Innovative Policy Approaches and Collaborations to Support Sustainable Procurement

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Abstract

Sustainable procurement has the potential to drive significant economic activity towards addressing critical global issues such as resource shortages, pollution, climate change, and social inequities. Governments and businesses recognise the profound impacts of procurement on human health, social justice, and environmental integrity. Sustainable procurement practices, including environmental management systems, waste minimisation programs, and energy audits, have achieved high acceptance among manufacturing and service companies, enhancing productivity and product quality. Life cycle impacts from environmentally preferable purchasing can be substantial, with the potential to significantly reduce greenhouse gas emissions.

Local governments in the United States and Canada are leveraging their purchasing power to address social issues by providing employment opportunities for persons with disabilities, increasing access to healthy food for low-income families, fostering diversity in contracting, and supporting minority and women-owned businesses. The economic benefits of sustainable procurement are evident, with a definite increase in valuable discussions, articles, and information concerning cleaner production over the last 25 years.

As the Regulated Green Community continues influencing businesses to provide more environmentally friendly products and services, the massive marketplace has a unique role in driving sustainable production and consumption practices worldwide.

Keywords: Innovative, Policy Approaches, Collaborations to Support, Sustainable Procurement

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1.0 INTRODUCTION

Sustainable procurement has emerged as a critical tool in addressing global challenges such as resource scarcity, pollution, climate change, and social inequities (Tiwari et al., 2019). Governments and businesses increasingly recognise that procurement decisions have profound implications for human health, social justice, and environmental integrity (Ahmad et al., 2024). Sustainable procurement practices, such as environmental management systems, waste minimisation programs, and life cycle assessments, have gained widespread acceptance, particularly in manufacturing and service industries (Mugoni et al., 2024). These practices improve productivity and product quality and significantly reduce environmental impacts like greenhouse gas emissions.

2.0 THE IMPORTANCE OF SUSTAINABLE PROCUREMENT

Sustainable procurement is crucial in both public and private sectors. While private sector managers focus on corporate social responsibility, public managers must also meet public policy objectives (Jacob Nsiah-Sarfo et al., 2023). The concept of sustainable procurement extends beyond environmental concerns to include social and economic dimensions, addressing issues like labor practices, public health, and affordable housing (Kyeremeh, 2022). Public procurement alone accounts for a significant portion of GDP in many economies, highlighting the importance of rigorous standards and assessments in driving sustainable development (Sönnichsen & Clement, 2020).

2.1 Environmental Benefits

The environmental benefits of sustainable procurement are substantial. For example, integrating life cycle considerations in procurement can significantly reduce greenhouse gas emissions (Ngubane, 2024). Various countries, including the United States, China, and Brazil, are beginning to incorporate life cycle environmental considerations into their procurement processes. The market for green procurement is also growing in regions like Central and Eastern Europe, with local governments increasingly considering the entire life cycle costs of goods and services they purchase (Rejeb et al., 2024).

2.2 Social Benefits

Sustainable procurement also offers social benefits, mainly through initiatives that provide employment opportunities for marginalised groups (Troje, 2023). In the United States, many local governments use procurement to support social objectives, such as providing job training for people with disabilities and increasing access to healthy food for low-income families (Screti et al., 2024). These efforts often involve partnerships with non-profit organisations and community-based groups, demonstrating the potential of procurement to address broader social issues.

2.3 Economic Benefits

Economically, sustainable procurement can drive innovation and cost savings. Over the past 25 years, there has been a noticeable increase in the focus on cleaner production and pollution prevention (Jacob Nsiah-Sarfo et al., 2023). While some business managers, particularly in small and medium-sized enterprises, may hesitate to adopt sustainable practices due to perceived costs, the long-term financial benefits often outweigh the initial expenses. Successful strategies typically involve significant management resources dedicated to the design phase of sustainable programs, underscoring the importance of thoughtful planning and execution.

2.4 Challenges in Sustainable Procurement

Despite its benefits, sustainable procurement faces several challenges. Lack of awareness and education among stakeholders, supply chain complexity, and cost considerations are significant barriers (Menon & Ravi, 2021). For example, many companies are unaware of the range of green purchasing resources available, and the complexity of supply chains can make it difficult to implement sustainable practices consistently. Additionally, while total cost of ownership (TCO) tools can help procurement officers understand the long-term costs associated with different product options, there is still a need for more information to inform sustainable purchasing decisions.

2.5 Innovative Policy Approaches

Innovative policy tools are being developed to overcome these challenges. These include public innovation procurement, pre-procurement dialogues, and Green Public Procurement (GPP) criteria (Braulio-Gonzalo & Bovea, 2020). For instance, mandatory sustainability criteria in public procurement can lead to significant environmental improvements by encouraging the development and adoption of environmentally friendly products and services. Collaborative initiatives, such as Public-Private Partnerships, also play a crucial role in advancing sustainable procurement practices (Marx, 2019).

2.6 Technological Solutions

Technological innovations, such as blockchain and artificial intelligence (AI), offer promising solutions for enhancing supply chain transparency and supplier evaluation. Blockchain technology, for example, can improve record-keeping and transaction transparency, making it easier to track and manage the many aspects of procurement operations (Dursun et al., 2022). AI can assist supplier evaluation by analysing large data sets to provide real-time insights into supplier performance, helping organisations make more informed procurement decisions.

4.0 CONCLUSION AND FUTURE DIRECTIONS

The landscape of sustainable procurement has evolved significantly over the past few decades. Organisations are now engaging in various practices, from supplier capacity building to economy-wide efforts to shift markets toward sustainability. The drivers for sustainable procurement are also changing, reflecting a growing understanding of businesses' role in addressing global challenges. Continuing innovation and collaboration will ensure that procurement practices contribute to a more sustainable and equitable world.

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