

WORLD BANK REPORT HIGHLIGHTS PANDEMIC PURCHASE CHALLENGE

Relevant for: International Relations | Topic: World Bank and India

The COVID-19 pandemic devastation seemed to have not deterred fraudulent business practices, with a company from Singapore trying to dispatch millions of substandard Chinese KN95 masks to India in 2021 by forging a third-party inspection certificate.

This was discovered by the dispatch inspection team of Hindustan Life Care Ltd. (HLL), and the bank guarantee of the supplier worth \$9.75 million was encashed. The money is now lying in a separate account at the Indian Mission, Singapore.

The issue is *sub judice*, noted the latest discussion paper released on Tuesday by the World Bank titled "India COVID-19 procurement: challenges, innovations, and lessons".

India was not the only target of fraud. The report also pointed out that 200 million substandard, soiled and second-hand medical nitrile gloves were purchased by the U.S. from a Thailand-based company during the pandemic.

The World Bank (WB) and the Asian Infrastructure Investment Bank (AIIB) jointly funded the COVID-19 Emergency Response and Health Systems Strengthening Project worth \$1.5 billion (Rs. 11,983.5 crores) in India.

The report says India managed to get many things right in its management of the pandemic including putting in place a central procurement agency (HLL Lifecare Ltd., finalised in February 2020).

"This helped in accelerating emergency procurement. HLL supported the Central procurement division in the preparation of bidding documents as well as in bidding, evaluation and award of the contract. It also helped in managing the supply chain to deliver commodities, according to the needs of the States," the report said.

It added that an expert panel was also put in place to develop specifications for overalls, goggles, and N95 masks which supported the Health Ministry's long-term market development and production of Emergency Medical Equipment (EME) in India.

"India also managed efficient distribution of medical supplies nationwide, put in early restrictions and also created empowered inter-ministerial groups to achieve prompt procurement decisions during emergencies," the report said.

It listed the achievements of India during the pandemic, and said that the country managed to scale up from 18 to over 2,500 testing laboratories rapidly within a span of four months and became ready to face future pandemics and health emergencies that pose serious challenges for global supply chains.

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