

Progress and Challenges to Sustainable Local Procurement

Background of IOM in Bangladesh

My name is Juliet Bvekwa and I have been working with IOM in Cox's Bazaar in Bangladesh as a Supply Chain Manager since Aug 2018.

IOM has been working in Bangladesh since 1998 when they opened their office in Dhaka and also extended their operations into Cox's Bazaar. IOM is implementing the following projects – Shelter, WASH, Health running 30 Health Facilities, Site Management and Site Development, Social Cohesion, Protection etc.

Progress to Sustainable Local Procurement

The local context at the in Bangladesh was that the local market was very small and could not meet the demand of the various humanitarian players that are now working in Bangladesh especially Cox's Bazaar which is the center or hive of all humanitarian activities. The demand was increased by the influx of refugees from Myanmar into Bangladesh and the start of Covid 19 also resulted in the stretch of the what the local market could provide.

The increased demand resulted in scarcity of goods and services and also resulted in inflated costs for both. The quality of goods was also affected as the suppliers were only concerned about being able to deliver the quantities being requested despite that their goods had poor quality. The government policies around imports is not favourable and has made local procurement the best available option as import taxes are very high and it takes longer to get goods cleared by customs. Vehicle import taxes are very high. There are strict regulations for the import of medicines and government regulations, one cannot import drugs that are being manufactured in Bangladesh. This has resulted in Health organizations relying on the local suppliers of medicines even if their quality is at times a concern.

Progress to was Sustainable Local Procurement

A lot has been done to improve and increase efficiency of supply Chain connections such as coordination between various players, conducting joint trainings and review of existing government policies.

The Humanitarian Organizations together with the Logistics Cluster have played a significant role over time with regards to engaging the government to ensure efficient and timely processing of customs clearance for imported humanitarian goods to cushion demand at onset of a crisis or emergency. Coordination workshops with shipping agencies such as DHL have been conducted to see how best the humanitarian organizations can work with the agencies and the government to ensure efficient customs clearing and understand the government procedures and processes when importing. This has opened lines of communication and engagement with the MoFA the line Ministry responsible for customs clearing.

Various suppliers both pharmaceuticals and other goods have been engaged to ensure that quality of goods and services is not compromised by quantity. Key Humanitarian players have even requested manufacturers of pharma to provide quality testing results of their products and they have also requested for samples and conducted independent quality testing. The government as a regulator has also been involved. Humanitarian players have ensured strict enforcement of quality checking on goods to ensure that products to be distributed to beneficiaries are not of poor quality.

Bamboo is a critical product in the Shelter project and is used for most of the construction of Shelters in the camps. The influx of refugees has also had a significant demand on this natural resource which is also regulated by the government. The weather patterns in Bangladesh such as monsoon has seen that during the heavy rain season from June to Aug, the supply of Bamboo is not consistent as the fields are flooded and cannot be accessed and also trucks find it difficult to move during this difficult season. Planning is critical to ensure that Bamboo is sourced/purchased and is available in storage to meet the demand of collapsing shelters due to landslides in the monsoon season.

Whilst the local market has significantly improved, there are still challenges that are being faced such as quality of goods and services, observing contractual obligations as demand is high and suppliers are few resulting in the few suppliers getting various obligations with various humanitarian organisations.