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PREFACE

South Asia Region Public Procurement Forum (SARPPF) was hosted by Public Procurement Monitoring Office (PPMO) on 26–28 April, 2011 in Kathmandu, Nepal, which was supported by Asian Development Bank (ADB) and the World Bank (WB). This report contains the overall descriptions of the activities during the Forum.

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ACRONYMS

ADB:	Asian Development Bank
API:	Agency Performance Indicators
ARDS:	Afghanistan Reconstruction and Development Services
BIM:	Bangladesh Institute of Management
BLI:	Base Line Indicator
BOQ:	Bill of Quantities
BRACU:	BRAC University
CIPS:	Chartered Institute of Purchasing & Supply
COMESA:	Common Market for Eastern and Southern Africa
COSO:	Central Operations Services Office
CPAR:	Country Procurement Assessment Report
CPI:	Compliance Performance Indicators
CPO:	Central Procurement Office
CPTU:	Central Procurement Technical Unit
CPTU:	Central Procurement Technical Unit
DAC:	Development Assistance Committee
e-GP:	Electronic Government Procurement
ESCB:	Engineering Staff College of Bangladesh
EU:	European Union
F&C:	Fairness and Corruption
FIDIC:	International Federation of Council of Engineers
FPPRA:	Federal Public Procurement Regulatory Authority
GDP:	Gross Domestic Product
GFR:	General Financial Rules
GoN:	Government of Nepal
GPA:	Government Procurement Agreement
GPPMD:	Government Procurement and Property Management Division
ICBPP:	Institutional Capacity Building Project for Procurement
ICT:	Information and Communication Technology
IGS:	Institute of Governance Studies
ILO:	International Labor Organization
IT:	Information Technology
ITC:	International Training Centre
MAPS:	Methodology for Assessment of Procurement Systems
MAPS:	Minnesota Accounting and Procurement System
MCIPS:	Membership of the Chartered Institute of Purchasing and Supply
MDB:	Multilateral Development Banks

NAFTA:	North Atlantic Free Trade Association
NPPSF:	Nepal Public Procurement Strategic Framework
OECD:	Organization for Economic Cooperation and Development
OPP:	Office of Programs and Projects
PCBO:	Public Capacity Building Officer
PGDFM:	Postgraduate Diploma in Financial Management
PICC:	Pakistan Institute of Cost and Contract
PMIS:	Procurement Management Information System
PP:	Public Procurement
PPA:	Public Procurement Act
PPMO:	Public Procurement Monitoring Office
PPP:	Public Private Partnership
PPPD:	Public Procurement Policy Division
PPR	Public Procurement Regulation
PPRP:	Public Procurement Reform Project
PSM:	Purchasing and Supply Management
PSP:	Private Sector Party
R&D:	Research and Development
RGoB:	Royal Government of Bhutan
RIM:	Royal Institute of Management
RTGS:	Real Time Gross Settlement
RUB:	Royal Institute of Bhutan
SAARC:	South Asian Association for Regional Cooperation
SAR:	South Asia Region
SARPPF:	South Asia Region Public Procurement Forum
SBD:	Standard Bidding Document
TFS:	Traditional Financial Services
UNCAC:	United Nations Commissions on Anti - Corruption
UNCITRAL:	United Nations Commissions for International Trade Law
WAEMU:	West African Economic and Monetary Union
WB:	The World Bank
WTO:	World Trade Organization

EXECUTIVE SUMMARY

The ***South Asia Region Public Procurement Forum*** (SARPPF) was held on 26–28 April, 2011 in Kathmandu, Nepal, which was hosted by Public Procurement Monitoring Office (PPMO) and supported by Asian Development Bank (ADB) and the World Bank (WB). The objectives of the Forum were: (a) providing a platform for senior public procurement officials, oversight agencies, and development partners in South Asian countries to share knowledge and experiences on good practices with a view to making their public procurement systems more effective in utilization of public resources, (b) allowing the participants to network with each other and enhancing opportunities for improved regional cooperation, and (c) providing opportunity to the participants to learn from a number of experts about the latest developments in public procurement, including Public Private Partnership (PPP), e-Government Procurement, and Procurement Performance Benchmarks using OECD/DAC indicators.

The Forum brought together the senior government officials responsible for public procurement from Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. Besides this, a wide range of policy makers, regulatory agencies and oversight agencies representing both public and private sector from Nepal as well as representatives of development partners. The Asian Development Bank (ADB) and the World Bank (WB) as the co-sponsors of the Forum had representations from the senior level.

It was expressed in the Forum that poor and ineffective public procurement practices are challenges not only for any particular country but for the government of the region as a whole and the public procurement should be able to ensure value for money and should also be fully transparent, people oriented and effective. Public procurement is a fundamental and integral part of the public financial management system and therefore, it has to be used strategically for socio-economic development of the country. Since most countries spend about 10 – 15 percent of their GDP on public procurement of goods, works and services, weak public procurement system will surely cause serious losses of public funds and adversely impact the country's economy and development. Good public procurement plays significant role in improving good governance, public financial management and accountability and helps in promoting a free market economy.

It is to be understood that highest degree of procurement regulation (harsher procurement regulation) does not necessarily ensure control of corruption, but could be a hindrance in making good procurement decisions. If more emphasis is put on anti-corruption measures flexibility in decision making will be lost. Therefore a balance needs to be maintained. Flexibility in decision making is required because environment friendly products are not the cheapest in the market and hence lowest market price does not justify the procurement of environment friendly products.

So far as international standards and models are concerned, speakers in the Forum said that they are not just to copy, they are to use as reference because they provide guidance for regulating procurement functions. It is critically important to understand the objective with reason why the adoption of particular standard and model has become essential. In terms of law, enforceability is the important thing therefore it is essential adopting the things that are enforceable and controllable.

Exchange of knowledge and experiences of the public procurement reforms and capacity building among key policy makers and public procurement officials through the forums like SARPPF will benefit all the countries in improving their public procurement system. Good public procurement has been a challenge to the countries in the region and the world at a large and therefore, the Forum's like SARPPF is expected to help translating ideas into practice.

The speakers representing the countries of the region namely – Afghanistan, Bhutan, Bangladesh, India, Maldives, Nepal, Pakistan and Sri Lanka presented procurement status of their countries and the reform initiatives undertaken. After presentation of various thematic and country papers related to public procurement, which was followed by discussions, the participants of the Forum were divided into five groups, which came up with recommendations for improving regional as well as country level systems of public procurement such as formation of South Asia Region Public Procurement Forum Coordination Group (SARPPCG) comprising of all the member countries, holding South Asian Region Public Procurement Forum each year, hosting a web portal at regional level for sharing experiences, forming an independent working group to explore the possibility of harmonizing the standards for application in the region, developing accreditation mechanism for public sector personnel working in procurement unit, promoting procurement function as a profession and introducing public procurement cadre in public service, promoting e-Procurement and so on.