This paper deals with the integration of economic, social and environmental criteria into the purchasing practices of the United Nations (UN) system; also known as the UN engagement in sustainable procurement (SP). We argue that the debates about the pros and cons of the UN engaging in SP are highly contested among UN procurement officers and member states. However, so far the debate has mostly been based on assumptions about how the implementation of SP might affect developing country stakeholders. In fact, very few academic studies have been made of the economic, social and environmental effects of SP on developing country firms, workers and the environment. We suggest that academics and SP managers could address this knowledge gap by working together on the development of SP impact assessment tools and test these through detailed studies of the actual as opposed to the postulated effects of SP in developing country contexts.

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Many public sector organisations in the developed world are beginning to review their purchasing practices in the light of the broader changes in the international corporate social responsibility (CSR) debate. While many public sector agencies have played key roles in promoting private sector engagement in CSR initiatives, the novelty and interest herein are that they are now themselves turning their focus inwards, examining whether, and if so how, they are abiding by socially and environmentally responsible purchasing principles in their own supply chains. Integrating economic, social and environmental concerns into public sector agency purchasing principles has been dubbed sustainable procurement (SP). While SP has yet to be clearly defined, we will here assume that procurement is sustainable when it is used to give a sign to the market in favour of sustainable development (ITC/ILO 2007).

The idea that public institutions should procure goods and services in a sustainable manner has spread rapidly since the mid-1990s, mostly through the rise of so-called green procurement or green purchasing (Van Calster 2002), which is considered part of the broader SP notion. SP has been institutionalised

1 Corporate social responsibility is here defined as the integration of economic, social and environmental concerns into core business practices.
2 Authoritative initiatives include the European Alliance for Corporate Social Responsibility promoted by the European Commission and above all the UN Global Compact, a voluntary framework for companies willing to commit to the respect of fundamental labour, environmental, human rights and anti-corruption principles.
3 The UN High Level Committee on Management Procurement Network (2009: 1) defines SP as a practice whose aim is to ‘integrate requirements, specifications and criteria that are compatible and in favour of the protection of the environment, of social progress and in support of economic development, namely by seeking resource efficiency, improving the quality of products and services and ultimately optimizing costs’. Another authoritative definition is that of the Marrakech Task Force on Sustainable Public Procurement, created under the 10-Year Framework of Programmes on sustainable consumption and production called for by the World Summit on Sustainable Development (WSSD) Johannesburg Plan of Action. It defines sustainable procurement as ‘a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment’ (FOEN 2008: 2).
4 McCrudden (2004) gives a historical overview of how public procurement has been repeatedly used in the past as a tool to achieve policy goals; at the end of the 1990s it begins to appear in association with the concept of sustainable development.
and adopted by regional and local administrations, national governments and international organisations. A variety of factors explain the increasing attention paid to SP. The revitalisation of the debate on green issues in the late 1990s was connected with the introduction of a new procurement agreement in 1996, negotiated in parallel with the World Trade Organisation (WTO). The new legal framework raised additional questions about the legality of selective purchasing practices under the new regime (Van Asselt 2003). Other factors include the impact of public purchasing practices on market actors; a concern with managing reputational risk, which in the case of public institutions is also a risk of political legitimacy; and the necessity of internalising the policy goals that public sector organisations promote externally. The market influence of public procurement is usually referred to as ‘the power of the purse’; this form of governance is considered an essential part of the regulation strategies of modern states (McCruden 2004). A further motivation for the public sector to engage in more sustainable practices is connected to the attention paid to the sourcing practices of private corporations.

More recently, SP has spread in the United Nations (UN) system. At the time of finalising this article (July 2011), member states of the UN are still discussing whether SP should be officially adopted and promoted by the UN. However, at the level of its various agencies, there have already been many activities in terms of developing SP guidelines, training materials and best practice case studies with the United Nations Environment Programme (UNEP) assuming a leading role. There are also sporadic cases where sustainability criteria (especially green aspects) are included in tenders. For example, the United Nations Population Fund (UNFPA) has performed plant inspections when stipulating long-term agreements where social and environmental conditions such as waste management, health and safety and working conditions are checked. The United Nations Office in Nairobi (UNON) also has a green procurement policy for its buildings complex (UNOPS 2009; Inomata and Roman-Morey 2010).

It is difficult to give a precise account of local administrations involved in sustainable procurement throughout the world; 815 cities, towns and counties have joined in an association called ICLEI—Local Governments for Sustainability which, among other activities, coordinates many of the efforts for integrating sustainability in procurement.

