







Convergence of Public and Private sectors to maximize value through Green and Innovative Procurement

March 7-8, 2022 | New Delhi





## GLOBAL PROCUREMENT SUMMIT 2022

### CONVERGENCE OF PUBLIC AND PRIVATE SECTORS TO MAXIMIZE VALUE THROUGH GREEN AND INNOVATIVE PROCUREMENT

7-8 March, 2022 New Delhi

### REPORT

**ALL INDIA MANAGEMENT ASSOCIATION** 

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## **Global Procurement Summit 2022**

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# About AIMA

### **About AIMA**

The All India Management Association (AIMA) is the apex body for management in India with over 38000 members and close to 6000 corporate /institutional members through 66 Local Management Associations affiliated to it. AIMA was formed over 60 years ago and is a non-lobbying, not for profit organisation, working closely with industry, Government, academia and students, to further the cause of the management profession in India.

AIMA makes a salutary contribution to management learning and practice in the country by offering various services in the areas of testing, distance education, skill development & training, events & conferences, research, publications, executive education and management development programmes.

The association is represented on a number of policy making bodies of the Government of India and national associations including All India Council for Technical Education (AICTE), which is the apex regulatory body for professional education in the country under the Ministry of Human Resource Development; National Board of Accreditation (NBA); Association of Indian Management Schools, Hyderabad; National Productivity Council, New Delhi.

AIMA also brings to the Indian managers, the best management practices and techniques through numerous foreign collaborations with professional bodies and institutions. AIMA is an important and long-time member of the Asian Association of Management Organisations (AAMO), which promotes professional management in the Asia Pacific region. India (AIMA) took over the Presidency of AAMO in 2019 and will hold the AAMO Secretariat for the next three years. In addition, AIMA has developed close associations with several leading international Universities and Institutions including Imperial College, University of Berkeley, California, St Gallen Symposium, Horasis, The World Bank etc, to name a few.



### Global Procurement Summit 2022 INTRODUCTION

The role of the public and the private sector in economic development and the relationship between the two drivers of economic prosperity in countries has often been of interest to policy makers, academicians, and others. The national as well as the sub national governments have entered a variety of contractual arrangements to ensure efficiencies in infrastructure creation and management, aimed at providing quality services to the common masses. However, over the last couple of years, owing to the pandemic, the demand of service delivery globally has undergone a paradigm shift, wherein governments (national as well as sub national), have often been required to focus more on managing periodic crisis brought in by the upsurge in COVID cases from time to time. This has also necessitated an alteration in the ways the public and the private sector have interacted over the last couple of years. In other words, the pandemic has created an environment where there has been a convergence between the role played by the private and public sector, especially in the health sector. Managing the supply chain of COVID essentials like medicines, oxygen cylinders, vaccines etc. is one such example wherein the private sector has complemented governments' efforts in tackling the crises brought about by the rise in covid cases.

Thus, while the traditional public procurement largely centered around sharing of finances and profits, the "new normal" relationship between the public and private sector has additional facets like innovation, efficiency gains etc. Apart from this issue of change in basic interface between the private and the public sector, the pandemic has resulted into additional complexities in the overall procurement processes followed by governments. Periodic lock downs halting economic activities in countries have often led to difficulties in contract management, forcing governments to frequently amend contract clauses. Considering that procurement and supply chain management are two crucial activities which take center stage in governments' operations globally, detailed deliberations on these issues and knowledge sharing is useful and can help policy makers to be better prepared for crisis management in future.

The All India Management Association, an apex body of management profession in India, has been working actively in the space of procurement and supply chain management. Apart from offering courses in supply chain management and procurement, it has also undertaken a number of initiatives in terms of knowledge exchange in these areas. The Global Procurement Summit is one such endeavors of AIMA, wherein, in the last few years, it has been providing a platform to various stakeholders to come forward and deliberate on various issues regarding procurement and supply chain management and share their experiences and the best practices in these issues. The GPS 2022 held on 7th -8th March 2022 in a hybrid mode marks the seventh edition of the global procurement summit. While AIMA has led the GPS 2022, it has been ably supported by the Department of Expenditure (Ministry of Finance) and the World Bank. Other partners such as Asian Development Bank, Asian Infrastructure Investment Bank, FIDIC and United Nations Industrial Development Organization supported as International Partners in hosting the event.

Deloitte as Knowledge Partner, Gail Authority of India Limited as PSU Partner and Government e Marketplace as Associate Partner also extended their support.

The two-day global procurement summit covered the following broad themes-

- Government Initiatives for Modernizing Procurement
- Procurement as Enabler for Economic Development
- Making supply chains more resilient to meet emergencies
- How to make PPP more attractive for quick infrastructure development
- Minimizing delays and disputes in infrastructure contracts
- Green Procurement- A Way forward

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The above themes were discussed over six plenary sessions where experts from various corners of the globe took part.

The GPS was attended by about 1400 officials from state and central governments, public sector undertakings, state owned enterprises, non-government organizations, professional associations, private organizations, consultants, suppliers, and contractors from India and abroad.











### **Global Procurement Summit 2022**

### Convergence of Public and Private Sectors to maximize value through Green and Innovative Procurement

#### 7-8 March 2022 I Hybrid Mode (New Delhi)

### SUMMIT AGENDA

DAY 1 – Monday, 7 March 2022

1000 – 1100 hrs	Inaugural Session
Introductory Remark	<b>Ms Rekha Sethi</b> Director General All India Management Association
Welcome Address	<b>Mr C K Ranganathan</b> President All India Management Association
Special Address	<b>Mr Junaid Kamal Ahmad</b> Country Director-India World Bank
Special Address	<b>Mr Hoe Yun Jeong</b> Deputy Country Director Asian Development Bank
Inaugural Address	<b>Shri Pankaj Choudhary</b> Minister of State for Finance Government of India
Release of Summit Souvenir	
Vote of Thanks	<b>Dr Raj Agrawal</b> Director All India Management Association
1100-1115 hrs	Networking Break
1115-1300 hrs	Plenary Session 1 Government Initiatives for modernizing procurement
Chairperson	<b>Mr Sanjay Aggarwal</b> Advisor, (PPD), Department of Expenditure Ministry of Finance, Government of India

