

Public procurement as a pillar of sustainable development

The example of the city of São Paulo¹

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The challenge for global metropolises, such as São Paulo, and leading states, such as Paraná, is no longer choosing between economic development and sustainability. The challenge is managing the transition. How to keep growing robustly while leading the transition to a low-carbon economy? The answer lies in transforming sustainability from a burden into an engine.

This dilemma perfectly resembles that of Janus, the Roman god of portals, transitions, and beginnings. With his two faces, he looked simultaneously to the past and to the future. Brazil, in planning its development, now finds itself forced to act like Janus, reconciling its legacy and its future.

One face observes the strength of industry, the energy matrix based on traditional resources, and a growth logic in which sustainability was often an afterthought, although it is the model that brought us here. The other face, however, sees an inescapable future in a world that demands decarbonization, where resource efficiency is no longer an option but the very definition of competitiveness.

It is with this strategic vision that we, at the City Hall of São Paulo, are driving the public administration. Among the many available examples, I choose to highlight a decisive step we recently took: launching a pioneering tender to acquire clean energy in the Free Contracting Environment (ACL).

The initiative, which aims to supply 186 municipal units – including hospitals, schools, cultural centres, and markets – with energy coming exclusively from incentivised sources (such as solar, wind, biomass or small hydroelectric plants), is a watershed moment in national public management.

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The first impact is economic efficiency. By migrating to the free market, we broke a paradigm and began managing our demand using market intelligence. The estimate represents significant savings of R\$ 66 million for public coffers over 5 years, optimising the use of taxpayer money.

Another effect is market signalling. Estimates from organisations such as Ipea and the Ministry of Management indicate that public procurement accounts for between 10% and 12% of national GDP, making the public sector the largest single consumer in the nation. When a metropolis like São Paulo directs its billion-dollar demand toward the clean energy market, it is not just buying a service; it is fostering an entire value chain of green jobs and attracting investment in new renewable power plants.

This movement is fully aligned with the challenges of any state that depends on a strong industry, such as Paraná. The global pressure for products with a smaller carbon footprint is already a reality. By investing in clean energy, the public sector leads by example, paving the way for the private sector to follow suit.

Whether in São Paulo or Paraná, the future of economic development will be green or it will not be. Our tender is proof that it is possible, in practice, to combine fiscal responsibility, management modernisation, and respect for the environment. This is not only the right path but also the smartest path to cross the threshold.