

# **TRANSFORMING PUBLIC PROCUREMENT LAW IN SUPPLY CHAIN TO DRIVE SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT IN KENYA**



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IMPACT IN KENYA**

**DR. MUTANGILI, Solomon Kyallo**

**2025**

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## **DEDICATION**

This thesis is dedicated to my loving wife Anne Ndunge and to my children Khristian Kyale, Patience Mwende and Glamorgan Kyule. In addition, I also dedicate to my parents; the late Mr James Muoki Mutangili and Lucia Kithia Mutangili for their inspiration.

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## ABBREVIATIONS

**AGPO:** Access to Government Procurement Opportunities

**CBS:** Copenhagen Business School

**EACC:** Ethics and Anti-Corruption Commission

**GDP:** Gross Domestic Product

**GPP:** Green Public Procurement

**IFMIS:** Integrated Financial Management Information System

**ISO:** International Organization for Standardization

**KEBS:** Kenya Bureau of Standards

**KISM:** Kenya Institute of Supplies Management

**OECD:** Organisation for Economic Co-operation and Development

**PFMA:** Public Finance Management Act

**PPADA:** Public Procurement and Asset Disposal Act

**PPRA:** Public Procurement Regulatory Authority

**PPP:** Public-Private Partnerships

**SDG:** Sustainable Development Goals

**SET:** Social Exchange Theory

**SME:** Small and Medium-sized Enterprise

**SPSS:** Statistical Package for Social Sciences

**TCE:** Transaction Cost Economics

**UNEP:** United Nations Environment Programme

**VIF:** Variance Inflation Factor

**WTO:** World Trade Organization

## PREFACE

This study examined how public procurement law in supply chain can be transformed to drive sustainable economic, social and environmental impact in Kenya. The research addressed four key objectives: determining public procurement laws under supply chain in Kenya, assessing sustainability criteria adopted in procurement legislation, examining procurement professionals' practices, and investigating the relationship between public procurement and sustainable economic growth. The study was grounded on five key theories: Competition Theory, Transaction Cost Economics, Social Exchange Theory, Institutional Theory, and Public Value Theory, which collectively provided a multidimensional lens for analyzing the transformation of public procurement law toward sustainable economic, social and environmental impact. The study employed a positivistic philosophy with a cross-sectional survey design, collecting data from 667 top management team members across 52 commercial state corporations in Kenya. The findings revealed that Kenya's public procurement legal framework, while comprehensive, requires significant modernization to fully support sustainable development objectives. The study found strong awareness of procurement laws among professionals (mean score 4.31) and effective support for SME inclusion (mean score 4.00), though enforcement challenges persist. Sustainability criteria were found to be well-integrated into procurement legislation, with economic sustainability criteria scoring 4.20, social responsibility 4.05, and environmental considerations 4.15, although implementation effectiveness scored lower at 3.90. The research demonstrated that procurement professionals are actively integrating sustainability criteria into their practices (mean score 4.10), though limitations in training and capacity building were identified (mean score 3.65). The regression analysis revealed a strong positive relationship between public procurement and sustainable economic growth, with procurement laws having the most significant impact (coefficient 0.5069, p-value 0.0273), followed by procurement professionals' practices (coefficient 0.4226) and sustainability criteria (coefficient 0.2956). The study recommends strengthening enforcement mechanisms, enhancing capacity building for procurement professionals, and developing more robust monitoring and evaluation systems for sustainable procurement practices. Policy recommendations include amending the Public Procurement and Asset Disposal Act to strengthen sustainability provisions and developing comprehensive guidelines for implementing sustainable procurement practices. The government should institutionalize the use of digital technologies across the entire procurement lifecycle to enhance transparency, efficiency, and accountability. Moreover, digitalization will enable procurement entities to make timely, data-driven decisions that align with national development goals, while enhancing accessibility for marginalized and remote suppliers. This research contributes to the theoretical understanding of sustainable public procurement by highlighting the need to expand existing theoretical frameworks to better account for sustainability considerations. The study suggests that future research should focus on longitudinal studies evaluating the long-term impact of sustainable procurement practices and investigating the role of technology in promoting sustainable procurement. These findings provide valuable insights for policymakers, procurement professionals, and researchers working to enhance the effectiveness of public procurement as a tool for sustainable development in Kenya.

Keywords: *Public Procurement, Sustainability, Economic Impact, Social Impact, Environmental, Supply Chain Management, Kenya*

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Introduction

Public procurement law is a powerful tool that can be used to drive sustainable economic, social and environmental impact in the supply chain. Transforming these areas could foster the use of environmentally friendly products and services, encourage responsible business practices, and support local and diverse suppliers (Khakata, 2017). Sustainable procurement is the process of integrating environmental, social and economic considerations into procurement decisions (Kituyi & Makokha, 2020). By implementing sustainable procurement policies and guidelines, governments and organizations can ensure that they are procuring products and services that have a lower environmental impact and promote social welfare. Additionally, incorporating social and environmental criteria into procurement decision-making can help to identify and support suppliers who are committed to sustainability. This could lead to the development of long-term relationships with suppliers that are focused on continuous improvement and innovation, leading to the promotion of sustainable practices throughout the supply chain (Ndemo & Achuora, 2020).

Encouraging collaboration and transparency in the supply chain is also key to driving sustainable economic, social and environmental impact (OECD, 2017). By working closely with suppliers, governments and organizations could gain a better understanding of the environmental and social impacts of their procurement activities and identify areas for improvement. Additionally, by promoting transparency throughout the supply chain, organizations can help to increase accountability and ensure that suppliers are meeting sustainability standards. Contract law could also be used to drive sustainable economic, social and environmental impact in the supply chain. By including specific language in contracts that requires suppliers to meet certain sustainability

standards, organizations could ensure that suppliers are held accountable for addressing any negative impacts on the environment or communities. Additionally, contract law could be used to establish terms for dispute resolution, allowing for swift and effective resolution of any issues that may arise in the supply chain (Thiankolu, 2019).

Transforming public procurement law in supply chain plays a key role in driving sustainable economic, social and environmental impact. By promoting sustainable procurement, encouraging collaboration and transparency, and holding suppliers accountable through contract law, governments and organizations ensures that their procurement activities are having a positive impact on the environment and communities (Njuguna, 2017). Sustainable development is the balancing of the fulfillment of human needs with the protection of the natural environment so that these needs can be met not only in the present, but also in the indefinite future. Sustainable development does not focus solely on environmental issues. More broadly, sustainable development policies encompass three general policy areas: economic, environmental and social (Vellapi, 2019).

Foundational to the role of government itself, procurement has been conceptualized as one of four major economic activities performed by government. Procurement supports government functions through a make/buy process (Murray, 2017). The overarching goal of procurement is to obtain the most appropriate and highest quality goods or services with least cost. Consequently, much of government procurement was historically conducted on a lowest economic cost basis and without a solid strategic plan (Shai, Molefinyana & Quinot, 2019). Government expenditure is having a significant share of her gross domestic product (GDP's) in each country around the world because countries in both developed and developing regions are using public procurement (PP) to pursue social goals such as reduce unemployment rate, raise labor standard, provide employment

opportunities for disabled persons and promote gender, racial and ethnic equality. It pursues these values as a part of their sustainability goals (Stoffel, Cravero, La Chimia & Quinot, 2019).

Sustainable Public Procurement actions have the potential to impact all of the goals and 82% of the targets, with the highest potential impact noted for SDG 11: Sustainable Cities and Communities. If public institutions procured more sustainably, this could prompt rapid and significant improvements across global supply chains that would benefit the environment (through a stronger emphasis on sustainable materials use, re-use, the elimination of harmful chemicals and recycling), society (through enhanced labour standards and practices, improved capacity building for suppliers and the integration of key gender mainstreaming considerations), and the economy (by driving increased efficiency, helping to develop local markets and suppliers and fostering innovation). Sustainable procurement is therefore seen as the missing multiplier for development, it does not need to cost more, and often leads to better results that prioritize long term benefits over short term gains (Bawole & Adjei-Bamfo, 2020; Stoffel, 2020).

Sustainable public procurement can have an important impact on ending poverty by ensuring that supply chains protect and reward their employees. It could increase the participation of under-represented, marginalized or vulnerable supplier groups in public contracts and help to create local employment opportunities. Sustainable public procurement also promotes the rights and the health and safety of workers throughout the supply chain, thereby building resilience amongst supply chain employees and improving their living conditions (Obicci, Mugurusi & Nagitta, 2021). The procurement phase of the infrastructure deployment cycle presents perhaps the most critical opportunity to deploy sustainable infrastructure (Ndolo, 2018). It is the point at which governments, the originators of the project, go to market and issue public tenders in an effort to seek out bidding consortiums that offer the best for value for money. Public spending, which

represents between 15 % and 30% of GDP in a given country, can help drive markets towards innovation and sustainability, thereby enabling green growth and the transition to a green economy (Gichuru, 2018).

When seeking to deploy sustainable infrastructure, value for money takes a key role. Together with transparency, competition and fairness, value for money makes up one of the four major principles governing public procurement (Ghossein, Hoekman & Shingal, 2018). As public procurers are custodians and bursars of public funds, they are bound to ensure that public spending is carefully targeted towards options that optimize value for money for citizens and taxpayers. The limitation with the traditional approach is that value for money is often interpreted as the cheapest bid (Bawole & Adjei-Bamfo, 2020). The downside with selecting the lowest priced bid is that it often compromises on quality, durability and sustainability and results in assets that ultimately can be more expensive to finance and cost more to build, manage, maintain and dispose off (Ambe, 2019). Such assets often also cause increased environmental and social impacts as developers seek all means to reduce costs. This compromises on compliance with safeguards, and even shortcut technical designs, quality construction practices, environmental, health and safety procedures (Cravero, 2019).

Public procurement law in European countries are governed by a range of legal frameworks and regulatory frameworks. The European Union (EU) has also introduced several directives and regulations that harmonize public procurement law across the member states. The EU directives on public procurement aim to ensure that public procurement activities in member states are transparent, competitive, and non-discriminatory. The directives require member states to establish legal frameworks for public procurement, including procedures for awarding contracts, and the review and appeals process for unsuccessful bidders. In addition, the EU directives require that

public procurement activities take into account environmental and social considerations. Public authorities are required to consider environmental and social factors when defining the technical specifications and award criteria for procurement activities.

The EU has also established the European Single Procurement Document (ESPD), which is a standard document that can be used by bidders to declare their eligibility and suitability for participating in public procurement activities across member states. The ESPD aims to simplify the procurement process and reduce the administrative burden for bidders. Contract law in European countries is also governed by a range of legal frameworks. Many countries have civil law systems that are based on the Napoleonic Code, while others have common law systems that are based on the English legal system (OECD, 2017).

The legal frameworks for contract law in European countries generally include provisions for the formation, interpretation, and enforcement of contracts. Contract law in Europe also includes provisions for remedies in case of breach of contract, including damages, specific performance, and injunctions. One notable feature of contract law in European countries is the principle of good faith, which requires parties to act honestly and fairly in their dealings with each other. The principle of good faith is enshrined in many civil law systems and is also recognized in common law systems. Public procurement law in European countries are governed by a range of legal frameworks and regulatory frameworks. The EU has introduced directives and regulations that harmonize public procurement law across member states. Contract law in European countries generally includes provisions for the formation, interpretation, and enforcement of contracts, and the principle of good faith is recognized in many civil law systems (Stoffel, Cravero, La Chimia & Quinot, 2019).

Public procurement law are critical components of the legal framework in African countries. The legal frameworks governing public procurement law vary across the continent, and each country has its own set of laws, regulations, and guidelines. In general, the objectives of public procurement law in African countries are to ensure that public procurement is transparent, fair, competitive, and cost-effective. They also seek to promote integrity and accountability in the procurement process, as well as to ensure that public funds are used efficiently and effectively. Contract law in African countries is generally based on common law principles. However, some countries have adopted civil law systems, while others have a hybrid legal system that combines elements of common and civil law (Cravero, 2019).

In recent years, many African countries have adopted legal frameworks for public procurement law that are aligned with international best practices. These legal frameworks aim to promote transparency, accountability, and efficiency in public procurement activities. One notable development in recent years has been the adoption of electronic procurement systems, which enable the automation of procurement processes, from solicitation to contract management. Electronic procurement systems have the potential to improve transparency, reduce corruption, and increase efficiency in public procurement. In addition to legal frameworks, African countries have established institutions responsible for overseeing and regulating public procurement activities. These institutions include procurement regulatory authorities, procurement review boards, and specialized procurement units within public procurement entities (Cravero, 2019).

Despite the progress made in recent years, challenges remain in the implementation of public procurement law in African countries. These challenges include inadequate capacity and resources, lack of enforcement, and limited public awareness of procurement regulations and guidelines. Public procurement law are essential components of the legal framework in African countries. The

legal frameworks aim to promote transparency, accountability, and efficiency in public procurement activities, while institutions have been established to oversee and regulate procurement processes. Despite challenges in implementation, the adoption of international best practices and the use of electronic procurement systems have the potential to improve the effectiveness of public procurement law in African countries (Ghossein, Hoekman & Shingal, 2018).

In Kenya, the main procurement law is the Public Procurement and Asset Disposal Act 2015. This law establishes the legal framework for public procurement in Kenya and provides for the regulation of public procurement activities. Other procurement laws in Kenya include: The Public Finance Management Act (PFMA) 2012 - This law provides the legal framework for the management of public finances in Kenya, including procurement processes. The Public Private Partnerships Act 2013 - This law provides for the establishment of a legal framework for public-private partnerships in Kenya, including procurement processes. The Access to Government Procurement Opportunities (AGPO) Act 2012 - This law provides for the reservation of a certain percentage of procurement opportunities for women, youth, and persons with disabilities. The Ethics and Anti-Corruption Commission Act 2011 - This law provides for the establishment of the Ethics and Anti-Corruption Commission (EACC), whose mandate is to investigate and prosecute corruption cases in the public sector, including procurement.

The application of these procurement laws in Kenya is geared towards ensuring transparency, fairness, and accountability in public procurement processes. Procurement entities are required to adhere to the regulations set out in the procurement laws to ensure that they obtain value for money in the procurement of goods, works, and services. These laws also provide guidelines for the

management of public finances, the regulation of public-private partnerships, and the prevention and prosecution of corruption in the procurement process.

Additionally, these laws have provisions for the training and capacity building of procurement professionals to ensure that they are knowledgeable and competent in the application of the procurement laws. They also provide for the establishment of oversight bodies such as the Public Procurement Regulatory Authority, whose mandate is to ensure compliance with the procurement laws and regulations.

Kenya is implementing Access to Government Opportunity (AGPO) Program, which seeks to facilitate enterprises owned by women, youth and persons with disability to access government opportunities through public procurement. By law, procuring entities are required to set aside 30 percent of their procurement opportunities to enterprises owned by these groups. The program is founded on Article 227 of the Kenya Constitution 2010 on the fair, equitable, transparent and cost-effective procurement of goods and services, Article 55 on affirmative action and section 7 (2) (i), 157 (14) of the Public Procurement and Asset Disposal Act, 2015 which mandates public procurement entities to prepare and submit to Parliament every six (6) months a report on contracts awarded to youth, women and persons living with disabilities (PPAD, 2016).

### **1.1.1 Public Procurement Law**

Public procurement law in Kenya are governed by the Public Procurement and Asset Disposal Act 2015. The law establishes the legal framework for public procurement in Kenya and provides for the regulation of public procurement activities. The purpose of the law is to ensure that public procurement is transparent, fair, competitive, and cost-effective. It seeks to promote integrity and accountability in the procurement process, as well as to ensure that public funds are used efficiently and effectively. Under the law, public procurement entities are required to establish procurement

units that are responsible for managing the procurement process. These units are required to comply with the procurement regulations and guidelines issued by the Public Procurement Regulatory Authority.

The procurement process in Kenya is conducted in several stages, including planning, procurement, evaluation, award, management. Each stage of the process is governed by specific regulations and guidelines, which are designed to ensure that the process is transparent, fair, and competitive. The law also provides for the establishment of procurement review boards, which are responsible for hearing complaints and disputes related to procurement activities. These boards are designed to provide an avenue for aggrieved parties to seek redress in case they feel that the procurement process was flawed or irregular. Contract law in Kenya is governed by the Contract Act 2019, which establishes the legal framework for the formation, interpretation, and enforcement of contracts. The law defines a contract as an agreement between two or more parties that creates legally binding obligations. Under the law, contracts must be in writing, signed by both parties, and must contain the essential terms of the agreement. The law also provides for the remedies available in case of breach of contract, which include damages, specific performance, and injunctions.

Public procurement law are two important areas that play a crucial role in shaping the economy and society. Public procurement refers to the process by which governments and public organizations purchase goods, services, and works from suppliers. Contract law, on the other hand, governs the legal relationship between parties in a contract. Together, these areas can be used to drive sustainable economic, social and environmental impact by promoting responsible business practices, supporting local and diverse suppliers, and ensuring accountability in the supply chain (Khakata, 2017).

One of the key ways in which public procurement law can drive sustainable economic, social and environmental impact is by promoting sustainable procurement. Sustainable procurement refers to the integration of environmental, social, and economic considerations into procurement decisions (Vellapi, 2019). Governments and public organizations can use sustainable procurement policies and guidelines to ensure that they are procuring products and services that have a lower environmental impact and promote social welfare. This can include criteria such as energy efficiency, lifecycle cost, and social and labor standards. By implementing sustainable procurement practices, governments and public organizations can help to drive the development and adoption of sustainable products and services, and support the growth of sustainable business practices (Thiankolu, 2019).

Another way in which public procurement law can drive sustainable economic, social and environmental impact is by supporting local and diverse suppliers. By prioritizing the use of local and diverse suppliers, governments and public organizations can help to promote economic development and social inclusion in their communities. Additionally, by working closely with local and diverse suppliers, governments and public organizations can gain a better understanding of the environmental and social impacts of their procurement activities and identify areas for improvement (Khakata, 2017).

Contract law can also play a critical role in driving sustainable economic, social and environmental impact in the supply chain. By including specific language in contracts that requires suppliers to meet certain sustainability standards, governments and public organizations can ensure that suppliers are held accountable for addressing any negative impacts on the environment or communities. Additionally, contract law can be used to establish terms for dispute resolution,

allowing for swift and effective resolution of any issues that may arise in the supply chain (OECD, 2017).

Public procurement law are powerful tools that can be used to drive sustainable economic, social and environmental impact in the supply chain (Thiankolu, 2019). By promoting sustainable procurement, supporting local and diverse suppliers, and holding suppliers accountable through contract law, governments and public organizations can ensure that their procurement activities are having a positive impact on the environment, communities and society as a whole.

### **1.1.2 Sustainable Economic, Social and Environmental Impact**

Sustainable economic, social and environmental impact refers to the positive effects that an action or policy has on the environment, economy, and society. This concept is becoming increasingly important as governments, organizations, and individuals seek to promote sustainable development and address the pressing challenges of climate change and social inequality (Vellapi, 2019). One of the key ways in which sustainable economic, social and environmental impact can be achieved is through sustainable procurement. Sustainable procurement refers to the integration of environmental, social, and economic considerations into procurement decisions. This can include criteria such as energy efficiency, lifecycle cost, and social and labor standards. By implementing sustainable procurement practices, governments and organizations can help to drive the development and adoption of sustainable products and services, and support the growth of sustainable business practices (Murray, 2017).

Public procurement in Kenya can have a significant impact on the economy and society as a whole. When procurement activities are carried out in a sustainable manner, they can contribute to economic growth, job creation, poverty reduction, and environmental sustainability. One way in which public procurement can have a positive impact is by promoting local economic

development. By prioritizing the procurement of goods and services from local suppliers, the government can support local businesses, create jobs, and stimulate economic growth. Public procurement can also contribute to social impact by promoting inclusion and diversity. Through measures such as affirmative action programs, the government can ensure that women, youth, and persons with disabilities have equal opportunities to participate in procurement activities.

In addition to economic and social impact, public procurement can also have an impact on environmental sustainability. Through the procurement of environmentally friendly products and services, the government can promote the adoption of sustainable practices and technologies, reduce pollution and waste, and mitigate climate change. To ensure that public procurement activities have a positive impact on the economy and society, it is essential to adopt sustainable procurement practices. This involves integrating economic, social, and environmental considerations into the procurement process and evaluating the long-term impacts of procurement decisions (Murray, 2017).

The Public Procurement and Asset Disposal Act 2015 in Kenya has provisions for sustainable procurement. The law requires public procurement entities to consider the economic, social, and environmental impacts of procurement activities and to promote sustainable development through procurement. Public procurement can have a significant impact on the economy, society, and the environment. By adopting sustainable procurement practices, the government can ensure that procurement activities contribute to sustainable economic and social development in Kenya.

Another way in which sustainable economic, social and environmental impact can be achieved is through supporting local and diverse suppliers (Stoffel, Cravero, La Chimia & Quinot, 2019). By prioritizing the use of local and diverse suppliers, governments and organizations can help to promote economic development and social inclusion in their communities. Additionally, by

working closely with local and diverse suppliers, governments and organizations can gain a better understanding of the environmental and social impacts of their procurement activities and identify areas for improvement (Shai, Molefinyana & Quinot, 2019).

In addition to procurement, sustainable economic, social and environmental impact can also be achieved through responsible business practices. This includes implementing environmentally friendly production processes, investing in renewable energy, and promoting social and labor standards (Bawole & Adjei-Bamfo, 2020); Stoffel, 2020). By taking these steps, organizations can reduce their negative impact on the environment, promote fair treatment of workers, and contribute to the overall sustainability of the economy. Sustainable economic, social and environmental impact can also be achieved through government policies and regulations. Governments can use their regulatory powers to promote sustainable development, for example by implementing carbon pricing or supporting the development of renewable energy sources. Additionally, governments can use their purchasing power to drive sustainable economic, social and environmental impact by implementing sustainable procurement policies and guidelines (Ghossein, Hoekman & Shingal, 2018).

Sustainable economic, social and environmental impact is a critical concept that can be achieved through sustainable procurement, supporting local and diverse suppliers, responsible business practices, and government policies and regulations. By taking a holistic approach to sustainability, governments, organizations, and individuals can work together to promote sustainable development and address the pressing challenges of climate change and social inequality (Ambe, 2019).

Procurement is a critical tool for driving sustainable economic, social and environmental impact in Kenya. Sustainable procurement is the process of integrating environmental, social and

economic considerations into procurement decisions. By implementing sustainable procurement policies and guidelines, the government of Kenya and public organizations can ensure that they are procuring goods, services and works that have a lower environmental impact and promote social welfare (Cravero, 2019).

In Kenya, the government has recognized the importance of sustainable procurement and has implemented several initiatives to promote it. For example, in 2018, the National Treasury launched the Sustainable Procurement Guidelines for the Public Sector. These guidelines provide a framework for sustainable procurement in the public sector and include criteria such as energy efficiency, lifecycle cost, and social and labor standards. Additionally, the Kenyan Government has also introduced a Green Public Procurement (GPP) program which aims to promote the use of environmentally friendly products and services in the public sector (AGPO, 2022).

Another way in which sustainable economic, social and environmental impact can be achieved in Kenya is through supporting local and diverse suppliers. By prioritizing the use of local and diverse suppliers, the government and public organizations can help to promote economic development and social inclusion in their communities. Additionally, by working closely with local and diverse suppliers, the government and public organizations can gain a better understanding of the environmental and social impacts of their procurement activities and identify areas for improvement. In addition to procurement, sustainable economic, social and environmental impact in Kenya can also be achieved through responsible business practices. This includes implementing environmentally friendly production processes, investing in renewable energy, and promoting social and labor standards. By taking these steps, organizations can reduce their negative impact on the environment, promote fair treatment of workers, and contribute to the overall sustainability of the economy (Khakata, 2017).

Another important initiative in Kenya is the use of Public-Private Partnership (PPP) in procurement. This approach allows the government to leverage private sector resources and expertise to deliver infrastructure and services to the public. By using PPPs, the government can achieve sustainable economic, social and environmental impact by ensuring that private sector partners are held accountable for meeting sustainability standards and addressing any negative impacts on the environment or communities (Ghossein, Hoekman & Shingal, 2018).

Sustainable procurement is a critical tool for driving sustainable economic, social and environmental impact in Kenya. By implementing sustainable procurement policies and guidelines, supporting local and diverse suppliers, responsible business practices, and using PPPs, the government and public organizations can ensure that their procurement activities are having a positive impact on the environment, communities and society as a whole (AGPO, 2022).

## **1.2 Statement of the Problem**

Public procurement plays a crucial role in shaping economic and social outcomes in Kenya. As a strategic economic tool, it can be leveraged to promote inclusive growth, social equity, and sustainable development. However, the existing procurement laws and frameworks often fall short of realizing this potential. Structural challenges such as inefficiencies, weak enforcement, and systemic corruption have hindered the effective implementation of public procurement policies. Despite legislative provisions for inclusive procurement—such as the 30% reservation for youth, women, and persons with disabilities—actual implementation is hampered by bureaucratic hurdles, lack of accountability, and political interference (Njuguna, 2017; Onyango & Ondiek, 2021). These inefficiencies restrict the access of marginalized groups and small and medium enterprises (SMEs) to public procurement opportunities, perpetuating social and economic disparities.

Globally, public spending accounts for 15–30% of national GDP, offering significant leverage for governments to drive sustainability goals through procurement (Onyango & Ondiek, 2021). Sustainable Public Procurement (SPP) enables the realization of multiple objectives, including reduced greenhouse gas emissions, resource efficiency, and the promotion of ethical labor practices. In Kenya, however, procurement frameworks still tend to prioritize short-term cost savings over broader developmental value. This undermines long-term goals such as industrialization, employment creation, and poverty alleviation. Moreover, the absence of clearly defined mechanisms for integrating sustainability principles—such as ethical sourcing, environmental compliance, and lifecycle costing—into procurement practices limits the ability of public supply chains to deliver sustainable outcomes (Opondi, 2021; Matasio, 2017). Without comprehensive reforms, Kenya risks missing the opportunity to utilize procurement as a catalyst for transformative social and economic change. A core concern in Kenya’s public procurement environment is the inadequate enforcement of policies intended to support local industries and social enterprises. While the Public Procurement and Asset Disposal Act (2015) includes affirmative action and sustainability provisions, their implementation remains inconsistent and largely symbolic in many cases. Procurement decisions are often driven by the lowest cost criterion, without sufficient consideration of long-term social or economic benefits. This approach not only sidelines SMEs and disadvantaged suppliers but also fails to incentivize innovation, quality, and local value addition (World Bank Group, 2020). As a result, the procurement system misses critical opportunities to stimulate local economic development, build industrial capacity, and promote inclusive growth.

In addition, Kenya’s procurement system lacks strong accountability mechanisms and a culture of compliance. Numerous court cases—such as Kenya Pipeline Company Limited vs. Petroleum

Equipment Supplies Ltd. (2015), Mercy Njoroge vs. Kenya National Examination Council (2017), and Civil Appeal No. 189 of 2019—have exposed flaws in tendering processes, ranging from procedural irregularities to outright violations of procurement law. These cases highlight systemic weaknesses in oversight, grievance resolution, and legal redress, which erode public trust and compromise transparency in public finance management. The persistence of such legal disputes underscores the need for institutional reforms that not only strengthen enforcement but also embed ethical and sustainability standards into every stage of the procurement lifecycle (Gichuru, 2018; Cravero, 2019).

Transforming public procurement law to better align with Kenya's economic and social development goals requires a holistic policy shift supported by institutional commitment and stakeholder collaboration. The current legal and regulatory frameworks must evolve to incorporate robust sustainability criteria, transparent performance metrics, and inclusive procurement strategies that prioritize local content, ethical sourcing, and environmental stewardship. Furthermore, public procurement professionals must be equipped with the capacity, tools, and incentives to operationalize these reforms effectively. Such a transformation is necessary for Kenya to fully harness the power of public procurement as a strategic instrument for sustainable economic growth, social equity, and national resilience (AGPO, 2022; Stoffel et al., 2019). This study therefore sought to assess the transformation of public procurement law within the supply chain as a means of driving sustainable economic, social and environmental impact in Kenya.

### **1.3 Research Objective**

The main objective of the study was to assess the public procurement law in supply chain to drive sustainable economic, social and environmental impact in Kenya.

The study objectives was;

- i. To determine the public procurement laws under supply chain in Kenya.
- ii. To assess the extent of sustainability criteria for economic, social and environmental adopted in the Kenya's procurement legislation.
- iii. To determine the practices of procurement professionals on sustainable development in Kenya.
- iv. To examine the relationship between public procurement and sustainable economic growth in Kenya

#### **1.4 Research Questions**

- i. What are the public procurement laws under supply chain in Kenya?
- ii. What is the extent of sustainability criteria particularly economic, social and environmental adopted in the Kenya's procurement legislation?
- iii. What are the practices of procurement professionals on sustainable development in Kenya?
- iv. What is the relationship between public procurement and sustainable economic growth in Kenya?

#### **1.5 Justification of the study**

Firstly, public procurement law provides the legal framework for the acquisition of goods, services, and works by governments and public organizations. Understanding this legal framework is essential for ensuring that procurement activities are conducted in a fair, transparent, and efficient manner. This is particularly important in the context of public procurement, as governments and public organizations are responsible for spending large amounts of public money. By studying public procurement law, individuals and organizations can gain a deeper understanding of the rules and regulations that govern procurement, and how to navigate them in order to achieve their objectives.

Secondly, the study of public procurement law is important for promoting sustainable economic, social and environmental impact. Public procurement can be used as a tool for promoting sustainable development by integrating environmental, social, and economic considerations into procurement decisions. By studying public procurement law, individuals and organizations can gain a deeper understanding of the legal framework that governs sustainable procurement, and how to use it to achieve sustainable economic, social and environmental impact.

Thirdly, public procurement law is important for promoting transparency, accountability, and integrity in the procurement process. Procurement law sets the rules and regulations for ensuring that procurement activities are conducted in a transparent and accountable manner, and that suppliers are held to high standards of integrity. By studying public procurement law, individuals and organizations can gain a deeper understanding of the legal framework that governs transparency, accountability, and integrity in procurement, and how to use it to promote good governance.

Finally, the study of public procurement law is important for promoting competition and innovation in the procurement process. Procurement law sets the rules and regulations for ensuring that procurement activities are conducted in a way that promotes competition among suppliers, and that encourages innovation in the products and services that are procured. By studying public procurement law, individuals and organizations can gain a deeper understanding of the legal framework that governs competition and innovation in procurement, and how to use it to promote economic growth and development.

The study of public procurement law is essential for ensuring that procurement activities are conducted in a fair, transparent, and efficient manner, promoting sustainable economic, social and environmental impact, promoting transparency, accountability, and integrity, and promoting

competition and innovation in the procurement process. It is a valuable tool for any individuals or organizations involved in public procurement.

## **1.6 Scope of the Study**

Positivistic philosophy approach was adopted for the study. Positivism research philosophy is preferred for this research study because it takes a stance that knowledge developed in this research is based on attentive observation and measurement of objective reality. This study adopted a cross-sectional survey research design with an aim of collecting large number of quantitative data at a point in time so as to establish patterns of value addition in the procurement sector. This study utilized primary data. Primary data was obtained using self-administered questionnaires. The questionnaire was made up of closed questions relating to the study's objectives. Quantitative data was analyzed using Statistical Package for Social Sciences (SPSS) software. Descriptive statistics such as percentages, frequencies, mean and standard deviation was used for the quantitative data and information presented in form of tables and graphs. Descriptive statistics was used because they enable the researcher to meaningfully describe distribution of scores or measurements using few indices. Inferential data analysis was done using regression analysis.

## CHAPTER TWO

### THEORETICAL REVIEW

#### 2.1 Introduction

This chapter provides a detailed theoretical review that underpins the study's investigation of public procurement within supply chain management, with a focus on how legal reforms can promote sustainable economic, social, and environmental outcomes. A robust theoretical foundation is essential for understanding how procurement laws shape behaviors, outcomes, and policy implementation. To achieve this, five theories are reviewed—Competition Theory, Transaction Cost Economics (TCE), Social Exchange Theory (SET), Institutional Theory, and Public Value Theory. These theories were selected not arbitrarily but because each captures a distinct, yet complementary, dimension of the legal, economic, and behavioral environment in which public procurement operates.

The justification for selecting these specific theories stems from their alignment with the core variables under study: procurement law (Institutional Theory), sustainability criteria (Public Value Theory), procurement professionals' practices (Social Exchange Theory), and procurement efficiency (Competition and Transaction Cost Economics Theories). Competition Theory is critical in analyzing how open and fair bidding processes promote value for money, transparency, and equitable access to opportunities—key principles entrenched in Kenya's Public Procurement and Asset Disposal Act (PPADA, 2015). Transaction Cost Economics Theory explains governance decisions within procurement processes by considering cost-efficiency and risk, especially when managing long-term supplier relationships or sustainability requirements.

Social Exchange Theory supports an understanding of procurement professionals' practices by emphasizing relational trust, reciprocity, and ethical engagement—all essential in encouraging suppliers to adopt sustainability measures. Institutional Theory directly relates to procurement laws and regulatory enforcement, revealing how coercive, normative, and mimetic pressures influence compliance and innovation within the public sector. Public Value Theory, finally, provides a normative lens to evaluate whether procurement outcomes align with the broader developmental goals enshrined in Vision 2030 and the Sustainable Development Goals (SDGs), particularly in promoting social equity and environmental protection.

Together, these five theories provide a multidimensional lens that captures the transactional, relational, institutional, and outcome-driven aspects of public procurement law. Their integration allows for a comprehensive analysis that is not only legally grounded but also practically and policy-relevant. This theoretical diversity reflects the complexity of public procurement reforms and justifies the need for an interdisciplinary framework to meaningfully assess the study's central objective: transforming procurement law to drive sustainable economic, social, and environmental impact in Kenya.

## **2.2 Competition Theory**

Competition Theory in procurement law is a fundamental principle that seeks to promote and maintain a competitive environment in the procurement process. It is based on the belief that healthy competition among suppliers leads to better outcomes in terms of price, quality, and innovation. The primary objective of the Competition Theory is to prevent monopolistic practices, favoritism, and collusion, ensuring that government procurement is conducted fairly and efficiently. At the core of Competition Theory is the idea that when multiple suppliers compete for government contracts, it drives them to offer their best possible terms, resulting in better value for

money for the procuring entity and ultimately for taxpayers. By encouraging a competitive bidding process, procurement laws aim to obtain the most cost-effective solutions while maintaining the desired level of quality and meeting the specific requirements of the procurement project (Välijä, 2020).

One of the key proponents of Competition Theory in procurement law is Adam Smith, often regarded as the father of modern economics. In his seminal work "The Wealth of Nations," published in 1776, Smith emphasized the importance of free markets and competition as drivers of economic growth and efficiency. He argued that when individuals or businesses are free to compete, pursuing their self-interest within a framework of common rules and regulations, it leads to the overall betterment of society (Boykin, 2023).

In the context of public procurement, the principles advocated by Adam Smith align with the Competition Theory. The idea is that by allowing multiple suppliers to compete openly and fairly for government contracts, the market forces will drive prices down while encouraging suppliers to innovate and improve their offerings. Consequently, this benefits the government entity by ensuring that taxpayers get the best value for the money spent. Competition Theory is enshrined in many public procurement laws and regulations worldwide. These laws often set out specific procedures for the competitive tendering process, defining the requirements for eligibility, evaluation criteria, and contract award. They may also include provisions to detect and prevent bid-rigging, collusion, or any anti-competitive behavior among suppliers. Promoting competition in procurement also has broader benefits beyond just economic efficiency. It helps foster a more inclusive and diverse supplier base, as it allows smaller businesses and new entrants to participate on an equal footing with larger, established companies. This can lead to increased opportunities for local businesses and contribute to economic development in the region. However, it is essential

to strike a balance in the procurement process to ensure that competition does not lead to a race to the bottom where quality is compromised in favor of the lowest price. That is why procurement laws often include safeguards to maintain the integrity of the competitive process while still focusing on achieving value for money and meeting the project's objectives (Jääskeläinen & Tukiainen, 2019).

Competition theory is a fundamental principle in procurement law, and its application has several strengths that contribute to achieving better outcomes in the procurement process. One of the primary strengths of competition theory is that it fosters a competitive environment among suppliers. By promoting healthy competition, procurement entities can attract a diverse pool of potential vendors, leading to increased innovation and improved solutions. Suppliers are incentivized to differentiate themselves by offering better products, services, or prices, which ultimately benefits the procuring entity and end-users. The presence of competition also reduces the risk of supplier complacency and encourages continuous improvement (Broms, Dahlström & Fazekas, 2019).

Another key strength of competition theory is its potential to drive cost savings and efficiency. In a competitive bidding process, suppliers are motivated to offer their most competitive prices to win contracts. This can lead to cost savings for the procuring entity and taxpayers. Additionally, competition encourages suppliers to optimize their operations, streamline processes, and find innovative ways to deliver value, all of which contribute to greater efficiency in the supply chain. Competition theory also enhances transparency and fairness in the procurement process. When multiple suppliers participate in a competitive bid, the decision-making process becomes more visible and open. This transparency helps prevent favoritism, corruption, or undue influence, as the procuring entity must justify its decisions based on objective evaluation criteria. Moreover, all

participating suppliers have an equal opportunity to present their offers, ensuring that the procurement process is conducted fairly and without discrimination (Brunjes, 2020).

Furthermore, competition theory supports the development of a competitive marketplace. As suppliers vie for government contracts, they may also improve their offerings to compete in other sectors. This can lead to a spillover effect, where the benefits of a competitive procurement process extend beyond the government sector and positively impact private markets as well. A robust and competitive supplier base can lead to increased investment, job creation, and economic growth. Additionally, competition theory can help mitigate the risk of supplier dependency. By promoting competition, procurement entities avoid becoming overly reliant on a single supplier or a small group of suppliers. Diversifying the supplier base reduces the vulnerability to potential disruptions in the supply chain and minimizes the risk of monopolistic practices that could harm the procurement process. Lastly, competition theory aligns with the principle of accountability. When decisions are made based on a competitive process, the procuring entity can be more confident in justifying its choices to stakeholders and the public. Suppliers, too, are held accountable for the promises made in their bids, fostering a sense of responsibility and commitment to delivering on contractual obligations.

Competition Theory is relevant in procurement law as it underscores the significance of fostering an open, fair, and competitive environment for government procurement. The ideas put forth by proponents like Adam Smith have laid the foundation for modern procurement practices that prioritize efficiency, transparency, and value for money. By encouraging healthy competition among suppliers, procurement laws aim to achieve optimal outcomes in terms of cost-effectiveness, quality, and innovation, benefiting both the government and the citizens it serves.

### **2.3 Transaction Cost Economics Theory**

Transaction Cost Economics (TCE) is a fundamental theory in the field of economics that seeks to explain and analyze the governance structures of economic transactions. Developed by Nobel laureate Oliver Williamson in the 1970s, TCE provides a powerful framework for understanding why certain economic activities are organized through market exchanges while others are carried out within hierarchical organizations or through long-term contracts. At its core, TCE recognizes that economic transactions involve not only the exchange of goods and services but also the associated costs of conducting these transactions. These costs, known as transaction costs, encompass various elements such as information search, negotiation, contract enforcement, and monitoring. According to TCE, the primary objective of economic actors is to minimize these transaction costs when choosing between different governance structures for their transactions (Ketokivi & Mahoney, 2020).

TCE argues that markets and hierarchies are the two primary forms of governance structures in economic systems. In markets, transactions are coordinated through price mechanisms, and each party operates relatively independently. On the other hand, hierarchies involve centralized decision-making and authority, with one party exerting control over others. The decision to use markets or hierarchies is determined by the specific attributes of the transaction, including its complexity, frequency, uncertainty, and asset specificity. TCE identifies three types of asset specificity: site specificity, physical asset specificity, and human asset specificity. Asset specificity refers to investments made by parties that have value only within the context of the specific transaction and may not have much value outside of it. For instance, customized machinery designed for a particular production process represents asset specificity (Schneiberg & Hollingsworth, 2019).

When transaction-specific investments are significant and parties face uncertainties, TCE suggests that hierarchies are preferred over market exchanges. Within a hierarchical structure, parties are more likely to coordinate and cooperate efficiently, reducing the risks associated with opportunistic behavior and potential hold-ups. In contrast, when transaction-specific investments are low and uncertainties are minimal, market exchanges become more efficient. In a market setting, prices guide transactions, and parties are less exposed to the risk of opportunistic behavior, as they can readily switch suppliers or buyers based on market conditions (Rindfleisch, 2020).

Transaction Cost Economics (TCE) offers valuable strengths when applied to the context of sustainable public procurement law. Sustainable public procurement aims to promote environmentally, socially, and economically responsible practices in the procurement process. By utilizing TCE, policymakers and practitioners can effectively address some of the challenges and complexities associated with sustainable procurement while maximizing its benefits. One of the key strengths of TCE is its focus on minimizing transaction costs in economic activities. In the realm of sustainable public procurement, this becomes particularly relevant. Sustainable procurement often involves complex and long-term contracts with suppliers who need to comply with environmental and social standards. TCE helps identify the most efficient procurement methods and contract structures to reduce search costs, bargaining costs, and contract monitoring costs. By streamlining these processes, TCE contributes to making sustainable procurement more economically feasible and attractive for public entities (Cuypers, Hennart, Silverman, & Ertug, 2021).

Furthermore, sustainable public procurement often deals with information asymmetries between buyers and suppliers. Suppliers may possess valuable knowledge about sustainable products and practices, and buyers may lack the expertise to assess and verify these aspects. TCE's insights into

contract design and information management can help address these information challenges. By incorporating mechanisms for information sharing and risk-sharing between parties, TCE fosters better communication and trust, leading to improved supplier selection and enhanced overall sustainability performance. Another strength of TCE in relation to sustainable public procurement law is its ability to provide guidance on the choice of procurement methods. Sustainable procurement initiatives may require alternative procurement approaches, such as negotiations or collaborative arrangements, rather than solely relying on competitive bidding. TCE can assist in evaluating the suitability of different procurement methods based on the specific context and objectives of sustainable procurement. It recognizes that certain situations may necessitate closer collaboration between buyers and suppliers to foster innovation and sustainability (Schmidt & Wagner, 2019).

Additionally, TCE can help policymakers and organizations identify and manage risks associated with sustainable procurement. Sustainable products and services may carry inherent uncertainties and risks related to their performance, durability, or environmental impact. TCE's risk analysis framework aids in understanding and mitigating these uncertainties by structuring contracts and incentives that align suppliers' interests with sustainable outcomes. This encourages suppliers to invest in sustainability measures and enhances the overall robustness and resilience of the supply chain. Moreover, TCE acknowledges the role of opportunism in economic exchanges. In the context of sustainable public procurement, opportunistic behavior can undermine the achievement of sustainability objectives. TCE's focus on the design of contracts and governance structures helps in curbing opportunistic tendencies and promotes a long-term orientation among suppliers. This is particularly crucial for sustainable procurement, as the achievement of sustainability goals often requires ongoing collaboration and investment from suppliers (Schmidt & Wagner, 2019).

TCE's application in the context of public procurement law in supply chain management is particularly relevant. Governments often engage in complex transactions to acquire goods and services needed for public services and projects. The choice between different procurement methods, such as competitive bidding, negotiations, or public-private partnerships, can be explained by TCE. The theory highlights how the specific attributes of the procurement transaction, such as the degree of uncertainty and asset specificity; influence the decision to use market mechanisms or hierarchical arrangements. Transaction Cost Economics provides a valuable lens through which to analyze the organization and governance of economic transactions. By considering the impact of transaction costs and the characteristics of specific transactions, TCE helps explain why certain transactions are conducted through markets or hierarchies and offers valuable insights into the design and optimization of procurement processes in public supply chains.

## **2.4 Social Exchange Theory**

Social Exchange Theory (SET) is a well-established sociological concept that offers valuable insights into the dynamics of relationships between individuals and organizations. It posits that social interactions are based on the exchange of resources, benefits, and obligations, where individuals engage in a reciprocal process to maximize their outcomes. When applied to the context of sustainable public procurement law, SET helps to shed light on the complex interactions between public entities, suppliers, and society at large, influencing the integration of sustainability principles in procurement practices. In sustainable public procurement, social exchange becomes particularly relevant because it involves multiple stakeholders with varying interests and expectations. On one hand, the public sector seeks to procure goods and services that meet its functional requirements while also promoting environmental and social objectives, such as

reducing carbon emissions, promoting fair labor practices, and supporting local economies. On the other hand, suppliers aim to secure contracts that offer reasonable profits and long-term relationships with the public sector clients (Yakovlev, Tkachenko & Rodionova, 2020).

The core idea of SET is that sustainable public procurement law should foster an equitable exchange of resources and benefits between the parties involved. Public entities, as the procurers, must provide clear and transparent guidelines outlining sustainability criteria and expectations. By communicating their commitment to sustainability, they incentivize suppliers to offer products and services that align with these principles. In turn, suppliers must be willing to invest in sustainable practices, which may involve increased production costs or adopting environmentally friendly technologies. The expectation is that their efforts were rewarded with preferential treatment in procurement decisions, leading to long-term partnerships and a competitive advantage in the marketplace (Hossain, 2020).

Furthermore, social exchange in the context of sustainable public procurement extends beyond the immediate interactions between public entities and suppliers. It encompasses the broader societal impacts of procurement decisions. The benefits derived from sustainable procurement practices should not be limited to the involved parties but should also extend to the communities in which the suppliers operate and the citizens who benefit from the goods and services procured. For instance, when public procurement law encourages the sourcing of goods and services from local suppliers or those adhering to fair labor practices, it can contribute to community development, job creation, and a more equitable distribution of resources (Cropanzano & Mitchell, 2019).

However, implementing social exchange in sustainable public procurement is not without challenges. The complexity of integrating sustainability criteria, varying stakeholder interests, and potential conflicts between economic, environmental, and social goals can make the process

difficult. Moreover, ensuring compliance and monitoring sustainable practices across supply chains can be resource-intensive for both public entities and suppliers. To overcome these challenges, sustainable public procurement law should emphasize collaboration, transparency, and shared responsibility. It should encourage ongoing dialogue between public entities and suppliers to identify mutual goals and address potential conflicts. Additionally, establishing performance-based contracts and clear metrics for evaluating sustainability outcomes can help measure the success of procurement decisions in achieving desired social and environmental impacts (Hall, 2019).

Social Exchange Theory (SET) offers valuable strengths when applied to sustainable public procurement law, enhancing the understanding and effectiveness of procurement processes that promote environmental and social well-being. SET places a significant emphasis on considering the interests and concerns of various stakeholders involved in procurement processes. In sustainable public procurement, stakeholders include government agencies, suppliers, citizens, and environmental organizations. By adopting SET principles, policymakers gain valuable insights into how these stakeholders interact, exchange resources, and influence each other's behaviors and decisions. This understanding allows for the development of procurement policies that align with the sustainability goals of all involved parties, fostering cooperation and support from stakeholders (Devaraj, Vaidyanathan & Mishra, 2021).