United Kingdom, Canada, South Africa, Norway and Denmark are some examples of countries where national governments have started integrating sustainable procurement in their purchasing practices. More recently, Argentina, Mauritius, Costa Rica, Uruguay, Chile, Tunisia, Ghana, Colombia, Lebanon have started a sustainable procurement programme facilitated by the Marrakech Task Force.

UNEP (UN Environment Programme) is the lead agency within the UN system on the process of diffusion of sustainable procurement.

The Agreement on Government Procurement (GPA) is a plurilateral agreement within the WTO framework. The GPA was negotiated during the Uruguay Round in 1994, but entered into force in 1996. Membership to this agreement is not connected to WTO membership, and it has remained quite limited, mostly the industrialised countries.

UNON also has an interesting social policy, called Fairpack. It is a social policy applied to all service personnel working in the UN complex of Nairobi. It encompasses provisions on
However, while there is now an expanding literature on SP among public sector agencies in Europe, North America and some developing countries, very few, if any, academic studies have been specifically devoted to analysing SP in the context of the UN system, although UN procurement is important from a societal point of view having increased from US$8.3 billion in 2005 to US$13.8 billion in 2009 (UNOPS 2010: 4). McCrudden (2007) is one of the few authors to provide even a brief overview of procurement principles adopted by the UN with the aim of promoting social justice. These include a ban on the use of child labour, the manufacturing of mines and sexual exploitation of women among subcontractors or their personnel.\(^\text{10}\)

In this article, we make a contribution to filling this gap in the academic literature on SP, investigating how UN procurement officers perceive the adoption, spread and possible effects of SP within the UN. Our main line of argument is that the adoption of SP is highly contested among UN procurement officers in terms of its potential benefits and drawbacks for developing country stakeholders, highlighting the need for a more critical examination among academics of not only how but also whether SP should be promoted as a public policy instrument. As very little is known about the actual as opposed to the postulated effects of SP, the managerial implications of our analysis include a call for the development and testing of impact assessment methodologies that can help shed light on the crucial question of what SP is actually accomplishing.

The article is structured as follows. First, we introduce the methodology used for this study. We then develop an analytical framework that allows us to analyse the external drivers of SP in relation to the UN, the internal incentives and barriers to the spread of SP inside the UN system, and the potential consequences for developing country firms, workers and the environment as a result of UN engagement in SP. In the third section, we use this framework to analyse the perceptions that UN procurement officers we interviewed had of SP before moving on to analysing recent developments in the debate on SP among UN member states. Finally, the conclusion outlines the research and policy implications of our analysis.

**Methodology**

As hardly any academic studies had been produced on SP in the UN system, we decided to conduct an exploratory study that would primarily document the

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\(^{10}\) Another article by Clark (2007) makes a very brief mention of how UNEP has participated in work related to SP.
adoption, spread and possible effects of SP in the UN through semi-structured, qualitative interviews. Our choice of interviewees was based on two criteria: i) the interviewees should be UN procurement officers; and ii) their agencies should have undertaken or be in the process of planning SP interventions. In total, we undertook nine interviews with UN procurement officers who were each employed in a different UN agency. In the interviews, we asked about which SP initiatives were undertaken within each agency, why the subject of SP was becoming increasingly important in relation to UN procurement, and which incentives and barriers existed in relation to the implementation of SP. We also asked what they thought would be the likely effects of the UN’s engagement in SP on developing country suppliers, workers and environment, as well as how they viewed the future prospects for SP within the UN. Each interview lasted between 45 minutes and 1 hour and was conducted either face-to-face or through telephone conversations. Replies from our interviewees were recorded as written notes. In addition, we triangulated the data generated through these interviews with a review of UN SP websites, reports, guidelines, management tools and training materials as well as official transcripts from General Assembly meetings where UN member states discussed SP. Finally, we used our personal knowledge of the SP field as one of us has been working as a practitioner on this issue for the last four years at the international level.

