

**The role of Green Public Procurement in
Sustainable Economy Development**

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Abstract

This article is devoted to the study of the sustainable public procurement role in Russia and abroad in preventing climate threats and environmental degradation. It has been proved that the introduction into national legislation of quality standards for purchased goods, works and services that comply with environmental requirements in the future will allow us to come to a sustainable economy system, improve the environmental situation and prevent adverse climate change not only in individual countries, but throughout the world.

Key words: Sustainable Public Procurement, Green Public Procurement, Environmental Requirements, Sustainable Economy.

Introduction

A sustainable economy (or, in other words, the economy of sustainable development) is one of the priorities for the development of legislation not only in Russia, but also in many foreign countries. A sustainable economy is one that is resilient and provides a good quality of life for everybody. It stays within the limits of the planet and helps keep global warming within the well below 2°C threshold [4]. A sustainable economy is traditionally viewed through the prism of three components: social development, economic growth and maintaining ecological balance. Dematerialisation, servitisation, collaborative consumption and a shift from ownership to access have the potential to restructure the economics of consumption, accelerate decoupling, and help us to envision and potentially create a circular economy that delivers social, economic and environmental benefits for all. However, their current deployment without policy steer, public support and appropriate technology developments could turn to be a missed opportunity for ensuring sustainable economic growth fully aligned with sound environmental stewardship and social development, and the transition to a truly sustainable circular economy [12].

One of the most effective government tools to facilitate the transition from a consumption economy to a sustainable economy is the introduction of a system of so-called sustainable public procurement or green public procurement. The European Commission defines green public procurement (GPP) as a process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured [7]. To understand the role of green public procurement in shaping a sustainable economy model, it is necessary to analyze how this tool is used in Russia and foreign countries. As an example of the introduction of a green public procurement system abroad, the article will consider the experience of South Korea.

Discussion

In the Russian Federation, the task of forming an economic model that would meet, among other things, the needs of preserving the environment and caring for nature, was formulated in 2012 by the President of Russia. It is reflected in the Fundamentals of State Policy in the field of environmental development of Russia for the period up to 2030 [6]. Subsequently, article 75.1 was introduced into the Constitution of the Russian Federation, according to which

conditions are created in Russia for the sustainable economic growth of the country [10]. In the development of this idea, acts of the Government of the Russian Federation were also adopted: Decree of the Government of the Russian Federation of July 14, 2021 No. 1587 "On Approval of Criteria for Sustainable (including Green) Development Projects in the Russian Federation [3] and Requirements for the Verification System for Sustainable (including Green) Development Projects in the Russian Federation" [2].

These regulatory legal acts have become a prerequisite for introducing amendments corresponding to such goals to the Federal Law "On the contract system in the field of procurement of goods, works, services to meet state and municipal needs" No. 44-FZ [5]. However, in our opinion, the changes introduced are not enough to talk about achieving the goals of green public procurement. This is explained by the fact that not all contractual structures provided for by law can serve as a tool for ensuring the implementation of green procurement. So, to contracts that can potentially serve as tools to achieve the goals of green public procurement:

- 1) a life cycle contract, which is regulated by part 16 of Article 34 of the Law. This contract is concluded not only for the

supply of goods, but also for its subsequent maintenance and, if necessary, disposal;

- 2) energy service contract, which is regulated by Article 108 of the Law. The subject of the contract is the performance by the contractor of actions aimed at energy saving and increasing the energy efficiency of the use of energy resources;
- 3) a contract with counter investment obligations, which is regulated by Article 111.4 of the Law;
- 4) a special investment contract, which is regulated by Article 111.3 of the Law and is aimed at investing in the creation or modernization and development of the production of goods on the territory of the Russian Federation.

You should also pay attention to the system of voluntary certification of products with improved characteristics in terms of environmental standards that already exists in the Russian Federation. For example, by Order of Rosstandart dated November 29, 2019 No. 1324-st approved and enacted "GOST R 58661-2019. National standard of the Russian Federation. Agricultural products, raw materials and foodstuffs with improved environmental characteristics. Conformity assessment» [8].

In addition to the above tools in the scientific literature, it is proposed to pay attention to the legislative consolidation in the law on procurement of the principle of the priority of procurement of environmentally friendly goods, works, services. The consolidation of this principle would make it possible to more effectively implement measures to support producers of environmentally friendly products, since at present the legal regulation of public procurement is aimed primarily at economic efficiency. Such efficiency is undoubtedly very important, but it should be emphasized that the introduction of a green procurement system will inevitably lead to an increase in the burden on the budget. At the same time, we believe that the estimated costs will pay for themselves quite soon, as evidenced by the experience of some foreign countries that have already successfully introduced the basic principles of green procurement into their legislative acts. Research shows that Korea is a regional leader in implementing Sustainable Public Procurement (SPP), also known as Green Public Procurement (GPP), in Asia. International experience has shown that Green Public Procurement is a powerful strategic tool for environmental benefits (e. g., reducing greenhouse gas emissions), social benefits (e. g., improving working conditions and reducing

inequality), and economic benefits (e. g., job creation and cost savings) [11].

An important factor in the development of Green Public Procurement is also the development and introduction of special electronic tools. For example, in 2002, the Republic of Korea established a fully integrated procurement system called the Korea Electronic Procurement System (KONEPS), which includes registration, creation of requests for procuring, bidding, conclusion of contracts, payments, and monitoring. According to statistics, in 2017, there were more than 52,000 government customers and 373,000 supplier companies that were active users of the KONEPS system. This respectively accounted for 71% of the total public procurement. Products and services in Green Public Procurement are defined by the Green Procurement Act as: 1) certified or meeting the basic criteria established by the Korea Eco-label; 2) certified or meeting the criteria of the recycled product quality certificate (Good Recycled Mark); and 3) meeting other environmental criteria established by the Ministry of Environment after consultation with the heads of the relevant ministries. Green Public Procurement can be made in two ways: independently by individual customers or centrally. Centralized procurement is made by the Korea Public Procurement Service (PPS) if the total amount

exceeds a certain threshold. Another way of carrying out Green Public Procurement is for customers to require contractors or service providers to use only environmentally appropriate tools or products in their work or services, respectively [9].

Conclusion

In the future, strengthening the importance of environmental criteria in procurement activities will require environmentally responsible public procurement, as it seems, the development and introduction of appropriate changes and additions to the rules on standard contracts and standard terms of contracts, standardization, a catalog of goods, works, services, requirements to procurement participants, rules for describing the procurement object, evaluation of applications, etc.» [1]. As for the experience of foreign countries (in particular, the Republic of Korea) in the field of organizing the legal regulation of green public procurement, the main tools can be called the following:

- 1) development and implementation of the Korea Eco-label and Good Recycled Mark green product quality standards systems were such prerequisites;
- 2) the introduction of programs for the purchase of products that meet minimum environmental requirements and the

mandatory purchase of environmentally friendly products, which, in turn, led to the development of the production of such goods;

- 3) an important factor in the development of Green Public Procurement is also the development and introduction of special electronic tools.

Undoubtedly, the impact of green public procurement on the development of a sustainable economy is extremely high, since one of the aspects of its manifestation is a conscious and careful attitude to the environment. That is why the development of the green public procurement system in Russia, with the reasonable use of the positive experience of other countries, in particular, the Republic of Korea, will create the prerequisites for establishing a sustainable development economy.

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