



## How to deliver agile and sustainable procurement through innovative approaches?

### Q&A REPORT

During the event, attendees asked many questions for which there was not enough time to answer live. Participants very kindly agreed to provide responses to those questions not answered live in writing – you can read them below.

#### Questions answered live

The below questions were answered live during the Q&A section of the event. You can watch and listen to the questions and responses from minute 42.24 to minute 52.52 on the video of the event: see [here](#).

Does the flexibility promote innovation?

New Procurement Framework of the World Bank is flexible and moved from earlier Rigid regime. Kindly share study of innovation in public procurement are available in the public domain.- Veda, Procurement specialist

Is the multi-stage tender similar to the competitive dialogue tender, where there is a "dialogue" with bidders that shape the technical offer? - Alan Alor Soto

Is the multi stage tender related to financial ceiling or technical nature. - Mahmoud Elhalabi

Is it suitable for Construction works procurement?- Mahmoud Elhalabi

While going through innovations procurement development construction work how do you get the value for unbundling the cost through our the process. - Lalith Jayasuriya

May the framework agreement be considered as innovation procurement for frequent uses in goods? - Md. Bazlul Kadir

Today that we have ADB, EBRD, IFAD and WB together around the table, any update on the latest efforts to harmonize MDBs procurement frameworks? - Walid Dhouibi

What have been the key innovations made by IFAD and different MDBs to make procurement more agile in response to the COVID-19 pandemic emergency? - Walid Dhouibi

#### Questions answered in writing

Question	Response
So Jan Jackholt hit on the points I had in mind, chief among which is how to useful innovations get implemented when donor and/or country stipulated rules mandate how the process should be carried out? My question takes into consideration time that may be lost if a waiver (No-Obj) is required each time an innovative procedure is proposed. - Franklin Ibemessie	Thanks Jan. Thanks Enzo. Appreciate the inclusion of Competitive Dialogue as a stipulated procurement method (though IFAD doesn't have this [yet]) to help drive innovation, albeit to be used in complex procurements. – Thomas Eriksson, Director, Operational Policy and Results Division, IFAD ( <a href="mailto:t.eriksson@ifad.org">t.eriksson@ifad.org</a> )
Great to hear Shirley, maybe for the rest of the panel how many of your tenders are able to attract & select startups / scale ups vs more traditional suppliers for larger variety / innovativeness - Johannes Jaeger	
Not necessarily an innovation per se but maybe rather an evolution based on demand from clients (countries for public sector operations) : How to improve efficiently the local content on DFI	We do not encourage the use of domestic preference (this is granted on a case-by-case basis only). Rather, we try to work through national procurement systems and we generally work in remote areas. Most of the procurement packages are rather small

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funded projects and use those projects as an enabler for industrialisation ? - Driss Belamine	in IFAD projects and can be sourced locally. We encourage our projects to engage with the local market but this is where our projects often encounter time and capacity constraints and a reason why IFAD is investing into capacity development on a great scale with its partner ITCILO through the implementation of the procurement grant (BUILD PROC) to build procurement capacities across all projects where IFAD operates. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD</i> ( <a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a> )
What is innovation in procurement? - Rubina Shakya	To me, you can look at innovation in procurement from many perspectives. The first that comes to mind is probably to look at the end to end process and innovating therein, so how to specify needs, select contractor, contract, control and measure e.g. engaging stakeholders differently, applying crowdsourcing, and so on are then part of this. Another aspect would be to actually procure innovative solutions. And a third point would be to really encourage innovation amongst suppliers.
Can e-procurement be considered as innovation procurement for reducing F&C? - Md. Bazlul Kadir	
How do we foster innovation in conflict countries through procurement where delivery itself is a key challenge? - Satish Pandey	
Are most tenders still specification based - you stating exactly what you want or moving to problem based? Letting the suppliers come up with the best ways to solve them. That way allowing you to tap into solutions previously unaware of? - Johannes Jaeger	
Great talk Shirley. Usually, public sector are hardly ever agile. What steps can we take to introduce not just flexibility but agility, without losing competition, quality and value? - Franklin Ibemessie	
Agile concept may be useful in the private sector as they responded very quickly according to their needs. But government agency may follow lot of all rules and regulations, committees, stages, steps and so on. So it is really difficult to have this concept in the government agencies. Is it correct? or any better solution be already developed in other countries? - Md. Bazlul Kadir	
Are innovative approaches suitable for weak and remote markets or would it be better to stick to more basic procurement processes in these cases? - Markus Block	That really depends on what the project wants to achieve. Some methods like community based procurement can be very affective in small and remote markets if they are well embedded in the project's design. It is necessary, however, to plan for sufficient resources for training the community and also for engaging and developing the market. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD</i> ( <a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a> )
Is sustainable procurement is part of Innovation Procurement? - Harry Sudewa	Yes, in two ways: sustainable procurement uses different methods for evaluation (e.g. life-cycle costing), therefore innovating the procurement process but it also introduces new standards and requirements in the markets – therefore innovating the market.  IFAD's fit-for-purpose approach in the design of project procurement arrangements encourages innovative project-specific solutions commensurate with the type of project, the contract value and the capacity of the local market to deliver. In this respect the most visible innovation in IFAD's procurement was the integration of SECAP requirements in project procurement. Through the substantial investments of IFAD's project procurement, we aim to precipitate a model of development based on IFAD's mainstreaming priorities that have the potential to serve the advancement of national sustainable development goals like integrating youth, women and disadvantaged groups into the labour market with decent working conditions. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD</i> ( <a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a> )
Love the points Jeff is making. Would be interesting to understand if any longer term cost-benefit analysis has been carried out to	

