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# Enhancing Sustainability through Efficient Public Spending: Polish Procurement Perspectives

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## INTRODUCTION

Sustainability is a leading criterion in sustainable financing decisions, both for financial markets and private actors as well as for public finance. Sustainable finance, i.e. finance oriented towards social, environmental and economic goals, is becoming increasingly popular and important in the context of global challenges such as climate change or growing social inequalities. State and local government actors play a key role in implementing and supporting the concept of sustainable finance, but also recognise the special role of non-financial risks (so-called ESG risks - Environmental, Social, Governance), within which environmental, social and governance risks are distinguished. The approach to ESG risk is currently developing rapidly. However, the basic definition is relatively simple: they are environmental, social and organisational factors that can affect the financial position or hinder the performance of an entity.

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# Enhancing Sustainability through Efficient Public Spending: Polish Procurement Perspectives

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## I. INTRODUCTION

Sustainability is a leading criterion in sustainable financing decisions, both for financial markets and private actors as well as for public finance. Sustainable finance, i.e. finance oriented towards social, environmental and economic goals, is becoming increasingly popular and important in the context of global challenges such as climate change or growing social inequalities. State and local government actors play a key role in implementing and supporting the concept of sustainable finance, but also recognise the special role of non-financial risks (so-called ESG risks - Environmental, Social, Governance), within which environmental, social and governance risks are distinguished. The approach to ESG risk is currently developing rapidly. However, the basic definition is relatively simple: they are environmental, social and organisational factors that can affect the financial position or hinder the performance of an entity.

The integration of sustainability and inequality into the public procurement system has brought with it the need for changes in the hierarchy of values affecting the public spending process. One of the demonstrated goals of using sustainable public procurement is to increase the efficiency of public spending. In order to demonstrate and research efficiency gains in the indicated area, it becomes necessary to analyse the role of axiology in the public procurement law system while recognising risks and threats.

In 2015, the United Nations (UN) adopted the 2030 Agenda for Sustainable Development. This created a new pathway to improve the lives of countries and societies. The Agenda includes a set of goals that include, among others, eradicating poverty, reducing inequality, improving health and well-being, protecting the planet and ensuring human well-being<sup>1</sup>. All the goals contained in the 2013 Agenda have been grouped into 17 Sustainable Development Goals (SDGs), with the overall goal of creating a better world not only for present but also for future generations<sup>2</sup>. The goals set out in the Agenda have been systematically identified as those that can and should be achieved through public spending procedures due to their size and importance for the economic turnover. Public procurement, while having a significant impact on shaping the market, will at the same time achieve the additional goals indicated in the Agenda.

The public procurement procedure has evolved from a typical economic tool to a complex tool that embodies and implements several dimensions of sustainable development, being now a "multi-purpose instrument"<sup>3</sup>. Changes in

<sup>1</sup> Girón, A. Objetivos del Desarrollo Sostenible y la Agenda 2030: Frente a las políticas públicas y los cambios de gobierno en América Latina. *Probl. Desarro.* 2016, 47-186, 3-8

<sup>2</sup> Naciones Unidas, *Informe de los Objetivos de Desarrollo Sostenible 2019*. in Publicación de las Naciones Unidas; Departamento de Asuntos Económicos y Sociales (DESA): New York, NY, USA, 2019; Available online: [https://unstats.un.org/sdgs/report/2019/The-Sustainable-Development-Goals-Report-2019\\_Spanish.pdf](https://unstats.un.org/sdgs/report/2019/The-Sustainable-Development-Goals-Report-2019_Spanish.pdf) (accessed on 1 March 2024).

<sup>3</sup> Lundberg, S. and Marklund, P.-O. (2018). Green public procurement and multiple environmental objectives. *Economia e Politica Industriale*, 45, p. 44.

the sustainability paradigm, the impact of non-financial factors, changes in the perception of the role of finance in financing sustainable development, the need to preserve the financial stability of the public sector, the need to integrate the public financial system with the safety net and, above all, changes in the perception of the environment and the human position in it imply changes in the public finance and procurement paradigm.