The main limitation of our study is that we have not conducted a large survey of SP among all UN agencies which would have allowed us to generalise our findings to the entire UN system. Instead we have sought to work to the strength of our small sample of interviews with UN procurement officers by gaining in-depth knowledge of the workings of some of the largest UN agencies that have been at the forefront of the adoption of SP guidelines, procedures, training tools and projects. In total, eight of the UN agencies whose procurement officers we interviewed procured US$6.89 billion worth of goods and services out of the UN’s total procurement expenditures of US$13.80 billion in 2009. In other words, these agencies accounted for approximately 50% of the UN’s procurement expenditures and included some of the largest procurers in the UN system including UNDP (the second largest), WFP (the third largest) and UNOPS (the fifth largest). Hence, our findings provide an indicative picture of how procurement officers perceived the issue of SP in some of the SP ‘frontrunner’ agencies at the time of conducting these interviews in early to mid-2008. Another limitation of our study is that our reliance on interviews may create a bias towards SP officers identifying relatively recent events as explanatory.

11 These agencies were the Food and Agriculture Organisation (FAO), the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP), UNESCO, UNFPA, UNON, United Nations Office for Project Services (UNOPS), United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and World Food Programme (WFP).

12 The annual procurement statistics of the ninth agency, UNEP, are not listed in the annual UN report on procurement statistics (UNOPS 2010) which is why we have not included it in this calculation.

13 Own calculations based on data in UNOPS 2010: 4-6.
causes of the rise of SP in the UN. This contrasts with McCrudden (2007) who traces the rise of procurement to advance social justice causes in the UN back to the mid-1990s using a review of written UN documents as a basis for his analysis. In addition, because the UN is an intergovernmental organisation, UN personnel are supposed to represent the official views of respective organisations as expressed in their mandate and by their governing bodies. Hence, the procurement officers were likely to either have refused the interviews or have been very reserved in their answers, had we asked them for permission to tape-record the interviews. Hence, we had to rely on our own written interview notes and are not in a position to directly quote interviewee responses.

The final limitation of our study is that we might have received substantially different answers had we asked the same questions at the time of finalising this article (July 2011). Initially, when we interviewed UN procurement staff about their views on SP, SP was still an issue that remained below the radar of most UN member states. However, shortly after conducting these interviews, towards the end of 2009, SP became the subject of heated debates in the General Assembly’s 5th committee and a final decision on the formal adoption of SP in the UN system was postponed until 2013. Hence, had we interviewed the same UN procurement officers today, they might have expressed different, and perhaps more cautious views, on the adoption of SP in the UN system. In order to address this issue within our article, we supplement our analysis of the views of SP procurement officers with a discussion section on the views expressed by member states on SP during a meeting of the General Assembly’s 5th committee in late 2009. In the next section, we position our article within the context of the broader literature on SP. In doing so, we develop an analytical framework for understanding how UN procurement officers perceive the factors driving SP in the UN, the internal incentives and barriers to the implementation of SP, and the likely consequences of UN adoption of SP for developing country firms, workers and the environment.

Literature review

Whereas a lot of work has been done on sustainable supply chain management in private sector companies (see e.g. Carter and Rogers 2008; Seuring and Müller 2009; Preuss 2009; Carter and Easton 2011), much less academic attention has been paid to the role that public sector organisations might play in advancing the incorporation of economic, social and environmental concerns into their purchasing practices. Most academic research to date has concentrated on the ‘green’ or environmental dimension of SP—often on the development of particular tools that may help practitioners in the process of SP implementation (Walker and Brammer 2007). In addition, a number of sectoral studies have focused on how SP can be encouraged in particular industrial sectors such as construction (e.g. Hall and Purchase 2006), timber (Bull et al. 2001)
and information technology (Matthews and Axelrod 2004). More recently, a number of detailed country studies have looked at how SP is implemented in different developed countries such as the UK, Sweden, Germany and Canada while less attention appears to have been paid to the role of SP in developing country contexts; although some of the more recent practitioner-oriented literature on SP provides case study examples of current SP practices in countries such as South Africa, Malaysia, Indonesia and China (Bolton 2008; Incite Sustainability 2009; Geng and Doberstein 2008; Sadikin 2009; Tripathi and Petro 2010). At the international level, studies of SP remain equally sparse, although the recent work of Brammer and Walker (2011) marks an important exception to this case as the authors conduct a large international survey of the progress made in relation to SP commitments globally.

The vast majority of writings in the SP field primarily concern themselves with debating issues such as the drivers of SP, the barriers and opportunities for SP implementation, and the actual extent to which SP has been implemented by public sector agencies. Implicitly, the literature seems to assume that SP implementation automatically brings about positive outcomes for local enterprises, workers and the environment. Hence, the SP literature fails to question whether SP is actually economically, socially and environmentally desirable as a policy instrument. At least, insufficient attention has been paid in the SP literature to the pros and cons of SP implementation, particularly in terms of its consequences for producers, workers and the environment in the developing world.