Panelists	<b>Ms Caroline Nicholas</b> Head, Technical Assistance Section, International Trade Law Division (UNCITRAL Secretariat) United Nations Office of Legal Affairs
	<b>Mr K C Jha</b> Advisor, Business Function & Integration Government e-Marketplace, Ministry of Commerce & Industry Government of India
	<b>Mr Sandeep Verma</b> Chairman & Managing Director Rajasthan State Road Transport Corporation
 1300 – 1345 hrs	Lunch Break
	Plenary Session 2 Procurement as Enabler for Economic Development
Chairperson	<b>Mr Shanker Lal</b> Lead Procurement Specialist Governance Global Practice The World Bank
Panelists	<b>Mr Malcolm Harrison</b> Group Chief Executive Officer Charted Institute of Procurement & Supply
	<b>Mr Nicolas Penagos</b> Head of MAPS Secretariat at OECD
	<b>Mr Samuel Praveen Kumar</b> Joint Secretary- Department of Agricultural & Farmers Welfare, Ministry of Agriculture
 1530 – 1545 hrs	Break
	Plenary Session 3 How to make PPP more attractive for quick infrastructure development
Chairperson	<b>Mr Adrian Torres</b> Chief of Public-Private Partnership ADB
Panelists	<b>Mr Palash Srivastava</b> Deputy CEO, IIFCL Projects
	<b>Mr Pranavant</b> Partner, Deloitte India
End of Day 1	
Day 2 - Tuesday; 8 March 2022	
11:00 – 1130 hrs	AIMA – Welcome to day 2 with brief of Day 1
	<b>Mr Jurminla</b> Senior Procurement Specialist Asian Infrastructure Investment Bank



1135- 1320hrs	Plenary Session 4 Making supply chains more resilient to meet emergencies
Chairperson	<b>Mr Jeffery Taylor</b> Director, Procurement Division 1 Procurement, Portfolio and Financial Management Department Asian Development Bank
Panelists	<b>Mr Rajkiran Kanagal</b> Senior VP & Group Head - Emerging Businesses Head - SAARC & Chemical Vertical, TCI Group
	<b>Mr Charles Callanan</b> Director, Bangladesh Multi-Country Office (BDMCO) United Nations Office for Project Services
	<b>Mr M D Sudarshan</b> Director Cavinkare Limited
	<b>Ms Ann E. Ottosen</b> Senior Manager, Vaccine Centre UNICEF Supply Division
1320 – 1420 hrs	Lunch Break
1420 – 1605 hrs	Plenary Session 5 Minimizing delays and disputes in infrastructure contracts
Chairperson	<b>Dr Nelson Ogunshakin CEng</b> FICE, FREng, OBE Chief Executive FIDIC
Panelists	Mr Chuan Wee Meng CEO, Singapore International Mediation Centre
	<b>Mr Jeremy Glover</b> President of the Dispute Resolution Board Foundation Region 2 Board of Directors
	<b>Mr K Venkata Ramana</b> Vice President Contracts & Legal Tata Projects Limited
1605-1620 hrs	Networking Break
1620 – 1805 hrs	Plenary Session 6 Green Procurement – way forward
Chairperson	<b>Dr René Van Berkel</b> UNIDO Representative & Head, Regional Office in India
Panelists	<b>Ms Galluzzo Giuseppina</b> Green and Ethical Public Procurement Specialist presso CONSIP S.P.A., Italy
	<b>Ms Bernadine Fernz</b> Head of Infrastructure, Open Contracting Partnership
	<b>Dr Shailly Kedia</b> Senior Fellow & Associate Director (Sustainable Development and Outreach Division) The Energy and Resources Institute (TERI)

 1805 – 1815 hrs	Valedictory Session
Closing Remarks	<b>Ms Elmas Arisoy</b> Regional Procurement Manager (South Asia) The World Bank
Vote of Thanks	<b>Dr Gurbandini Kaur</b> Associate Professor Program Director- Procurement & Contract Management All India Management Association

### **INAUGURAL SESSION**



From Top (L-R): Mr Junaid Kamal Ahmad, Country Director-India, World Bank; Mr C K Ranganathan, President, AIMA and Chairman & Managing Director, CavinKare Pvt Ltd; Mr Hoe Yun Jeong, Deputy Country Director, Asian Development Bnak and Ms Rekha Sethi, Director General, AIMA

The 7th Global Procurement Summit commenced with the inaugural session attended by Ms. Rekha Sethi, Director General AIMA; Mr. C K Ranganathan, President, AIMA; Mr Junaid Kamal Ahmad, Country Director-India, World Bank; Mr Hoe Yun Jeong, Deputy Country Director-India, Asian Development Bank; and Shri Pankaj Choudhary, Minister for State for Finance, Gol. The session was started by Ms. Rekha Sethi with her introductory remarks which focused on the importance of procurement as a key activity performed by governments, and a brief description of the overall objective of the current summit. She also welcomed the other esteemed panelists.

The welcome address was given by Mr. C K Ranganathan, where he stressed on the importance of public procurement, the commonly practiced methods and the key challenges faced in public procurement. He

ended his brief speech by highlighting some of the innovative practices being followed in the space of public procurement like emergence of the e-procurement mode, digital means used in public procurement etc.

This was followed by the special address given by Mr. Junaid Kamal Ahmad. He talked about the use of technology by governments for public procurement during the pandemic. Mr. Ahmad also drew attention to the role of the States in managing procurement in an uncertain environment. He suggested that the State governments are now needed to carefully



Mr Pankaj Choudhary, Minister of State for Finance, Government

handle the procurement policy to attune them to manage the shocks brought about by the pandemic. He suggested that the greatest challenge which the States are having to grapple with is to manage procurement and supply chain management shocks in this uncertain environment, and yet adhere to the core principles and transparency and integrity. Mr Ahmad also called for raising the accountability levels of the government office bearers. Other suggestions provided by him included continuous capacity development of the officers involved in procurement, especially with respect to the innovations introduced. He concluded his speech by suggesting that better procurement planning needs to be undertaken keeping in view various scenarios that may emerge in the medium to long run.

Mr. Ahmad's talk was followed by the special address provided by Mr. Hoe Yun Jeong. Mr Jeong spoke on issues like vaccine procurement, mobilization of medical devices etc. He echoed similar sentiments to those of the other panelists and said that the biggest lesson learnt from the pandemic was that supply chain should be a key area of focus even post the pandemic. He also stressed on the need to step up capacity development efforts of government officials relating to procurement and management of supply chain which would help them tackle procurement related issues in a better way. There also is a need for collaborative efforts wherein all relevant stakeholders need to focus on procurement and supply chain leading to better crisis management in future times



### **Plenary Session 1**

### Government Initiatives for modernizing procurement



From (L-R): Mr K C Jha, Advisor, Business Function & Integration, Government e-Marketplace, Ministry of Commerce & Industry, Government of India; Mr Sanjay Aggarwal, Advisor, Procurement Policy Division, Department of Expenditure, Ministry of Finance, Government of India; Mr Sandeep Verma, Chairman & Managing Director, Rajasthan State Road Transport Corporation and Dr Raj Agrawal, Director, AIMA

The first plenary session of the summit on "Government Initiatives for Modernizing Procurement" was chaired by Mr. Sanjay Aggarwal, Advisor, Procurement Policy Division, Department of Expenditure, Ministry of Finance, Government of India.