The analysis underpinning the conclusions is based on the use of quantitative research methodology. In order to collect information and data, the research method of document analysis and analysis of literature was used, which includes in particular reports, regulations of European law, including EU law, and Polish law. The analysis of the quantitative data, in particular the legal analysis, was carried out in order to draw final conclusions and determine the results of the research.

The literature review is to organise and identify recently published articles providing an overview of the most up-to-date approach to the issue at hand. In this case, the state of the art in sustainable procurement is obtained through a structured search process and a transparent analysis of the current literature and the current legal system. Specifically, the aim of this review is, through a synthesis using current research as its basis to identify barriers to the effective application of sustainable procurement.

The article presents the way in which sustainable development goals are pursued, identifies and explains what sustainable procurement is, how the Polish legislator defines the principle of efficient public spending, in order to ultimately identify the barriers to achieving the goal of efficient spending.

## II. PURSUING SUSTAINABLE DEVELOPMENT GOALS

The pursuit of the Sustainable Development Goals by both public and private institutions is highlighted in various studies as important and relevant. They are the basis for guidelines for the

spending of funds from the European Union budget. Ultimately, national governments are responsible for the efficiency allocation of the budget for sustainable development. In the case of funds from the European Union budget, the approved National Operational Programmes take into account sustainable development objectives, indicating the need to achieve them from an inclusive perspective, as well as the objectives for the disbursement of individual funds. At the national level, through the creation of specific regulations, national governments aim to achieve the objectives identified and defined by the European Commission. However, these are actions that allow a great deal of discretion for individual member states without the nature of coordinated action.

The literature notes the lack of open, discussed and widely accepted general guidelines on how to link national public spending (based on the classification of government functions) to the achievement of sustainable development goals. This is undoubtedly a result of the diversity of individual member states, the different levels of implementation of the individual Sustainable Development Goals, but also the specifics of a given economy, reacting differently to events such as economic crises, the COVID-19 pandemic, the war in Ukraine.

The 2030 Agenda for Sustainable Development, represents a milestone towards transforming our world. The Agenda addresses the major challenges facing humanity, including eradicating poverty and other deprivations, improving health and education, reducing inequality and boosting economic growth - all while tackling climate change and working to protect aquatic and terrestrial ecosystems. The Agenda is an ambitious call to action put to each country.

Closing the gap between current progress and the Sustainable Development Goals will only be possible through public and private investment in all the Sustainable Development Goals. According to the United Nations Development Programme

(UNDP)<sup>4</sup> implementation of Agenda 2030 will require investment in all sectors.

For example, increasing the accessibility of certain public services for people with disabilities has taken a pandemic turn, with public finance sector units committing their resources and means to making them as accessible as possible online. As a result, in the case of Poland, permanent and visible blocking of online tools has become commonplace and is now a standard of operation for public finance sector units. By purchasing the right equipment and giving it to the right units, which made e available to the digitally excluded, a reduction in inequality and digital exclusion was achieved.

In terms of the procedures prepared and conducted, the units responsible for the provision of health services take into account the acquisition of goods and services that take into account the protection of the environment, access for excluded people, the reduction of inequalities.

As stated by Kharas and McArthur<sup>5</sup>, public spending is crucial because it is the form of spending most directly subject to policy makers. As such, public procurement will be critical to most of the sustainable development goals in development areas such as health, education, water and sanitation, where private investment will become complementary to achieving them. Private investment will be critical in specific sustainable development sectors such as energy, transport or telecommunications. Regardless, public spending policies and interventions in these sectors are essential to promote and support a favourable investment climate. They point out that government spending does not guarantee the achievement of sustainable development goals. nevertheless, they focus on levels of public spending, as many outcomes are limited by a lack of public resources. In this

context, public sector spending and targets are most useful at the country level. At the same time, they stress that the Sustainable Development Goals represent a commitment by all countries to solve their own problems at home, while working with others on challenges abroad. No country is yet on track to achieve all the SDGs, so even countries with high income and high levels of per capita spending face the challenge of generating creative, results-oriented approaches to driving innovation.

