

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY

DEPARTMENT OF BUILDING TECHNOLOGY

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INTEGRATING ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

INTO PUBLIC WORK PROCUREMENT IN GHANA

BY

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THE MASTER OF SCIENCE (MSc) PROCUREMENT MANAGEMENT.**

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DECLARATION

I, OFFEI EMMANUEL student PG 7173412 hereby declare that this dissertation represent my own work, except where due acknowledgement is made, and that it has not been previously included in a thesis, dissertation or report submitted to this University or to any other institution for a degree, diploma or other qualification.

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DEDICATION

This work is dedicated to God Almighty and to my mother, Racheal Boso, my late father, Rexford Asare Offei and my surviving sister Esther Asabea Offei.

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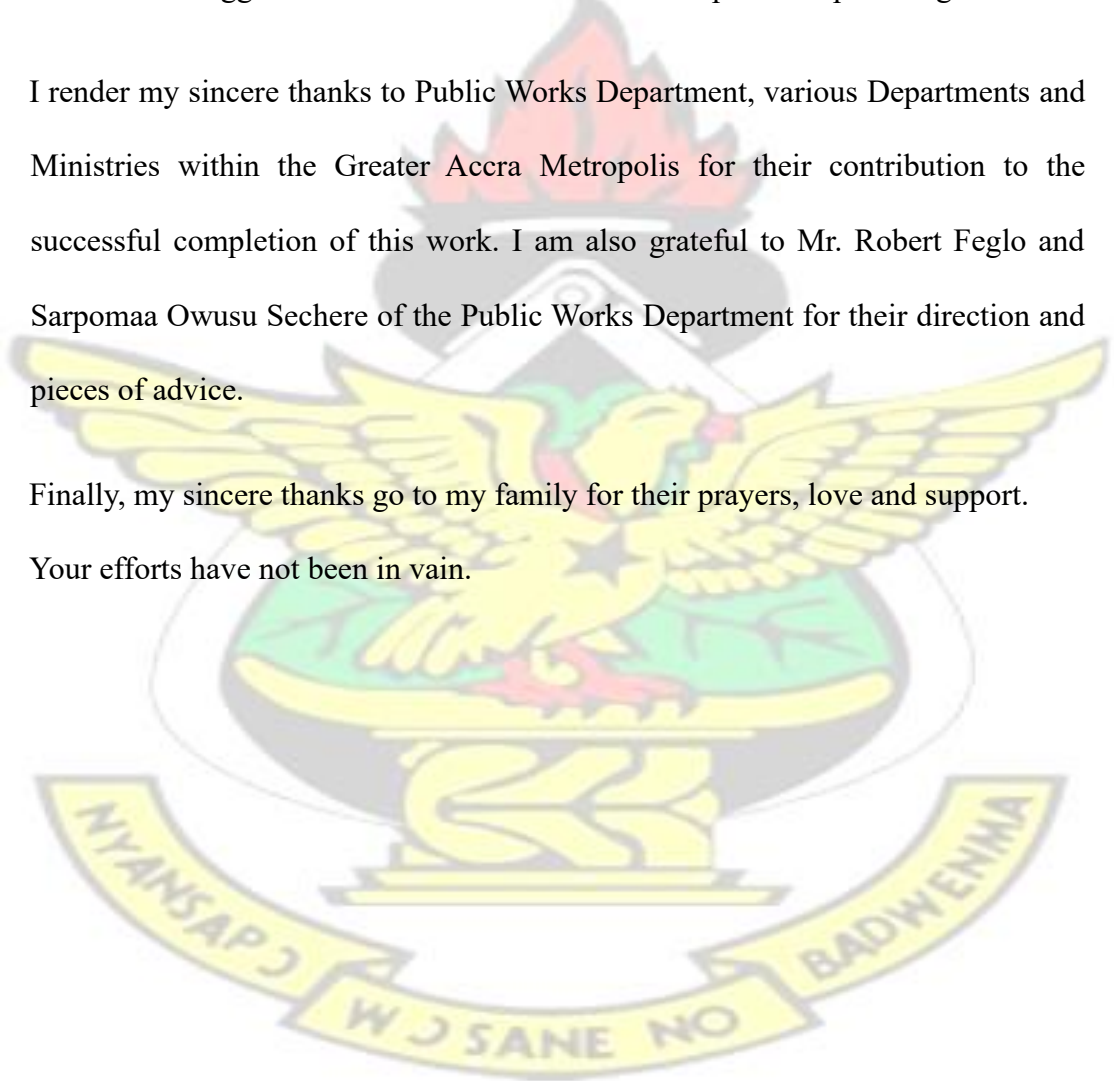
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Your efforts have not been in vain.



ABSTRACT

The study assessed how environmental and social factors could be integrated into the public procurement system in Ghana. Ghana as a developing country lacks the integration of environmental and social factors in the Public Procurement system. In most countries like Ghana, clear cut policies that detail environmental and social factors-critical indices for systematically linking Sustainable Public Procurement (SPP) with broader sustainable development goals is absent. This makes implementation measures linked to SPP very difficult. The study was a survey. The researcher sampled purposively twenty three procurement officers from eight Ministries in Ghana.

Despite the strong agreement by procurement practitioners to prioritizing the environmental and social factors during procurement decisions and processes, during tendering, specifications championing, social and environmental prioritization was partially complied with. The challenges facing the procurement officers in their bid to integrate environmental and social factors in the public procurement include an absence of reverse logistics activities where after a product sale aimed at reducing costs and conserving resources, there is no extension of producer responsibility programs or refurbishing and re-manufacturing processes. The study recommends that the Public Procurement Authority build the capacity of procurement officers. Procurement officers should be trained regularly to aid in their understanding of the relevance and role environmental and social factors play in ensuring sustainable procurement. A review of the Public Procurement Act (Act 663) to properly spell out social and environmental demands/requirements so practitioners who would default will be brought to book is recommended.

Key Words: Procurement, environment, integrate, Sustainable, Social, Public.

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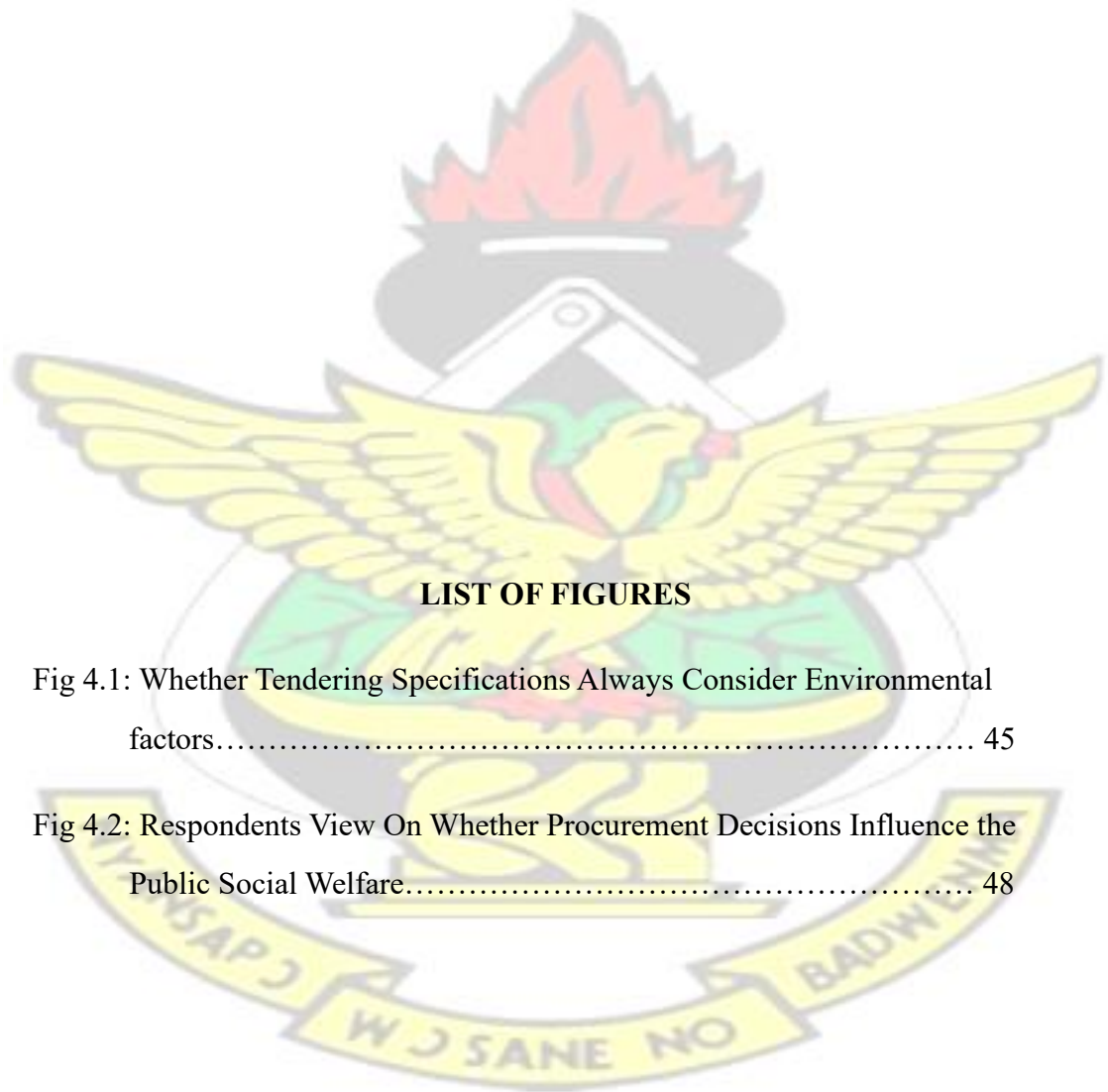
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CHAPTER ONE

GENERAL INTRODUCTION TO THE RESEARCH

1.0 Introduction

Expenditure in the public sector is a phenomenon of growing global importance (Afonso *et al* 2005). Public expenditure in Australia for instance amounted to an average of only 36.7% of GDP during the 1990s, only 8.6 % of which was spent on social transfers, and 5.1% of which was attributable to education spending (Walker and Down, 2007). In Sweden however, public expenditure averaged 63.5% of GDP over the same period, with spending on social transfers and education accounting for 20.4% and 7.6% of GDP respectively (Afonso *et al.*, 2005). The public sector in the UK also spends well over £150 billion a year on the goods and services necessary to deliver public services (European Commission, 2007).

