



Department
for International
Development



Developing Together

Building a Better Rate of Return



**DFID's Supplier Conference
2014**

Wednesday 9th July 2014

Conference Report



Developing Together: Building a Better Rate of Return – DFID’s second annual Supplier Conference – was held on Wednesday 9th July 2014 at the BIS Conference Centre in London. 36 of DFID’s suppliers, including a mix of large and small private sector companies and NGOs, attended the event alongside senior DFID representatives for a day of discussions, presentations and workshops on key priority areas for DFID and for the international development sector.

Time	Session	Lead	Venue
08:45-09:15	Registration, including tea and coffee		Buffet area
09:15-09:45	Opening address from DFID’s Head of Profession for Procurement & Commercial Department	Nick Ford	Main room
09:45-10:45	DFID’s future direction	Stefan Dercon	Main room
10:45-11:15	Tea and coffee		Buffet area
11:15-12:15	Strengthening programme delivery (blue stickers)	Tom Wingfield Dharini Nathwani	Syndicate room
	Working in difficult environments (red stickers)	John Belza Abdul Ehsan Mohmand Alan Tennant Susanna Moorehead	Main room
12:15-13:00	Lunch		Buffet area
13:00-14:00	Building markets (green stickers)	David Elliott Mark Thomas	Main room
	Improving programme design, mobilisation and delivery (yellow stickers)	Anne Langley John Belza Angela Cummiskey Nick Hyde Alan Tennant	Syndicate room
14:00-14:30	Tea and coffee		Buffet area
14:30-15:00	Keynote address from DFID’s Permanent Secretary	Mark Lowcock	Main room
15:00-16:00	Panel discussion on the future direction of three key professions	Stephen Young John Carstensen David Elliott	Main room
16:00-16:15	Closing remarks from DFID’s Value for Money Director	Les Campbell	Main room



Workshops

Opening remarks

The Conference was opened by Nick Ford, Head of DFID's Procurement & Commercial Department. Nick described the progress made by both DFID and suppliers in the year since the inaugural Supplier Conference in July 2013, but highlighted that more needed to be done to drive greater development impact, and that a continued focus on value for money (VfM) improvement was needed to deliver a better rate of return from suppliers through effective working and open communication.

Key messages for suppliers:

- The recent ICAI report on 'How DFID Learns' highlighted the imperative for organisations operating in the complex sector of international development to get better at sharing lessons.
- Upfront work at programme design stage is crucial, but there is an equal need to maximise efficiency of execution at mobilisation and implementation stage. The latter depends on effective programme and contract management mechanisms, with contract management an increasing area of focus for DFID.
- The International Development Act has been amended to seek demonstration of consideration for gender equality, reflecting DFID's focus on the empowerment of women and girls. Nick encouraged delegates to consider how their organisations could further contribute to achieving the shared goal of female economic empowerment and gender equality.
- DFID is continuing to drive improvement of its own internal commercial capability through, for example, the recently launched Commercial Leadership course for DFID's senior civil servants.
- The longer-term strategy of DFID's Procurement & Commercial Department will seek opportunities for DFID to expand its commercial influence in the international development sector.





Workshops

DFID's future direction

DFID's Chief Economist, Stefan Dercon, led a session on DFID's future direction, talking delegates through projections on future poverty trends and how this analysis translates to DFID's actions and priority areas.

Key messages for suppliers:

- The 'stubborn poverty' of Africa looks set to remain over the next 15 years. Approximately two-thirds of the world's poverty will be located in middle income countries (MICs) by 2030, and a high proportion of global extreme poverty will be located in fragile and conflict-affected states. If the international development sector is to continue the downward trend in global poverty, it needs to make progress in difficult, fragile environments such as DRC and Nigeria. Organisations need to focus on economic development as the key to effecting real long-term change.
- DFID will continue to target those countries that cannot self-finance their way out of poverty. DFID makes long-term projections regarding the areas where poverty reduction is unlikely, and invests in these regions in order to improve their prospects. DFID only considers opening a Country Office where the long-term prospects of those in poverty in that country are poor.
- Looking at aid in 'the right way' means establishing real accountability for the decisions which are made, and promoting a strong focus on results – including those results which are difficult to measure.
- Stefan concluded by saying that we need to continue to increase our work in difficult places, and we must focus on economic development as the key to effecting real long-term change. We need the knowledge, expertise and capacity required to work in difficult areas if we are to generate higher development returns. In order to deliver this impact, we need strong partnerships both locally and internationally, and the sharing of knowledge and learning experiences must be embedded in these relationships.



