



CRIDF

Procurement and contractor management at CRIDF

Before projects can be implemented, goods, services and works need to be procured. Since 2013, the Climate Resilient Infrastructure Development Facility (CRIDF) has procured £10.3 million worth of construction works spread across 21 individual project sites in eight Southern African countries. These works have covered the construction of a wide range of water-based facilities, including boreholes, small dams, pipelines, water treatment facilities and solar-powered pumping and irrigation systems. Over the same period, CRIDF has procured services for 25 project sites across nine countries, including hydrogeological and geotechnical investigations as well as aerial and bathymetric surveys.

A BESPOKE PROCUREMENT POLICY

As a publicly funded programme, it is not only essential that CRIDF obtains the best possible value for its expenditures, but that it does so in a fully accountable manner. To do this, CRIDF created a procurement policy aligned with both UK government guidelines and Southern African procurement practices. The resulting document successfully straddles multiple institutional frameworks while remaining clear and comprehensive.

One of the main purposes of the policy is to outline CRIDF's procurement principles. These include integrity, confidentiality and the conflict-of-interest requirements that must be observed in all procurement processes. The policy also sets out clear roles and responsibilities of the various actors in the procurement process. This ensures that internal and external authorisation processes for expenditures, as well as the risks and liabilities associated with construction work, are clearly allocated and properly managed.

The procurement policy also considers whether CRIDF is able to use the existing procurement system of the beneficiary country in which it is proposing to work, or whether a bespoke procurement procedure would better encapsulate the processes and transparency required of its projects. In projects where the latter option is chosen, CRIDF is able to share its procurement policy with partner agencies in beneficiary countries. This has had the effect of greatly improving its procurement reach.

PROCUREMENT CHALLENGES AND SOLUTIONS

The procurement team at CRIDF have faced various challenges during the programme's existence. The time taken by some country partners to operationalise for projects – agreeing to customs and tax exemptions, for instance – has occasionally raised issues. If, for example, it takes a long time to know whether value-added tax is applicable for a particular project, this can delay or complicate works payments.

The COVID-19 pandemic has also had a significant impact. Although CRIDF introduced hygiene protocols to its live construction sites, allowing operations to continue safely, the effect of the pandemic on the supply of construction materials has significantly increased supply costs and times. This proved especially challenging for contracts agreed before the pandemic, and in some cases it has been necessary to renegotiate contracts to reflect this new reality. Although not ideal, the alternative – holding a contractor to unachievable goals – could have resulted in contract termination, an unsatisfactory outcome for all parties.

Further challenges arise from the complex nature of CRIDF itself. Its projects require the skills and knowledge not only of engineers, but of economists, communications specialists as well as experts in gender, social development and institutional and stakeholder engagement. Incorporating all these actors into a single project requires a very consultative and participatory approach to procurement, in which everyone is made aware of the rules and guidelines that procurement must follow.

OTHER KEY LESSONS FROM CRIDF PROCUREMENT

CRIDF's experiences of operating environments across Southern Africa's very diverse business landscape have helped improve its procurement processes. For example, the scarcity of technically able bidders in some regions proved particularly challenging early on in CRIDF's implementation, when it could be difficult to generate a sufficient number of competent bids for projects. In response, CRIDF has moved towards packaging and targeting works contracts for bigger and more experienced regional bidders and encouraging the use of domestic subcontractors within their teams. This has led to improved offers in some cases.

Understanding the seasonal sensitivity of delivering water-based facilities in Southern Africa – where weather is dominated by annual wet and dry seasons – has been another important lesson. Given the large number of stakeholders in a typical CRIDF project, contract approval often takes a long time. This can push works from a dry season into a wet season, when construction is more difficult. In response, CRIDF has recognised the importance of including pricing for a pre-agreed flood season shutdown into tenders. Such a shutdown can increase overall delivery time, but can also significantly de-risk a project and reduce overall works costs.

Examples such as these demonstrate how an ability to remain flexible and respond to diverse challenges ultimately strengthens the procurement process. This, together with other lessons learnt from CRIDF's work in Southern Africa – such as the need to set out clear roles and responsibilities, or the importance of a consultative and participatory approach to procurement – can inform future programmes aiming to improve lives in the region through the procurement of goods, services and works.