According to Pride *et al.* (2002), proper financial management can ensure that financial priorities are established in line with organizational goals and objectives; spending is planned and controlled in accordance with established priorities and sufficient financing is available when it is needed both now and the future. Public financial management emphasizes the following three words; economy, efficiency and effectiveness (Adu, 2011). According to Adu (2011), governments of both developed and developing countries spend a lot of money on goods and services needed to deliver public services.

To achieve value for money (VFM) for the taxpayer, effectively managed procurements, properly planned and executed are essential. Public procurement is increasingly recognized as an instrument of government policy and a lever for wider economic, social and environmental change (OECD, 2007). Public procurement is at the heart of cost control by the public sector. Basic principles of procurement are more important for cost control rather than rigid rules to help protect the public and its citizens against abuse (Kurtz and Boone, 1993). Sarpong (2007) defined procurement as the management of sustainable acquisition of goods, works and services to optimize value for money through a professional, auditable and transparent framework. The features of good procurement are not limited to it being efficient and effective, competitive, ethical and fair but also it must be transparent. These features when integrated will ensure that the procurement process is devoid of all practices that could lead to possible conflict of interest as it aims at achieving fairness and ensuring that all participating bidders are given equal opportunity to bid.

However, sustainable procurement involves looking beyond the traditional economic parameters and making decisions based on life-cycle costs, associated environmental and social risks and benefits as well as broader social and environmental implications (Ameyaw and Mensah, 2012). The concept of sustainable procurement was originally floated at the UN World Summit on Sustainable Development in Johannesburg in 2002. Borland (2009) conceptualizes sustainable procurement to include planetary, environmental, financial and social /cultural considerations.

Sustainable Procurement processes should result in the balancing of economic development, social development and environmental protection against business needs. Sustainable public procurement can be used as a technique for tackling social disadvantage and exclusion (Boomsma, 2008). This should be able to give consumers / buyers in general a lot of control over what is manufactured, and how it is manufactured. Public procurement is the process whereby public sector organizations acquire goods, services and works from third parties. It also includes money spent by public sector to provide key services directly to citizens in areas such as welfare, education, social care and health. Such services are delivered through procurement mechanisms with a formal competitive process. Effective public procurement is essential for good public services and good governance.

Governments being the largest single buyers, it is evident that what and how governments buy and acquire in terms of goods, services and works contribute significantly, both to its ability to deliver sustainable development and to its credibility with its development partners. Public Procurement carried out purely on the basis of upfront costs demonstrates unsustainable economy, since the cost of ownership will far outstrip the upfront cost.

Buyers have a lot of control over what is manufactured, and how it is manufactured. Each time a product is purchased, the buyer is effectively "electing" or "voting" for the company that has provided it. When products are purchased from companies that are ethically irresponsible, e.g. companies that exploit their workers, or companies that degrade the environment through their operations, then these

companies engaged such un-sustainable practices are being encouraged to continue. The purchasing power should rather be used to support companies that produce sustainable products, e.g. recycled paper.

Public procurement therefore needs to consider sustainability issues as it is the only way that it can be sure to offer real value for money over a longer term without compromising environmental and social responsibilities. This would ensure that development targets are achieved through the acquisition of goods, works and services without much damage to society and the environment. With these considerations, Sustainable procurement seeks long-term impact on economic, social and environmental issues.

Public procurement is a significant and yet understudied phenomenon in Ghana. Subsequently, since independence, Ghana has attempted to address weaknesses in its public procurement process by the passage of several financial and legal instruments. Recent efforts have been the quest to review the Public Procurement Law of 2003 to integrate clearly spelt out Sustainable procurement component (DEFRA 2007). These have come in the form of constitutional, legislative instruments, administrative instructions and financial circulars.

With regards to this, the Government of Ghana in 1960 enacted the Contracts Act, 1960 (Act 25) and Ghana Supply Commission Act which was reviewed later in 1990 by PNDC law 245. In 1976, the Ghana National Procurement Agency Decree, 1976 (SMCD 55) was passed by the Supreme Military Council (Ghana

Public Procurement Act, 2003). In 1979, another law, the Financial Administration Decree (SMCD 221) was also passed. All these laws, decrees and instruments were meant to provide a comprehensive framework of administrative powers to regulate the activities of procurement within the public sector (Ghana Public Procurement Authority, 2008 & 2009). The inadequacy of these laws has called for a paradigm shift in terms of focus on public procurement demanding for sustainability indices.

The integration of sustainable components in public procurement offers the added advantage of improving ethical behavior of suppliers / contractors especially, and the public at large, reducing harmful emissions and waste generation; improving air and water quality; increasing the wealth and health of the society (hence improve living standards), improving working conditions - health and safety, labour standards, reducing labour agitation.

Sustainable procurement refers to the act of integrating a concern for broader social and environmental impacts within procurement undertaken by government or public sector bodies (Preuss, 2009). Several research works have contributed to the debate of attaining sustainability in construction procurement in the Construction industry. There seem to be challenges in existing procurement processes and structure in the developing countries (Boomsma, 2008). These create deficiency in the capacity needed to ensure sustainability in public procurement. There are several benefits connected with SPP (Environmental, Social and Economic), however in Ghana the challenges that remain are enormous since sustainability considerations are generally complex in nature and best practices in terms of

compliance to social and environmental factors are still evolving. Additionally, procurement legislation is usually relatively new with environment and social emphasis almost absent saddled with weaker law enforcement of best practice. Such challenges inherent in the Ghanaian procurement system require rigorous and cognizant efforts to alleviate them

1.2 STATEMENT OF THE PROBLEM

A holistic approach to Sustainable Procurement considers situations whereby organizations meet their needs for goods, services, works and utilities in the environmental, social, and economic benefits. Ross (2013) found out that Most Low-income countries are lagging behind. In most countries, there are no policies in place that would systematically link SPP with broader sustainable development goals and there are no action plans and no implementation measures related to SPP. Despite the evident benefits connected with integrating social and environmental factors into the procurement processes, the challenges that remain are that sustainability considerations are complex in nature and best practices are still evolving particularly the case in low-income countries, where procurement legislations are usually relatively new with weak capacities and enforcement

The enactment of the public procurement Act (Act 663) was to ensure value for money in the procurement system and processes in Ghana. However there still have

substantial inefficiencies, corruption and lack of transparency in the procurement processes of governmental agencies.

It lacked capacity development of procurement practitioners and career path for them in the Public and Civil Service. This has led to non-achievement for value for money in government and donor financed procurements. (European Commissions, 2010). Coupled with these challenges has been the low and silent compliance to environmental and social factors in the procurement processes.

(European Commissions 2010). Ghana in December 2010 set up a Task Force on SPP to provide technical advice on issues related to SPP and to promote SPP in the public sector procurement practice.

Ghana has made strides in pursuing the most systematic and comprehensive approach to integrating environmental and social factors in the public procurement system but still lacks implementation

Among the difficulties raised with respect to integrating social and environmental factors in the public procurement are the fact that existing capacities may be stretched as local companies may not be ready for SPP. These gaps will therefore end in inefficiencies, higher costs for procuring entities, reduced competition, and increased corruption. The perception of risk in integration of social and environmental factors to create an unfair competitive advantage for few (often large, international) firms also threatens the drive for integration.

Although sustainable procurement has an increasingly high profile in policy circles around the world, very little is known about the extent to which sustainable public procurement policies and practices are embedded and carried out within the public procurement professionals in Ghana. Inefficient and ineffective public procurement system always leads to low productivity and loss of money and detrimental effect on government budget. Traditional procurement has also focused on value for money on the economic aspect only whilst Sustainable procurement involves achieving value for money on a whole life basis by considering the economic, environmental and social issues associated with the goods and services bought, with the goal of reducing possible adverse effects. The Ghana's Public Procurement Act, Act 663, as it stands now, seems to address only a few of the sustainability issues (Ameyaw & Sarfo, 2012).

The roll out of the integration plan for environmental and social factors in the public procurement is scheduled to begin in 2013. Within this plan, no overarching policy/objectives has yet been communicated concerning the integration of the social and environmental factors as amendments to procurement law to include sustainability criteria is yet to see realization. More to this is the fact that, the National Sustainable Procurement Guidelines and SBDs are under preparation with no idea of when implementation is to commence. Though Market readiness analysis is under preparation, no training for suppliers has begun. Despite the development of new key performance indicator for SPP; to be integrated in the existing Public Procurement Model of Excellence tool. (DEFRA 2006 p68), little is documented on the level of preparedness, knowledge and

willingness of Public procurement officers to adhere to social and environmental factors during procurement decision making.

