

If the misery of the poor be caused not by the laws of nature, but by our institutions, great is our sin.

~Charles Darwin

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Poverty

Poverty refers to the condition of not having the means to afford basic human needs such as clean water, nutrition, health care, clothing and shelter. The World Bank argues that poverty often lies in the absence of opportunity, empowerment and security and not just the absence of food on the table. Poverty is an ethical concept and not a statistical one (Wall 2006). Amartya Sen defines poverty as lack of capacity to overcome violence, hunger, ignorance, illness, physical hardship, injustice and voicelessness. Nonetheless, whatever name is given to **poverty** it is never a desired phenomenon and today a vast majority in the world is living under poverty line and suffering from starvation and diseases. According to United Nations about **25,000** people die every day of hunger or hunger-related causes and most of them are the children. Unfortunately the reason of poverty is not the scarcity of resources but it is the inequitable distribution of resources. Despite economic growth and development during last few decades the rich-poor gap has risen in the world. Many economists are of the view that economic growth may be a necessary condition but not sufficient condition for poverty reduction. For poverty reduction it is important to address the issues of income inequalities and distribution first. According to Mosley (2004) the evidence exists that for last many years the high rates of growth in some cases might not be converted into welfare of the poor.

Participants of Training Program held on 18 - 19 Jan, 2010



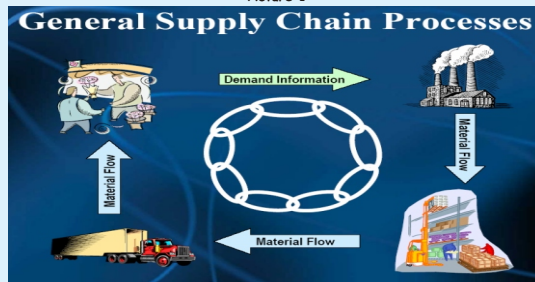
PPRA GOINGS ON

- Government of Pakistan is in process of preparing a Poverty Reduction Support Credit (PRSCs) with the World Bank for the years 2010, 2011, 2012. Triggers for this Budget Support Program for improved efficiency of public spending are "Enhancement in transparency in public procurement" for 2010, "Establishment of an Independent Second Tier Appeals process" for 2011 and "speedy decisions on procurement appeals and announcement on PPRA website" for 2012. PPRA participated in the detailed meetings with the World Bank officials on its preparedness on prior actions for the support program.
- PPRA has published Pakistan Procurement Code by combining PPRA Ordinance 2002, PP Rules 2004 and PP Regulations 2008 (available at www.ppra.org.pk).
- Managing Director accompanied by Director PPRA, on the request of Lahore Chamber of Commerce, visited LCC on 23rd Jan and delivered a lecture on the importance of PP Rules followed by Q&A session addressing many procurement issues highlighted by the business community.
- Held brain storming sessions with WB Mission on grievance redressal and discussed establishing a second tier grievance redressal system.

The prevalent fear of poverty among the educated classes is the worst moral disease from which our civilization suffers.

~William James

Picture 1



PPRA

Government of Pakistan

Public Procurement Regulatory Authority

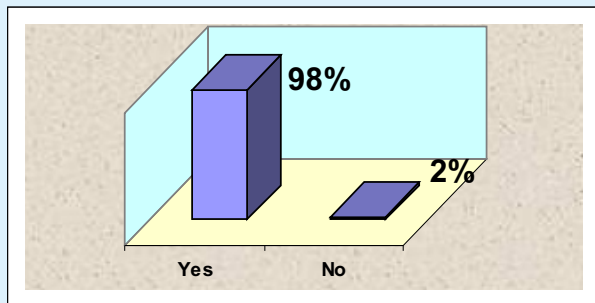
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PPRA Impact Evaluation Survey (findings Part I)

Graph 1: Overall Perception about Success of Training Program



The capacity building project of PPRA had been operative for last 2-3 years with the major objective to impart training to public sector procurement related officials. The PSCBP was initiated with the help of donors; World Bank and IDA. PPRA management did best efforts by utilizing the available funds to attain best possible results in limited time. More than 100 training sessions were organized to train more than 3000 officials of government departments and autonomous bodies. Feedback of the respondents about the PSCBP is given below; How far the PSCBP has been successful in attaining its objectives? The survey findings reveal encouraging feedback. It is a reality that just few years back there was a lack of professionalism in the field of procurement; hence there was a need to make the field of procurement highly professional and technical in Pakistan. Over 98% of the respondents have shown great satisfaction on the achievements of the project.