One of the few authors to engage in a more principled discussion of the norms and values underlying SP is McCrudden (2009). According to McCrudden, SP might be used to secure compliance with production criteria in areas where other regulatory instruments may fail, and it may be socially desirable to place limits on public contracting as a commercial activity. In addition, he sees SP as having the potential to address social and environmental externalities through production. However, SP might also have unfortunate unintended side-effects such as imposing extra costs on supplier firms and facilitating governmental abuse of the procurement function through corrupt purchasing practices. Moreover, the use of SP might be contrary to the provisions of international and regional trade agreements related to ensuring free international competition and that trade should be non-discriminatory in nature (McCrudden 2009).

One of the implications of McCrudden’s work is that important trade-offs may exist between ensuring the economic, social and environmental aspects of SP. For example, while the imposition of green purchasing criteria in SP might ensure that highly polluting companies are kept out of the supply chains of public sector agencies, this practice might have important social consequences in terms of excluding smaller and medium-sized companies (including their workers), particularly from developing countries, from the supply chains of

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14 Nevertheless, the recent political attention to the SP topic has produced a flurry of policy papers, guidance documents, tools and declarations. See e.g. European Commission, DG Environment 2004, ITC/ILO 2007, OECD 2003 and UNDP 2008.
these agencies. The consequences might be loss of profits, jobs and incomes for developing country stakeholders who are excluded from such chains. We believe that this is an important consideration that must be addressed more explicitly in the SP literature. In other words, while we agree that examining the drivers behind the adoption of SP in public sector organisations and the incentives as well as obstacles to SP implementation should remain an important part of current SP research agendas, these concerns must be complemented with a focus on whether SP actually benefits or harms local firms, workers and the environment, particularly in developing country contexts.

In this article, we contribute to the literature on SP by developing an analytical framework that combines the concerns with the drivers behind, and incentives and obstacles to, SP implementation in public sector agencies with a more critical appreciation of SP’s potential benefits and risks for developing country stakeholders. In doing so, we adapt a framework developed by Seuring and Müller (2008) in the context of sustainable supply chain management (SSCM) (for private sector companies) to the context of SP within the UN system. Their framework operates with three broad categories that inform the analysis of sustainable supply chain management practices. First, Seuring and Müller are concerned with the external triggers or drivers that lead to companies adopting SSCM practices. The second part of their framework relates to the barriers and incentives that firms have internally which could either facilitate or hinder the implementation of SSCM practices in their supply chains. Finally, they identify two broad strategies that firms may follow in their SSCM work in response to the external triggers and internal barriers/incentives for SSCM within these firms. One is called the ‘supplier management for risk and performance strategy’ whereby companies act in order to protect their reputation by imposing social and environmental production criteria within their supply chains in addition to the economic criteria that guide their interaction with their suppliers. The other strategy is known as the ‘supply chain management for sustainable products’ strategy whereby life-cycle standards related to the social and environmental performance of products are implemented throughout the supply chain. The aim of this strategy is to improve the social and environmental quality of products in order to satisfy customer demand and gain competitive advantage over other firms.

In adapting Seuring and Müller’s framework to the context of SP in the UN system, we find their work helpful in focusing our attention on the drivers of SP external to the UN system, and how UN procurement officers perceive the incentives as well as the barriers for SP implementation within UN agencies. However, while Seuring and Müller then go on to identify different SSCM strategies that firms adopt, we are primarily concerned with exploring how procurement officers in the UN system perceive the potential consequences of SP implementation for local firms, workers and the environment in developing countries. We find that this is a particularly important dimension to include in our adapted framework as the UN’s raison d’être relates to securing equitable and sustainable development. Our adapted analytical framework therefore focuses on three interrelated variables: (i) UN procurement officers’ perceptions of the
external factors that drive the adoption of SP in UN agencies; (ii) their understanding of the internal incentives and barriers that UN procurement officers face in relation to SP implementation; and (iii) their views of the potential consequences of the UN engagement in SP for developing country firms, workers and the environment. In other words, our framework assumes that particular external factors lead to UN engagement in SP. Once UN agencies start engaging with SP we believe that UN procurement managers are likely to face particular incentives and barriers to implementing SP within their organisations that will ultimately have consequences, whether positive or negative, for stakeholders in the developing world once SP is implemented. Our adapted framework is illustrated in Figure 1.