These options if not exploited immensely, may lead to non-achievement for value for money in government and donor financed procurements. Sustainable procurement though has had an increasingly high profile in policy circles around the world, very little is known about the extent to which sustainable policies and practices can be embedded within the public procurement systems in Ghana

It is therefore clear that, there is the need to critically examine the process of integrating environmental and social factors in sustainable procurement in Ghana.

1.3 RESEARCH QUESTIONS

1. Are environmental sustainability issues factored in when public procurement decisions are being made?
2. Are the decisions procurement officers take socially sustainable?
3. What are some of the policy decisions that can be implemented to promote sustainable procurement in the public sector of this country?

1.3.1 RESEARCH AIM

This study primarily aims to identify how environmental and social factors could be integrated in the Public Procurement system in Procurement practice by the

various Ministries in Ghana so that sustainable Public Procurement needs could be addressed.

1.4 OBJECTIVES OF THE STUDY

In order to achieve the research aim, the study specifically seeks to;

1. Assess whether environmental considerations are factored in during procurement decisions (pre/post contract)
2. Examine the level of prioritization for social considerations during procurement decisions (pre/post contract)
3. Make policy recommendations that facilitate the integration of social and environmental factors in the public procurement system in Ghana.

1.5 ASSUMPTIONS

This study is underpinned by the assumptions that;

1. Public procurement officers in the various Ministries in Ghana have little knowledge about sustainable procurement.
2. There are no clear cut social and environmental considerations during the public procurement process in Ghana.

1.6 SCOPE OF THE RESEARCH

The study will be defined by its contextual and geographical scope. Geographically, the study will examine the twenty-three state ministries in Accra, the capital of Ghana. The decision to geographically choose Accra is informed by the fact that Accra is the capital city of the country and as such, has strategic importance. Additionally, economic growth is largely skewed towards the capital and most procurement decisions are made by the Ministries which have all their head offices located in Accra. It has again been identified by Ayisi, (2000) and Ahadzie, (2007) that more than 60% of the registered building contractors, particularly the large organizations, tend to operate officially in the Greater Accra region.

These organizations constitute the greater percentage of industries who partner with the various Ministries either as suppliers or bidders. The principal procurement officers in the procurement Units of the selected Ministries formed the principal study participants in this study due to their ample knowledge and practice in procurement and application of the procurement laws. These officials are those within the procurement departments who are directly engaged with the day to day procurement matters in the ministries.

1.7 SIGNIFICANCE OF THE STUDY

A nation stands to benefit in the long-term if Sustainable Public Procurement is implemented (now). Sustainability is one major way of seeking to achieve good governance goal of “realizing development that gives priority to the poor, advances women, sustains the environment and creates needed opportunities for employment and other livelihoods.” Countries stand to benefit in the long-term if Sustainable Public Procurement is implemented. Sustainable Public Procurement is one of many strategic instruments available for effective promotion of sustainable production and consumption (Adjei, 2006).

Effective and sustainable procurement supports a countries aims and objectives, helping the countries to deliver high quality services which meet the current and future needs of local people and are based on value for money.

The study will provide policy makers and other individuals and groups like contractors and consultants who have interest in the implementation of the public procurement act with information on the effectiveness of the act on financial management. The integration of social and environmental factors will therefore help meet environmental challenges and to achieving binding international targets. When it comes to the social benefits, compliance with social and labor laws will improve the living conditions and social justice of the people that public procurement officers seek to serve.

Furthermore, the results of this study are anticipated to encourage professionals in government ministries to be prepared to deliver better value for money to meet environmental, social and economic goals that will eventually drive wealth creation. This will be derived from the financial savings over the lifetime of a product as well as the reduction in cost for societies as a whole. Knowledge about the integration of social and environmental factors in the procurement system can aid public entities to demonstrate responsible governance.

1.8 ORGANIZATION OF THE STUDY

This study will be organized in five Chapters. The Chapter one will comprise the introduction. The introduction will detail background to the study, the problem statement, the study's objectives, research questions, hypothesis, scope as well as the significance of the study. The Chapter two will discuss the existing literature on sustainable procurement.

The chapter will examine recognized authorities and previous researches carried out on the subject. Chapter three is details the methodology adopted for the study. The Fourth chapter contains presentation and discussing of the study's findings, with the last chapter providing a summary of the findings as with the conclusions and recommendations.

CHAPTER TWO LITERATURE REVIEW

2.0 INTRODUCTION

In recent years, academics and practitioners have become increasingly interested in how organizations and their suppliers impact on the environment, society and the economy (Walker and Wendy, 2006). The strategic role of purchasing and supply as a lever for sustainable development is much more manifested now than before. Contemporary commercial practices show that business organizations and business partners are focusing their Procurement strategies on reducing the environmental „foot prints“ of their procurement and supply chain activities. The need to improve organizational efficiency, reduce waste, overcome supply chain risk, and achieve competitive position has made companies to start considering environmental issues from a competitive viewpoint (Humphreys, 2003).

Sustainability is an issue that is being given increasing attention by both government and industry and pressures are increasing on businesses to improve sustainability performance. Whilst many of the issues are nothing new, sustainability is being used to group together a variety of both new and more established issues.

2.1 CONCEPT OF SUSTAINABLE PROCUREMENT

Reflecting broader concerns to achieve sustainable development, sustainable procurement has recently acquired a high degree of salience in policy circles internationally (Brammer and Walker, 2011). Sustainable procurement builds on the traditional procurement practice which it seeks to extend through the adoption of sustainability principles. Procurement is defined as acquisition of goods, works and/or services from the supplier (this may be an individual or organization). Procurement is the acquisition of goods and services. This could include anything from office supplies, to construction materials, to the services of contractors and sub-contractors. Procurement is everything associated with an incoming invoice Telgen et al. (2007b). Public procurement is therefore everything that results in an incoming invoice for a public authority. For public procurement “everything” is categorised into goods services, and works. Procurement is one way in which companies interact with one another and it could be considered that the actions of a company are only as sustainable as those of its suppliers.

The procurement process is viewed as involving sourcing (planning: needs identification and assessment, supplier selection) contracting, monitoring and evaluation, and expediting; based on the model definition by Telgen et al.

(2007b). Sustainable Procurement is a “process of acquiring goods, works and services from a supplier that provides the optimum combination of whole life costs and benefits to meet the customer’s requirements. It is a process whereby organizations meet their needs for goods, services, works and utilities in a way that

achieves value for money on a whole life basis in terms of generating benefits not only to the organization, but also to society and the economy, while minimizing damage to the environment.

Sustainable procurement is about the process of purchasing goods and services that takes into account the social, economic and environmental impact that such purchasing has on people and communities. Procurement is the acquisition of goods and services. This could include anything from office supplies, to construction materials, to the services of contractors and sub-contractors.

Procurement is everything associated with an incoming invoice Telgen et al. (2007b). Public procurement is therefore everything that results in an incoming invoice for a public authority. For public procurement “everything” is categorized into goods services, and works. Procurement is one way in which companies interact with one another and it could be considered that the actions of a company are only as sustainable as those of its suppliers. The concept of sustainable procurement draws attention to the responsibility of a company for activities outside its own boundaries (Meehan and Bryde 2011).

Sustainable procurement has received significant attention in both the public and private sector. It is seen as a way to meaningfully reduce the environmental burden of an organization’s core operations, as well as an opportunity to promote sustainability principles (Lyons, 2000). When carefully designed and implemented, sustainable procurement initiatives can improve efficiencies, potentially reduce

costs and create competitive business advantages as society moves toward an expectation of sustainability (Fitzgerald et al., 2007).

Sustainable supply chain management has been defined as “a business philosophy that strives to integrate the dependent activities, actors, and resources between the different levels of the points of origin and consumption in channels” (Svensson, 2007).

The integration of supply chain management and sustainability has been addressed from a number of different disciplines, including supply chain management, production, logistics, purchasing, and environmental management. Sustainable procurement can be defined as the use of natural products and energy in a way that does not harm the environment”. Another widely accepted definition of sustainable procurement is that: “Sustainable consumption is consumption that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987). In the context of the Dutch public procurement programme, sustainability is defined as the right balance between People, Planet, and Profit (Elkington, 1999). Within the Dutch sustainable public procurement programme, People represent social aspects such as labour conditions and exclusion of child labour. Planet represents environmental aspects, e.g. energy use, carbon dioxide emission, wastewater, and landfill. Profit represents a healthy economic situation, with realistic profit margins for all involved in the supply chain.

2.3 ENVIRONMENTAL FACTORS IN SUSTAINABLE PROCUREMENT PRACTICES IN THE PUBLIC SECTOR

The concept of Sustainable Procurement (SP) was originally floated at the UN World Summit on Sustainable Development in Johannesburg in 2002. Borland (2009) posits that sustainable procurement include planetary, environmental, financial and social /cultural considerations. It involves looking beyond traditional economic parameters and making decisions based on life-cycle costs, associated environmental and social risks and benefits as well as broader social and environmental implications. Sustainable Procurement processes should result in the balancing of economic development, social development and environmental protection against business needs.

