



## E-Bulletin



P u b l i c P r o c u r e m e n t A u t h o r i t y

# Ghana's Public Financial Management Reforms - Attaining Budget Credibility The Role of PPA

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Ghana's current Public Financial Management Reform (PFMR) process can be traced back into the 1990's when in response to the various weaknesses in budget formulation, expenditure monitoring and control, among others led to the launch of the Public Financial Management Reform Programme (PUFMARP). The programme was designed to initiate Budget and Payroll reforms through the introduction of the Medium Term Expenditure Framework (MTEF), Budget and Public Expenditure Management System (BPEMS) and now GIFMIS. Others included the introduction of the Fiscal Decentralisation, and the Review of the Fiduciary Laws (FAA, FAR, PPA, IAA etc).

In order to ensure effective implementation, the Public Expenditure and Financial Ac-

countability (PEFA) framework was adopted to track progress in six broad areas namely:

- ⇒ Budget Credibility
- ⇒ Comprehensiveness and transparency
- ⇒ Policy-based budgeting
- ⇒ Predictability and Control in Budget execution
- ⇒ Accounting, recording and reporting; and
- ⇒ External scrutiny and audit.

To date, the reforms have chalked a number of successes. According to a Joint Evaluation on Ghana's PFMR (2001-2010) commissioned and published by SIDA, DANIDA and AfDB in 2012, the country has made substantial gains in the areas of Revenue Management and the process of legislating a number of PFM laws although implementation continues to be a challenge. Other nota-

(Continued on page 8)

## Online Activities

### List of entities that have submitted their 2016 Procurement Plans Online As At April 29 , 2016

- |  |  |
|--|--|
| 1. Abor Senior High School   | 56. Ga South Municipal Assembly                              |
| 2. Accra Polytechnic   | 57. Ghana Aids Commission                                    |
| 3. Accra College of Education                                      | 58. Ghana Airports Company Limited                           |
| 4. Adiembra Senior High SchoolSchool                               | 59. Ghana Atomic Energy Commission                           |
| 5. Adisadel College  | 60. Ghana Audit Service                                      |
| 6. Aduman Senior High School                                       | 61. Ghana Book Development Council                           |
| 7. Afadzato South District Assembly                                | 62. Ghana Broadcasting Corporation                           |
| 8. Agona West Municipal Assembly                                   | 63. Ghana Civil Aviation Authority                           |
| 9. Ahantaman Senior High Schoolool                                 | 64. Ghana Cocoa Board  |
| 10. Akatsi South District Assembly                                 | 65. Ghana College of Physicians and Surgeons                 |
| 11. Akatsi College of Education                                    | 66. Ghana Cylinder Manufacturing Company Limited             |
| 12. Akim Oda Government Hospital                                   | 67. Ghana Education Service                                  |
| 13. Akrokerri College of Education                                 | 68. Ghana Free Zones Board                                   |
| 14. Akuse Government Hospital                                      | 69. Ghana Grid Company Ltd.                                  |
| 15. Akwapim South Municipal Assembly                               | 70. Ghana Health Service                                     |
| 16. Ankaful Psychiatric Hospital                                   | 71. Ghana Highway Authority                                  |
| 17. Asare Bediako Senior High School                               | 72. Ghana Institute of Journalism                            |
| 18. Asokore Mampong Municipal Assembly                             | 73. Ghana Investment Fund For Electronic Communica-<br>tions |
| 19. Asonomaso district Hospital                                    | 74. Ghana Library Board                                      |
| 20. Asuansi Technical Institute                                    | 75. Ghana National Fire Service                              |
| 21. Atebubu College of Education                                   | 76. Ghana National Gas Company                               |
| 22. Bank of Ghana  | 77. Ghana National Petroleum Corporation                     |
| 23. Benso Senior High Technical School                             | 78. Ghana Police Service                                     |
| 24. Bolgatanga Municipal   | 79. Ghana Ports And Harbours Authority                       |
| 25. Bolgatanga Polytechnic   | 80. Ghana Prisons Service                                    |
| 26. Bremam Asikuma Senior High School                              | 81. Ghana Reinsurance Company Ltd                            |
| 27. Bulk Oil Storage and Transportation                            | 82. Ghana Revenue Authority                                  |
| 28. Cape Coast Metro   | 83. Ghana School of Law                                      |
| 29. Central- Regional Co-ordinating Council                        | 84. Ghana Shippers Authority                                 |
| 30. Centre for Scientific Research Into Plant Medicine             | 85. Ghana Standards Authority                                |
| 31. Chiana Senior High School                                      | 86. Ghana Tourist Board                                      |
| 32. Cocoa Marketing Company (Ghana) Limited                        | 87. Ghana Water Company Limited                              |
| 33. Controller And Accountant General Dept                         | 88. Ghana-India Kofi Annan Center of Excellence              |
| 34. Copyright Administration                                       | 89. Gomaa East District Assembly                             |
| 35. Council for Law Reporting                                      | 90. Grains And Legumes Development Board                     |
| 36. Council for Scientific and Industrial Research                 | 91. Half Assini Senior High School                           |
| 37. Council for Technical and Vocational Education and<br>Training | 92. Ho Municipal Assembly                                    |
| 38. Council of State   | 93. Ho Polytechnic   |
| 39. Daboose Senior High Technical School                           | 94. Holy Child College of Education                          |
| 40. Department Of Urban Roads                                      | 95. Internal Audit Agency                                    |
| 41. District Assembly Common fund                                  | 96. Judicial Service   |
| 42. Driver and Vehicle Licensing Authority                         | 97. Ketu District Hospital                                   |
| 43. Economic and Organised Crime Office                            | 98. Ketu North District Assembly                             |
| 44. Effutu Municipal Assembly                                      | 99. Ketu South District Assembly                             |
| 45. Ekumfi District Assembly                                       | 100. Kibi Government Hospital                                |
| 46. Ellebelle District Assembly                                    | 101. Koforidua General Hospital                              |
| 47. Enchi District Hospital  | 102. Komenda/ Edina/ Eguafu /Abirem Municipal Assembly       |
| 48. Energy Commission  | 103. Komfo Anokye Teaching Hospital                          |
| 49. Environmental Protection Agency                                | 104. Korle bu Teaching Hospital                              |
| 50. Enyan Denkyira Senior High Technical School                    | 105. Krachi West (Krachi) District Assembly                  |
| 51. Essikadu District Hospital                                     | 106. Krachi West District Hospital                           |
| 52. Fanteakwa District Assembly                                    | 107. Kumasi High School                                      |
| 53. Fisheries Commission   | 108. Kumasi Polytechnic                                      |
| 54. Foods and Drugs Board  | 109. Kwaebiirem District Assembly                            |
| 55. Forestry Commission  | 110. La Polyclinic   |



