

"A greedy man will always find himself in the shackles of humility."

~ Nahjul Balagha Imam Ali Ibn Abi Talib (RAA)

Managing Editor : Hafeez ur Rehman (Managing Director)  
mdppra@ppra.org.pk  
Executive Editor : Khalid Mahmood Lodhi (Director)  
director@ppra.org.pk  
Editor : Naeem Ahmed (Deputy Director)  
naeemahmed@ppra.org.pk  
Coordinators : S. Mohsin Hassan (Web Designer)

# Public Procurement Regulatory Authority

Cabinet Division Islamabad

## EDITOR'S NOTE: RESPECT FOR PPRA RULES REAPS DIVIDENDS

PPRA Rules gained formal recognition by international donor agencies when USAID signed an agreement with Transparency International Pakistan to monitor flood relief aid flows in all procurements under the PPRA rules 2004. These Rules would be followed by the Government and Non Government Organizations alike. Not long ago, perceived as road block is now a major facilitator in transparent aid flow to the needy for its in-built transparency and self-accountability and access to information.

This situation has come about because of the governments respect for the Rules, not a single relaxation/condonation was given at the behest of PPRA ever since the coming of this democratic dispensation. It may have caused remonstrations at the pulpit for not making things easy and may have also, by design, shown PPRA and those who run it in a bad light (with damaging repercussions) but look at the respect the world community has for these Rules. PPRA's pro-activity in facilitating Rules relaxation may have won short term personal favors but international respect would have evaporated without anybody noticing. This is called institution building. Is anybody listening?

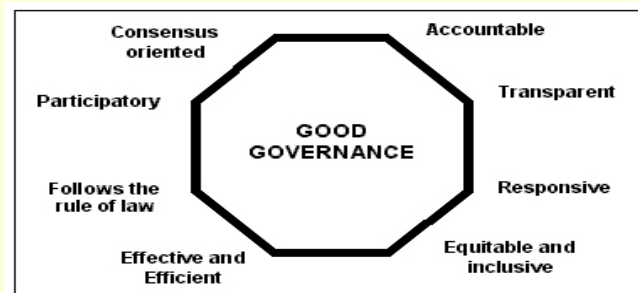
Monitoring would include both funds, goods and services received (inputs) and also use of those resources (outputs). A complaint hotline will also be established. This was endorsed by our genteel Finance Minister at the conclusion of a workshop. PPRA would continue to train, build capacity, monitor tenders, put procuring agencies

## TRANSPARENCY IN EMERGENCY

Instances have come in the knowledge of PPRA where normal public procurements are being done in the name of 'emergency' entailing huge public funds. Using emergency as a pretext is obviously not without ill intention. Corruption in emergency aid operations normally surfaces in following ugly forms:

- 1) Nepotism: the use of friends, family members or "cronies" to do a certain task or to be recruited for a certain post.
- 2) Bribery: the provision of money or other favors to someone.
- 3) Kick-backs or cuts: getting money or other favors in connection with a certain (trans)action.
- 4) Theft and diversion: the use of project funds or assets for personal benefit.

Emergency must be as a result of a situation that was unforeseen or unanticipated. In other words, an Emergency Procurement is a good, service, or construction essential to meet an emergency situations such as; a threat to life, public health, welfare, or safety by reason of major natural disaster, epidemic, riot, fire, or such other reasons. However, it is very difficult to justify an emergency procurement if the situation is resultant of poor planning, overlooked requirements, inaccurate of usage history data or incorrect/lack of forecasting.



"Value of a man depends upon his courage; his veracity depends upon his self-respect and his chastity depends upon his sense of honor."

~Imam Ali Ibn Abi Talib (RAA)

"People who have no hold over their process of thinking are likely to be ruined by liberty of thought. If the thought is immature, liberty of thought becomes a method of converting men into animals."