### III. SUSTAINABLE PROCUREMENT

Public procurement has evolved from an economic instrument into a mixed instrument with the inclusion of horizontal policies (both environmental and social). Public procurers, when preparing a proper procurement procedure, are obliged to take into account standards shaped by the European Union, such as the New Green Deal, which aims to make the EU economy sustainable. The public procurement system introduced, *inter alia*, new optional grounds for excluding economic operators from public procurement procedures relating to environmental issues, indicated expressly in *verbis*, as permissible conditions for the performance of the contract, *inter alia*, environmental aspects, while taking into account all stages of the life cycle. In addition, the possibility of requiring a specific label as part of the technical specifications, award criteria or contract performance conditions was allowed, as well as the possibility of using life cycle costing (LCC) to determine the cost criterion in public procurement.

The European Union mainly shapes sustainability issues in soft law, but has also chosen to enact numerous pieces of legislation relating expressly to environmental issues setting minimum standards relating to the issues in question. These include, among others, Regulation (EU) 2017/1369 of the European Parliament and of the Council of 4 July 2017 establishing a framework for energy labelling and repealing Directive 2010/30/EU, Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012. on energy efficiency, amending

<sup>4</sup> United Nations Development Programme, 2018 Financing the 2030 Agenda - An Introductory Guidebook for UNDP Country Offices.

<sup>5</sup> Kharas, H., McArthur, J., 2019. Building the SDG economy: needs, spending and financing for universal achievement of the Sustainable Development Goals. Global Economy and Development at Brookings - Working Paper 131.

Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC, Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings, Directive 2009/33/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of clean and energy-efficient road transport vehicles.

Various definitions of sustainable procurement have been put forward in the literature and in documents, however, focusing primarily on the public spending process itself. It is not the object of this analysis to present different approaches to the definition of sustainable procurement, hence the adoption of the most common understanding of the term.

Sustainable procurement is the process by which organisations meet their needs for goods, services, works and utilities in a way that provides value for money over their lifetime for the benefit of society and the economy, while minimising environmental damage.

Sustainable procurement has three pillars, namely economic development, social development and environmental protection. So, among other things, it is public procurement that integrates environmental considerations into the procurement process and takes into account the entire life cycle of a product or service. Public entities meet their operational needs for goods, works, services and utilities by procuring and selecting products and services that have a lower environmental impact during their expected economically useful life, compared to alternative products/solutions.

Of particular importance is the Life Cycle Assessment, which is a methodology for determining the potential environmental impact of a given product or process, looking at the entire life cycle - from the acquisition and processing of raw materials, through their transport, production of the finished product, its use, and the final disposal and disposal of waste. This is an important and relevant method because it draws the attention of the purchaser not only to the cost

of acquiring the product, but to the total cost associated with its acquisition, use and disposal. It shows that sometimes low-cost products at the time of acquisition are more costly over the entire period of acquisition, use and disposal than other analogous products, which place a greater burden on the buyer's budget at the time of acquisition. Its application requires knowledge and familiarity with the product, but also with the manner and extent of use.

#### IV. SPENDING EFFICIENCY IN THE POLISH LEGAL SYSTEM

Spending public funds in accordance with the provisions of the Act of 11 September 2019 in force in Poland. - Public Procurement Law (unified text Journal of Laws of 2023, item 1605, as amended) and the Act of 27 August 2009 on Public Finance (unified text Journal of Laws of 2023, item 1270, as amended) set as a fundamental principle the demonstration of efficiency. At the same time, the Polish legislator, in creating the relevant regulations of the indicated provisions, does not specify the meaning of the notion of efficiency, nor does it build tools for examining the efficiency of spending public funds in a way that forces a specific type of behaviour on the ordering parties.

Article 17(1) of the Polish Public Procurement Law regulates the principle of efficiency, while at the same time not specifying the meaning scope of the principle. There are also no guidelines or criteria which are the basis for establishing indicators, yardsticks or elements constituting the efficiency of a given contract. Some solutions are provided by the Polish Public Finance Act of 27 August 2009, however, it does not mention efficiency, but refers to the elements constituting efficiency, i.e. savings and expediency. Article 44.3 of the Public Finance Act stipulates that public expenditures should be made in a manner of

1. purposeful and economical, respecting the principles:
  - a) getting the best results from given inputs,
  - b) the optimal choice of methods and means to achieve the set objectives;

2. in such a way that the tasks can be completed on time;
3. in the amounts and on the dates arising from previous commitments.