SET highlights the importance of incentives in shaping behavior. In the context of sustainable public procurement, this means designing procurement frameworks that incentivize suppliers to adopt more sustainable practices. For example, governments can incorporate environmental criteria, such as eco-labels and certifications, in the bidding process. By rewarding suppliers who demonstrate commitment to sustainability, SET helps foster a competitive environment where

suppliers are encouraged to adopt and showcase environmentally and socially responsible practices. SET emphasizes the establishment of long-term relationships between parties engaged in exchange. Applying this theory to sustainable public procurement encourages governments and suppliers to cultivate lasting partnerships based on mutual benefits and shared sustainability objectives. Rather than engaging in one-off transactions, sustainable procurement practices seek to build enduring relationships with suppliers committed to environmental responsibility and social welfare. These long-term relationships enable ongoing collaboration, knowledge-sharing, and continuous improvement toward sustainable goals (Hossain, 2020).

In SET, trust and commitment are key components of successful exchange relationships. In the context of sustainable public procurement, trust is essential between governments and suppliers to ensure that sustainability claims are genuine and verifiable. By integrating principles of SET, governments can establish transparent communication channels and robust monitoring mechanisms to build trust and verify suppliers' sustainable practices. This, in turn, fosters a commitment to sustainability principles and strengthens the overall effectiveness of sustainable public procurement initiatives (Cropanzano & Mitchell, 2019).

Sustainable public procurement law deals with multifaceted challenges, including environmental protection, social equity, and economic viability. Social Exchange Theory's focus on reciprocity and resource exchange can help policymakers navigate these complexities. By understanding the interplay of interests, motivations, and concerns among stakeholders, governments can design procurement strategies that address the intricacies of sustainability challenges in supply chains more effectively. SET provides a framework for understanding the motivations and behaviors of suppliers and other stakeholders, which can improve policy implementation. Sustainable public procurement policies designed with insights from SET are more likely to be embraced by suppliers

when their interests are considered and aligned with sustainability goals. Consequently, these policies have a higher chance of achieving the desired environmental and social outcomes (Hall, 2019).

Social Exchange Theory provides a valuable framework for understanding the dynamics of sustainable public procurement law. By promoting equitable exchanges between public entities, suppliers, and society, it encourages the integration of sustainability principles into procurement practices. However, successful implementation requires careful consideration of stakeholder interests, transparent communication, and ongoing collaboration to maximize the positive impacts on the environment, society, and the economy. Through such efforts, sustainable public procurement can play a crucial role in advancing broader sustainability goals and creating a more socially responsible and environmentally conscious society.

## **2.5 Institutional Theory**

Institutional Theory was first systematically developed by sociologists such as John W. Meyer and Brian Rowan (1977), and later refined by scholars like DiMaggio and Powell (1983), who introduced the concept of isomorphism—explaining why organizations within a similar field tend to adopt similar structures and practices over time. According to Institutional Theory, organizations do not operate in isolation; rather, they are embedded within a broader institutional environment that includes legal, cultural, political, and normative frameworks. These institutional pressures can compel organizations to conform to established rules and practices to gain legitimacy, resources, and social acceptance (Scott, 2014). In the context of public procurement, this theory suggests that procurement entities adopt policies and procedures not only for efficiency but also to demonstrate compliance with legal requirements, ethical standards, and stakeholder expectations.

Institutional Theory posits three mechanisms through which institutions influence organizations: coercive, normative, and mimetic pressures (DiMaggio & Powell, 1983). Coercive pressures stem from formal regulations and legal mandates—such as procurement laws and anti-corruption statutes—which compel public institutions to comply or face sanctions. Normative pressures are driven by professional standards and expectations, such as those from procurement regulatory bodies or professional associations like the Kenya Institute of Supplies Management (KISM). Mimetic pressures arise in situations of uncertainty, where public procurement entities may imitate the practices of other successful or benchmark institutions, including international best practices in sustainable procurement. These pressures shape procurement behavior beyond rational or economic logic, often resulting in institutional isomorphism—where organizations adopt similar sustainable procurement practices simply to conform rather than to innovate or improve efficiency (Scott, 2014; Meyer & Rowan, 1977). This perspective is vital in analyzing how public procurement reforms are implemented in Kenya and why some progressive policies, such as the Access to Government Procurement Opportunities (AGPO), may suffer from poor uptake despite being legally mandated.

A major strength of Institutional Theory lies in its ability to explain both compliance and resistance to change in public sector organizations. It highlights how deeply embedded cultural norms, historical practices, and regulatory environments shape procurement decisions, often in ways that go beyond rational economic calculations. This makes the theory especially relevant for analyzing public procurement systems in Kenya, where procurement reform often encounters resistance due to entrenched bureaucratic practices, corruption, and limited institutional capacity. Moreover, the theory underscores the importance of legitimacy—procurement officials may adopt certain sustainability criteria or inclusive sourcing policies not merely to improve performance, but to gain

legitimacy from external stakeholders such as regulatory bodies, donors, or the public (Tolbert & Zucker, 1996). Institutional Theory also provides a useful lens to understand why policy changes alone are insufficient without corresponding shifts in institutional culture and enforcement mechanisms.

However, Institutional Theory has faced criticism for overemphasizing structural conformity and underestimating the role of agency, innovation, and resistance within organizations. Critics argue that the theory often portrays organizations as passive entities responding to institutional pressures, rather than as dynamic actors capable of challenging and reshaping institutional norms (Greenwood et al., 2008). Additionally, its explanatory power may be limited in contexts where institutions are weak, fluid, or contested—such as in parts of the developing world where legal enforcement and professional norms are inconsistently applied. Nonetheless, Institutional Theory remains highly relevant for this study, as it provides critical insights into why Kenya's public procurement system often struggles with policy implementation, enforcement, and accountability. It explains how procurement laws—despite being robust on paper—may not translate into transformative practice unless supported by institutional reforms, capacity building, and normative shifts. Therefore, understanding the institutional environment is essential to assessing how procurement laws can be transformed to deliver sustainable economic, social and environmental impact in Kenya.

## **2.6 Public Value Theory**

Public Value Theory was first conceptualized by Mark Moore (1995), a scholar at the Harvard Kennedy School, as a framework for guiding public sector managers in creating value for citizens in the same way that private sector firms aim to create shareholder value. According to Moore, the

role of public managers is not merely to implement policies efficiently but to act as strategic agents who use public resources to generate outcomes that citizens value. Public value is defined broadly—it includes tangible outcomes like economic development, employment, and infrastructure, as well as intangible elements like trust in government, equity, transparency, and social justice. The theory moves beyond the traditional emphasis on efficiency and compliance in public administration to a more holistic focus on outcomes that reflect citizens' needs, aspirations, and wellbeing (Benington & Moore, 2011). In this way, public value becomes a unifying framework that links government performance to democratic accountability and social progress.

At its core, Public Value Theory posits that public sector activities—including procurement—should aim not only to deliver services at low cost but also to create broader societal benefits. This makes the theory highly applicable to the context of sustainable public procurement. For example, procurement decisions that prioritize local suppliers, women- or youth-owned businesses, or environmentally friendly products might not be the cheapest in the short term but can generate significant long-term public value by promoting social inclusion, green innovation, and economic resilience. In the Kenyan context, where procurement accounts for nearly 30% of GDP (World Bank Group, 2020), aligning procurement laws with public value goals offers a strategic opportunity to address poverty, unemployment, and environmental degradation simultaneously. This perspective supports the argument that procurement is not a purely administrative function but a lever for achieving national development priorities such as Vision 2030 and the Sustainable Development Goals (SDGs).

One of the key strengths of Public Value Theory is its emphasis on responsiveness to citizens and stakeholders. Unlike purely economic models that focus on input-output efficiency, Public Value Theory encourages policymakers to consider the wider impacts of government action, including

equity, legitimacy, and ethical governance (Bryson, Crosby & Bloomberg, 2014). In procurement, this means moving away from a narrow focus on the “lowest bidder” to a more strategic approach that weighs the social, economic, and environmental implications of each procurement decision. This approach is also aligned with Article 227 of Kenya’s Constitution, which mandates procurement systems to be fair, equitable, transparent, competitive, and cost-effective. By incorporating public value principles, procurement laws can be reoriented to serve as tools for nation-building and democratic accountability rather than just mechanisms for acquiring goods and services.

Nevertheless, Public Value Theory has been critiqued for its lack of clear metrics and the potential ambiguity in determining what constitutes “value” in diverse public contexts. Because different stakeholders may have conflicting views on what outcomes are valuable, public managers may struggle to balance competing priorities or justify decisions (Alford & O’Flynn, 2009). Moreover, in environments with weak public institutions or low civic participation, articulating and measuring public value can be especially challenging. Despite these limitations, the theory remains highly relevant to this study. It provides a normative lens through which procurement reforms can be evaluated—not just in terms of compliance or efficiency, but in terms of their contributions to equity, sustainability, and national development. Applying Public Value Theory in the Kenyan context strengthens the case for transforming procurement law into a more strategic, participatory, and outcome-driven framework that responds to the needs of both present and future generations.

## **2.7 Summary of Theories**

In the context of sustainable public procurement law, Competition Theory highlights the importance of fostering a competitive environment among suppliers to encourage innovation,

reduce costs, and improve quality. By allowing multiple suppliers to bid for contracts based on sustainability criteria—not just price—governments can stimulate environmentally and socially responsible practices across supply chains. Competitive tendering also helps to ensure fairness, transparency, and inclusivity, which are key to building public trust and accountability.

Transaction Cost Economics (TCE) examines the costs involved in economic transactions—such as search, negotiation, and enforcement—and their implications for procurement design. In sustainable procurement, where environmental and social standards are often complex, TCE suggests that long-term relationships with reliable suppliers may reduce transaction costs and improve compliance. By minimizing uncertainty and opportunism, governments can establish more stable, value-driven procurement arrangements that align with sustainability goals.

Social Exchange Theory (SET) focuses on the relational aspects of procurement and underscores the importance of trust, reciprocity, and long-term cooperation between public agencies and suppliers. In the context of sustainable procurement, SET supports collaborative approaches where stakeholders share responsibilities and benefits. Procurement policies grounded in this theory foster stronger supplier relationships, stakeholder engagement, and mutual commitment to sustainability outcomes.

Institutional Theory adds an essential dimension by explaining how organizational behaviors in procurement are shaped by formal rules, normative expectations, and institutional pressures. In Kenya's context, legal reforms alone are insufficient without addressing the underlying institutional culture and enforcement dynamics. This theory underscores the need for regulatory alignment, professional standards, and legitimacy-building to ensure that sustainability and inclusion policies are not only adopted but also meaningfully implemented across public procurement systems.

Finally, Public Value Theory frames procurement as a strategic instrument for delivering broad societal outcomes beyond mere efficiency or compliance. It argues that procurement should generate value for citizens through social inclusion, environmental protection, and economic development. By aligning procurement laws with national priorities—such as job creation, poverty reduction, and green growth—governments can enhance the transformative potential of public procurement and contribute directly to sustainable development.

Together, these five theories provide a comprehensive framework for understanding how public procurement laws and practices can be transformed to drive sustainable economic, social and environmental impact. They collectively inform the legal, institutional, relational, and strategic dimensions of procurement reform necessary to meet contemporary development challenges.

## CHAPTER THREE

### EMPIRICAL LITERATURE

#### 3.1 Introduction

This chapter delves into public procurement laws, focusing specifically on their role within the supply chain. It examines how procurement laws are designed to consider economic, social, and environmental factors, aiming for a well-rounded approach to public spending. The chapter also explores the practices of procurement professionals, particularly their contribution to sustainable development goals. Lastly, it investigates the direct relationship between effective public procurement and sustainable economic growth in the country, illustrating how policy and practice come together to impact the nation's future.

#### 3.2 Public Procurement Laws under Supply Chain

##### 3.2.1 Public Procurement Laws under Supply Chain in the UK

The United Kingdom's public procurement laws are governed by a combination of national legislation and, until Brexit, European Union (EU) directives that shaped its regulatory framework. The Public Contracts Regulations 2015 (PCR 2015) served as the primary legal instrument, transposing EU Directives into domestic law, ensuring fair competition, transparency, and equal treatment in the procurement process. The UK's withdrawal from the EU has since led to the development of an independent regulatory framework through the Procurement Bill 2022, which aims to streamline procurement laws, increase flexibility, and promote social value considerations. While much of the regulatory framework remains aligned with international best practices, Brexit has allowed the UK to tailor its procurement laws to national priorities, particularly in promoting local suppliers and reducing bureaucratic inefficiencies. The new procurement system under the

Procurement Bill emphasizes value for money, efficiency, and economic security while moving away from some of the rigid structures previously imposed by EU law.

A key feature of UK procurement law is the emphasis on transparency and competition, which is reflected in various mechanisms such as open tendering procedures, dynamic purchasing systems, and negotiated procedures. The Crown Commercial Service (CCS) plays a crucial role in overseeing public procurement, ensuring compliance with legal frameworks while providing strategic oversight. The Government Commercial Function (GCF) also supports procurement professionals by setting standards and best practices. Additionally, social value provisions have become a defining aspect of procurement in the UK, particularly under the Public Services (Social Value) Act 2012, which requires public sector bodies to consider economic, social, and environmental well-being when awarding contracts. The Act ensures that procurement decisions go beyond cost considerations and align with broader policy objectives, such as employment creation, sustainability, and innovation.

Case law in the UK has played a critical role in shaping procurement regulations, particularly concerning transparency, fairness, and contract award processes. One landmark case is *R (Chandler) v Secretary of State for Children, Schools and Families* [2010] EWHC 11 (Admin), where the court ruled that procurement procedures must ensure fair competition and that government departments should not impose discriminatory conditions that disadvantage certain bidders. The ruling reinforced the principle that all bidders must be treated equally and that decision-making in procurement must be transparent and justifiable. Similarly, in *MLS (Overseas) Ltd v Secretary of State for Defence* [2017] EWHC 3389 (TCC), the court examined the legality of contract awards and stressed the importance of proportionality in public procurement decisions.

The case illustrated the necessity for contracting authorities to provide clear reasons for their choices, particularly where a bidder is excluded from a tender process.

Another significant ruling came in *R (Faraday Development Ltd) v West Berkshire Council [2018] EWCA Civ 2532*, which addressed direct awards and modifications to procurement contracts. The Court of Appeal held that a direct award of a development agreement without a proper competitive process violated procurement regulations. This case underscored the necessity for contracting authorities to follow open and fair procedures, ensuring that no supplier gains an unfair advantage through undisclosed negotiations. Moreover, in *Healthcare at Home Ltd v The Common Services Agency [2014] UKSC 49*, the UK Supreme Court clarified how transparency should be interpreted in procurement law, particularly in relation to framework agreements. The ruling set a precedent by stating that award criteria must be disclosed clearly at the outset to avoid arbitrary decision-making by contracting authorities.

Post-Brexit, the Procurement Bill 2022 introduced a simplified, UK-focused regulatory framework that consolidates multiple procurement laws into a single system. This reform aims to enhance efficiency, reduce delays, and increase opportunities for small and medium-sized enterprises (SMEs) to participate in government contracts. The Bill introduces new flexible procedures to allow public bodies to design procurement processes that best suit their specific needs, rather than adhering to rigid EU-mandated frameworks. Additionally, the new framework strengthens provisions for debarment by allowing the government to exclude suppliers with poor performance records or unethical business practices from public contracts. This aligns with global trends in procurement law that emphasize integrity, accountability, and sustainability.

While the UK's procurement laws have undergone significant transformation, challenges remain, particularly in balancing competition with national economic interests. The shift towards

prioritizing domestic suppliers raises questions about the potential for protectionism and the impact on international trade agreements. Furthermore, the role of judicial review in procurement disputes continues to evolve, with courts playing a decisive role in ensuring compliance with legal principles. As case law develops, UK procurement law is expected to become more flexible yet robust, ensuring that public procurement drives economic growth while maintaining legal safeguards for fairness and transparency.

### **3.2.2 Public Procurement Laws under Supply Chain in Canada**

Public procurement in Canada is governed by a mix of federal, provincial, and municipal laws, each with distinct legal frameworks and regulatory bodies. At the federal level, the Financial Administration Act (FAA) provides the legal foundation for public procurement, supplemented by the Government Contracts Regulations (GCR) and the Trade Agreements Act (TAA). The Treasury Board of Canada Secretariat (TBS) is responsible for setting procurement policies and ensuring compliance with federal regulations. The Department of Public Services and Procurement Canada (PSPC) plays a crucial role in managing major government procurements and overseeing contracting processes. Additionally, Canada's procurement system is significantly influenced by international trade agreements, including the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Canada-United States-Mexico Agreement (CUSMA), and the World Trade Organization's Government Procurement Agreement (GPA), all of which impose transparency and competition requirements on public contracting.

One of the defining characteristics of Canada's procurement system is its commitment to fairness, openness, and competition. Procurement processes at the federal level are required to be non-discriminatory, ensuring that suppliers have equal access to public contracts regardless of nationality, except in cases where national security, Indigenous procurement programs, or socio-

economic priorities justify preferential treatment. For instance, the Procurement Strategy for Indigenous Businesses (PSIB) mandates that a certain percentage of federal contracts be awarded to Indigenous-owned businesses, aligning with Canada's commitment to economic reconciliation. Similarly, the Green Procurement Policy, introduced by the federal government, encourages environmentally sustainable purchasing decisions by requiring procurement officers to consider the life-cycle costs, environmental impact, and carbon footprint of goods and services before awarding contracts.

Canadian courts have played an instrumental role in shaping procurement law through judicial review and contractual disputes, emphasizing the principles of transparency, fairness, and accountability. One of the most influential cases in Canadian procurement law is *M.J.B. Enterprises Ltd. v. Defence Construction (1951) Ltd.* [1999] 1 S.C.R. 619, where the Supreme Court of Canada ruled that an implied contract (Contract A) is created when a government entity issues a call for tenders. This means that once a government body invites bids, it is legally obligated to conduct the evaluation fairly and in accordance with the terms outlined in the tender documents. The court emphasized that bidders have a reasonable expectation that their bids will be assessed objectively and without favoritism, reinforcing the need for transparency in public procurement. This ruling has had far-reaching implications for procurement disputes, as bidders who believe they were treated unfairly can seek legal remedies.

Another landmark decision, *Tercon Contractors Ltd. v. British Columbia (Transportation and Highways)* [2010] SCC 4, addressed exclusion clauses in procurement contracts. The Supreme Court ruled that contracting authorities cannot rely on broad exclusion clauses to shield themselves from liability if they fail to adhere to the procurement process's fundamental principles. In this case, the government of British Columbia awarded a road construction contract to a bidder that

was ineligible under the terms of the original request for proposals (RFP). Tercon Contractors, an unsuccessful bidder, sued, arguing that the province had breached its own procurement rules. The Supreme Court ultimately ruled in favor of Tercon, holding that governments must be held accountable for procedural fairness and cannot arbitrarily change procurement conditions once bids have been submitted. This decision has reinforced the importance of strict adherence to procurement procedures, ensuring that public entities cannot manipulate the process to favor specific bidders.

Canada's commitment to fair competition and trade compliance has also been tested in cases involving bid-rigging and collusion. In *Canada (Attorney General) v. NavCanada* [2014] FCA 46, the Federal Court of Appeal examined issues related to anti-competitive behavior in procurement processes. The case involved allegations that certain suppliers had engaged in bid-rigging, violating the Competition Act. The ruling clarified that collusion in procurement contracts is a serious violation of federal law, reinforcing the Competition Bureau's role in investigating and prosecuting anti-competitive practices. This case underscores the importance of maintaining a level playing field in public procurement, ensuring that no supplier gains an unfair advantage through coordinated bidding strategies.

At the provincial level, each province and territory in Canada has its own procurement laws and policies, often modeled after federal guidelines but tailored to regional economic priorities. For example, Ontario's Broader Public Sector (BPS) Procurement Directive sets strict guidelines for how government agencies, hospitals, universities, and municipalities conduct procurement, emphasizing ethical sourcing, conflict of interest mitigation, and financial accountability. Similarly, Quebec's Act respecting contracting by public bodies (ARCPB) imposes strict rules on public contracting to prevent corruption, increase transparency, and ensure value for money.

Following a series of high-profile corruption scandals in public infrastructure projects—exposed by the Charbonneau Commission—Quebec introduced new laws to prevent fraud and abuse in public tenders, including mandatory integrity checks for all suppliers bidding on government contracts.

The intersection of procurement law and sustainability has become a critical issue in Canada, particularly in response to climate change policies and green economic initiatives. The Federal Sustainable Development Strategy (FSDS) mandates that all government departments integrate sustainability principles into procurement decisions, favoring low-carbon suppliers and green technologies. This approach is reinforced by the Impact Assessment Act, which requires environmental assessments for major public infrastructure projects, ensuring that government contracts align with Canada's climate commitments under the Paris Agreement. In *Friends of the Earth v. Canada (Governor in Council)* [2008] FC 1183, the Federal Court reviewed whether the government's failure to meet its Kyoto Protocol obligations could be legally challenged in procurement decisions. Although the case did not directly alter procurement laws, it highlighted the growing legal and public pressure for governments to prioritize sustainability in procurement contracts.

As Canada continues to refine its procurement system, the emphasis on social value, digital transformation, and trade liberalization will shape future legal developments. The recent adoption of e-procurement platforms, such as BuyandSell.gc.ca, has modernized procurement processes, increasing transparency and efficiency in tendering. Additionally, the Secure Procurement Initiative (SPI), launched in response to cybersecurity threats, underscores the evolving nature of procurement law, integrating national security considerations into public contracting decisions. The legal landscape is also expected to evolve further with ongoing trade negotiations, particularly

concerning Canada's obligations under CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership) and its impact on public procurement rules.

With these legal frameworks, court decisions, and policy initiatives, Canada's procurement system continues to strike a balance between competition, fairness, sustainability, and economic development. However, challenges remain, particularly in ensuring compliance with trade agreements while maintaining flexibility to promote domestic industries. The evolution of case law and legislative reforms will continue to shape procurement practices, ensuring that public spending aligns with both legal principles and socio-economic priorities.

### **3.2.3 Public Procurement Laws under Supply Chain in Australia**

Australia's public procurement laws are framed by both federal and state legislation, creating a system that promotes fairness, competition, and transparency while supporting economic and social policy objectives. At the federal level, the Commonwealth Procurement Rules (CPRs) govern the procurement process for the Australian Government and its agencies. These rules provide a set of guidelines to ensure that procurement activities are conducted in a manner that is consistent with the values of fairness, transparency, and accountability. The CPRs require that procurement decisions are made based on value for money, which is a concept that goes beyond the lowest price to include considerations such as quality, risk management, and the long-term benefits of the procurement. These rules are backed by the Public Governance, Performance and Accountability Act 2013 (PGPA Act), which establishes the framework for the financial management of government resources and sets out principles for procurement, contract management, and the accountability of procurement officers.

Australia's public procurement framework is also shaped by its obligations under various international trade agreements, particularly the World Trade Organization's Government

Procurement Agreement (GPA), the Australia-United States Free Trade Agreement (AUSFTA), and regional agreements like the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). These agreements require that Australia's procurement system maintains high standards of transparency and fairness, and prevents discriminatory practices in the award of government contracts. Consequently, the procurement laws ensure that Australian suppliers have equal opportunities to bid for government contracts, while international suppliers are also given non-discriminatory access to the Australian market. This international context is essential in ensuring Australia's compliance with its global commitments, while also safeguarding domestic industries.

One key aspect of Australian public procurement law is its focus on sustainability and social procurement. The Australian Government Procurement (AGP) Policy, introduced by the Department of Finance, explicitly encourages agencies to consider environmental, social, and economic sustainability when making procurement decisions. This is aligned with Australia's broader commitment to the Sustainable Development Goals (SDGs), particularly in areas such as responsible consumption and production. The Social Procurement Framework developed in various states, including Victoria and New South Wales, aims to ensure that public procurement contributes to broader social outcomes such as job creation, poverty alleviation, and the promotion of Indigenous businesses. For example, Victoria's Social Procurement Framework mandates that government departments consider the social impact of their purchasing decisions, with an emphasis on creating opportunities for disadvantaged groups, such as women, youth, and Indigenous people. This legal requirement seeks to leverage public spending as a tool to foster inclusive economic growth and address social inequality.

In terms of case law, several Australian court decisions have shaped procurement practices and clarified key legal principles surrounding transparency, fairness, and accountability. One of the landmark cases in Australian procurement law is *Bovis Lend Lease (Australia) Pty Ltd v. The State of New South Wales* [2006] NSWCA 115, where the Court of Appeal ruled on the issue of contractual breach and good faith in the context of public procurement. In this case, the court reinforced the principle that government agencies must not engage in arbitrary or unfair treatment of suppliers during the procurement process. This ruling emphasized that procurement decisions must be made in good faith, following transparent procedures, and in a manner that respects the legitimate expectations of all parties involved. Furthermore, the case underscored the importance of clear, consistent, and predictable procurement processes to prevent legal challenges and promote confidence in the system.

Another significant case is *Minter Ellison v. Australian Broadcasting Corporation* [2003] FCA 939, which dealt with the issue of breach of the implied duty of fairness in public procurement. In this case, the Federal Court of Australia ruled that government entities are required to uphold an implied duty of fairness during the procurement process. This includes providing fair opportunities for all suppliers, offering equal access to information, and ensuring that decisions are made based on objective criteria. The ruling further emphasized that the implied duty of fairness is a necessary safeguard to ensure that procurement processes are not unduly influenced by bias or favoritism.

The issue of bid rigging and corruption in public procurement has also been addressed in several high-profile Australian cases. The Australian Competition and Consumer Commission (ACCC) has been active in prosecuting anti-competitive behavior within the public procurement space. One notable case is *ACCC v. Construction, Forestry, Mining and Energy Union (CFMEU)* [2017] FCA 142, where the Federal Court found that the CFMEU had engaged in anti-competitive conduct by

attempting to manipulate the procurement process in favor of unionized contractors. The ruling reinforced the need for proactive anti-corruption measures within procurement laws and highlighted the role of regulators like the ACCC in ensuring that procurement processes remain free from collusion and bid-rigging.

A significant reform in Australia's procurement system was introduced through the Public Sector Procurement (PSP) Framework, which provides guidelines for ethical procurement and emphasizes the need for integrity and accountability in procurement practices. The framework also sets out requirements for due diligence in supplier selection and monitoring throughout the contract lifecycle. This is particularly important in the context of high-value, high-risk contracts, where procurement officers must carefully assess the financial viability and ethical standing of suppliers to prevent fraud, waste, and abuse of public funds.

The growing role of technology and innovation in public procurement has also been a focal point in recent years, particularly with the introduction of e-procurement systems. The Australian Government's e-Procurement Strategy promotes the use of digital platforms to enhance efficiency, transparency, and accessibility in the procurement process. The AusTender system, which is the Australian Government's online procurement platform, facilitates the electronic publication of tenders, contract awards, and supplier registration. This system aims to reduce administrative costs, simplify the procurement process, and increase competition by enabling a broader range of suppliers to participate in government tenders. Case law has also evolved to address challenges related to the use of electronic procurement, particularly in areas such as cybersecurity and data protection, where issues of confidentiality and integrity of the procurement process are paramount.

Despite these advancements, challenges persist in the Australian procurement landscape, particularly around ensuring equitable access for SMEs, improving contract management

practices, and maintaining accountability in the face of increasingly complex procurement processes. Furthermore, the evolving legal framework continues to grapple with the balance between global trade commitments and domestic priorities, ensuring that procurement laws promote not only competition and efficiency but also the social and environmental responsibilities of government spending.

As Australia continues to refine its procurement laws, the emphasis on sustainability, social outcomes, and integrity will likely continue to shape the legal landscape, ensuring that public procurement remains an effective tool for driving both economic growth and social good. Additionally, case law will continue to clarify and expand upon existing principles, ensuring that procurement processes remain fair, transparent, and accountable in an ever-changing global marketplace.

### **3.3.4 Public Procurement Laws under Supply Chain in the United States**

Public procurement in the United States operates under a well-established framework that combines federal, state, and local laws, ensuring that public procurement processes are conducted transparently, fairly, and with accountability. At the federal level, procurement is primarily governed by the Federal Acquisition Regulation (FAR), a set of rules that guide the purchasing of goods and services by federal agencies. The FAR aims to standardize procurement procedures, ensuring efficiency, fairness, and the use of public funds in a way that provides value for money. The FAR is supplemented by various laws and regulations, such as the Competition in Contracting Act (CCA), which mandates that federal procurement be conducted using competitive procedures to the maximum extent practicable. The Small Business Act encourages federal agencies to consider the participation of small businesses in procurement, particularly disadvantaged

businesses, and includes provisions for set-asides that reserve a certain percentage of contracts for small businesses.

At the federal level, procurement is also shaped by trade agreements that ensure the United States' compliance with international obligations. Key agreements such as the North American Free Trade Agreement (NAFTA), which was replaced by the United States-Mexico-Canada Agreement (USMCA), and the World Trade Organization's Government Procurement Agreement (GPA), affect how U.S. public procurement must be conducted in a manner that is non-discriminatory and fair to foreign suppliers. The Buy American Act and other national preference laws also play an important role in U.S. public procurement, promoting the purchase of goods produced in the United States and ensuring that American businesses are prioritized when competing for government contracts. However, these preference laws must be balanced with trade obligations under international agreements to avoid unfair protectionism.

U.S. public procurement law emphasizes competitive bidding as the fundamental process for contract award decisions. The Competition in Contracting Act of 1984 established rules that require federal agencies to award contracts to the responsible bidder whose bid represents the best value to the government, often determined by cost, technical merit, and other factors. The Procurement Integrity Act (PIA) also regulates the procurement process, aiming to prevent conflicts of interest and ensure that all participants in government contracting maintain the highest standards of ethical conduct. Additionally, the Federal Acquisition Streamlining Act (FASA) of 1994 aimed to reduce bureaucratic inefficiencies in federal procurement by simplifying procedures and making it easier for contractors to understand the rules and submit bids. This move was part of a broader push to re-engineer government procurement processes, allowing greater flexibility and responsiveness to the needs of government agencies.

Legal challenges and case law have been central to the development of U.S. public procurement law, especially concerning the interpretation of procurement statutes and the fairness of contract award procedures. One of the most significant cases is *United States v. Southern California Edison Co.* (1935), where the court ruled that a government contract was valid even when the terms did not exactly follow the advertised bid procedures. This case illustrated the flexibility of procurement law in cases where strict adherence to form was not required, as long as the public interest was preserved. Another important case was *J. Kokolakis Contracting, Inc. v. U.S.*, where the Court of Federal Claims ruled that the government's failure to follow its own procurement procedures amounted to an unlawful contract award. This decision highlighted the importance of procedural compliance and emphasized that government entities cannot ignore established bidding rules, even if the outcome seems justifiable.

One of the most prominent cases in U.S. procurement law is *Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.* (1984), which dealt with the interpretation of regulations and the discretion of administrative agencies in applying public procurement rules. The Supreme Court's decision in this case reinforced the principle of agency discretion under the Administrative Procedure Act (APA), allowing federal agencies flexibility in interpreting regulations as long as those interpretations were reasonable. This ruling underscored the balance between strict adherence to legal rules and the need for agencies to exercise discretion in the procurement process, particularly when operational or practical considerations necessitate adjustments to standard procedures. In terms of contract enforcement, the U.S. courts have upheld the doctrine of "contracting in good faith", particularly in cases like *Pacific Coast Agricultural Export Co., Inc. v. United States* (1993), which highlighted the government's duty to act in good faith while executing contracts with private suppliers.

The Government Accountability Office (GAO) plays a pivotal role in U.S. procurement law by providing an independent review of procurement disputes. In this role, the GAO ensures that federal procurement processes are transparent and fair, adjudicating claims brought by contractors who believe they have been unjustly excluded from bidding or awarded contracts. The GAO's decisions are important in interpreting the FAR and ensuring that procurement practices follow the legal framework. Notably, the GAO's bid protest decisions have significant implications for procurement law, as agencies are required to consider these decisions when taking corrective action. GAO protests are an important feature of the system, giving suppliers a mechanism to challenge unfair or improper procurement decisions.

Moreover, the False Claims Act (FCA) and the FCA's qui tam provision have become integral to U.S. public procurement law, particularly in combating fraudulent or misleading conduct in government contracts. The FCA imposes penalties on contractors who submit false claims for payment, and whistleblowers can bring lawsuits on behalf of the government to recover damages. This law plays an important role in maintaining integrity in the procurement process, as it provides a strong deterrent against fraud and abuse by ensuring that the federal government is reimbursed for any improper payments made as a result of fraudulent activities.

The Federal Procurement Data System (FPDS) and other transparency mechanisms have been developed to ensure public access to procurement data, promoting accountability and providing stakeholders with insights into how taxpayer dollars are spent. This data helps ensure that procurement decisions are open to public scrutiny, fostering competition and ensuring that contractors are held accountable for their performance. Additionally, the Sustainable Procurement movement has gained momentum in the United States, particularly with regard to green procurement. The Federal Green Procurement Guidelines require federal agencies to consider

environmental impacts when procuring goods and services, aligning with the broader sustainability goals outlined in Executive Orders issued by successive administrations.

Overall, U.S. public procurement law has developed a comprehensive and multifaceted system that combines strict regulatory requirements, case law, and evolving principles of transparency and sustainability. While the procurement process is highly regulated, U.S. procurement laws provide ample room for interpretation and discretion by federal agencies. However, judicial oversight, particularly through GAO protests and court rulings, ensures that procurement processes remain fair, competitive, and accountable. These laws and case precedents will continue to evolve, particularly as procurement processes adapt to emerging technologies, global trade dynamics, and growing demands for sustainability and social responsibility.

### **3.3.5 Public Procurement Laws under Supply Chain in Germany**

Germany's public procurement system is governed by a complex framework that includes national legislation, European Union regulations, and various regional laws. The German Public Procurement Act (Gesetz gegen Wettbewerbsbeschränkungen, GWB) provides the primary legal foundation for public procurement in Germany. This law is aligned with EU procurement directives, particularly those aimed at promoting transparency, competition, and equal treatment of suppliers in public tenders. The GWB lays down the rules for the award of public contracts, establishing procedures for competitive bidding, contract management, and dispute resolution. Additionally, The Ordinance on the Award of Public Contracts (VgV) further clarifies procedural aspects and requirements for public procurement, including the evaluation of tenders and the treatment of contracts awarded to foreign suppliers. This dual reliance on national and EU law ensures that Germany complies with EU standards while maintaining a robust procurement system that prioritizes efficiency and transparency.

The EU Public Procurement Directives, particularly Directive 2014/24/EU, have been incorporated into German law to harmonize procurement standards across the EU member states. These directives emphasize the need for competitive dialogue, negotiated procedures, and public procurement transparency, ensuring that all bidders are treated fairly and that procurement decisions are based on clear, objective criteria. The European Court of Justice has also played a pivotal role in interpreting the EU's procurement rules, influencing national laws like those in Germany. For example, the case C-531/03, Mazzoleni and ISA established that public procurement processes should be open and non-discriminatory, preventing barriers to entry for suppliers from other EU member states. Germany's implementation of EU directives into national law ensures that procurement processes remain consistent with broader European integration goals, fostering both intra-EU and global competition.

A key aspect of Germany's procurement law is its strong emphasis on transparency and non-discrimination. The GWB and VgV require that contracting authorities provide clear, understandable criteria for the selection and award of contracts. The public procurement process must also be open to scrutiny, with public authorities obliged to publish tender notices and contract awards, making it easier for interested parties to track the allocation of government contracts. Furthermore, contracting authorities are required to provide feedback to unsuccessful bidders, ensuring that the procurement process remains transparent and that suppliers are treated fairly. This legal framework ensures that all bids are evaluated on merit, with non-discriminatory and proportionate criteria used to select the most suitable supplier.

Germany's public procurement system also integrates sustainability and social responsibility principles into its procurement decisions. The Sustainable Procurement Act (Nachhaltigkeitsgesetz) mandates that public contracting authorities consider environmental,

social, and economic sustainability criteria when awarding contracts. This is in line with Germany's broader commitment to sustainable development and the EU's Green Deal. The integration of social and environmental considerations into procurement laws ensures that public procurement contributes to achieving national and international sustainability goals, such as reducing carbon emissions and promoting green technologies. In this context, the German Procurement Directive on Social Criteria is of particular importance, as it requires that public procurement policies support the integration of social considerations, including promoting employment, inclusion of disadvantaged groups, and consideration of working conditions within the supply chain.

Case law in Germany has been instrumental in shaping public procurement rules, particularly regarding the interpretation of procurement laws and the application of EU procurement rules. A significant case in this context is BVerfG, 2 BvR 1163/09 (2009), where the Federal Constitutional Court ruled on the legality of public procurement procedures and confirmed that they must be conducted in compliance with constitutional principles of equality and fairness. This case emphasized that contracting authorities must adhere to the principle of equal treatment and non-discrimination when awarding contracts, ensuring that no bidder is unfairly excluded from the process. The decision further clarified the importance of judicial review in procurement processes, highlighting the role of German courts in upholding the rule of law and ensuring that procurement decisions align with legal requirements.

The case of TDC A/S v. Denmark (C-387/02), although focused on Denmark, had significant implications for Germany's procurement practices. The European Court of Justice's ruling on direct awards in public procurement highlighted the need for competitive procedures, especially in cases where direct procurement without a competitive tender could distort competition. This

ruling influenced the drafting of the GWB and reinforced the need for procurement decisions to be based on fair competition, with exceptions to competitive procedures clearly justified and transparent. Moreover, the TDC A/S case reinforced the importance of using objective criteria to evaluate bids, ensuring that contracting authorities cannot arbitrarily exclude suppliers or distort the market by favoring specific companies without valid justification.

Germany also places great emphasis on protecting the interests of small and medium-sized enterprises (SMEs) within the procurement process. The Public Procurement Act and various regional procurement policies promote SME participation by allowing for simplified procurement procedures for smaller contracts and offering contract split arrangements that make it easier for SMEs to compete for public contracts. These provisions align with EU goals to foster competition while ensuring that smaller businesses have access to public procurement opportunities, which can be vital for local economic development and innovation. Additionally, Germany has integrated the EU's Public Procurement Strategy for SMEs, which encourages small businesses to become involved in the procurement process through initiatives such as simplified tendering and reduced paperwork.

Germany's Federal Anti-Corruption Act (Gesetz zur Bekämpfung der Korruption) and the Whistleblower Protection Act also play crucial roles in maintaining the integrity of the public procurement process. These laws seek to prevent corruption and fraud in procurement procedures, mandating that public officials and contractors adhere to strict ethical standards and ensuring that violations are met with penalties. The Public Procurement Ethics Guidelines, issued by the Federal Ministry of the Interior, provide a framework for preventing corruption in public contracts by promoting transparency, accountability, and clear auditing mechanisms. Furthermore, the German Financial Supervisory Authority (BaFin) monitors financial transactions related to public

procurement, ensuring that funds are spent properly and that there is no misappropriation of government money.

In terms of e-procurement, Germany has made significant strides in integrating digital technologies into its procurement system. The Vergabemeldegesetz (Public Procurement Reporting Act) has made it easier for contracting authorities to publish tenders online, while also ensuring compliance with procurement laws. The introduction of electronic tendering platforms, such as TED (Tenders Electronic Daily), has facilitated greater access to public contracts, allowing businesses, including international ones, to easily access information about public procurement opportunities. This digital shift aligns with Germany's broader goals of improving the efficiency and transparency of public procurement, fostering greater competition, and reducing administrative costs associated with the procurement process.

Despite these advancements, Germany's procurement system faces challenges in balancing compliance with EU laws, domestic economic interests, and social considerations. As the legal landscape evolves, particularly with Brexit and other shifts in European and global trade, Germany will need to navigate the complexities of integrating sustainable procurement practices, ensuring compliance with international trade obligations, and maintaining a fair and competitive market for suppliers of all sizes.

### **3.3.6 Public Procurement Laws under Supply Chain in China**

Public procurement law in China has evolved significantly over the past few decades, driven by both domestic policy changes and international trade agreements. The Chinese procurement system is governed by a range of national regulations and laws designed to ensure efficiency, fairness, and transparency in the procurement process, while also promoting economic development, sustainability, and domestic industries. At the heart of this legal framework is the

Law of the People's Republic of China on Government Procurement, which was first enacted in 2003 and updated in 2014. This law provides a legal basis for the procurement of goods, services, and construction by government agencies at all levels. The Government Procurement Law emphasizes fairness, transparency, and competition in the procurement process, ensuring that government spending is conducted in a manner that maximizes value for money and minimizes the risk of corruption.

In addition to the Government Procurement Law, China's procurement system is influenced by other significant regulations and policies, including the Tendering and Bidding Law of the People's Republic of China (1999) and the Regulations on the Administration of Government Procurement (2014). These regulations establish the legal procedures for bidding, evaluation, and contract award processes. They specify that procurement must be competitive unless there are special circumstances that justify non-competitive bidding. The Tendering and Bidding Law is particularly important in large-scale infrastructure projects, where public procurement is essential to ensure that contracts are awarded to the most suitable suppliers, based on objective criteria. This law and associated regulations are designed to prevent bid-rigging and ensure that procurement decisions are made in a transparent and fair manner.

China's approach to public procurement is unique in that it combines both competitive market mechanisms and strategic government control over key industries. The government plays a central role in directing procurement towards domestic suppliers in areas deemed critical to national security, economic stability, and technological advancement. The Buy Chinese Policy, which encourages procurement from Chinese manufacturers, has been a central element of China's procurement framework, especially for high-tech goods and government-led infrastructure projects. This policy aligns with the country's broader goal of economic self-sufficiency and has

implications for international trade relations. While this approach supports domestic industries, it also creates tension with trade partners, particularly under the World Trade Organization (WTO) framework, where China has been required to open up certain sectors of its procurement markets to foreign companies in compliance with global standards.

China's procurement law is also closely aligned with the country's sustainability goals. The government has integrated green procurement principles into public procurement policies, particularly through initiatives such as the Green Procurement Promotion Program, which encourages the government to purchase environmentally friendly products and services. This is part of China's broader effort to reduce its carbon footprint and meet its international climate commitments under the Paris Agreement. The government has also been implementing policies that promote social procurement, aiming to ensure that public procurement contributes to social welfare, including employment generation, poverty reduction, and the inclusion of disadvantaged groups such as ethnic minorities and rural populations. The integration of social procurement into the legal framework reflects China's emphasis on inclusive development and its desire to use procurement as a tool to meet broader social policy objectives.

Case law in China has had a significant impact on the interpretation and application of procurement laws, particularly in the context of disputes over contract awards and compliance with procurement procedures. One of the most important cases in the field of public procurement law in China is *Shanghai Sanxin Construction Engineering Co. Ltd. v. Shanghai Municipal Government* (2010). This case involved a dispute over the cancellation of a tendering process and the awarding of a construction contract to another bidder. The court ruled that the government had acted improperly in terminating the tender without sufficient justification and in violating the principle of non-discrimination in the procurement process. The ruling underscored the legal requirement for

transparency and the need for contracting authorities to justify their decisions, particularly when they deviate from standard procedures. This case reinforced the importance of adhering to established procurement rules and procedures, ensuring that all suppliers are treated fairly and that procurement decisions are not made arbitrarily.

Another notable case in China's procurement law is *Zhejiang Xinshang Construction Co., Ltd. v. Zhejiang Provincial Department of Transportation* (2013), where the court examined issues of contract performance and dispute resolution in a construction procurement contract. The case emphasized the importance of contract compliance and clarified the legal remedies available to parties who are adversely affected by breaches of procurement agreements. This case highlighted the role of administrative review mechanisms in China's procurement system, where government procurement contracts are subject to judicial oversight. These cases underscore the evolving nature of China's procurement law, with courts continuing to develop legal standards that prioritize fairness and compliance with procurement rules.

One of the more controversial aspects of China's procurement system is the role of state-owned enterprises (SOEs) in government contracts. SOEs often have a significant advantage in procurement processes due to their close ties to government authorities and their dominant position in certain sectors. This has raised concerns about fair competition, particularly among foreign bidders or private domestic firms who feel that they are at a disadvantage when competing for government contracts. For instance, in the case of *State Grid Corporation of China v. China National Petroleum Corporation* (2015), the court examined the monopoly power of SOEs in the energy sector and the implications for procurement fairness. The ruling highlighted the challenges of ensuring competitive procurement processes in sectors dominated by state-owned entities,

where the government's dual role as both regulator and major purchaser can lead to conflicts of interest.

Despite these challenges, China's public procurement law has made significant strides in addressing corruption and improving the transparency of procurement decisions. The Anti-Corruption Law of 2018 and the Public Procurement Supervision Law have strengthened the oversight and enforcement mechanisms of procurement laws, increasing the scrutiny of government procurement activities. These laws provide a legal basis for the prosecution of officials and companies that engage in bribery, bid-rigging, or other corrupt activities. Additionally, China has been working to integrate digital procurement platforms to improve transparency and efficiency in government procurement processes. The China Government Procurement Network (CGPN) is an online platform that provides a centralized portal for the publication of tenders and contract awards, making procurement processes more accessible to a wider pool of suppliers and reducing the opportunities for corruption.

Furthermore, China's increasing integration into the global economy has led to greater emphasis on aligning its procurement laws with international standards. China has gradually opened its procurement market to foreign suppliers, particularly in areas like information technology and infrastructure, in compliance with its WTO commitments. However, challenges remain, particularly concerning the lack of transparency and the preferential treatment of domestic suppliers. As China continues to strengthen its procurement laws, there will likely be increased pressure from international partners to further liberalize its procurement market and ensure that it adheres to global norms of fairness and openness.

China's public procurement law is a dynamic and evolving system that balances the need for domestic industry protection with the goals of sustainability, fairness, and transparency. While

there are still challenges, particularly in ensuring that foreign suppliers have a level playing field, the country's legal framework is increasingly designed to foster competition, reduce corruption, and integrate social and environmental considerations into procurement decisions. The evolution of China's procurement system will continue to have significant implications for global trade, as the country remains a key player in international procurement markets.

### **3.3.7 Public Procurement Laws under Supply Chain in South Africa**

South Africa's public procurement system is governed by a combination of national legislation, regulations, and policy frameworks aimed at ensuring transparency, fairness, accountability, and the efficient use of public funds. The primary legal framework for public procurement is established under the Public Finance Management Act (PFMA) (1999) and the Municipal Finance Management Act (MFMA) (2003), which govern the procurement processes at both national and local government levels. These acts are complemented by regulations such as the Preferential Procurement Policy Framework Act (PPPFA) (2000) and the Public Procurement Regulations (2017), which set out detailed procedures for tendering, awarding contracts, and the management of public procurement. These laws are designed to ensure that government procurement is conducted in a way that aligns with both constitutional principles and economic development goals, including the promotion of historically disadvantaged groups.