Figure 1 Analytical framework for understanding procurement officers’ perceptions of UN engagement in SP

Sustainable procurement in the UN

In the previous section, we outlined an analytical framework for understanding how UN procurement officers view SP. In this section, we use this analytical framework to understand what procurement officers view as the external factors that drive SP in the UN system, the internal factors that facilitate or hinder the implementation of SP within the UN system, and the potential consequences of SP implementation for developing country firms, workers and the environment.

External drivers

Our interviewees attributed the recent spread of the SP concept in the UN system to a variety of factors. An important factor was the commitment of the international community to environmental protection. On the occasion of the World Environment Day, 5 June 2007, the UN Secretary-General, Ban Ki-moon, committed all UN agencies to pursue carbon neutrality and environmental sustainability in their internal operations and travel. Most interviewees perceived
the UN Secretary-General’s pledge as the main reason why the UN was exploring new ways to improve its environmental performance using instruments such as SP. Moreover, the 2006 Stern Review on the impact of climate change on the world economy highlighted the need for immediate action. This was an authoritative report produced for the UK Government by a commission headed by economist Nicholas Stern, which argued that climate change was the largest and widest ranging market failure ever observed, posing a challenge to the discipline of economics. The review provided recommendations such as environmental taxes to remedy the situation, strongly advocating that the economic benefits of early action on climate change would strongly outweigh the costs of not acting. At the same time, increasing NGO interest in the Global Compact acted as a driver for UN engagement in SP. For example, former UN Secretary-General, Kofi Annan, was thus directly challenged at a Global Compact Advisory Council Meeting in July 2003 by the NGO Instituto Ethos to ensure that the UN practices what it preaches and ‘walks the talk’ in relation to the principles of the Global Compact (UNEP/CSCP 2006).

**Internal incentives and barriers**

The spread of SP in the UN system appeared to be directly related to the mandate of individual UN organisations. When SP was directly related to a UN organisation’s mandate and function, procurement officers tended to view SP in a more favourable light. For instance, United Nations Office for Project Services (UNOPS) considered SP as closely related to its core business. In the future SP would be an important requirement that UNOPS’s clients would have to address in order to advance the goals of the UN. SP was also perceived as relevant by procurement staff in UNEP and UNDP. Both agencies have defined environmental protection as part of their core mandate, making it easier to justify the increasing focus on including green product criteria in their tenders. At the same time, some respondents stressed the opportunity of using SP to facilitate the shift towards more sustainable business behaviour in developing countries.

The social aspect of SP appears easier to incorporate in UN operations when procurement is directly tied to specific project locations in developing countries. For example, while almost 70% of the World Food Programme’s procurement originates from developing countries, WFP is also attempting to purchase locally for its projects: it is seen as a way of building local capacity and at the same time reducing transportation emissions. Furthermore, WFP has launched a project called ‘Purchasing for progress’ that is aimed at ensuring the sustainable development of food security. The project aims at purchasing products from a number of local farmers, mostly women, with the aim of boosting local economic growth. It departs from traditional commodity procurement approaches in which much of the food is bought from a single supplier and delivered across the world. The Food and Agriculture Organisation (FAO) also attempts to purchase from the local market. Its procurement is mostly organised in small
contracts and is very context-specific since the quality of agricultural products and production techniques differ between regions.

In terms of the barriers to the implementation of SP, an important question raised by some of the UN procurement officers we interviewed was: how would it be possible for their organisations to cope with the increasing costs of adopting SP principles? It would be difficult to strike a balance between having limited resources available for procurement purposes and then possibly facing extra expenditures related to purchasing products or services that were produced in a socially and environmentally responsible manner. This challenge seemed particularly acute given the absence of an overall policy framework for guiding UN engagement in SP. In addition, some interviewees highlighted that trade-offs might exist between adopting sustainability criteria on the one hand and advancing other organisational goals such as the need to provide timely food and shelter to the assisted population as well as the risk of SP becoming a market access barrier for developing country suppliers on the other hand. Another critique of SP was that it would initially add burdensome steps to the procurement function while tools to facilitate the transition towards SP were largely absent. For example, one respondent felt that the UN Procurement Manual does not allow procurement staff to consider sustainability per se as relevant to the procurement function. Instead the contents of the UN Procurement Manual were considered quite restrictive, focusing mainly on price concerns. There was also the reported risk that SP might be used as a means to achieve sustainable development in an uncoordinated fashion, possibly leading to overlapping and competing initiatives by UN agencies that all have a stake in promoting the achievement of sustainable development.