111. Lands Commission
112. Local Government Service Secretariat
113. Management Development And Productivity Institute
114. Mankesim Senior High Technical School
115. Maternal and Child Health Hospital
116. Mfantisiman Girls Senior High School
117. Minerals Commission
118. Ministry of Fisheries and Aquaculture Development
119. Ministry Of Foreign Affairs And Regional Integration
120. Ministry Of Health
121. Ministry of Lands and Natural Recourses
122. Ministry of Power
123. Ministry Of Roads And Highways
124. Ministry of Tourism Culture and Creative Arts
125. Ministry of Transport
126. Ministry Of Water Resources, Works And Housing
127. Ministry of Youth and Sports
128. Mpasatia Senior High Technical School
129. Mpohor District Assembly
130. Nanumba North (Nanumba) District Assembly
131. Narcotics Control Board
132. National Accreditation Board
133. National Board for Professional And Technical Examinations
134. National Commission For Civic Education
135. National Communication Authority
136. National Council for Tertiary Education
137. National Development Planning Commission
138. National Film and Television Institute
139. National Information Technology Agency
140. National Lottery Authority
141. National Pensions Regulatory Authority
142. National Petroleum Authority
143. National Road Safety Commission
144. National Service Secretariat
145. National Sports College
146. National Vocational Training Institute
147. Navrongo Community Health Nurses Training College
148. New Times Corporation
149. Nkroful Agric. Senior High School
150. Non Formal Education Division
151. North Tongu District Assembly
152. Northern Electricity Distribution Company
153. Notre Dame Sem/Senior High School
154. Nsaba-Presby Senior High School
155. Nsawam Government Hospital
156. Nurses and Midwifery Training College - Sekondi
157. Nyakrom Day Senior High School
158. Obuasi District Hospital
159. Office of the Head of Civil Service
160. Office Of The President - Main
161. Office of the Regional Health Directorate – Ashanti Region
162. Office of the Regional Health Directorate – Central Region
163. Office of the Regional Health Directorate – Eastern Region
164. Office of the Regional Health Directorate – Northern Region
165. Office of the Regional Health Directorate – Upper West Region
166. Office of the Regional Health Directorate – Western
167. Ola College of Education
168. Opoku Ware Senior High School
169. Peki Senior High Technical School
170. Petroleum Commission
171. Pharmacy Council
172. Prempeh College
173. Presby College of Education - Akropong
174. Presby Senior High School. - Legon
175. Prestea District Hospital
176. Public Procurement Authority
177. Public Service Commission
178. Registrar Generals Department
179. Savannah Accelerated Development Authority
180. School of Medicine and Dentistry
181. Sefwi Wiawso Senior High School
182. Sene District Assembly
183. SIC Life Company Limited
184. Social Security and National Insurance Trust (SSNIT)
185. Sogakope District Hospital
186. St. Augustine's College
187. St. Joseph's College of Education
188. St. Monica Training College
189. Students Loan Trust Fund
190. Suhum Government Hospital
191. Suhum Municipal Assembly
192. Sunyani Polytechnic
193. Sunyani Senior High School
194. Sunyani West District Assembly
195. T.I. Ahm. Senior High School
196. Takoradi Polytechnic
197. Tamale Polytechnic
198. Tarkwa Nsuaem Municipal Assembly
199. Tarkwa Senior High School
200. Techiman Municipal Assembly
201. Tema Development Corporation
202. Tema Metropolitan Assembly
203. Tepa district Hospital
204. Tepa Senior High School
205. University For Development Studies
206. University Of Cape Coast (UCC)
207. University of Energy and Natural Resource
208. University Of Ghana (UG)
209. University of Health and Allied Sciences
210. University of Mines -Tarkwa
211. University of Professional Studies Accra
212. University Of Science And Technology (KNUST)
213. Upper Denkyira East Municipal Assembly
214. Uthman Bin Afan Senior High School
215. Volta River Authority
216. Wa East District Assembly
217. Wa General Hospital
218. Wa Polytechnic
219. Wesley Girls High School
220. West Mamprusi District Assembly
221. Youth Employment Agency