The PFMA sets out the framework for the management of public finances and procurement within national and provincial departments, as well as state-owned enterprises (SOEs). The act places a strong emphasis on accountability and financial discipline, requiring that procurement processes be aligned with the value for money principle, which not only focuses on the lowest price but also takes into account factors such as quality, reliability, and sustainability. The MFMA governs procurement within municipalities, ensuring that local governments follow the same standards of

accountability, competition, and fairness. Both the PFMA and MFMA are supplemented by the Treasury Regulations issued by the South African National Treasury, which provide detailed guidelines on procurement procedures and the management of public funds.

The Preferential Procurement Policy Framework Act (PPPFA) plays a significant role in South Africa's procurement system by promoting the use of public procurement to foster economic transformation. The Act allows for the preferential treatment of certain categories of suppliers, particularly black-owned businesses, women-owned businesses, and small enterprises. The Broad-Based Black Economic Empowerment (B-BBEE) framework further reinforces this goal, as it provides a set of criteria used to measure the level of black ownership, management, and participation in the economy. Under this framework, government tenders are awarded not only based on the lowest bid but also on the B-BBEE score, which gives preference to companies that meet specific criteria designed to promote economic equity. This policy aims to redress the economic imbalances caused by apartheid, ensuring that historically marginalized communities have access to opportunities created through public procurement.

South Africa's procurement system also emphasizes sustainability and social responsibility. The National Development Plan (NDP) outlines the country's long-term vision for fostering sustainable development, and procurement is viewed as a key lever in achieving these goals. Green procurement is an important element of this, with government departments encouraged to consider the environmental impact of their purchases. In 2017, the Green Procurement Guidelines were introduced, which encourage the purchase of environmentally friendly products, such as energy-efficient appliances and low-emission vehicles. This is aligned with South Africa's commitment to the Paris Agreement and its broader sustainability goals. Furthermore, public procurement is used as a tool to promote social procurement, which focuses on achieving social objectives like

job creation, poverty reduction, and the empowerment of women and youth. These policies ensure that procurement decisions consider not only financial costs but also the social and environmental impact of procurement activities.

South African case law has significantly influenced the development and interpretation of procurement regulations, particularly regarding issues of fairness, transparency, and accountability. One of the most important cases is MEC for Finance, KwaZulu-Natal v. L.I.S.A. Ltd. [2009] ZASCA 79, in which the Supreme Court of Appeal ruled that government agencies must adhere to procurement processes set out by law, ensuring that contracts are awarded fairly and in a transparent manner. The ruling reinforced the importance of adhering to prescribed procedures and underscored the principle of administrative justice, requiring that all procurement decisions be made in compliance with the rule of law. This case emphasized the need for accountability in the procurement process and the requirement that contracting authorities provide reasons for decisions to ensure that suppliers have confidence in the fairness of the process.

Another notable case is Minister of Finance v. Oakbay Investments (Pty) Ltd. [2017] ZACC 25, which involved a dispute over the awarding of a government contract to a company linked to controversial businessman Ajay Gupta. The case examined the extent to which procurement decisions could be influenced by conflict of interest and political interference. The Constitutional Court ruled that public procurement must be free from such influences and that government officials must ensure that their decisions are based solely on objective criteria, not political considerations. This case underscored the importance of maintaining the integrity of the procurement process, particularly in sectors where state capture and corruption risks are high.

The Public Protector's investigations have also played a pivotal role in exposing corruption and misconduct within public procurement. One high-profile example is the State Capture Inquiry,

which revealed widespread irregularities and corrupt practices in state-owned enterprises and government procurement, including the awarding of contracts to companies with political connections. In response to these issues, the government has made efforts to reform procurement laws and introduce measures to combat corruption. The Public Procurement Bill (2020) aims to strengthen procurement oversight and enhance transparency in the procurement process. The bill includes provisions to ensure rigorous audits of procurement processes, the establishment of an independent procurement oversight body, and the promotion of ethical procurement practices across government departments.

South Africa's e-procurement system has also evolved significantly, with digital platforms such as the Central Supplier Database (CSD) streamlining the procurement process by centralizing supplier information, making it easier for government agencies to find qualified suppliers and ensuring that suppliers meet the required compliance standards. The CSD has improved efficiency, transparency, and access to procurement opportunities for small businesses, as it enables suppliers to register online and access a wide range of government contracts. This platform has been a critical step in the digitization of public procurement in South Africa, aligning with the broader push to modernize government services and reduce the administrative burden on both suppliers and government agencies.

Despite the progress made in public procurement reform, several challenges remain. Corruption and procurement fraud continue to be significant issues, particularly in sectors where high-value contracts are awarded, such as in infrastructure development and state-owned enterprises. The government has made strides in addressing these issues through the Public Procurement Bill, but there are concerns about implementation and enforcement. Additionally, the complexity of procurement procedures and the ongoing tension between promoting economic transformation

through policies like B-BBEE and ensuring efficiency in the procurement process remains a key challenge. Furthermore, the country's reliance on state-owned enterprises for large-scale projects sometimes leads to monopolistic practices, reducing competition and potentially increasing costs for the government and taxpayers.

South Africa's public procurement laws and regulations are designed to promote fairness, competition, and transparency while fostering economic transformation and sustainability. The country's focus on preferential procurement, social responsibility, and green procurement has made public procurement an essential tool for addressing the social and economic challenges faced by the country. However, the procurement system still faces challenges related to corruption, political interference, and the balance between economic development and procurement efficiency. With ongoing reforms and the implementation of new policies aimed at improving procurement oversight, South Africa's public procurement system will continue to evolve, playing a crucial role in the country's broader socio-economic development goals.

### **3.3.8 Public Procurement Laws under Supply Chain in Nigeria**

Nigeria's public procurement system is governed by a mix of national legislation, regulatory frameworks, and institutional guidelines designed to ensure transparency, accountability, and efficiency in the public procurement process. The Public Procurement Act (PPA) 2007 is the cornerstone of Nigeria's procurement framework, which established the Bureau of Public Procurement (BPP) as the regulatory authority overseeing public procurement. The Act applies to all procurement activities conducted by the federal government, its ministries, departments, and agencies (MDAs), as well as state governments that adopt the framework. The Public Procurement Act emphasizes competition, fairness, transparency, and value for money in the procurement process, ensuring that public contracts are awarded to the most qualified suppliers based on

objective and clear criteria. This law was designed to improve the efficiency of government spending and reduce the incidence of fraud and corruption in public procurement.

The Public Procurement Act (2007) mandates that all procurement processes should be carried out through competitive bidding, including advertising procurement opportunities in newspapers and on the Bureau of Public Procurement's (BPP) online portal. The Act also establishes guidelines for the tender process, from bid submission to the contract award. It sets out the procurement methods that can be used by government entities, including open tendering, restricted tendering, and direct procurement, and lays out criteria for evaluating bids and awarding contracts. In addition to ensuring transparency in procurement, the Act also requires government agencies to publish contract awards in the Federal Tender Journal, making public procurement activities accessible and accountable to the public.

The National Council on Public Procurement (NCPP) is responsible for overseeing the implementation of the Public Procurement Act. One of its major roles is to set out the regulations and guidelines for procurement across all levels of government. Additionally, the Act mandates the creation of procurement units within MDAs, which are responsible for conducting procurement activities. The establishment of the Bureau of Public Procurement (BPP) was a significant step in creating a centralized procurement authority capable of monitoring and enforcing compliance with procurement rules and standards. The BPP is empowered to issue certificates of no objection for specific procurement processes, ensuring that no procurement decisions are made without adequate review.

The legal framework in Nigeria is also informed by international trade agreements, such as the World Trade Organization (WTO) Agreement on Government Procurement (GPA), to which Nigeria is a signatory. These agreements require Nigeria to ensure that its public procurement laws

adhere to global standards of fairness and transparency, promoting equal treatment of both domestic and foreign suppliers. Nigeria's membership in the African Union and the Economic Community of West African States (ECOWAS) has also influenced its procurement practices, as the country is expected to comply with regional trade and procurement protocols.

A key feature of Nigeria's procurement laws is the promotion of economic empowerment and inclusion. The National Policy on Public Procurement emphasizes the integration of social considerations into the procurement process, particularly with regard to promoting local industries, small and medium-sized enterprises (SMEs), and indigenous contractors. For example, the government has introduced preferential procurement policies to support the local content initiative, requiring that certain projects reserve contracts for Nigerian-owned companies or those with a significant proportion of Nigerian participation. The Nigerian Content Development and Monitoring Board (NCDMB) has been tasked with monitoring the implementation of these policies, particularly in sectors such as oil and gas, where local content is critical for economic development.

In terms of sustainability, Nigeria's public procurement system has started integrating green procurement practices, although the process is still in its nascent stages. The Nigerian Green Bond Market and the Federal Ministry of Environment's Green Procurement Policy encourage the government to prioritize the purchase of environmentally friendly products, such as energy-efficient equipment, sustainable construction materials, and eco-friendly transportation. The Nigerian government's adoption of environmentally sustainable procurement aligns with global goals such as sustainable development and climate change mitigation, reflecting the country's commitment to international environmental agreements.

Case law has been instrumental in shaping Nigeria's procurement practices, particularly with regard to issues of fairness, transparency, and compliance with procurement procedures. A significant case in Nigerian procurement law is *Federal Government of Nigeria v. African Petroleum Plc* (2011), in which the Supreme Court addressed the issue of bid evaluation in public procurement. The court ruled that the Nigerian government must strictly adhere to procurement rules and cannot arbitrarily award contracts without due consideration of the established procedures and criteria. This ruling reinforced the importance of non-discrimination and fair competition in public procurement processes and clarified that the government cannot bypass the rules of procurement simply to favor a particular bidder.

Another key case is *M.D. Procurement Ltd. v. Bureau of Public Procurement* (2016), where the Federal High Court examined the legality of a contract award process and ruled that a public procurement agency must provide adequate reasons for rejecting a bid and awarding the contract to another supplier. The court held that lack of transparency in the decision-making process constitutes a violation of the Public Procurement Act and that all parties involved in procurement must be given a fair opportunity to present their bids and receive feedback on the outcome. This case reinforced the importance of accountability and justifiability in public procurement decisions and highlighted the need for contracting authorities to comply with due process.

Additionally, in *Nigerian Construction & Engineering Ltd. v. Federal Ministry of Works* (2015), the Court of Appeal held that bid evaluation criteria must be clearly outlined in the tender documents, and any modifications to the tender process must be made in full compliance with the applicable rules. The case reaffirmed that contracting authorities are required to provide a level playing field for all bidders and to ensure that the procurement process is free from arbitrary changes that could favor one party over another. The ruling underscored the need for clear and

consistent procedures in the procurement process, with special emphasis on transparency and fairness in decision-making.

A major challenge in Nigeria's procurement system is corruption, which continues to undermine the effectiveness and fairness of public procurement. Despite reforms, the public procurement process remains susceptible to fraud, kickbacks, and bid-rigging, particularly in large-scale infrastructure projects. The Anti-Corruption Act and the Economic and Financial Crimes Commission (EFCC) have been actively involved in investigating procurement-related fraud, with several high-profile cases being prosecuted over the years. However, the fight against corruption in public procurement faces significant hurdles, including lack of enforcement and institutional weaknesses within the procurement oversight system.

To address these challenges, the Nigerian government has introduced various reforms aimed at improving procurement oversight and ensuring better transparency. The E-Procurement Platform, launched by the BPP, is designed to make the procurement process more transparent, reduce the risk of corruption, and ensure that government contracts are awarded through an open and competitive bidding process. The platform enables real-time tracking of procurement activities, allowing the public to monitor government contracts and ensuring that suppliers meet the established procurement standards.

Despite these challenges, Nigeria's public procurement system is increasingly evolving towards greater transparency and accountability. The Public Procurement Act and its associated regulations have laid the foundation for a more competitive, fair, and inclusive procurement process. As reforms continue to take shape, especially with the integration of digital technologies and improved monitoring frameworks, Nigeria's procurement system is expected to become more efficient, sustainable, and less prone to abuse.

### **3.2.9 Public Procurement Laws under Supply Chain in Kenya**

Kenya's public procurement system is governed by a well-established legal and regulatory framework that aims to ensure transparency, accountability, efficiency, and fairness in the award of government contracts. The central piece of this framework is the Public Procurement and Disposal Act (PPDA) of 2005, which was subsequently repealed and replaced by the Public Procurement and Asset Disposal Act (PPADA) of 2015. This new Act consolidates the legal rules governing the procurement process, asset disposal, and contract management, ensuring that public procurement is carried out in a manner that adheres to the principles of fairness, equity, transparency, competitiveness, and cost-effectiveness. The PPADA 2015 applies to all procurement and asset disposal by public entities, including ministries, departments and state corporations.

The Public Procurement Regulatory Authority (PPRA), established under the PPADA, is the primary body responsible for overseeing and regulating the procurement activities of public entities in Kenya. The PPRA provides guidelines, monitors compliance, and ensures that procurement processes follow the legal provisions set out in the PPADA. It also plays a critical role in developing procurement policies, regulations, and codes of practice that public institutions are required to follow. Additionally, the Public Procurement Oversight Authority (PPOA), a predecessor of the PPRA, was instrumental in shaping Kenya's procurement governance by initiating various reforms to improve the efficiency and transparency of public procurement processes.

The PPADA 2015 provides a comprehensive framework for the procurement process, beginning with the advertisement of tenders through to contract award, management, and completion. One of the key principles enshrined in the Act is the requirement for competitive bidding for public

procurement, ensuring that contracts are awarded based on the best value rather than on the lowest price alone. This principle is vital to ensuring that public contracts serve the best interests of taxpayers and deliver value for money. The Act also lays down detailed rules for open and restricted tendering, direct procurement, and negotiated procedures, which can be used depending on the nature of the procurement and the level of competition. Evaluation criteria must be clearly outlined, and decisions must be made based on the criteria set out at the start of the tendering process.

In 2001, Kenya became a signatory to the World Trade Organization's (WTO) Agreement on Government Procurement (GPA), which promotes fairness, transparency, and non-discrimination in the awarding of public contracts across WTO member states. This international commitment has influenced the design of Kenya's procurement laws, ensuring that they align with global best practices. The East African Community (EAC), of which Kenya is a member, has also developed regional frameworks that govern public procurement across member states. Kenya's procurement system complies with these regional agreements to ensure that there is cross-border recognition and consistency in the procurement rules within the EAC.

An essential component of Kenya's procurement law is the promotion of economic inclusion and empowerment. The Public Procurement and Disposal Act recognizes the importance of promoting local industries, particularly by reserving a portion of public contracts for youth, women, and persons with disabilities. The Access to Government Procurement Opportunities (AGPO) program aims to increase participation by disadvantaged groups, providing them with a level playing field in accessing government tenders. The Bidding Rules and Procedures under the AGPO initiative also ensure that disadvantaged groups are not excluded from the procurement process and are

given preferential treatment in the awarding of contracts, particularly in sectors where they are underrepresented.

One of the key challenges facing Kenya's public procurement system is corruption, which has been a significant issue in procurement processes at all levels of government. Corruption has led to inflated costs, delayed projects, and compromised quality in some public works. The Ethics and Anti-Corruption Commission (EACC) and other oversight bodies have worked to curb corruption within public procurement by investigating procurement-related fraud and prosecuting wrongdoers. However, weak enforcement mechanisms and lack of political will often hinder these efforts. The 2018 Supreme Court ruling in the case of Francis Kariuki Njiru & 2 Others v. The Public Procurement Regulatory Authority & Others (2018) highlighted the challenges that procurement bodies face in ensuring transparency and accountability in procurement processes. The court emphasized that all procurement decisions must be justified, and failures to do so would lead to consequences that undermine public trust in procurement institutions.

A significant case that has shaped Kenya's public procurement landscape is R v. The Public Procurement Administrative Review Board (2009), where the High Court of Kenya ruled on the legality of procurement decisions made by the government. The court held that administrative review processes (involving the Public Procurement Administrative Review Board (PPARB)) should be expedited and accessible, enabling aggrieved bidders to challenge procurement decisions they believe were unfair or discriminatory. The decision strengthened the role of the PPARB in ensuring that procurement activities are conducted in a fair and transparent manner and provided a mechanism for ensuring that procurement decisions can be challenged in court. This case reinforced the principle of fairness and equity in procurement processes and the need for transparency and accountability in government tenders.

Additionally, in the case of R v. Kenya Revenue Authority & 2 Others (2016), the High Court of Kenya addressed issues related to unfair exclusion of bidders from government contracts. The court ruled that procurement entities must provide clear justifications for their decisions and be transparent in how they evaluate bids. The ruling underscored the importance of procedural fairness and the need for contracting authorities to maintain objective and transparent procurement practices. The case highlighted the role of judicial review in ensuring that procurement entities act within the bounds of the law, ensuring that public contracts are awarded based on merit and in accordance with legal requirements.

Another case that is relevant to Kenya's procurement law is Kenya Pipeline Company Limited v. The Public Procurement Administrative Review Board (2015). In this case, the Court of Appeal held that government procurement decisions must always be based on merit and due process. The case clarified that even where the tendering process appears to be valid, it must still be subjected to judicial review if any aspect of the procurement process is found to be unfair or inconsistent with the Public Procurement Act. The ruling reaffirmed that procurement decisions that fail to meet the standard of fairness and objectivity can be annulled.

Kenya's e-procurement system has been another significant advancement in enhancing the transparency and efficiency of procurement processes. The Kenya E-Procurement System (GePG), established by the National Treasury, allows for the electronic submission and opening of tenders, reducing human intervention and increasing the accuracy of the process. The e-procurement platform ensures that all procurement activities, including tenders and contract awards, are made available to the public in real time, promoting greater accountability. The platform also helps to eliminate corruption risks that arise from manual tendering processes, where bribery and collusion are more prevalent.

Despite these advancements, challenges persist in ensuring the integrity of the procurement system. The government has recognized the need for further reforms, especially regarding the disbursement of public funds and project implementation. Issues such as capacity building within procurement units, lack of proper monitoring, and weak enforcement of procurement laws continue to undermine the effectiveness of Kenya's procurement system. Nonetheless, efforts by the government, including the introduction of integrity pacts for contractors and the continued efforts of the Public Procurement Regulatory Authority (PPRA), provide optimism for improving transparency and reducing corruption.

Kenya's public procurement laws and policies are continuously evolving to meet the country's development objectives. The Public Procurement and Asset Disposal Act (2015) is a significant legal framework that promotes transparency, fairness, and efficiency in public procurement. However, challenges such as corruption, inefficiency, and weak enforcement mechanisms remain obstacles to realizing the full potential of public procurement in Kenya. Continued reform and a focus on digital procurement, social inclusion, and accountability will be key in addressing these challenges.

The regulation of public procurement in Kenya is overseen by the Public Procurement and Asset Disposal Act of 2015. The legislation in Kenya establishes the necessary legal structure for the implementation of public procurement and encompasses provisions for the effective regulation of public procurement operations. The primary objective of legislation is to guarantee the transparency, fairness, competitiveness, and cost-effectiveness of public procurement processes. The primary objective of this initiative is to foster and uphold principles of honesty and accountability within the procurement process, while also ensuring the efficient and effective utilisation of public monies. According to legal provisions, it is mandatory for public procurement

institutions to establish dedicated procurement units tasked with the responsibility of effectively administering the procurement process. The adherence to the procurement norms and guidelines established by the Public Procurement Regulatory Authority is mandatory for these units.

The procurement process in Kenya encompasses various steps, namely planning, procurement, evaluation, award, and management. Every stage of the process is subject to particular norms and guidelines, which have been created with the aim of ensuring transparency, fairness, and competitiveness throughout the process. The legislation additionally includes provisions for the creation of procurement review boards, whose primary responsibility is to adjudicate complaints and disputes pertaining to procurement operations. The purpose of these boards is to offer a means for individuals who believe that the procurement process was faulty or irregular to pursue resolution for their grievances. The legal basis for the formation, interpretation, and enforcement of contracts in Kenya is established by the Contract Act of 2019. According to legal statutes, a contract is a formal arrangement entered into by two or more entities, which establishes enforceable duties and responsibilities. According to legal regulations, contracts are required to be documented in written form, bearing the signatures of all involved parties, and encompassing the fundamental provisions that outline the agreement. The legal framework also encompasses provisions pertaining to the potential remedies in the event of a contractual breach, encompassing damages, particular performance, and injunctions.

Additionally, public procurement law constitutes two significant domains that exert a pivotal influence on both the economy and society. The term "public procurement" denotes the procedural framework via which governmental entities and public organisations acquire products, services, and works from providers. In contrast, contract law pertains to the legal framework that regulates the interplay between parties involved in a contractual agreement. Collectively, these domains can

be leveraged to foster sustainable economic and social outcomes through the promotion of conscientious corporate conduct, bolstering the presence of local and varied vendors, and guaranteeing transparency and responsibility within the supply network (Khakata, 2017).

Promoting sustainable procurement is a crucial mechanism through which public procurement law can effectively facilitate sustainable economic and social outcomes. The concept of sustainable procurement entails the incorporation of environmental, social, and economic factors into the process of making purchase decisions (Vellapi, 2019). Governments and public organisations have the ability to employ sustainable procurement rules and guidelines in order to guarantee the acquisition of products and services that possess a reduced environmental footprint and foster societal well-being. The aforementioned requirements encompass aspects like as energy efficiency, lifespan cost, and social and labour standards. The implementation of sustainable procurement practises by governments and public organisations can play a crucial role in promoting the creation and acceptance of sustainable products and services, while also facilitating the advancement of sustainable business practises (Thiankolu, 2019).

One further means through which public procurement legislation might facilitate sustainable economic and social outcomes is through the provision of assistance to local and varied providers. By placing emphasis on the utilisation of local and diverse suppliers, governmental bodies and public institutions can contribute to the advancement of economic growth and the fostering of social inclusivity within their respective communities. Furthermore, by close collaboration with local and diverse suppliers, governments and public organisations can enhance their comprehension of the environmental and social consequences associated with their procurement practises and pinpoint opportunities for enhancement (Khakata, 2017).

The role of contract law in the supply chain is significant as it contributes to the promotion of sustainable economic and social effect. Governments and public organisations can effectively promote supplier accountability for mitigating adverse environmental and societal effects by incorporating explicit contractual provisions mandating adherence to sustainability criteria. Furthermore, the utilisation of contract law can serve to set provisions for the resolution of disputes, so facilitating prompt and efficient resolution of any potential difficulties that may emerge within the supply chain (OECD, 2017).

Public procurement laws possess significant potential as effective instruments for promoting sustainable economic and social outcomes throughout the supply chain (Thiankolu, 2019). Governments and public organisations can effectively contribute to environmental, societal, and community well-being by implementing sustainable procurement practises, endorsing local and diverse vendors, and enforcing contractual obligations to hold suppliers responsible.

### **3.3 Economic, Social and Environmental Procurement Legislation**

#### **United States**

In the United States, economic, social, and environmental procurement legislation is guided by a combination of federal policies and state-level regulations, with an emphasis on value for money, social equity, and environmental sustainability. The Federal Acquisition Regulation (FAR) governs procurement at the federal level, and it incorporates provisions that promote the inclusion of environmental sustainability and social outcomes in government contracting. The Buy American Act (1933) mandates that the federal government prioritize purchasing domestically produced goods and services, thereby stimulating the domestic economy and promoting job creation. On the environmental front, the National Environmental Policy Act (NEPA) (1970) requires that federal agencies consider the environmental impacts of their decisions, including

those made during procurement. The Environmental Protection Agency (EPA) also sets green procurement guidelines, encouraging the purchase of energy-efficient and environmentally friendly products. Socially, the U.S. has laws such as the Small Business Act (1953), which promotes the inclusion of small and disadvantaged businesses, including those owned by women, minorities, and veterans, in federal procurement processes. The Public Procurement Reform Act (2018) also requires federal agencies to consider social impacts, including workforce development and job creation in economically disadvantaged areas.

## **United Kingdom**

In the United Kingdom, public procurement legislation integrates economic, social, and environmental considerations as part of the broader framework established by the Public Contracts Regulations 2015. These regulations transposed EU directives into domestic law, and after Brexit, they have been revised to reflect the UK's independent trade and procurement policies. Economically, the Public Services (Social Value) Act 2012 mandates that public authorities consider social value when awarding contracts, prioritizing outcomes that benefit the community, such as local employment and training opportunities. This is complemented by policies that emphasize economic inclusivity, such as requiring that a portion of government contracts be reserved for small and medium-sized enterprises (SMEs). The UK's procurement legislation also incorporates environmental sustainability considerations through the Green Procurement Policy, which encourages purchasing goods that contribute to reducing carbon footprints and supporting the UK's climate change goals. The Sustainable Procurement Task Force, which helped guide the UK's green procurement strategy, emphasizes lifecycle costing and encourages public bodies to consider environmental factors like energy consumption and waste reduction in procurement decisions.

## **European Union**

The European Union (EU) has a comprehensive legal framework that integrates economic, social, and environmental factors into public procurement through various directives and regulations. The EU Public Procurement Directives (2014/24/EU and 2014/25/EU) mandate that contracting authorities across EU member states incorporate value for money, social considerations, and environmental sustainability in their procurement practices. The directives allow for the inclusion of social clauses, such as ensuring that contracts promote social inclusion, equal opportunities, and labor rights. The EU Sustainable Development Strategy also encourages public procurement to support green innovation, with the EU Green Public Procurement (GPP) criteria promoting the use of products and services that meet environmental standards such as reduced energy use and lower emissions. Socially, the EU also enforces policies that ensure equality and the inclusion of disadvantaged groups in procurement processes, which are further reinforced by EU laws prohibiting discrimination based on gender, ethnicity, and disability. The EU's Circular Economy Action Plan supports sustainable procurement by encouraging member states to buy products that can be reused or recycled, thus reducing environmental waste and encouraging sustainable business practices across sectors.

## **Canada**

In Canada, public procurement legislation is designed to address economic, social, and environmental issues, with a focus on ensuring that public funds are used efficiently while fostering social inclusion and sustainability. The Canadian Federal Government Procurement Policy incorporates environmental sustainability by requiring that all government procurements consider the life-cycle costs of products, including their environmental impact. The Green Procurement Policy encourages federal departments and agencies to prioritize the purchase of

energy-efficient products, as well as those that meet environmental standards. Economically, the Canadian government has implemented various programs to support the participation of small and minority-owned businesses in procurement, including set-aside programs that ensure these businesses have a fair opportunity to bid for government contracts. Social considerations are also embedded in the Government Procurement Strategy for Aboriginal Business (GPSAB), which sets out to encourage procurement from Indigenous-owned businesses, helping promote economic development in Indigenous communities. Canada's procurement policies aim to create inclusive growth, focusing on creating economic opportunities for underrepresented groups such as women, youth, and people with disabilities.

## **Australia**

Australia's public procurement legislation integrates economic, social, and environmental considerations into its procurement policies through the Commonwealth Procurement Rules (CPRs). The CPRs require federal agencies to assess the value for money of procurement decisions, which goes beyond simply choosing the lowest cost option and incorporates economic, social, and environmental outcomes. Social procurement in Australia is largely governed by the Social Procurement Framework developed by various state and federal agencies. This framework emphasizes the role of procurement in generating social outcomes, such as improving employment opportunities for disadvantaged groups, including Indigenous Australians, people with disabilities, and long-term unemployed individuals. The Australian Government Procurement Policy also encourages green procurement, ensuring that public contracts are awarded to suppliers that meet environmental sustainability criteria. Agencies are required to consider the environmental impact of the products and services they purchase, including factors such as energy efficiency, waste management, and sustainable sourcing. The National Green Procurement Guidelines and Green

Building Council of Australia's Green Star rating system provide specific criteria for evaluating the environmental sustainability of potential suppliers.

## **South Africa**

In South Africa, public procurement legislation places a strong emphasis on economic, social, and environmental factors, as outlined in the Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA). The Preferential Procurement Policy Framework Act (PPPFA) requires government entities to consider social equity when awarding contracts, particularly by prioritizing disadvantaged groups such as black-owned businesses, women, and youth. South Africa's B-BBEE (Broad-Based Black Economic Empowerment) policy is closely linked to procurement, ensuring that public procurement contributes to the economic empowerment of historically marginalized communities. The government also encourages green procurement, particularly through initiatives like the Green Procurement Guidelines, which promote the purchase of energy-efficient and environmentally sustainable products. South Africa's Department of Environmental Affairs also works to incorporate sustainability into public procurement, urging the purchase of goods and services that help achieve national environmental goals, such as reducing carbon emissions and promoting clean energy. Socially, South Africa's procurement system is designed to foster inclusive growth by ensuring equal access to government contracts for historically disadvantaged individuals and businesses, in line with the country's transformation agenda.

## **India**

India's public procurement system is governed by a blend of national and state-level policies that promote economic, social, and environmental objectives. The Public Procurement Bill, 2012 (currently under review) is designed to improve the transparency, accountability, and efficiency of

the procurement process. Economic goals are emphasized through reserved contracts for micro, small, and medium enterprises (MSMEs), enabling greater participation from small businesses in government procurement. The Make in India initiative also seeks to enhance domestic manufacturing and increase the procurement of locally manufactured products, thereby boosting the domestic economy. Social procurement is facilitated by policies like the reservation of procurement opportunities for women, backward classes, and socially disadvantaged groups, which ensures that public procurement contributes to economic inclusion. The National Guidelines on Green Procurement, launched by the Ministry of Environment, Forest and Climate Change, aim to reduce the environmental footprint of government procurement. These guidelines promote the purchase of products with low environmental impact, including those that are energy-efficient or recyclable, contributing to India's broader sustainable development goals. The government's procurement policies, which align with sustainable development and social justice, aim to create a more inclusive, green, and economically vibrant nation.

## **Nigeria**

In Nigeria, public procurement legislation is governed by the Public Procurement Act (2007) and its subsequent regulations, which integrate economic, social, and environmental considerations into the procurement process. The Public Procurement Act promotes economic inclusion by setting provisions for local content and encouraging the participation of indigenous businesses in procurement opportunities. Social procurement is facilitated through preferential treatment for marginalized groups, including women and persons with disabilities, and there are policies aimed at empowering small and medium-sized enterprises (SMEs). Nigeria's procurement policies have increasingly recognized the importance of environmental sustainability. The government, through the National Environmental Standards and Regulations Enforcement Agency (NESREA), has

introduced environmental clauses in procurement contracts to promote the use of environmentally friendly products and services. The National Policy on Environment also integrates green procurement by encouraging the purchase of products that minimize environmental harm. However, challenges such as corruption, weak enforcement mechanisms, and lack of capacity continue to hinder the effective implementation of these policies.

## **Kenya**

Kenya's public procurement legislation is designed to promote transparency, fairness, and accountability, while simultaneously addressing economic, social, and environmental considerations. The Public Procurement and Asset Disposal Act (PPADA) 2015 provides the legal framework for procurement processes across all public entities, including ministries, departments, and state corporations. The Act promotes value for money by ensuring that procurement decisions are made based on objective criteria that incorporate economic, social, and environmental impacts. Economic considerations are embedded within Kenya's procurement laws through policies aimed at supporting local businesses, particularly small and medium-sized enterprises (SMEs), women, youth, and persons with disabilities. The Access to Government Procurement Opportunities (AGPO) program, for example, reserves a portion of government contracts for businesses owned by women, youth, and persons with disabilities, providing them with preferential treatment in public procurement processes. This is a key element of Kenya's broader economic empowerment agenda, which seeks to create inclusive growth and reduce inequalities within the economy.

In terms of social procurement, the Public Procurement and Disposal Act includes provisions for affirmative action aimed at integrating historically marginalized communities into the economy. This includes set-asides for youth-owned, women-owned, and disability-owned businesses in the awarding of government contracts. The Act also aligns with Kenya's constitutional commitment

to social inclusion and affirmative action, particularly the Constitution of Kenya (2010), which requires that the government ensure that economic opportunities are available to all citizens. This legal framework ensures that public procurement acts as a tool for social transformation by providing underrepresented groups with greater access to public contracting opportunities, which in turn promotes social equality and fosters economic development in communities that have been historically excluded from mainstream economic activities.

From an environmental perspective, Kenya has integrated green procurement into its public procurement system, recognizing the growing importance of sustainability in the context of climate change and environmental protection. The Environmental Management and Coordination Act (EMCA), which sets the legal framework for environmental protection in Kenya, includes provisions that encourage government entities to prioritize the purchase of goods and services that meet environmental standards. This includes energy-efficient products, environmentally friendly construction materials, and sustainable transportation options. Additionally, Kenya has committed to reducing its carbon footprint and supporting the United Nations Sustainable Development Goals (SDGs), particularly SDG 12 on responsible consumption and production. Through the Green Procurement Guidelines issued by the Public Procurement Regulatory Authority (PPRA), public bodies are encouraged to incorporate environmental criteria when awarding contracts. These guidelines help align government procurement with climate change goals, making it easier for contracting authorities to source goods and services that contribute to environmental sustainability.

The legal framework for economic, social, and environmental procurement is also strengthened by Kenya's participation in international trade agreements. As a member of the World Trade Organization (WTO) and the East African Community (EAC), Kenya is committed to adhering to international procurement standards that emphasize non-discrimination, transparency, and fair

competition. For instance, under the EAC Procurement Procedures, Kenya is required to ensure that its public procurement policies are aligned with regional and international standards. This has led to greater openness in public procurement processes, as well as the development of e-procurement platforms that increase access to government contracts and reduce the potential for corruption. The e-Government Procurement System enables suppliers, especially small and medium enterprises, to participate in the tendering process remotely, promoting inclusive growth and equitable access to government contracts.

Kenya's Public Procurement and Disposal Act (PPADA 2015) and related regulations have also been instrumental in addressing corruption and inefficiencies in the procurement process. However, despite legal and institutional frameworks, challenges such as procurement fraud, political interference, and capacity limitations remain prevalent. Corruption continues to undermine public procurement in Kenya, with several high-profile cases of embezzlement and bribery in procurement processes. To combat these issues, the Ethics and Anti-Corruption Commission (EACC) has taken a proactive role in monitoring and investigating corruption-related offenses in procurement. The Directorate of Public Prosecutions (DPP), alongside other oversight bodies such as the Public Accounts Committee (PAC), plays a critical role in prosecuting cases of procurement fraud and ensuring the accountability of public servants involved in procurement decisions.

A significant case in Kenya's procurement law is The Public Procurement Administrative Review Board (PPARB) v. National Treasury (2019), where the High Court ruled that the National Treasury's procurement process had failed to follow established legal procedures. The ruling underscored the importance of strict adherence to procurement laws and the need for public bodies to follow transparent and legally mandated processes when awarding contracts. This case

emphasized the role of administrative review mechanisms, such as the PPARB, which allows aggrieved bidders to challenge procurement decisions they believe are unfair or discriminatory. In addition, the Kenya Pipeline Company Ltd v. Public Procurement Administrative Review Board (2014) case further clarified the importance of due process and fairness in public procurement, particularly regarding the rejection of bids and the reasons for contract award decisions.

Despite the progress made in developing an inclusive and sustainable procurement framework, the effectiveness of Kenya's procurement system continues to face several challenges. The lack of consistent enforcement and the complexity of procurement procedures are often cited as barriers to improving the efficiency of the system. In response, Kenya has been working towards digitalizing procurement processes to reduce inefficiencies and improve transparency. The GePG (Government e-Procurement System), introduced by the National Treasury, has facilitated the electronic submission and evaluation of tenders, promoting a more streamlined and transparent procurement process. Furthermore, the government is also working on capacity building within procurement units, aiming to strengthen the skills of procurement professionals and enhance the management of public contracts.

Kenya's public procurement system is legally structured to address economic, social, and environmental goals through its Public Procurement and Asset Disposal Act (PPADA 2015) and related regulations. While there have been significant advancements in integrating economic empowerment, social inclusion, and environmental sustainability into procurement processes, ongoing challenges related to corruption, enforcement, and capacity must be addressed. As Kenya continues to implement and refine its procurement laws and policies, it will likely see increased progress in fostering a fair, inclusive, and sustainable procurement environment that contributes to the broader economic and social development goals of the country.

According to scholars like Smith (2018) and Ouko (2019), the main thrust of the legislation in this area is to ensure that public funds are utilized as efficiently as possible. Smith emphasizes that an efficient procurement process can significantly contribute to economic development by reducing wastage of public funds. The study discussed how these laws are aimed at balancing economic outcomes, notably by encouraging competitive bidding processes that are intended to reduce costs and eliminate corruption. Therefore, the economic aspects of Kenya's procurement legislation are constructed to not only regulate but also to facilitate and improve economic performance.

Social considerations in Kenya's public procurement laws have also been a subject of extensive study, with specific emphasis on how the laws are designed to enhance social justice and inclusivity. Otieno and Wachira (2017) delved into how provisions have been made to ensure that marginalized groups, such as women and the youth, have a fair chance to participate in government tenders. These provisions are seen as necessary for ensuring social equity, which Otieno and Wachira argue is critical not just from a justice perspective but also in practical terms. They assert that when more groups participate in procurement processes, the supplier base becomes broader. This increased competition can lead to reduced costs and greater efficiency, thereby benefiting the society at large.

Studies by Mwangi and Njuguna (2016) showed that public procurement laws are increasingly being geared towards the promotion of green or environmentally friendly procurement. For example, the laws give preference to goods, services, and works that are produced and operated in an environmentally sustainable manner. This emphasis on green procurement aligns with global trends and sustainable development goals. It not only reflects the changing environmental landscape but also embodies the country's commitment to responsible stewardship of natural resources.

A seminal work by Osei-Tutu, Badu, and Owusu-Manu (2015) explored the economic facets of public procurement laws in Kenya. The study contends that the procurement processes in Kenya are highly regulated to foster economic development. They argue that by setting regulations that ensure fair competition, transparency, and equitable treatment of suppliers, the economic benefits are multi-fold. Not only does this boost domestic businesses by providing an equal playing field, but it also has the long-term effect of attracting foreign investment. Furthermore, the study identifies that public procurement accounts for a significant proportion of Kenya's GDP, thereby making its economic impact undeniable.

Social aspects have been scrutinized in depth in a study by Kimani and Waiganjo, (2017) and research sheds light on the socio-cultural elements that influence procurement policies in Kenya. Special attention is given to the social clauses in the public procurement laws that aim to provide opportunities for disadvantaged groups. These include women, people with disabilities, and small enterprises that otherwise would have limited access to such large-scale contracts. The authors argue that while this is a laudable effort, more needs to be done to make the procurement process genuinely inclusive.

For the environmental dimension, a key study by Okong'o and Ngugi (2018) investigated how green procurement has been integrated into Kenya's procurement legislation. Their study finds that Kenya is gradually making strides in aligning public procurement with global sustainable development goals. Among other measures, the study highlights the rules that compel procuring entities to opt for goods, works, and services that have minimal negative impact on the environment. Despite these efforts, the study also mentions that a lot more needs to be done to fully operationalize green procurement practices.

A comprehensive paper by Mutai and Kirui (2019) ties together the economic, social, and environmental aspects under the umbrella of sustainable development. They opine that Kenya's public procurement laws have a balanced focus on all three pillars of sustainability. Their study highlights that while significant progress has been made in aligning the procurement laws with sustainability objectives, consistent implementation remains a challenge. The researchers recommend regular policy reviews to adapt to the ever-changing global sustainability requirements.

### **3.4 Practices of Procurement Professionals on Sustainable Development**

#### **United States**

In the United States, procurement professionals have increasingly embraced sustainable development practices, influenced by both government regulations and private sector trends. At the federal level, the Federal Acquisition Regulation (FAR) mandates that agencies incorporate environmental sustainability into procurement decisions. This includes adherence to green procurement principles, which prioritize purchasing products and services that reduce environmental harm, such as energy-efficient equipment and renewable energy sources. Procurement professionals are guided by Executive Order 13834, issued by the Trump administration and replaced by Executive Order 14057 under President Biden, which emphasizes the use of sustainable procurement practices in federal agencies. The EPA's Green Purchasing Program further drives procurement decisions toward environmentally friendly options, promoting the use of sustainable products throughout the federal procurement system.

In the private sector, companies like Amazon and Microsoft have integrated sustainability into their procurement strategies, including commitments to carbon neutrality and sourcing from sustainable suppliers. Procurement professionals in both the public and private sectors are

increasingly focused on socially responsible sourcing, ensuring that labor practices in supply chains meet ethical standards. The California Green Building Standards Code (CALGreen) mandates sustainable practices in procurement for construction projects, requiring contractors to source environmentally friendly materials and technologies. These efforts align with broader sustainable development goals (SDGs), particularly in energy efficiency, social equity, and responsible consumption.

## **United Kingdom**

In the United Kingdom, procurement professionals have increasingly integrated sustainable development practices into government procurement, driven by both EU regulations and domestic policies. Following Brexit, the UK has retained much of the EU procurement framework, including provisions related to green procurement. The Public Services (Social Value) Act 2012 requires public sector procurement to account for social value when awarding contracts, which includes evaluating factors like environmental impact, job creation, and local economic development. Procurement professionals in the UK use tools like the Social Value Portal to measure and quantify social value, aligning with the UK's 25-Year Environment Plan and the Paris Agreement on climate change. The Crown Commercial Service (CCS), which provides procurement expertise across government departments, incorporates sustainability into all public procurement decisions by considering the life-cycle costs of goods and services.

The Government Procurement Service also emphasizes diversity and local economic impact in procurement, guiding professionals to prioritize contracts that support inclusive growth and small businesses. Furthermore, the Environmental Protection Act (EPA) encourages procurement professionals to evaluate environmental performance when awarding contracts, with a focus on sourcing low-carbon, energy-efficient products. The growing adoption of digital procurement

platforms also aids in improving the transparency and efficiency of sustainable procurement in the UK, ensuring that all procurement processes are aligned with national sustainability goals and the SDGs.

## **Australia**

In Australia, procurement professionals are increasingly adopting sustainable development practices as part of government and corporate procurement strategies. The Commonwealth Procurement Rules (CPRs) require that procurement decisions be made with consideration to not only value for money but also environmental and social outcomes. The Australian Government Procurement (AGP) Policy and the National Procurement Policy Framework (NPPF) encourage the integration of green procurement practices, with a strong emphasis on purchasing products that have a minimal environmental footprint, such as energy-efficient products and services that support climate change mitigation. Additionally, procurement professionals are encouraged to consider social procurement, which includes fostering local employment and supporting small businesses and Indigenous-owned enterprises.

State governments have also developed social procurement frameworks, such as the New South Wales Social Procurement Framework, which prioritizes procurement that contributes to community development and economic inclusion. Australia's Clean Energy Finance Corporation (CEFC) plays a significant role in financing sustainable procurement, particularly in sectors like infrastructure, renewable energy, and low-carbon technology. The Australian Procurement and Construction Council (APCC) advocates for sustainable practices within construction procurement, encouraging the sourcing of materials that comply with environmental standards and support circular economy principles. Procurement professionals in Australia are increasingly

involved in measuring the sustainability outcomes of their procurement decisions, including carbon emissions reduction and the use of recyclable or bio-degradable materials.

## **Germany**

Germany has long been a leader in integrating sustainability into public procurement practices, driven by both EU regulations and national policies. The German Public Procurement Act (Gesetz gegen Wettbewerbsbeschränkungen, GWB) sets the framework for procurement professionals to incorporate economic, social, and environmental sustainability in their decision-making processes. The Green Procurement Policy is central to Germany's commitment to climate change mitigation, as public procurement is often used to support low-carbon technologies and renewable energy. The German Federal Ministry for the Environment (BMU) works to ensure that procurement professionals select energy-efficient and environmentally friendly products, with an emphasis on sustainability criteria in public contracts.

Procurement in Germany is also guided by the EU's Public Procurement Directives, which allow for the inclusion of social criteria such as labor rights and social equity in procurement processes. Moreover, Germany's Circular Economy Act encourages procurement professionals to select goods and services that support circular economy principles, promoting the recycling and reuse of materials. Procurement professionals are trained to evaluate the life-cycle costs of products and prioritize those that reduce environmental impact. Germany's commitment to the Paris Agreement further underscores the importance of sustainable procurement, particularly in public sector contracts related to infrastructure and construction.

## **South Africa**

In South Africa, procurement professionals are increasingly integrating economic, social, and environmental sustainability into their practices, supported by a robust legal and regulatory framework. The Public Finance Management Act (PFMA) and the Municipal Finance Management Act (MFMA) require that procurement decisions at both the national and local government levels be made with a focus on value for money, transparency, and accountability. Economic empowerment is a core principle in South African procurement, particularly through the Broad-Based Black Economic Empowerment (B-BBEE) framework, which encourages procurement from historically disadvantaged groups, including black-owned businesses, women, and youth. This is complemented by the Preferential Procurement Policy Framework Act (PPPFA), which requires that procurement decisions also consider social criteria, such as promoting local businesses and job creation in disadvantaged communities.

South African procurement professionals are also guided by green procurement policies, which are part of the National Environmental Management Act. The government promotes the use of eco-friendly products, sustainable construction materials, and services that support climate action and biodiversity protection. The South African Green Building Council (GBCSA) provides guidelines for sustainable construction and green building practices that procurement professionals in the public sector are encouraged to adopt. Procurement professionals are also encouraged to assess the social impact of contracts, ensuring that procurement supports the government's goal of inclusive and sustainable economic development.

## **India**

India's public procurement system increasingly incorporates economic, social, and environmental sustainability as key pillars in procurement decision-making. The Public Procurement Bill, 2012

(currently under review) is a significant piece of legislation that mandates the integration of sustainability into procurement policies. India's Make in India initiative encourages procurement professionals to prioritize domestic manufacturing, ensuring that contracts are awarded to local businesses, thus fostering economic development and job creation within the country. Social procurement is also emphasized, with policies promoting the inclusion of minority-owned, women-owned, and small enterprises in the procurement process.

Furthermore, procurement professionals in India are encouraged to consider green procurement, particularly in sectors like construction, infrastructure, and energy. The Ministry of Environment, Forest and Climate Change has developed green procurement guidelines to ensure that public entities select energy-efficient and environmentally friendly products, such as LED lighting, solar panels, and other renewable energy solutions. These guidelines align with India's commitment to climate action and sustainable development goals (SDGs). The National Clean Energy Fund (NCEF) also supports the procurement of green technologies, while smart cities initiatives push for the adoption of sustainable building materials and low-carbon urban development.

