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DHAKA, June 10, 2013 - The government of Bangladesh today signed a financing agreement worth \$ 34.5 million for additional financing of the on-going Second Public Procurement Reform Project (PPRP II) with the International Development Association (IDA), the World Bank's concessionary arm. The additional financing will help to scale up electronic procurement (e-GP) and on-line procurement performance monitoring in key public agencies. Bangladesh has been steadily improving its procurement environment since 2002, with the support of two consecutive World Bank financed projects. PPRP II has piloted electronic procurement in the four government agencies that account for more than half of the total government procurement. These are: Roads and Highways Department, Local Government Engineering Department, Rural Electrification Board and Bangladesh Water Development Board. Since PPRP II piloted electronic procurement and online procurement performance monitoring systems, 65% small value contracts at decentralized levels were awarded within initial bid validity period in 2012, up from only 10% in 2007. 100% of bids invitations are now published in newspaper, up from 70% in 2005. "The government of Bangladesh has made progress in improving its procurement in recent years, and the World Bank continues actively to support the government in this effort, said Mr. Johannes Zutt, World Bank country director for Bangladesh and Nepal. "Electronic procurement makes public contracting more transparent, more secure and more competitive, helping to reduce inappropriate bidding practices and to ensure the efficient use of taxpayer resources to achieve the development aspirations of the Bangladeshi people." The additional financing will deepen electronic procurement at these four agencies and also scale up capacity development in 20 more agencies, covering health, education, power and public works. Further, expansion of procurement performance monitoring system (PROMIS) will enable improved efficiency of government bidding. Within the next three years, it is expected that the four key agencies will have 100% implementation of on-line procurement performance monitoring system. With this additional financing, the World Bank is providing a total support of \$ 58.6 million for the Public Procurement Reform Project II. "The additional financing is a reflection of governments vision of digital Bangladesh, said Mr. Md. Abul Kalam Azad, secretary, Economic Relations Division, government of Bangladesh. "The government recognizes that enhancing accountability and governance is a prerequisite to faster poverty reduction and economic development. Full-scale adoption of e-procurement would speed up the implementation of annual development plan (ADP)." Md. Abul Kalam Azad, secretary, Economic Relations Division and Mr. Johannes Zutt, country director, World Bank, signed on behalf of the government of Bangladesh and the World Bank respectively at the Economic Relations Division premises. The credit from the International Development Association (IDA), the World Bank's concessional lending arm, has 40 years to maturity, including a 10-year grace period; and carries a service charge of 0.75 %.

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