HOW FAR DOES THE SUPPLIER AND CONTRACTOR MANAGEMENT GO?



Olga Skotareva

Senior Safeguards Specialist
Asian Development Bank
The Philippines

https://www.linkedin.com/company/asian-development-bank

www.adb.org



Overview

- Context and Challenges
- Supplier E&S Management Framework
- Key Considerations and Instruments
- Conclusions





Context















KFW





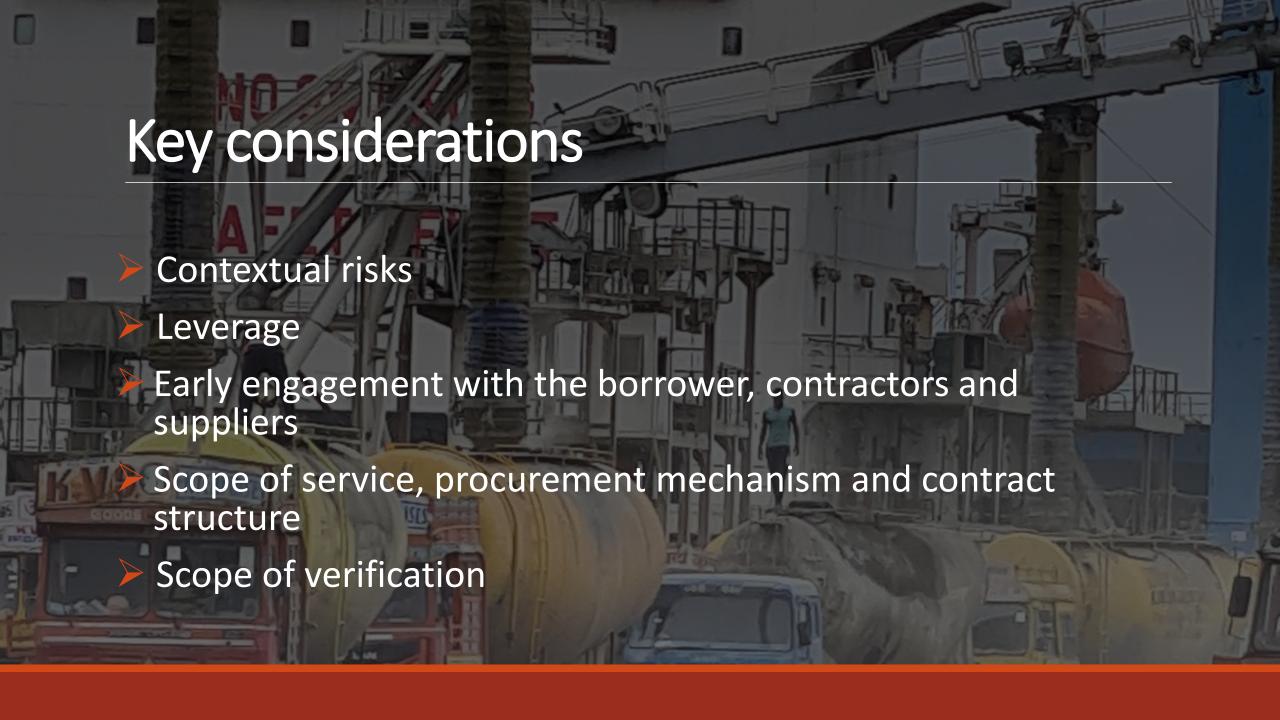
Increasing demand for responsibility and increasing regulatory control



- Inability to leverage downstream
- Advanced negotiation of contractual terms without sufficient consideration to E&S safeguards
- Limited integration of E&S risk management into supply chain management systems in some sectors, regions limited screening, capacity and assurance
- Hands-off mentality

Supply Chain E&S Management Framework





Key Instruments













Supply chain E&S management system,
Policies

Robust traceability mechanism – supply chain mapping

Ringfencing of projects and locking of suppliers

Legal and commitments framework

Legal agreements, covenants Additional Commitments

Corrective Action Plans

Cascading of requirements

Verification

Mechanism for monitoring and remedying non-compliance

"Supply Chain is like nature, it is all around us."

David Waters, Steris Corporation

Key Takeways

- Demand for greater management of supplier E&S (labor) risks
- There can be a general supplier management framework, but the scope of supply chain E&S management is determined by nature and level of risk
- Leverage, traceability, ringfencing
- Keep track of any changes in de facto procurement vis-à-vis commitments made

Let's continue the conversation!

Post questions and comments in the IAIA23 app.

Olga Skotareva

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oskotareva@adb.org

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