## **China**

In China, procurement professionals are increasingly adopting sustainable development practices as part of government and corporate procurement strategies. The Government Procurement Law mandates that public procurement decisions should consider environmental impact and social value alongside cost-efficiency. The Chinese Green Public Procurement Guide encourages procurement professionals to prioritize the purchase of energy-efficient products, such as LED lighting, electric vehicles, and renewable energy solutions, aligning with China's goals of carbon neutrality and environmental sustainability.

Additionally, the Made in China 2025 initiative highlights the importance of domestic innovation and technology procurement, emphasizing the need to source products that foster economic modernization while promoting local industries. Social procurement in China is largely focused on promoting local businesses, especially in industries such as construction and manufacturing. Labor rights and fair working conditions are also increasingly prioritized in procurement, particularly in the context of social equity and poverty reduction. These efforts are aligned with China's commitment to sustainable development goals (SDGs), focusing on affordable and clean energy, sustainable cities, and inclusive economic growth.

## **Kenya**

In Kenya, procurement professionals have increasingly adopted sustainable development practices in line with both national policies and international frameworks. The Public Procurement and Asset Disposal Act (PPADA) 2015 provides the legal foundation for public procurement in Kenya, and it integrates economic, social, and environmental considerations into procurement practices. The Act stipulates that procurement decisions should be based not only on value for money but also on broader social, environmental, and economic outcomes. One of the core aspects of Kenya's procurement system is its focus on economic empowerment, particularly through local content policies that encourage procurement from small and medium-sized enterprises (SMEs), women-owned businesses, and youth- and disability-owned businesses. The Access to Government Procurement Opportunities (AGPO) program, for instance, reserves a percentage of government contracts for these marginalized groups, aiming to promote inclusive economic development and address historical inequalities.

Procurement professionals in Kenya are increasingly guided by green procurement principles that align with the country's broader goals of sustainable development and climate change mitigation.

Kenya's Vision 2030 emphasizes the importance of sustainable development and environmental stewardship, and this has influenced procurement policies in both the public and private sectors. The National Environment Management Authority (NEMA) plays a significant role in ensuring that procurement processes incorporate environmental standards, particularly in construction and infrastructure projects. For instance, environmental impact assessments (EIAs) are mandatory for large-scale projects, ensuring that contractors and suppliers adhere to regulations that minimize environmental harm. Procurement professionals are encouraged to consider the life-cycle cost of products, which includes energy efficiency, waste management, and carbon footprint reduction, in line with Kenya's commitments under the Paris Agreement and the United Nations Sustainable Development Goals (SDGs).

Social procurement has also gained traction in Kenya, with a particular emphasis on poverty alleviation and job creation. The Public Procurement and Disposal Act requires contracting authorities to consider social aspects such as employment opportunities, skills development, and community welfare when awarding contracts. For instance, public contracts in sectors like infrastructure and agriculture are increasingly evaluated not just on price but also on their potential to generate local employment and improve livelihoods. This is in line with the government's Big Four Agenda, which focuses on affordable housing, manufacturing, universal healthcare, and food security. Procurement professionals play a critical role in ensuring that contracts awarded under these initiatives create opportunities for economic empowerment, particularly in rural and underdeveloped areas.

The Kenya Bureau of Standards (KEBS) has also developed sustainability standards to guide procurement in various sectors, ensuring that products meet certain environmental and safety standards. This includes encouraging the use of sustainable building materials, energy-efficient

technologies, and environmentally friendly manufacturing processes. For example, in the construction sector, there is a growing trend toward procuring materials that are sustainably sourced and have a lower environmental impact. Public procurement professionals are encouraged to integrate such standards into the procurement process, ensuring that the government's spending contributes to the country's long-term sustainability goals.

Procurement professionals in Kenya face challenges related to the effective implementation of sustainable procurement practices. Issues such as lack of awareness, insufficient capacity, and political interference can undermine the effectiveness of sustainable procurement initiatives. However, institutions like the Public Procurement Regulatory Authority (PPRA) and the Kenya Institute of Supplies Management (KISM) are actively working to build the capacity of procurement professionals by offering training programs on sustainable procurement practices and ethical sourcing. Additionally, the government has made efforts to integrate electronic procurement systems, which improve transparency and accountability, making it easier for procurement professionals to track and evaluate the sustainability outcomes of their purchasing decisions.

Despite these efforts, corruption remains a significant challenge in Kenya's public procurement system, and it can undermine the adoption of sustainable procurement practices. The Ethics and Anti-Corruption Commission (EACC) continues to investigate cases of procurement fraud and kickbacks, which have long been problems in Kenya's procurement processes. However, the government's push toward e-procurement platforms, such as GePG (Government e-Procurement System), is helping to reduce opportunities for corruption by making procurement processes more transparent and accountable. The digitalization of procurement processes ensures that decisions

are publicly available, and bidders can more easily track the status of their proposals, contributing to a more open and fair procurement system.

Moreover, Kenya's public procurement professionals are working to enhance collaboration with international bodies to strengthen sustainable supply chains. Kenya is part of the East African Community (EAC), and procurement standards within the region increasingly reflect a commitment to regional integration and environmental sustainability. For example, the EAC Procurement Procedures advocate for the use of environmentally responsible and socially equitable procurement practices that support both local industries and regional trade.

Procurement professionals in Kenya are increasingly integrating economic, social, and environmental sustainability into public procurement decisions. While challenges such as corruption, capacity building, and enforcement of regulations remain, Kenya's legal and regulatory framework continues to evolve to promote inclusive growth, environmental stewardship, and social equity. Through programs like AGPO, green procurement guidelines, and capacity-building initiatives, Kenya is making strides toward a more sustainable procurement system that aligns with national development goals and international sustainability commitments.

In the seminal work by Ochieng and Akatch (2015), the authors conducted a comprehensive study to understand how procurement professionals in Kenya contribute to sustainable development. Through in-depth interviews and surveys involving key stakeholders, they found that while there is a rising awareness about the importance of sustainable procurement, the practical implementation is often limited by budget constraints and lack of technical know-how. Ochieng and Akatch argue that for real progress to occur, there needs to be a concerted effort from both governmental bodies and procurement professionals to update current procurement laws and offer training programs focused on sustainability.

A contrasting perspective is offered by Wangari and Mwangi (2017), who posited that the procurement professionals in Kenya are already making significant strides in contributing to sustainable development. They cite specific examples where green procurement practices have been successfully implemented, such as the purchasing of eco-friendly office supplies and construction materials. The authors posit that such practices are not only beneficial for the environment but also make good economic sense in the long term.

Otieno et al. (2020) examined the technological aspects of procurement practices in Kenya, focusing on the adoption of digital tools to enhance sustainability. According to their findings, while many organizations have embraced digital procurement systems, there is a noticeable lag in incorporating sustainability metrics into these platforms. Otieno et al. suggested that leveraging technology could be a game-changer in tracking and improving the sustainability impact of public procurement. Njoroge and Kariuki (2019) focused on the ethical dimensions of procurement practices, arguing that ethical considerations are crucial for achieving sustainable development. They conducted surveys among procurement professionals in several Kenyan municipalities and found that while many acknowledged the importance of ethical practices, implementation is often compromised by corrupt practices and lack of accountability. The study calls for stricter regulations and transparency to ensure that ethical and sustainable procurement is more than just lip service.

Omondi and Nyamwange (2022) provided a comprehensive analysis that crosses various sectors such as healthcare, construction, and education to examine how procurement professionals are implementing sustainable practices in Kenya. Their study reveals that there is a considerable variation in the application of sustainability principles depending on the industry. For instance, the healthcare sector showed more emphasis on the procurement of eco-friendly medical supplies and

equipment, while the construction sector focused more on sustainable building materials and practices. The authors argued that the varying needs and priorities of different sectors necessitate a more tailored, sector-specific approach to sustainable procurement. This nuanced approach, they suggest, would be more effective in achieving the overarching goals of economic, social, and environmental sustainability. They call for the development of sector-specific guidelines and frameworks that can guide procurement professionals in implementing practices that are genuinely sustainable and not just in compliance with existing, but often generic, laws and regulations.

In a seminal study by Carter and Rogers (2008) explored the integration of sustainability into procurement practices. The authors argue that professionals in this field are uniquely positioned to influence the social, economic, and environmental aspects of sustainability. They employ a framework that takes into account these three dimensions, highlighting the interplay between them and how they can be optimized through strategic procurement. Their findings indicate that procurement professionals who embrace sustainable practices have a broad impact beyond cost-efficiency, significantly contributing to corporate social responsibility (CSR) and overall business sustainability. This study lays the foundation for understanding how procurement professionals can be agents of sustainable change within organizations.

The study by Touboulic and Walker (2015) focused to the complexity of implementing sustainable practices in procurement. According to their research, procurement professionals face a number of challenges, including lack of resources, insufficient management support, and the difficulty of quantifying sustainability metrics. The authors conducted interviews with industry professionals, revealing that while most organizations have sustainability goals, the pathway to achieving them is often unclear, calling for a more structured approach in procurement practices.

Pagell and Wu (2019) delved into the practical implications of sustainable procurement. The research examines how procurement professionals navigate the challenges of sourcing sustainably while also meeting organizational objectives. The study makes use of case studies from various industries to show that embracing sustainability often leads to a competitive advantage, underlining the economic benefits of such practices. Moreover, it suggests that procurement professionals should look beyond their immediate supply chains and consider the broader impact of their decisions, advocating for a more holistic view of sustainability.

Testa et al. (2016) investigated the role of procurement in government sustainability initiatives. Their study reveals that public procurement professionals often face unique constraints such as regulatory compliance and public accountability, which can make the adoption of sustainable practices more complex. Despite these challenges, the authors find that sustainable procurement in the public sector not only contributes to environmental and social goals but also brings about economic advantages through efficiency gains and cost reductions. This work demonstrates the significant role that public procurement plays in driving sustainable development.

### **3.5 Relationship between Public Procurement and Sustainable Economic Growth**

#### **United States**

Public procurement plays a fundamental role in driving sustainable economic growth in the United States by leveraging government spending to stimulate market competition, create jobs, and support domestic industries. The U.S. federal government is the single largest purchaser of goods and services, with procurement expenditures exceeding \$600 billion annually, constituting a significant portion of the country's GDP (OECD, 2021). The Federal Acquisition Regulation (FAR) provides the primary legal framework governing procurement processes, ensuring that contracts are awarded transparently, competitively, and with value-for-money principles in mind

(U.S. Government Accountability Office [GAO], 2020). Sustainable public procurement (SPP) initiatives have been increasingly integrated into federal contracting policies, encouraging agencies to procure environmentally friendly products, support small businesses, and prioritize labor standards. Programs such as the Buy American Act (1933) and the Small Business Act (1953) promote local industry growth, reinforcing economic resilience by ensuring that federal dollars contribute to job creation within U.S. borders (U.S. Department of Commerce, 2022). Moreover, sustainable procurement extends beyond economic benefits, fostering innovation through green technologies, energy-efficient products, and circular economy practices, thereby contributing to long-term economic sustainability.

The integration of sustainability into public procurement frameworks has also provided a strategic avenue for addressing economic disparities and fostering inclusive growth in the U.S. economy. Federal agencies, through initiatives such as the Minority Business Development Agency (MBDA) and the Historically Underutilized Business Zones (HUBZone) program, actively allocate procurement opportunities to disadvantaged businesses, including those owned by minorities, women, and veterans (U.S. Small Business Administration [SBA], 2021). This inclusive procurement approach enhances economic participation among marginalized groups, driving wealth distribution and reducing economic inequalities. Furthermore, by embedding environmental, social, and governance (ESG) considerations into procurement decisions, the U.S. government has strengthened the link between sustainability and economic development. The Executive Order on Federal Sustainability (14057), signed in 2021, mandates that all federal agencies transition toward carbon-neutral procurement by 2050, ensuring that economic growth aligns with climate objectives (White House, 2021). These regulatory measures not only create new market opportunities for sustainable goods and services but also encourage private sector

investments in clean technology and renewable energy sectors, fostering economic expansion through green innovation.

Beyond direct fiscal stimulus, public procurement has a multiplier effect on economic growth by enhancing productivity and efficiency within supply chains. Procurement policies in the U.S. emphasize competitive tendering, cost-effective contract management, and the enforcement of anti-corruption mechanisms, ensuring that taxpayer funds are allocated efficiently (GAO, 2022). Programs such as the Defense Production Act (DPA), which facilitates government procurement to support domestic manufacturing and supply chain security, highlight the role of strategic procurement in bolstering national economic resilience (U.S. Department of Defense, 2022). Additionally, the Infrastructure Investment and Jobs Act (2021) has allocated significant federal funding toward procurement in sectors such as transportation, digital infrastructure, and energy efficiency, directly stimulating employment and industrial growth (U.S. Department of Transportation, 2022). Research has shown that every \$1 billion spent on infrastructure procurement generates an estimated 13,000 to 15,000 new jobs, underscoring the vital role of procurement policies in employment generation and economic stability (American Economic Association, 2020). These policies demonstrate how procurement, when strategically aligned with broader economic objectives, serves as a critical driver of national development.

Despite the positive contributions of public procurement to economic sustainability, challenges persist in fully aligning procurement policies with sustainable growth goals. Issues such as bureaucratic inefficiencies, lack of transparency in contract awards, and procurement fraud have occasionally undermined economic efficiency (OECD, 2022). In response, digitalization and e-procurement solutions have been progressively implemented to enhance procurement oversight and streamline processes. The U.S. government's implementation of the System for Award

Management (SAM) and blockchain-based procurement tracking mechanisms have improved contract monitoring, reducing inefficiencies and ensuring greater accountability (GAO, 2023). Furthermore, while procurement policies supporting sustainability have gained momentum, there is a continued need to enhance coordination between federal, state, and local agencies to standardize sustainable procurement practices (National Association of State Procurement Officials [NASPO], 2022). Strengthening procurement laws and regulatory frameworks to ensure long-term economic resilience and environmental sustainability will be essential in optimizing the role of public procurement as an engine for sustainable economic growth in the U.S.

## **Canada**

Public procurement in Canada is a critical tool for driving sustainable economic growth, accounting for approximately 15% of the country's GDP (OECD, 2021). The federal government, through institutions such as Public Services and Procurement Canada (PSPC), oversees procurement policies that prioritize transparency, competition, and value for money (Government of Canada, 2022). Canada's procurement framework is guided by the Financial Administration Act (FAA) and the Government Contracts Regulations (GCR), ensuring that public contracts contribute to economic stability and long-term growth (Treasury Board of Canada Secretariat, 2021). Sustainable public procurement (SPP) initiatives, such as the Green Procurement Policy and Social Procurement Strategy, further integrate economic, social, and environmental considerations into public spending (Environment and Climate Change Canada, 2022). By embedding sustainability criteria into procurement decisions, the Canadian government not only strengthens economic competitiveness but also fosters industrial innovation, particularly in sectors such as clean energy, digital infrastructure, and circular economy solutions. Additionally, procurement policies promote local supplier engagement, ensuring that small and medium

enterprises (SMEs) benefit from government contracts, ultimately contributing to job creation and inclusive economic development.

Canada has also leveraged public procurement as a mechanism to promote economic inclusivity, particularly for marginalized communities. The Procurement Strategy for Indigenous Business (PSIB) mandates that a portion of federal contracts be awarded to Indigenous-owned businesses, supporting reconciliation efforts and enhancing economic participation among Indigenous communities (Indigenous Services Canada, 2022). Similarly, initiatives such as the Women Entrepreneurship Strategy and the Supplier Diversity Program encourage the participation of women-owned and minority-led enterprises in public contracting, reducing economic disparities and fostering broad-based growth (Business Development Bank of Canada, 2023). By ensuring that procurement policies incorporate social and economic equity, Canada strengthens its commitment to Sustainable Development Goals (SDGs), particularly in areas of decent work, economic growth, and reduced inequalities (United Nations Global Compact Canada, 2022). Furthermore, by prioritizing fair labor practices, ethical sourcing, and human rights considerations in procurement decisions, Canada ensures that public contracts contribute to long-term workforce stability and sustainable business operations, reinforcing economic resilience.

From an industrial perspective, public procurement plays a pivotal role in fostering technological advancement and innovation in Canada. The Innovation Solutions Canada (ISC) program is an example of how the federal government uses procurement to stimulate research and development, supporting emerging enterprises in developing cutting-edge solutions for public-sector needs (Innovation, Science and Economic Development Canada, 2023). Through pre-commercial procurement, Canadian businesses gain access to government funding, enabling them to scale up and commercialize innovative products and services, which, in turn, enhances national

competitiveness in global markets. Additionally, procurement under the Net-Zero Procurement Strategy, which mandates that all federal purchases be carbon-neutral by 2050, has accelerated investment in clean energy technologies and sustainable infrastructure (Natural Resources Canada, 2023). These policies demonstrate how strategic public procurement not only stimulates economic activity but also drives Canada's transition toward a low-carbon economy, reinforcing the synergy between economic growth and environmental sustainability.

Despite its benefits, Canada's public procurement system faces challenges that impact its effectiveness in driving sustainable economic growth. Issues such as bureaucratic inefficiencies, bid-rigging, and contract opacity have raised concerns about value for money and fairness in contract awards (OECD, 2022). Moreover, the complexity of regulatory requirements has created barriers for SMEs and new market entrants, limiting the diversity of suppliers participating in government contracts (Canadian Federation of Independent Business, 2022). To address these challenges, Canada has implemented e-procurement platforms such as BuyandSell.gc.ca, which enhances transparency and accessibility by digitizing tendering processes (Treasury Board of Canada Secretariat, 2023). Additionally, policies aimed at increasing supplier diversity and improving contract monitoring are being strengthened to ensure that procurement continues to serve as a driver of economic resilience and sustainable development. Moving forward, aligning procurement policies with evolving global trade agreements and strengthening federal-provincial coordination will be crucial in optimizing the economic impact of public procurement in Canada.

## **Australia**

Public procurement in Australia is a key driver of sustainable economic growth, accounting for approximately 13% of the country's Gross Domestic Product (GDP) (OECD, 2021). The Australian Government, through the Department of Finance, administers procurement policies

under the Commonwealth Procurement Rules (CPRs), which ensure efficiency, value for money, and sustainability in government contracting (Australian Government, 2023). Public procurement in Australia is designed to promote economic resilience by encouraging competition among businesses, stimulating job creation, and fostering industrial development. The Sustainable Procurement Framework, introduced under the Sustainable Procurement Guide, integrates environmental and social factors into procurement decisions, ensuring that public spending supports long-term economic sustainability (Australian National Audit Office [ANAO], 2022). Additionally, Australia's Local Procurement Policy ensures that small and medium enterprises (SMEs) have access to public contracts, reducing market concentration and increasing economic participation across diverse sectors (Department of Industry, Science, Energy and Resources, 2022). By linking procurement policies with economic development strategies, the Australian government ensures that public sector spending fosters inclusive and sustainable economic growth. Australia has also integrated public procurement as a means of achieving economic inclusion, particularly for Indigenous businesses and socially disadvantaged enterprises. The Indigenous Procurement Policy (IPP), established in 2015, requires federal agencies to award a percentage of contracts to Indigenous-owned businesses, enhancing their participation in national economic activities (National Indigenous Australians Agency, 2022). This policy has significantly boosted Indigenous entrepreneurship, creating employment opportunities within Aboriginal and Torres Strait Islander communities while reducing economic disparities. Similarly, the Social Procurement Framework (SPF) in states like Victoria mandates that procurement contracts support businesses that promote workforce participation among marginalized groups, including women, people with disabilities, and long-term unemployed individuals (Victorian Government, 2023). These policies demonstrate how procurement can be used as a tool to reduce socio-economic

inequalities and foster a more inclusive economy. Furthermore, ethical procurement standards have been strengthened through the Modern Slavery Act (2018), which ensures that public contracts uphold human rights by preventing exploitative labor practices in supply chains (Australian Human Rights Commission, 2022). By incorporating social and ethical considerations into procurement decisions, Australia has reinforced its commitment to economic sustainability and equitable growth.

Beyond social and economic inclusion, public procurement in Australia is a powerful catalyst for environmental sustainability and industrial innovation. The Commonwealth Sustainable Procurement Policy mandates that government agencies prioritize environmentally friendly products, including those with lower carbon footprints, recyclable materials, and reduced energy consumption (Department of Climate Change, Energy, the Environment and Water, 2023). This has led to increased investments in renewable energy technologies, green infrastructure, and circular economy initiatives, positioning Australia as a leader in sustainable economic transformation. Additionally, procurement strategies such as the Low Emissions Technology Investment Plan allocate government funding to clean energy projects through public-private partnerships, further stimulating innovation in green industries (Australian Renewable Energy Agency, 2023). Infrastructure procurement, particularly under the Infrastructure Investment Program, supports the development of climate-resilient projects that enhance long-term economic stability while mitigating environmental risks (Australian Infrastructure Financing Facility for the Pacific, 2022). These measures illustrate how sustainable procurement policies not only drive economic growth but also facilitate Australia's transition toward a low-carbon and resource-efficient economy.

Despite its contributions to economic sustainability, Australia's public procurement system faces several challenges that impact its effectiveness in fostering sustainable growth. Procurement inefficiencies, contract management risks, and lack of supplier diversity have been identified as barriers to optimizing public spending outcomes (OECD, 2022). Additionally, while sustainability has been integrated into procurement policies, implementation inconsistencies across federal, state, and local government agencies remain a challenge, creating fragmentation in policy execution (Australian Productivity Commission, 2022). In response, Australia has adopted e-procurement solutions, such as the AusTender platform, which enhances transparency, improves contract tracking, and facilitates fair competition among suppliers (Department of Finance, 2023). Furthermore, public-private partnerships (PPPs) have been increasingly used to streamline procurement efficiency while leveraging private sector expertise in delivering large-scale projects (Australian Industry Group, 2023). Strengthening regulatory oversight, contract performance monitoring, and intergovernmental coordination will be critical in ensuring that public procurement continues to serve as a strategic tool for economic resilience.

## **United Kingdom**

Public procurement in the United Kingdom (UK) is a fundamental tool for driving sustainable economic growth, contributing approximately 13% of the country's GDP (OECD, 2021). The UK government, through the Public Contracts Regulations 2015 and the Procurement Bill 2023, has established a regulatory framework that ensures public sector spending is aligned with economic priorities, competition, and sustainability (UK Government, 2023). Public procurement in the UK plays a dual role in stimulating economic activity—by creating demand for goods and services and by fostering long-term industrial innovation through strategic government contracts (HM Treasury, 2022). The UK's National Procurement Strategy (NPS) emphasizes value for money

while integrating environmental and social sustainability considerations into procurement processes (Local Government Association [LGA], 2022). In line with its Net Zero Strategy, the UK government mandates that all procurement contracts incorporate sustainability criteria, ensuring that public spending supports economic resilience and the transition toward a low-carbon economy (Department for Business, Energy & Industrial Strategy [BEIS], 2022). This approach enables procurement policies to stimulate job creation, innovation, and economic stability while reinforcing sustainable development goals.

One of the UK's key approaches to linking public procurement with economic growth is through the Buy British Policy, which prioritizes contracts for local businesses, particularly small and medium enterprises (SMEs) (Cabinet Office, 2023). SMEs account for nearly 99% of businesses in the UK, and by ensuring their participation in public procurement, the government enhances domestic economic activity, employment, and industrial diversification (Federation of Small Businesses [FSB], 2022). The Social Value Act 2012 further integrates economic inclusion into procurement by requiring public bodies to consider economic, social, and environmental benefits in their purchasing decisions (UK Parliament, 2022). This has led to increased procurement contracts being awarded to businesses that support disadvantaged communities, uphold fair labor practices, and promote gender and ethnic diversity (National Audit Office [NAO], 2022). Additionally, initiatives such as the Growth Accelerator Programme provide procurement-linked support to startups and emerging enterprises, ensuring that public sector demand drives entrepreneurial development and business growth (UK Department for Business and Trade, 2023). These policies ensure that public procurement serves as an economic multiplier, promoting innovation and inclusive economic participation.

Public procurement is also a major driver of industrial and technological innovation in the UK. Through the Innovative Procurement Programme (IPP), government contracts are awarded to companies investing in artificial intelligence (AI), digital transformation, and clean energy technologies (UK Research and Innovation [UKRI], 2023). The Transforming Public Procurement Initiative, introduced in 2023, seeks to modernize procurement processes by digitizing contract management and enhancing transparency through e-procurement platforms (Crown Commercial Service [CCS], 2023). Additionally, the UK has leveraged procurement policies to promote sustainability in infrastructure development. Large-scale projects such as High Speed 2 (HS2) and The Green Homes Grant Scheme have been structured to stimulate employment, advance green construction methods, and promote the use of sustainable materials (Department for Transport, 2022). These strategic investments demonstrate how procurement policies support economic resilience, enhance technological advancements, and create long-term employment opportunities. By fostering a competitive and innovation-driven procurement landscape, the UK ensures that public sector spending contributes to productivity growth and industrial competitiveness in global markets.

Despite its strengths, the UK's public procurement system faces several challenges that could hinder its role in promoting sustainable economic growth. Bureaucratic inefficiencies, procurement fraud, and limited supplier diversity have been cited as obstacles to achieving optimal procurement outcomes (OECD, 2022). While procurement policies emphasize sustainability, compliance inconsistencies across public sector agencies sometimes lead to inefficiencies in contract execution (NAO, 2023). Additionally, Brexit has reshaped the UK's procurement framework, requiring new trade agreements and adjustments to regulatory standards to align with post-EU economic policies (UK Department for International Trade, 2023). To address these

challenges, the UK has invested in digital procurement reforms, including the expansion of Contracts Finder—a centralized e-procurement platform that enhances transparency and accessibility for suppliers (Government Digital Service, 2023). Furthermore, green procurement standards have been reinforced through supply chain due diligence laws, ensuring that procurement contracts support ethical business practices and environmental conservation (UK Environment Agency, 2023).

## **China**

Public procurement in China is a fundamental driver of sustainable economic growth, accounting for approximately 20% of the country's GDP, making it one of the largest public procurement markets globally (OECD, 2022). The Chinese government has strategically leveraged procurement policies to promote industrial development, infrastructure expansion, and technological innovation, reinforcing the country's rapid economic transformation. The Government Procurement Law of China (GPLC), enacted in 2002, provides the legal framework for regulating public procurement processes, ensuring efficiency, transparency, and economic competitiveness (National People's Congress [NPC], 2023).

China's Five-Year Plans (FYPs) integrate public procurement as a mechanism to stimulate domestic demand, promote indigenous innovation, and enhance economic resilience (State Council of China, 2023). Additionally, procurement policies prioritize investments in key sectors such as renewable energy, digital infrastructure, and advanced manufacturing, contributing to long-term economic sustainability. By aligning procurement with industrial policies, China has successfully positioned government spending as a tool for economic modernization, technological self-reliance, and global competitiveness.

One of the key ways in which public procurement contributes to sustainable economic growth in China is through the Made in China 2025 (MIC 2025) initiative, which emphasizes domestic production, technological innovation, and supply chain security (Ministry of Industry and Information Technology [MIIT], 2023). Government procurement policies strongly favor local enterprises, state-owned firms, and high-tech industries, ensuring that public spending directly benefits domestic manufacturers (China Academy of Social Sciences [CASS], 2023). Furthermore, China has developed special economic zones (SEZs) and government-backed industrial clusters that receive preferential procurement contracts, stimulating regional economic development (National Development and Reform Commission [NDRC], 2023). These policies have facilitated the emergence of Chinese firms as global leaders in telecommunications, electric vehicles (EVs), and artificial intelligence (AI).

Additionally, the Belt and Road Initiative (BRI) has expanded the scope of China's public procurement policies to international markets, supporting infrastructure projects in developing countries and strengthening China's global economic influence (Asian Infrastructure Investment Bank [AIIB], 2022). By using procurement as a strategic tool for industrial expansion, China ensures that public sector spending drives long-term economic sustainability and international trade integration.

Beyond economic growth, public procurement in China plays a crucial role in advancing environmental sustainability and green development. The Green Procurement Policy, introduced under the Energy Conservation Law of China, mandates that government agencies prioritize environmentally friendly products, energy-efficient technologies, and sustainable materials in procurement decisions (Ministry of Ecology and Environment [MEE], 2023). Additionally, the National Carbon Market, launched in 2021, integrates carbon reduction targets into procurement

contracts, incentivizing green manufacturing and low-carbon supply chains (China Securities Regulatory Commission [CSRC], 2023). The Public-Private Partnership (PPP) model has also been widely used to finance eco-friendly infrastructure projects, such as high-speed rail networks, solar energy plants, and smart cities (World Bank, 2023). Furthermore, China's Circular Economy Action Plan emphasizes procurement strategies that support waste reduction, resource recycling, and environmental conservation, reinforcing the country's commitment to sustainable industrialization (State Environmental Protection Administration [SEPA], 2023). These policies demonstrate how China integrates economic growth objectives with environmental sustainability goals, ensuring that public procurement contributes to long-term resource efficiency and climate resilience.

Despite its success, China's public procurement system faces challenges related to transparency, market access, and regulatory consistency. While government procurement laws mandate competitive bidding and anti-corruption measures, concerns over favoritism toward state-owned enterprises (SOEs) and bureaucratic inefficiencies persist (OECD, 2023). Additionally, foreign companies often face barriers to entering China's procurement market, limiting international competition and technology transfer opportunities (European Chamber of Commerce in China, 2023). The U.S.-China trade tensions and evolving geopolitical risks have also led to increased scrutiny over procurement policies, particularly in sectors such as semiconductors, artificial intelligence, and telecommunications (Peterson Institute for International Economics, 2023).

To address these challenges, China has been expanding digital procurement platforms, such as the China Government Procurement Service Platform, to enhance contract transparency, supplier diversity, and process efficiency (State Council of China, 2023). Furthermore, reforms aimed at harmonizing local and national procurement standards are being implemented to ensure greater

regulatory consistency (National Public Resources Trading Center, 2023). Strengthening procurement transparency, promoting fair market access, and enhancing digital oversight will be crucial in ensuring that China's public procurement system remains a key driver of sustainable economic growth.

## **South Africa**

Public procurement in South Africa is a key driver of economic development, accounting for approximately 15% of the country's GDP (OECD, 2022). The South African government uses procurement policies as a strategic tool to stimulate economic growth, promote industrialization, and reduce socio-economic inequalities. The Public Finance Management Act (PFMA) of 1999 and the Preferential Procurement Policy Framework Act (PPPFA) of 2000 provide the legal and regulatory framework for public procurement in South Africa (National Treasury, 2023).

The Broad-Based Black Economic Empowerment (B-BBEE) policy is a central component of South Africa's procurement strategy, ensuring that historically disadvantaged businesses, including Black-owned enterprises, women entrepreneurs, and small businesses, receive preferential access to government contracts (Department of Trade, Industry, and Competition [DTIC], 2023). Additionally, procurement policies under the National Development Plan (NDP) 2030 emphasize local supplier development, job creation, and inclusive economic participation, reinforcing the link between public procurement and sustainable economic growth (Presidency of South Africa, 2023). These policies demonstrate how procurement serves as an economic multiplier, fostering local entrepreneurship, employment, and sectoral diversification.

One of the most significant aspects of South Africa's public procurement system is its role in economic transformation and social equity. The B-BBEE Act mandates that government contracts prioritize businesses owned by previously marginalized groups, ensuring that public procurement

actively contributes to socio-economic redress and wealth redistribution (South African Department of Employment and Labour, 2023). Furthermore, the Local Content Requirement (LCR) policy ensures that a minimum percentage of government procurement is sourced from local manufacturers, strengthening domestic industries (National Treasury, 2022). The Public Procurement Bill, currently under review, aims to simplify procurement processes, enhance transparency, and address inefficiencies in public contracting (Parliament of South Africa, 2023). Additionally, programs such as the Black Industrialists Programme (BIP) and the Small Enterprise Development Agency (SEDA) provide financial and technical support to small and emerging businesses participating in government procurement (DTIC, 2023). These initiatives ensure that procurement policies contribute to economic empowerment, enterprise development, and inclusive growth.

Beyond social equity, public procurement in South Africa is a key driver of infrastructure development and industrialization. Government-led initiatives such as the Strategic Infrastructure Projects (SIPs) and the Infrastructure Fund have channeled public procurement towards large-scale energy, transportation, and digital infrastructure projects, creating employment and fostering industrial growth (Department of Public Works and Infrastructure [DPWI], 2023). The Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) is a prime example of how procurement has been used to drive green industrialization, attracting private investment in solar, wind, and hydroelectric projects (Department of Mineral Resources and Energy [DMRE], 2023). By leveraging Public-Private Partnerships (PPPs), the government has accelerated infrastructure expansion and technology transfer, strengthening South Africa's industrial base and economic resilience (Development Bank of Southern Africa [DBSA], 2023).

Additionally, the Fourth Industrial Revolution (4IR) Procurement Strategy supports the adoption of artificial intelligence, automation, and digital technologies in public service delivery, fostering innovation and improving government efficiency (Council for Scientific and Industrial Research [CSIR], 2023). These procurement-driven investments ensure that economic growth is sustained through industrial modernization, infrastructure expansion, and technological advancement.

Despite its achievements, South Africa's public procurement system faces challenges related to corruption, inefficiency, and policy inconsistency. Procurement fraud, tender irregularities, and political interference have undermined transparency and accountability in public contracting (Public Protector of South Africa, 2023). The Zondo Commission Report on State Capture highlighted how corrupt procurement practices weakened economic growth and reduced investor confidence, necessitating stronger anti-corruption measures (Judicial Commission of Inquiry into Allegations of State Capture, 2022).

Additionally, bureaucratic delays, complex tender processes, and inconsistent policy enforcement have created obstacles for small and emerging businesses, limiting supplier diversity (South African Chamber of Commerce and Industry [SACCI], 2023). In response, the Public Procurement Office, established under the National Treasury, has introduced digital procurement platforms such as the eTender Portal to enhance contract transparency and reduce procurement inefficiencies (National Treasury, 2023). Furthermore, whistleblower protections, procurement oversight committees, and regulatory reforms are being implemented to strengthen ethical procurement practices (South African Auditor-General, 2023).

## **Nigeria**

Public procurement plays a critical role in Nigeria's economic development, accounting for approximately 15–20% of the country's GDP (OECD, 2022). As the largest economy in Africa,

Nigeria relies on public procurement policies to drive industrial growth, job creation, and infrastructure development. The Public Procurement Act (PPA) of 2007 provides the legal and regulatory framework for government contracting, ensuring transparency, accountability, and efficiency in public spending (Bureau of Public Procurement [BPP], 2023). The Nigerian government has also integrated local content requirements, small business support, and anti-corruption measures into procurement policies to maximize economic benefits. Additionally, the Economic Recovery and Growth Plan (ERGP) 2017–2020 emphasized sustainable procurement strategies to promote domestic manufacturing, energy infrastructure, and technology-driven industries (Federal Ministry of Finance, Budget, and National Planning, 2023). By strategically aligning procurement with national development goals, Nigeria leverages government spending to enhance economic resilience, competitiveness, and long-term sustainability.

One of the key ways public procurement contributes to sustainable economic growth in Nigeria is through local industry development and job creation. The Local Content Act (2010) mandates that a significant percentage of government contracts, particularly in sectors such as oil and gas, infrastructure, and telecommunications, be awarded to Nigerian-owned businesses (Nigerian Content Development and Monitoring Board [NCDMB], 2023). This policy has stimulated the growth of local industries, increased employment opportunities, and reduced dependence on foreign suppliers. Additionally, the Small and Medium Enterprises (SME) Procurement Initiative ensures that government contracts are accessible to SMEs, enhancing their capacity and contribution to economic growth (BPP, 2023). The National Industrial Revolution Plan (NIRP) also integrates procurement policies that support manufacturing, agro-processing, and digital services, ensuring that government spending fosters diversification beyond oil dependence (Federal Ministry of Industry, Trade, and Investment, 2023). These initiatives highlight how

procurement policies stimulate domestic production, entrepreneurship, and inclusive economic participation.

Public procurement also serves as a catalyst for infrastructure development in Nigeria, with significant investments in transport, energy, and public service delivery. The Presidential Infrastructure Development Fund (PIDF), established in 2018, allocates public procurement funding to priority projects such as highways, rail networks, and energy grids, ensuring that government contracts contribute to long-term economic growth (Nigeria Sovereign Investment Authority [NSIA], 2023). The National Integrated Infrastructure Master Plan (NIIMP), launched by the federal government, emphasizes sustainable procurement approaches in urban development, smart cities, and renewable energy (Federal Ministry of Works and Housing, 2023). The Rural Electrification Agency (REA) also integrates green procurement policies in solar and mini-grid projects, expanding access to electricity in rural areas while promoting environmentally sustainable energy solutions (REA, 2023). Additionally, Public-Private Partnerships (PPPs) have been instrumental in leveraging private sector investment in procurement-driven projects, improving service delivery, and enhancing economic competitiveness (Infrastructure Concession Regulatory Commission [ICRC], 2023). These policies demonstrate how Nigeria's procurement framework is linked to national economic development, infrastructure modernization, and long-term sustainability.

Despite its economic potential, Nigeria's public procurement system faces significant challenges, including corruption, inefficiencies, and weak regulatory enforcement. Procurement fraud, contract inflation, and favoritism have historically undermined transparency and accountability in government contracting (Transparency International, 2023). The 2019 Auditor General's Report revealed that mismanagement in procurement contracts resulted in billions of naira in financial

losses, highlighting the urgent need for procurement reforms (Office of the Auditor-General for the Federation, 2023). Additionally, bureaucratic bottlenecks, slow approval processes, and weak enforcement mechanisms have discouraged private sector participation in public contracts, limiting economic efficiency (Nigerian Economic Summit Group [NESG], 2023). To address these challenges, Nigeria has adopted digital procurement reforms, including the Electronic Government Procurement (E-GP) system, which enhances contract tracking, supplier registration, and bidding transparency (BPP, 2023). Furthermore, the Whistleblower Policy, introduced in 2016, has played a role in exposing corruption and procurement fraud, leading to increased accountability in public contracting (Economic and Financial Crimes Commission [EFCC], 2023).

## **Kenya**

Public procurement is a key driver of economic development in Kenya, accounting for approximately 10–15% of the country's GDP (OECD, 2022). The government has strategically leveraged procurement policies to stimulate local industries, create employment opportunities, and enhance infrastructure development. The Public Procurement and Asset Disposal Act (PPADA) 2015 provides the legal framework governing public procurement, ensuring transparency, efficiency, and accountability in government contracting (Public Procurement Regulatory Authority [PPRA], 2023). Additionally, the Vision 2030 economic blueprint integrates procurement as a mechanism to support industrialization, enhance service delivery, and promote sustainability (Government of Kenya, 2023). Procurement policies have also prioritized youth, women, and persons with disabilities (PWDs) through the Access to Government Procurement Opportunities (AGPO) program, ensuring that marginalized groups benefit from public contracts (National Treasury, 2023). By aligning procurement with national development goals, Kenya

ensures that government spending contributes to sustainable economic growth and inclusive economic participation.

One of the most significant contributions of public procurement to economic growth in Kenya is local industry development and SME growth. The Local Content Policy, introduced in 2018, mandates that at least 40% of government procurement be allocated to locally produced goods and services, strengthening domestic industries and reducing dependence on imports (Kenya National Chamber of Commerce and Industry [KNCCI], 2023). In addition, the Big Four Agenda, which prioritizes manufacturing, universal healthcare, affordable housing, and food security, integrates procurement strategies that support local enterprises and enhance industrialization (Ministry of Trade, Investments, and Industry, 2023). The Buy Kenya, Build Kenya initiative further promotes domestic production by encouraging the procurement of locally manufactured goods in government contracts, ensuring that public spending directly benefits Kenyan businesses (Kenya Association of Manufacturers [KAM], 2023). These policies highlight how procurement fosters entrepreneurship, strengthens supply chains, and enhances Kenya's economic resilience.

Public procurement is also a major catalyst for infrastructure development and technological advancement in Kenya. The Public-Private Partnership (PPP) framework, established under the PPP Act of 2013, has enabled the government to leverage private sector investment in transportation, energy, and digital infrastructure projects, boosting economic growth (Public-Private Partnerships Directorate, 2023). Major projects such as the Standard Gauge Railway (SGR), Nairobi Expressway, and Last Mile Connectivity Program have been executed through procurement-driven contracts, creating employment and enhancing productivity (Kenya Roads Board, 2023). Additionally, procurement policies have been aligned with digital transformation initiatives, including e-Government services and the Konza Technopolis Smart City project, which

aims to position Kenya as a regional hub for technology and innovation (Ministry of Information, Communications, and Digital Economy, 2023). Furthermore, green procurement policies have been adopted to promote environmental sustainability in energy and infrastructure projects, supporting Kenya's transition to renewable energy and climate resilience (Kenya Green Building Society, 2023). These policies demonstrate how procurement strengthens economic modernization, industrial competitiveness, and long-term development.

Despite its contributions to economic growth, public procurement in Kenya faces significant challenges, including corruption, inefficiency, and delayed project execution. Procurement fraud, inflated contract prices, and political interference have been cited as major obstacles to procurement efficiency, undermining value for money and economic sustainability (Ethics and Anti-Corruption Commission [EACC], 2023). The 2022 Auditor General's report revealed that billions of shillings were lost due to irregular procurement practices, highlighting the need for stronger oversight mechanisms (Office of the Auditor-General, 2023). Additionally, delays in supplier payments, bureaucratic inefficiencies, and lack of compliance with procurement laws have discouraged private sector participation, particularly among SMEs and youth-led enterprises (Kenya Institute for Public Policy Research and Analysis [KIPPRA], 2023). In response, the government has introduced digital procurement platforms, such as the Integrated Financial Management Information System (IFMIS), to enhance contract transparency, accountability, and efficiency (National Treasury, 2023). Furthermore, the E-Procurement system has been implemented to automate tendering processes and reduce human intervention, minimizing the risk of corruption (PPRA, 2023). Strengthening regulatory enforcement, improving supplier payment timelines, and enhancing digital procurement reforms will be crucial in maximizing the economic impact of public procurement in Kenya.

### **3.6 Conclusion**

In conclusion, this chapter has explored the multifaceted relationship between public procurement and sustainable economic growth across various countries, demonstrating that procurement is not merely an administrative function but a strategic tool for economic transformation. By examining legal frameworks, sustainability objectives, and procurement practices in countries such as the United States, Canada, Australia, the United Kingdom, China, South Africa, Nigeria, and Kenya, it is evident that public procurement plays a crucial role in fostering economic resilience, industrialization, and infrastructure development. Through mechanisms such as competitive bidding, advancing Sustainable Development Goals (SDGs), promoting local content policies, empowering SMEs, and integrating digital procurement technologies, procurement enhances efficiency, transparency, and inclusivity in economic activities.

## CHAPTER FOUR

### RESEARCH METHODOLOGY

#### 4.0 Introduction

This chapter highlights the procedures and methodologies employed in this study. It examines and makes justification for the research design that was applied in the study as well as stating the population of interest for the study. The sample and sampling technique are also highlighted. The data collection methods and how the data is validated is also provided. Data processing and analysis techniques applied and the justification for its use are also be presented herein.

#### 4.1 Research Philosophy

This study adopted the positivism research philosophy, which is grounded in the notion that reality is objective, observable, and measurable through empirical evidence. Positivism holds that valid knowledge is derived from observable phenomena and that scientific inquiry should be value-free and replicable (Bryman, 2012). Accordingly, the researcher maintained objectivity, applying existing theory to derive hypotheses and using empirical methods to test them. The philosophy assumes that social phenomena can be studied using the same approaches as natural sciences, making it suitable for structured investigations involving quantifiable data. As Creswell (2012) notes, positivism emphasizes consistency in findings across researchers and contexts when similar procedures are followed—an essential quality for public procurement research requiring empirical generalization.

The adoption of this philosophy directly influenced the study's methodology. The selection of structured, quantifiable variables—such as procurement law effectiveness, sustainability criteria integration, professional procurement practices, and indicators of sustainable economic growth—

was grounded in the positivist preference for measurable constructs. Similarly, the use of a cross-sectional survey design with standardized, closed-ended questionnaires was informed by the need to collect objective, numerical data across a large sample of respondents from 52 commercial state corporations. This design enabled statistical testing of hypotheses and ensured replicability, thereby reinforcing the positivist emphasis on scientific rigor, reliability, and generalizability of findings.

## **4.2 Research Design**

A research design is the overall framework that guides how data is collected, measured, and analyzed to answer research questions (Kothari & Garg, 2014). This study adopted a cross-sectional survey design, which is consistent with the positivist philosophy underpinning the research. Cross-sectional surveys are suitable for collecting quantifiable data at a single point in time, allowing for the statistical testing of hypotheses derived from existing theory (Hair, Money, Samouel, & Page, 2010). This design is particularly appropriate for assessing attitudes, behaviors, and institutional practices across a broad sample, which aligns with the study's aim of evaluating procurement law, sustainability criteria, and professional practices among state corporations.

The design also enables descriptive and inferential analysis of relationships between variables, supporting the study's objective of examining how procurement law and practices affect sustainable economic growth. By relying on structured questionnaires to capture data across 52 commercial state corporations, the cross-sectional survey ensured both consistency and comparability in responses. This approach made it possible to generate generalizable insights, essential in a study focused on national policy evaluation. Moreover, it provided a cost-effective, time-efficient means to gather a large volume of data that is statistically analyzable, supporting the empirical rigor demanded by the positivist paradigm (Cooper & Schindler, 2013).

### 4.3 Target Population

The study population comprised all the Commercial State Corporations in Kenya listed in the Report of the Presidential Taskforce on Parastatals Reforms uploaded on SCAC web site in December 2023. The Presidential Task Force made a reclassification of government owned entities to make a distinction between commercial and non-commercial roles of entities. This separation was imperative to ensure that noncommercial objectives are appropriately priced, funded and that such entities are shielded from profit making decisions and to ensure that clear lines of accountability for performance. The differentiation was also aimed deeper understanding of sources of risk for commercial state corporations for enhanced corporate governance. In line with the foregoing classification there are 52 commercial state corporations, comprising of purely commercial (32) and commercial state corporations with strategic functions (20). The target population for the study is the 52 commercial state corporation as shown in table 4.1. These forms the unit of analysis as listed in Appendix 1.

**Table 4.1: Population Distribution**

No.	Category	No. of Institutions
1.	Purely Commercial State Corporations	32
2.	Commercial State Corporations (Strategic Functions)	20
<b>Total Commercial State Corporations</b>		<b>52</b>

Source: SCAC (2023)

### 4.4 Sample and Sampling Techniques

The study used census method but applied purposive sampling to select participants. The sampling frame consisted of all the commercial state corporations the sample units to 52 Commercial State

Corporations. The study used census and enumerate all 52 Commercial State Corporations as the unit of analysis and all members of the top management team as the unit of observation. Kothari and Garg (2014) also argue that census approach enhances the generalizability of the research findings. This helps eliminate both the sampling error and the sampling bias. This is the most preferred method because the population is relatively small as well as being homogeneous. Each of the unit comprised elements that was instrumental in getting the information. The top management team was selected as they are the highest management decision making body for each entity and it comprises of the heads of directorates or heads of departments as the case maybe. The top management have homogeneous characteristics as they are well informed about the subject, are responsible on matters policy, strategy, and risk management in their respective directorates. The total number of top management team is 667 which formed the sample size.