Traditional procurement has focused on value for money considerations only whilst Sustainable procurement involves achieving value for money on a whole life basis by considering the economic, environmental and social issues associated with the goods and services bought, with the goal of reducing possible adverse effects. That is, sustainable procurement refers to the act of integrating a concern for broader social and environmental impacts within procurement undertaken by government or public sector bodies (Preuss, 2009; Walker and Brammer, 2009).

Warner and Ryall (2001) found out in a study that many local authorities integrated environmental considerations into their procurement policies. However, these initiatives were only rated as moderately successful, with higher costs of green

products emerging as the most commonly cited barrier. The laws governing procurement in Ghana have not enforced that all procurement transactions are to fulfill sustainability goals.

With regards environmental consideration in sustainable procurement, every product's or service's bought environmental impacts throughout its life-cycle- from the extraction of raw materials, the manufacturing of the product through to its use and disposal is highly significant. The product must be environmentally harmonious, in the sense that its manufacture, use, or disposal will not negatively impact on the environment. For example the use of energy should be moderate (use of energy saving lighting systems), and the method of generation should take advantage of renewable energies, to maintain fossil fuel levels.

Ghana's public procurement is regulated by an Act of Parliament which was passed into law in December 2003, Act 663. Section 59 of Ghana's Public Procurement Act, 2003 (Act 663) includes some economic and social sustainable issues. The emphasis as outlined in Section 59 is on the economic aspect. Despite this, some economic sustainable issues have also not been integrated into the procurement processes. There are few social considerations, with virtually no consideration on environmental issues. The environmental aspect, though not captured in the law, has disconnected regulations on issues like Energy Efficiency Standards, Pesticides Control and Management, reduction in greenhouse gas emissions, Forest & Wildlife management, Mining and others.

2.4 SOCIAL CONSIDERATIONS IN PROCUREMENT PROCESS

There are few social considerations in Ghana's public procurement Act which was passed into law in December 2003, Act 633. On the Social side, Ghana's labour Law, Act 651 of 2003 addresses issues like: Equal Opportunity for Employment, Occupational Health & Safety, TUC-Employers dialogue, Child labour, among others

There are some Social issues in the procurement Act, Act 663 that have not yet been mainstreamed into the procurement process. For example Section 59 (4c) considers the effect acceptance of a tender will have on encouragement of employment in Ghana. This section has not duly been complied or given a priority in terms of practice, where contracts awards would be informed greatly by the employment prospects to Ghanaians

Purchasing actions however have social implications, and public procurement can be used to drive social improvements- for example working conditions for publicly contracted construction workers, disabled access to Public building, employment opportunities for marginalized groups, working against child labour or supporting Fair Trade. More to social sustainability is situations where products are manufactured under good conditions and fairly traded. In the USA the procurement system is used in promoting many social policies through preferences and set asides (Cibinic Jr. 1998). This demonstrates compliance to sustainable procurement.

Though this is appreciable, Schooner (2002) disagrees to using the public procurement system in pushing social policies.

Morrison(2008) adds, in using the procurement system to promote socioeconomic goals, the procurement process is stalled and saddled because the independent goal of procurement which aims at procuring quality and cost effectiveness as possible is fought with. It is significant on a contrary point to note that the application of public procurement in pushing the social good in terms of social considerations is not the only limitation of sustainable procurement. Again aside of that not all application procurement for socioeconomic goals lead to a defeat of the independent mission of the public procurement. The entire effect of considering social factors in procurement includes recognition for equality and diversity, complying with core labor standards. More to this, is a fair working condition, increased employment and skills, amidst a quest for developing local communities (Berry 2011; European Commission 2010; United Nations 2008; IISD 2007; UNEP 2012d).

2.5 BARRIERS TO SUSTAINABLE PROCUREMENT

Significant attention has been given to understanding the barriers to developing sustainable procurement practices. Literature covering both the public and private sector identify similar barriers in both sectors. The most common are listed and described below.

2.5.1 Unclear definition of what entails in sustainable procurement.

While identified as a barrier (Gattiker et al., 2008; Ashenbaum, 2008), this is generally found in Organizations taking no action on sustainable procurement rather than in those that are experiencing difficulties. While certainly definitional concerns are an issue, as described in the context Section of this report, it does not pose a significant obstacle to overcome.

2.5.2 Little incentive to procurement officers

Often sustainable procurements are not seen as legitimate or necessary initiatives for upper management or administration to address (Ashenbaum, 2008). The measures are often seen as an added cost with little immediate benefit to the organization. Further, organizations sometimes view other environmental programs as more important (Gattiker et al, 2008).

2.5.3 Cost in complying to sustainable procurement standards

Often sustainable products simply cost more than conventional products where there is little regard to either the environmental or social implications of the production process. Cost of sustainable procurement strategies can also refer to more than a specific product, such as cost for employee training or extended time engagement with suppliers. Another way could be that, those that incur the extra cost in meeting sustainable procurement demands may not receive the benefits of making sustainable procurement decisions.

2.5.4 Lack of resources to integrate environmental and environmental factors in procurement practice.

Lack of resources can refer to costs, but more specifically refers to a lack of time or trained employees to take on sustainable procurement initiatives. Purchasing specialists and supply chain managers are increasingly seeing their roles expand and are being required to perform multiple tasks in an organization (Ross R. (2013). These individuals are often without enough time or additional assistance to balance sustainable purchasing initiatives on top of their growing job load.

2.5.5 Difficulty in changing strategies in public sectors

In sustainable procurement, the staffs involved may feel that other pressures placed upon them force them to make decisions that do not align with a sustainable procurement strategy. This could indicate that there is conflict between pressures on staff and they find the greater of these to be driving them towards maintaining the more traditional approach. Such conflicts of incentives may be another barrier to sustainable procurement. This can be despite the fact that many companies are documenting sustainable procurement strategies in their annual reports (Morgan, 2010). It would be interesting to find out to what extent these policies actually influence the procurement decisions within a company. The actual business decisions are likely to be based upon a number of differing pressures, and the way in which such pressures overlap will be key to the final decisions made.

Further, it has been suggested that, in government procurement for example, one department may incur extra cost that could reduce costs for another department, resulting in an overall cost reduction (Department for Environment Food and Rural Affairs, 2007). If similar principle were applied to a business, one department may be dissuaded from choosing a more sustainable procurement option, despite the overall benefits to the company, in order to keep within departmental budgets. The impact of this will be very much dependent on the organizational structure of the company in question.

Finally, another possible barrier is the motivation of individual staff members to improve sustainability performance. Resistance from employees could work to undermine efforts of the company at a higher level. This resistance could come as a result; for example, of staff feeling that they are being given extra work or having extra pressures put on them. In this case, they may be reluctant to change their practices if they do not see significant reward for their efforts.

2.5.6. Lack of metrics and/or knowledge in sustainable procurement standards

Some authors have identified a lack of standard metrics for assessing sustainable procurement initiatives as key barrier to integrating environmental and factors in public procurement. (Thomson and Jackson, 2007).

Lack of metrics closely correlates with a lack of knowledge or know-how to implement sustainable procurement initiatives. Metrics are often used as guidance,

and with the absence of such metrics, organizations need an understanding of metrics, which is often a limiting factor to integrating environmental and social factors in the public procurement practice.

2.5.7 Decentralization/disconnected nature to procurement practice

This barrier was especially noted in the public sector (Thomson and Jackson, 2007).

Decentralization refers to where purchasing authority and supplier relations exist in an institution. There is no central control or authority making mandated actions difficult or impossible across an institution. Beyond decentralization, many public sector organizations have very disconnected sections. As a result, certain decisions are not felt by the department who makes them. For example, an agency may pay the electricity bills for its office use, but does not have funding for major lighting retrofits, which is controlled by a different agency.

There is also the challenging situation where some sustainable procurement initiatives were found to be hampered by unwillingness of suppliers to cooperate. This unwillingness could be due to a number of reasons including concerns over sensitive information, poor supplier practices, and resource constraints.

2.6 STRATEGIES FOR SUCCESSFUL SUSTAINABLE PROCUREMENT

For sustainable procurement strategies to be successful, they will likely need to be able to overcome many of the barriers described above. Literature has identified a

number of strategies that can assist organizations develop sustainable procurement strategies. Some of these strategies are described below:

2.6.1 Integration of sustainable procurement into existing practices

Integration is vital to successful sustainable procurement strategies. Both time and resources are often limited, so any additional SP or initiatives need to be easily incorporated into the existing responsibilities of purchasers or supply chain managers (Fitzgerald et al., 2007). Sustainable procurement practices may require particular knowledge, but this can be provided through regularly scheduled training sessions that many organizations host anyway. The ultimate goal is to incorporate sustainability into every aspect of what managers do anyway. Once sustainability considerations become part of the job, it is not seen as an additional burden.

2.6.2 Making the business case to include sustainable procurement requirements.

As mentioned, upper level buy_in is a significant barrier to sustainable procurement practices. Cost is also a significant barrier. Finding areas where a profit can be made for particular initiatives can be a way to both remove the cost barrier and get upper level buy_in for further initiatives (Gattiker et al, 2008). A

“systems thinking” approach can also help overcome the cost barrier (Lyons, 2000).

By considering the procurement system as a whole rather than a collection of individual disconnected interactions it is possible to justify spending more on certain initiatives if they are offset by savings in others. For example, using printers

that use less ink and only print double sided can create savings on paper and ink costs, which can then be used to buy recycled paper.