The legislator sets out the principle of efficiency in the spending of public funds without specifying the criteria for the selection of objectives, the measures for achieving the objective and the subsequent evaluation of efficiency. The legislator also does not specify on what basis it can be considered that the choice of the method and means to achieve the objectives was inappropriate and thus there was a violation of the applicable legal provisions. It is also difficult to find in the relevant legislation, including public procurement legislation, an obligation to draw up an identification of the objectives and an analysis of the selection of the method and thus also the means to achieve the identified objectives.

The Court of Justice of the EU indicates that the EU coordination of procurement procedures was intended to minimise the risk that contracting authorities would be guided by non-economic considerations when awarding public contracts<sup>6</sup>. This position confirms that decisions by public finance entities are primarily based on economic considerations.

Community legislation laying down the principle of efficiency allows for two types of economic criteria for the award of contracts: the lowest price and the most economically advantageous tender from the point of view of the contracting authority. At the same time, the economically most advantageous tender is defined by an exemplary set of specific criteria relating to the subject matter of the contract. Directive 2014/24 lists in Article 67 criteria such as quality, price, technical merit, aesthetic and functional characteristics, environmental aspects, cost of use, profitability, after-sales service and technical assistance, delivery date or delivery or completion time. Directive 2014/25 (sector-specific) contains an almost identical set of criteria in Article 82.

Expenditure of public funds earmarked for the performance of public tasks should take place in an efficient manner, indicating that public procurement is about ensuring that the funds available ensure the maximum and optimal performance of public tasks, by providing the greatest amount of goods desired in its performance or allowing for the provision of the widest range of necessary services. In order to achieve this, however, it is necessary for the contracting authority to demonstrate that it has identified the needs and their gradation, taking into account the economic effects of achieving them. This is the result of defining the meaning of efficiency, which is closely related to the economic understanding of the concept.

When analysing efficiency from the perspective of social phenomena, it is argued in the literature that efficiency must be detached from economic issues, due to its different perception as the occurrence of a positive transformation of social attitudes, and thus in such a situation the examination and evaluation of efficiency should be verified from the perspective of effectiveness.

The binding regulations of the Public Finance Act force a close link between effectiveness and the economic sphere, and despite being directed towards achieving social and environmental goals, due to the limited resources that the contracting authority has and intends to allocate to the execution of a given contract, the economic issue cannot be ignored.

Efficiency is a concept analysed in management science, quality, economics and finance. Despite the many publications on efficiency, however, it remains a vague, ambiguous term, interpreted in different ways, and unfortunately equated with effectiveness or efficiency.

Efficiency must be detached from economic issues, because of its different perception as the occurrence of a positive transformation of social attitudes, so in this situation the study and evaluation of efficiency must be verified from the perspective of efficiency. One of the objectives that can be included in the principle of efficiency is the positive impact on the environment, the

<sup>6</sup> Judgment of the Court of 3 October 2000 in Case C-380/09 The Queen v H.M. Treasury, ex parte University of Cambridge, para 17.

achievement of objectives outlined by the sustainable development policy. Any objective other than economic, however, requires the contracting authority to define, specify and strive to meet its defined needs for the acquisition of goods, services or works. The rationale for this should be the generation of benefits on the part of the contracting authority, but also on the part of society and the economy. This means taking into account not only the costs of the contract itself as the purchase price, but also the costs related to the fulfilment of these defined additional objectives, including those related to the implementation of the sustainable development policy.

Such a perception of the efficiency of spending public funds forces the contracting authority to change its approach to the preparation of descriptions of the subject of the contract or the conditions for the performance of the contract. A unit of the public finance sector must change the perception of procurement, as a process integrated with changes in the perception of needs by the society, perceiving its long-term impact. The process in question is a change in the perception and hierarchy not only of needs, but also of the entire axiological system. The re-evaluation of needs that underpins sustainable development is closely linked to social, but also legal changes. Some of them take the form of certain trends or social fashions, while others are influenced by changes in legislation.