#### **4.5 Data Collection and Instruments**

The study used structured questionnaires to collect primary data. All the questions was closed format based on the research objectives. The study is quantitative in nature. Quantitative data was obtained through close-ended questions (Cooper & Schindler, 2013). Research assistants was used to assist in data collection.

#### **4.6 Pilot Study**

A pilot study was conducted to ensure that the questionnaires meet the set objectives. Pilot testing helps in determining whether the data collected gives expected answers to the research questions (Saunders *et al.*, 2012). Pilot testing is also essential in determining the research instruments' reliability and validity (Hair, Money, Samouel & Page, 2010). According to Bryman and Bell (2011), pilot testing is necessary as it gives an initial prompt on the areas that need adjustments on the research instrument prior the actual data collection exercise. An initial evaluation of the

questionnaire was done to establish its feasibility for use in the study, through validity and reliability tests. Pre-testing the questionnaire provided the opportunity to refine the questionnaire by revealing errors, deficiencies and ambiguities in the individual questions, sequence and design and assess how the questionnaire performs under actual conditions (Cooper & Schindler, 2013).

A sample equivalent to 10% of the study population as suggested by Koopman (2015) was used to obtain a pilot group. This realized 5 State Corporations which was randomly selected from the 52 State Corporations. The pilot study respondents was not included in the final study to avoid bias. Riffe, Lacy, Fico and Watson (2019) postulate that 10% of the sample population is adequate for pre-testing. Kothari and Garg (2014) suggest that the pilot group need to be exempted from the main study because they could bring biased outcome and replications. The questionnaire for the pilot study was sent through drop and pick to the selected participants and thereafter follow up to ensure maximum response rate.

#### **4.6.1 Validity**

Validity concerns relate to what research instrument measures, and how well it does so (Mohajan, 2017). Validity holds the precision of the information derived from the results (Mugenda & Mugenda, 2003). Validity test is mainly divided into four types of content validity, face validity, construct validity, and criterion-related validity (Creswell & Creswell, 2017; Pallant, 2011). Face validity gives a quick assessment of what the test is measuring however it exhibit some level of bias as it depends on familiarity of the assessors concerning the subject matter (Mohajan, 2017). This is because content validity ensures that the questionnaire has an adequate set of items that represent the concept. Content validity also gives an extent to which the instrument provides adequate coverage of the investigative questions guiding the study. Content validity is considered good when the instrument contains a good representative sample of the whole area of study

interest. The study applied content validity. Content validity was achieved through structuring the questionnaire into sections. Expert opinion was sought to ensure that each section in the questionnaire contains questions specific to the variables. Content validity was also enhanced by studying questionnaires and questions used in similar studies

#### **4.6.2 Reliability**

Reliability is the ability, consistency, and accuracy of the research tool to get the required information repeatedly (Cooper & Schindler, 2013). To test reliability of the questionnaires, the responses was analysed and the result of the reliability test produced. The greater the score, the extra reliable the developed scale is. Bryman and Bell (2011) indicated that a Cronbach's alpha of 0.7 is an acceptable reliability. Cronbach alpha test was used to test for reliability and the benchmark was 70%, which as Tavakal and Dennick (2011) argued is a good measure of consistency. Pilot testing helps spotting the flaws in the research tool. Observations made during the pilot testing exercise helped to improve the nature of questions contained in the questionnaire instrumentation. The reliability shows consistent results without bias. The reliability coefficient falls between 0 and 1. There is adequate reliability when there is an alpha of 1 and no reliability when the alpha is at 0. The reliability is higher when the Cronbach alpha is high. Low alpha may mean the items are not suitable and should be expunged or revised (Sekaran & Bougie, 2016).

A coefficient of 0.7 was used as recommended by Cronbach (1951). The results are as shown in Table 4.1.

**Table 4.2: Reliability Test**

<b>Variables</b>	<b>Items</b>	<b>Cronbach Alpha</b>
Public procurement laws	7	0.816

Sustainability criteria	7	0.781
Practices of procurement professionals	7	0.741
Sustainable economic growth	7	0.822

The reliability of the variables in the study was assessed using Cronbach's Alpha coefficient, with a threshold of 0.7, as recommended by Cronbach (1951). The results, as presented in Table 4.2, indicate that all the variables exceeded the minimum acceptable reliability coefficient. Public procurement laws had a Cronbach Alpha of 0.816, indicating high internal consistency among the items measuring this variable. Similarly, sustainability criteria showed a strong reliability with a Cronbach Alpha of 0.781, while the practices of procurement professionals scored 0.741, which also falls within the acceptable range. The variable of sustainable economic growth had the highest Cronbach Alpha value of 0.822, further demonstrating excellent internal consistency. These results confirm that the instrument used to measure the key variables in the study is reliable.

#### 4.7 Data Processing and Analysis

Data analysis contains procedures of comparing of the collected data and converting it into a useful information. The data was coded, tallied, and tabulated to facilitate the presentation and interpretation of results. This generated quantitative reports through tabulations, percentages, and measure of central tendency. Quantitative data was then coded and analysed using SPSS version 22. Prior to conducting a multiple linear regression model for the purpose of hypothesis testing, several diagnostic tests was conducted. These are tests to determine whether the assumptions of linear regression are first met.

To check for normality, the study applied skewness and kurtosis statistic and Shapiro-Wilk test to detect the departure from normality as recommended by Park (2008). A normality test was, thus, carried out on the variables. If the significance level is  $\geq 0.05$ , the data is perceived to be normally

distributed and if less than  $\leq 0.05$ , the distribution of data is not considered normal. To test whether data are normally distributed or not; the research used Shapiro Wilk test as recommended by Ghasemi and Zahediasl, (2012).

On heteroscedasticity, Breusch-Pagan/Godfrey test was used to test whether the error terms are correlated across observations in the cross sectional of the data (Long & Ervin, 2000). Heteroscedasticity describes the case where the variance of errors or the model is not the same for all observations, while often one of the basic assumptions in modelling is that the variances are homogeneous and that the errors of the model are identically distributed across all observations. The analytical procedures, inspection visually from the plotted residuals and the fitted values as recommended by Williams (2015) and Gujarati (2010). Multicollinearity tested the interrelation between the independent study variables. Variance Inflation Factor (VIF) was used to test for multicollinearity; a VIF equal to 1.0 for a given independent variable indicated that the independent variable is not correlated with the remaining independent variables in the model. The greater the multicollinearity, the larger the VIF (Groebner, Shannon, Fry & Smith, 2008). If it is greater than 0.7, multicollinearity problem is suspected and therefore required to be confirmed using variance inflation factor (VIF). In the case VIF is 10 and above, then multicollinearity confirmed, if less then no presence of multicollinearity. The rule of thumb is that when the VIF is above 5.0, then there is a problem with the multicollinearity and any score of VIF greater than 10 rendered the regression model invalid (Zikmund, Babin, Carr & Griffin, 2010). To correct the problem of multicollinearity when detected, then one of the two variables that are highly correlated should be dropped from further analysis (Yu, Jiang & Land, 2015).

In order to achieve the objectives outlined for this research project, a combination of descriptive and regression analyses was employed. These analytical approaches helped us gain a

comprehensive understanding of various aspects related to public procurement laws and sustainable development in Kenya.

**Objective 1:** This objective was primarily analyzed descriptively through an in-depth review of existing public procurement laws and regulations in Kenya. This involves a thorough examination of legal documents, statutes, and policy documents to identify and document the relevant laws governing supply chain in Kenya.

**Objective 2:** This objective was analyzed descriptively by reviewing and summarizing the content of Kenya's procurement legislation to identify the extent to which economic, social, and environmental sustainability criteria are incorporated.

**Objective 3:** This objective involved collecting data through questionnaires from procurement professionals in Kenya. Descriptive analysis was used to summarize and analyze the responses, providing insights into the current practices related to sustainable development.

**Objective 4:** This objective was analyzed using regression analysis to establish statistical relationships. Data related to public procurement activities and economic indicators was collected and analyzed through regression analysis to understand the potential impact of procurement on sustainable economic growth in Kenya.

#### **4.8 Ethical Factors**

The researcher ensured adherence to ethical standards thus providing assurance about the integrity of the study. Proper referencing is made where the researcher cites and uses previous authors' ideas and concepts to safeguard the issue of plagiarism. In addition, the researcher followed ethical guidelines which involves adherence to informed consent, confidentiality, voluntary engagement of participants and anonymity factors among other ethical issues as explained in this section.

#### **4.8.1 Informed consent**

A letter of authority for the researcher was obtained from the Copenhagen University stating the topic of research and purpose of the same. Secondly, the researcher obtained the requisite permission to conduct research in Kenya. All approvals for the study was availed to the participants. Participants was also made aware about the purpose of the study and their role in the research exercise. The foregoing information enabled participants give consent while having all information necessary. The research team was taken through this procedure before the beginning of the exercise to enhance compliance.

#### **4.8.2 Voluntary participation**

The researcher ensured that participants was informed from the onset that their involvement in the research was voluntary and without any persuasion or coercion. The participants was free to withdraw from the exercise. Free participation generates goodwill from the participants and thus helps enhance level of participation and objectivity.

#### **4.8.3 Confidentiality**

Another important issue that was observed during the study was the aspect of confidentiality. In the letter of introduction attached to the questionnaire, it was clearly stated that the information the participants was to provide remained confidential and used for purposes of research. They was also informed that as a matter of professional ethics, the researcher is personally responsible on the issue of confidentiality. This helped build trust and provide assurance to the participants on confidentiality.

#### **4.8.4 Anonymity**

The study entailed administering of questionnaires and thus cannot be considered entirely anonymous. However, to mitigate on any potential risk related to anonymity, the research instruments was developed to ensure that the participants names, telephone numbers and email addresses was not documented. In addition, data collection instruments was coded and only accessible to the researcher. This made it difficult for anyone to identify participants involved in the study thus giving some level of assurance on anonymity to participants who was involved in the research activity.

#### **4.8.5 Privacy**

It is imperative to ensure and guarantee right to privacy to all participants in a research undertaking. The researcher also ensured participants are guaranteed privacy by avoiding the use of intrusive questions. Secondly, the researcher ensured that data collected was only handled by the research team with strict adherence data protocols of un-authorized access. Participants was not required to sign, and profile information sought in the questionnaire was only general information. Privacy was guaranteed to participants thus encouraging them to provide information sought objectively.

#### **4.9 Chapter Summary**

The study is guided by positivistic research philosophy where factual knowledge is gained through observation and measurement. It also employed a cross-sectional research design that enabled collection of data at one specific point in time. The unit of analysis is the 52 Commercial State Corporations and unit of observation was top management of each entity. The study selected all members of top management team in each commercial state corporation obtained a total of 364

respondents. Structured questionnaires was used in data collection. The diagnostic tests undertaken to confirm data normality, linearity, and multicollinearity before actual data analysis are also described. Finally, the study utilized descriptive statistics, correlation analysis and regression analysis and model of study applied is described and summarized in table 4 with detailed outline of research objectives, hypotheses, analysis, and model estimations and expected outputs. It also affirms that the researcher adhered to ethical standards thus providing assurance about the integrity of the study.

## CHAPTER FIVE

### PUBLIC PROCUREMENT LAWS UNDER SUPPLY CHAIN IN KENYA

#### 5.1 Introduction

Chapter Five presents an in-depth analysis of public procurement laws and their application within Kenya's supply chain, in line with the study's first objective. This chapter focuses on providing a descriptive review of existing legal frameworks, statutes, and policy documents governing procurement practices. It begins by offering an overview of the relevant public procurement laws and key legal documents, then evaluates the role of these laws in promoting sustainability within the supply chain. Additionally, the chapter discusses the challenges and gaps in the current legal framework and concludes with descriptive statistics from Likert scale analysis, summarizing the key findings on the perceptions of respondents regarding these laws.

#### 5.2 Overview of Public Procurement Laws in Kenya

Public procurement in Kenya is governed by a comprehensive legal framework designed to ensure transparency, accountability, and efficiency in the acquisition of goods, services, and works by public entities. The primary legislation is the Public Procurement and Asset Disposal Act 2015 (PPADA), which provides the foundation for regulating public procurement activities across various government agencies. This law emphasizes the principles of fairness, openness, and competitiveness in procurement processes, seeking to maximize value for money while ensuring the best outcomes for the public sector. In addition, the PPADA mandates public procurement entities to adhere to specific guidelines during each stage of the procurement cycle, including planning, evaluation, and contract management (Public Procurement Regulatory Authority [PPRA], 2016).

The Public Finance Management Act 2012 (PFMA) complements the PPADA by offering a legal framework for managing public finances, including procurement. It outlines the requirements for efficient resource allocation and financial accountability within public entities. The PFMA ensures that public funds are utilized effectively by mandating stringent financial controls and emphasizing the role of procurement in promoting economic development (Republic of Kenya, 2012). Through the PFMA, procurement entities must align their activities with the national development agenda, fostering sustainable economic growth and public service delivery.

In addition to these core laws, Kenya has also adopted procurement policies to address specific socio-economic objectives. The Access to Government Procurement Opportunities (AGPO) Act 2012, for instance, reserves 30% of public procurement opportunities for enterprises owned by women, youth, and persons with disabilities. This act promotes inclusivity and ensures that underrepresented groups can participate in the procurement process, thereby contributing to economic empowerment and social equity (AGPO, 2022). Such provisions are crucial for fostering a more diverse supplier base and promoting local entrepreneurship in Kenya.

Moreover, procurement laws in Kenya have been further enhanced to combat corruption and ensure ethical conduct in procurement processes. The Ethics and Anti-Corruption Commission Act 2011 (EACC) plays a critical role in enforcing ethical standards and prosecuting corrupt practices related to public procurement. This legislation empowers the Ethics and Anti-Corruption Commission (EACC) to investigate and take action against individuals or organizations involved in unethical procurement activities, thereby promoting integrity and accountability across the public procurement landscape (EACC, 2019). Together, these laws provide a robust framework that guides public procurement activities in Kenya, ensuring they contribute to both economic growth and social development.

The Public Procurement and Asset Disposal Act 2015 (PPADA) is the cornerstone of Kenya's legal framework governing public procurement and asset disposal. It was enacted to consolidate the laws relating to the procurement of goods, works, and services by public entities and to provide a comprehensive system of governance. The Act seeks to promote fairness, transparency, and cost-effectiveness in public procurement by establishing clear rules for the entire procurement process, from planning to execution. One of the fundamental aspects of the Act is its requirement for competitive bidding, which aims to foster competition among suppliers, thereby driving down costs while ensuring quality. Section 3 of the Act further mandates that public procurement be conducted in a manner that maximizes economy and efficiency, and ensures that the public procurement system in Kenya aligns with internationally recognized standards. This legislative requirement underscores the need for procurement practices to not only be compliant with local regulations but also to meet global benchmarks for integrity and professionalism.

In addition, the Public Finance Management Act 2012 (PFMA) reinforces the role of procurement within the broader framework of public financial management. The Act places procurement within the context of the national budget, ensuring that procurement decisions are linked to fiscal responsibility and sound financial management. Under the PFMA, procurement is viewed not merely as a logistical or operational task, but as a critical mechanism for implementing public policy. This is evident in Section 197 of the Act, which underscores the need for procurement activities to contribute to the achievement of national development goals, such as infrastructure development and poverty reduction. By integrating procurement into the public financial management system, the PFMA ensures that procurement is not isolated from broader economic and social objectives, but instead serves as a tool for promoting sustainable growth and equitable

resource allocation. This Act, therefore, complements the PPADA by ensuring that the procurement process is aligned with the government's fiscal policies and developmental agenda.

Moreover, the Access to Government Procurement Opportunities (AGPO) Act 2012 represents a deliberate effort by the Kenyan government to use procurement as a tool for socio-economic transformation. The Act mandates that 30% of all government procurement contracts be allocated to enterprises owned by women, youth, and persons with disabilities. This affirmative action is designed to redress historical imbalances and promote inclusivity within the public procurement system. The Act's provisions are aligned with Kenya's constitutional commitment to social justice and equality, as reflected in Article 227 of the Constitution, which mandates fairness, equity, transparency, and cost-effectiveness in public procurement. Through AGPO, the government aims to empower marginalized groups economically, enabling them to participate in public procurement processes and build sustainable businesses. The program also contributes to the realization of Kenya's Vision 2030, which emphasizes inclusive economic development as a cornerstone of national progress.

Furthermore, the Ethics and Anti-Corruption Commission Act 2011 (EACC) plays a pivotal role in safeguarding the integrity of Kenya's public procurement system. The Act establishes the Ethics and Anti-Corruption Commission, which is tasked with investigating and prosecuting corruption and unethical conduct within public institutions, including procurement activities. Procurement is one of the areas most vulnerable to corruption, and the EACC's role in monitoring compliance with procurement laws is crucial for ensuring accountability. The Commission's mandate extends to investigating violations of the Public Procurement and Asset Disposal Act, ensuring that procurement officials and contractors adhere to ethical standards. In particular, the EACC is empowered to address conflicts of interest, bid rigging, and other forms of misconduct that

undermine the principles of fair competition and transparency in procurement. The Act provides for stringent penalties for individuals found guilty of engaging in corrupt practices, thus reinforcing the deterrence mechanisms within Kenya's procurement legal framework.

Together, these laws form a comprehensive legal framework that governs public procurement in Kenya, ensuring that procurement processes contribute to the country's broader socio-economic goals. The Public Procurement and Asset Disposal Act establishes the operational rules, while the Public Finance Management Act integrates procurement into the national fiscal strategy. Meanwhile, the AGPO Act promotes inclusivity, and the Ethics and Anti-Corruption Commission Act safeguards the integrity of the system. Collectively, these laws not only ensure that public procurement is conducted in a transparent, fair, and efficient manner but also that it serves as a vehicle for driving national development, empowering marginalized groups, and maintaining ethical standards in public administration

### **5.3 Key Legal and Policy Documents**

The legal framework for public procurement in Kenya is supported by a number of key legal and policy documents that establish guidelines and regulations governing how public procurement processes are to be conducted. These documents not only codify the principles of transparency, accountability, and efficiency but also embed procurement as a critical component of Kenya's governance and development agenda. Among the most significant documents is the Public Procurement and Asset Disposal Act 2015 (PPADA), which is the principal legislative instrument governing all public procurement and asset disposal processes. The Act is comprehensive, providing specific provisions on procurement methods, evaluation criteria, and contract management, all of which are designed to ensure that public funds are used judiciously and that procurement activities support broader national objectives. Notably, the PPADA emphasizes

compliance with both national and international standards, thereby harmonizing Kenya's procurement laws with global best practices.

Another critical document that complements the PPADA is the Public Procurement and Asset Disposal Regulations 2020. These regulations were enacted to operationalize the PPADA by providing detailed guidelines on how the provisions of the Act should be implemented. The regulations cover a wide range of procurement activities, from tendering procedures to the handling of complaints and disputes. They also introduce more stringent measures to curb corruption and inefficiencies in the procurement process. For instance, the regulations require procuring entities to adopt electronic procurement systems (e-procurement) to enhance transparency and reduce the possibility of manipulation of procurement processes. Furthermore, the regulations emphasize the importance of sustainable procurement by encouraging public entities to prioritize suppliers who adhere to environmental and social standards, thus aligning public procurement with the principles of sustainable development.

The Public Finance Management Act 2012 (PFMA), while primarily concerned with the overall management of public finances, plays a crucial role in regulating procurement activities by embedding procurement within the broader framework of fiscal responsibility and budgetary oversight. Section 197 of the Act requires that all public procurement activities be conducted in a manner that promotes fiscal discipline and efficiency. This means that procurement decisions must be aligned with the government's broader fiscal objectives, including cost control, debt management, and resource allocation. The Act further mandates regular audits of procurement activities to ensure compliance with budgetary provisions and to identify any instances of financial mismanagement or fraud. By integrating procurement into the financial management process, the

PFMA ensures that procurement is not only a logistical function but also a strategic tool for achieving financial accountability and sustainable economic development.

In addition to these legal instruments, several policy documents further shape the public procurement landscape in Kenya. One such document is the National Procurement and Asset Disposal Policy developed by the Public Procurement Regulatory Authority (PPRA). This policy provides a framework for ensuring that public procurement practices are aligned with the government's development priorities, including the promotion of local industries, job creation, and the empowerment of disadvantaged groups. The policy emphasizes the need for procurement practices to be inclusive and to support the growth of local enterprises, particularly small and medium-sized enterprises (SMEs). It also highlights the role of public procurement in achieving Kenya's Vision 2030 goals, particularly in relation to infrastructure development and industrialization. By embedding procurement within the country's broader economic development strategy, the National Procurement and Asset Disposal Policy ensures that procurement activities contribute directly to national development.

Another key policy document is the Sustainable Public Procurement Guidelines, which were introduced to align public procurement with Kenya's commitments to environmental sustainability and social responsibility. These guidelines encourage public entities to integrate sustainability criteria into their procurement processes by prioritizing products and services that minimize environmental impact and promote social welfare. The guidelines provide specific criteria for evaluating suppliers based on their environmental performance, including their use of sustainable materials, energy efficiency, and waste management practices. Additionally, the guidelines promote the use of green procurement practices in sectors such as construction, transport, and energy, where the environmental impact of procurement decisions is particularly significant. By

embedding sustainability into public procurement, the guidelines ensure that procurement contributes to Kenya's broader environmental and social objectives, in line with the Sustainable Development Goals (SDGs).

#### **5.4 Role of Public Procurement in Supply Chain Sustainability**

Public procurement plays a pivotal role in fostering supply chain sustainability, a concept that integrates economic, environmental, and social considerations into procurement decisions. In Kenya, the Public Procurement and Asset Disposal Act 2015 (PPADA) establishes a legal framework that encourages sustainable procurement practices, ensuring that public entities procure goods and services that not only meet their immediate needs but also promote long-term environmental and social welfare. By mandating that public procurement decisions prioritize value for money, transparency, and accountability, the PPADA implicitly supports sustainability by requiring that public resources be used efficiently and ethically. Furthermore, the Act advocates for competitive bidding and fairness in procurement, ensuring that local suppliers, including small and medium-sized enterprises (SMEs), are able to participate in procurement opportunities. This approach aligns with the global trend of using public procurement as a lever for sustainable development (World Bank, 2020).

One of the most significant ways in which public procurement contributes to supply chain sustainability is through the integration of Green Public Procurement (GPP) practices. Green procurement emphasizes the acquisition of goods and services that have a minimal environmental impact throughout their lifecycle. In Kenya, the Sustainable Public Procurement Guidelines encourage public entities to adopt green procurement practices, particularly in sectors such as construction, energy, and transport, which are known for their significant environmental footprints. By prioritizing products that are energy-efficient, recyclable, and produced with sustainable

materials, the government not only reduces the environmental impact of its procurement activities but also promotes innovation and the development of green industries (United Nations Environment Programme [UNEP], 2018). These green procurement practices contribute to Kenya's commitments under international environmental agreements, such as the Paris Agreement on climate change, and help the country achieve its Sustainable Development Goals (SDGs), particularly those related to responsible consumption and production (SDG 12).

In addition to environmental considerations, public procurement in Kenya also addresses the social dimensions of sustainability. The Access to Government Procurement Opportunities (AGPO) Act 2012 is a key legal instrument that promotes social inclusion by reserving 30% of public procurement opportunities for women, youth, and persons with disabilities. This initiative seeks to redress historical imbalances in economic participation by ensuring that marginalized groups have access to government contracts. By empowering these groups economically, the AGPO Act fosters social sustainability by promoting equitable access to economic resources, which in turn strengthens local communities and enhances overall social cohesion (Republic of Kenya, 2012). Furthermore, the inclusion of these groups in public procurement contributes to poverty reduction and wealth distribution, both of which are essential components of sustainable development.

Moreover, the legal framework governing public procurement in Kenya emphasizes the importance of ethical conduct and anti-corruption measures, both of which are crucial for maintaining a sustainable supply chain. The Ethics and Anti-Corruption Commission Act 2011 plays a significant role in enforcing ethical standards within procurement processes by ensuring that procurement officials adhere to principles of transparency and accountability. Ethical procurement is essential for sustainability because it ensures that public resources are used responsibly and that contracts are awarded based on merit rather than personal interests.

Corruption in procurement can lead to substandard goods and services, undermine trust in public institutions, and perpetuate inequality, all of which are detrimental to sustainable development (Ethics and Anti-Corruption Commission [EACC], 2019). Therefore, by curbing corruption and promoting ethical practices, the public procurement framework in Kenya strengthens the foundations for a sustainable and resilient supply chain.

In conclusion, public procurement in Kenya is a powerful tool for promoting supply chain sustainability by integrating environmental, social, and ethical considerations into procurement decisions. The legal and policy frameworks governing public procurement, particularly the PPADA, AGPO Act, and Sustainable Procurement Guidelines, ensure that public entities procure goods and services that not only meet their immediate needs but also contribute to long-term sustainability goals. By emphasizing green procurement, social inclusion, and ethical conduct, Kenya's public procurement system is well-positioned to support the country's broader development agenda while fostering a sustainable and equitable supply chain that benefits both present and future generations.

## **5.5 Challenges and Gaps in Public Procurement Laws**

Despite the significant strides made in establishing a robust legal framework for public procurement in Kenya, several challenges and gaps remain that undermine the effectiveness of these laws in driving sustainable procurement and supply chain management. One of the foremost challenges is corruption and the lack of enforcement of procurement regulations. Although Kenya has put in place stringent anti-corruption measures, including the Ethics and Anti-Corruption Commission (EACC) Act 2011, corruption continues to pervade procurement processes, (Transparency International, 2021). Procurement officials and contractors often exploit loopholes in the legal framework, manipulating tendering processes for personal gain. This undermines the

core objectives of public procurement, which include fairness, transparency, and value for money.

Corruption distorts competition, leading to inflated prices and substandard goods and services, which ultimately harms public trust and inhibits the achievement of national development goals.

Another significant gap in Kenya's public procurement laws is the limited capacity and expertise of procurement officials. The effective implementation of public procurement regulations requires a highly skilled workforce with knowledge of legal, financial, and technical aspects of procurement. However, many public entities in Kenya, particularly those in rural areas, lack adequately trained procurement officers. This often leads to inefficiencies, delays, and non-compliance with procurement laws (Public Procurement Regulatory Authority [PPRA], 2020).

The lack of capacity also affects the enforcement of sustainable procurement practices, as procurement officers may not be well-versed in evaluating environmental and social criteria when awarding contracts. Furthermore, the absence of continuous professional development and training exacerbates this issue, as procurement laws and regulations evolve, requiring officials to stay updated with the latest best practices.

The integration of sustainable procurement practices remains another critical gap in Kenya's public procurement system. Although the Public Procurement and Asset Disposal Act 2015 (PPADA) and the Sustainable Public Procurement Guidelines encourage the inclusion of sustainability criteria in procurement decisions, the adoption of green procurement practices is still limited in practice. Public entities often prioritize cost over sustainability, focusing on immediate financial savings rather than the long-term benefits of environmentally friendly and socially responsible procurement (UN Environment Programme, 2019). This is partly due to budget constraints and a lack of clear incentives for public bodies to adopt sustainable procurement measures. Moreover, the absence of robust monitoring mechanisms to assess the sustainability of

procured goods and services limits the effectiveness of the guidelines, resulting in the underutilization of procurement as a tool for achieving environmental and social sustainability.

Compliance with procurement laws is also a persistent challenge. Many procurement entities struggle with adhering to the provisions of the PPADA, largely due to inadequate oversight and weak institutional frameworks (Ndolo & Njagi, 2014). In some cases, procurement processes are circumvented altogether, with contracts being awarded without competitive bidding or in violation of established procedures. This non-compliance erodes the accountability and transparency that the law seeks to uphold, leading to inefficient use of public resources and diminished public confidence in procurement processes. Furthermore, the decentralized nature of governance in Kenya exacerbates this challenge, as oversight and enforcement mechanisms are often weaker than those at the national level. While the Public Procurement Regulatory Authority (PPRA) is tasked with enforcing compliance, its capacity to monitor procurement activities across all public entities is limited by resource constraints.

In conclusion, while Kenya has made significant progress in establishing a comprehensive legal framework for public procurement, several challenges and gaps persist. Corruption, limited capacity among procurement officials, slow adoption of sustainable procurement practices, and issues with compliance remain major hurdles. Addressing these challenges will require stronger enforcement mechanisms, continuous capacity building, and greater emphasis on the long-term benefits of sustainability in procurement decisions. Moreover, enhancing the oversight of procurement processes is crucial for ensuring that public procurement contributes to Kenya's development goals in an effective and transparent manner.

## **5.6 Descriptive Statistics**

This section presents the descriptive statistics for respondents' perceptions regarding public procurement laws under supply chain management in Kenya. The statements were rated on a five-point Likert scale, with 1 representing "strongly disagree" and 5 representing "strongly agree." The respondents, comprising top management teams of 52 Commercial State Corporations, expressed their awareness and opinions on various aspects of public procurement laws, including transparency, fair competition, SME inclusion, sustainability, and the need for reforms. Table 5.1 below summarizes the mean scores and standard deviations for each statement,

**Table 5.1: Descriptive Statistics**

Statement	Mean	S.D
I am aware of Kenya's public procurement laws in supply chain management.	4.31	0.76
Public procurement laws ensure transparency in Kenya's supply chain.	4.15	0.80
Public procurement regulations enforced for fair competition in Kenya's supply chain.	3.93	0.92
Legal framework supports SME inclusion in Kenya's supply chain.	4.00	0.73
Laws drive sustainable economic growth through supply chain efficiency in Kenya.	4.26	0.60
Procurement laws encourage sustainable practices in Kenya's supply chain.	3.89	0.91
Significant reforms needed in procurement laws for supply chain sustainability in Kenya.	4.50	0.50
Average	4.15	0.75

The descriptive statistics presented in Table 5.1 reveal important insights into the respondents' perceptions of public procurement laws under supply chain management in Kenya. The first

statement, "I am aware of Kenya's public procurement laws in supply chain management," received a mean score of 4.31 and a standard deviation (S.D.) of 0.76. This relatively high mean indicates that most respondents are well-informed about the existing procurement laws. The low standard deviation suggests that there is general consensus among the respondents regarding their awareness of these laws, reflecting a broad understanding of the legal framework across the management teams of the Commercial State Corporations.

The second statement, "Public procurement laws ensure transparency in Kenya's supply chain," received a mean score of 4.15 and an S.D. of 0.80. This suggests that respondents largely agree that procurement laws contribute to transparency in supply chain management. The relatively higher standard deviation compared to the first statement indicates a slight variation in opinions, though the overall agreement remains strong. Transparency is a core objective of public procurement laws, and this result implies that the current legal framework is perceived as effective in promoting open and accountable procurement processes.

Regarding the third statement, "Public procurement regulations enforced for fair competition in Kenya's supply chain," the mean score was 3.93 with an S.D. of 0.92. Although the mean is still on the positive side, it is lower than the previous two statements, indicating that respondents are slightly less certain about the effectiveness of procurement regulations in ensuring fair competition. The higher standard deviation points to a wider spread of opinions, suggesting that some respondents may have experienced inconsistencies or challenges in the enforcement of fair competition regulations. This indicates a potential area where improvements could be made to strengthen fair competition practices in procurement.

The statement, "Legal framework supports SME inclusion in Kenya's supply chain," received a mean of 4.00 and an S.D. of 0.73. Respondents generally agreed that the legal framework supports

the inclusion of small and medium-sized enterprises (SMEs) in public procurement processes, reflecting the success of initiatives such as the Access to Government Procurement Opportunities (AGPO) program. The relatively low standard deviation indicates that respondents hold similar views on this issue, reinforcing the perception that the legal framework effectively promotes SME participation.

In the case of the fifth statement, "Laws drive sustainable economic growth through supply chain efficiency in Kenya," a mean score of 4.26 and an S.D. of 0.60 were observed. This suggests that respondents strongly believe that procurement laws contribute to sustainable economic growth by enhancing efficiency in the supply chain. The low standard deviation reflects a high level of agreement on this point, implying that the majority of respondents view procurement laws as essential drivers of economic growth in Kenya.

For the statement, "Procurement laws encourage sustainable practices in Kenya's supply chain," the mean score was 3.89 with an S.D. of 0.91. This slightly lower mean compared to other statements indicates that while respondents generally agree that procurement laws encourage sustainability, there is less confidence in their effectiveness in promoting sustainable practices. The higher standard deviation suggests greater variability in responses, indicating that some respondents may feel that the integration of sustainability into procurement laws needs further strengthening.

Lastly, the statement, "Significant reforms needed in procurement laws for supply chain sustainability in Kenya," received the highest mean score of 4.50 and the lowest S.D. of 0.50. This strong agreement reflects a widespread perception among respondents that while procurement laws have made progress, significant reforms are still necessary to fully achieve sustainability in supply chain management. The low standard deviation indicates a high level of consensus on the need for

reforms, suggesting that stakeholders are united in their call for changes to the existing legal framework.

Overall, the average mean score across all statements is 4.15, with an average standard deviation of 0.75. This indicates a generally positive perception of Kenya's public procurement laws, with respondents acknowledging the strengths of the current legal framework, particularly in terms of transparency, SME inclusion, and contributions to economic growth.

The findings from the descriptive statistics on public procurement laws in Kenya align with various studies that have examined the effectiveness of procurement frameworks in promoting transparency and accountability. For instance, the high mean score of 4.15 on the role of procurement laws in ensuring transparency echoes the conclusions of Mwangi and Nyaberi (2019), who noted that public procurement laws in Kenya have significantly contributed to reducing instances of opaque procurement practices. Transparency in public procurement is crucial for building trust in public institutions, and studies by Kamau (2017) and Chong and Liu (2020) also emphasize that robust legal frameworks are necessary to ensure open and competitive bidding processes. These findings confirm that Kenya's public procurement laws are perceived as effective in enhancing transparency, which is consistent with global best practices as documented by the World Bank (2018). However, while respondents agree on the positive role of procurement laws, studies by Langat (2021) highlight challenges in the full enforcement of transparency measures pointing to a need for stronger oversight mechanisms, particularly in decentralized entities.

The study's findings on the perceived effectiveness of procurement laws in promoting fair competition, with a mean of 3.93, can be corroborated by research conducted by Chemoiywo (2017), who found that public procurement laws in Kenya are generally well-structured to foster competitive procurement processes. However, similar to the present findings, Ogachi (2020)

identified enforcement issues as a significant impediment to achieving genuine competition, particularly due to corruption and political interference. This aligns with the findings from Transparency International (2021), which ranked Kenya poorly on the Corruption Perception Index, particularly in the area of public procurement. The variability in respondents' views on fair competition, as shown by the standard deviation of 0.92, can be explained by the inconsistencies in law enforcement across different sectors, as noted by Ndungu and Musau (2019). These studies suggest that while the legal framework exists, there is still a need for stronger institutional capacity and independent oversight to fully realize fair competition in public procurement.

The study's findings on the support for SMEs, reflected by a mean score of 4.00, align with the objectives of the Access to Government Procurement Opportunities (AGPO) Act 2012, which reserves 30% of public procurement for SMEs owned by women, youth, and persons with disabilities. According to Kinyanjui and Ngugi (2019), this initiative has played a crucial role in enhancing the participation of marginalized groups in government tenders, which supports the study's results showing broad agreement on the legal framework's role in SME inclusion. Munyao (2020) corroborates these findings, noting that public procurement has become a key avenue for promoting inclusive economic growth in Kenya. However, Amoro and Muthini (2020) caution that although SME participation has increased, many small businesses face significant barriers such as limited access to credit and high compliance costs, which hinder their full engagement in public procurement. This suggests that while the legal framework is generally supportive, further policy adjustments are needed to ensure that SMEs can effectively compete and benefit from public procurement opportunities.

Finally, the findings regarding the need for significant reforms to enhance sustainability in public procurement, indicated by the highest mean of 4.50, align with the conclusions of Mungai and

Ogot (2020), who argued that Kenya's procurement laws require more robust sustainability provisions to align with the Sustainable Development Goals (SDGs). While the Public Procurement and Asset Disposal Act (PPADA) 2015 includes provisions for sustainable procurement, Kariuki (2018) found that public entities often prioritize short-term cost savings over long-term sustainability. This corroborates the variability in responses reflected in the descriptive findings, where respondents acknowledged the contribution of procurement laws to sustainability but expressed concerns over their full implementation. UNEP (2019) also highlights that public procurement in Kenya has the potential to drive environmental and social sustainability, but it requires stronger regulatory enforcement and incentives for public entities to adopt green procurement practices.

## **5.7 Summary of Findings**

This chapter has provided a detailed analysis of Kenya's public procurement laws and their impact on supply chain management, drawing on both a review of legal documents and descriptive statistics from respondent feedback. The review of public procurement laws, including the Public Procurement and Asset Disposal Act (PPADA) 2015 and related policy frameworks, highlighted the critical role these laws play in ensuring transparency, fair competition, and SME inclusion in the supply chain. Respondents from the top management teams of 52 Commercial State Corporations largely agreed that these laws have been effective in promoting transparency (mean of 4.15), supporting SME inclusion (mean of 4.00), and driving sustainable economic growth (mean of 4.26). However, challenges such as corruption, limited capacity of procurement officials, and inconsistent enforcement of fair competition regulations were noted as key gaps that need to be addressed. Furthermore, while procurement laws are recognized as contributing to sustainability, the respondents expressed a need for significant reforms to fully integrate

sustainable practices into Kenya's procurement framework, as indicated by the highest mean score of 4.50. Overall, the findings emphasize that while Kenya's procurement laws have made substantial progress, there are still areas requiring reform, particularly in sustainability and the consistent enforcement of competition and ethical standards.

## CHAPTER SIX

### SUSTAINABILITY CRITERIA FOR ECONOMIC, SOCIAL AND ENVIRONMENTAL ADOPTED IN THE KENYA'S PROCUREMENT LEGISLATION

#### 6.1 Introduction

Chapter Six provides a detailed examination of the sustainability criteria embedded within procurement legislation, emphasizing economic, social, and environmental dimensions. The chapter starts by offering an overview of how sustainability has been integrated into procurement laws, aiming to balance financial efficiency, social inclusion, and environmental stewardship. It explores the economic aspects of sustainable procurement, highlighting the legal provisions that support competitive bidding, value for money, and the inclusion of local suppliers. The social considerations of public procurement are discussed in relation to how legislation promotes equity by prioritizing marginalized groups, fostering social responsibility, and advancing inclusive economic participation. Environmental dimensions are addressed through the green procurement policies that encourage environmentally friendly practices, sustainable product choices, and compliance with global environmental standards. Additionally, the chapter presents descriptive statistics, offering a quantitative analysis of the implementation and effectiveness of sustainability criteria in Kenyan procurement practices, thereby assessing their impact on driving sustainable economic, social, and environmental outcomes.

## 6.2 Overview of Sustainability Criteria Procurement Legislation

### United States

Sustainability criteria in procurement legislation in the United States have evolved significantly over the years, with the federal government incorporating environmental, social, and economic considerations into procurement policies. The Federal Acquisition Regulation (FAR) serves as the primary regulatory framework governing public procurement, ensuring that sustainability is integrated into federal purchasing decisions (U.S. General Services Administration [GSA], 2023). One of the key legislative acts influencing sustainable procurement is the National Environmental Policy Act (NEPA) of 1969, which laid the groundwork for environmental impact assessments in government projects, ensuring that procurement decisions align with sustainability goals (Council on Environmental Quality [CEQ], 2023). Additionally, the Resource Conservation and Recovery Act (RCRA) of 1976 introduced recycling and waste management policies, requiring government agencies to procure products made from recycled materials and sustainable sources (U.S. Environmental Protection Agency [EPA], 2023). The Energy Policy Act of 1992 further reinforced sustainability efforts by mandating federal agencies to increase energy efficiency and adopt renewable energy technologies in procurement decisions (Department of Energy [DOE], 2023). These legislative frameworks have positioned sustainability as a key consideration in federal procurement, ensuring that environmental, economic, and social impacts are considered in purchasing decisions.

In addition to these foundational laws, several executive orders (EOs) have strengthened sustainability requirements in federal procurement. Executive Order 14057, signed in 2021, established the Federal Sustainability Plan, which mandates that all federal agencies transition to net-zero emissions by 2050, including sustainability-focused procurement practices (The White

House, 2023). Under this order, agencies are required to purchase clean energy, electric vehicles (EVs), and environmentally sustainable products, prioritizing contracts with green-certified suppliers (GSA, 2023). Additionally, Executive Order 13514, issued in 2009, introduced sustainable acquisition policies, requiring agencies to procure products and services that meet Energy Star®, WaterSense®, and other environmental certification standards (EPA, 2023). The Sustainable Federal Buildings Policy, outlined in Executive Order 13693, further mandates that federal buildings incorporate energy-efficient materials and technologies, reinforcing sustainability in public procurement (DOE, 2023). These executive orders have established clear sustainability criteria for federal agencies, ensuring that procurement decisions align with climate change mitigation, resource conservation, and social responsibility goals.

Sustainability criteria in U.S. procurement legislation are also reinforced by specialized programs and policies that promote green procurement, fair labor practices, and supplier diversity. The Comprehensive Procurement Guidelines (CPG), administered by the EPA, set minimum standards for the purchase of recycled and environmentally friendly products, ensuring compliance across federal agencies (EPA, 2023). Additionally, the Buy American Act (BAA) of 1933, while originally focused on supporting domestic industries, has evolved to include sustainability provisions that require government agencies to prioritize environmentally sustainable American-made products (U.S. Department of Commerce, 2023). The Small Business Act of 1953, as amended, has also contributed to sustainability by requiring federal agencies to award a significant portion of procurement contracts to minority-owned, women-owned, and veteran-owned businesses, promoting economic sustainability and social equity in government contracting (Small Business Administration [SBA], 2023). Furthermore, the Green Procurement Compilation (GPC), developed by the GSA, provides procurement officers with sustainability criteria for various

product categories, ensuring that government purchases meet environmental and ethical standards (GSA, 2023). These policies demonstrate how U.S. procurement legislation incorporates sustainability not only through environmental regulations but also by promoting fair labor standards, economic inclusivity, and responsible sourcing.

Despite these advancements, the implementation of sustainability criteria in U.S. procurement legislation faces challenges, including regulatory fragmentation, compliance inconsistencies, and the need for stronger enforcement mechanisms (Government Accountability Office [GAO], 2023). While federal agencies are mandated to adhere to sustainability procurement policies, variations in state and local procurement regulations create inconsistencies in enforcement (National Association of State Procurement Officials [NASPO], 2023). Additionally, supply chain complexities and the higher costs of sustainable products sometimes hinder full compliance with sustainability procurement mandates (DOE, 2023). To address these challenges, federal agencies have increased investments in e-procurement systems, such as SAM.gov, to enhance transparency, contract monitoring, and supplier compliance (GSA, 2023). Furthermore, public-private partnerships (PPPs) and incentive programs have been introduced to encourage suppliers to adopt sustainable production methods, ensuring greater alignment with federal sustainability goals (GAO, 2023). Moving forward, strengthening regulatory oversight, standardizing sustainability criteria across all levels of government, and integrating digital procurement solutions will be essential in maximizing the impact of sustainability procurement legislation in the United States.

## **Canada**

Canada has established a robust legislative and regulatory framework for sustainable procurement, ensuring that environmental, social, and economic considerations are integrated into public purchasing decisions. The Financial Administration Act (FAA) and the Government Contracts

Regulations (GCR) provide the legal foundation for public procurement in Canada, mandating that federal purchases align with principles of transparency, fairness, and value for money (Treasury Board of Canada Secretariat [TBS], 2023). The Green Procurement Policy, introduced under the Federal Sustainable Development Act (FSDA) of 2008, formalized sustainability requirements in procurement, compelling government agencies to prioritize energy efficiency, reduce waste, and procure environmentally friendly products (Government of Canada, 2023). Additionally, the Policy on Green Procurement, administered by Public Services and Procurement Canada (PSPC), requires that all federal purchases support Canada's sustainability targets, including reductions in greenhouse gas (GHG) emissions and the transition to low-carbon technologies (PSPC, 2023). These policies demonstrate how Canada has institutionalized sustainability criteria in procurement legislation, ensuring that economic development aligns with environmental and social responsibility goals.

One of the key legislative instruments reinforcing sustainability in public procurement is the Greening Government Strategy, launched in 2017, which mandates that federal agencies integrate climate-conscious procurement policies to achieve net-zero emissions by 2050 (Environment and Climate Change Canada [ECCC], 2023). Under this strategy, government contracts must prioritize low-carbon materials, sustainable transportation solutions, and energy-efficient products, ensuring that procurement decisions support Canada's commitment to climate action (ECCC, 2023). The Buy Clean Strategy, introduced in 2022, further strengthens sustainability criteria by requiring public agencies to consider the environmental footprint of construction materials, such as steel, concrete, and aluminum, in federal infrastructure projects (Infrastructure Canada, 2023). Additionally, Canada's Net-Zero Procurement Framework, enacted in 2021, requires that all government purchases of vehicles, buildings, and electronic equipment meet stringent

sustainability standards, reinforcing Canada's decarbonization agenda (TBS, 2023). These legislative measures ensure that federal procurement serves as a catalyst for green innovation, carbon reduction, and long-term environmental sustainability.

Beyond environmental sustainability, Canadian procurement legislation also incorporates social and economic sustainability considerations to promote equity, inclusivity, and Indigenous participation. The Procurement Strategy for Indigenous Business (PSIB) requires that at least 5% of all federal contracts be awarded to Indigenous-owned businesses, ensuring economic inclusion and supporting reconciliation efforts (Indigenous Services Canada, 2023). Additionally, the Social Procurement Strategy, implemented at both the federal and provincial levels, encourages contracting with businesses owned by women, minorities, and socially disadvantaged groups, fostering inclusive economic growth (PSPC, 2023). The Federal Contractors Program (FCP) also mandates that companies bidding for large-scale government contracts demonstrate equitable employment practices and comply with Canada's labor rights standards (Employment and Social Development Canada [ESDC], 2023). Furthermore, the Sustainable Jobs Plan, introduced in 2023, integrates procurement policies that prioritize fair wages, worker safety, and ethical labor practices, ensuring that procurement contributes to both social justice and economic sustainability (Government of Canada, 2023). These policies demonstrate how Canada's procurement framework extends beyond environmental concerns to support equitable economic opportunities and responsible business practices.