# PUBLIC FINANCIAL MANAGEMENT REFORM PROJECT- THE ROLE OF PPA



## ***Sub-component 2.4: Public Procurement Planning, Management and Capacity***

**Current Status.** The process of reforming the Ghana procurement system started as far back as 1996 under the PUFMARF. The overall objective of the program was to improve public financial management in Ghana. Studies identified a number of weaknesses in the procurement system including: the absence of a comprehensive public procurement policy; the absence of a central body with technical expertise to oversee/regulate sound procurement practice; and the absence of rules and regulations to guide, direct, train and monitor public procurement. In order to address these weaknesses, the Public Procurement Act, 2003 (Act 663) was promulgated in 2003.

The Act was passed on December 31, 2003 and became fully operational on August 27, 2004, after the Board and other structures were put in place for a smooth operationalization of the Act. The PPA was established under this Act. The main mission of the PPA is to harmonize public procurement processes to secure a judicious, economic, and efficient use of public funds in a fair, transparent, and non-discriminatory manner while promoting a competitive local industry.

Under the leadership of PPA, Ghana procurement reforms have progressed well over the years with the following notable achievements:

- ⇒ Preparation of procurement tools including: draft procurement regulations, manuals (Procurement, Procurement Records Management, and Contract

Management), Standard Bidding Documents, and various Policy Guidelines such as those on the application of Framework Agreements, Low and Minor Value Procurements;

- ⇒ Putting in place the necessary systems for informing stakeholders about procurement in Ghana;
- ⇒ Development and delivery of various training programs to public and private sector procurement practitioners and policy makers, including: contractors, suppliers and consultants;
- ⇒ Development of a public procurement model of excellence (PPME) tool for measuring performance of procuring entities;
- ⇒ Establishment of an Appeals and Complaints Panel for the successful administrative review;
- ⇒ Introduction and implementation of the Sustainable Public Procurement concept;
- ⇒ Publication and Launch of the Scheme of Service for Procurement Class of the Civil/Local Government Service; and
- ⇒ Preparation for the introduction of e-procurement.