2.6.3 Utilize reverse logistics to monitor the application of sustainable procurement

Reverse logistics refers to the activities after a product sale aimed at reducing costs and conserving resources. These can include extended producer responsibility programs or refurbishing and re-manufacturing processes. These systems are often underused or rarely considered in many large organizations leading to unnecessary new purchases, higher service costs, and increased waste (Zsidisin and Siferd, 2001). Utilizing these systems can often lead to cost savings from reduced waste removal costs, transportation services, or the elimination of product purchases altogether (2001; Walton et al., 1998). When used in Ghana, contract awardees will comply with post execution demands to ensure their executions are sustainably managed.

2.6.4 The need to conduct supplier's assessment

Supplier assessment is seen as a way to get suppliers to alter their internal practices or offer more sustainably produced products (Gattiker et al, 2008). Suppliers want to sell their product, and if they know they are being evaluated on environmental criteria they may consider adjustments to do well on evaluations to maintain business. Score cards, questionnaires, audits, and consistent standards are commonly used methods to assess suppliers (Lippman, 1999).

2.6.5 The need to engage suppliers for sustainable procurement.

Beyond assessing suppliers, engaging with suppliers is crucial to change supplier behavior.

Suppliers must be willing to establish a good relationship in order to pursue sustainability initiatives (Lyons, 2000). When suppliers are willing, collaboration and sharing of sustainability goals, objectives, and strategies can begin to take place (Lippman, 1999). When supplier needs are considered in this process, they are often more willing to engage with an organization's sustainability objectives and work collaboratively (Fitzgerald et al., 2007). Fitzgerald et al., (2007) also found that strategies emphasizing *non-reductionism* were critical to maintaining lasting supplier relations. In this context, *non-reductionism* refers to a program that maintains the same consumption rates for a product or service before and after its implementation. Suppliers, Fitzgerald et al. argue, are interested in selling products and become wary of participating in environmental programs aimed at reduced consumption or conservation.

2.7 DRIVERS OF THE IMPLEMENTATION OF SUSTAINABLE PROCUREMENT

2.7.1 Government policy as tool for facilitating sustainable procurement

In 2005, the UK released its Sustainable Development Strategy where it pledged to “lead by example” in how it spends money (Department for Environment Food and

Rural Affairs, 2005). This was followed in 2007 by the UK's Sustainable Procurement Action Plan which aimed to make the UK government EU leaders in sustainable procurement practice (Department for Environment Food and Rural Affairs, 2007).

It is uncertain whether the private sector should follow this example, as their needs may be significantly different to those of private companies. It could however have a significant influence on companies competing for contracts from the public sector. As government buyers look to companies with improved sustainability credentials, so companies might have to look to their supply chains to ensure they are able to meet the new demands.

Indeed, in the Sustainable Procurement Action Plan, an intention is set out that government "will include appropriate requirements for suppliers and subcontractors to provide products and services that comply with agreed mandatory standards and assist in the delivery of departmental sustainable operations targets" (Department for Environment Food and Rural Affairs, 2007). In addition, legislation on product specification will directly influence the purchasing decisions that can be made by companies.

2.7.2 The need to build organizational Reputation.

Reputation has been suggested as another key factor that motivates companies to improve the sustainability of their supply chain. It has been suggested that focal companies (those that are seen as governing the supply chain, having the direct

contact with customers and designing the product or service) may be held responsible for the impacts of their whole supply chain (Seuring and Müller, 2008). This is particularly true of companies based upon a strong brand. As such, companies use sustainable procurement as a method of ensuring that their supply chains meet environmental and ethical criteria in order to maintain their reputation

2.7.3 The need to integrate Customer requirement in procurement process.

Customer requirements may also form a key driver to adopt sustainable procurement methods. It has been suggested that consumer awareness is a significant driver in the adoption of more sustainable practices (Dobers and Wolff, 2000). In addition, it is thought that corporate buyers are increasingly exerting pressure on their supply chain to improve sustainability performance, especially in the environmental arena (Morton, Green et al. 1996).

This pressure may not just be exerted by the immediate customer, but from their customers further up the supply chain (Morton, Green et al., 1996). The need to meet customer requirements for sustainable products and services is likely to force companies to make more sustainable procurement decisions. Pressures from customers may again originate from the customers' own set of pressures and needs. Thus, the purchasing decisions made by a company do not only reflect its own drivers, but those of others, adding a further set of constraints.

2.7.4 LEADERSHIP AND COMMITMENT TO SUSTAINABLE PROCUREMENT STANDARDS.

Leadership and senior commitment within organizations is key to sustainable procurement. It was suggested that with support from the management of an organization, finances can be made available for products and services that may initially cost more, but may deliver short term sustainability objectives, and may also deliver medium and long term financial benefits (Walker and Phillips, 2006; Walker and Brammer, 2009; Brammer and Walker, 2011 and Thompson and Jackson, 2007).

2.7.5 Ensuring adequate training and education for procurement officers

In UK, Procurement practitioners suggested that without being educated to a level whereby they can objectively evaluate claims themselves, and without a set of standards or an approvals body to verify the claims for every product or service, they were not sure who or what to trust. (Brammer and Walker, 2011; Walker and Brammer, 2009; Thompson and Jackson, 2007). It has also noted that success in organizations, whereby procurement had begun to deliver against the sustainability agenda, was largely down to the personal commitment and drive of a small number of individuals within the organization, at the operational level.

Within the Ghanaian academic landscape, advance studies into procurement is recently beginning to emerge with few persons well trained as procurement experts as the majority have specialization in purchasing and supply chain management. This difficulty poses a major challenge to public institutions in terms of getting the

right and professionally qualified persons to evaluate procurement compliance let alone sustainable procurement.

2.8 IMPORTANCE OF SUSTAINABLE PROCUREMENT

If sustainable procurement is implemented effectively, it has the potential to cut costs, shorten timescales, enhance stakeholder relationships, increase sales, reduce risks, enhance reputation and improve margins. According to Kennard (2006), Sustainable Procurement is the process whereby economic development, social development and environmental protection are balanced against business needs.

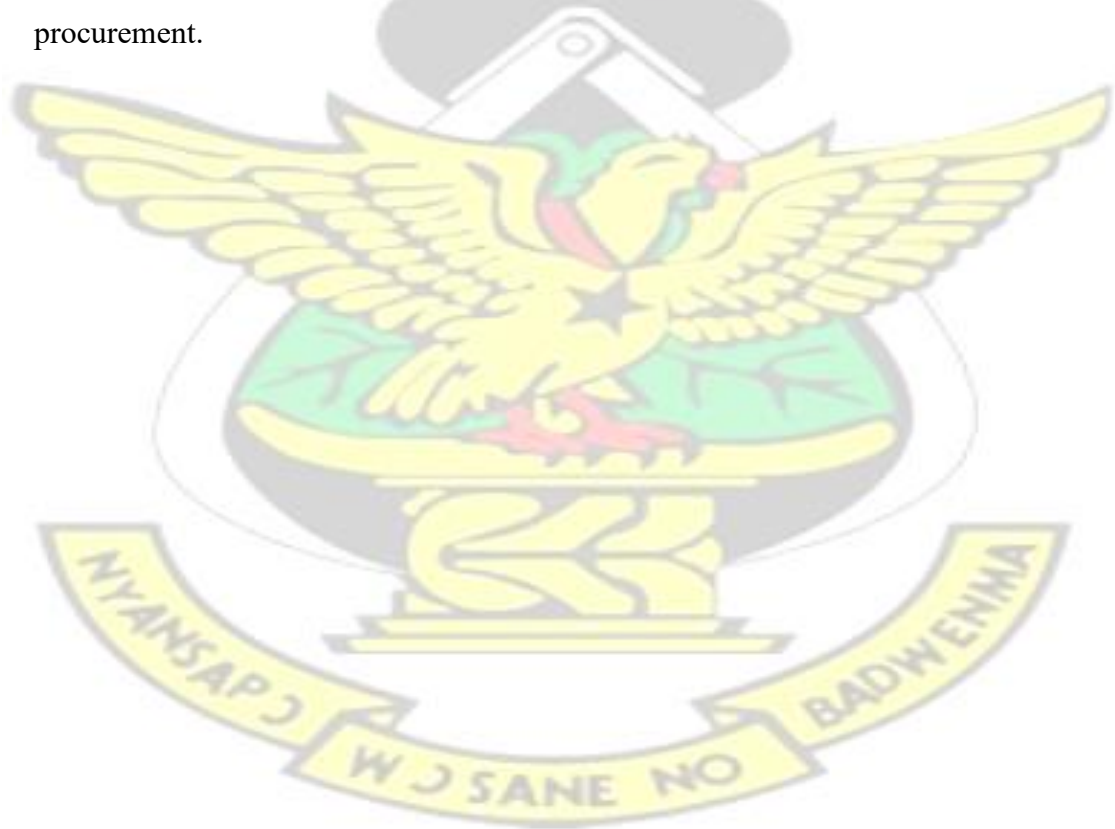
Kennard (2006) illustrated that benefits to an organization in adopting a Sustainable Procurement Policy will be to control costs by adopting a wider approach to whole life costing. More to that sustainable procurement aims at improving internal and external standards through performance assessments, ensuring compliance with environmental and social legislation, Managing risk and reputation, building a sustainable supply chain for the future as well as involving the local business community.