Despite significant progress, challenges remain in the implementation and enforcement of sustainability criteria in Canadian procurement legislation. Inconsistencies in procurement practices across federal, provincial, and municipal levels create challenges in standardizing sustainability requirements (Canadian Council for Public-Private Partnerships [CCPPP], 2023).

Additionally, the higher costs of sustainable products and services sometimes hinder full compliance, particularly for smaller agencies with budget constraints (TBS, 2023). Supply chain complexities and limited availability of certified green products further challenge Canada's ability to fully integrate sustainability into procurement decisions (PSPC, 2023). To address these challenges, Canada has expanded digital procurement solutions, such as the CanadaBuys platform, which enhances contract transparency and supplier monitoring, ensuring greater compliance with sustainability mandates (Government of Canada, 2023). Furthermore, new financial incentives and sustainability-linked public-private partnerships (PPPs) have been introduced to encourage businesses to develop environmentally sustainable products and services (CCPPP, 2023). Moving forward, strengthening regulatory enforcement, increasing sustainability training for procurement officers, and expanding financial incentives will be critical in enhancing the impact of sustainable procurement legislation in Canada.

## **China**

China has progressively strengthened its procurement legislation to integrate sustainability criteria, ensuring that government purchases align with environmental protection, social responsibility, and economic sustainability goals. The Government Procurement Law of China (GPLC), enacted in 2002, provides the foundational legal framework for public procurement, mandating that government contracts prioritize cost-effectiveness, efficiency, and sustainability (National People's Congress [NPC], 2023). In 2006, the Circular Economy Promotion Law was introduced, requiring government agencies to prioritize products made from recycled materials, energy-efficient goods, and environmentally friendly technologies in procurement (Ministry of Ecology and Environment [MEE], 2023).

Additionally, the Government Procurement of Energy-Saving Products Policy mandates that federal agencies procure low-carbon products and clean energy solutions, supporting China's green economy transition (Ministry of Finance [MOF], 2023). These regulatory measures underscore how China's procurement legislation is increasingly oriented toward sustainability, ensuring that economic growth aligns with environmental conservation and resource efficiency.

China's sustainable procurement policies are further reinforced by its Five-Year Plans (FYPs), which provide long-term development blueprints that incorporate sustainability into government spending. The 14th Five-Year Plan (2021–2025) explicitly prioritizes green procurement, carbon neutrality, and environmental protection as national objectives (State Council of China, 2023). The National Green Development Plan, introduced in 2016, requires all public institutions to allocate at least 30% of their procurement budgets to sustainable products, ensuring compliance with eco-labeling standards and carbon footprint assessments (National Development and Reform Commission [NDRC], 2023).

Additionally, the Made in China 2025 initiative, which aims to boost domestic innovation and reduce reliance on foreign imports, integrates sustainability principles by promoting clean energy industries, green manufacturing, and high-efficiency technologies (Ministry of Industry and Information Technology [MIIT], 2023). Through these strategies, China has positioned public procurement as a mechanism for both economic modernization and environmental sustainability, ensuring that government spending supports industrial transformation and climate resilience.

China has also developed specialized green procurement programs and eco-certification requirements to enforce sustainability standards in public contracting. The China Environmental Labeling Program, launched in 1993, requires government agencies to prioritize products that meet strict energy efficiency, emissions reduction, and eco-friendly production criteria (MEE, 2023).

Furthermore, the Green Public Procurement (GPP) system, established in 2006, mandates that government agencies purchase from pre-approved suppliers who comply with green manufacturing and resource conservation requirements (MOF, 2023). In addition to environmental sustainability, China's procurement policies include social responsibility provisions, ensuring that government contracts promote fair labor practices, occupational safety, and worker welfare (All-China Federation of Trade Unions [ACFTU], 2023).

Additionally, the Belt and Road Initiative (BRI) has introduced sustainability procurement guidelines for international projects, emphasizing eco-friendly infrastructure, energy-efficient transportation systems, and renewable energy development (Asian Infrastructure Investment Bank [AIIB], 2023). These policies reflect China's comprehensive approach to sustainable procurement, ensuring that government purchases support environmental protection, industrial innovation, and social equity.

Despite significant advancements, challenges remain in implementing sustainability criteria in China's procurement legislation. Regulatory inconsistencies across provinces, limited enforcement mechanisms, and supply chain complexities have been identified as barriers to full compliance (OECD, 2023). Additionally, while China has made substantial progress in green procurement, many government agencies continue to prioritize cost-efficiency over sustainability, limiting the full impact of eco-friendly procurement policies (NPC, 2023). The lack of unified sustainability reporting frameworks and transparency in procurement decisions has also hindered accountability in public spending (China Public Procurement Journal, 2023). To address these challenges, the Chinese government has introduced digital procurement reforms, including the China Government Procurement Service Platform, which enhances supplier tracking, contract monitoring, and sustainability compliance verification (State Council of China, 2023).

Furthermore, financial incentives and green credit policies have been introduced to encourage businesses to invest in sustainable production practices, ensuring greater alignment with China's sustainability objectives (People's Bank of China, 2023).

## **India**

India has increasingly integrated sustainability criteria into its public procurement framework, ensuring that government purchases align with environmental conservation, social inclusion, and economic sustainability. The General Financial Rules (GFR) of 2017, issued by the Ministry of Finance, serve as the primary legal framework for government procurement, mandating fair, transparent, and cost-effective public spending (Ministry of Finance, 2023). A significant milestone in sustainable procurement was the introduction of the Public Procurement Policy for Micro and Small Enterprises (MSEs) Order, 2012, which requires that at least 25% of government contracts be awarded to MSEs, promoting inclusive economic growth and employment generation (Ministry of Micro, Small & Medium Enterprises [MSME], 2023). Additionally, the Sustainable Public Procurement (SPP) Action Plan, initiated by the Ministry of Environment, Forest and Climate Change (MoEFCC) in 2021, provides a structured approach to integrating sustainability into government contracts, prioritizing green-certified products, energy-efficient equipment, and low-carbon materials (MoEFCC, 2023). These policies highlight how India's procurement legislation is evolving to balance economic priorities with sustainability goals, ensuring that government spending supports both industrial growth and environmental responsibility.

The Indian government has also established sector-specific procurement guidelines that reinforce sustainability. The Energy Conservation Act (2001) and the Renewable Energy Procurement Policy mandate that public institutions procure energy-efficient technologies, LED lighting, and renewable energy systems, ensuring that procurement aligns with India's commitment to reducing

carbon emissions (Bureau of Energy Efficiency [BEE], 2023). The National Green Procurement Policy, introduced in 2018, provides a framework for government agencies to prioritize eco-friendly goods and services, including recyclable materials, non-toxic chemicals, and water-efficient products (Central Pollution Control Board [CPCB], 2023). Furthermore, the Buy Indian Policy, under the Make in India initiative, encourages procurement from domestic manufacturers that adopt sustainable production practices, ensuring that public spending supports India's self-reliance and sustainability objectives (Department for Promotion of Industry and Internal Trade [DPIIT], 2023). Additionally, the Government e-Marketplace (GeM), launched in 2016, incorporates sustainability criteria into digital procurement, allowing vendors to certify their compliance with green product standards, thereby streamlining environmentally responsible purchasing (GeM, 2023). These initiatives demonstrate how India is leveraging procurement to drive the transition toward a green economy, ensuring that government contracts support energy efficiency, sustainable manufacturing, and economic inclusivity

Beyond environmental sustainability, India's procurement policies also emphasize social and economic responsibility, ensuring that public contracts promote equitable access to opportunities and ethical labor practices. The Procurement Policy for Women-Owned Businesses mandates that at least 3% of government contracts be awarded to women entrepreneurs, fostering gender-inclusive economic participation (MSME, 2023). Additionally, the Scheduled Castes and Scheduled Tribes (SC/ST) Procurement Policy ensures that public contracts support businesses owned by historically marginalized communities, promoting social justice and economic empowerment (Ministry of Social Justice and Empowerment, 2023). The Ethical Procurement Standards, outlined in the Public Procurement (Preference to Make in India) Order, 2017, require that contractors comply with labor laws, fair wages, and workplace safety regulations, ensuring

that procurement contributes to worker well-being and social sustainability (Ministry of Commerce & Industry, 2023). Furthermore, India has introduced green building procurement policies, requiring government offices to adhere to GRIHA (Green Rating for Integrated Habitat Assessment) and LEED (Leadership in Energy and Environmental Design) standards, ensuring that public infrastructure projects support resource efficiency and climate resilience (Indian Green Building Council [IGBC], 2023). These policies illustrate how India's procurement framework is designed to balance economic development with environmental protection and social inclusion, reinforcing its commitment to sustainable development.

Challenges remain in the implementation of sustainability criteria in India's procurement system. Fragmentation in policy enforcement across states, lack of standardized green certification, and budget constraints for small suppliers limit the full realization of sustainable procurement goals (Comptroller and Auditor General of India [CAG], 2023). Additionally, procurement inefficiencies, bureaucratic delays, and limited supplier awareness about sustainability compliance requirements hinder the adoption of green procurement practices (Confederation of Indian Industry [CII], 2023). To address these challenges, India has expanded its e-procurement reforms, such as the Government e-Marketplace (GeM) Green Procurement Dashboard, which enhances supplier transparency, compliance tracking, and real-time monitoring of sustainable purchases (GeM, 2023). Furthermore, financial incentives for businesses adopting eco-friendly production, capacity-building programs for procurement officials, and regulatory harmonization between national and state procurement frameworks have been introduced to ensure greater adherence to sustainability principles (Ministry of Finance, 2023).

## **South Africa**

South Africa has embedded sustainability principles in its public procurement legislation to promote environmental responsibility, social equity, and economic resilience. The Public Finance Management Act (PFMA) of 1999 and the Municipal Finance Management Act (MFMA) of 2003 establish the legal framework for government procurement, ensuring that state expenditure is efficient, transparent, and aligned with national development goals (National Treasury, 2023). The Preferential Procurement Policy Framework Act (PPPFA) of 2000 was introduced to prioritize historically disadvantaged groups, ensuring that public procurement is leveraged as a tool for economic transformation and social inclusion (Department of Trade, Industry and Competition [DTIC], 2023). Additionally, the Broad-Based Black Economic Empowerment (B-BBEE) Act mandates that a significant proportion of public contracts be awarded to Black-owned businesses, women entrepreneurs, and small enterprises, reinforcing South Africa's commitment to equitable economic growth (B-BBEE Commission, 2023). These legislative measures illustrate how sustainability criteria in procurement extend beyond environmental considerations to address social and economic inequalities in South Africa.

Environmental sustainability has become a central pillar in South Africa's public procurement strategies. The National Framework for Sustainable Development (NFSD), launched in 2008, integrates green procurement policies, requiring government agencies to prioritize environmentally friendly goods, energy-efficient technologies, and sustainable construction materials (Department of Environmental Affairs [DEA], 2023). The Green Economy Accord, a key component of the Industrial Policy Action Plan (IPAP), further commits public institutions to sourcing products that reduce carbon footprints, promote resource efficiency, and minimize waste (DTIC, 2023). The Renewable Energy Independent Power Producer Procurement Programme

(REIPPPP) is a notable initiative where procurement is directly linked to clean energy investments, encouraging solar, wind, and hydroelectric projects to power government facilities (Department of Mineral Resources and Energy [DMRE], 2023). Furthermore, the Sustainable Infrastructure Development Symposium (SIDS) has been instrumental in aligning public procurement with green infrastructure development, ensuring that government spending supports climate-resilient urban planning and eco-friendly transportation systems (Infrastructure South Africa, 2023). These frameworks demonstrate South Africa's commitment to leveraging procurement as a driver of environmental sustainability and climate resilience.

Beyond environmental goals, ethical labor practices and responsible supply chains are central to South Africa's sustainable procurement policies. The Labour Relations Act (LRA) of 1995 ensures that public procurement contracts uphold fair wages, safe working conditions, and compliance with employment equity regulations, reinforcing socially responsible business practices (Department of Employment and Labour, 2023). Additionally, the Public Procurement Bill, currently under review, seeks to introduce stringent anti-corruption measures in government contracting to improve transparency and accountability (Parliament of South Africa, 2023). South Africa has also integrated local content requirements into procurement policies, ensuring that a percentage of government contracts is allocated to domestic suppliers, particularly in manufacturing and industrial sectors, to enhance economic self-reliance and job creation (National Treasury, 2023). The Public-Private Growth Initiative (PPGI) supports these efforts by fostering partnerships between government and private enterprises, enhancing sustainable supply chains and ethical business operations (Business Leadership South Africa, 2023). These initiatives highlight how procurement policies serve as tools for reinforcing economic justice, labor rights, and ethical governance in South Africa.

Despite progress, challenges persist in implementing sustainability criteria in public procurement, including regulatory inefficiencies, limited enforcement, and procurement corruption. Procurement fraud, misallocation of funds, and politically connected tenders have weakened public confidence in the procurement system, necessitating stronger oversight mechanisms (Public Protector South Africa, 2023). Additionally, budget constraints and procurement delays have affected the implementation of green procurement projects, particularly at the municipal level (South African Local Government Association [SALGA], 2023). The lack of harmonized sustainability reporting frameworks further complicates efforts to monitor compliance with green and ethical procurement standards (Auditor-General South Africa, 2023). To address these issues, South Africa has introduced digital procurement solutions, such as the eTender Portal, which enhances contract transparency, bidder compliance, and procurement efficiency (National Treasury, 2023). Additionally, financial incentives have been introduced to encourage suppliers to adopt sustainable production processes, ensuring greater alignment with South Africa's sustainability targets (DTIC, 2023). Moving forward, enhancing policy enforcement, expanding digital procurement oversight, and increasing capacity-building for procurement officials will be critical in maximizing the impact of sustainability-driven public procurement in South Africa.

## **Kenya**

Kenya's procurement legislation has evolved to incorporate sustainability criteria aimed at promoting responsible economic, social, and environmental practices. The Public Procurement and Asset Disposal Act (PPADA) 2015 forms the primary legal framework guiding public procurement in Kenya, ensuring that procurement activities adhere to principles of fairness, competitiveness, transparency, and cost-effectiveness. The PPADA requires procuring entities to not only focus on cost but also consider long-term sustainability when awarding contracts. In

alignment with global sustainability trends, the Act mandates that procurement decisions must integrate the assessment of economic benefits, social welfare, and environmental impacts. According to Vellapi (2019), sustainable procurement is an approach that seeks to maximize the positive impact on society while minimizing any negative consequences, thus aligning with Kenya's commitment to Sustainable Development Goals (SDGs).

The economic aspect of the sustainability criteria emphasizes promoting economic development through procurement activities. The PPADA provides a framework for empowering local suppliers, enhancing competitiveness, and ensuring efficient public expenditure. Gichuru (2018) notes that by setting aside a portion of procurement opportunities for women, youth, and persons with disabilities, the legislation aims to promote inclusivity and economic participation of marginalized groups, thus fostering broad-based economic growth. Moreover, the legislation also seeks to encourage innovation and capacity building among local suppliers by providing them with access to government contracts, thereby contributing to the economic stability and development of small and medium enterprises (SMEs). The Act ensures that procurement processes are conducted to optimize value for money while simultaneously fostering local economic growth.

Social sustainability in procurement is addressed through the promotion of equitable access to procurement opportunities and the encouragement of ethical business practices. Kenya's procurement laws require that all bidders are treated fairly and transparently, fostering a procurement culture that upholds integrity and social justice. Otieno and Wachira (2017) highlight that the law's provisions to facilitate access to government contracts for marginalized groups are not just intended to address social inequities but also aim to broaden the supplier base, which can result in more competitive pricing and enhanced efficiency. Additionally, public procurement is seen as a tool for improving social welfare by ensuring that suppliers comply with labor standards,

promote fair wages, and support community development initiatives. The PPADA establishes a procurement process that encourages the awarding of contracts based not only on financial costs but also on social value.

Environmental sustainability is a key component of Kenya's procurement legislation, focusing on reducing negative environmental impacts through green procurement practices. The government has shown a commitment to environmental stewardship by integrating criteria that support the use of sustainable goods, services, and works. Okong'o and Ngugi (2018) emphasize that Kenya has gradually aligned its procurement policies with global environmental sustainability goals, compelling procurement entities to favor goods and services with minimal environmental footprints. The focus on green procurement promotes resource efficiency, energy conservation, waste reduction, and the use of renewable and recyclable materials. Such legislative measures are designed to influence suppliers to adopt environmentally friendly practices, thus contributing to the country's broader goals of mitigating environmental degradation and promoting sustainable use of natural resources.

The interplay between economic, social, and environmental sustainability in Kenya's procurement legislation is intended to ensure holistic development and sustainable outcomes. Mutai and Kirui (2019) argue that the sustainability criteria embedded in procurement laws form a balanced approach that aligns with the principles of sustainable development, advocating for the integration of financial prudence, social inclusivity, and environmental consciousness in public procurement processes. However, they also point out the challenges in consistent implementation and adherence to these criteria, suggesting the need for regular policy reviews to adapt to the ever-changing global sustainability requirements. The Public Procurement Regulatory Authority (PPRA) plays a crucial

role in monitoring and enforcing compliance with sustainability criteria to ensure that public procurement aligns with national and international standards.

Kenya's procurement legislation has progressively incorporated sustainability criteria to drive sustainable economic growth, social inclusion, and environmental protection. The PPADA 2015 provides a comprehensive legal framework that seeks to balance these three pillars of sustainability by embedding responsible procurement practices into the public sector. By focusing on supporting local economic development, enhancing social equity, and promoting environmental conservation, the legislation aims to ensure that procurement activities contribute to the country's long-term sustainable development objectives. Moreover, the successful implementation of these criteria requires continuous collaboration among government entities, procurement professionals, and stakeholders to promote sustainable practices throughout the procurement process.

The economic aspect of sustainable procurement in Kenya is primarily focused on ensuring that procurement activities contribute to local economic development, efficient use of public funds, and support for innovation and competitiveness. The Public Procurement and Asset Disposal Act (PPADA) 2015 emphasizes the promotion of value for money as a key economic criterion in public procurement. This value is not just measured by the cost but by the overall benefit derived from the procurement, including quality, timeliness, and sustainability. Smith (2018) asserts that an efficient procurement process significantly contributes to economic development by reducing public fund wastage and ensuring optimal allocation of resources. The emphasis on competitive bidding and fair selection of suppliers is designed to drive economic efficiency while promoting transparency and accountability in the use of public resources. This approach is aimed at preventing procurement corruption, which has historically hindered economic development in many sectors.

In addition, Kenya's procurement legislation emphasizes support for local businesses as an essential economic strategy. By reserving a portion of procurement opportunities for specific groups, including women, youth, and persons with disabilities, the PPADA aims to empower disadvantaged groups and stimulate economic activity among smaller and medium enterprises (SMEs). Gichuru (2018) notes that such affirmative action policies not only enhance social inclusivity but also have the economic advantage of nurturing local industries and creating employment opportunities. The law encourages local content requirements in certain contracts, giving preference to locally manufactured goods and works over imported alternatives. This strategy supports local suppliers and entrepreneurs, driving economic self-reliance, building capacity, and fostering domestic production.

Furthermore, the legislation supports economic sustainability by encouraging innovation among suppliers. The procurement processes are structured to not only focus on the lowest cost but also to encourage proposals that offer innovative solutions, which can bring about long-term savings and benefits to both the government and the public. According to Mwangi and Njuguna (2016), by providing opportunities for suppliers to introduce innovative and efficient solutions, public procurement becomes a tool for fostering creativity, technology transfer, and improved service delivery in Kenya's economic landscape. This focus on innovation aims to enhance economic development by creating more value through procurement processes and supporting sectors that contribute to the overall growth of the economy.

A significant economic aspect of the PPADA is the emphasis on strategic partnerships through Public-Private Partnerships (PPPs). The Act enables the government to leverage the expertise and resources of the private sector to achieve public service delivery goals effectively. Ndolo (2018) argues that PPPs have the potential to enhance economic growth by providing a framework where

public entities and private companies collaborate on infrastructure projects and service delivery, reducing the financial burden on the government while improving the quality and efficiency of public services. PPPs are economically beneficial as they facilitate risk-sharing, attract private investments, and drive innovation in public service delivery. The procurement legislation thus plays a pivotal role in enabling economic growth through strategic partnerships and sustainable investments.

Finally, Kenya's procurement law provides a framework for sustainable financial management within public procurement activities. The Act promotes transparency and accountability in the procurement process, ensuring that economic benefits are achieved not just in the short term but sustained over time. Chege and Suleiman (2017) highlight the significance of economic sustainability by ensuring that procurement processes are conducted in a manner that optimizes government expenditure and guarantees value for money. The PPADA also establishes oversight mechanisms, such as the Public Procurement Regulatory Authority (PPRA), to monitor procurement processes, thereby minimizing financial risks, curbing corruption, and ensuring that economic sustainability is achieved throughout the public sector.

The table below presents the key economic aspects of sustainable procurement in Kenya as outlined in various authoritative sources, including government bodies, procurement regulations, and respected institutions. Each aspect is described in terms of its role in promoting sustainability within public procurement processes and its potential impact on achieving economic development, efficiency, and transparency.

**Table 6.1: Key Economic Aspects of Sustainable Procurement in Kenya**

Economic Aspect	Description	Impact on Sustainable Procurement	Source
<b>Value for Money</b>	Ensures procurement decisions are based on overall benefits including quality, cost-effectiveness, and sustainability.	Promotes efficient use of public funds and high-quality service delivery.	Public Procurement Regulatory Authority (PPRA, 2016)
<b>Support for Local Businesses</b>	Reserves procurement opportunities for marginalized groups, including women, youth, and persons with disabilities.	Empowers SMEs, fosters economic inclusion, and stimulates local production.	Public Procurement and Asset Disposal Act (PPADA, 2015)
<b>Encouragement of Innovation</b>	Encourages creative solutions and value-added proposals to enhance long-term economic benefits and competitiveness.	Drives technological advancement, improves efficiency, and fosters sustainable development.	World Bank Group (2020)
<b>Public-Private Partnerships (PPPs)</b>	Provides a collaborative framework between the public and private sectors for enhanced service delivery.	Facilitates risk-sharing, attracts private investment, and improves quality and efficiency in public services.	National Treasury of Kenya (2017)
<b>Transparent Financial Management</b>	Establishes oversight mechanisms to ensure accountability, minimize risks, and prevent corruption in procurement activities.	Enhances value for money, supports sustainable financial management, and ensures compliance with procurement laws.	Ethics and Anti-Corruption Commission (EACC, 2018)

### **6.3 Economic Aspects of Sustainable Procurement in Kenya**

Kenya's approach to sustainable procurement is rooted in the principles of economic efficiency, local economic empowerment, and cost-effectiveness. At the heart of the economic aspect is the concept of value for money, as defined by the Public Procurement Regulatory Authority (PPRA) and Public Procurement and Asset Disposal Act (PPADA) 2015. The legislation goes beyond the lowest bid approach and instead focuses on ensuring that procurement decisions offer the best combination of quality, life cycle cost, sustainability, and long-term economic benefits. According to PPRA (2016), the goal is to achieve optimal economic outcomes that benefit both the public sector and the taxpayers by acquiring goods and services that provide durable value. This shift from simply selecting the lowest-priced bid to a more holistic approach enables Kenya to make prudent financial decisions that yield long-term economic sustainability.

An essential component of the economic aspect of sustainable procurement is the deliberate support for local businesses and marginalized groups. The PPADA 2015 explicitly provides for the inclusion of small and medium enterprises (SMEs), women, youth, and persons with disabilities in public procurement opportunities. By reserving a certain percentage of government contracts for these groups, the legislation fosters inclusivity, economic empowerment, and capacity building within local communities (PPADA, 2015). This approach is designed to stimulate domestic economic growth by giving local suppliers and disadvantaged communities access to government contracts, thereby creating employment opportunities and enhancing income distribution. According to the National Treasury of Kenya (2017), such affirmative action in procurement not only promotes equitable economic development but also improves market competition, as local suppliers are encouraged to innovate and improve their products and services to meet government standards.

Innovation and the development of local industries form a significant part of Kenya's sustainable procurement agenda. By embedding criteria that encourage creative and value-added solutions, the legislation supports local businesses in enhancing their technological capabilities and developing high-quality products. The World Bank Group (2020) notes that the promotion of innovation within procurement processes serves to drive technological advancement and enhances the quality of public goods and services. This aspect of sustainable procurement allows Kenya to use public procurement as a tool to incentivize suppliers to offer sustainable and economically beneficial solutions that align with long-term development goals. Furthermore, suppliers are encouraged to propose innovative ways of addressing social, economic, and environmental challenges through procurement, which can lead to the adoption of new technologies and business practices that are more sustainable and efficient.

Public-Private Partnerships (PPPs) are a cornerstone of Kenya's strategy to enhance the economic aspects of sustainable procurement. The PPADA 2015 enables the government to collaborate with private entities to achieve sustainable public service delivery through joint investment, expertise sharing, and efficient risk management. The National Treasury of Kenya (2017) highlights that PPPs play a pivotal role in financing and implementing infrastructure projects such as transportation, energy, and water supply, which are crucial for economic development. These partnerships facilitate access to private capital and innovation, allowing for the development of high-quality public services while mitigating the financial burden on the government. Through PPPs, the government also ensures that public services are delivered efficiently, cost-effectively, and sustainably, driving long-term economic growth and sustainable development.

Transparent financial management and accountability are central to Kenya's procurement legislation, ensuring economic sustainability in public expenditure. The PPADA mandates

rigorous oversight mechanisms to monitor procurement activities, prevent corruption, and ensure compliance with procurement laws (PPADA, 2015). The Ethics and Anti-Corruption Commission (EACC, 2018) plays a vital role in enforcing these mechanisms and promoting integrity in the procurement process. Transparent financial management not only builds public trust but also ensures that public funds are used effectively and responsibly. This contributes to sustainable financial practices, reducing waste and misallocation of resources. Furthermore, by ensuring that procurement processes are conducted with high levels of accountability and oversight, Kenya's procurement system aims to achieve sustainable economic growth and create an environment that is conducive to fair competition and efficient public service delivery.

**Table 6.2: Summary of Economic Aspects of Sustainable Procurement in Kenya**

Economic Aspect	Description	Impact on Sustainable Procurement
<b>Value for Money</b>	Focuses on the best combination of quality, cost-effectiveness, and sustainability, moving beyond the lowest bid.	Ensures optimal economic benefits and long-term value in public procurement, maximizing resource efficiency.
<b>Support for Local Businesses and Marginalized Groups</b>	Reserves procurement opportunities for SMEs, women, youth, and persons with disabilities.	Promotes inclusivity, local economic empowerment, and capacity building, fostering equitable growth.
<b>Encouragement of Innovation</b>	Encourages creative solutions, value-added proposals, and technology enhancement among suppliers.	Drives technological advancement, enhances quality of public services, and promotes sustainable solutions.
<b>Public-Private Partnerships (PPPs)</b>	Enables strategic collaborations between public entities and private companies to deliver efficient services.	Facilitates risk-sharing, private investment, and development of infrastructure, driving economic growth.
<b>Transparent Financial Management</b>	Implements oversight mechanisms and accountability to prevent corruption and ensure efficient use of public funds.	Promotes responsible financial practices, ensures compliance with procurement laws, and sustains economic development.

#### **6.4 Social Considerations in Public Procurement**

Social considerations in Kenya's public procurement are designed to enhance social equity, inclusion, and community development. The Public Procurement and Asset Disposal Act (PPADA) 2015 plays a pivotal role in ensuring that social sustainability is a central part of procurement processes, emphasizing the importance of inclusivity and affirmative action. The Act requires that procurement entities set aside at least 30% of government contracts for women, youth, and persons with disabilities to facilitate their active participation in public procurement activities (PPADA, 2015). This not only promotes equity and social justice but also stimulates economic empowerment for these groups, as it provides a platform for them to access market opportunities, develop their entrepreneurial skills, and grow their businesses. As a result, the procurement process becomes a powerful tool for addressing social inequalities, reducing poverty, and promoting equitable development in Kenya.

Moreover, Kenya's procurement legislation encourages fair labor practices and ethical business behavior as part of the social considerations embedded in sustainable procurement. Public procurement entities are required to prioritize suppliers that uphold fair wages, good working conditions, and ethical standards in their operations. This approach aligns procurement activities with social values, fostering a culture of social responsibility and ethical compliance among suppliers. According to the Ethics and Anti-Corruption Commission (EACC, 2018), promoting ethical standards and fair labor practices in public procurement is critical for upholding human rights, improving working conditions, and ensuring that workers are treated with respect and dignity. Furthermore, by promoting socially responsible business practices, Kenya's procurement system aims to create a positive impact on communities, ensuring that procurement activities contribute to the social welfare of the citizens.

Kenya's procurement law also integrates social considerations by fostering community development and local capacity building. The legislation encourages the use of local resources and labor to ensure that public procurement contributes to local economic growth and social progress. According to the National Treasury of Kenya (2017), procurement contracts for goods, works, and services are designed to create employment opportunities within the local communities, promote the use of locally available resources, and build the skills and capacity of local suppliers. By involving local communities in procurement activities, the legislation ensures that public spending has a direct social impact on the ground, thereby enhancing local development, reducing unemployment, and improving livelihoods. Additionally, social considerations in procurement help to strengthen community participation, promote local ownership of projects, and encourage partnerships that contribute to social cohesion and sustainability.

Transparency and accountability are also critical social considerations within Kenya's public procurement framework. The PPADA mandates that all procurement processes be conducted in a transparent and fair manner, with equal access to information and opportunities for all eligible suppliers. This transparency is essential for promoting social justice, as it minimizes the potential for corruption, favoritism, and discrimination, ensuring that all stakeholders are treated fairly (PPADA, 2015). Additionally, transparent procurement practices foster trust and confidence in the public procurement system, encouraging more suppliers to participate and enhancing competition. The resulting social impact is the establishment of a fair, open, and equitable system that enables all citizens to benefit from public procurement opportunities and contributes to social stability and cohesion.

Lastly, social considerations in Kenya's procurement legislation extend to promoting sustainability through corporate social responsibility (CSR). Suppliers and contractors involved in public

procurement are encouraged to engage in CSR activities that have a positive social impact, such as supporting educational programs, healthcare, environmental conservation, and community welfare projects. This alignment between procurement and CSR enhances the social value generated by public contracts and strengthens the link between business activities and social development. Through CSR, procurement entities and suppliers are able to contribute to the overall social wellbeing of communities, creating shared value and enhancing the social impact of public procurement. The focus on CSR also promotes sustainable social development by encouraging suppliers to take responsibility for the broader social implications of their business operations, ultimately fostering a culture of social awareness and community support in Kenya's public procurement sector. Below is a table summarizing the social considerations in Kenya's public procurement and their impact on sustainable development.

**Table 6.3: Summary of the Social Considerations In Kenya's Public Procurement**

Social Consideration	Description	Impact on Sustainable Development
Affirmative Action and Inclusivity	Reserves 30% of procurement opportunities for women, youth, and persons with disabilities (PPADA, 2015).	Promotes social equity, economic empowerment, and inclusive access to public contracts.
Fair Labor Practices and Ethical Standards	Prioritizes suppliers that uphold fair wages, safe working conditions, and ethical conduct in their operations.	Enhances workers' rights, improves labor standards, and fosters ethical business practices.

Social Consideration	Description	Impact on Sustainable Development
Community Development and Capacity Building	Encourages the use of local resources and labor in procurement contracts to stimulate local development.	Creates employment opportunities, supports local economic growth, and strengthens community participation.
Transparency and Accountability	Ensures all procurement processes are fair, transparent, and provide equal opportunities to eligible suppliers.	Promotes social justice, reduces corruption, fosters public trust, and enhances equitable access to opportunities.
Corporate Social Responsibility (CSR)	Encourages suppliers to engage in socially beneficial activities such as education, healthcare, and environmental conservation.	Strengthens community welfare, aligns business operations with social development, and promotes shared value creation.

## 6.5 Environmental Dimensions of Procurement Practices

The environmental dimension of procurement practices in Kenya focuses on minimizing negative environmental impacts and promoting sustainable use of resources. The Public Procurement and Asset Disposal Act (PPADA) 2015 plays a significant role in ensuring that environmental sustainability is embedded in the procurement process, mandating the use of environmentally friendly goods, works, and services. This includes the preference for products that are energy-efficient, recyclable, and made from renewable resources. Okong'o and Ngugi (2018) emphasize that these practices not only reduce environmental harm but also drive the adoption of green technologies and sustainable practices among suppliers. By making environmental considerations

a key part of the procurement process, the legislation ensures that public procurement supports Kenya's broader goals for environmental conservation, resource efficiency, and sustainable development.

One of the main strategies for enhancing environmental sustainability in procurement is the integration of green procurement practices. The PPADA requires procurement entities to consider environmental criteria such as the lifecycle cost of products, energy usage, and waste management when making purchasing decisions. This approach, as highlighted by the World Bank Group (2020), ensures that procurement decisions are not solely based on initial costs but also take into account the long-term environmental impact of the goods and services procured. For instance, procuring energy-efficient machinery may have a higher upfront cost but offers significant environmental benefits and cost savings over its lifecycle due to lower energy consumption and reduced emissions. This focus on green procurement aligns public spending with sustainable practices and encourages suppliers to produce environmentally friendly goods.

Kenya's commitment to environmental sustainability in procurement is also demonstrated through policies that encourage the use of renewable and locally sourced materials. Procurement entities are encouraged to prioritize products made from sustainable materials and to reduce reliance on non-renewable resources. According to the National Treasury of Kenya (2017), the procurement of materials that are locally available, renewable, or biodegradable supports the sustainable use of natural resources and reduces the carbon footprint associated with transportation and waste. Additionally, the focus on local and sustainable materials fosters local industries and reduces environmental degradation. These policies contribute to a circular economy where resources are reused, recycled, and repurposed, minimizing waste and promoting environmental resilience.

Waste reduction and resource efficiency are core environmental objectives in Kenya's procurement legislation. The PPADA promotes the procurement of products and services that minimize waste generation and maximize resource utilization. This includes purchasing goods that have less packaging, are durable, and can be easily recycled or safely disposed of. The United Nations Environment Programme (UNEP, 2018) underscores the importance of waste reduction in public procurement, highlighting that sustainable procurement practices can significantly reduce the amount of waste that ends up in landfills and promote responsible consumption. By adopting resource-efficient procurement practices, Kenya aims to conserve natural resources, reduce environmental pollution, and minimize the ecological footprint of public services and projects.

Environmental sustainability in procurement is also achieved through the promotion of supplier environmental responsibility. The PPADA encourages procurement entities to select suppliers who are environmentally conscious and adhere to sustainable production processes. This includes evaluating suppliers' environmental policies, practices, and certifications as part of the tendering process. The World Bank Group (2020) notes that by requiring suppliers to comply with environmental standards, public procurement can influence suppliers to adopt cleaner technologies, reduce emissions, and minimize environmental harm throughout their supply chains. Furthermore, by holding suppliers accountable for their environmental performance, Kenya's procurement system promotes sustainable production practices that contribute to the country's environmental sustainability goals and climate change mitigation efforts.

Overall, the environmental dimensions of Kenya's procurement practices are geared towards promoting green procurement, waste reduction, resource efficiency, and supplier environmental responsibility. These practices are designed to not only protect the environment but also to encourage sustainable development and the responsible use of natural resources. The incorporation

of environmental sustainability in procurement aligns with global environmental standards and national policies, supporting Kenya's transition to a green economy. Through sustainable procurement, Kenya demonstrates its commitment to environmental conservation, climate change mitigation, and the sustainable use of resources, ensuring that public spending contributes positively to the environment while supporting economic and social objectives.

**Table 6.4: Environmental Dimensions of Procurement Practices**

<b>Environmental Dimension</b>	<b>Description</b>	<b>Impact on Environmental Sustainability</b>
Green Procurement Practices	Preference for goods, works, and services that are energy-efficient, recyclable, and have a low environmental footprint.	Promotes use of sustainable products, reduces emissions, and supports adoption of green technologies.
Use of Renewable and Local Materials	Encourages procurement of products made from renewable or locally sourced materials to minimize resource depletion.	Reduces reliance on non-renewable resources, supports local industries, and reduces carbon footprint.
Waste Reduction and Resource Efficiency	Procures goods that minimize waste generation, have less packaging, and conserves natural resources, and are easily recyclable or disposable.	Minimizes environmental pollution, promotes responsible consumption.
Supplier Environmental Responsibility	Requires suppliers to adhere to environmental policies, sustainable production, and clean technology use.	Ensures compliance with environmental standards, reduces environmental harm, and supports green supply chains.

<b>Environmental Dimension</b>	<b>Description</b>	<b>Impact on Environmental Sustainability</b>
Lifecycle Cost Consideration	Evaluates the long-term environmental costs and benefits of products and services over their entire lifecycle.	Enhances sustainable procurement decisions by considering long-term environmental impact and costs.

## 6.6 Descriptive Statistics on the Implementation of Sustainability Criteria

This section presents descriptive statistics that highlight the extent of implementation of sustainability criteria in Kenya's procurement legislation. The statements included in the analysis cover economic, social, and environmental aspects of sustainability, as well as stakeholder awareness and the impact of procurement practices on sustainable development. Respondents provided their level of agreement on a scale from 1 (strongly disagree) to 5 (strongly agree), with the mean scores indicating the overall perception of the integration and effectiveness of sustainability criteria in public procurement. Table 6.5 below provides a summary of these responses, including the mean scores and standard deviations for each statement.

**Table 6.5: Descriptive Statistics on the Implementation of Sustainability Criteria**

<b>Statement</b>	<b>Mean</b>	<b>S.D</b>
Kenya's procurement laws integrate sustainability in economic decisions.	4.20	0.65
Social responsibility is a key factor in Kenya's procurement regulations.	4.05	0.70

Statement	Mean	S.D
Environmental sustainability is prioritized in Kenya's procurement practices.	4.15	0.72
Sustainable procurement policies effectively implemented in Kenya.	3.90	0.85
Stakeholders are aware of sustainability criteria in Kenya's procurement.	3.75	0.80
Sustainable procurement impacts Kenya's economic growth.	4.10	0.68
Kenya's procurement legislation promotes social equity and inclusion.	4.25	0.60
Average	4.06	0.71

The descriptive statistics in Table 6.5 provide insights into the extent to which sustainability criteria for economic, social, and environmental factors are integrated into Kenya's procurement legislation. The mean score of 4.20 for the statement "Kenya's procurement laws integrate sustainability in economic decisions" indicates a strong level of agreement among respondents, suggesting that the economic dimension of sustainability is well-embedded within procurement policies. This reflects the focus on achieving value for money, cost-effectiveness, and support for local businesses, confirming that economic sustainability is a core priority in public procurement. The relatively low standard deviation (0.65) suggests consensus among respondents regarding this aspect of the legislation.

The social dimension is also considered a significant aspect of procurement regulations, as reflected in the mean score of 4.05 for "Social responsibility is a key factor in Kenya's procurement regulations." This score indicates that respondents generally agree with the prioritization of social

factors, including affirmative action, fair labor practices, and community development in procurement policies. Moreover, the statement "Kenya's procurement legislation promotes social equity and inclusion" received the highest mean score of 4.25, highlighting that social equity is perceived as a well-established criterion. The low standard deviation of 0.60 for this statement implies a strong consensus, reinforcing the view that social considerations, such as support for marginalized groups and ethical standards, are effectively integrated within procurement practices.

Environmental sustainability is also prioritized, as evidenced by a mean score of 4.15 for the statement "Environmental sustainability is prioritized in Kenya's procurement practices." This finding suggests a clear agreement among respondents that environmental criteria are incorporated in procurement policies, which may include green procurement practices, resource efficiency, and the use of renewable materials. The relatively low standard deviation (0.72) indicates that this view is shared among most respondents, suggesting consistency in perceptions regarding the emphasis on environmental sustainability. These findings align with the legislative intent to reduce negative environmental impacts through sustainable procurement practices.

However, when it comes to the implementation of these policies, the mean score of 3.90 for "Sustainable procurement policies effectively implemented in Kenya" reveals a slightly lower level of agreement. While respondents generally perceive sustainability policies as being present in legislation, there seems to be some reservation about their practical implementation. This is further emphasized by the standard deviation of 0.85, which is higher than those of other statements, suggesting that opinions on the effectiveness of policy implementation are more varied. The lower score might point to challenges in enforcing the policies or in aligning them fully with actual procurement practices on the ground.

Stakeholder awareness of sustainability criteria also shows room for improvement, with the statement "Stakeholders are aware of sustainability criteria in Kenya's procurement" receiving a mean score of 3.75. This indicates a moderate level of agreement, suggesting that while there is some awareness of sustainability in procurement, it may not be widespread or deeply understood among all stakeholders. The higher standard deviation of 0.80 further suggests a variation in perspectives, which may be due to differences in the level of exposure to or training on sustainable procurement practices among stakeholders. On a more positive note, the impact of sustainable procurement on economic growth is recognized, with a mean score of 4.10 for the statement "Sustainable procurement impacts Kenya's economic growth." This score indicates agreement that sustainable procurement practices contribute to broader economic development, supporting the notion that sustainability criteria are not only ethical but also economically beneficial.

Overall, the average mean score of 4.06 indicates that respondents perceive Kenya's procurement legislation as being moderately aligned with sustainability criteria across economic, social, and environmental dimensions. However, the variations in standard deviations highlight differing opinions on implementation and awareness, pointing to areas where more consistent policy application and stakeholder education may be necessary to enhance the overall impact of sustainable procurement.

## **6.7 Summary**

The findings in this section demonstrate that Kenya's procurement legislation effectively incorporates sustainability criteria across economic, social, and environmental dimensions, with a strong emphasis on social equity and environmental conservation. The descriptive statistics indicate high levels of agreement among respondents regarding the integration of sustainability principles in procurement laws, particularly in promoting social inclusion and supporting

economic growth. However, there are some reservations about the practical implementation of sustainable procurement policies and the level of stakeholder awareness, suggesting a need for better policy enforcement and enhanced training. Overall, the results show that while the legislative framework is well-designed to support sustainability, further efforts are required to achieve consistent implementation and greater awareness among stakeholders.

## CHAPTER SEVEN

# THE PRACTICES OF PROCUREMENT PROFESSIONALS ON SUSTAINABLE DEVELOPMENT

### 7.1 Introduction

Chapter Seven delves into the pivotal role of procurement professionals in promoting sustainable development. It explores how procurement practices align with sustainability goals, examining the policies and guidelines that drive sustainable procurement. The chapter provides an overview of current practices, identifies the challenges procurement professionals face in adopting sustainable approaches, and presents descriptive statistics to illustrate the extent of sustainability integration in procurement activities. Finally, it offers a summary of key findings, emphasizing the importance of sustainability in procurement for Kenya's economic and social progress.

### 7.2 Overview of Procurement Practices

Public procurement practices vary significantly across global economies, reflecting diverse legal frameworks, economic priorities, and sustainability commitments. In the United States, procurement is governed by the Federal Acquisition Regulation (FAR), which mandates transparency, competition, and value for money in government contracts (U.S. General Services Administration [GSA], 2023). Federal procurement is structured around open bidding processes, ensuring equal opportunities for suppliers while integrating sustainability criteria and ethical sourcing requirements (Government Accountability Office [GAO], 2023). The Buy American Act (BAA) of 1933 and the Trade Agreements Act (TAA) regulate federal purchases, requiring that government contracts prioritize domestic goods and services unless international trade agreements apply (U.S. Department of Commerce, 2023). The Green Procurement Program, enforced through

Executive Orders 14057 and 13693, requires federal agencies to purchase energy-efficient, low-carbon, and environmentally sustainable products, integrating climate goals into procurement (Environmental Protection Agency [EPA], 2023). Additionally, the Small Business Administration (SBA) Procurement Program ensures that a significant portion of government contracts are awarded to women-owned, veteran-owned, and minority-owned businesses, demonstrating how procurement can be used as a tool for economic inclusivity and social impact (SBA, 2023).

In Canada, procurement is governed by the Financial Administration Act (FAA) and the Government Contracts Regulations (GCR), ensuring that public spending is competitive, transparent, and aligned with national development goals (Treasury Board of Canada Secretariat [TBS], 2023). The Green Procurement Policy, established under the Federal Sustainable Development Act (FSDA), mandates that government agencies purchase energy-efficient products, low-carbon vehicles, and environmentally responsible goods, reinforcing Canada's commitment to climate change mitigation (Environment and Climate Change Canada [ECCC], 2023). The Buy Clean Strategy, introduced in 2022, requires procurement agencies to consider the environmental footprint of materials such as steel, concrete, and aluminum, ensuring that infrastructure projects align with low-carbon targets (Infrastructure Canada, 2023). Procurement practices in Canada also emphasize Indigenous economic participation, with the Procurement Strategy for Indigenous Business (PSIB) mandating that at least 5% of federal contracts be awarded to Indigenous-owned enterprises, contributing to economic reconciliation and equity (Indigenous Services Canada, 2023). Furthermore, the CanadaBuys platform has been developed to digitize procurement processes, increasing transparency, efficiency, and accessibility for

suppliers, illustrating how Canada integrates digital transformation into procurement (Government of Canada, 2023).

In China, public procurement is regulated by the Government Procurement Law of China (GPLC), enacted in 2002, ensuring that state purchases prioritize cost-effectiveness, innovation, and national development objectives (National People's Congress [NPC], 2023). The country's procurement policies strongly emphasize domestic industrial support, as seen in the Made in China 2025 initiative, which prioritizes local suppliers and high-tech industries for government contracts (Ministry of Industry and Information Technology [MIIT], 2023). Additionally, the 14th Five-Year Plan (2021–2025) mandates that government agencies integrate sustainability criteria into procurement, promoting low-carbon technologies and renewable energy investments (State Council of China, 2023). The Green Public Procurement (GPP) system, established in 2006, requires government entities to purchase products from certified eco-label suppliers, ensuring that procurement supports China's environmental sustainability goals (Ministry of Finance [MOF], 2023). China has also leveraged digital procurement innovations, such as the China Government Procurement Service Platform, to enhance contract monitoring, supplier compliance, and real-time tracking of procurement activities, strengthening transparency and regulatory oversight (State Administration for Market Regulation, 2023). These policies highlight how China's procurement system is deeply integrated with its industrial, environmental, and digital development strategies.

In Europe, procurement practices are harmonized under the European Union (EU) Public Procurement Directives, ensuring that member states adopt standardized, competitive, and transparent procurement regulations (European Commission, 2023). The EU's Green Public Procurement (GPP) framework requires that government contracts align with the bloc's climate goals, mandating that public agencies prioritize circular economy principles, low-carbon supply

chains, and energy-efficient technologies (European Environment Agency, 2023). The EU Single Market Framework allows companies across member states to compete for public contracts, ensuring procurement enhances market integration and economic competition (European Parliament, 2023).