The speakers for this session included Ms. Caroline Nicholas, Head, Technical Assistance Section, International Trade Law Division (UNCITRAL Secretariat), United Nations Office of Legal Affairs, Mr. K C Jha, Advisor, Business Function & Integration, Government e-Marketplace, Ministry of Commerce & Industry, Government of India, and Mr. Sandeep Verma, Chairman & Managing Director, Rajasthan State Road Transport Corporation.

### Government of India's Initiatives by Mr. Sanjay Agarwal

Mr. Sanjay Aggarwal initiated the proceedings of the session by discussing about the Global Tenders (GTE) and the amendments that are applicable on the Global tenders, that came into picture on 15th May 2020. Mr. Aggarwal dwelled on the instructions issued by the Government of India and explained the salient points that are applicable for the procurements. These instructions included points to be ensured while sending proposals for approval of GTE, such as procuring bodies to firstly float domestic tender to identify the domestic market

for items/services for which exemption is sought. He also mentioned about the requirement of procuring bodies to discuss with DPIIT and other relevant industrial for identification of the domestic market.

Mr. Aggarwal then elaborated on the Restrictions on procurement from countries sharing land borders and the registration process for this segment. He focused on the crucial instructions on Procurement and Project Management that were stated in the circular dated 29th October 2021. He mentioned about the criteria for substitution of Key Staff in Consultancy contract, Fixed Budget Selection, QCBS for Works and NCS and the criteria for Evaluation of QCBS bids. The procedure for Debarment was also described in his discourse.

#### Role of Model Law and Other Initiatives of UNCITRAL by Ms. Caroline Nicholas

The next speaker for this session, Ms. Caroline Nicholas made a detailed presentation on "Role of Model Law and Other Initiatives of UNCITRAL". She discussed about the UNCITRAL's role for improving and modernizing Public Procurement. She explained about the Model Law of UNCITRAL, the procedure, its requirements and importance. She also focused on the importance of Sustainability and how it played as a key focus area for UNCITRAL.



*Ms* Caroline Nicholas, Head, Technical Assistance Section, International Trade Law Division (UNCITRAL Secretariat), United Nations Office of Legal Affairs

Further, Ms. Nicholas talked on sustainable

and innovative procurement in the model law which is based on transparency. She discussed about how the model law has flexible approach in procedures and implementation which included design approaches, contractual terms and also the practical experience that included procurement objectives, governance challenges and the increasing complexity.



### Role of Government e-Marketplace by Mr. K C Jha

Following this presentation, Mr. K C Jha shared a detailed presentation on GeM, which is a one stop procurement portal for all government buyers launched on 9th August 2016. He mentioned the three crucial pillars on which GeM works which are Efficiency, Transparency, and Inclusiveness. He provided the key statistics of GeM Transactions which have been showcased in Figure 1..

Figure 1:Key statics for GEM



He also elaborated on Advantages for Buyer that included Ease-of-Use, Up-to-Date user-friendly dashboard for buying, monitoring supplies and payments, Price Trends etc. The advantages for seller included Direct Access to all Government departments, Seller Friendly dashboard, Strong Vendor Rating system, Dynamic Pricing etc. He mentioned about the New Comprehensive Features that are being added on GeM 4.0; that included NLP based Search Engine, Ease of Payment and Timely Payments, Customized Dashboard, Seller Incentivization which will further help to build a stronger and comprehensive system. He also mentioned about Caution Money which is taken from Seller to sensitize him and to avoid showcasing useless items on the portal.

## Traditional and Non-Traditional Approaches to Modernization of Public Procurement by Mr. Sandeep Verma

Building on the momentum, the next speaker Mr. Sandeep Verma talked about the "Traditional and Non-Traditional Approaches to Modernization of Public Procurement: the Rules and Practices in Rajasthan". He focused on the Elements of a Modern Public Procurement System which includes, Procurement Planning, Pre-Award Stage (Tendering Process Phase) and Post-Award Stage (Contract Administration/ Project Management Phase).

As per him, the parameters of Tendering Process Phase include:

- a) Clarity and Consistency of Pre-Qualification Criteria
- b) Meaningful Pre-Bid Meetings
- c) Debarred Entities' Lists
- d) Robust Technical Evaluation
- e) Optimal Information Seeking
- f) Clarifications and Modifications of Bids
- g) L1 Determination and Price Matching
- h) Handling of Bid Withdrawals
- i) Appeals and Cancellations

The parameters of Project Management Phase include:

- a) Handling of Hindrances
- b) Resolution of Clarifications and Disputes: Concurrent and Closures
- c) Artificially Low Bids/ Unbalanced Bids
- d) Inspections and Timeliness of Payments
- e) Sub-Contracting
- f) Contract Termination
- g) Force Majeure and Change of Law
- h) Re-Award of Terminated Contracts

Finally, some queries raised by attendees were answered by the chair, Mr. Sanjay Aggarwal, along with other panelists

### **Plenary Session 2**

### Procurement as Enabler for Economic Development



From Top (L-R): Mr Shanker Lal, Lead Procurement Specialist, Governance Global Practice, The World Bank; Mr Malcolm Harrison, Group Chief Executive Officer, Charted Institute of Procurement & Supply; Mr Samuel Praveen Kumar, Joint Secretary, Department of Agricultural & Farmers Welfare, Ministry of Agriculture and Mr Karma Wangdi, Chief of Public Procurement, The Royal Government of Bhutan

The second plenary session of the summit on "Procurement as Enabler for Economic Development" was chaired by Mr. Shanker Lal, Lead Procurement Specialist, Governance Global Practice, The World Bank. The esteemed panel for discussion included Mr. Malcolm Harrison, Group Chief Executive Officer, Charted Institute of Procurement & Supply; Mr. Karma Wangdi, Chief of Public Procurement, The Royal Government of Bhutan; Mr. Nicolas Penagos, Head of MAPS Secretariat at OECD and Mr. Samuel Praveen Kumar, Joint Secretary-Department of Agricultural & Farmers Welfare, Ministry of Agriculture, GOI.