Scepticism towards the social benefits of SP appeared to be a factor that might act as a barrier to the implementation of SP in the UN. In fact, the social benefits of SP appeared not to have been clearly articulated by the UN procurement staff included in our sample. They tended to associate SP with an almost endless list of social priorities including respect for human rights, labour rights, gender equality, civil rights, caste discrimination, poverty eradication, occupational health and safety in the workplace, minority business support, local development, and so on. One of our interviewees indicated that social requirements had been adopted by almost all UN agencies in their purchasing policies. Nevertheless, other procurement staff indicated that it is not clear what the main risks were in relation to managing social issues in the supply chains of UN organisations. Monitoring of these supply chains was seen as difficult and impossible to initiate without additional resources. At the same time, social issues were perceived to be less easily quantifiable than environmental issues. In addition, SP staff indicated that they needed guidance on how they should improve the social benefits of SP in their organisation’s supply chain

15 Three social clauses are present in the general terms and conditions of contract of almost every organisation in the UN system: the suppliers guarantee not to be involved in mines production or trade, to have taken the necessary steps to avoid sexual exploitation and not to employ child labourers.
management. Nevertheless, some organisations had added SP clauses as a supplement to the UN Procurement Manual. For example, the ILO and UNOPS required that their suppliers respect the Declaration on Fundamental Principles and Rights at Work.\textsuperscript{16,17} While such clauses were used by different UN organisations, this did not mean that audits were conducted to verify whether developing country suppliers meet these requirements. In fact, the absence of SP audits was not an exception but rather the rule when it came to UN organisations monitoring their supply chains.

**Potential consequences for developing-country stakeholders**

We were informed that there was almost no information available on how the efforts of UN organisations at implementing SP had affected the UN’s suppliers, workers and the environment in the developing world. In fact, UN engagement in SP had so far largely been based on the assumption that the adoption of SP would automatically promote the wider UN goals of equitable and sustainable development, thus having a net positive effect on participants further down the supply chains of UN organisations. One of the respondents highlighted this as a problem, stating that SP was discussed in largely emotional terms without much empirical evidence to back up the various claims made in the SP debate. Hence, there appeared to be a need for the development of both methodologies and empirical studies that could allow for a more in-depth assessment of whether the postulated benefits of SP translated into actual benefits for suppliers, workers and the environment in the developing world.

In the absence of well-developed methodologies for analysing the impact of SP and empirical studies of the effects of SP on suppliers, workers and the environment, one way forward in relation to understanding the integration of SP concerns into the UN system was to analyse the perceptions of UN procurement officers of the possible effects of UN engagement in SP on developing country stakeholders. Some UN procurement officers painted an optimistic picture, arguing that SP might facilitate the social and environmental upgrading of suppliers in developing countries. These potential benefits could be asserted with reference to other areas where the UN had introduced social and environmental requirements into its operations. For example, the number of petty thefts in the UN compound in Kenya dropped significantly after the introduction of Fairpack. UN procurement officers indicated that this might be due to the improvement of economic conditions of local workers. In this optimistic scenario, some UN procurement officers stated that they had not

\textsuperscript{16} The ILO Declaration of Fundamental Principles and Rights at Work, adopted in 1998, reaffirms the constitutional principles of the organisations and commits member states to promote the respect of workers’ rights in four areas—freedom of association and right to collective bargaining; elimination of forced or compulsory labour; abolition of child labour; and elimination of every form of discrimination in the workplace.

\textsuperscript{17} UNFPA has an additional clause, requiring its contractors to have an effective environmental policy in place and to abide by the existing environmental laws.
experienced any complaints from suppliers as a result of the introduction of SP requirements. This was interpreted as a reflection of suppliers’ willingness to adapt to the requests of the UN. Other respondents indicated that, while the introduction of SP requirements might initially exclude some suppliers from participation in the UN’s supply chains, it was still important to be able to introduce these changes, thus positively influencing the evolution of developing countries from a social and environmental point of view. While the risk of SP becoming a market access barrier was theoretically possible, many smaller suppliers already found the UN’s procurement guidelines quite cumbersome and were de facto excluded from participation in UN supply chains. Hence, the introduction of SP was unlikely to significantly alter this situation. In addition, a cautious, step-by-step approach was suggested, involving close UN–supplier interaction and dialogue to facilitate the upgrading process in order to address the potential exclusion dilemma.