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determine whether the innovative solutions mentioned have reaped the expected benefits (whether environmental, social or economic). Do any of the IFIs have any stats available on the effects of innovation in procurement? - Marieclaire Colaiacomo	
How do we managed with regard to innovative procurement in order to get the value for money with regard to buying of commodities with present complexity of supply market globally. - Lalith Jayasuriya	
For a single Project, Framework agreement is not possible. Rather, price schedules for various activities of construction work can be established. For example, RCC = \$10/cum, brick work=\$3/square meter. - A.K.M. Sorwar Alam	
What is the commitment of the Institutions to capacity building in order to create more favourable conditions for agile and sustainable procurement? - Antonio Vittori	Great question. From IFAD's perspective for example, we are engaging borrowers to also help develop capacities and approaches in this regard. This is done through a TA grant. – <i>Thomas Eriksson, Director, Operational Policy and Results Division, IFAD (<a href="mailto:t.eriksson@ifad.org">t.eriksson@ifad.org</a>)</i>
What sort of innovation is currently in place to address the impact of COVID on small and medium businesses worldwide? perhaps reduction of requirements, or flexibility on delivery time? perhaps reduce the size of lots or restrict competition to small and medium companies? - Alan Alor Soto	This has been a key challenge over the last year. We issued a fast-track procedure whereby we provided flexibility in terms of procurement arrangements and a reduction of advertisement and delivery times. We advised projects for example to use National Competitive Bidding (NCB) instead of International Competitive Bidding since goods, works or services might not be available from foreign bidders due to the mobility and trade restrictions. Therefore, projects were encouraged to reconsider their procurement arrangements and revise the Procurement Plan accordingly. Overall we tried to fast-track procurement as much as possible while still ensuring appropriate oversight and transparency. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD (<a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a>)</i>
How do the Financiers empower borrowers staff to appreciate and embrace innovation to be able to evaluate bids - Thuguri Mungai	I can only speak for IFAD but there are mainly three avenues: a (donor) procurement framework that allows innovative approaches and methods, capacity building for borrower staff (in IFAD through the BUILD PROC grant) and including innovations holistically into the project design (new technologies, standards introduced). It is crucial that all elements speak to each other in order to achieve impact. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD (<a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a>)</i>
Is it possible with current procurement laws/rules for IFIs to be innovative? - John Loongo	Part of it is also to reform how IFIs work on procurement and make project procurement a front line function part of delivering results and having a risk framework that is not about risk aversion but about risk management.
Is e-procurement an effective and sustainable solution for national procurement systems? - Toan Phan	It can for sure be part of the solution as it provides transparency, competition and standards.
What are the specific things to be considered in the environment and social assessments? - Bababfemi Aaron-Johnson	
Hello everyone thanks a lot for this talk what features do you see as most important for your procurement process? Thanks - Alexandre Cerret	The procurement arrangements must be fit for purpose and relevant for the borrower country and the local market to support capacities, project objectives and market development. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD (<a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a>)</i>
What is the most important areas we can consider in adopting flexibility for emergency and short term projects? - Bababfemi Aaron-Johnson	
How do we keep procurement process of governments more flexible and agile. I understand that for many governments, their procurement policies are legislated and so the process of updating the policies to incorporate innovations is difficult and time consuming - Christine Salazar	In the scope of our projects, we supplement the national framework and often require the borrower to follow a hybrid approach using parts of the IFAD framework together with the national system. With this, familiarize borrower staff and the government overall familiar with innovative approaches that might then also inform policy dialogue. I agree, such change takes a long time but we are trying our best to promote it top-down (policy dialogue) as well as bottom-up (capacity building for borrower