Initiating the proceedings for the session, Mr. Shanker Lal talked about how public procurement help in delivering of goods and services for the government in these reconstructing times of covid 19 pandemic and how it can leverage broader improvements in accountability, transparency, resilience, inclusion, and sustainability which are the hallmark for any government and will help in bringing prosperity for any country. He also mentioned how the roles of procurement have taken urgency in recent years and the objectives that lie behind it.

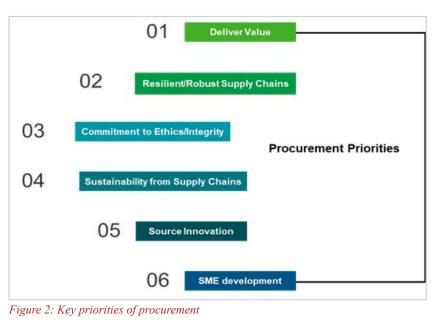
Later during his address, Mr. Shanker Lal highlighted how currently many governments are raising their procurement decisions for maximizing value for money. He talked about how the session will outline the key challenges and opportunities in moving towards procurement system around the world to strengthen development effectiveness through better understanding and implementation of procurement reforms and professionalization.

How an effective procurement organization and highly skilled procurement professionals can make economies stronger by Mr. Malcolm Harrison



The next speaker for this session, Mr. Malcolm Harrison shared his thoughts on "How an effective procurement organization and highly skilled procurement professionals can make economies stronger". He mentioned the Procurement's Priorities which are mentioned in Figure 2.

He also highlighted the services fit for the future and the skills that are in demand. He provided the idea on how procurement can help in building a brighter future by owning the sustainability agenda, collaboration and by creating an equal and inclusive profession for all to flourish. He summarized his session by discussing the future of supply chain after the pandemic and opportunities ahead it, and the major priorities areas of focus for the profession - Resilience, Sustainability and Transparency.

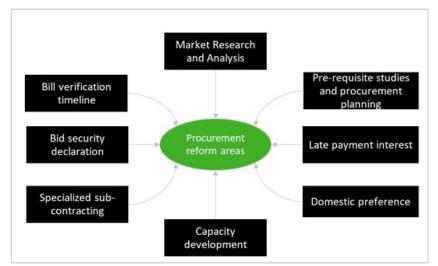


#### Procurement Reform in Bhutan by Mr. Karma Wangdi

The next speaker for the session, Mr. Karma Wangdi, made a detailed presentation about the "Procurement Reform in Bhutan" and outlined the objectives, journey, and areas of Reform. He mentioned that the objectives were to increase Transparency, Foster Competition, Facilitate Ease of Procurement Administration and Ensure Value for Money. He highlighted the complete journey starting from 2009 till the year 2020.

He very beautifully explained the Areas of Reform (shown in Figure 3) and highlighted key instances for those.

Later, he mentioned about the Proposed Reforms for the year 2022, that included elnvoice, CMS for Goods and Services, MAPS assessment by World Bank, Single Source of Legal Documents Verification to name a few.



The Methodology for Assessing Procurement Systems by Mr. Nicholas Penagos

Figure 3: Areas of procurement reforms in Bhutan

Following Mr. Nicolas Penagos, presented his detailed presentation on 'The Methodology for Assessing Procurement Systems'. He explained how procurement is a key lever for development and its world-wide

accountability of the total GDP. He also mentioned the scope of MAPS on Universal level, as a Reform Tool and as a Recognized Assessment.

He explained about the elements of the methodology are:

- a) Legal, Regulatory and Policy Framework
- b) Institutional Framework and Management Capacity
- c) Procurement Operations and Market Practices
- d) Accountability, Integrity and Transparency

He later highlighted the MAPS secretariat and what it supports to. He also mentioned that what needs to be done with a MAPS report and then shared insights from the assessments that have



*Mr Nicolas Penagos, Head of MAPS Secretariat at OECD* 

been completed and provided few examples about the reform strategy from Lebanon and Moldova.

### Public Procurement as enabler for economic development covering Food and Agriculture Sector by Mr. Samuel Praveen Kumar

Building on the momentum, Mr. Samuel Praveen Kumar talked about the initiatives of Public Procurement as enabler for economic development covering Food and Agriculture Sector. He mentioned what public procurement is and how an efficient and effective public procurement is the backbone of a well-functioning government and key for economy.

He mainly discussed about the Procurement of Food grains by Government agencies at assured prices and also how the Agriculture and Food Sector is one of the few bright spots in a troubled global economy due to strong growth drivers like population and urbanization. He further explained the objective of food grains procurement by Government agencies that is to ensure that farmers get remunerative prices for their produce, and later mentioned about the Centralized Procurement System and Decentralized Procurement System.

PM-AASHA Scheme that ensures Remunerative Prices to Farmers was also highlighted by him that has three main features:

- a) Price Support Scheme
- b) Price Deficiency Payment Scheme
- c) Pilot of Private Procurement & Stockist Scheme

He mentioned about the Electronic National Agriculture Market e-NAM, i.e., the e-Trading platform to help the farmers get the right price. This market has 1000 regulated markets to fetch best practices for farmers in 18 States and 3 UTs, and more than 1.72 crore farmers and 2.13 lac sellers are registered in this platform. He also highlighted about the food grain supply chain the end-to-end process and the inefficiency in the chain that causes a weak food grain chain system such as inadequate infrastructure, excessive complexity, low usage of information technology etc.

At the end, Mr. Shanker Lal, Lead Procurement Specialist, Governance Global Practice, The World Bank along with the other panelists answered some of the questions raised by the audience and concluded the session by offering his vote of thanks.



### **Plenary Session 3**

### How to make PPP more attractive for quick infrastructure development



From Top (L-R): Mr Adrian Torres, Chief of Public-Private Partnership, ADB; Mr Pranavant, Partner, Deloitte India and Mr Palash Srivastava, Deputy CEO, IIFCL Projects

The first day of the GPS 2022 concluded with the third plenary session on "How to make PPP more attractive for quick infrastructure development" chaired by Mr. Adrian Torres, Chief of Public-Private Partnership, ADB. The speakers for this session included Mr. Palash Srivastava, Deputy CEO, IIFCL Projects, and Mr. Pranavant, Partner, Deloitte India.

