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12TH ASIAN DEVELOPMENT BANK BUSINESS OPPORTUNITIES FAIR 2024
9-10 OCTOBER 2024 | 9 A.M. to 5 P.M. | ADB HEADQUARTERS, MANILA

Innovative Practices in Procurement

JESPER PEDERSEN
DIRECTOR, PROCUREMENT DIVISION 1
PROCUREMENT, PORTFOLIO AND FINANCIAL
MANAGEMENT DEPARTMENT

10 OCTOBER 2024



Overview of Presentation

Market
engagement

Sustainable
procurement





Traditional Procurement



Detailed engineering design – employer’s design



Bid – lowest evaluated compliant bid



Build – FIDIC red book – adversarial relationship with the contractor



Why Change

2017 Procurement Framework

Value for Money & Quality

Climate Change

environmental, social & financial crisis





Sustainable Procurement – Social Impacts

“I want that the local community benefits more from the economic opportunities of my infrastructure project.”

“My clients wants more impact for the local community. AND I want to align the project with ADB OP 1. What can we do?”



Client

**Solution
Build4Skills**



ADB Team



Build4Skills in Mongolia

Ulaanbaatar Urban Services and Ger Areas Development Investment Program (GADIP)

GADIP Project Info

Sector: Urban

Location: Ulaanbaatar,
Mongolia

Project type: MFF

Volume: 160 million USD

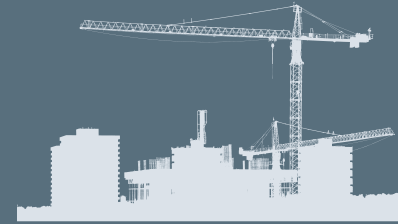
Cost ~ 0.5% of budget

Key Build4Skills Activities

- Placement of **101 trainees** on construction sites in various technical occupations (welders, plumbing, brick laying, carpentry, electrician, concrete works, HDM operator)
- Cooperation with **16 construction companies**
- Training of **90 contractor** staff trained as on-site instructors

What are traineeships?

- On-the-job training
- 6-12 weeks
- Contractors train
- Contractors “certify”



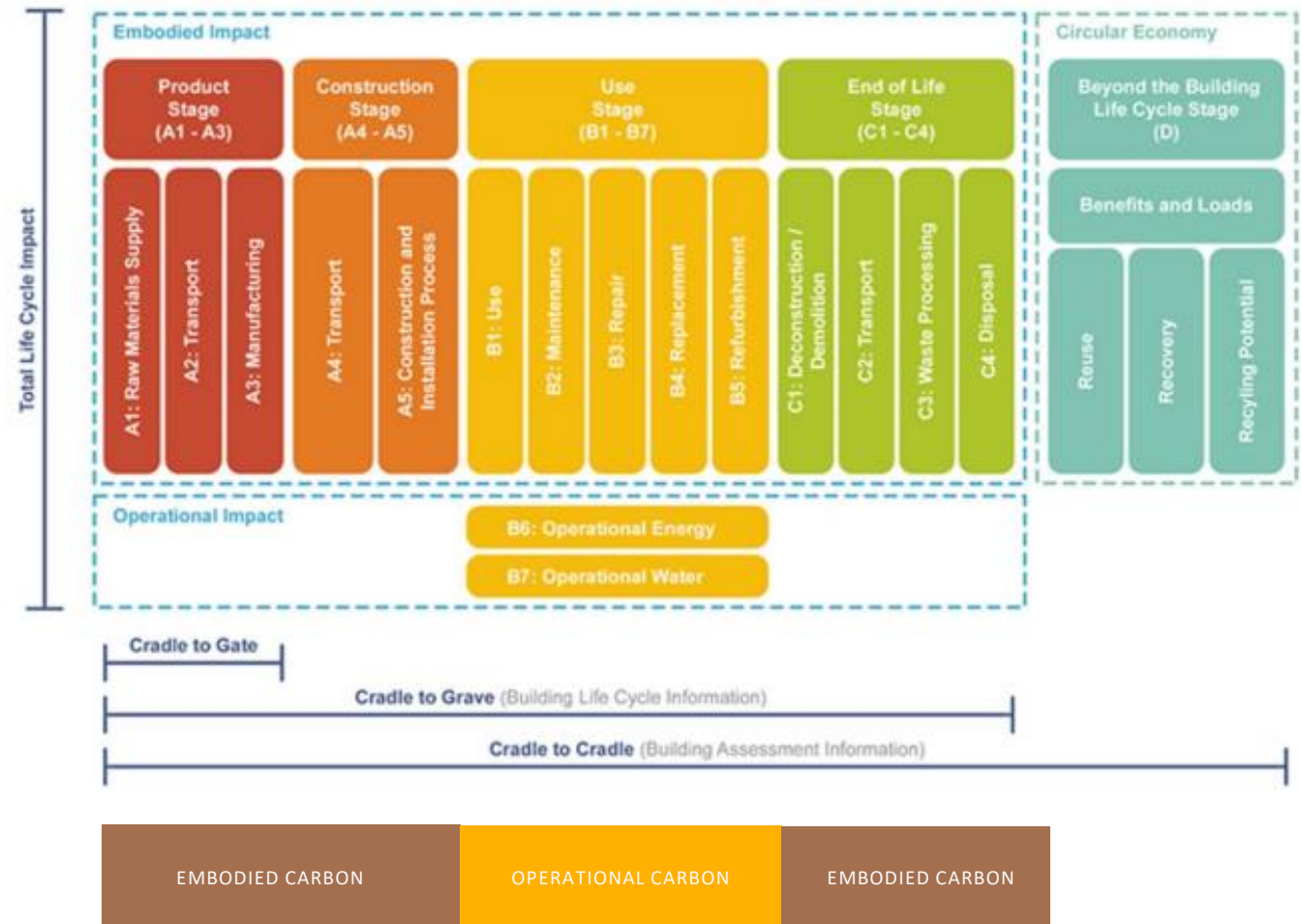
EMBODIED CARBON:

- Embodied carbon in infrastructure refers to the greenhouse gas (GHG) emissions associated with the manufacturing, transportation, installation, maintenance, and disposal of materials and products over the entire life cycle of a building, not including the operations or use phase.

PROJECT PROCUREMENT FOCUS:

- Product Stage (A1-A3)
- Construction Stage (A4-A5)

EMISSIONS CALCULATIONS STAGES:





Carbon Measurement & Management

Carbon Management Plan

The Contractor shall implement a carbon management plan in order to achieve reduction in GHG emission during construction. The Contractor should put a system in place to ensure that he is capable of quantifying carbon/GHG emissions. The Contractor shall:

- determine the methodology used for calculation of carbon emissions and reduction and justify the selection of the methodology
- capture carbon baseline data for construction of the project
- capture data on innovative construction techniques, materials and product use
- monitor and report carbon emissions of construction activities
- communicate carbon targets
- identify and communicate highest emissions and where future reductions can be made
- periodically review material supplier to support the delivery of low-carbon solutions
- report on the actual carbon emission reduction that has been achieved in absolute terms and as a percentage of the original carbon footprint.



Market Engagement



- Early contractor involvement
 - Outreach activities with industry
 - During design and procurement planning stage
 - Competitive dialogue
 - Shortlisting
- Design & Build and DBO contracts
- Collaborative contract forms
- Merit-point criteria
- Lifecycle cost



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Thank you!