Notwithstanding the above achievements, the procurement system in Ghana has a number of weaknesses and bottlenecks, which need to be addressed as soon as possible. These weaknesses include, inter alia: weak procurement planning including lack of integration of PPA's procurement planning tool with





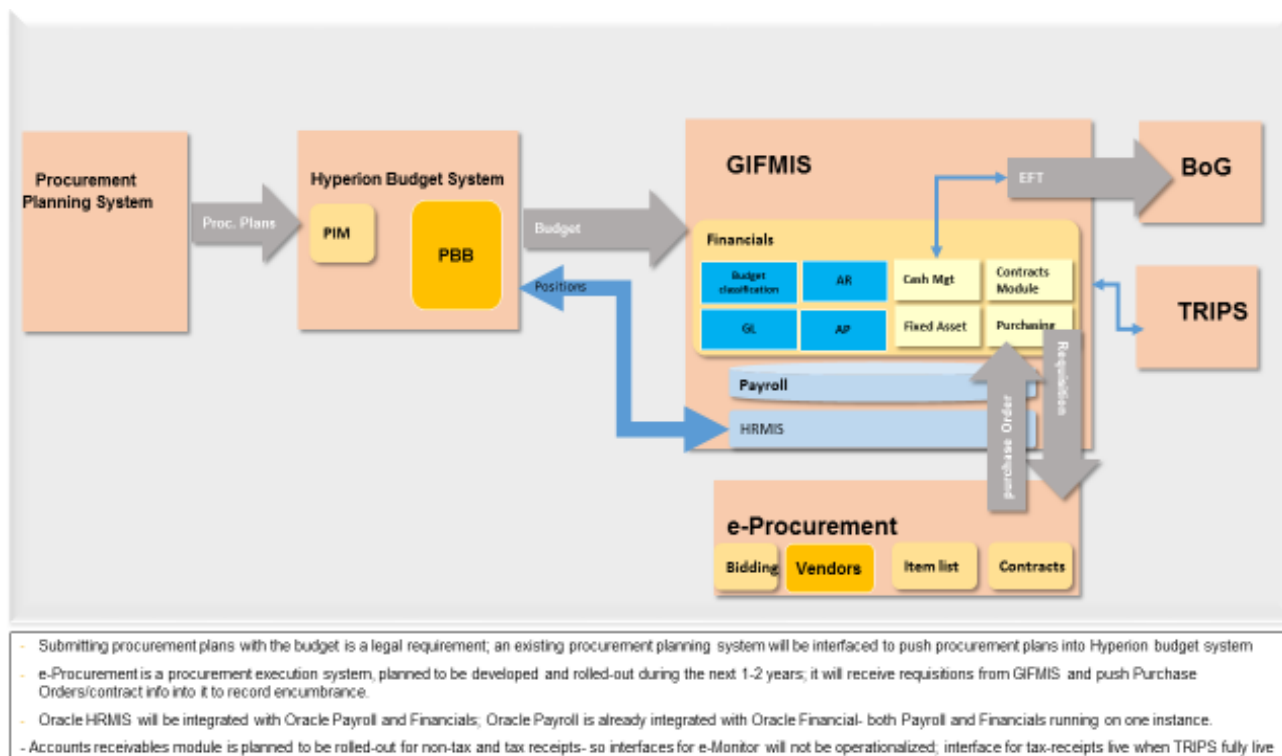


Figure 1: GIFMIS Interfaces

the Hyperion Budget Planning Tool and ultimately interface with the GIFMIS; weak procurement capacity in the public sector (PPA, MDAs and MMDA's), the private sector (contractors, suppliers and consultants), and third party monitoring organizations (Civil Services Organizations and Media); lack of reference price data base for infrastructure; lack of private sector confidence in public procurement resulting in low competition; perceived existence of fraud and corruption in the procurement process; and weak/non-functional procurement units in many procuring entities. The following diagram illustrates the interfacing arrangements between Procurement, Hyperion, e-Procurement and the GIFMIS.

**Objective.** The overall objective of this sub-component is to improve procurement planning by enhancing the economy, efficiency, transparency and accountability of the procurement process.

The procurement activities under this project will be actions intended to implement second generation reforms aimed at improving budget execution and credibility. Second generation reforms are aimed at achieving enhanced transparency and accountability for development results. These reforms involve focused ef-

fort on increasing capacity, monitoring performance and achieving an appropriate balance between fiduciary and development objectives. In the context of this project, the proposed procurement reforms will contribute towards achieving transparency and credibility of the budget process. Details of the procurement components are presented below.