#### Infrastructure Development in Asia – Challenges and Opportunities by Mr. Adrian Torres

Beginning with the proceedings of the session, Mr. Adrian Torres shared his insights on the Infrastructure Development in Asia – Challenges and Opportunities. He stated the upstream, downstream, and midstream challenges. He further highlighted the underlying need to "build back" from covid-19 because of the below mentioned reasons:

- a) Infrastructure has a multiplier effect in creating jobs, social impact, taxes etc.
- b) Infrastructure needs to be green, climate resilient
- c) Deferred infrastructure projects need to be kick-started again

He provided his views on the steps that government can perform in this regard, which include Prioritize projects that can deliver jobs and sustainable growth in the short and medium-term; Prepare projects with balanced risk allocation, so that private sector efficiency can be utilized for infrastructure delivery and Private Capital that needs to be unlocked. He further explained about how PPPs can help and pointed out three

major parameters that include: Mobilizing Investment, On time and on budget delivery; and Operational Efficiency. He also mentioned about ADB's support for Sustainable Infrastructure Development, on how they are Trusted Partner to Governments and their key objectives such as:

- a) Holistic Engagement
- b) Strategic Approach
- c) Understanding critical areas of improvement
- d) Policy, Legal, and Institutional framework support
- e) Engagement with governments from an Early Stage

#### Making PPPs attractive to Investors by Mr. Palash Srivastava

The first speaker for the session, Mr. Palash Srivastava talked about "Making PPPs attractive to Investors". During his presentation, he covered various topics including Funding a PPP Project which includes various sources of finances that are shown in Figure 4:

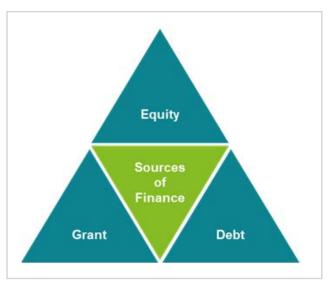


Figure 4: Sources of finance

He mentioned that there are various sources of finance that includes Equity, Debt and Grant; where the Debt is further classified as Debt Senior Secured and Debt Subordinated and Equity is further classified as Equity Capital. He also stressed on the issues that are raised as per the Lender's Perspective which includes issues because of Land Acquisition, Environmental Clearance, Stressed Situation in the Existing Exposures, Delay in Receipt of Other Clearances affecting the Project Implementation, Mining Approvals, Forest Clearance and Railway Approvals for road projects.

#### International Perspective on by Mr. Pranavant

Following Mr. Palash Srivastava, Mr. Pranavant talked about the International Perspective on PPPs.

He mentioned PPPs across the Infrastructure Sector which are spread across Transport, Agriculture, Urban, Energy, and Health. He explained how PPP is re-gaining momentum due to higher budgetary constraints across geographies and impetus on building resilient infra for higher economic growth as well as stimulus response to the Covid-19 pandemic. He also showcased the stages of an assessment of PPP projects across countries, some of which are mentioned below:

- a) Project Preparation & Contract Management having the most scope in improvement across geographies
- b) Adoption of stand-alone PPP laws
- c) Establishment of dedicated PPP units
- d) Pre-market engagement
- e) Fiscal approvals, implications, and monitoring of PPPs still an uncommon practice
- f) Limited adoption of specific project appraisal methodologies



During his presentation, Mr. Pranavant emphasized on the Key Areas and Critical Success Factors for those key areas, the Key Areas that he highlighted are mentioned below:

- a) Project Preparation
- b) Procurement
- c) Development and Operations

He further summarized the Journey of successful PPPs which states that it should include

- a) Clarity
- b) Political Stability and will
- c) PPP Law, Authority, defined procedures, and timelines
- d) Uniqueness and key risks need to be addressed upfront at planning stage
- e) Technical Capacity
- f) Transparent Procurement
- g) Risk Allocation Clarity and Bankable Project Structures
- h) Investor Interest and Finance Availability

Concluding the final session of the day, Mr. Adrian Torres, Chief of Public-Private Partnership, ADB along with the other panelists responded to some select queries raised by the audience and the chair delivered a vote of thanks.

### Day 2 Brief

The second day at the GPS 2022 started with special Session by Mr. Jurminla, Senior Procurement Specialist, Asian Infrastructure Investment Bank. He focused on the types of loans like sovereign loans, non-sovereign loans, equity investments and guarantees and further explained the approaches of investment offering under each of these loans. He mentioned that they leverage with other donors (MDB) like WB, ADB through parallel co-financing or joint co-financing. He highlighted how AIB is funding two projects in Chennai Metro.



Mr Junaid Kamal Ahmad, Country Director-India, World Bank addressing

Mr. Jurminla focused on the procurement policy (i.e., Procurement Policy-2016) used by the AIIB - which is primarily driven by the Article 13.8 of Articles of Agreement and Article 13.9 in some cases. The procurement is conducted based on core procurement principles and procurement standards. There are seven core procurement principles and eight standards which the AIIB adheres to while undertaking procurement. The speaker ended the speech by listing

down the standard best practices for preparing tender documents like clarity of scope, evaluation criteria, holding of pre bid meetings, seeking clarifications if in doubt etc.



### **Plenary Session 4**

### Making supply chains more resilient to meet emergencies



From Top (L-R): Mr Jeffery Taylor, Director, Procurement Division 1, Procurement, Portfolio and Financial Management Department, Asian Development Bank; Mr Rajkiran Kanagala, Senior VP & Group Head - Emerging Businesses, Head SAARC & Chemical Vertical, TCI Group; Ms Ann E. Ottosen, Senior Manager, Vaccine Centre, UNICEF Supply Division; Mr Charles Callanan, Director, Bangladesh Multi-Country Office (BDMCO), United Nations Office for Project Services and Mr M D Sudarshan, Director, Cavinkare Limited

The fourth plenary session of GPS 2022 was on "Making Supply Chains More Resilient to meet emergencies" was chaired by Mr. Jeffery Taylor, Director, Procurement Division 1, Procurement, Portfolio and Financial Management Department, Asian Development Bank. The panel of experts for this session included Mr. Rajkiran Kanagala, Senior VP & Group Head - Emerging Businesses, Head SAARC & Chemical Vertical, TCI Group; Mr. Charles Callanan, Director, Bangladesh Multi-Country Office (BDMCO), United Nations Office for Project Services; Mr. M D Sudarshan, Director, Cavinkare Limited; and Ms. Ann E. Ottosen, Senior Manager, Vaccine Centre, UNICEF Supply Division.