Workshops

Better programme delivery

Tom Wingfield and Dharini Nathwani from DFID's Better Delivery Taskforce led a session outlining DFID's internal programme management reforms and the implications for suppliers.

Key messages for suppliers:

- DFID is now focusing much greater attention on delivery. This includes ensuring staff understand and can manage risk in programme implementation.
- Suppliers and DFID need to be much more open about failure, and acknowledge the value of learning from failure in order to improve.
- DFID's Better Delivery reforms are aimed at transforming underlying behaviours in order to improve programme delivery. By reducing the number of rules and creating leaner documentation and approval processes, the changes should allow DFID the space to be flexible, innovative and adaptive in programme delivery. Front-line staff will be empowered to use their judgement and professional skills within a clear accountability framework, with the appointed Senior Responsible Owner (SRO) ultimately accountable for programmes.
- DFID is focusing on professionalising programme leadership, and is investing in skills and training to support this.
- Tom and Dharini concluded their session with a discussion of the implications of these changes for organisations delivering DFID programmes, and highlighted the need for suppliers to look inward at their own improvement reforms to support DFID in improving programme delivery.



The Better Delivery Taskforce [published](#) the Smart Rules document publicly following the event.



Workshops

Working in difficult environments

John Belza (Commercial Advisor for DFID Afghanistan), Alan Tennant (Commercial Advisor for DFID Asia, Caribbean and Overseas Territories), and Susanna Moorehead (DFID Director for West and Southern Africa) presented this session on pipeline opportunities and operational challenges for suppliers operating, or seeking to operate, in Afghanistan, Burma, DRC and Somalia.

Key messages for suppliers:

- Suppliers need to increase their footprint and ability to operate in these regions both directly and through supporting local businesses.
- The importance of contextual understanding in order to tackle the drivers of poverty and of conflict in these contexts cannot be overestimated.
- Security is the main concern for all organisations operating in Afghanistan, and Duty of Care is of paramount importance. Knowledge transfer in Afghanistan is a challenge, and there is an opportunity for international suppliers to support national organisations in this regard.
- Agriculture employs two-thirds of the population in Burma, but there are increasing opportunities in health and education, as well as energy and manufacturing. The quickest win for Burma is likely to be the development of financial and professional services.
- In DRC and many other countries, there are regular in-country supplier meetings which international suppliers could join remotely in order to learn about the local supply base.
- Constant dialogue and close professional relationships between DFID and suppliers are essential in all these contexts.



Workshops

Building markets

Mark Thomas from Nathan Associates London led this session focused on the importance of market linkages and the need for international development organisations to foster supplier linkages in developing markets.

Key messages for suppliers:

- Stronger market linkages provide a means to bring down costs and promote efficiency, to improve knowledge transfer to growing economies, to overcome market failures, and to create sustainable jobs and incomes.
- Market linkages are often weak in developing countries because of a negative business and regulatory environment and a lack of SME capacity and ability to deal with entrepreneurial issues.
- The theory of change for building markets focuses on generating more contracting opportunities, and making those opportunities available to a wider supply base.
- Suppliers to DFID are spending DFID's money, and therefore need to meet DFID's expectations in terms of building market linkages and encouraging women and girls in business.

The topic guide for Market Linkages being developed by Nathan Associates is now available on the [Economic and Private Sector PEAKS website](#).





Workshops

Improving programme design, mobilisation and implementation

Anne Langley, Head of Programme Sourcing in DFID's Procurement & Commercial Department, introduced this workshop as an opportunity for an open exchange of ideas about how both DFID and suppliers can work together to improve programme delivery. John Belza, Commercial Advisor for DFID Afghanistan, then discussed his own view of how some of these improvement areas might be identified, drawing on his experience of behaviour throughout the programme cycle over many years at DFID.

A positive and lively discussion of ways to improve programme design, mobilisation and implementation followed.

Key messages for suppliers:

- There is a need to balance the time and effort required to design a programme which can be delivered effectively by a commercial partner with the need to keep procurement processes within agreed timescales.
- Handover and knowledge transfer are critical at all phases of the programme cycle, and particularly at mobilisation. Both DFID and suppliers need to clearly communicate roles and responsibilities.
- Suppliers are often best placed to identify the solution to problems which arise during programme delivery, and could often do more to facilitate decision-making processes in these instances.