2.9. CONCLUSION

The existing literature demonstrates the absence of sustainable procurement in the sub-Saharan and specifically the Ghanaian situation. Sustainable Procurement considers the environmental, social and economic consequences of: Design;

nonrenewable material use; manufacture and production methods; logistics; service delivery; use; operations; maintenance; re-use; recycling options; disposal; and suppliers capabilities to address these consequences throughout the supply chain.

Realistically, the social and environmental concerns underlying sustainable procurement are averagely addressed through the public procurement law as well as the conventional procurement and supply chain management activities. For example issues of costs, user friendliness, quality, efficiency in delivery are the main focus of the supplier offer evaluation and/ or supplier selection process. Thus, this paper seeks to contribute to the literature gap in terms of the compliance to sustainable procurement.



CHAPTER THREE

RESEARCH METHODOLOGY

3.0 INTRODUCTION

This part outlines the methodology, which was used in carrying out the study. It covers the research design of the study, population and sampling design, data collection methods and data analysis methods.

3.1 RESEARCH SETTING

The study was conducted at selected Ministries of the Republic of Ghana. The study will be limited to the head office of the public Ministries of the Republic of Ghana. The ministries selected were the ministry of Ministry of Food and Agriculture, Ministry of Tourism, Culture and Creative Arts, Ministry of Health, Ministry of Education, Ministry of Roads and Highways, Ministry of Lands and Natural Resources, Ministry of Local Government and Rural Development and the Ministry of Works and Housing.

The Ministry of Food and Agriculture (MOFA) is the lead agency and focal point of the Government of Ghana, responsible for developing and executing policies and strategies for the agriculture sector within the context of a coordinated national socio-economic growth and development agenda. By means of a sectorwide approach, the Ministry's plans and programmes are developed, coordinated and implemented through policy and strategy frameworks. In this regard, MOFA facilitated the preparation of the Food and Agriculture Sector Development Policy

(FASDEP II) and the Medium Term Agriculture Sector Investment Plan (METASIP 2010-15).

The vision of the Ministry is a modernized agriculture culminating in a structurally transformed economy and evident in food security, employment opportunities and reduced poverty. It has as its mission promoting sustainable agriculture and thriving agribusiness through research and technology development, effective extension and other support services to farmers, processors and traders for improved livelihood. The procurement practices in the Procurement unit of the Ministry are limited to that of conventional and traditional procurement compliance with very little integration of environmental and social factors.

The Ministry of Lands & Mineral Resources has responsibility for the Forestry Commission, while the Ministry of Fisheries and Aquaculture Development is responsible for the fisheries sub-sector. The Ministry's Vision is to ensure that Vanuatu's Land and its Natural Resources are used and managed in a sustainable manner. The Ministry of Lands and Natural Resources oversees the functions of the Department of Lands, the Department of Geology, the Department of Environment and Conservation and the Energy Unit. Though the ministry seeks to ensure compliance to sustainable practices in general, in the particular arrears of environmental and social considerations in procurement, compliance is yet to be fully realized. This is because policy guidelines concerning the integration of social and environmental factors are not explicit when it came to procurement

The Ministry of Education was established under the Civil Service Law 327 and under the PNDC Law 1993 with the mandate to provide relevant education to all Ghanaians. The Ministry is committed to put in place an education system focused on promoting creativity and problem-solving through the development of academics, technical and vocational programmes that will improve the acquisition of skills and assure job-market readiness. The procurement systems in the ministry comply only to the traditional procurement practices of striving for value for money and overly consideration for economic compliance to the neglect of social and environmental factors.

The ministry of Health is responsible for the overall health conditions by ensuring quality health care for Ghanaians the only ministry out of the sampled ministry's has an updated and comprehensive procurement unit well manned by procurement officers who had their backgrounds linked to procurement practice. The integration of environmental and social factors was averagely being pursued by the Ministry. In the entire sample ministry's, the procurement units comply to the traditional procurement practice with little focus on environmental and social factors.

3.2 RESEARCH DESIGN.

A descriptive cross sectional survey was adopted for the study. The Crosssectional studies entail the collection of data on, as the term implies, a crosssection of the

population, which may comprise the whole population or a proportion (sample) of it (WHO, 2001).

3.3 POPULATION

The population refers to an entire group of individuals, events or objects having a common observable characteristic. The population of this study entails all the staff of the procurement units of the selected Ministries

3.4 SAMPLE TECHNIQUE AND SAMPLE SIZE DETERMINATION

Multi-purpose sampling technique was employed towards this study. The simple random sampling was used to select eight ministries out of the total state ministries. The researcher used the purposive sampling technique in selecting only the procurement departments of the State ministries. The purposive sampling technique was again applied to select purposively the research participant. The number of unit or analysis constituting a sample is known as the sample size. A sample size for a particular investigation is normally fixed, but when there are units which occur more than once, it's necessary to select more units of the actual sample size to enable elimination of repetition (Nwana, 1996).

In this study, a sample size of 24 staffers within the area of study was engaged for the study. This comprised three staff members from each of the procurement

units/department/section of the sampled state ministries. In all cases, the three most senior staffers in the procurement section of the ministries were selected to engage in the study.

3.5 METHOD OF DATA COLLECTION

The study relied on Data sources. The primary sources were the responses to questionnaires and interviews after interacting with sampled staff of the various procurement units of all the ministries in Ghana.

The questions included close-ended questions ranked on Likert scale rating to allow easy categorization and synthesis. Open-ended questions were asked to source the opinion of procurement officers on ways of integrating social and environmental factors into the public procurement practice. The choice of questionnaire was informed by the ability of the respondents to read and write as well as the researcher's desire to get accurate information from the procurement officials without imputing possible personal biases in the case of using interview guide.

3.6 DATA ANALYSIS

The data collected was analyzed both qualitatively and quantitatively. The data was processed using the Statistical Package for Social Sciences (SPSS version 16). This involved preparation of coding scheme, coding and data entry analysis.

Data was presented using frequencies and bar graph as well as tables.

3.7 LIMITATION OF STUDY

The study was limited by the following factors:

- The sampling and measurement procedures used may have affected the collection of data and the kind of analysis and the interpretations offered.
- Respondents were not willing to respond to the questionnaire due to the fact that, they were not gaining any immediate benefit from the study being conducted by the researcher.

Despite these limitations, the researcher put in enough efforts to ensure the reliability and validity of measurement and data collected. Research participants were encouraged to respond to the questionnaire and subsequently present true responses.

CHAPTER FOUR

ANALYSIS AND DISCUSSIONS

4.1 INTRODUCTION

This chapter details findings on the respondents, their understanding of sustainable procurement as well as the means of integrating environmental and social factors into the procurement system in Ghana. The demographic information of the research participants is captured.

4.2 DEMOGRAPHIC PROFILES OF THE RESPONDENTS

Response Rate

A total sample size of 24 was selected from eight (8) state Ministries procurement departments.

Out of the target sampled, the researcher made conscious effort in collecting 23 of the questionnaires. This represents 95% of the response rate. The respondents were asked to indicate their gender, age, academic qualifications and length of service, professional body they belonged to, the number of years respondent has worked in current post. The findings are presented below.

Eight representing 34.8% of the respondents were Masters /postgraduate holders.

The majority of procurement officers constituting 52.2% were Bachelor Degree

holders, Those with HND certificates made up 4.3% of the respondents. Two people who make up 8.7% of the population did not indicate their academic level.

The study showed that 66.7% of the respondents belonged to Professional body as against 33.3% who did not belong to any professional body. The professional body's that respondents belonged to include the Chartered Institute of marketing (UK), Health Service Supply Chain Practitioners Association of Ghana (HESSCPAG), Ghana institute of Engineers and the Institute of Internal Auditors(Ghana).The responses show that 10(45.5%) of the procurement officers had served more than five years. The remaining 12(52.2%) had served at their present post for between two and three years.

4.3 INTEGRATING ENVIRONMENTAL FACTORS INTO THE PUBLIC PROCUREMENT SYSTEMS IN GHANA

The study revealed that majority of the respondents were aware of sustainable procurement. In all, 19 (82.6%) of procurement practitioners affirm their awareness of sustainable procurement. Only 3 (13.0%) indicated they were not in the known about sustainable procurement. One (1) respondent could not express his/her opinion on the awareness of Sustainable procurement.

The study sought to find out whether there was a policy that commits procurement practitioners to reducing environmental impact during decision making. It was identified that, the response was mixed as 10(43.5%) opined their awareness of such

statement contrary to the opinion 13(56.5%) of the research participants who indicated they were not aware of such a policy.

Further probe by the researcher brought to the fore that, respondents who express open knowledge had had that knowledge as being enshrined in the Ghana Public Procurement Act 663. The study in its quest to detail procurement practitioners' knowledge on whether there was Processes or system implemented to manage environmental impact in the procurement practice in Ghana, recorded the following responses as detailed in table 4.1 below.

Table 4.1: Whether there are systems in the Procurement process to manage environmental impact

Response	Frequency	Percentage
Strongly Agree	8	34.8
Agree	11	47.8
Disagree	4	17.4

Source: Authors field survey 2013

The findings from Table 4.1 depict that procurement practitioners agree to the fact that systems to manage the environmental impact during the public procurement process are available. This was agreed to by 11(47.8%) and strongly affirmed by 8(34.8%) of the respondents agreeing with Brammer and Walker's (2011) assertion that, elements of sustainable procurement like environmental factors are beginning

to receive prioritization. However, 4 (17.4%) of the respondent disagreed indicating that systems to manage environmental impact during procurement process were absent. Integrating environmental and social factors into the public procurement processes requires knowledge on practitioners' priority and willingness to commit to environmental requirements.