Despite the fact that the Polish legislator introduced the principle of effectiveness as the supreme principle, binding in all procedures based on public procurement procedures, it did not specify the obligations of the contracting authority in terms of identifying objectives, their gradation, or the obligation to analyse and choose an appropriate method to verify the financial effects of selecting the expected results. There is no link in the Public Procurement Act between the planning process and the stage of completion of the contract, i.e. there is no obligation at the end of the conducted procedure to examine the level of achievement of the assumed objectives. This means that there are no control tools for effective verification of the correct application of the

principle of effectiveness in the conducted procedures. It seems necessary to regulate this issue in order to be able to effectively control the application of the principle of efficiency in the spending of public funds.

## V. OBSTACLES TO EFFICIENCY USE OF SUSTAINABLE PROCUREMENT

According to the International Monetary Fund<sup>7</sup> a large proportion of public money spent is lost due to inefficiencies such as misallocation, poor quality of public services, waste of resources, crowding out of private spending and corruption<sup>8</sup>. Hence, financing sustainable procurement, understanding the essence of sustainable procurement, is an increasingly important topic in the ongoing public debate.

There are clear obstacles to efficient public spending and sustainable procurement. These include:

### 5.1 Barriers resulting from insufficient knowledge and information

- 1) Lack of understanding of the links between investment and the achievement of the Sustainable Development Goals (SDGs) at national level, which can help identify the main drivers of inefficiency and encourage countries to take further action to ultimately achieve the SDGs.
- 2) Lack of knowledge on the part of those responsible in public finance sector units on how to shape requirements related to sustainable procurement. Provisions and requirements for sustainable procurement are a political idea for public finance units, which is implemented in cases of shaping the relevant conditions in the existing legislation - electromobility or accessibility for socially excluded people should be mentioned as examples. Only the shaping of the provisions of the law on electromobility or accessibility for socially excluded persons has had the

<sup>7</sup> International Monetary Fund, 2019 Fiscal policy and development: human, social, and physical investment for the SDGs. IMF Staff Discussion Note SDN/19/03

<sup>8</sup> Rayp, G., Van de Sijpe, N., 2007. Measuring and explaining government efficiency in developing countries. *J. Dev. Stud.* 43, 360-381.

effect of shaping the appropriate provisions of the terms and conditions of procurement<sup>9</sup>.

- 3) Lack of knowledge of how to verify the application of sustainable procurement requirements at the stage of tender evaluation and then contract execution. At the stage of preparing descriptions of the subject of the contract or documentation, persons responsible for public procurement do not know how to set goals for sustainable procurement, where and how to verify that the implemented procurement meets sustainable procurement goals, how to measure them. This sometimes results in situations of shaping the documentation for the ongoing procedure by copying without understanding other documentation from another procedure not necessarily relevant for the given public procurement. As a result, it is unclear what objectives the contracting authority wants to achieve and how it will measure and verify this in terms of efficiency.
- 4) Perceiving sustainable procurement as a political idea that does not need to be implemented by a unit of the public finance sector. If sustainable procurement remains solely and inclusively a guideline whose application depends on the will and decision of the contracting authority, the efficiency of its application will depend on the will and awareness of decision-makers.
- 5) Lack of perception on the part of the contracting authority of the direct effects occurring on the part of the contracting authority as a result of sustainable procurement, sometimes linked to a lack of need to look for positive effects at all, or to point out and educate the public about the need to use it.
- 6) Lack of training and information campaigns to show contracting authorities practical examples of the use of sustainable procurement, with indication of tools for verifying how such procurement is carried out. In the author's opinion, education carried out at the level of the employees of contracting

authorities, but also of the society, leading to a change in paradigms which are the basis for decision-making, is the best tool to change the shape of contracting authorities' actions. An informed public, and thus informed officials convinced of the rightness of their decisions, see no obstacles and, moreover, feel the need for sustainable procurement.

To overcome barriers due to insufficient knowledge or information, a strategy needs to be developed on the government side to promote specific solutions. There is a need for systematic training of those responsible for public procurement, and the publication of various materials on sustainable procurement containing not only theoretical elements, but also practical examples of application.