The session was started by Mr. Jeffery Taylor who focused on the approach used by ADB to assist countries in managing their supply chain of covid essentials. He highlighted how ADB designed financial packages for countries to manage supply chain and how direct support for purchase of Covid-19 items like vaccine, health care equipment was provided by ADB. He also mentioned that ADB usually indulge in health care but given the scenario of Covid-19 it took up a hands-on role in managing the crisis.

He further mentioned the innovative methods that were incorporated to manage supply chain such as using Cloud Technology for managing stocks. He also mentioned that ADB also undertook modifying of contracts keeping in view the Covid-19 specific provisions. He focused on the need to ensure diversity in supply chain rather than rely on few sources. He also stressed the importance of quality and timeliness while managing supply chain. Further, transparency is also an important aspect as public money is being dealt with. He further stated that ADB has also tied up with UN agencies in a significant way to manage supply chain during Covid-19.

#### Making Supply Chains more resilient to meet emergencies by Mr. Rajkiran Kanagala

The first panelist for the session Mr. Rajkiran Kanagala focused on how logistic industry showed resilience in supply chain management during Covid-19. He mentioned logistics during Pre-Covid period and "Logistics-Redefined" in the New Normal situation. He explained about their critical mission i.e., Vaccine Logistics and Oxygen Logistics, and about their management to ensure uninterrupted supply of oxygen and vaccines.

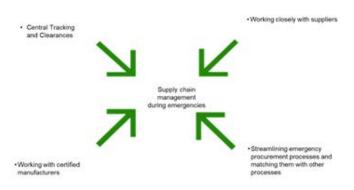
He explained the end-to-end process of oxygen supply by various companies and that TCI not only helped India, but also assisted Bangladesh and Sri Lanka in oxygen supply. On discussing vaccines, he highlighted one of the key challenges was to ensure the integrity of temperature till it reaches the beneficiary. Additionally, the industry also grappled with huge demand of vaccines. He further mentioned how they worked full time even during the complete lock down situation.

He highlighted the Redefined Logistics in the 'New Normal' that is mix of Physical and Digital and is referred as Phygital. He focused on the major changes post the pandemic such as e-Commerce growth, use of innovations (like RFIDs in managing supplies, emergence of start-ups). He concluded the speech by suggesting that the need to change the overall culture is important to ensure resilient supplies.

#### Sustaining the Supply Chain in emergencies by Mr. Charles Callanan

The next speaker for the session, Mr. Charles Callanan focused on "Sustaining the Supply Chain in emergencies". He highlighted the breaks in the system capturing issues like stockouts in hospitals, new equipment which needed staff to be trained, huge demand for oxygen concentrators, transport issues etc. He focused on the "bull whip" effect where people order much more than they need and when they don't get it, they keep ordering even more. Mr. Charles then outlined how they tackled the above listed challenges. Some of the listed factors are shown in Figure 5.

He concluded by identifying key success factors like aligning emergency processes, aligning first and last



#### Figure 5: Success factors in managing supply chain during emergencies

- c) Organizing Local Foreign Containers and Vessels
- d) Locate, gather, and engage Workforce
- e) Manufacturing Goods and Shift
- f) Complying with Gol-State-Local Covid Protocols
- g) Engaging Sales Team to reach and Service Stores
- h) Collection of Market Dues

mile etc.

### Challenges and Opportunities for FMCG Companies by Mr. M D Sudarshan

The next speaker, Mr. M D Sudarshan, reflected on the supply management related challenges and opportunities for FMCG companies faced during Covid-19. He referred to challenges like:

- a) Ability to Predict Demand
- b) Task of identifying the Vendors



- i) Managing employee health, morale and loyalty
- j) Manage volumes, value, and profiles

On the opportunity point of view, he mentioned certain examples which included Dairy Business, in which the milk is purchased despite low demand and is further converted into milk products like milk powder etc. In case of Food Business, he stated that the demand for small packs dissipated and demand for family packs rose. In case of Beverage Business, they focused more on the health drinks as the demand for cold beverages reduced. Further, in Cosmetics and Hygiene Business as demand for cosmetics went down, they focused more on the hygiene products such as shampoos, sanitizers, and hand-wash. He also stated that to ensure Employee Engagement, steps were taken by many companies like free vaccinations, free insurance, work from home facilities etc.

#### Procurement of Vacancies and Other Health Commodities by Ms. Ann E. Ottosen

The last speaker for the session, Ms Ann E. Ottosen, highlighted some key initiatives on how UNICEF is trying to support children worldwide by engaging in massive procurement. She provided statistics for the year 2020, where vaccines/biologicals happened to be the highest procured value item for UNICEF. She also mentioned that apart from vaccines UNICEF has also procured over 1.4 billion syringes, over 16 million safety boxes, over 40,974 oxygen concentrators, 52,000 vaccine refrigerators, 580 cold rooms, over 18 million tablets of dexamethasone etc.

She further highlighted few hurdles encountered for the above procurement that included challenge in accessing diverse vaccine portfolio, delays in clinical development of vaccines, delays in approvals, raw material shortage throughout the year, shutdowns in transportation leading to high freight rates, human resource crunch etc. She talked about the key enablers which included providing financial support to last stage clinical trial and scaling up production bringing about flexibility in regulatory pathways. She concluded her presentation by focusing on improving supply chain for the any next pandemic.

Following the final presentation, the panelist responded to a few queries raised by the audience and the session concluded with a final vote of thanks from the chairperson Mr. Jeffery Taylor.

### **Plenary Session 5**

### Minimizing delays and disputes in infrastructure contracts



From Top (L-R) Dr Nelson Ogunshakin CEng, FICE, FREng, OBE, Chief Executive, FIDIC; Mr Jeremy Glover, President of the Dispute Resolution Board Foundation Region 2 Board of Directors; Mr K Venkata Ramana, Vice President Contracts & Legal Tata Projects Limited; Mr Chuan Wee Meng, CEO, Singapore International Mediation Centre and Mr Vijay Nadkar, DRBF Country Representative for India

The fifth plenary session of GPS 2022 was on "Minimizing delays and disputes in infrastructure contracts" was chaired by Dr. Nelson Ogunshakin CEng, FICE, FREng, OBE, Chief Executive, FIDIC. The panel of experts for this session included Mr. Chuan Wee Meng, CEO, Singapore International Mediation Centre; Mr. Jeremy Glover, President of the Dispute Resolution Board Foundation Region 2 Board of Directors; and Mr. K Venkata

Ramana, Vice President Contracts & Legal, Tata Projects Limited.