The following activities are intended to address the above weaknesses:

**Activity 1(a): Enhancing the existing Online Procurement Planning (PP) Tool and to link it with the Hyperion Budget Planning Tool that is already linked to the GIFMIS:**

The *objectives* of this activity are to strengthen PP by enforcing the legal requirement for MDAs to prepare procurement plans as part of the budget preparation and approval process; and to build procurement planning capacity.

**Status:** The current online PP tool is not currently linked to the budget planning tool (Hyperion system). The PP tool will be linked to Hyperion. In addition, many procurement practitioners are not familiar with the PP tool and have to be trained on its use.

### Expectation from the availability of an enhanced Procurement Planning Tool

It is expected that the enhancement will allow for some of the following;

- ⇒ Codes for all Procurement Entities used in the Hyperion Budget System will be adopted for use in the Procurement Planning tool to allow for comparison and also same related data compilation and activities.
- ⇒ Summation of entity plans whose values will be compared with the budget assigned in Hyperion to ensure that the value is not more than what has been allocated to the entity.
- ⇒ Package Number generation will include chart of accounts code to make tracking easy and meaningful,
- ⇒ Sources of Funds codes will be the same as that in GIFMIS
- ⇒ Procurement Planning Tool will use the Government Functional Statistics (GFT)

(inclusion by PPA)

The *main outcome* of this activity is improved capacity of MDAs to submit credible budget proposals.

### Activity 1(b) – Integration of the e-procurement system, when completed, with the GIFMIS:

The *objective* of this activity is to ensure that e-procurement is seamlessly interfaced with GIFMIS.

*Status:* Ghana, under the e-Transform project, is financing development and deployment of e-procurement system in the public service. The procurement process to acquire and install the relevant infrastructure is ongoing. Currently there are no plans to interface the e-procurement system with GIFMIS. It is important to interface the system with the GIFMIS as soon as it is installed to enhance the efficiency of budget execution.

This activity will involve the design and implementation of a software system that will enable the e-procurement system to interface with the GIFMIS. The activity will start with the implementation of the P2P module of the GIFMIS that links procurement and payment during contract implementation.

*Expected Outcome:* The implementation of this activity will facilitate the establishment of an integrated solu-

tion to the entire phases of procurement management including, procurement monitoring during budget implementation.

### Activity 2 – Implementation of the Amendments to the Public Procurement Act, 2003:

The *objective* of this activity is to enable implementation of the amended Public Procurement Act which is waiting for Presidential Assent

*Status:* Ghana has been implementing procurement reforms since the enactment of its Procurement Act in 2003 and had identified some areas where the Act needs strengthening, such as: (i) removing the delays caused by the hierarchical structures of the system, to improve efficiency; (ii) providing for more decentralized system to enhance effectiveness efficiency and accountability; and introducing some key elements of second generation reforms like sustainable procurement, framework contracting and e-procurement to improve value for money and efficiency of the procurement system. The current Public Procurement Act has undergone substantial amendments culminating in a new Bill that has been sent to the Parliament for review and approval. The Bill has already been reviewed by the Parliament and is currently in the process of Receiving Presidential assent

Activities to achieve the above objective include: (a) dissemination of the amended Act among all stakeholders (MDAs, MMDAs, Private Sector, etc.); (b) engaging legal and legislative consultants to draft Regulations and other legal instruments; and (c) training stakeholders on the amended Act.

*The expected outcome* of this activity is an Amended Public Procurement Act that; is well understood by Procurement Practitioners; and will lead to more effective and efficient procurement practice that delivers better value for money and enhances transparency.

*The expected outcome* of the activity is improved budget planning and execution and enhanced value for money through increased competition.

### Activity 3 – Procurement Value Chain Analysis:

The main *objective* of this activity is to improve the quality and efficiency of procurement planning, procurement process and contract administration by providing empirical evidence of bottlenecks to procurement planning and processing and contract administration.

*Status:* The efficiency of a procurement system is ultimately measured by the timely delivery of goods, works



and services required to execute the budget. The system consists of a chain of activities the performance of which depends on a number of factors including the legislative and regulatory environment, institutional capacity, available procedures and control environment. The overall goal of the value chain analysis is to find ways to improve budget execution and the rate of disbursement of allocated funds

Activities will include the following tasks: analyzing the process flows; identifying the actors, their roles and responsibilities, and the 'standard' time taken to complete the performance of the roles. This will allow capture of the sources of bottlenecks to the efficient processing of procurement.