## 5.2 Social and legal barriers

- 1) Concern on the part of the contracting authority that the application of requirements for achieving sustainable development goals will be met with the accusation of restriction of competition. The fear on the part of contracting authorities that there may not be a sufficient number of potential contractors to meet the contract criteria may be grounds for considering that competition has been restricted, which is a breach of a fundamental principle of public procurement. The public procurement directives as well as the Polish act on public procurement cod forbids, as a rule, the introduction of provisions by shaping subjective criteria or in the description of the subject of the contract which unjustifiably restrict the participation of interested contractors in the procedure. It is therefore prohibited to describe the subject of the contract in a preferential way, which may lead to discrimination against an entity or a product.
- 2) By consciously selecting products and services that comply with certain environmental criteria - such as energy efficiency, use of renewable resources and minimisation of emissions - sustainable procurement serves as a catalyst for the adoption of sustainable

<sup>9</sup> Act of 11 January 2018. Electromobility and alternative fuels (consolidated text Dz. U. of 2023, item 875, as amended).

<sup>10</sup> W. Cheng, A. Appolloni, A. D'Amato, Q. Zhu, Green Public Procurement, missing concepts and future trends - A critical

technologies<sup>10</sup>. What is lacking, however, is the promotion of green solutions and the fostering of green behaviours, which would in effect allow procurers to make informed choices.

- 3) In the author's opinion, the instrumentalisation of public procurement discussed above should be in line with the basic function of the public expenditure system, and be related to spending public funds for purposes identified by a unit of the public finance sector, while ensuring equal access for contractors. Building a legal system that is based solely on unilaterally imposed standards that do not stem in any way from consciously identified needs of the ordering party is a wrong solution, which damages the efficiency of the public procurement system.
- 4) Lack of internal regulations in place at the contracting authority level relating to sustainable procurement with tendering procedures. Public organisations should realise how easy it is to transform public procurement into sustainable procurement and that contractors are already ready to do so by offering sustainable procurement products on the market. The main difficulties in using sustainable procurement are insufficient knowledge and lack of experience of procurers in its practical application.

### 5.3 Financial barriers

- 1) The high cost of acquiring sustainable products is becoming a major factor in the decision not to use such solutions. Viewing public procurement only from the perspective of the purchase cost and not the total cost of purchase and use is becoming a significant barrier to the development of innovative and, at the same time, sustainable solutions. As the Public Procurement Office in Poland points out in its published reports, the purchase price is the basic criterion in initiated proceedings based on the Public Procurement Act.

<sup>10</sup> W. Cheng, A. Appolloni, A. D'Amato, Q. Zhu, Green Public Procurement, missing concepts and future trends - A critical review, *Journal of Cleaner Production*, Volume 176, 1 March 2018, Pages 770-784.

- 2) Economic development of Member States, which are characterised by asymmetries that affect the approach to sustainable procurement<sup>11</sup>. These asymmetries are a significant barrier to countries' transition to sustainable procurement due to the lack of involvement of procurers, contractors and civil society. The law is only a small contribution to the successful implementation of sustainable procurement<sup>12</sup>. The doctrine emphasises that there are three dimensions of sustainable procurement: "organisational aspects, individual behaviour and operational tools". Exploring and adapting a market-specific tool requires knowledge, awareness but also conviction and validity in the implementation and application of sustainable procurement.

## VI. CONCLUSIONS

The barriers referred to above, including barriers related to lack of knowledge, social, legal as well as financial barriers, as argued in the doctrine, depend "on very specific contextual conditions, including jurisdiction, consumer preferences and the presence or absence of various other institutional conditions"<sup>13</sup>. Therefore, the analysis of the national context must be the starting point for their removal. In addition, public policymakers must ensure "that products are good substitutes for benchmark alternatives and are concentrated where price sensitivity of buyers is low"<sup>14</sup>.

The above-mentioned obstacles identified by the author are the result of perceiving the efficiency of public spending mainly as financial efficiency resulting from the limited amount of financial

<sup>11</sup> Sönnichsen, S. and Clement, J. (2020). A review of green and sustainable public procurement: Towards circular public procurement. *Journal of Cleaner Production*, 245, pp. 1-17.

<sup>12</sup> Testa, F., Annunziata, E., Iraldo, F., Frey, M. (2016). Disadvantages and opportunities of green public procurement: An effective tool for sustainable production. *Journal of Cleaner Production*, 112, pp. 1893-1900.