Meeting with Lahore Chamber of Commerce and Industry:

On a longstanding request of Lahore Chamber of Commerce, Managing Director PPRA along with Director visited LCCI on 23rd Jan 2010. Mr. Shahid Iqbal Butt, Chairman of LCCI Standing Committee on procurement welcomed and thanked PPRA for their visit. A detailed presentation was given to the



participants followed by a lengthy Q&A session addressing many issues concerning public procurement highlighted by the business community. The importance of PP Rules was explained in detail along with the role of PPRA to ensure transparency, capacity building of procurement officials, National Institute of Procurement (NIP), and monitoring mechanism and grievance redressal. Members of LCCI raised many issues and queries on PP Rules like Rule 30, 46 and 47, time limits, evaluation criteria, lock-out specifications, bid security, negotiations, two envelope system, performance guarantee, bidding documents, earnest money etc. LCCI members were invited at National Institute of Procurement (PPRA) Islamabad for training in procurement. They were also urged to form a Lahore based civil society organization to check irregularities in public procurement in public interest.

The Rules Corner

Public Procurement Rule No. 16. Pre-qualification process. -

(1) The procuring agency engaging in pre-qualification shall announce, in the pre-qualification documents, all information required for pre-qualification including instructions for preparation and submission of the pre-qualification documents, evaluation criteria, list of documentary evidence required by suppliers or contractors to demonstrate their respective qualifications and any other information that the procuring agency deems necessary for pre-qualification.

(2) The procuring agency shall provide a set of pre-qualification documents to any supplier or contractor, on request and subject to payment of price, if any.

Explanation. - For the purposes of this sub-rule price means the cost of printing and providing the documents only.

(3) The procuring agency shall promptly notify each supplier or contractor submitting an application to pre-qualify whether or not it has been pre-qualified and shall make available to any person directly involved in the pre-qualification process, upon request, the names of all suppliers or contractors who have been pre-qualified. Only suppliers or contractors who have been pre-qualified shall be entitled to participate further in the procurement proceedings.

(4) The procuring agency shall communicate to those

suppliers or contractors who have not been pre-qualified the reasons for not pre-qualifying them.

Education Corner: Concept of Supply Chain

Supply Chain is a system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer. In other words all stages involved, directly or indirectly, in fulfilling a customer request or movement of a product, information, funds from one to other end. The supply chain includes manufacturers, suppliers, transporters, warehouses, retailers, and customers. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer. Typical supply chain stages are customers, retailers, distributors, manufacturers and suppliers. It is not necessary that all stages are present in all supply chains, and some stages may be missing in some cases.

(Picture 1)

Around the Globe

Crown Agents is one of such institutions committed to global development and growth. It is located in UK, established in 1833. Its objectives are to fight against poverty, counter corruption and inefficiency, and promote good governance, transparency and probity and to provide training in various fields including procurement. The training courses offered by Crown Agents include E-procurement, Monitoring and Evaluation of Procurement Performance, Successful Tender Design & Contract Management, Procurement of Works & Dispute Resolution, Strategic Procurement in Practice etc. Since the inception of the Crown Agents Foundation Scholarship scheme in 1999 more than 300 scholarships have been awarded. First scheduled training course was held in 1969, in Britain. Now they hold courses throughout the world, yet Britain remains popular. In an average year delegates from more than 70 countries come to Britain to attend courses at Crown Agents International Training Center (www.crownagents.com)