


Harmonization in Procurement and its measuring indicators

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Context

- § Paris Declaration Indicator 2b & 5b
- § Harmonization Action Plan (Section:2-5)
- § Procurement Reform
- § Lessons Learnd
- § Contributions to Harmonization
- n Use of Country Systems:
- n Future Challenges
- n Next Step

Indicator 2b: Reliable Country Systems

Target: By 2010, at least one-third of partner countries move up one level in the assessment scale for effective procurement.

Indicator 5b: Use of procurement Systems

Target with respect to % of aid flows:

? By 2010, where the partner countries fully achieve good practice, reduce by two-thirds the proportion of aid flows to the public sector that do not use partner country procurement systems.

? By 2010, where partner countries substantially achieve good practice by one-third the proportion of aid flows to the public sector that do not use partner country procurement systems.

Indicator 5b: Use of procurement Systems

Targets with respect to % of donors:

? By 2010, where partner countries fully achieve good practice, 100% of donors use partner countries procurement systems.

? By 2010, where partner countries substantially achieve good practice, 90% of donors use the partner country procurement systems.

Harmonization Action Plan (Alignment)

HAP: 2-5. STRENGTHENING THE PROCUREMENT SYSTEM

ISSUES: Public procurement legislative and regulatory framework achieves the agreed standards and complies with applicable obligations

OUTCOMES:

- The Public Procurement Regulations, 2003 was published in the extraordinary issue of the Government Gazette on 1st October 2003.
- The Parliament passed Public Procurement Act 2006 on 2 July 2006
- Improvement procurement procedures implemented.
- GoB's new harmonized regulations used by MDBs and bilateral DPs.

ISSUES: Streamline procurement approval process and improved financial delegation

OUTCOMES:

- Improved efficiency and transparency in Public Procurement

ISSUES: Development procurement management capacity

OUTCOMES:

- Adequate GoB officials trained
- Increased procurement management capacity amongst GoB staff

ISSUES: Establishment a compliance monitoring and evaluation system including civil society's involvement

OUTCOMES:

- Procurement Management Information System (PROMIS) for compliance monitoring of the Rules and Procedures introduced so far
- Second phase of reform will address civil society's involvement.

ISSUES: Introduce e-government procurement

OUTCOMES:

- Readiness assessment done and Implementation Road map has been developed to take a pilot scheme for e-procurement.
- Second phase of reform will address e- government procurement.

Proc.Reform: Background

- ❖ Low Level of public procurement performance constrained national development

- ❖ The Country Procurement Assessment Report (CPAR) identified Key deficiencies in the public procurement system

Proc. Reform: Key CPAR findings

- n Absence of sound legal Framework
- n Complex Bureaucratic Procedures
- n Inadequate Professional Competence
- n Inordinate delays & Ineffective Contract Administration
- n Absence of mechanisms to ensure Efficiency, Transparency & Accountability.

Proc. Reform: Key CPAR Recommendations

- n Set up a Public Procurement Policy Unit
- n Issue Public Procurement Rules
- n Streamline Proc. Approval Process
- n Streamline Financial Delegation
- n Develop Procurement Management Capacity
- n Publish Contract Awards
- n Introduce Appeal Procedures

Public Procurement Reform Project (PPRP)

IDA Credit Effectiveness : August 2002
Project Amount/ Period : ~ \$ 5 million/ 3 years

Objectives:

- n Improve
 - (i) governance in public procurement;
 - (ii) efficiency, transparency and accountability;
 - (iii) people's confidence in country systems

§ Implementation:

- n Ministry of Planning è è è Implementation Monitoring and Evaluation Division (IMED) è è è Central Procurement Technical Unit (CPTU)

Bangladesh now has a transparent public procurement regulations, accepted my most DPs

Lessons Learned: Procurement Reform

- n A joint effort of the Government and DPs.
- n Country Ownership
 - n Agreed CPAR (DPs & GOB)
 - n GOB's political commitment for proc. reform
 - n Implementation of all CPAR recommendations
 - n Implementation of reform using a credit (NOT grant)
 - n Permanent technical unit with Government resources
 - n Institutionalize proc. capacity with local institute
- n Participatory approach in preparation and implementation
- n Flexibility/Adaptability of new Reform Procedures

Contributions to Harmonization

- q Aid Governance Group- (ERD) Harmonizing GOB and DPs requirement in line with the Procurement Regulations
- q Seven IDA funded projects including other DPS using Government Regulations for all local procurement
- q Primary Education Development Program II
 - n Use country's own harmonized procurement regulations for all local procurement- goods/ works/ services (10 DPs & GOB agreed)
 - n Local- 85% of procurement in PEDP II. - ICB/Int. consultancy- ~ 15%
 - n All local procurement from common pool-fund
 - n Annual procurement review (audit) as per GOB Proc. Regulations (by independent consultant)
 - n Decentralized procurement: ~ 65% of procurement (all civil works) at district/ sub-district levels

Use of Country Systems: Procurement & PFM

- n Piloting use of PFM framework for procurement as part of PFM baseline and performance indicators (outcome of the OECD-World Bank roundtable)
- n Integrated analytical review of procurement with PFM and Public Expenditure group- World Bank, DFID and ADB
- n Establishing centralized MIS in CPTU/IMED (using above indicators) for effective monitoring of procurement outcomes and performance.
- n CPTU has developed dynamic procurement website containing all the approved documents, guidance notes, procurement opportunities and others links.
- n (CPTU Website: cptu.gov.bd)

Future Challenges

- n Compliance Monitoring of Procurement Reform
- n Roll out the capacity building across the country institutions including private sector
- n Piloting E-procurement
- n Mindset and Behavioral change by all parties and
- n Sustainability of already established CPTU and corresponding strengthening of IMED.

Next Step

- n Furthering Policy Reform and Capacity Development.
- n Strengthening Procurement Management at Sectoral Agencies and CPTU/IMED
- n Introducing Electronic Government Procurement (e-GP); and
- n Communications, Behavioral Change, and Social Accountability.

As reform is a painful slow process and effects different stakeholders differently, sustainability of procurement reform requires time to adjust with changed situation, concerted efforts and change in attitude/ behavior of the individuals involved in the process.

THANK YOU !!!!!