The session was started by Dr. Nelson Ogunshakin by providing a brief account on why it was needed to focus on the "green" aspect relating to industrialization (and other related activities) and highlighted its importance from a viewpoint of adherence to SDG targets. He thereafter provided a brief overview of activities undertaken by the FIDIC like designing contracts, providing



Figure 6: Key aspects of FIDIC contacts



training etc. Dr. Nelson then explained how FIDIC fits into the overall landscape of public procurement and observed that FIDIC provides assistance to national and sub national governments on procurement related issues mainly centered around designing of contracts. He observed that FIDIC has designed a number of designs for various forms of contracts which governments across the world can use. These include works contacts, new professional service contracts, construction contracts etc. Some of the key features of the FIDIC contracts have been shown in Figure 6. He also suggested that FIDIC contracts are important for industry as it ensures that contracts are well anchored to the local laws and that they are fair. One of the key focus of Dr. Nelson Ogunshakin was on the Dispute Avoidance/Adjustment Board. He elaborated on what were the expectations from parties in terms of dispute avoidance and resolution, the specific provisions for dispute avoidance in DAAB, decisions by the DAAB and the expectations from the DAAB.

#### Importance of Meditation for Dispute Avoidance and Resolution by Mr. Chuan Wee Meng

The first panelist for the session Mr. Chuan Wee Meng started his session by giving a brief overview of Singapore International Meditation Centre (SIMC), which was launched in November 2014 by Singapore's Chief Justice, Mr. Sundaresh Menon and Minister for Law, Mr. K Shanmugam. He also talked about the objective of SIMC. He then mentioned about Singapore Infrastructure Dispute – Management Protocol (SIDP) that how it helps parties to proactively manage differences to prevent them





from escalating disputes. Further he talked about the three significant features of SIDP that are,

- a) Proactive dispute prevention approach
- b) Wider range of dispute resolution methods: meditation, opinion, and determination
- c) Full professional and administrative support

He then explained the SIDP process that is showcased in Figure 7:

He then gave findings about two important case studies that are Construction Dispute in Southeast Asia with French Architect and Energy Dispute between Europe and Asian Parties.

#### The Value of Using Dispute Boards by Mr. Jeremy Glover

The second panelist of the session Mr. Jeremy Glover made his presentation on "The value of using Dispute Boards". He explained the meaning of a Dispute Board, which is set up to help the parties avoid or overcome any disagreements or disputes that arise during the implementation of the contract. He then provided the list of types of Dispute Boards that are:

a) Dispute Review Board

- b) Dispute Avoidance Board
- c) Combined Dispute Board

He then mentioned about the benefits of site visits that may help in encouraged communication, agreement on issues before the DB, making parties concentrate and focus on and discuss progress, quality, cash flow and focus on discussion of matters of concern.

He also highlighted Notable Projects with DBs few of them are mentioned below:

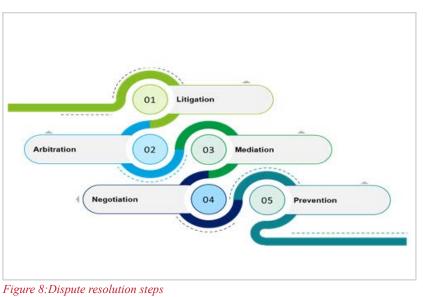
- a) Channel Tunnel
- b) Panama Canal
- c) Sydney Light Rail
- d) Bosporus Crossing Istanbul etc.

#### Minimizing delays and Disputes in Infrastructure Projects by Mr. K Venkata Ramana

The last speaker for the session, Mr. K Venkata Ramana started his session by giving introduction about

the Infrastructure Projects and mentioned about the Infrastructure Delays and Disputes that included Complexity of Projects, Changes in Political, Economic and Regulatory Environment, Cash Flow Constraints, Execution Delays, Different Site Conditions to name a few.

He further explained the Delay Mitigation Strategies, that included the causes of delay, and a mitigation plan for reducing delays. Further he mentioned the Dispute Resolution Steps that are mentioned in Figure 8.



Following the final presentation, the panelist responded to a few queries raised by the audience and the session concluded with a final vote of thanks from chair.



### **Plenary Session 6**

Green Procurement – Way Forward



From Top (L-R): Dr René Van Berkel, UNIDO Representative & Head, Regional Office in India; Dr Shailly Kedia, Senior Fellow & Associate Director, (Sustainable Development and Outreach Division), The Energy and Resources Institute (TERI); Ms Bernadine Fernz, Head of Infrastructure, Open Contracting Partnership and Ms Galluzzo Giuseppina, Green and Ethical Public Procurement Specialist presso CONSIP S.P.A., Italy

The sixth and the final plenary session of GPS 2022, on "Green Procurement – Way Forward" was chaired by Dr René Van Berkel, UNIDO Representative & Head, Regional Office in India. The panel of experts for this session included Ms. Galluzzo Giuseppina, Green and Ethical Public Procurement Specialist presso CONSIP S.P.A., Italy; Ms. Bernadine Fernz, Head of Infrastructure, Open Contracting Partnership; and Dr Shailly Kedia, Senior Fellow & Associate Director, (Sustainable Development and Outreach Division), The Energy and Resources Institute (TERI).

#### Role of UNIDO for Sustainable Development by Dr René Van Berkel

Dr René Van Berkel commenced the proceedings for the session by sharing an overview of UNIDO which is a specialized UN agency supporting developing country member states to industrialize. He stated the features of Inclusive and Sustainable Industrial Development that includes Advancing Economic Competitiveness, Creating Shared Prosperity and Safeguarding the Environment. He further stated about the Sustainable Public Procurement that pertains to a process where the public authorities endeavor to purchase goods, services and works with a reduced negative environmental and social impact.

He also mentioned the benefits of Sustainable Public Procurement that includes contribution to the delivery of the SDGs, contribution to the national sustainable development objectives, improved environmental performance, contribution to circular economy, financial benefits, market for more sustainable products and services, fostering innovation, contribution to social equity, promotion to gender equity and political benefits.

### Italian Legislation and activities of Consip for public procurement contracts and GPP by Ms. Galluzzo Giuseppina

Ms. Galluzzo Giuseppina presented on "Italian Legislation and activities of Consip for public procurement contracts and GPP". She explained how the European Union have been promoting GPP and encouraged the implementation of policies and actions towards environmental and ethical sustainability. She also mentioned Italian Minimum Environmental Criteria's Definition and Adoption.