Some UN procurement officers held a more pessimistic view of the potential effects of SP in the developing world. Here SP was seen as an external, Western, top-down imposition on local suppliers that had been formulated with little or no input from developing country stakeholders. One respondent, for example, held the view that SP was unlikely to contribute to the achievement of sustainable development as it largely involved a manipulation of market forces and was not a market-driven phenomenon. From this perspective, UN procurement should focus on minimising price and optimising output while leaving the responsibility of enforcing environmental regulation, labour laws and so on to developing country governments. Another, perhaps less radically pessimistic view, was expressed by another UN procurement officer who feared that the introduction of SP might constitute a non-tariff barrier. Hence, developing country suppliers might be excluded from UN tenders if environmental performance demands became very strict. The unintended outcome might be that the environmental aspect of sustainability was promoted through SP but that this would happen at the expense of the social aspect of SP. That is, smaller, perhaps more labour-intensive firms could lose orders, thus lowering the returns to smaller-scale entrepreneurs and workers in the developing world.

In summarising this section, Table 1 shows how the UN procurement officers included in our sample perceived the external drivers behind UN engagement in SP, the incentives and barriers to SP implementation, and the potential consequences that UN engagement might have for developing country firms, workers and the environment.
On the one hand, the UN procurement officers we interviewed believed that the international community’s commitment to environmental protection, the 2006 Stern Review on the impacts of climate change, and increasing NGO interest in the Global Compact were the main external drivers behind the UN’s engagement in SP. They considered the incentives for SP implementation to be strong in cases where the UN agency’s mandate was closely related to SP. If UN agencies had local sourcing practices, particularly in developing countries, this might also facilitate SP implementation in ways that paid attention to local social concerns. On the other hand, obstacles to UN engagement included increasing costs, the lack of conceptual clarity about what the social component of SP included, and the concern among UN procurement officers that SP implementation might reduce the income of local firms and workers. UN procurement staff also pointed to the lack of empirical evidence to support claims for or against UN engagement in SP. In the absence of empirical evidence about the impacts of UN engagement in SP, the UN procurement officers emphasised that social and environmental upgrading of local firms might be one of the main benefits of UN engagement in SP. However, there were also real risks associated with SP becoming a top-down imposition on developing country stakeholders that might create market distortions and barriers to market access, as well as reduce earnings for developing country firms and their workers.

Recent developments in the debate on SP in the UN

Since we conducted these interviews with UN procurement officers in early to mid-2008, a number of significant developments began to affect the integration of SP within the UN system. Whereas SP had not been the subject of any in-depth political discussions among UN member states at the time of

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**Table 1** Procurement officers’ perception of UN engagement in SP

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<tr>
<th>External drivers</th>
<th>Internal incentives and barriers</th>
<th>Consequences for developing country stakeholders?</th>
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<tbody>
<tr>
<td>• International community commitment to environmental protection</td>
<td>Incentives: BRUNO mandate • Local purchasing policies</td>
<td>• Lack of empirical evidence</td>
</tr>
<tr>
<td>• 2006 Stern Review</td>
<td>Barriers: Increasing costs</td>
<td>Positive: Social and environmental upgrading</td>
</tr>
<tr>
<td>• Increasing NGO interest in Global Compact</td>
<td>• Lack of conceptual clarity</td>
<td>Negative: Top-down imposition</td>
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<td></td>
<td>• Doubts about social benefits</td>
<td>Market distortion</td>
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On the one hand, the UN procurement officers we interviewed believed that the international community’s commitment to environmental protection, the 2006 Stern Review on the impacts of climate change, and increasing NGO interest in the Global Compact were the main external drivers behind the UN’s engagement in SP. They considered the incentives for SP implementation to be strong in cases where the UN agency’s mandate was closely related to SP. If UN agencies had local sourcing practices, particularly in developing countries, this might also facilitate SP implementation in ways that paid attention to local social concerns. On the other hand, obstacles to UN engagement included increasing costs, the lack of conceptual clarity about what the social component of SP included, and the concern among UN procurement officers that SP implementation might reduce the income of local firms and workers. UN procurement staff also pointed to the lack of empirical evidence to support claims for or against UN engagement in SP. In the absence of empirical evidence about the impacts of UN engagement in SP, the UN procurement officers emphasised that social and environmental upgrading of local firms might be one of the main benefits of UN engagement in SP. However, there were also real risks associated with SP becoming a top-down imposition on developing country stakeholders that might create market distortions and barriers to market access, as well as reduce earnings for developing country firms and their workers.