~ Allama Mohammad Iqbal (RAA)



# PPRA

Government of Pakistan

Public Procurement Regulatory Authority

FBC Building, G-5/2, Islamabad

(www.ppra.org.pk)

Phone # 051 9202254 Fax # 051 9219149

## WORKSHOP: ENSURING TRANSPARENT USE OF FLOOD RELIEF, REHABILITATION AND RECONSTRUCTION FUNDS:

A one day workshop in Islamabad was convened by Transparency International Pakistan and Transparency International, sponsored by USAID and Swiss Agency for Development & Cooperation (SDC) in cooperation with the Ministry of Finance. The workshop was inaugurated and closed by Dr. Abdul Hafeez Shaikh, Finance Minister. He assured the donors full Transparency and accountability in Flood Funds. In the afternoon session the Managing Director PPRA Mr. Hafeez-ur-Rehman briefed the participants on the "Transparency, Monitoring and Evaluation of Procurement and Service Delivery and PP Rules". The Director PPRA Mr. Khalid Mahmood Lodhi also gave a comprehensive presentation on various PP Rules to update the participants. The recommendations were endorsed by the Government of Pakistan:

1. The involvement of affected communities, including women and vulnerable and marginalized social groups, in decisions relating to relief and reconstruction at all stages of the process lies at the heart of effective and transparent aid strategies.
2. Ensuring full transparency in aid flows, allocation, procurement and distribution process, and the national tracking system accessible to everyone are vital.
3. Effective independent monitoring and evaluation is key to ensuring the transparent implementation of relief and reconstruction programs, including both procurement and service delivery.
4. Ensuring appropriate mechanisms and capacity to capture complaints and enforce anti-corruption measures is also of vital importance.

Accessible grievance procedures, including corruption reporting channels and protection for whistleblowers and witnesses, should be provided in the context of relief and reconstruction efforts. In particular, grievance procedures should cover private and public sector employees, the media, and the general public. Ombudsmen at district level should be in place to enable effective redress of public grievances. A Complaint Hotline shall be established where complaints can be reported on a toll-

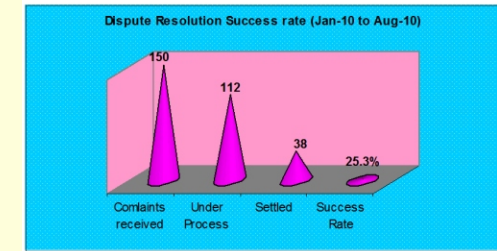
free telephone number, web, email, and fax or by mail, and handled effectively and the use of social media, SMS and other technology should be encouraged. Aid beneficiaries should also be provided access to complaints mechanisms in humanitarian organizations, opening up effective new methods of project evaluation and corruption detection.



Dr A Hafeez Shaikh addressing the workshop

## GRIEVANCE REDRESSAL AN UPDATE- 2010:-

Despite the fact that PPRA does not have punitive powers, but slowly the dispute resolution or grievance redressal mechanism is strengthening in shape of speedy and enhanced satisfaction of complainants under Rule 48. The procuring agencies are largely complying with the PP Rules and particularly Rule 48 (grievance redressal). The basic reason behind this success is the existence of PPRA, other factors which have contributed is the Authority's persistent and unrelenting efforts through training of the public and private sector employees which has played very effective role. Similarly the monitoring mechanism of PPRA has also been supportive in reducing the PP Rules violations. An analysis of current calendar year (January-August 2010) reveals an encouraging outlook. During this period 150 complaints were received in PPRA, which were taken up with the concerned procuring agencies, 112 are under process, nonetheless, in 38 cases the complaints were settled in response to the Authority's intervention (Graph). The continuity of this trend would bring a significant and positive change in the prevailing procurement culture in the country, more value for money, transparency and quality.



## PPRA TAKES ANOTHER STEP TOWARDS ePROCUREMENT: LAUNCHES SUPPLIER REGISTRATION.

PPRA launched Suppliers Registration System, which is the part of PPRA e-procurement system. A link is available for the suppliers at PPRA website home page where suppliers can be registered after filling the online registration form. A unique number is assigned to a newly registered supplier upon request. Business details are also available for the general public in registered suppliers link. PPRA has also introduced supplier login portal where a supplier can update/modify his business details after logging in to a secure system. The same will be saved upon request and readily made available on the registered suppliers section. PPRA also aims at providing online bidding facility to the registered suppliers. The response from suppliers is astounding, which goes to show that private sector is itching to go electronic. A great sign of times to come.

## RULES CORNER: METHODS OF PROCUREMENT:

**PP Rule-20:- Principal method of procurement.** - Save as otherwise provided hereinafter, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works.

**PP Rule-21:- Open competitive bidding.** - \*Subject to the provisions of rules 22 to 37 the procuring agencies shall engage in open competitive bidding if the cost of the object to be procured is more than the prescribed financial limit which is applicable under sub-clause (i) of clause (b) of rule 42.