<sup>13</sup> Gasfröm, J. and Aasma, S. (2021). Breaking down the barriers of the circular economy. *Journal of Cleaner Production*, 292, p. 11.

<sup>14</sup> Zink, T. and Geyer, R. (2017). Circular economy rebound. *Journal of Industrial Ecology*, 21, p. 600.

resources held by public finance sector units. The lack of statutory requirements for the implementation of tools related to the identification, definition and setting of yardsticks for the achievement of goals other than the economic goal is undoubtedly the most significant barrier to the development of sustainable procurement.

It seems necessary, as a first step, to focus on raising knowledge and awareness of the rationale for sustainable procurement through improved training programmes for procurement officers, promoting effective tools for setting targets and verifying their achievement in a given procurement in the context of sustainable procurement. Development and promotion of publications providing practical guidance for procurement officers. Harmonising the legal system, including, for example, obliging public finance entities to adopt, update and systematically implement sustainable procurement strategies. Making the public aware of the benefits of sustainable procurement, such as reducing CO<sub>2</sub> emissions and thereby mitigating the greenhouse effect (e.g. by buying energy-efficient computers or cars), reducing the amount of waste produced (e.g. by procuring recyclable or naturally decomposable packaging). It is important to make the public aware that caring for the environment clearly translates into quality of life for residents, their health and satisfaction. Through the use of socially responsible procurement, contracting authorities can influence employment policy in the region. They can promote the employment of people with disabilities, young people who will learn a trade, the long-term unemployed, but also any other group that needs support in the area (such as people recovering from alcoholism, former prisoners, refugees). In this way, the funds allocated to meet the current needs of the institutions serve at the same time to eliminate the social problems existing in the area.

The Polish system of public procurement law builds so-called social efficiency. This is the result of government policy, which, in response to social discontent, began to create regulations forcing the employment of contract workers. It is limited to

service and works contracts. The requirement of employment on the basis of an employment contract in the execution of a contract is a basic performance measure, however, with some formative power on the part of the contracting authority. It may indicate which positions or scope of the contract are to be performed only by persons employed under a contract of employment. At the same time, the public procurement regulations do not require that the indicated requirement be shaped by sustainable procurement, leaving this to the full discretion of the contracting authority.

Alongside the public procurement system, regulations are being developed on separate issues, e.g. electromobility, accessibility for the economically excluded. These require public finance units to describe contracts from the perspective of implementation with the use of ecological vehicles or accessibility for people with disabilities, for example. This requirement directly affects the awarded contracts. However, very often we are dealing only with a formal provision that is not verified by contracting authorities at the stage of contract execution.

A distinction can also be made between efficiencies resulting from adopted strategic documents, such as the state's purchasing policy or strategies, or policies and guidelines adopted when spending funds from the European Union budget. These documents have a guiding character and are mainly used as a tool to demonstrate the pursuit of sustainable development goals. However, they face the barriers identified above.

In the author's opinion, efficient spending of public funds on sustainable procurement does not require instrumentalisation. Regulations created at the EU level, *inter alia*, in terms of minimum requirements for a given sector of the economy, defining the minimum level considered necessary from the perspective of sustainable procurement, seem to be a sufficient incentive for the implementation of these solutions. Adequate knowledge of public employees, political will as well as informed action by the public are important and perhaps even the most important

element in the introduction of sustainable procurement. This is a basic prerequisite for efficient public spending.

The efficiency of public spending in achieving sustainable development goals has to be understood as a factor enabling the ultimate goal of the sustainable development framework to be achieved, which is the full realisation of the aspirational and global goals set for 2030. Hence, building the right legal framework, but also increasing knowledge, awareness and, at the same time, changing the hierarchy of values shaped by society and the needs they identify, are factors increasing the efficiency of public spending in sustainable procurement. In the author's opinion, it may be problematic to build legal norms at the level of the European Union that are the same for all countries, due to the asymmetry indicated, when each country or region has a different historical background, national conditions and priorities from the perspective of developing social needs. However, it is important to change the approach to public procurement in such a way that it emphasises not only cost reduction and saving of public funds, but also support for the long-term goals of the state, which coincide with sustainable development.