Workshops

Keynote address from DFID's Permanent Secretary

Mark Lowcock began by thanking the suppliers for their commitment to this work and emphasising the important role they play in delivering DFID's priorities in difficult environments around the world. Forming strong relationships between DFID and delivery partners is vital to the success of our work.

Key messages for suppliers:

- Mark spoke about the role the Key Supplier Management (KSM) programme played in this process, particularly by providing a forum for open dialogue. The most recent round of KSM data showed that, while performance was generally strong across the board, there was always room for improvement. He stressed that there was no room for complacency and working together to address these issues would lead to better results.
- Mark also talked about risk appetite and the importance of being innovative, whilst understanding and managing the associated risks.
- During the question and answer session which followed Mark's presentation, he touched on the Payment by Results (PbR) strategy and associated output-based contracting. Mark emphasised the importance of this approach to DFID, whilst also recognising that there may be some cases where PbR will not be appropriate.





Workshops

Panel discussion on the future direction of three key professions

The panel of Stephen Young (Head of Profession for Infrastructure), John Carstensen (Head of Profession for Climate and Environment), and David Elliott (Head of Profession for Private Sector Development) discussed the future direction of their respective sectors, chaired by Fiona Ross from DFID's Procurement & Commercial Department.

Key messages for suppliers:

- Funding for infrastructure will increase under DFID's new Economic Development Directorate, and there will be greater attention given to urban issues. The challenge for DFID is to spend well in the infrastructure sector, and to optimise the use of resources.
- DFID needs suppliers specialising in infrastructure to provide innovative ideas. Engagement of local partners is essential in order to build capacity and make development work sustainable.
- DFID's 'Future Fit' strategy seeks to incorporate climate change considerations to achieve sustainable development. The approach to climate and environment risk and opportunity assessment at DFID has been adapted following the introduction of the Smart Rules.
- DFID's new strategic framework for economic development has five key pillars: improving international rules for shared prosperity; supporting the enabling environment for private sector growth; catalysing capital flows and trade in frontier markets; engaging with businesses to help their investments contribute to development; ensuring growth is inclusive, and benefits girls and women.
- Effective lesson learning and dissemination is critical to success in all of these sectors. In a sector like international development, organisations need to share evidence and learning for the benefit of the wider sector and not just for themselves.

Closing remarks from DFID's Value for Money Director

Les Campbell closed the Conference by reflecting on the day's discussions, and thanking the delegates for their active engagement throughout the event. He emphasised the importance of continued strategic dialogue between DFID and suppliers, and highlighted the critical role which suppliers play in the delivery of DFID's work.



Information Stands

Alongside the main agenda sessions at the Supplier Conference, there were opportunities for delegates to engage with DFID and external representatives on other priority areas during the refreshment breaks:

- Maggie Berry, WEConnect International's Executive Director for Europe, networked with delegates and provided information on opportunities to connect with women-owned businesses in the supply chain. WEConnect International is a leading global supplier diversity initiative which seeks to build sustainable communities and economic growth by empowering women business owners to succeed in global markets. The Conference was also an opportunity for DFID to question and challenge suppliers on their ongoing and future commitment to its gender equality priorities, including their ranking on the Gender Equality database.
- John Adams, Head of DFID's Business Innovation team, provided a demonstration of DFID's [Development Tracker](#) and discussed the importance of DFID's suppliers in driving the transparency of aid spending.
- Ed Hawkesworth, Country Communications Manager in DFID's Communications Division, discussed communications priorities with delegates, and provided information on DFID's branding guidelines.
- Fiona Ross, Head of DFID's Strategic Sourcing team, discussed the ongoing review of the Framework Agreements with interested delegates.





Supplier Commitments

Informed by discussions at the Supplier Conference, a number of delegates shared their short and medium-term plans to respond to DFID's priorities and aspirations.

These included:

- Looking at ways to partner better in the short-term, and looking at ways to better position the organisation to work in difficult environments in the medium-term
- Collaborating more with other suppliers to improve implementation
- Focusing more on women and girls
- Improving relationship management
- Seeking out mechanisms to strengthen value for money and private sector engagement in-country
- Focusing more on fragile states
- Learning to acknowledge where things are not working and trying to explore new ways of reaching shared goals
- Focusing more on risk assessment and risk management
- Building the capacity of local partners
- Deciding on tangible ideas for working with DFID and other suppliers to strengthen programme delivery



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The Department for International Development (DFID) leads the UK's work to end extreme poverty. We're ending the need for aid by creating jobs, unlocking the potential of girls and women and helping to save lives when humanitarian emergencies hit.