

How to deliver agile sustainable procurement through innovative approaches?

The event brought together leading procurement experts from IFAD, Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IDB), the World Bank and Advokatfirman Runeland AB to discuss how to deliver agile and sustainable procurement through innovative approaches.

On Wednesday 9 June 2021, IFAD's Change, Delivery and Innovation Unit (CDI) hosted the fifth IFAD Innovation Talk to engage in a dialogue about delivering sustainable and agile procurement with new approaches.

Opening the session, **Thomas Eriksson** underlined that IFAD is undergoing a wide-ranging reform of its project procurement procedures, including introduction of new procurement methods and safeguards into the procurement process. Thomas also stated that procurement plays a key role in introducing and promoting good standards in local markets and national procurement systems.

In his keynote speech, **Enzo de Laurentiis** started by reflecting on the role of governments with respect to procurement, which is critical in providing stewardship of limited public resources to promote sustainable growth and investment. Procurement is key to delivering sustainable development, with reference to both maximizing value for money and protecting the environment and communities. He also stressed the role of systematization of procurement, considering the importance of making it agile while still monitoring relevant key performance indicators. In other words, it is crucial to find a balance between innovation and flexibility and enforcement of contracts.

"The reform that leads to these results requires extensive outreach, consultation, and identifying what drives the stakeholders, so that they become owners of the reform, and agents of change."

Enzo de Laurentiis, Chief Procurement Officer – World Bank

A captivating panel discussion and lively Q&A session emphasized the growing recognition of public procurement's importance as a key pillar of effective development and a critical government instrument to facilitate efficient public service provision, create fiscal space and jobs, and stimulate private sector growth. Panellists **Jan Jackholt, Shirley Maud Gayle, Priscilla Torres, Jeffrey Taylor and Aisha Nadar** offered their thoughts and reflections on a variety of topics:

- Organizational culture: what is the panelists' organization's stance on innovation in procurement and how has this been incorporated/cascaded down to the project procurement function and what lessons have been learnt?
- Enabling environment: Which preconditions need to be in place to support innovation through procurement (processes, people and systems, and policies)?
- Innovations: What can innovative procurement solutions such as promoting and/or piloting start-ups, research, crowd-funding etc. deliver?
- Combining agile and sustainable procurement: How can procurement processes be expedited while at the same time promoting environmental and social standard compliance?
- Lessons learned on the ground: What is the track record from organizations that introduced innovations through project procurement? What challenges did organizations face?

Speakers and panellists at the event

Thomas Eriksson, Director, Operational Policy and Results Division (OPR) – IFAD

Enzo de Laurentiis, Chief Procurement Officer – World Bank
Jan Jackholt, Director of Procurement – EBRD

Shirley Maud Gayle, Senior Procurement Specialist – IDB
Priscilla Torres, Lead Procurement Advisor, OPR – IFAD

Jeffrey Taylor, Director, Procurement Division 1, Procurement, Portfolio and Financial Management Department – ADB

Aisha Nadar, Senior Procurement Specialist – Advokatfirman Runeland Ab

Dina Saleh, Regional Director, Near East, North Africa and Europe Division – IFAD

The event was moderated by *Gladys H. Morales*, Senior Innovation Adviser, CDI – IFAD

- **Scaling-up:** Which successful programmes, strategies and knowledge can be shared across the network of multilateral development banks (MDBs) to deliver larger results for project procurement through innovation?

When addressing the question regarding enabling environment, **Jan** considered the importance of using procurement as a strategic tool, and discussed the concept of living “outside of the law” when you need to be innovative, but not being able to do so because of the cultural or legal barriers that may exist in a country. **Shirley** shared her thoughts about innovative procurement solutions: she focused on how these new approaches can open a world of solutions, and discussed the activities of the IDB Lab, as well as scalability, which requires systematization and agility. **Priscilla** reflected on combining agile and sustainable procurement, and stressed that procurement in development organizations should never lose sight of the needs and priorities of the beneficiaries. Procurement with community participation is one way of increasing ownership. **Jeffrey** discussed experiences from ADB and the most important challenges and lessons learned, while **Aisha** outlined successful programmes and strategies to deliver better results for project procurement through innovation. She underlined the role of collaboration and education, and illustrated one of the initiatives she worked on: the World Bank programme for the prevention of gender-based violence on bank finance infrastructure projects.

Procurement – the background

Efficient and transparent procurement is a key determinant for effective development as it links funding activities, project start-up and implementation to the development outcomes that suppliers, contractors and consultants produce. Developing countries are spending an estimated US\$820 billion a year on procurement-related transactions; and in sub-Saharan African procurement makes up more than 50 per cent of government expenditure and 15 per cent of GDP. Public procurement therefore presents a significant and important instrument for governments to improve public services, to create fiscal space and jobs, and to stimulate private sector growth. Procurement in donor-funded projects faces two main challenges: effectively enforcing environmental and social safeguards and tending to complex, sometimes evolving needs that are not fully clear at the start of the procurement process.

In the [Q&A session](#) that followed, all speakers gave their views on issues such as flexibility, key innovations made by IFAD and different MDBs to make procurement more agile in response to the COVID-19 pandemic, and the commitment of institutions to capacity-building in order to create more favourable conditions for agile and sustainable procurement.

In her [closing remarks](#), **Dina Saleh** stressed how important it is to think about innovations not only in terms of project design but also through procurement to achieve impact and transformation in local markets. She highlighted that great progress has been made in the reform of project procurement at IFAD, but this discussion shows that still much can be achieved by harnessing the strategic value of procurement in transforming local markets.

CDI would like to thank the participants for taking part and for making the event such a success and showing how digital agriculture and extension services still need improvement, but have a tremendous potential to advance productivity and contrast rural poverty.

Missed the event? Watch it online!

A recording of the event can be found [here](#).

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If you would like to skip directly to certain sections of the event, the times are listed below:

Section	Participant(s)	Time (minutes)
Welcome	Gladys H. Morales	00.00–01.35
Opening remarks	Thomas Eriksson	01.36–06.06
Keynote speaker	Enzo de Laurentiis	06.07–17.37
Panel discussion	Jan Jackholt / Shirley Maud Gayle / Priscilla Torres / Jeffrey Taylor / Aisha Nadar	17.38–35.33
Q&A	All participants	35.34–52.07
Closing remarks	Dina Saleh	52.08–57.45
Farewell and thanks	Gladys H. Morales	57.46–59.02