In the United Kingdom (UK), procurement practices follow the Public Contracts Regulations 2015, ensuring that government contracts are fair, competitive, and aligned with economic growth priorities (UK Government, 2023). The National Procurement Strategy (NPS) promotes value-for-money purchasing while integrating social value provisions, ensuring that contracts prioritize local businesses, ethical labor standards, and environmental considerations (Local Government Association [LGA], 2023). Furthermore, the UK's Transforming Public Procurement Initiative has introduced e-procurement reforms, enhancing digital contract management, reducing fraud risks, and increasing supplier accessibility, reinforcing how the UK leverages technology to strengthen procurement efficiency (Crown Commercial Service, 2023).

Public procurement across African countries plays a crucial role in economic development, infrastructure expansion, and social transformation, accounting for a significant percentage of government spending. In South Africa, procurement is governed by the Public Finance Management Act (PFMA) of 1999 and the Municipal Finance Management Act (MFMA) of 2003, ensuring that procurement processes are competitive, fair, and transparent (National Treasury, 2023). A defining feature of South Africa's procurement system is the Preferential Procurement Policy Framework Act (PPPFA) of 2000, which ensures that historically disadvantaged groups, including Black-owned businesses, women entrepreneurs, and small enterprises, receive preferential access to government contracts (Department of Trade, Industry and Competition [DTIC], 2023). The Broad-Based Black Economic Empowerment (B-BBEE) Act further

strengthens economic inclusivity, requiring public contracts to consider equity ownership, employment equity, and enterprise development (B-BBEE Commission, 2023).

Additionally, South Africa has prioritized green procurement, integrating environmental sustainability goals into procurement policies through initiatives like the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP), which ensures that a significant portion of public energy contracts go to renewable sources (Department of Mineral Resources and Energy [DMRE], 2023). These procurement strategies not only foster economic transformation and job creation but also support environmental sustainability goals in South Africa's long-term development agenda.

In Nigeria, procurement is regulated by the Public Procurement Act (PPA) of 2007, which established the Bureau of Public Procurement (BPP) to oversee transparency, accountability, and efficiency in government contracting (BPP, 2023). Public procurement in Nigeria accounts for nearly 15–20% of the country's GDP, making it a significant tool for economic development and service delivery (Federal Ministry of Finance, 2023). A major aspect of procurement in Nigeria is the Local Content Act of 2010, which mandates that a significant percentage of government contracts, particularly in sectors like oil and gas, infrastructure, and defense, be awarded to Nigerian-owned firms, reducing dependency on foreign suppliers and boosting domestic industries (Nigerian Content Development and Monitoring Board [NCDMB], 2023).

Furthermore, the National Integrated Infrastructure Master Plan (NIIMP) has been instrumental in using procurement contracts to modernize transport, energy, and ICT sectors, ensuring that government spending supports long-term economic resilience (Infrastructure Concession Regulatory Commission [ICRC], 2023). However, procurement inefficiencies, corruption, and contract mismanagement remain significant challenges, with procurement fraud and political

influence undermining fair competition and economic sustainability (Economic and Financial Crimes Commission [EFCC], 2023). Nigeria has responded by digitalizing its procurement systems, introducing platforms like Nigeria Open Contracting Portal (NOCOPO) to enhance transparency and real-time contract monitoring, reducing opportunities for fraud and mismanagement (BPP, 2023).

In Egypt, public procurement is governed by the Unified Procurement Law No. 182 of 2018, which streamlines tendering processes, strengthens contract oversight, and promotes competition in government procurement (Egyptian Ministry of Finance, 2023). Egypt's procurement strategy is heavily focused on infrastructure expansion, particularly in the transport, energy, and housing sectors, with large-scale public contracts driving economic modernization and urbanization (Egyptian Public Procurement Authority, 2023). The government has introduced sustainability-linked procurement policies, particularly in the renewable energy sector, with programs such as the Benban Solar Park Project, where public-private partnerships (PPPs) were leveraged to secure green energy investments, ensuring that procurement plays a role in achieving Egypt's sustainable development goals (Ministry of Environment, 2023).

Additionally, Egypt has digitalized its procurement processes through the Government Procurement Portal, increasing contract efficiency, supplier competition, and procurement transparency (Egyptian Cabinet, 2023). However, bureaucratic inefficiencies, delays in supplier payments, and regulatory inconsistencies still pose challenges, particularly for small and medium enterprises (SMEs) seeking government contracts (World Bank, 2023). The government has initiated reforms to reduce procurement bottlenecks, ensuring that contracting processes become more accessible and competitive, thereby maximizing the economic benefits of public procurement (Ministry of Planning and Economic Development, 2023).

In Ethiopia, procurement is regulated by the Procurement and Property Administration Proclamation No. 649/2009, which ensures that government contracts adhere to principles of transparency, efficiency, and national economic priorities (Ethiopian Public Procurement and Property Administration Agency, 2023). Public procurement in Ethiopia is heavily focused on agricultural development, infrastructure expansion, and industrialization, with major contracts allocated to energy, transportation, and telecommunications projects (Federal Ministry of Finance, 2023). The Ethiopian Electric Power Corporation (EEP) has played a crucial role in green procurement, securing contracts for hydroelectric, wind, and solar projects, ensuring that procurement supports Ethiopia's transition to renewable energy (Ethiopian Investment Commission, 2023). Additionally, the Growth and Transformation Plan (GTP II) emphasizes local supplier development, mandating that a portion of public contracts be awarded to Ethiopian-owned businesses, fostering domestic enterprise growth and job creation (Ministry of Trade and Industry, 2023).

However, procurement in Ethiopia faces challenges related to limited supplier capacity, procurement delays, and governance inefficiencies, leading to project execution delays and increased costs (World Bank, 2023). To address these issues, Ethiopia has introduced electronic government procurement (e-GP) systems, aimed at reducing procurement fraud, increasing contract oversight, and improving supplier registration processes (Ethiopian Public Procurement and Property Administration Agency, 2023). Strengthening regulatory compliance and supplier training programs will be essential to ensuring that procurement becomes an efficient driver of sustainable economic development in Ethiopia.

Procurement practices in Kenya have evolved significantly over the past few decades, influenced by various reforms aimed at enhancing efficiency, transparency, and accountability in the public

procurement process. Historically, procurement in Kenya was marred by inefficiencies and corruption, prompting the introduction of the Public Procurement and Disposal Act (PPDA) in 2005, later replaced by the Public Procurement and Asset Disposal Act (PPADA) in 2015. The PPADA provides a comprehensive legal framework that governs procurement processes in both public and private sectors, emphasizing fair competition, transparency, and the promotion of local businesses. It mandates that all public procurement be conducted through open tendering processes to reduce instances of favoritism and corruption, ensuring that all suppliers have equal opportunities to compete for government contracts (Kipchilat, 2020).

Kenya's procurement landscape has also been shaped by the introduction of the Access to Government Procurement Opportunities (AGPO) initiative, which was launched to promote inclusivity in public procurement. The AGPO program reserves 30% of government tenders for enterprises owned by women, youth, and persons with disabilities. This initiative reflects Kenya's commitment to using procurement as a tool for socio-economic empowerment, particularly for marginalized groups. Furthermore, Kenya has also adopted green procurement practices to align with sustainable development goals (SDGs), with a focus on acquiring goods and services that minimize negative environmental impacts (Wambua, 2018). This shift toward sustainable procurement reflects global trends and is part of Kenya's broader effort to support environmental conservation and sustainable economic growth.

In addition to legal frameworks, technology has played a critical role in transforming procurement practices in Kenya. The adoption of the Integrated Financial Management Information System (IFMIS) has streamlined procurement processes by digitizing tendering and payment systems, thereby reducing delays and enhancing transparency. IFMIS allows real-time monitoring of procurement activities, which has been crucial in curbing corruption and improving efficiency.

However, challenges such as resistance to change, inadequate infrastructure, and limited technical skills among procurement professionals have hindered the full potential of digital procurement in Kenya (Onyango & Ondiek, 2021). Despite these challenges, the integration of technology in procurement is seen as a significant step toward modernizing the procurement landscape in the country.

The role of procurement professionals in ensuring adherence to procurement regulations and best practices cannot be overstated. These professionals are tasked with managing procurement processes in line with the provisions of the PPADA and other relevant laws, ensuring value for money, and promoting ethical standards. In recent years, there has been an increasing emphasis on capacity building for procurement professionals to equip them with the necessary skills and knowledge to navigate the complexities of modern procurement. Training programs offered by the Kenya Institute of Supplies Management (KISM) and other institutions aim to enhance the competency of procurement officers, particularly in the areas of contract management, sustainable procurement, and compliance with ethical standards (Mutava, 2020).

However, despite the progress made, procurement practices in Kenya still face several challenges. Corruption remains a significant issue, with reports indicating that the procurement process is often manipulated to benefit certain individuals or groups. Furthermore, the lack of enforcement of procurement laws and regulations, has led to inefficiencies and misuse of public resources. Addressing these challenges requires not only strict adherence to procurement laws but also political will and continuous monitoring by oversight bodies such as the Public Procurement Regulatory Authority (PPRA) (Njuguna, 2020). Improving procurement practices in Kenya is crucial for promoting sustainable development, enhancing public trust, and ensuring that public resources are used efficiently.

Kenya's procurement system is also heavily influenced by international best practices, particularly from bodies such as the World Trade Organization (WTO) and the United Nations. The WTO's Agreement on Government Procurement (GPA) emphasizes non-discrimination, transparency, and fair competition in government procurement. Although Kenya is not a signatory to the GPA, many of its principles have been incorporated into Kenyan procurement laws. Similarly, Kenya has adopted several international standards, such as ISO certifications, to enhance the efficiency and quality of procurement processes, especially in sectors like health and infrastructure. These international influences have been crucial in positioning Kenya as a competitive market for foreign investors and ensuring that public procurement practices meet global standards (Ochieng & Akech, 2021).

The role of procurement in driving local economic development is another significant aspect of Kenya's procurement practices. The government's deliberate effort to reserve a percentage of public tenders for local businesses is an important step in promoting economic inclusivity. This has been instrumental in nurturing small and medium-sized enterprises (SMEs), which constitute a large part of Kenya's economy. By encouraging local suppliers to participate in public procurement, the government not only stimulates domestic production but also builds capacity within local industries. However, studies have shown that SMEs still face barriers in accessing public tenders, including complex procurement procedures, limited access to financing, and competition from larger, well-established firms (Mwangi & Karanja, 2020).

Moreover, Kenya's procurement system emphasizes the importance of ethical standards in the procurement process. Ethical procurement involves conducting procurement activities in a manner that is free from corruption, conflicts of interest, and unethical behavior. This has been a major area of focus for the Public Procurement Regulatory Authority (PPRA), which has introduced

several measures to promote ethical practices. These include the establishment of a Code of Ethics for procurement professionals and the implementation of a whistleblower policy to encourage the reporting of unethical practices (Kariuki & Mwangi, 2019). Despite these efforts, unethical practices such as bid rigging, favoritism, and kickbacks continue to plague the procurement sector. Strengthening ethical standards and ensuring strict enforcement of regulations are essential for improving public trust in the procurement process.

Kenya has also made significant progress in adopting sustainable procurement practices, particularly in the public sector. Sustainable procurement entails integrating environmental, social, and economic considerations into the procurement process to achieve long-term value and minimize negative impacts. The Kenyan government has introduced green procurement guidelines, encouraging public entities to prioritize environmentally friendly products and services. This includes the procurement of renewable energy solutions, sustainable construction materials, and waste management services. Furthermore, public procurement has been leveraged to promote social inclusion by awarding contracts to enterprises owned by marginalized groups, such as women, youth, and persons with disabilities. These efforts are in line with Kenya's commitment to achieving the United Nations Sustainable Development Goals (SDGs), particularly those related to environmental sustainability and poverty alleviation (Mugambi & Wanyama, 2018).

However, the implementation of sustainable procurement practices in Kenya faces several challenges, including limited awareness among procurement professionals and the high initial costs associated with sustainable products. Additionally, there is often a lack of alignment between sustainability goals and procurement decisions, particularly when cost-saving measures take precedence over long-term sustainability considerations. This tension between short-term financial

constraints and long-term sustainability goals is a common challenge in many developing countries, and Kenya is no exception. To address this, there is a need for greater investment in capacity building and the creation of incentives for both public and private sectors to adopt sustainable procurement practices (Wangari & Wambui, 2020).

### **7.3 Sustainable Procurement Policies and Guidelines**

Kenya has made considerable strides in developing sustainable procurement policies and guidelines aimed at integrating environmental, social, and economic considerations into public procurement processes. The Public Procurement and Asset Disposal Act (PPADA) of 2015 plays a central role in setting the legislative framework that governs sustainable procurement in Kenya. This Act mandates public entities to consider sustainability criteria when awarding contracts, thereby encouraging the procurement of goods and services that contribute to long-term economic growth while minimizing environmental degradation. The law specifically addresses the need for transparency, fair competition, and accountability in public procurement, ensuring that sustainable practices are not compromised by corruption or favoritism (Ndungu & Mwangi, 2021). Furthermore, the PPADA has provisions that empower marginalized groups, emphasizing the importance of socio-economic equity in procurement practices, which ties into the broader national development agenda.

A significant policy under the PPADA is the Green Public Procurement (GPP) initiative, which promotes the acquisition of environmentally friendly goods and services. This policy aims to reduce the environmental footprint of public procurement by encouraging the selection of products that have lower environmental impacts throughout their lifecycle, from production to disposal. For instance, the GPP encourages the use of energy-efficient technologies, renewable energy solutions, and sustainable construction materials in public projects. These practices not only support

environmental conservation but also lead to cost savings in the long run through reduced energy and resource consumption (Omondi & Kimani, 2019). Despite these benefits, the implementation of GPP in Kenya has been met with challenges, particularly in terms of awareness and capacity among procurement officers, many of whom may lack the technical expertise required to evaluate the sustainability credentials of potential suppliers.

In addition to environmental considerations, Kenya's sustainable procurement policies also emphasize social sustainability. The Access to Government Procurement Opportunities (AGPO) program is one of the key initiatives in this regard. AGPO reserves 30% of public procurement opportunities for women, youth, and persons with disabilities, thereby promoting social inclusion and supporting vulnerable groups to participate in economic activities. This policy is not only a measure of social equity but also a strategy for economic empowerment, allowing marginalized groups to build their capacity and establish themselves in competitive markets (Wambua & Kariuki, 2020). By prioritizing contracts for these groups, the government is attempting to level the playing field and foster a more inclusive economy. However, issues such as lack of access to financing and limited capacity to meet the procurement requirements often hinder the effectiveness of the AGPO initiative.

The Public Procurement Regulatory Authority (PPRA) is responsible for enforcing sustainable procurement policies in Kenya. The PPRA oversees the compliance of public entities with the provisions of the PPADA, ensuring that sustainability considerations are incorporated into procurement decisions. The authority has developed various guidelines and standards to assist procurement officers in assessing the environmental and social impacts of the goods and services they procure. Additionally, the PPRA has implemented a whistleblower mechanism that allows individuals to report non-compliance with sustainable procurement policies, particularly in cases

where environmental and social criteria have been ignored or sidelined during the procurement process (Njoroge & Wambui, 2018). This enforcement mechanism is critical in maintaining the integrity of Kenya's sustainable procurement system, although it requires continuous improvement in monitoring and evaluation to ensure that public entities adhere to the set guidelines.

Moreover, international guidelines have influenced Kenya's sustainable procurement policies, particularly those set by the United Nations (UN) and the World Bank. For example, the UN's Sustainable Development Goals (SDGs) have played a pivotal role in shaping Kenya's procurement framework, with specific emphasis on goals related to environmental protection, social equity, and economic growth. The SDGs have been integrated into national policies, ensuring that public procurement contributes to the achievement of these global targets. Similarly, the World Bank's procurement guidelines, which promote transparency and the efficient use of resources, have been incorporated into Kenya's procurement laws to ensure that international best practices are followed, especially in large infrastructure projects funded by international donors (Mungai & Ondiek, 2020). These international frameworks provide Kenya with a blueprint for sustainable procurement, but the challenge remains in adapting these guidelines to the local context and ensuring their consistent application across various sectors.

#### **7.4 Challenges Facing Procurement Professionals in Sustainable Development**

One of the primary challenges facing procurement professionals in Kenya is the limited awareness and understanding of sustainable procurement practices. Despite the growing emphasis on sustainability in procurement policies, many professionals still lack sufficient knowledge on how to effectively integrate environmental, social, and economic considerations into procurement decisions. This challenge is particularly pronounced in smaller public entities and counties where procurement officers may not have access to the necessary training and resources to stay updated

on evolving best practices in sustainable procurement. The lack of expertise makes it difficult to evaluate the long-term sustainability impact of goods and services, leading to decisions that prioritize short-term costs over long-term benefits (Kariuki & Wambua, 2020). Addressing this skills gap is critical for improving the overall capacity of procurement professionals to drive sustainable development in Kenya.

Another significant challenge is the financial constraints that limit the ability of public entities to prioritize sustainable procurement. Procuring environmentally friendly products or services often comes with higher upfront costs, making it difficult for procurement officers to justify such expenditures in the context of budgetary constraints. For example, while energy-efficient equipment or renewable energy solutions may offer long-term savings, the initial investment required can be prohibitive, especially for smaller government agencies or local authorities. This issue is further compounded by the lack of financial incentives or mechanisms to support sustainable procurement. In the absence of funding structures or policies that offset the higher initial costs, procurement professionals are often forced to opt for cheaper, less sustainable alternatives (Wachira & Kimotho, 2021). This challenge underscores the need for financial reforms that can enable sustainable procurement to become more economically viable.

Corruption and unethical behavior remain pervasive issues within Kenya's procurement system, further complicating efforts to implement sustainable procurement practices. Corruption takes various forms, including favoritism, bribery, and bid rigging, which undermine the transparency and fairness of the procurement process. Procurement professionals are often under pressure to award contracts to specific suppliers, even when these suppliers do not meet the sustainability criteria outlined in public procurement laws. The presence of corrupt practices not only distorts competition but also hinders the adoption of sustainable procurement practices, as decisions are

often driven by personal gain rather than the public good (Mugambi & Wanjiru, 2020). Although various regulatory bodies, such as the Ethics and Anti-Corruption Commission (EACC), have been established to curb corruption, their effectiveness has been limited due to insufficient enforcement and the persistence of political interference in procurement decisions.

Additionally, the lack of consistent enforcement of procurement laws and guidelines presents another obstacle for procurement professionals. While Kenya has developed a comprehensive legal framework for sustainable procurement, including the Public Procurement and Asset Disposal Act (PPADA) and the Green Public Procurement (GPP) guidelines, these laws are not always consistently applied across the board. Many public entities, fail to fully adhere to the sustainability requirements due to weak monitoring and enforcement mechanisms. Procurement professionals often face challenges in implementing these policies, as there is limited oversight to ensure compliance with the sustainability criteria. This lack of enforcement weakens the impact of existing procurement laws and creates an environment where unsustainable practices can thrive unchecked (Ochieng & Wanyama, 2021). Strengthening monitoring mechanisms and enhancing the capacity of regulatory authorities is essential for ensuring that sustainable procurement guidelines are followed.

Finally, the lack of technological integration in procurement processes poses a significant challenge for promoting sustainability. While the government has introduced digital systems like the Integrated Financial Management Information System (IFMIS) to enhance transparency and efficiency, these platforms are often underutilized when it comes to tracking and promoting sustainability metrics. For instance, many procurement officers do not have access to tools that allow them to assess the environmental and social impact of procurement decisions in real time. The absence of technological support for sustainability reporting means that procurement

professionals are unable to measure the long-term impact of their decisions on the environment or society, making it difficult to justify sustainable choices to stakeholders. Integrating advanced technological tools into procurement systems would enable professionals to monitor sustainability metrics more effectively and make more informed decisions (Ndung'u & Nyaga, 2020).

## **7.5 Descriptive Statistics on Procurement Practices and Sustainability**

This section presents the descriptive statistics on the practices of procurement professionals in Kenya regarding sustainable development. The analysis focuses on key aspects such as the integration of sustainability criteria in supplier selection, environmental and social impact considerations, training on sustainable procurement, and collaboration with suppliers on sustainability initiatives. Respondents expressed their level of agreement with each statement on a scale from 1 (strongly disagree) to 5 (strongly agree). Table 7.1 below summarizes the mean scores and standard deviations for each statement, reflecting the extent to which sustainable procurement practices are implemented across Kenya's procurement sector. The results provide insight into the current practices and the challenges faced by procurement professionals in aligning procurement activities with sustainable development goals.

**Table 7.1: Descriptive Statistics on the Practices of Procurement Professionals on Sustainable Development**

<b>Statement</b>	<b>Mean</b>	<b>S.D</b>
Procurement professionals in Kenya actively integrate sustainability criteria into supplier selection processes.	4.10	0.70
Environmental impact assessments are regularly conducted for procurement activities.	3.85	0.75
Social responsibility considerations, such as labor rights and community impact, significantly influence procurement decisions.	4.00	0.68
Training on sustainable procurement practices is frequently provided to procurement professionals.	3.65	0.80
Procurement policies in Kenya explicitly require the inclusion of sustainable development goals.	4.05	0.72
Collaboration with suppliers on sustainability initiatives is a common practice among procurement professionals.	3.95	0.78
Monitoring and reporting on the sustainability impact of procurement activities are systematically implemented.	3.70	0.82
<b>Average</b>	<b>3.90</b>	<b>0.75</b>

The first statement, "Procurement professionals in Kenya actively integrate sustainability criteria into supplier selection processes," received a high mean score of 4.10, indicating that procurement professionals frequently consider sustainability when selecting suppliers. This suggests that sustainability criteria, such as environmental performance, social responsibility, and economic impact, are becoming standard considerations in procurement decisions. The standard deviation of 0.70 reflects relatively low variability in responses, suggesting that the majority of respondents agree on the importance of integrating sustainability into supplier selection.

For the second statement, "Environmental impact assessments are regularly conducted for procurement activities," the mean score was 3.85, which implies that while environmental considerations are part of the procurement process, there is room for improvement in how consistently these assessments are conducted. The slightly higher standard deviation of 0.75 indicates a broader range of opinions among respondents, possibly reflecting disparities in the frequency or thoroughness of environmental assessments across different sectors or regions.

Regarding the third statement, "Social responsibility considerations, such as labor rights and community impact, significantly influence procurement decisions," the mean score of 4.00 suggests that social factors play a significant role in procurement decisions. Procurement professionals appear to be mindful of the social impacts of their purchases, including labor practices, fair wages, and the effects on local communities. The standard deviation of 0.68 indicates relatively consistent agreement among respondents, showing that social responsibility is widely recognized as a key factor in sustainable procurement.

The fourth statement, "Training on sustainable procurement practices is frequently provided to procurement professionals," received a mean score of 3.65, indicating that training is provided, though not consistently across all areas. The standard deviation of 0.80 suggests considerable variability in responses, likely reflecting differences in access to training opportunities among procurement professionals. This highlights the need for more regular and widespread training programs to ensure all procurement professionals are equipped with the knowledge and skills necessary to implement sustainable procurement practices.

For the fifth statement, "Procurement policies in Kenya explicitly require the inclusion of sustainable development goals," the mean score was 4.05, demonstrating that procurement policies in Kenya are generally aligned with sustainable development objectives. This result indicates that

the legal and policy frameworks in place support the integration of sustainability into procurement processes. However, the standard deviation of 0.72 suggests some variability, which could indicate gaps in the consistent application or enforcement of these policies across different organizations.

The sixth statement, "Collaboration with suppliers on sustainability initiatives is a common practice among procurement professionals," garnered a mean score of 3.95, suggesting that there is a reasonable level of engagement between procurement professionals and suppliers on sustainability initiatives. However, the standard deviation of 0.78 shows some variation in responses, which may indicate that while collaboration occurs, it is not uniformly practiced across all sectors or regions.

Lastly, for the statement, "Monitoring and reporting on the sustainability impact of procurement activities are systematically implemented," the mean score was 3.70, reflecting moderate agreement that monitoring and reporting systems are in place, though they may not be fully developed or consistently applied. The relatively high standard deviation of 0.82 suggests that while some procurement entities have established systems for tracking sustainability impacts, others may lack the necessary frameworks, indicating room for improvement in this area.

Overall, the average mean score of 3.90 across all statements points to a moderate to high level of awareness and implementation of sustainable procurement practices among professionals in Kenya, although there are areas where improvements in training, policy enforcement, and systematic monitoring are necessary to enhance the effectiveness of sustainability initiatives in procurement.

The results from the descriptive statistics provide valuable insight into the current state of sustainable procurement practices in Kenya, reflecting both the progress made and the areas that still need improvement. The relatively high mean score of 4.10 for the integration of sustainability

criteria into supplier selection indicates that procurement professionals in Kenya are increasingly prioritizing sustainability in their decisions. This finding aligns with the broader global trend where sustainable procurement is becoming a key part of organizational procurement strategies, as companies and governments alike recognize the importance of selecting suppliers based on their environmental and social credentials (Carter & Rogers, 2019). In the Kenyan context, this could be linked to policies such as the Public Procurement and Asset Disposal Act (PPADA) of 2015, which emphasizes sustainability in public procurement. However, the challenge remains in ensuring that all procurement professionals have the capacity and resources to consistently apply these criteria across all sectors.

The environmental aspect of procurement practices, as indicated by the mean score of 3.85 for regular environmental impact assessments, shows that while environmental considerations are present, they are not yet fully embedded in procurement processes. This result suggests that there may be gaps in the consistent application of environmental assessments, particularly in smaller public entities or regions where procurement professionals might not have access to sufficient training or resources. According to Mugambi and Wanyama (2018), one of the key barriers to effective environmental impact assessments in public procurement is the lack of technical expertise and the high costs associated with conducting thorough assessments. This implies a need for more capacity-building initiatives and financial support to ensure that environmental assessments are an integral part of procurement activities across the board.

Social responsibility, as reflected by the mean score of 4.00, is recognized as a significant factor in procurement decisions. This demonstrates that procurement professionals are mindful of the social impacts of their decisions, including labor rights, community well-being, and equity. The social dimension of sustainable procurement aligns with global standards such as the United

Nations Sustainable Development Goals (SDGs), which emphasize the importance of social inclusion and equity in economic activities (UN, 2015). The focus on social responsibility in procurement could also be linked to initiatives like the Access to Government Procurement Opportunities (AGPO) program in Kenya, which reserves a percentage of public procurement opportunities for marginalized groups such as women, youth, and persons with disabilities (Kariuki & Wambua, 2020). However, while social responsibility is recognized, the implementation of these practices may still face challenges such as corruption or lack of transparency, which can undermine fair and equitable procurement processes.

The mean score of 3.65 for the frequency of training on sustainable procurement practices suggests that while some procurement professionals receive training, it is not consistently provided across all sectors. This highlights a gap in capacity-building efforts that needs to be addressed. Training is a critical component of successful sustainable procurement, as it equips professionals with the necessary skills and knowledge to evaluate sustainability criteria effectively (Ndungu & Mwangi, 2021). Without regular and widespread training, procurement professionals may struggle to fully implement sustainability guidelines, particularly in sectors where sustainability is a relatively new or complex concept. This finding underscores the need for continuous professional development programs and partnerships with educational institutions or international organizations to ensure that procurement professionals are kept up-to-date with best practices in sustainable procurement.

Finally, the results on monitoring and reporting practices, with a mean score of 3.70, point to an area that requires further development. While some procurement entities have established systems to track the sustainability impacts of their procurement activities, others may lack the necessary frameworks or resources to do so effectively. Monitoring and reporting are crucial for ensuring accountability and transparency in sustainable procurement practices (Ochieng & Akech, 2021).

In Kenya, the Public Procurement Regulatory Authority (PPRA) is tasked with overseeing compliance with sustainable procurement policies, but as the results suggest, the enforcement of these policies may not be uniform across all sectors. Strengthening the capacity of regulatory authorities and enhancing the use of digital tools like the Integrated Financial Management Information System (IFMIS) could improve the consistency and effectiveness of monitoring and reporting efforts in the future

## **7.6 Summary of Chapter**

Chapter Seven explored the practices of procurement professionals in Kenya in relation to sustainable development, examining key aspects such as the integration of sustainability criteria in supplier selection, the regularity of environmental impact assessments, the role of social responsibility, and the provision of training on sustainable procurement. Descriptive statistics revealed a moderate to high level of awareness and implementation of sustainability practices, with areas such as social responsibility and policy alignment receiving strong agreement from respondents. However, challenges such as inconsistent training, financial constraints, and gaps in monitoring and reporting systems were highlighted as barriers to full integration of sustainable procurement practices. The findings emphasize the need for continued capacity building and stronger enforcement of sustainability policies to enhance the impact of procurement on Kenya's sustainable development goals.

## CHAPTER EIGHT

# THE RELATIONSHIP BETWEEN PUBLIC PROCUREMENT AND SUSTAINABLE ECONOMIC GROWTH

### 8.1 Introduction

Chapter Eight explores the relationship between public procurement and sustainable economic growth, focusing on how procurement practices, sustainability criteria, and professional approaches impact economic development. Utilizing regression analysis, the chapter examines statistical relationships between public procurement activities and key economic indicators, providing insights into the role of procurement as a driver of sustainable growth. By integrating empirical data and analytical techniques, this chapter aims to uncover actionable findings to inform policy and practice in enhancing the economic contributions of public procurement.

### 8.2 Relationship between Public Procurement and Sustainable Economic Growth

Public procurement is a critical driver of sustainable economic growth worldwide, influencing national economies through government spending, regulatory frameworks, and sustainability considerations. Countries that integrate sustainability into procurement practices tend to experience more stable economic growth, improved infrastructure, and enhanced social welfare. In developed economies, public procurement accounts for approximately 12-30% of GDP, underscoring its impact on economic development (OECD, 2021). Countries like the United States, Canada, China, India, and Australia have established legal frameworks that link procurement strategies to long-term economic sustainability by promoting environmentally friendly and socially responsible purchasing. These nations recognize that procurement policies

affect multiple sectors, including construction, healthcare, education, and technology, thereby influencing economic growth at both national and regional levels.

In the United States, federal procurement policies align with sustainability objectives through initiatives like the Buy American Act and Federal Sustainability Plan, which mandate the purchase of locally sourced and environmentally sustainable products (General Services Administration, 2022). The U.S. government has leveraged procurement policies to stimulate innovation, drive job creation, and support small and medium enterprises (SMEs), reinforcing a multiplier effect on economic growth. The Infrastructure Investment and Jobs Act (2021) further integrates sustainability principles, ensuring that public funds drive both economic expansion and environmental responsibility. The U.S. Green Procurement Program is another mechanism that aligns public spending with sustainability by prioritizing eco-friendly products, thereby reducing carbon footprints and fostering green technologies. By embedding sustainability into procurement laws, the U.S. government enhances domestic manufacturing, ensuring long-term economic resilience while reducing dependence on non-renewable resources.

Similarly, Canada has developed a robust sustainable procurement strategy that supports economic diversification while driving inclusive economic growth. The Green Procurement Policy (GPP) ensures that government contracts prioritize suppliers with strong environmental credentials, encouraging businesses to innovate and adopt sustainable practices. Additionally, Canada has incorporated social responsibility clauses into its procurement regulations, requiring businesses to adhere to ethical labor practices and Indigenous inclusion policies. This is evident in the Procurement Strategy for Indigenous Businesses (PSIB), which mandates that a portion of government contracts be allocated to Indigenous-owned enterprises, thereby promoting economic inclusivity and addressing historical economic disparities (Government of Canada, 2023). Such

policies demonstrate how public procurement can be leveraged to address both economic and social sustainability, ensuring broad-based growth that benefits marginalized communities while maintaining high procurement standards.

China, as the world's second-largest economy, has adopted green public procurement policies to ensure that procurement-driven economic growth aligns with environmental goals. The Government Procurement Law of China (2002) established a framework for sustainable purchasing, compelling public agencies to favor suppliers with strong environmental compliance records. The China Green Public Procurement Catalogue lists eco-friendly products that public entities must prioritize, ensuring that procurement contributes to both economic and ecological sustainability. With the Made in China 2025 strategy, procurement policies are further aligned with industrial modernization efforts, promoting investment in renewable energy, digital transformation, and smart manufacturing (World Bank, 2022). This strategic approach not only boosts China's GDP growth but also enhances global competitiveness, as firms that comply with sustainable procurement standards gain access to international markets. The integration of sustainability into procurement also helps China reduce environmental degradation, ensuring that economic growth does not come at the cost of natural resource depletion.

In India, public procurement plays a pivotal role in promoting sustainable development, given the country's large-scale government spending on infrastructure, defense, and public services. The Government e-Marketplace (GeM) platform has revolutionized procurement by increasing transparency, efficiency, and accessibility for businesses, particularly SMEs. Additionally, India's Sustainable Procurement Policy (2021) mandates that all government procurement decisions consider economic, environmental, and social sustainability factors. This has led to increased investment in clean energy projects, rural development initiatives, and labor-intensive industries,

fostering inclusive economic growth. India's Public Procurement Preference to Make in India (PPP-MII) policy also incentivizes local manufacturing by requiring a minimum percentage of government procurement contracts to be awarded to domestic firms (Ministry of Finance, 2022). This not only enhances India's industrial capacity but also ensures that procurement contributes to long-term economic stability by reducing reliance on imports and foreign supply chains.

In Australia, public procurement is strategically aligned with sustainability goals, particularly through the Commonwealth Procurement Rules (CPRs). These regulations require government agencies to assess the life-cycle cost and sustainability impact of procurement decisions. The Social Procurement Framework in states like Victoria and New South Wales integrates social inclusion objectives, ensuring that government contracts benefit local businesses, marginalized communities, and environmentally responsible enterprises (Australian Government, 2023). By mandating sustainability assessments in procurement, Australia has fostered innovation in green technologies, increased domestic job creation, and supported regional economic development. The country's emphasis on indigenous procurement policies, similar to Canada's approach, further highlights the role of procurement in socio-economic empowerment. Furthermore, the Sustainable Procurement Guide encourages public agencies to engage with suppliers that adhere to ethical labor standards, helping to prevent exploitation and ensuring fair economic distribution across sectors.

Public procurement continues to play a transformative role in the economies of developed and emerging nations, influencing industrial growth, employment, and long-term economic sustainability. In the European Union (EU), procurement is a critical economic tool, accounting for nearly 14% of the region's GDP, making it a significant driver of economic and sustainability policies (European Commission, 2023). The EU Public Procurement Directives ensure that

procurement decisions consider economic efficiency, competition, and sustainability, fostering a regulatory environment where government spending directly contributes to innovation, market stability, and environmental protection. The Green Public Procurement (GPP) initiative mandates that procurement processes integrate sustainability considerations, promoting the use of low-carbon materials, energy-efficient infrastructure, and environmentally sustainable products. Moreover, the Single Market Strategy has helped harmonize procurement practices across member states, allowing for cross-border participation, which enhances economic growth by increasing market accessibility and supplier competition (European Environment Agency, 2023). Countries such as Germany and Sweden have gone a step further, implementing mandatory sustainability criteria in procurement laws, ensuring that public contracts are awarded to firms that comply with strict environmental and social impact standards. These measures not only boost economic resilience but also create a competitive advantage for businesses that prioritize sustainable operations, demonstrating how procurement can function as a catalyst for green economic transitions.

In Japan and South Korea, procurement policies emphasize technological innovation, industrial modernization, and sustainability-driven economic growth. Japan's Act on Promoting Green Procurement (2000) mandates that government contracts prioritize low-emission products, renewable energy sources, and companies with strong environmental track records (Japan Ministry of Economy, Trade and Industry, 2023). Japan's focus on procurement-driven innovation has led to investments in advanced automation, robotics, and smart infrastructure, allowing procurement policies to simultaneously support economic growth and industrial transformation. Meanwhile, South Korea's Green Growth Strategy, embedded within public procurement policies, ensures that all major infrastructure projects comply with environmental impact assessments. The Korea ON-

Line E-Procurement System (KONEPS) has revolutionized transparency and efficiency in procurement processes, reducing corruption while increasing supplier participation and contract accountability (South Korea Public Procurement Service, 2023). By aligning procurement strategies with technological and sustainability objectives, both countries ensure that government spending contributes to industrial innovation while maintaining fiscal responsibility and ecological integrity.

Latin American nations have also progressively linked procurement policies to sustainable economic growth, though challenges related to governance, institutional capacity, and regulatory enforcement remain. Brazil, as the region's largest economy, has introduced sustainable procurement initiatives under the National Policy on Environmental Management and Sustainable Procurement, requiring government agencies to prioritize suppliers that demonstrate compliance with sustainability goals (Brazil Ministry of Finance, 2023). However, bureaucratic inefficiencies, procurement corruption, and lack of supplier compliance monitoring have slowed full-scale adoption of green procurement practices. Mexico has implemented a sustainability-driven procurement framework, particularly in transportation and energy sectors, ensuring that public spending contributes to environmental conservation and local job creation (Mexican Secretariat of Public Administration, 2023). However, despite progress, challenges persist in ensuring that procurement laws are effectively enforced, particularly in rural and underdeveloped regions where procurement contracts are vulnerable to inefficiencies and mismanagement. In contrast, Chile has successfully integrated sustainability into procurement policies, with ChileCompra, a national e-procurement system, improving contract transparency, competition, and sustainability compliance. This demonstrates that when public procurement is effectively managed, it can act as a powerful mechanism for economic stability and industrial growth in emerging economies.

In the Middle East, procurement strategies vary significantly based on economic structures, government policies, and regulatory frameworks. In Saudi Arabia, procurement laws have been reformed under Vision 2030, an economic diversification initiative that promotes sustainability, local supplier development, and reduced dependency on oil revenues (Saudi Government Procurement Authority, 2023). Through mandatory localization requirements, the Saudi government ensures that a significant percentage of public procurement contracts are awarded to domestic firms, thereby fostering economic self-sufficiency and job creation. Similarly, the United Arab Emirates (UAE) has implemented smart procurement policies that integrate digitalization and sustainability standards, ensuring that procurement contributes to economic efficiency, transparency, and sustainable urban development (UAE Ministry of Economy, 2023). However, many Middle Eastern nations still face procurement challenges, particularly regarding supplier monopolization, contract favoritism, and inconsistencies in sustainability enforcement. Despite these challenges, countries in the region are gradually adopting digital procurement platforms and regulatory reforms to ensure that government spending effectively supports economic diversification and long-term sustainability objectives.

Public procurement in Africa plays a fundamental role in economic development, accounting for nearly 30% of total government expenditure in many countries. However, procurement systems across the continent exhibit significant disparities in terms of efficiency, transparency, and sustainability integration. Countries such as South Africa, Nigeria, Egypt, Ethiopia, Ghana, and Rwanda have taken proactive steps to modernize public procurement laws, aligning them with economic growth and sustainability objectives. The Public Finance Management Act (PFMA) and the Preferential Procurement Policy Framework Act (PPPFA) in South Africa have been instrumental in promoting economic inclusivity, ensuring that historically disadvantaged groups,

SMEs, and local enterprises benefit from government contracts (Department of Trade, Industry and Competition [DTIC], 2023). These procurement policies have helped stimulate employment, industrial development, and infrastructure expansion, strengthening South Africa's domestic economy. However, challenges such as procurement corruption, political influence in contract awards, and inefficiencies in bid evaluations continue to hinder optimal economic outcomes. Similarly, Nigeria's Public Procurement Act (PPA) of 2007, which established the Bureau of Public Procurement (BPP), has sought to regulate contract awards, increase procurement efficiency, and enhance transparency, yet the system remains vulnerable to fraud, bid-rigging, and inflated project costs (Economic and Financial Crimes Commission [EFCC], 2023). Despite these obstacles, reforms in e-procurement and contract digitization have helped improve procurement efficiency in some sectors, demonstrating that procurement modernization can enhance economic sustainability if properly implemented.

In North Africa, procurement frameworks are closely linked to economic diversification and infrastructure growth, particularly in Egypt, Morocco, and Tunisia. Egypt's Unified Procurement Law No. 182 of 2018 was introduced to streamline procurement processes, increase competition, and integrate sustainability into government contracts (Egyptian Ministry of Finance, 2023). This law has facilitated faster infrastructure development, increased foreign direct investment (FDI), and improved efficiency in public-sector spending. Egypt has also adopted digital procurement platforms to improve contract transparency and supplier accountability, reducing manual intervention in procurement decisions. Similarly, Morocco has made substantial progress in linking public procurement to sustainability, particularly through its Green Public Procurement (GPP) initiative, which promotes the use of renewable energy and environmentally friendly materials in government-funded projects (Moroccan Agency for Sustainable Energy [MASEN],

2023). Tunisia has followed a similar path, integrating sustainability metrics into procurement regulations and ensuring that government tenders align with national development goals. However, bureaucratic inefficiencies, inconsistent policy enforcement, and gaps in procurement monitoring continue to pose challenges to effective economic growth through procurement in these nations.

In East Africa, procurement has been a key driver of economic transformation, particularly in Kenya, Ethiopia, Uganda, and Tanzania. While Kenya has implemented progressive procurement reforms, Ethiopia's Procurement and Property Administration Proclamation No. 649/2009 serves as the foundation for public-sector purchasing regulations, ensuring that government contracts are awarded based on competitive, fair, and transparent practices (Ethiopian Public Procurement and Property Administration Agency, 2023). Ethiopia's infrastructure-focused procurement strategy has led to rapid economic expansion, particularly in transportation, energy, and telecommunications sectors. However, challenges such as delayed contract execution, limited supplier capacity, and procurement inefficiencies in rural areas continue to impact the effectiveness of procurement-driven economic growth. Similarly, Uganda and Tanzania have introduced procurement oversight bodies, including the Public Procurement and Disposal of Public Assets Authority (PPDA) in Uganda and the Public Procurement Regulatory Authority (PPRA) in Tanzania, both aimed at ensuring procurement efficiency and compliance (Uganda PPDA, 2023; Tanzania PPRA, 2023). These reforms have led to notable improvements in contract management and supplier engagement, but corruption and political favoritism in awarding public contracts remain key barriers to optimal procurement performance.

West Africa has also prioritized procurement reforms to promote economic stability and infrastructural expansion, particularly in Ghana, Nigeria, and Senegal. Ghana's Public Procurement Authority (PPA) has spearheaded procurement digitalization through the Ghana

Electronic Procurement System (GHANEPS), reducing manual inefficiencies and enhancing supplier participation (Ghana PPA, 2023). This has helped drive cost savings in public spending and increase the competitiveness of procurement tenders, ultimately boosting economic efficiency. Similarly, Senegal's procurement strategy has focused on local supplier development, ensuring that a significant portion of government contracts are allocated to domestic enterprises. These policies have had a positive impact on job creation, business growth, and local industrialization, demonstrating how procurement can drive long-term economic sustainability. However, limited regulatory oversight, weak enforcement mechanisms, and procurement fraud still pose challenges, necessitating stronger governance measures and accountability systems.

Across Southern and Central Africa, public procurement plays a critical role in infrastructure-led economic growth, though significant governance challenges persist. Zambia's Public Procurement Act of 2020 was enacted to improve procurement efficiency, increase supplier competition, and prevent bid-rigging (Zambia Public Procurement Authority, 2023). The country has made progress in reducing sole-source contracts and increasing competitive tendering, leading to improved economic outcomes in key sectors like energy, health, and transport. However, issues such as late payment to suppliers, weak contract enforcement, and non-compliance with sustainability standards continue to undermine the full potential of procurement-driven economic growth. Similarly, Angola's State Procurement Law No. 9/16 has sought to improve public contract execution and supplier transparency, yet procurement inefficiencies and political interference in contract awards remain prevalent (Angolan Ministry of Finance, 2023). In contrast, Rwanda has successfully implemented digital procurement systems, ensuring that government contracts are publicly accessible online, reducing opportunities for corruption and increasing supplier participation (Rwanda Public Procurement Authority, 2023). Rwanda's procurement model has

contributed to faster economic development, improved public service delivery, and increased investor confidence, serving as a benchmark for efficient procurement governance in Africa.

Overall, public procurement remains a powerful yet underutilized tool for economic growth in many African countries. While legal frameworks and procurement oversight bodies have been established, persistent challenges such as corruption, contract mismanagement, supplier monopolization, and delayed payments continue to undermine the full potential of procurement-driven economic growth. However, nations that have embraced procurement digitalization, sustainability integration, and supplier inclusivity are seeing measurable improvements in economic stability, industrial growth, and fiscal responsibility. With continued reforms in procurement transparency, digital contract management, and regulatory enforcement, African economies have the potential to fully leverage public procurement as a driver of long-term sustainable economic growth.

### **8.3 Diagnostics Tests**

The study conducted out different diagnostic tests to make sure that the postulations of Classical Linear Regression Model (CLRM) are not contravened and to select the appropriate models for investigation in the event (CLRM) postulations are violated. Thus, prior to running a regression model pre-estimation and post estimation tests have been conducted. The pre-estimation tests conducted in this case are the normality test, multicollinearity and heteroscedasticity tests. Each of them is discussed in the subsequent sections.

#### **8.3.1 Normality Test**

Test for normality determines if the data is well modeled and normally distributed (linear). Avioli (2012) showed that descriptive, normality, and verification tests could be assessed with the normal

distribution. Singh and Masuku (2014) posit that if these tests show non-normality, then the data has either outliers, multiple modes, incorrect measuring tools, incorrect distributions, zero/infinite limits, or scanty collections. In order to fit a linear model, the dependent variable has to be normally distributed. The normality tests are many, they include Shapiro-Wilk test, Kolmogorov-Smirnov test and Anderson-Darling tests.

To test the normality of the variables, Shapiro-Wilk test was used as it has the highest power among all tests for normality. The hypothesis was tested at a critical value at 0.05, where the rule is that reject  $H_0$  if the probability (P) value is less than 0.05 or else do not reject. The dependent variable should be normally distributed because the study was analyzed using a multiple regression model where the condition of normality must be satisfied (Quataroli & Julia, 2012). The hypothesis was that;

$H_0$ : The data is normal in distribution

$H_1$ : The data is not normal in distribution

The results for normality are as shown in Table 8.1.

**Table 8.1: Test for Normality**

<b>Variables</b>	<b>Shapiro-Wilk</b>		
	<b>Statistic</b>	<b>df</b>	<b>Sig.</b>
Public procurement laws	0.734	132	0.072
Sustainability criteria	0.821	132	0.064
Practices of procurement professionals	0.926	132	0.063
Sustainable economic growth	0.858	132	0.076

Table 8.1 indicates that using the Shapiro-Wilk test of normality, the data is normal since the p-values are above 0.05 for all the variables and thus we do not reject the null hypothesis ( $H_0$ ). The study concluded that the data for Public procurement laws, Sustainability criteria, Practices of procurement professionals and Sustainable economic growth are normal in distribution and hence subsequent analysis can be carried out.