She also spoke about some of the reduction of environment impact criteria. These included energies saving of CO2 emissions etc. An example of minimum environment criteria was also shown by discussing the case of purchasing recycled copy and graphic paper. Further, she gave a description of framework contracts like types, phases, advantages, along with an elaboration on the GPP methodology used for designing framework contracts.

#### Buying Green with Open Contracting by Ms. Bernadine Fernz

Ms. Bernadine Fernz showcased the presentation on "Buying Green with Open Contracting". She talked about Open contracting as a global norm and described the mission i.e., transforming public contracting so that it is open-by-design, fair and efficient. She also mentioned on how People, Planet and Prosperity are interlinked to sustainability.

She showcased certain examples on how open data can throw light on sustainable procurement. She highlighted the map of Taiwan that displayed flood risks and flood infrastructure procurement. She showed the map of Malaysia which presented the recommended locations for schools based on the capacity gap and capacity population ratio. She also presented the map of Assam for overlaying Infant Mortality Rates with Maternal and Child Health procurement.

#### Sustainable Public Procurement: Policy Landscape and Opportunities for India by Dr Shailly Kedia

Dr Shailly Kedia, talked about "Sustainable Public Procurement: Policy Landscape and Opportunities for

India". She explained that public procurement is a tool, and public sector meets its need for goods and services while contributing to the three pillars of sustainable development. She mentioned the statistics that about 25% GDP is spent by India on public procurement and it is seen as a mean to boost markets for micros, small and medium enterprise.

She further explained the dimensions of Sustainable Public Procurement in India, that are showcased in Figure 9.

She also mentioned the Information Instruments for Procurers stating

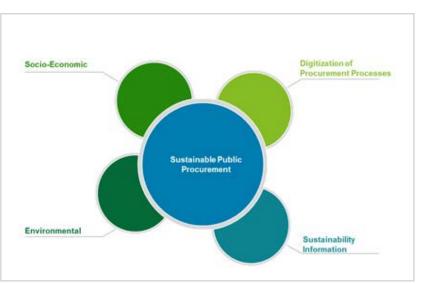


Figure 9: Dimensions of sustainable public procurement



about the ZED certification parameters for environmental management in terms of process and product design. She provided statistics on the Products and Services procured by categories through GeM during 2017-2020.

After the final presentation, the panelist responded to a few questions raised by the audience. The session concluded with a final vote of thanks from the chairperson Dr René Van Berkel, UNIDO Representative & Head, Regional Office in India.

### **Valedictory Session**



Ms. Elmas Arisoy, Regional Procurement Manager (South Asia), The World Bank

The Valedictory session was started by the address of Ms. Elmas Arisoy, Regional Procurement Manager (South Asia), The World Bank. She congratulated all the participants and thanked them for their valuable insights. She said that the discussions were very interesting and would indeed help the practitioners of procurement and supply change management, especially in these times of uncertainty. Further, she also suggested that the wealth of knowledge

which the participants and the audience have gained would help them in their day-to-day activities relating to procurement and supply chain management. She ended her brief address note by thanking everyone and also by wishing for a full-fledged physical conference.

The closing remarks were provided by Dr Gurbandini Kaur, Associate Professor, Director-Procurement Program & All Contract Management, India Management Association. She also thanked all the participants and the audience for joining the two-day summit Dr. Kaur also thanked all the partners for providing support to GPS 2022 and the entire team of AIMA for their efforts in organizing the summit.



Dr Gurbandini Kaur, Associate Professor, Program Director- Procurement & Contract Management, All India Management Association

### Key takeaways

The Global Procurement Summit (2022) held during 7th and 8th March 2022 provided a platform where experts/specialists/practitioners in public procurement and supply chain management got an opportunity to share their experiences, challenges in procurement and supply chain management. The following were the key points across various themes-

### **Modernization of Public Procurement**

- Public Procurement operates in an environment, which is constantly changing. Hence the public procurement rules and systems cannot be static.
- Similarly, "one size fits all" approach is not advisable. Each country has different priorities and accordingly may choose slightly different rules and systems for public procurement
- Use of tools like MAPS provide valuable insights into the areas of improvement for a public procurement authority or a government.
- > The pandemic has greatly accelerated use of technologies in procurement, and this is now irreversible
- > A good public procurement system undoubtedly contributes greatly to the image of government, quality of services provided to citizens and ultimately to national development.

#### PPPs

- PPP has become unavoidable for the governments aiming for massive infrastructure development. However, following suggestions may help in harnessing true potential of PPP:
- > There is a need for proper market sounding, especially regarding technological alternatives and innovation
- Adoption of more innovative procurement methods like competitive dialogues, multi stage tendering, best and final offer (BAFO)
- > Proper disclosure of information during entire PPP project life cycle
- > Reasonable standstill period with robust complaint redressal mechanism
- Fiscal commitment for direct as well as contingent liability for PPP projects and robust gatekeeping role for Ministry of Finance
- > Need for re-negotiation framework including sector regulator at national level
- Well defined PPP laws with well defined and clear procedures
- > Identification of key risks at the project planning stage
- > Adequate technical capacity among officers handing PPP projects and their procurements
- Clarity in risk allocation
- Ensuring transparency in procurement

#### Sustainable and Resilient Supply Chains

- Better preparedness to management crisis
- Proper assessment of procurement needs
- Use of "phygital" logistics management techniques

- Aligning procurement with emergency
- Prior vetting of suppliers
- Improvements in agreements design
- Undertaking some degree of stock piling
- On-shore support
- Central tracking and clearances
- Working closely with suppliers
- Streamlining emergency procurement processes and matching them with other processes
- Availability of adequate infrastructure
- Reduction in excessive complexity
- Usage of modern procurement system
- Increased usage of technology in supply chain network

#### Sustainable Procurement

- Post COP-26, role of sustainable procurement has become more critical for reducing carbon footprints
- There is an urgent need to bring sustainability elements in procurement rules and regulations and provide necessary capacity building for all the stakeholders
- There is also a need to break the myth that sustainable procurement is costlier in comparison to traditional procurement. This can be established by using approaches like life cycle costing and data analytics.
- Contractual Dispute Avoidance and Resolution
- Mechanisms like mediation and dispute boards are win-win for both the parties not only for quickly resolving the disputes but also avoid them altogether
- > A well-drafted contract solves most of the downstream problems in contract implementation
- Internal systems, procedures and policies of Contractors are equally important for avoiding and resolving disputes



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