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	staff). – Priscilla Torres, Lead Procurement Advisor, IFAD ( <a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a> )
<p>Totally agree Jeff, this is the key, if Procurement is considered as a Strategic Partner, it will be in the team developing the contracting at procurement strategy, which is set at the planning stage when the technical team discuss what they need. Procurement can then bring in its contribution and looking not only at obtaining what it is that Management and the technical colleagues envision the solution to the need, but procurement can bring the dimension of supplier innovation and obtaining that win-win in collaboration with the supplier and its supply chain. In addition to multi-stage RFP, have you developed tools/are in the process to develop tools to reach out to suppliers and bring into our procurement / long term contractor relationships innovation. - Boi-Lan Nguyen Barbillo</p>	
<p>Apt treatment by Aisha of the ‘art’ of using innovation in procurement. At the project level however, it is the ‘science’ of procurement that concerns project procurement practitioners. A lot of this is based on the notion of strict adherence to the rules and on the level of experience required (or accustomed to) at the project level. How do we realize an environment where we can implement the ‘art’, and not just the ‘science? This is something we need to think more about. - Franklin Ibemessie</p>	
<p>How can we suggest innovation using the standard tools? - Bababfemi Aaron-Johnson</p>	
<p>How to involve national governments to opt sustainable solutions and new innovative approaches in public procurement? - Waseem Khan</p>	<p>We try to work through the national procurement system as much as possible and we supplement the national framework with e.g. environmental standards but also with new procurement methods that are not foreseen in the country framework. – Priscilla Torres, Lead Procurement Advisor, IFAD (<a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a>)</p>
<p>Will appreciate the due diligence process for technical and commercial dialogue? - Bababfemi Aaron-Johnson</p>	
<p>How can MDBs elaborate or optimize the "Sustainable Procurement" in the procurement strategies in the developing countries especially during pandemic situation? - Taha El Feel</p>	
<p>The donors are often pushing SPP, but how do you introduce E&amp;S criteria into beneficiary country procurements when they are under pressure just to choose the cheapest option? - Richard de Wet</p>	<p>We first need to focus on the easy wind and convince the borrower that E&amp;S considerations are in their best interest. Efficient busses for example have great advantages over the course of their lifecycle and for infrastructure works, strict social safeguards and safety requirements always offset all of the cost savings when compromising these standards when there is just a single accident on the site. Depending on the accident the damage might be larger than the entire contract value, so saving on E&amp;S standards is not an option. – Priscilla Torres, Lead Procurement Advisor, IFAD (<a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a>)</p>
<p>How innovative Procurement can improve the life of the poor people? - Barnabé Ayissi</p>	<p>As we have seen, innovation through procurement always requires both market advance notification and market development. When we want to bring a new technology or promote a certain crop in the local market, this needs a lot of preparation and talking to suppliers. The culture of market consultation in borrower countries is not well established and this is what IFAD projects are struggling the most with. Market Research and Procurement strategy are persistent weak areas and we are trying to strengthen them with our large capacity building efforts (BUILD PROC in cooperation with ITCILO). – Priscilla Torres, Lead Procurement Advisor, IFAD (<a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a>)</p>
<p>Procurement and flexibility. At what level can we consider the acceptable limit? - Barnabé Ayissi</p>	<p>Procurement arrangements need to be specific to the social and economic context of the country therefore, it is of paramount importance that procurement policies provides for adequate flexibility while following the principles of public procurement. A principle based approach needs to be followed. We need to ensure</p>

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	the right balance is in place and that adequate systems/tools for oversight are implemented. – <i>Priscilla Torres, Lead Procurement Advisor, IFAD</i> ( <a href="mailto:p.torres@ifad.org">p.torres@ifad.org</a> )