in an efficient way. Read more: [www.unops.org](http://www.unops.org)