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**Recent developments in the debate on SP in the UN**

Since we conducted these interviews with UN procurement officers in early to mid-2008, a number of significant developments began to affect the integration of SP within the UN system. Whereas SP had not been the subject of any in-depth political discussions among UN member states at the time of
conducting these interviews, it has since became a subject of intense debate in the 5th Committee of the UN’s General Assembly. The discussions between UN member states in the 5th Committee in late 2009 thus reflected a typical North–South divide in the debate on sustainable development. On the one hand, the European Union argued in the 5th Committee that it was important to practise SP in order to raise awareness of sustainability and best-fit solutions in this area. Thus, the European Union encouraged the UN Secretariat to take steps towards integrating SP within the UN system. However, the Group of 77 developing countries was particularly concerned that procurement opportunities should be increased for vendors from these areas with due regard to the principles of equal, fair and non-discriminatory treatment of vendors. The G77 countries were not convinced of the need for implementing SP throughout the UN system, particularly as—in the Group’s view—the General Assembly has not been provided with sufficient information about how SP might affect the diversification of suppliers to the UN and international competition more broadly. The G77 encouraged the UN Secretariat not to take any further initiatives that might prejudge future decisions of the Assembly on this issue. As the representative of Pakistan commented, the concept of sustainable procurement should not become a new conditionality to the participation of vendors from developing countries and countries with economies in transition (UNGA 2009). Following these debates a final decision on whether the UN should officially endorse the SP concept was postponed until 2013.

Conclusion

In this article, we have analysed the UN’s engagement with the topic of SP including the external drivers, the internal incentives and barriers, and the possible consequences for developing country firms, workers and the environment from UN engagement with SP. Our main findings suggest that the SP notion is highly contested among both UN procurement officers and UN member states in terms of whether UN engagement is likely to enhance or undermine the participation of developing country suppliers in UN supply chains, and improve or worsen workers’ conditions as well as the state of the environment in developing countries. Crucially, however, these debates are taking place against the background that no in-depth empirical studies of the actual as opposed to postulated effects of SP appear to have been undertaken in developing country contexts. In other words, this information gap constitutes a barrier for policymakers and managers who seek guidance on how to ensure that SP achieves its intended goals.

This observation has particular implications for future academic research on SP. Learning from the debate on SP in the UN, academics need to engage in a more critical discussion of the pros and cons of SP. So far, the academic literature thus appears to have missed the forest for the trees in mainly examining
the question of how SP should be implemented instead of engaging in a much principled discussion about whether SP should be implemented in the supply chains of public sector organisations. In this article, we have tried to contribute to such a debate by creating a framework that highlighted not only the drivers of, incentives and barriers to, SP implementation, but also the need to examine its potential consequences for developing country stakeholders.

For managers the main implication of our analysis is that the implementation of SP in public sector organisations cannot meaningfully continue without a closer examination of whether SP improves or undermines the economic competitiveness of firms, workers’ conditions and the state of the environment in the supply chains of public sector organisations. For this purpose, an initial step for public sector organisations would be to start developing more detailed impact assessment methodologies that could assist them in determining whether SP achieves its intended aims. On the one hand, some work has been done on developing and testing impact assessment methodologies in relation to the effects of public procurement on racial and gender equality as well as the preferential hiring of minority-owned firms through tenders. On the other hand, this work has rarely addressed SP specifically and focused almost exclusively on the developed and not the developing world. Hence, there seems to be a lot of scope for engaging in more detailed work on this issue. Public sector managers could gain inspiration from some of the impact assessment methodologies and impact studies that have been developed in the area of ethical sourcing. For example, in 2006, the UK-based Ethical Trade Initiative published a major impact assessment study of how its base code of conduct affected workers’ condition in countries such as India and South Africa (Barrientos and Smith 2007). Similarly, authors such as Nelson et al. (2007) have made substantial progress in developing ethical sourcing impact assessment methodologies. These are often based on a change theory that traces the effects of ethical sourcing initiatives through causation chains linking supply chain inputs, outputs and outcomes, to wider impacts on communities, markets and policies. While we recognise that public sector managers may not have the time at their disposal which would allow them to develop and test such impact assessment methods on their own, one option could be that public sector managers and other policy-makers engage in longer-term cooperation projects with institutions of higher education or think-tanks that could devote the time to engage in the development and testing of SP impact assessment methods in developing country contexts.

18 South Africa appears to be an exception to this rule. See McCrudden 2007: 594-615.
References


