



# India Covid-19 Procurement: Challenges, Innovations, and Lessons

**For Prelims:** World Bank, Covid-19.

**For Mains:** Important International Institutions, Management of Covid-19.

## Why in News?

Recently, the World Bank has released a report titled “India [Covid-19](#) procurement: challenges, innovations, and lessons, saying India managed to get many things right in **its management of the pandemic**.

- The report takes a close look at the **initiatives taken by the government of India (GoI) to ensure sustained supply of essential medical commodities** during the critical initial phase of the Covid pandemic.

## What are the Findings?

- **Global:**
  - The health systems of most countries, including those rated high on the Global Health Security Index, **faced new challenges in responding to the pandemic**.
  - To address the exceptional market uncertainties, several countries **introduced innovations in public procurement** to make processes responsive to the emergency context.
- **Indian Initiatives:**
  - India 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.
  - India 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.
  - India also **created a conducive environment for growth of indigenous** medical devices industry.
  - Before the Covid-19 pandemic, India was mostly importing ventilators but 25 manufacturers including several newcomers came forward to produce ventilators with limited financial and infrastructure capacity.
  - The government **made use of several automobile and electrical manufacturing companies** to handhold these new entrepreneurs to produce ventilators.
- **Key Innovations in India:**
  - Adoption of a **whole-of-government approach to stimulate local production** helped to steeply reduce unit prices and dependency on global supplies.
  - Introduction of **accelerated tendering process and quality assurance** protocols.
  - Efficient **supply chain management** informed by computerised modeling that helped to **project the number of cases and admissions**, including oxygen and intensive care

- unit requirements among states based on epidemiological trends.
- Quickly moving the **quality-assured Covid commodities to the government's e-procurement site**, which enabled states to start accessing these products at competitive prices without going through a tendering process.

## What is the World Bank?

- **About:**
  - It was created in 1944, as the International Bank for Reconstruction and Development (IBRD) along with the International Monetary Fund (IMF). The IBRD later became the World Bank.
  - The **World Bank Group** is a unique global partnership of **five institutions** working for sustainable solutions that reduce poverty and build shared prosperity in developing countries.
- **Members:**
  - It has 189 member countries.
  - India is also a member country.
- **Major reports:**
  - [Ease of Doing Business](#) (Stopped publishing recently).
  - [Human Capital Index](#).
  - [World Development Report](#).
- **Its Five development institutions:**
  - International Bank for Reconstruction and Development (IBRD)
  - International Development Association (IDA)
  - International Finance Corporation (IFC).
  - Multilateral Guarantee Agency (MIGA)
  - International Centre for the Settlement of Investment Disputes (ICSID)
    - India is not a member of this.

## UPSC Civil Services Examination Previous Year Question (PYQ)

### Prelims

**Q1. Which one of the following issues the 'Global Economic Prospects' report periodically? (2015)**

- (a) The Asian Development Bank
- (b) The European Bank for Reconstruction and Development
- (c) The US Federal Reserve Bank
- (d) The World Bank

**Ans: (d)**

**Exp:**

- 'The Global Economic Prospects (GEP)' is the World Bank's semi-annual flagship publication on the state of the world economy.
- Other important reports published by the World Bank are Ease of Doing Business and World Development Report.
- **Therefore, option (d) is the correct answer.**

**Q2. The Global Infrastructure Facility is a/an (2017)**

- (a) ASEAN initiative to upgrade infrastructure in Asia and financed by credit from the Asian Development Bank.

- (b) World Bank collaboration that facilitates the preparation and structuring of complex infrastructure Public-Private Partnerships (PPPs) to enable mobilization of private sector and institutional investor capital.
- (c) Collaboration among the major banks of the world working with the OECD and focused on expanding the set of infrastructure projects that have the potential to mobilize private investment.
- (d) UNCTAD funded initiative that seeks to finance and facilitate infrastructure development in the world.

**Ans: (b)**

**Q3. With reference to 'IFC Masala Bonds', sometimes seen in the news, which of the statements given below is/ are correct? (2016)**

1. The International Finance Corporation, which offers these bonds, is an arm of the World Bank.
2. They are the rupee-denominated bonds and are a source of debt financing for the public and private sector.

**Select the correct answer using the code given below:**

- (a) 1 only  
(b) 2 only  
(c) Both 1 and 2  
(d) Neither 1 nor 2

**Ans: (c)**

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### **Mains**

**Q.** The World Bank and the IMF, collectively known as the Bretton Woods Institutions, are the two inter-governmental pillars supporting the structure of the world's economic and financial order. Superficially, the World Bank and the IMF exhibit many common characteristics, yet their role, functions and mandate are distinctly different. Elucidate. **(2013)**

**Source: TH**

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