When respondent were required to show whether the current document detailing compliance to environmental demands was publicly available and they had access to it, it was a mixed response with a 43.5 agreeing to knowing its whereabouts" as against a 56.5% disagreeing there was nothing like that document that was available to the public. According to a procurement officer who knew such a public documents detailing how environmental factors are to be integrated into the procurement processes., the provisions of the Public Procurement Act 663 address such concerns .This was highly disagreed by respondents who did not know if there was any public document requiring procurement practitioners to integrate environmental factors into the public procurement systems .They further argued that the Public Procurement Act(Act 663) does not address environmental factors in the Procurement processes.

The study found out that Environmental sustainability was a priority for procurement officers. This was corroborated with a strong agreement from 2 (8.7%) with more than 2/3 of the respondents (65.2%) agreeing that environmental considerations was a highly prioritized factor that was considered during procurement processes.

The Table 4.2 below presents the responses of the research participants detailing their affirmation or otherwise of whether environmental factors were a priority during public procurement decisions and processes.

Table 4.2 Environmental sustainability is a priority to procurement practice

Response	Frequency	Percent
Strongly Agree	2	8.7
Agree	15	65.2
Disagree	6	26.1
Total	23	91.3

Source: Authors field survey 2013.

Additionally, the respondents strongly agreed and agreed with a 26.3% and 63.2% affirmation that integrating environmental factors in Public procurement decisions could contribute to the mitigation of extreme global climate change which was strongly averred to by 10.5 % of the procurement officers

Despite the admission of procurement officers to prioritizing environmental sustainability/factors during procurement process, the results further indicated a contrary response when it came to whether Tendering specifications always included environmental considerations. Figure 4.1 below presents the results.

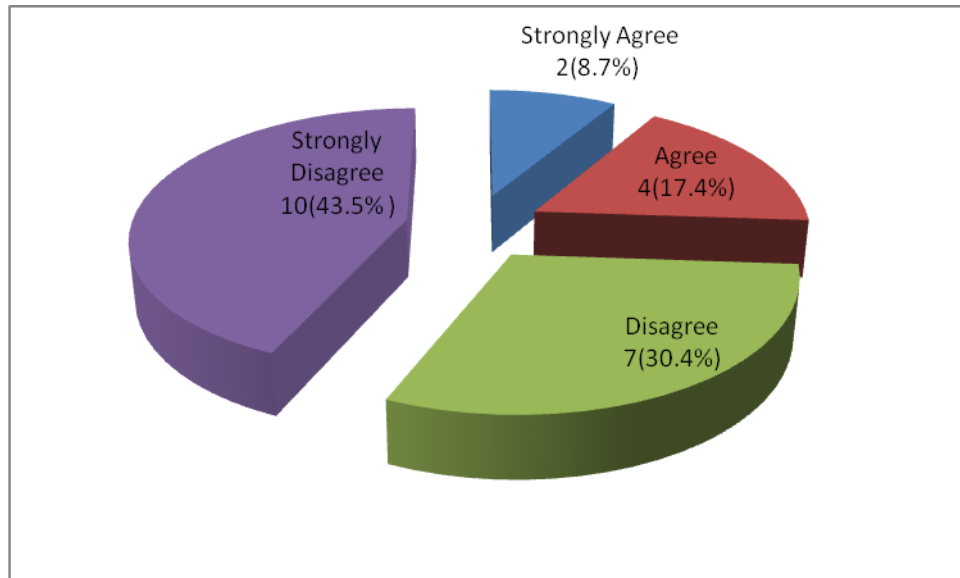


Fig 4.1: Consideration of Environmental Factors in Specification

As revealed by the Figure 4.1 above, majority of the respondent opined that tendering specifications during procurement process do not consider environmental factors. In the opinion of 43.5% and 30.4% who strongly disagreed and disagreed respectively, tendering specifications hardly considered environmental factors.

It was unanimously agreed by the respondents that practitioners do not offer any sanctions to entities who fail to comply with meeting the environmental and social good of the public. According to 8.7 % and 17.4 % of the Procurement officers studied, tendering specifications always spelt out environmental requirements.

This finding which seems to contrast the response offered by respondents on the prioritization of environmental factors during procurement can be explained to mean the disparity /variance between what procurement officers consider as the ideal practice and the practical situation during the procurement of goods and services.

4.4 INTEGRATING SOCIAL FACTORS INTO THE PUBLIC PROCUREMENT PROCESSES.

The study concerned itself with identifying whether integrating social factors into the Public procurement systems was a priority for procurement practitioners. The results is presented in the table 4.3 below

Table 4.3: Prioritization of Social Improvement of the Public during Procurement Process

Response	Frequency	Percent
Strongly Agree	8	34.8
Agree	11	47.8
Disagree	2	8.7
Strongly Disagree	2	8.7
Total	23	100

Source: Authors field survey 2013

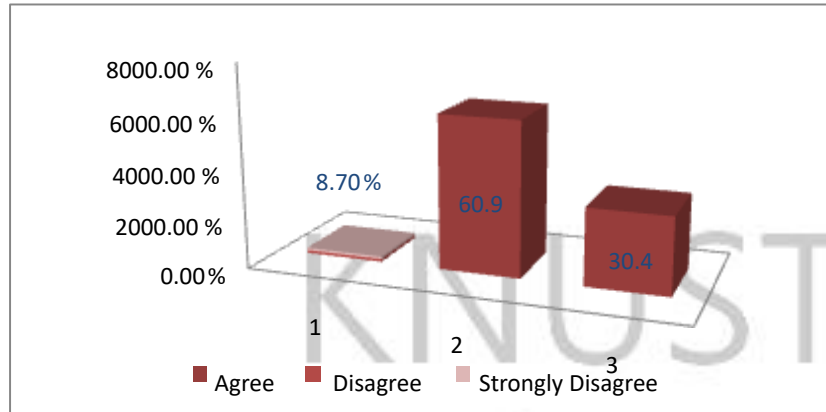
The result in the table 4.3 above reveals that respondents highly prioritized social improvement of the public during procurement decisions. This is supported by an agreement of 47.8% of the respondent with 8(34.8) of the procurement practitioners strongly affirming the prioritization given to social improvement of the public during procurement decision making process. This finding contrast that of Schooner

(2002); Morrisson (2008) asserting that the public procurement should not be used to push social policies , hence no need to prioritize the social good of the public using the public procurement. The reasons advanced are that when the public procurement is geared towards the prioritization of the social good, its sole aim of sourcing goods and services that are of quality and efficient standards would be fought with. Though the responses from the respondents show a prioritization of social good of the public during procurement decisions, the actual end result portray a different story. The study sought to find out whether the Procurement decisions / activities of the respondent influence public social welfare.

The results depicted in Fig 4.2 below shows that only 2(8.7%) of the respondents agree to such a phenomena happening. To 14(60.9%) of the respondents, in practice procurement decisions do not influence the public social welfare. The respondents therefore disagree to procurement decisions influencing any public social welfare. More to the inability of procurement decisions to ensure the public good is the strong disagreement by 7(30.4%) of Public procurement practitioners.

Only 2(8.7%) of the respondents affirmed that Procurement decisions /activities influence public social welfare. This finding is founded on the fact that social factors are loosely addressed in the Procurement laws of the country as Section 59(4C) fails to integrate social aspects into the law holistically.

Fig 4.2: Procurement decisions influence public social welfare.



Source: Authors field survey 2013

The unavailability of a current statement or policy that commits tenderers / procurement officers to the social welfare of the public during procurement decisions was affirmed by 14(60.9%) of the respondents contrary to 9(39.1) of respondents who were in the known such a policy document.

Additional inquiry by the researcher showed that those who agreed knowing such a policy considered the public Procurement Act 663 as detailing and committing tenders and procurers to the social welfare of the public during procurement decision making/processes.

Tendering specifications therefore did not always consider social and public welfare of the people. Affirming Pruess (2009); Warner and Ryall (2001) opinion that environmental and social factors were averagely considered in practice during procurement decisions, the study revealed that social and environmental factors practically were not adhered to during procurement decision making.

Table 4.4: Whether there are clear cut sanctions meted to entities who fail to comply with the social good of the people by harming public safety

Response	Frequency	Percent
Yes	4	17.4
No	11	47.8
Don't	8	34.8
Total	23	100

Source: Authors field survey 2013

In examining whether clear cut sanctions were meted out to entities who fail to comply with seeking the social good of the public during procurement, the results indicate otherwise. 11(47.8%) of the respondents suggested that clear cut sanctions were absent when it came to compliance with the social good of the public. By social good, they indicated those considerations that sought the welfare of the people, those that factored the possibility of the public to be employed through procurement decisions with little or no harm to the people.

In the opinion of 4 (17%) of the respondents, clear cut sanctions were in place to punish procurement officer and tenderers whose final activities resulting from procurement decisions result in harming public safety and public welfare of the people.

In the opinion of 4 procurement officers, sections 92(2)(a) spells out the offences that merit punishment which could lead to a summary conviction to a fine not exceeding one thousand (1000) penalty units or a term of imprisonment not exceeding five years or both.(Act 663 sect.92(1). Contrasting this submission are

those who disagree11(47.8%) by responding that clear cut sanctions were only related to procurement offences which fails to suggest any specific sanction to procurement officer who fails to consider the social and environmental good of the public. To such procurement officers the only situation that punishment/sanctions are meted out to officers are when Officers submit documents that contains false, inaccurate or materially incomplete information, when there is a serious neglect of contractual obligation or when Procurement officers are given directly or indirectly a gratuity, employment offer, any service of value to induce the procurement processes (Act 663 sect. 3(q), sect. 22(5) and (6).

