

Executive Summary

Until the enactment of the Public Procurement Act in 2006, the legal regime of public procurement in Bangladesh was based on procedures and practices that date back to the British era. The Compilation of General Financial Rules (CGFR), originally issued under the British rule, remained the primary legal framework for public contracts and procurements. Building on CGFR principles, several government departments and autonomous public bodies and corporations developed their own rules and codes of practices for public contracts and procurements. Two forms, 2908 and 2911 were being used as the legal frameworks for procurement purposes before introduction of PPA and PPR in Public Works Department (PWD) and many other government departments and organizations were also using these forms.

In the context of growing concerns for streamlining the country's public procurement system, the government undertook an array of reforms in order to strengthen the public procurement regime. The reform process ultimately led to the making and issuance of Public Procurement Regulations in 2003, providing a unified procurement processing system. The PPR 2003 was supplemented by Public Procurement Processing and Approval Procedures (PPPAP), a revised Delegation of Financial Powers (DOFP) and several Standard Tender Documents (STDs) for the procurement of goods, works and services.

Further later, in order to intensify the improvement measures in the public procurement system, the House of the Nation enacted the much desired law, the Public Procurement Act 2006. Under the Act of 2006, the Public Procurement Rules 2008 were framed and issued, which replaced the Public Procurement Regulations 2003 which until then continued to have effect. Then a transformational change occurred in the public procurement in Bangladesh.

Like other government departments and organizations, Bangladesh Water Development Board (BWDB), a semi-autonomous government organization uses PPA and PPR in its procurement purposes after the enactment of the Acts and Rules.

BWDB is funded by central Government of Bangladesh (GOB). It also collect fund from irrigation activity by supplying irrigation water to farmers, which is very nominal. BWDB also gets fund from various donors and funding agencies like Government of Netherlands (GON), Canadian International Development Agency (CIDA), The World Bank, Asian Development Bank (ADB) etc.

There is a debate about the use of PPA and PPR in procurement functions in BWDB. Many say, PPA and PPR are not helpful and/or effective for procurement works. It makes delay and difficult the procurement functions. The Procuring Entity can not take quick/ right decisions due to Acts and Rules constraints. Others say, PPA and PPR made the procurement functions standardized and a uniform procedure is followed in each public procurement functions. They also opine that PPA and PPR brought transparency and accountability in public procurement. The procurement functions would be fair and effective if the Acts and Rules could be used properly. It is not the fault of PPA and PPR, if there any, it is the fault of its uses, how they are being used in procurement functions. The Acts and Rules could be made error free and flexible on its use.

To make the procurement functions more effective, two things are important to do, these are preparation of good procedures i.e. Acts & Rules and ensure proper use of these procedures in procurement functions i.e. creating a fair environment for procurement. We have procedures (PPA and PPR) in our hand; we need to make it more suitable, flexible and appropriate for procurement functions. This can be done by discussions, stakeholder participations, research works etc. The second part is more important and challenging i.e. creating a fair environment for procurement functions, specially a third world country like Bangladesh. It requires a strong political and legal commitment from the top of the government, otherwise it could not be achieved. The Procurement Managers/ Procuring Entities need proper training on procurement functions to make the procurement functions more effective. The counter parts, suppliers and contractors also need to be engaged in this loop.

And above all, there need to be establish a fair and unbiased environment that anybody can feel free to take part in the procurement functions (in Tender process). The procuring entity would play a neutral role for all the participants taking part in the tender process. Transparency, accountability and rule of law need to be established to ensure effective procurement.