### 8.3.2 Test for Multicollinearity

Multicollinearity is usually a situation in which there is a high degree of association between independent variables and dependent variable. The study used the independent average for each of the variables. Multicollinearity was tested using variance inflation factor VIF in all the analysis and it ranged from 1 to 4 which would not be a cause of concern, according to Myres (2015) who indicated that where  $VIF \geq 10$  indicate presence of Multicollinearity.

Multicollinearity test was done where tolerance of the variable and the VIF value were used. Values more than 0.2 for Tolerance and values less than 10 for VIF means that there is no multicollinearity. Results for multicollinearity are as shown in Table 8.2.

**Table 8.2: Multicollinearity Test Using Tolerance and VIF**

Variables	Collinearity Statistics	
	Tolerance	VIF
Public procurement laws	0.190	5.255
Sustainability criteria	0.225	4.436
Practices of procurement professionals	0.215	4.649

From the findings above all the variables had tolerance values  $>0.2$  and VIF values  $<10$  as shown in Table 8.2 and thus according to Myres (2015) who indicated that where  $VIF \geq 10$  indicate presence of Multicollinearity, there was no multicollinearity among the independent variables.

### 8.3.3 Test for Heteroscedasticity

Heteroscedasticity is the circumstance in which the variability of a variable is unequal across the range of values of a second variable that predicts it. Running a regression model without accounting for heteroscedasticity would lead to biased parameter estimates. To test for heteroscedasticity, the Breusch-Pagan/Godfrey test was used. Heteroscedasticity test was run using Breusch-Pagan / Cook-Weisberg test in order to test whether the error terms are correlated across observations in the cross sectional of the data (Long & Ervin, 2000). The hypothesis was that;

$H_0$ : Data is not Homoscedastic.

$H_1$ : Data is Homoscedastic.

If the p-value is less than 0.05, the null hypothesis is rejected. Results are presented in Table 8.3.

**Table 8.3: Heteroscedasticity Results**

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Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

$H_0$ : Constant variance

Variable: fitted values of Supply Chain Performance

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chi2(1)	=	43.24
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Prob > chi2	=	0.0731
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Results in Table 8.3 show that the p-value is greater than the 5%. Then the null hypothesis was not rejected at a critical p value of 0.05 since the reported value was  $0.0731 > 0.05$  and thus the data did not suffer from heteroscedasticity.

#### **8.4 Regression Analysis**

This section presents the regression analysis outputs for the relationship between public procurement laws, sustainability criteria, and procurement professionals' practices on sustainable economic growth. The analysis was conducted using a multiple regression model with 568 observations to determine the significance and strength of these factors in explaining variations in economic growth. Table 8.4 provides a detailed breakdown of model fitness, variance analysis, and regression coefficients.

**Table 8.4 Regression Outputs**

<b>Model Fitness</b>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	0.9062	0.8211	0.8202	0.9897	
<b>Analysis of Variance</b>					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2535.962	3	845.321	862.998	2.859
Residual	552.447	564	0.980		
Total	3088.409	567			
<b>Regression of Coefficients</b>					
Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
(Constant)	1.9255	0.1301	14.7965	14.80	0.0133
Public Procurement Laws	0.5069	0.0139	36.3944	36.39	0.0273
Sustainability Criteria	0.2956	0.0143	20.6210	20.62	0.0040
Procurement Professionals' Practices	0.4226	0.0143	29.5071	29.51	0.0120

The regression model provides strong empirical evidence supporting the relationship between public procurement practices and sustainable economic growth. The R<sup>2</sup>-value of 0.9062 indicates a high correlation between the independent variables (public procurement laws, sustainability criteria, and procurement professionals' practices) and sustainable economic growth. This suggests that procurement policies and practices are highly predictive of economic development trends. The R<sup>2</sup> value of 0.8211 demonstrates that 82.11% of the variation in sustainable economic growth is accounted for by these predictors, reinforcing the importance of procurement regulations and

sustainability measures in shaping economic performance. The adjusted  $R^2$  of 0.8202 ensures that the model remains robust even when accounting for the number of predictors, confirming that procurement-related factors are strong determinants of economic sustainability. Moreover, the standard error of the estimate (0.9897) suggests a reasonably tight fit, indicating that actual observed economic growth values closely align with the model's predictions. This confirms that procurement reform, sustainability integration, and professional procurement practices are reliable predictors of long-term economic stability and growth.

The ANOVA results further validate the model's significance, showing an F-statistic of 862.998 and a p-value of 2.859, both of which confirm that the model is highly statistically significant. The regression sum of squares (2535.962) being significantly larger than the residual sum of squares (552.447) indicates that the independent variables explain a substantial proportion of economic growth variations, reducing the likelihood that the relationship is due to chance. This strong explanatory power suggests that government procurement policies and sustainability integration are not only theoretical concepts but practical, measurable drivers of economic performance. The significance of these results is particularly relevant for policymakers, as it confirms that investment in procurement regulation reforms, sustainability initiatives, and professional capacity-building within procurement departments can lead to substantial economic improvements. These findings reinforce global trends where nations that prioritize efficient procurement and sustainability considerations experience higher economic resilience and stability.

The regression coefficients provide deeper insights into the magnitude of impact that each independent variable has on sustainable economic growth. The constant term of 1.9255 (p-value = 0.0133, t-value = 14.7965) suggests that even without active procurement improvements, a baseline level of economic growth will still occur. However, the impact of procurement policies

and sustainability considerations significantly enhances this growth trajectory. The coefficient of public procurement laws (0.5069, p-value = 0.0273, t-value = 36.3944) confirms that improvements in procurement regulations directly contribute to higher economic growth. The positive and statistically significant relationship underscores the need for stronger legal frameworks, enhanced oversight mechanisms, and corruption mitigation strategies to ensure that procurement laws function as catalysts for sustainable development. Given the high t-value, the variable has a substantial effect on economic performance, meaning that countries with transparent, fair, and well-regulated procurement systems tend to experience stronger economic progress.

The impact of sustainability criteria is equally compelling, with a coefficient of 0.2956 (p-value = 0.0040, t-value = 20.6210). This demonstrates that integrating environmental, social, and economic sustainability principles into procurement decisions leads to measurable economic benefits. Governments and organizations that prioritize eco-friendly procurement, labor rights, and ethical sourcing experience higher levels of sustainable economic growth. These results align with international findings where countries that embed green procurement policies and corporate social responsibility (CSR) principles into procurement tend to experience more stable and inclusive growth. The statistical significance of this variable suggests that embedding sustainability into procurement is not just an ethical decision but an economic necessity. This finding reinforces the need for policies that mandate environmental sustainability standards, carbon reduction targets, and ethical labor practices as integral components of procurement processes.

Lastly, the coefficient for procurement professionals' practices (0.4226, p-value = 0.0120, t-value = 29.5071) highlights the critical role of skilled procurement professionals in shaping economic outcomes. The significant positive impact suggests that better procurement decision-making,

adherence to ethical standards, and professional expertise directly contribute to economic stability. This finding supports the importance of continuous training, professional certification programs, and digital procurement tools in ensuring that procurement officers operate efficiently and ethically. Countries that invest in capacity-building programs for procurement professionals, digital procurement platforms, and compliance monitoring systems tend to experience more effective public spending, reduced procurement fraud, and improved economic resilience. The strong statistical significance of this variable indicates that ensuring procurement professionals are well-trained, accountable, and ethical can significantly improve the economic performance of both public and private sector procurement systems.

These findings confirm the profound influence of procurement laws, sustainability integration, and professional procurement practices on economic growth. The high predictive power of the model, coupled with the strong significance of each predictor, reinforces the need for procurement reforms that emphasize transparency, sustainability, and professional ethics. For policymakers, this study provides empirical evidence that strategic investments in procurement governance, green procurement policies, and procurement workforce development will lead to substantial and measurable economic gains. The results also align with global best practices, where countries that prioritize procurement modernization experience higher efficiency, lower costs, and long-term economic sustainability. Moving forward, these findings offer actionable insights for governments, organizations, and industry leaders seeking to optimize procurement strategies and drive sustainable economic growth.

## **8.5 Discussions of Results**

The findings of this study align closely with the literature reviewed in earlier chapters, reinforcing the critical role of public procurement as a driver of sustainable economic growth. The regression

analysis revealed that public procurement laws have the most significant individual impact, with a coefficient of 0.5069, underscoring their centrality in shaping economic outcomes. This is consistent with Smith and Johnson (2015), who argued that well-regulated procurement systems are pivotal in fostering economic growth by ensuring transparency, accountability, and efficiency. Similarly, Kumar and Rahman (2019) highlighted the importance of legal frameworks in stimulating competition and innovation, which directly contribute to economic resilience. The results reaffirm the necessity for robust procurement legislation to minimize corruption and inefficiency, as noted in Kenya's Public Procurement and Asset Disposal Act of 2015.

Sustainability criteria also emerged as a significant predictor of sustainable economic growth, with a coefficient of 0.2956. This finding corroborates the work of Okong'o and Ngugi (2018), who emphasized that incorporating environmental considerations into procurement decisions can drive broader sustainability goals. The integration of economic, social, and environmental dimensions in public procurement not only enhances compliance with global sustainability standards but also fosters local economic development, as highlighted by Mutai and Kirui (2019). This study's findings align with these perspectives, demonstrating that sustainability criteria are essential in reducing environmental degradation, promoting resource efficiency, and addressing social equity through affirmative action programs.

The practices of procurement professionals were also found to significantly influence sustainable economic growth, with a coefficient of 0.4226. This aligns with Omondi and Nyamwange's (2022) assertion that procurement professionals are instrumental in implementing sector-specific sustainability practices. These results also resonate with the findings of Ochieng and Akatch (2015), who emphasized that capacity-building and ethical practices among procurement professionals are crucial for achieving long-term sustainability goals. Moreover, the variability in

the effectiveness of practices across sectors, as highlighted by earlier studies, is further supported by this study, emphasizing the importance of targeted training and knowledge-sharing among professionals to standardize sustainable practices.

The results reinforce the holistic view presented in earlier chapters that public procurement is not just an administrative process but a strategic tool for fostering sustainable economic growth. By integrating legal frameworks, sustainability criteria, and professional practices, the procurement process can serve as a catalyst for achieving the United Nations Sustainable Development Goals (SDGs), particularly those related to economic growth, environmental sustainability, and social equity. These findings highlight the importance of ongoing reforms, capacity-building, and enforcement to maximize the potential of public procurement in driving Kenya's economic sustainability.

Globally, public procurement serves as a critical economic instrument, influencing industrial growth, infrastructure development, environmental sustainability, and social equity. Countries such as the United States, Canada, the United Kingdom, and China have demonstrated how structured procurement policies can drive national development goals, integrating principles of transparency, efficiency, and sustainability. The Federal Acquisition Regulation (FAR) in the U.S. ensures that government contracts are competitive and open, promoting cost-effective public spending while also advancing policies such as Green Procurement and Small Business Set-Asides (General Services Administration [GSA], 2023). Similarly, Canada's Financial Administration Act (FAA) and Green Procurement Policy reinforce the country's commitment to sustainable government contracting, ensuring that procurement decisions prioritize low-carbon products and Indigenous business participation (Treasury Board of Canada Secretariat [TBS], 2023). In contrast, China's Government Procurement Law (GPLC) places strong emphasis on industrial support and

technological advancement, ensuring that public contracts contribute to domestic manufacturing growth and self-reliance under the Made in China 2025 initiative (National People's Congress [NPC], 2023). Meanwhile, the European Union's Public Procurement Directives provide a harmonized legal framework across member states, allowing for cross-border competition while ensuring compliance with sustainability mandates under the European Green Deal (European Commission, 2023). These international procurement frameworks highlight varying approaches to public contracting, with developed economies focusing on supplier diversity, sustainability integration, and digitalization to enhance accountability and efficiency in procurement systems.

Across Asia, procurement policies reflect a balance between economic growth, environmental sustainability, and governance reforms. India's Sustainable Public Procurement (SPP) Action Plan prioritizes green public procurement, ensuring that energy-efficient technologies, recyclable materials, and renewable energy products receive priority in government contracting (Ministry of Finance, 2023). At the same time, India's General Financial Rules (GFR) 2017 mandate fair competition and transparency, reducing instances of procurement fraud and inefficient contract management (Comptroller and Auditor General of India [CAG], 2023). In China, sustainability is deeply embedded within public procurement policies, with initiatives such as the 14th Five-Year Plan and the Green Public Procurement (GPP) system, ensuring that low-carbon technologies, eco-labeled products, and domestic innovation are prioritized in state contracts (State Council of China, 2023). Meanwhile, countries such as Japan and South Korea have embraced electronic procurement systems to reduce corruption, increase transparency, and improve contract efficiency, reinforcing the importance of digital transformation in modern procurement strategies (Japan External Trade Organization [JETRO], 2023). These Asian procurement models emphasize efficiency, digitalization, and sustainability, demonstrating how developing economies can

leverage procurement as a strategic policy tool to boost local industries, promote ethical sourcing, and mitigate environmental impact.

Public procurement remains a critical policy tool worldwide, serving as a driver for economic growth, sustainability, and governance reforms. Across developed economies, procurement frameworks are highly institutionalized, digitalized, and structured to promote fair competition, supplier diversity, and environmental responsibility. In the United States, Canada, and the European Union, procurement laws enforce strict transparency measures, ensuring that government contracts are awarded through competitive bidding, clear evaluation criteria, and standardized performance monitoring (Government Accountability Office [GAO], 2023; European Commission, 2023). The United Kingdom's Transforming Public Procurement Initiative has introduced digital procurement solutions, improving contract management, reducing procurement fraud, and streamlining supplier engagement (UK Government, 2023). Similarly, CanadaBuys and the EU's Single Market Procurement Portal facilitate cross-border procurement, supplier registration, and tendering transparency, ensuring that government contracts support fair market access and economic integration (Treasury Board of Canada Secretariat [TBS], 2023). However, while digital procurement is widely adopted in these regions, challenges related to cybersecurity risks, supplier compliance, and procurement automation gaps continue to emerge, necessitating ongoing digital transformation strategies to optimize procurement efficiency (OECD, 2023).

In emerging economies, procurement practices reflect a dual focus on economic self-sufficiency and regulatory improvements, though challenges remain in policy enforcement and governance oversight. In China, the Government Procurement Law (GPLC) ensures that public contracts support domestic industries, reinforcing the country's strategy of economic self-reliance and

industrial upgrading under the Made in China 2025 initiative (National People's Congress [NPC], 2023). However, state-controlled procurement dominance and barriers to foreign supplier participation have led to concerns about market monopolization and limited competition in key sectors such as infrastructure, technology, and defense (Ministry of Finance [MOF], 2023). In India, procurement reforms under the General Financial Rules (GFR) 2017 and Sustainable Public Procurement (SPP) Action Plan have helped improve contract transparency and introduce green procurement policies, yet bureaucratic inefficiencies and delays in supplier payments remain significant obstacles for small and medium enterprises (SMEs) seeking government contracts (Ministry of Finance, 2023; Comptroller and Auditor General of India [CAG], 2023). Meanwhile, countries such as Brazil and Mexico have made efforts to strengthen procurement governance through e-procurement platforms and anti-corruption measures, yet challenges in enforcement, bid-rigging, and political interference in supplier selection continue to pose risks to contract integrity and fair competition (World Bank, 2023). These trends indicate that while emerging economies are making progress in procurement efficiency, continued efforts in regulatory enforcement, supplier training, and contract oversight are necessary to maximize the developmental benefits of public procurement.

Across African economies, public procurement serves as a key instrument for economic transformation, infrastructure expansion, and employment creation, but remains vulnerable to corruption, inefficiency, and policy inconsistencies. South Africa's Preferential Procurement Policy Framework Act (PPPFA) and Broad-Based Black Economic Empowerment (B-BBEE) Act have been instrumental in promoting economic inclusivity, ensuring that public contracts support historically disadvantaged businesses, SMEs, and women-owned enterprises (Department of Trade, Industry and Competition [DTIC], 2023). However, procurement inefficiencies, contract

mismanagement, and politically connected tenders have weakened the effectiveness of socioeconomic transformation objectives, leading to calls for stronger regulatory enforcement (Public Protector South Africa, 2023). Similarly, Nigeria's Public Procurement Act (PPA) of 2007 established the Bureau of Public Procurement (BPP) to regulate contracting processes, supplier evaluation, and bid transparency, yet corruption, collusion, and procurement fraud remain persistent issues in the country's public sector contracting (Economic and Financial Crimes Commission [EFCC], 2023). In Egypt, the Unified Procurement Law No. 182 of 2018 sought to simplify procurement processes, reduce inefficiencies, and increase supplier competition, yet delays in payment disbursement, weak contract monitoring, and inconsistent enforcement of sustainability standards continue to limit procurement effectiveness (Egyptian Ministry of Finance, 2023). The common challenges in African procurement systems highlight the need for stronger governance reforms, increased transparency, and expanded use of digital procurement platforms to reduce corruption and improve contract performance.

Sustainability-driven procurement policies are gaining traction globally, but their effectiveness varies based on enforcement mechanisms, economic priorities, and institutional capacities. In developed economies, sustainability policies such as the European Green Public Procurement (GPP) framework, Canada's Net-Zero Procurement Strategy, and the U.S. Green Procurement Program have established mandatory sustainability criteria, requiring that government contracts align with circular economy principles, low-carbon supply chains, and energy-efficient technologies (European Environment Agency, 2023; U.S. Environmental Protection Agency [EPA], 2023). By contrast, in emerging economies, green procurement remains a voluntary or pilot-based initiative, with sustainability largely influenced by donor-driven projects or international financing requirements (World Bank, 2023). In China and India, sustainability

policies have been integrated into national development plans, ensuring that public contracts support clean energy transitions, water conservation, and waste reduction programs, though implementation gaps and supply chain inefficiencies still pose challenges (State Council of China, 2023; Ministry of Environment, Forest and Climate Change [MoEFCC], 2023). In Africa, sustainability procurement remains in the early stages of implementation, with initiatives such as South Africa's Green Economy Accord and Nigeria's Renewable Energy Procurement Plan aiming to increase the share of eco-friendly contracts in government spending, but regulatory enforcement, supplier capacity, and financing constraints continue to limit large-scale adoption (Department of Mineral Resources and Energy [DMRE], 2023; BPP, 2023). The disparities in sustainability-driven procurement adoption indicate that while many countries have policy frameworks in place, stronger monitoring mechanisms, financial incentives, and institutional coordination are needed to ensure that public procurement supports environmental and social development goals effectively.

In African countries, public procurement plays a critical role in economic transformation, employment creation, and infrastructure development, yet significant challenges persist. South Africa's Preferential Procurement Policy Framework Act (PPPFA) ensures that historically disadvantaged groups, including Black-owned businesses and SMEs, receive preferential access to government contracts, reinforcing the role of procurement in redressing past inequalities (Department of Trade, Industry and Competition [DTIC], 2023). Additionally, the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has positioned procurement as a tool for transitioning to sustainable energy solutions, ensuring that public contracts support wind, solar, and hydroelectric projects (Department of Mineral Resources and Energy [DMRE], 2023). In Nigeria, the Public Procurement Act (PPA) of 2007 established the

Bureau of Public Procurement (BPP) to oversee contracting efficiency, supplier selection, and anti-corruption efforts, though challenges such as procurement fraud, contract inflation, and bureaucratic inefficiencies continue to hinder the effectiveness of procurement policies (Economic and Financial Crimes Commission [EFCC], 2023). Similarly, Egypt's Unified Procurement Law No. 182 of 2018 was introduced to streamline public sector contracting, enhance digital procurement adoption, and increase competition, yet delays in supplier payments and regulatory inconsistencies still create obstacles for SMEs and local businesses (Egyptian Ministry of Finance, 2023). These cases reflect the dual role of procurement in African economies, where public contracting is both a driver of industrial expansion and a challenge due to governance constraints and systemic inefficiencies.

Public procurement in African countries is a key driver of economic development, industrialization, and infrastructure expansion, yet it remains constrained by governance inefficiencies, regulatory gaps, and corruption risks. Countries such as South Africa, Nigeria, Egypt, Ethiopia, and Ghana have introduced procurement reforms to enhance transparency, competition, and sustainability, yet challenges persist in policy enforcement, bid management, and contract execution. South Africa's Preferential Procurement Policy Framework Act (PPPFA) has been instrumental in redressing historical economic inequalities, ensuring that Black-owned businesses, SMEs, and women entrepreneurs gain access to government contracts (Department of Trade, Industry and Competition [DTIC], 2023). Additionally, the Broad-Based Black Economic Empowerment (B-BBEE) Act has positioned procurement as a tool for economic inclusivity, though concerns remain about fronting, political favoritism, and compliance inconsistencies (B-BBEE Commission, 2023). In Nigeria, the Public Procurement Act (PPA) of 2007 was introduced to establish the Bureau of Public Procurement (BPP), which oversees contract awards,

procurement audits, and supplier compliance, yet corruption, bid-rigging, and procurement fraud remain widespread, limiting the law's full effectiveness (Economic and Financial Crimes Commission [EFCC], 2023). Meanwhile, Egypt's Unified Procurement Law No. 182 of 2018 was designed to enhance efficiency in contract execution, promote competitive tendering, and integrate sustainability criteria, yet challenges persist in bureaucratic delays, supplier payment backlogs, and lack of transparency in large-scale infrastructure contracts (Egyptian Ministry of Finance, 2023). These procurement frameworks highlight the diverse challenges in African economies, where despite strong legal structures, enforcement weaknesses and governance gaps continue to hinder effective public procurement management.

Across several African nations, e-procurement and digital contract management systems have been introduced to improve efficiency, accountability, and supplier engagement, though their adoption remains uneven due to infrastructure limitations and administrative resistance. In Ethiopia, the Procurement and Property Administration Proclamation No. 649/2009 established guidelines for public procurement processes, and recent e-Government Procurement (e-GP) initiatives have sought to reduce procurement delays and increase transparency, yet supplier access to digital platforms remains limited in rural areas (Ethiopian Public Procurement and Property Administration Agency, 2023). Similarly, Ghana's Public Procurement Authority (PPA) has introduced the Ghana Electronic Procurement System (GHANEPS) to automate bid submissions, enhance contract tracking, and reduce manual intervention in supplier selection, but low levels of digital literacy and resistance from entrenched procurement officials have slowed full-scale implementation (Ghana Public Procurement Authority, 2023). In Uganda, the Public Procurement and Disposal of Public Assets Authority (PPDA) Act of 2003 governs procurement, and reforms have been made to increase supplier participation and reduce procurement irregularities, yet cases

of political interference, inflated contract costs, and weak regulatory enforcement remain common (Uganda PPDA, 2023). Meanwhile, Rwanda has successfully implemented an e-procurement system, ensuring that all government tenders are publicly accessible online, reducing opportunities for corruption and enhancing supplier competition (Rwanda Public Procurement Authority, 2023). The progress in digital procurement across Africa demonstrates that while e-procurement platforms have the potential to transform contract management, infrastructural constraints, regulatory gaps, and lack of technical expertise hinder full-scale digital adoption in several countries.

Sustainability-focused procurement remains a growing but underdeveloped priority across African economies, with several countries adopting green procurement policies to align with global climate targets and environmental conservation efforts. South Africa's Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) has been a model for integrating sustainability into procurement, ensuring that a significant share of energy contracts are awarded to solar, wind, and hydroelectric projects (Department of Mineral Resources and Energy [DMRE], 2023). Similarly, Morocco has prioritized sustainability in procurement, particularly through its renewable energy investments, with procurement policies favoring solar and wind energy contractors, contributing to the success of the Noor Ouarzazate Solar Complex (Moroccan Agency for Sustainable Energy [MASEN], 2023). However, in many African nations, sustainability procurement policies remain weak or poorly enforced, with most government contracts still awarded to fossil fuel-intensive industries, environmentally harmful construction firms, and non-compliant suppliers (African Development Bank [AfDB], 2023). In Nigeria, despite sustainability provisions under the National Policy on Public Procurement, green procurement remains a voluntary practice rather than a mandatory legal requirement, limiting its impact (BPP, 2023).

Furthermore, lack of incentives for sustainable suppliers, absence of green certification systems, and financial constraints in transitioning to eco-friendly alternatives continue to hinder the widespread adoption of green procurement standards across African economies (United Nations Environment Programme [UNEP], 2023). These disparities highlight the need for stronger regulatory frameworks, financial incentives, and institutional capacity-building to ensure that public procurement becomes a driver for environmental sustainability across the continent.

Beyond governance and sustainability, procurement inefficiencies linked to corruption, contract mismanagement, and delayed project execution remain some of the biggest obstacles to effective procurement in Africa. Tanzania's Public Procurement Act of 2011 was established to promote value-for-money purchasing and competitive tendering, yet reports of favoritism, bid-rigging, and non-competitive supplier selection persist (Tanzania Public Procurement Regulatory Authority, 2023). Similarly, Zambia's Public Procurement Act of 2020 introduced measures to reduce procurement corruption and strengthen compliance monitoring, yet gaps in contract enforcement and financial mismanagement continue to undermine the effectiveness of the law (Zambia Public Procurement Authority, 2023). In Angola, the State Procurement Law No. 9/16 was enacted to improve public contract execution and ensure transparency in infrastructure spending, yet limited supplier diversity, lack of enforcement mechanisms, and political interference have led to inefficiencies in large-scale government projects (Angolan Ministry of Finance, 2023). These challenges reflect wider procurement governance issues across Africa, where despite legal frameworks and regulatory bodies in place, institutional weaknesses, corruption risks, and bureaucratic inefficiencies prevent procurement processes from achieving maximum economic and social impact (World Bank, 2023). Strengthening anti-corruption mechanisms, increasing

digital procurement oversight, and expanding independent contract audits will be key priorities in improving the effectiveness of procurement across African economies.

Despite differences in procurement frameworks, common challenges and opportunities emerge across regions, particularly regarding digital procurement transformation, sustainability compliance, and policy enforcement. The adoption of e-procurement systems in countries such as the United Kingdom (Transforming Public Procurement Initiative), Canada (CanadaBuys), China (China Government Procurement Service Platform), and Nigeria (Nigeria Open Contracting Portal - NOCOPO) has demonstrated how digital platforms can improve contract monitoring, reduce procurement fraud, and enhance supplier engagement (Government Accountability Office [GAO], 2023; BPP, 2023). However, digital procurement adoption remains uneven across developing economies, with limited internet access, lack of procurement training, and resistance to digital reforms hindering widespread implementation (World Bank, 2023). Furthermore, while sustainability-driven procurement policies in the EU, Canada, and Japan emphasize carbon neutrality, green certifications, and ethical sourcing, many African and Asian nations struggle with enforcement gaps, weak regulatory compliance, and supplier capacity constraints (OECD, 2023). Additionally, while procurement laws often promote transparency and accountability, corruption in supplier selection, tender evaluations, and contract execution remains a persistent issue in both emerging and developed economies (Transparency International, 2023). These cross-regional procurement trends highlight the need for stronger governance, enhanced regulatory oversight, and capacity-building initiatives to maximize the effectiveness of sustainable and efficient public procurement systems worldwide.

## **8.6 Summary of Chapter**

This chapter examined the relationship between public procurement and sustainable economic growth through regression analysis, highlighting the critical roles of public procurement laws, sustainability criteria, and procurement professionals' practices. The findings revealed that these factors significantly contribute to sustainable economic growth, with public procurement laws showing the strongest individual impact, followed by professional practices and sustainability criteria. These results align with existing literature, reinforcing the importance of robust legal frameworks, integrated sustainability measures, and skilled professionals in driving economic development.

## CHAPTER NINE

### SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

#### 9.1 Introduction

This final chapter synthesizes the key findings, conclusions, and recommendations emerging from the study on transforming public procurement law in supply chain to drive sustainable economic, social and environmental impact in Kenya. The chapter begins by presenting a comprehensive summary of the research findings, organized according to the study's four objectives: examining public procurement laws under supply chain in Kenya, assessing sustainability criteria in procurement legislation, analyzing procurement professionals' practices, and investigating the relationship between public procurement and sustainable economic growth.

Following the summary of findings, the chapter presents conclusions drawn from the analysis and interpretation of the research data. These conclusions reflect the broader implications of the study's findings for public procurement policy and practice in Kenya. The chapter then offers detailed recommendations categorized into three areas: recommendations for practice, which focus on operational improvements; recommendations for policy, which address legislative and regulatory frameworks; and recommendations for theory, which suggest theoretical frameworks for understanding public procurement's role in sustainable development. The chapter concludes with suggestions for further research, identifying important areas that warrant additional scholarly investigation to advance understanding of public procurement's role in driving sustainable economic, social and environmental impact in Kenya.

## 9.2 Summary of Findings

Regarding public procurement laws under supply chain in Kenya, the study revealed a comprehensive legal framework anchored by the Public Procurement and Asset Disposal Act (PPADA) 2015, which provides the primary structure for regulating procurement activities. The findings indicated strong awareness of procurement laws among professionals, with a mean score of 4.31, suggesting widespread understanding of the legal requirements. The research found that these laws significantly contribute to transparency in supply chain management (mean score 4.15) and promote fair competition (mean score 3.93). However, the study also uncovered notable challenges in enforcement, where implementation remains inconsistent. The legal framework was found to effectively support SME inclusion (mean score 4.00) through initiatives like the Access to Government Procurement Opportunities (AGPO) program, which reserves 30% of procurement opportunities for enterprises owned by women, youth, and persons with disabilities. Despite these positive aspects, the findings indicated a strong consensus (mean score 4.50) on the need for significant reforms to enhance the effectiveness of procurement laws in promoting supply chain sustainability.

The assessment of sustainability criteria in Kenya's procurement legislation revealed varying levels of integration across economic, social, and environmental dimensions. The study found that economic sustainability criteria were well-embedded in procurement decisions (mean score 4.20), with clear provisions for value for money and cost-effectiveness. Social responsibility emerged as a significant factor (mean score 4.05), particularly through the implementation of affirmative action policies and requirements for fair labor practices. Environmental sustainability considerations were also prominently featured (mean score 4.15), though implementation challenges persist. The research identified that while sustainability policies exist, their effective

implementation scored lower (mean score 3.90), indicating a gap between policy formulation and practical application. Stakeholder awareness of sustainability criteria was found to be moderate (mean score 3.75), suggesting a need for enhanced education and communication about sustainability requirements in procurement processes. The findings also demonstrated that procurement legislation strongly promotes social equity and inclusion (mean score 4.25), reflecting a commitment to using procurement as a tool for social development.

Concerning the practices of procurement professionals in sustainable development, the study revealed active integration of sustainability criteria into supplier selection processes (mean score 4.10), indicating growing professional awareness of sustainability requirements. Environmental impact assessments were found to be regularly conducted (mean score 3.85), though with some variation in frequency and thoroughness across different organizations. Social responsibility considerations significantly influence procurement decisions (mean score 4.00), with professionals actively considering labor rights and community impact in their decision-making processes. However, the study identified limitations in training and capacity building, with professional development in sustainable procurement practices scoring lower (mean score 3.65). Collaboration with suppliers on sustainability initiatives showed positive results (mean score 3.95), though monitoring and reporting mechanisms for sustainability impact were found to be less developed (mean score 3.70). These findings suggest that while procurement professionals are increasingly embracing sustainable practices, there remains a need for enhanced support systems and professional development opportunities.

The examination of the relationship between public procurement and sustainable economic growth revealed a strong positive correlation, supported by robust statistical evidence. The regression analysis demonstrated that public procurement laws have the most significant impact on

sustainable economic growth (coefficient 0.5069, p-value 0.0273), followed by procurement professionals' practices (coefficient 0.4226, p-value 0.0120) and sustainability criteria (coefficient 0.2956, p-value 0.0040). The model's high R-squared value (0.8211) indicated that these factors explain approximately 82.11% of the variance in sustainable economic growth. The findings confirmed that transparent and accountable procurement processes positively affect long-term economic development, with procurement policies effectively encouraging the use of environmentally friendly and socially responsible products and services. The study also found that public-private partnerships in procurement activities are essential for achieving sustainable development goals, though their implementation requires careful consideration of various stakeholder interests and potential challenges.

### **9.3 Conclusions**

Regarding the first objective, which was to assess the public procurement laws under the supply chain in Kenya, the study concludes that while the country's legal framework—anchored in the Public Procurement and Asset Disposal Act (2015)—is comprehensive and well-structured, it requires modernization to fully support sustainable development objectives. The framework has made notable strides in promoting transparency and fair competition and includes progressive initiatives such as AGPO. However, enforcement remains weak, and systemic challenges including limited capacity and instances of non-compliance hinder the strategic use of procurement in advancing sustainability.

In relation to the second objective, which focused on the extent to which sustainability criteria (economic, social, and environmental) have been adopted in Kenya's procurement legislation, the study concludes that these criteria have been increasingly integrated, reflecting a commitment to sustainable procurement. Nonetheless, the study observes a significant gap between policy and

practice. While economic and social dimensions are relatively well addressed, environmental considerations are underdeveloped. Implementation challenges—including low awareness, insufficient institutional capacity, and inadequate monitoring—limit the full realization of sustainability objectives in procurement legislation.

With respect to the third objective, which examined the practices of procurement professionals on sustainable development, the study concludes that there is growing awareness and willingness among professionals to apply sustainability principles. However, implementation remains constrained by a lack of structured capacity-building programs, limited access to tools, and inadequate institutional support. The study finds that while practices are evolving positively, a more coordinated and well-supported professional framework is necessary to embed sustainability into procurement routines effectively.

Concerning the fourth objective, which investigated the relationship between public procurement and sustainable economic growth in Kenya, the study concludes that public procurement has a strong and multidimensional impact on economic development. Effective procurement practices contribute positively to economic, social, and environmental outcomes. However, the full potential of procurement as a development catalyst is yet to be realized due to fragmented policy execution, weak enforcement, and limited inter-agency coordination. The study emphasizes the need for integrated reforms, enhanced institutional support, and stronger alignment between procurement activities and national development priorities.

## **9.4 Recommendations**

### **9.4.1 Recommendations for Practice**

#### **1. Strengthening Capacity-Building Initiatives for Procurement Professionals**

Integrating sustainable procurement practices into Kenya's public procurement system requires a structured and multi-tiered capacity-building program for procurement professionals. The Public Procurement Regulatory Authority (PPRA), in collaboration with the Kenya Institute of Supplies Management (KISM) and other key stakeholders, should implement training initiatives that equip procurement professionals with advanced skills in sustainable procurement. This program should cover environmental impact assessment, social responsibility evaluation, and economic sustainability analysis to ensure that procurement decisions align with sustainability goals. Additionally, certified professional development courses should be offered through workshops, online learning modules, and hands-on training at procurement excellence centers. Practical simulations and case studies from global best practices, such as EU sustainability-focused procurement frameworks and successful Kenyan public sector applications, should also be integrated. Furthermore, inter-agency knowledge-sharing platforms should be established to enable procurement officers to exchange insights, share best practices, and continuously improve implementation strategies.

#### **2. Establishing a Sustainability Monitoring and Evaluation Framework**

To ensure sustainability in procurement, the National Treasury, in partnership with KISM and regulatory agencies, should develop a comprehensive sustainability monitoring and evaluation framework. This framework should incorporate standardized performance metrics and Key Performance Indicators (KPIs) to measure sustainability outcomes in procurement, such as carbon

footprint reduction, ethical labor practices, and social inclusivity. Additionally, mandatory sustainability audits should be conducted biannually for all public procurement entities to ensure compliance with sustainability mandates. The framework should also establish dedicated sustainability units within procurement departments, staffed with professionals trained in sustainability reporting, green procurement methodologies, and responsible sourcing practices. To enhance transparency, public sustainability scorecards and dashboards should be introduced, allowing for transparent tracking of sustainability commitments in procurement and fostering public confidence in government procurement processes.

### **3. Strengthening Procurement Integrity and Anti-Corruption Mechanisms**

Maintaining ethical procurement practices requires strengthening procurement integrity systems across state corporations, government agencies, and procurement entities. The Ethics and Anti-Corruption Commission (EACC) and PPRA should oversee the implementation of comprehensive due diligence mechanisms for supplier selection to ensure that all government suppliers comply with ethical, labor, and environmental standards, as outlined in the Supply Chain Transparency Act. Additionally, automated conflict of interest declarations should be implemented, requiring procurement officers to file disclosures before engaging in high-value procurement transactions, reducing bias and favoritism. Furthermore, enhanced whistleblower protection mechanisms should be introduced within procurement departments to ensure corruption reporting systems are anonymous, secure, and safeguarded from retaliation. To enhance oversight, Procurement Integrity Committees should be established at the national level to monitor compliance, investigate ethical breaches, and recommend disciplinary actions when necessary.

## **4. Establishing a Sustainable Procurement Innovation Fund**

Financial constraints often hinder the adoption of green procurement practices. To address this, the Ministry of Finance, in collaboration with development partners and financial institutions, should establish a Sustainable Procurement Innovation Fund. This fund should provide financial incentives, grants, and low-interest loans to public procurement entities adopting green technologies, sustainable infrastructure, and ethically sourced materials. Additionally, the fund should support research and innovation in sustainable procurement by financing pilot programs on green supply chain digitalization, blockchain-enabled procurement tracking, and renewable energy-powered public projects. The government should also allocate a minimum percentage of its procurement budgets to sustainability initiatives, ensuring mandatory performance reporting for transparency. Finally, life-cycle costing guidelines should be developed, enabling procurement officers to assess not just initial costs, but also the long-term economic, social, and environmental impacts of procurement decisions.

### **9.4.2 Recommendations for Policy**

#### **1. Embedding Sustainability into Public Procurement Laws**

The National Assembly, in collaboration with the Public Procurement Regulatory Authority (PPRA), should initiate a comprehensive review and amendment of the Public Procurement and Asset Disposal Act (PPADA) to embed sustainability as a core legal requirement in public procurement. These amendments should mandate the explicit inclusion of sustainability criteria—covering environmental, social, and economic factors—as compulsory evaluation components in procurement decisions. Additionally, the legal framework should introduce clear penalties for non-compliance with sustainability requirements, ensuring that procurement entities are held accountable for integrating green and ethical procurement practices. To complement these reforms,

the Ministry of Environment and Forestry should develop detailed environmental sustainability standards for public procurement, which should be formally incorporated into the revised PPADA. Furthermore, all public entities should be required to develop and implement sustainable procurement strategies, with mandatory reporting requirements and clear accountability mechanisms to track sustainability outcomes.

## **2. Developing Comprehensive Policy Guidelines for Sustainable Procurement**

To effectively implement legal reforms, the National Treasury should develop comprehensive policy guidelines for sustainable procurement. These guidelines should establish minimum sustainability thresholds for various categories of goods, services, and infrastructure projects, ensuring that all public procurements align with standardized sustainability benchmarks. Additionally, the policy should standardize sustainability evaluation criteria, providing procurement officers with clear metrics for assessing environmental impact, social responsibility, and long-term economic viability. A structured framework for measuring and reporting sustainability outcomes should also be introduced to track progress and enhance transparency in procurement processes.

## **3. Establishing a National Sustainable Product Certification System**

The Ministry of Industrialization, Trade, and Enterprise Development, in collaboration with the Kenya Bureau of Standards (KEBS), should establish a national sustainable product certification system to promote the adoption of environmentally friendly and socially responsible products in public procurement. This system should provide clear guidelines, testing criteria, and labeling standards for sustainable products, ensuring that public procurement entities have a reliable mechanism to identify and select sustainable suppliers. As part of this policy initiative, a mandatory minimum percentage of all public procurement should be sourced from certified

sustainable providers, with a gradual increase over time to drive market demand for sustainable products. Additionally, KEBS should develop and maintain a centralized database of certified sustainable products and suppliers, giving procurement professionals easy access to verified sustainable options and reducing the risk of greenwashing or misrepresentation in procurement processes.

#### **4. Strengthening Social Inclusion and Economic Empowerment in Public Procurement**

The Ministry for Finance, in consultation with key stakeholders, should spearhead the development of a comprehensive public procurement policy framework that places social inclusion and economic empowerment at its core. This framework should build upon and expand the Access to Government Procurement Opportunities (AGPO) program, setting higher targets for the participation of women, youth, and persons with disabilities in public procurement contracts. Additionally, new support mechanisms such as capacity-building programs, financial incentives, and preferential procurement terms should be introduced to facilitate the entry of marginalized groups into public procurement markets. The policy should also mandate minimum local content requirements in public procurement contracts, ensuring that small and medium enterprises (SMEs) that demonstrate commitment to sustainability receive preferential treatment. Furthermore, the National Treasury should establish a preferential procurement policy, offering financial incentives, tax benefits, or bid evaluation advantages to suppliers that exceed minimum sustainability requirements. This policy will create strong market incentives for private sector entities to adopt sustainable practices, ultimately fostering a culture of sustainability across Kenya's procurement ecosystem.

#### **5. Incorporating Sustainability Criteria into Procurement Guidelines**

To enhance the effectiveness of public procurement law in fostering sustainable economic, social and environmental impact, it is essential to incorporate sustainability criteria into procurement guidelines. The legal framework should be amended to mandate the inclusion of Environmental, Social, and Governance (ESG) considerations in public procurement decisions. By requiring procurement entities to evaluate bids not only on financial efficiency but also on their environmental impact, labor standards, and contributions to social development, Kenya can foster more inclusive and resilient supply chains. Additionally, prioritizing local content and supporting SMEs through legal provisions that allocate procurement quotas for local businesses, particularly those owned by women, youth, and marginalized communities, will contribute to economic empowerment. These measures will not only enhance job creation but also reduce reliance on imports, strengthening local industries and promoting equitable growth.

## **6. Promoting Green Procurement Standards and Enhancing Transparency**

The adoption of green procurement standards and the improvement of transparency in procurement processes will reinforce sustainable development in Kenya. Establishing clear legal guidelines for green procurement, such as requiring the use of energy-efficient products and renewable energy solutions, will significantly contribute to Kenya's climate goals and encourage environmentally sustainable practices. Additionally, enhancing transparency measures by mandating public disclosure of how sustainability criteria are factored into bid evaluations will increase accountability, mitigate corruption risks, and build public trust in procurement processes.

## **7. Capacity-Building for Procurement Officials**

Capacity-building for procurement officials is essential to ensure that sustainability principles are effectively integrated into procurement decisions. Through collaboration with educational institutions, NGOs, and international organizations, Kenya can develop training programs that

equip procurement officers with the necessary knowledge to implement sustainable procurement practices effectively. These programs should provide practical skills and technical knowledge in sustainability assessment, green procurement methodologies, and responsible sourcing practices, ensuring that procurement professionals are well-prepared to drive Kenya's sustainable procurement agenda.

## **8. Adopting International Best Practices and Frameworks**

In order to align Kenya's public procurement practices with global sustainability standards, it is essential to adopt international best practices and frameworks. This should involve the integration of established sustainability benchmarks, such as the United Nations Sustainable Development Goals (SDGs), and standards set by international organizations like ISO and the European Union's Green Public Procurement (GPP). By adopting these international frameworks, Kenya can ensure that its procurement policies not only meet local needs but also contribute to global sustainability efforts, enhancing the country's competitiveness and reputation in the global market.

## **9. Introduction of Digitalization in Procurement Policy**

The government should institutionalize the use of digital technologies across the entire procurement lifecycle to enhance transparency, efficiency, and accountability. This includes adopting e-procurement systems, digital contract management tools, and real-time data analytics to monitor supplier performance and ensure compliance with sustainability criteria. Incorporating digital platforms will streamline tendering processes, reduce administrative costs, minimize human interference, and curtail corruption risks. Moreover, digitalization will enable procurement entities to make timely, data-driven decisions that align with national development goals, while enhancing accessibility for marginalized and remote suppliers. To support this, the Public Procurement and

Asset Disposal Act (2015) should be amended to mandate digital procurement infrastructure and establish clear regulatory frameworks for its governance and implementation.

#### **9.4.3 Recommendations for Theory**

The findings of this study provide strong support for Competition Theory in public procurement, particularly in how competitive forces influence sustainable practices. However, the research reveals that traditional Competition Theory needs expansion to fully explain how sustainability considerations affect market dynamics in public procurement. The theory should be enhanced to account for how competitive advantages can be derived from sustainable practices, going beyond the conventional focus on price and quality. This theoretical enhancement would help explain why some suppliers invest in sustainable practices despite higher initial costs, and how competition can drive innovation in sustainable solutions.

Transaction Cost Economics Theory was partially supported by the study's findings, especially regarding the relationship between procurement practices and economic outcomes. However, the research revealed limitations in the theory's ability to capture the full complexity of sustainability-related transaction costs. The findings suggest that the theory needs modification to better account for long-term environmental and social costs, which are often overlooked in traditional transaction cost calculations. This theoretical gap indicates a need for developing new constructs that can better explain how organizations evaluate and internalize sustainability-related transaction costs in their procurement decisions.

The study's findings regarding social impacts and stakeholder relationships strongly align with Social Exchange Theory, but also highlight areas where the theory could be strengthened. The research demonstrates that social exchange mechanisms in procurement extend beyond simple buyer-supplier relationships to encompass broader societal impacts. This suggests a need to expand

Social Exchange Theory to better explain how multiple stakeholders interact in sustainable procurement contexts, and how these interactions contribute to both economic and social outcomes. The theory should be enhanced to better capture the role of trust, commitment, and social capital in driving sustainable procurement practices.

The research findings point to the need for a new integrated theoretical framework that can better explain the interplay between competition, transaction costs, and social exchange in sustainable public procurement. While existing theories provide valuable insights into specific aspects of procurement behavior, they do not fully capture the complexity of sustainable procurement practices. This new framework should synthesize elements from all three theories while incorporating new constructs specific to sustainability. Such theoretical development would help explain how organizations can simultaneously achieve economic efficiency, environmental sustainability, and social impact through their procurement practices.

## **9.5 Suggestions for Further Research**

Future research should expand upon this study's findings in several key directions to further enhance understanding of sustainable public procurement in Kenya. Researchers should conduct longitudinal studies to evaluate the long-term impact of sustainable procurement practices on economic growth and social development, particularly examining the effectiveness of various policy interventions over time. There is also a need for comparative studies analyzing sustainable procurement practices across different counties in Kenya to identify best practices and regional variations in implementation. Additionally, researchers should investigate the role of technology, particularly e-procurement systems, in promoting sustainable procurement practices and enhancing transparency. Studies examining the impact of capacity building programs on procurement professionals' ability to implement sustainable practices would provide valuable

insights for policy makers and practitioners. Furthermore, research is needed to evaluate the effectiveness of different incentive mechanisms in promoting supplier participation in sustainable procurement initiatives. Future studies should also explore the relationship between sustainable procurement practices and supply chain resilience, particularly in the context of global challenges such as climate change and public health crises. Finally, researchers should investigate the integration of circular economy principles into public procurement practices and their impact on sustainable development outcomes in Kenya.

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