The remaining 8(34.8) did not know whether such sanctions exist or not and could not tell if there exist any punishment meted out to procurement officers who fail to comply with seeking the public good during procurement decision making or otherwise. It could be explained that this category of officers have not acquainted themselves with the law bearing in mind the number of years that respondents had been in their present post.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 INTRODUCTION

This section summarizes the main research findings of the study. The primary objective of the study was identifying ways of integrating both social and environmental factors in the public procurement systems in Ghana.

5.2 INTEGRATING ENVIRONMENTAL FACTORS INTO THE PUBLIC PROCUREMENT SYSTEM/PRACTICE IN GHANA

The findings of the study demonstrates that though environmental considerations is prioritized as an ideal concept by procurement officers with 73.9% agreeing and strongly agreeing together, surprisingly, the same number of respondents indicated that when it came to the practicality of it, environmental factors were not always considered during tendering specifications in the award of contracts. More to the finding was the fact that there was no policy documenting environmental compliance as far as sustainable procurement and public procurement in general was concerned. This was affirmed to by more than half the procurement officers 11(56.5%).

5.3 PRIORITIZING SOCIAL FACTORS INTO THE PUBLIC PROCUREMENT IN GHANA

The study brought to the fore that social factors were not adhered to by procurement officers during awards of contracts. This was because there was no specific provision in the procurement laws that bind practitioners and tenderers to meeting the social good of the public. The study identified that there was no clear cut

sanctions for procurement decisions that did not guarantee the social good of the public. This was reiterated by 11(47%) of the procurers. In the same respect 8 (34.8%) of the respondents did not know whether there was any sanctions or not if procurement decisions did not guarantee the social and public good of the people. This demonstrates the inadequacy and limitedness of procurement officer's knowledge in terms of the procurement laws that governs their daily operation, a phenomena that needs to be critically addressed.

5.4 CONCLUSION

The study generally has identified that Social and environmental factors in the public procurement had unclear definitions. This has led to an overly emphasis on financial and economic considerations to the neglect of the environmental and social factors. Agreeing with Walton et al (1998); Zsidisin and Sifred(2001), the absence of reverse logistics where post contract analysis is not properly carried out couple with the unclear definitions of social and environmental factors as espoused by Galtinker et al (2008) has made integrating social and environmental factors in the public procurement systems moderately successful.

The integration only occurs as and when the procurer wishes to since no clear cut dictates and requirements are spelt out in the Public procurement Act (Act 663) other than loosely stated and overly glossed over statement concerning social and environmental considerations.

5.5 RECOMMENDATIONS

The study recommends that greater consideration be given to bid evaluation criteria so that they support sustainable methods of construction. This drive should be led by the public sector. It is further recommended that ethical core values be embedded in contractors' policies and procedures. This will allow for the application of reverse logistics in contract execution. Transparency in the procurement processes should be clearly spelt out.

The procurement Authority must ensure aptness of responsibility to support the ability to demonstrate that the policies have been followed by tenderers and all and sundry. A review of the procurement laws to include protection of the environment, protection against corruption, respect for people and a zero accident tolerance in health and safety issues will aid in holistic integration of the social and environmental factors in the public procurement process.

In order to promote social good through local empowering of local tenderers, bid lists should include small and micro businesses to promote local supply chains. Suppliers that perform well must be developed and remain in the supply chain

To succeed with sustainable procurement, drivers outside of the public sector who will be responsible for encouraging greater private sector and contractor/supplier driven initiatives should be created.

The problem of Lack of understanding of sustainable procurement, coupled with poor training and accountability are significant barriers to building capacity. Since procurers have a low hindsight of benefits and merits of sustainable procurement, constant and regular workshops should be organized by the Ministries to improve the knowledge base and capacity to enable staff/procurers to be trained so as to make informed spending decisions and maintain social and environmental quality during procurement decisions.



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APPENDIX

APPENDIX 1: Questionnaire

KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY COLLEGE OF ARCHITECTURE AND PLANNING DEPARTMENT OF BUILDING TECHNOLOGY.

Introduction: *Thank you for agreeing to participate in this study. I am a postgraduate student at the KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY reading a programme leading to the award of MSC .PROCUREMENT MANAGEMENT. I am carrying out a project on the topic " INTEGRATING ENVIRONMENTAL AND SOCIAL CONSIDERATIONS INTO GHANA'S PUBLIC PROCUREMENT". Please be assured that all the*

information collected will be kept confidential and that your names and identifiable indicators will never be shown to any other party or for any other purpose other than for its academic purposes.

SECTION A. BIO-DATA

1. Please indicate your sector ministry/department

.....

2. Please indicate your office/position/rank

.....

3. What is your qualification

a. Masters /postgraduate ()specify the field of
specialization.....

b. Bahchelors () specify the field of
specialization.....

c. HND () specify the field of
specialization.....

d. SSCE () e. Other ()

4. Do you belong to any professional body Yes () No ()

If Yes please state it

5. For how long have you been at your present post

a. More than 5 years () b. Between 2 and 3 years () c. Between 6 months to 2 years d. Less than six months ()

6. Are you aware of sustainable procurement? A. Yes () No ()

7. Please what is your understanding of Sustainable procurement in public procurement.....

.....
.....

SECTION B: UNDERSTANDING OF SUSTAINABLE PROCUREMENT BY PRACTITIONERS

Please tick where appropriate (✓)

Qno.	QUESTION	SP Feature Captured in Definition		
		Environmental	Economical	Social
Q8	It is an investment or expenditure process through which public agency meet their needs for goods services and works			

Q9	Setting lasting value for money, avoiding or reducing environmental damage, delivering social and economic benefits			
Q10	Use of capital so that needs are met with a view of maximizing net benefits			
Q11	Procurement that can be consistently maintained in maximum transparency, fairness, quality and participation			
Q12	Procurement that integrates specification and requirement for improvement of quality of			
	products and services			
Q13	Type of procurement that integrates requirements, specifications and criteria that are geared towards sustaining and protecting the environment			

Q14	Procurement is sustainable when it integrates requirements to the environmental factors in support of development			
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SECTION C: ENVIRONMENTAL CONSIDERATIONS IN SUSTAINABLE PROCUREMENT

Qno.	QUESTION	Strongly Agree	Agree	Disagree	Strongly Disagree
Q15	There is a current statement or policy that commits you to sustainability and/or reducing environmental impact during procurement decision taking				

Q16	There are processes or systems implemented to manage your environmental impact on projects				
Q17	Environmental sustainability is a priority.				
Q18	Tendering specifications always include environmental considerations				
Q19	Procurement activities influence environmental quality				
Q20	There is no need to consider environmental quality when it comes to sustainable procurement decisions.				
Q21	Public procurement decisions can contribute to the mitigation of extreme global climate change.				
Q22	Sustainable procurement decisions can help prevent environmental quality deteriorations/degradation				

23. The current statement or policy that commits you to sustainability and/or reducing environmental impact is publicly available.

Yes () **No** () .

24. Is it possible to maintain or improve the quality of the environment using public procurement decisions? **Yes** () **No.** ()

25. If yes to Q23. How?

.....

26. If no Q23

why.....

**SECTION D: SOCIAL CONSIDERATIONS IN ENSURING
SUSTAINABLE PROCUREMENT**

Qno.	QUESTION	Strongly Agree	Agree	Disagree	Strongly Disagree
Q27	My unit takes responsibility for awarding contracts to tenderers who end up harming public safety in course of executing contract				
Q28	Social improvement of the public is a priority during procurement execution				
Q29	The implementation of the Public Procurement Act reduces cost of doing business				
Q30	Procurement has brought value for money				
Q31	Procurement Act has strengthened and controlled government expenditure				
Q32	The procurement Act has saved governments money				

Q33	Procurement has brought budgetary control? (i.e monitoring of actual income and expenditure against planned income and expenditure				
Q34	Procurement activities do not influence public social welfare				
Q35	There is a current statement or policy that commits you to the social welfare of the public during procurement decision taking .				
Q36	The current statement or policy that commits you to social welfare of the public is publicly available				
Q37	Tendering specifications always include social considerations				
Q38	There is the need to consider social public welfare when it comes to sustainable procurement decisions				

39. There are processes or systems implemented to manage the social impact of procurement decisions

Yes () No ()

40. If Yes to **q37**, please could you explain what these processes are

.....
.....

41. If No to **q.37**, could you explain why

.....
.....

42. Are there direct clear cut sanctions meted out to entities who fail to comply with the social good of the people and end up harming public safety during service delivery

Yes () No ()

43. If Yes to

40. what are they.....

45. If No to **q40** why

.....

.....

SECTION E: ECONOMIC CONSIDERATIONS IN SUSTAINABLE PROCUREMENT

46 Are there regular review and analysis of the Procurement entity's total expenditure to identify trends on how much is spent?

Yes () No ()

47. Is procurement plan recorded against budget to identify anomalies in recorded expenditure? Yes () No.()

48. Are sanctions meted out to consultants who do not comply with prudent financial administration

49. Yes () No ()

Could you suggest ways of integrating sustainable procurement factors into mainstream public procurement processes.

.....

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