*The expected outcome* of the activity is improved budget planning and execution and enhanced value for money through increased competition.

#### **Activity 4 – Establishment of Unit Cost of Infrastructure in Ghana:**

The *objective* of this assignment is to prepare a unit cost database for providing the following infrastructure facilities in Ghana: (a) roads; (b) buildings; (c) water resources; and (d) power.

*Status:* Currently, the PPA maintains a data base for common user items and therefore they have reference prices for such items. However, it does not have a similar database for infrastructure, which accounts for a large part of the total development budget. The lack of reference prices leads to unrealistic budget estimates in the procurement plan and many times the actual prices are very different from the estimates. There is a common perception in Ghana that the cost of providing infrastructure is too high compared to other countries. However, there is no concrete data to prove this or otherwise. This study will provide such data.

Activities include consultancy services for the study, covering the above four sectors, with representative costs across the country. The representative sample cities to include: Accra, Kumasi, Takoradi, Sekondi, Tema, Tamale and Cape Coast.

The expected outcome of the study will be the establishment of an infrastructure database which should lead to more realistic estimates in the procurement plan and hence to more budget credibility.

#### **Activity 5 – Establishing Functional Procurement Units in Procuring Entities:**

The main *objective* of this activity is to establish Procurement Units in all Non School procuring entities appropriately staffed with trained procurement personnel from the civil service to enhance practice.

*Status:* Currently, only about 20 percent of the Procurement Units in procuring entities can be considered as fully functional. There are two fundamental reasons for this. Firstly, the Units are not fully established as required by the Act and therefore the staff positions have not been staffed as required. Secondly, in most entities, the capacity of available procurement staff is inadequate for the responsibilities that have been vested in them.

Activities include: conducting a procurement capacity and training needs assessment; engaging a consultant to review training materials to incorporate new policies; organizing tailored training for specific sectors; issuing clear guidelines on specific procurement activities; liaising with other public institutions to revise the schemes of service including setting up and appropriate staffing of Procurement Units; identifying ways to increase private institutions participation in providing sustainable public procurement training; developing separate procurement guidelines for goods, works and services; and continuous training in contract management.

The *expected outcome* of this activity is functional Procurement Units that are capable of carrying out procurement efficiently and transparently in order to realize value for money in the procurement process.

#### **Activity 6 – Outreach to the local private sector to build capacity of contractors, suppliers and consultants to be able to submit responsive tenders:**

The *objective* of this activity is to increase participation of local contractors, suppliers of goods and service providers in the tendering process.

*Status:* Experience shows that many local bidders are disqualified during the bidding process because of lack of knowledge of the bidding procedures and requirements. In order to encourage these local bidders to continue participating in the process, there is a need to train them on the procurement process particularly on the amendments that have just been made to the Public Procurement Act.

Activities include: reviewing of training Modules for private sector training to include amendments to the Act; categorizing service providers according to sectors; organizing sector specific training across the country; and engaging private sector in critiquing the procurement system.

The *expected outcome* of this activity is an informed private sector resulting in more participation and hence more competition leading to the achievement of better value for money.

#### **Activity 7 – Enhancing Legal and Regulatory Capacity of PPA:**

The *objective* of this activity is to put PPA staff at the cutting edge of latest developments in the procurement field.

*Status:* As a Regulator, PPA staff is expected to be on top of the latest developments in the procurement field and they need constant upgrading of their knowledge so that they can impart it to procurement staff in

MDAs, MMDAs and SOEs. For instance, they will need training in the latest amendments to the Act and emerging areas such as e-procurement, framework contracts, sustainable public procurement planning, etc.

Activities include provision of specialized long-term training for core staff in the above emerging areas.

The *expected outcome* of this activity is a regulatory body that is abreast of the latest developments in public procurement and capable of introducing reforms that will result in the maximization of the system's potential to realize better value for money.

*Mrs. Emelia Nortey*

*Director, MIS*

*PPA*

*(culled from PFMRP, PAD)*

### **Ghana's Public Financial Management Reforms -Attaining Budget Credibility The Role of PPA : Continued from Page 1**

*(Continued from page 1)*

ble achievements have been with the clearance of the backlog of audits and the introduction of open Public Accounts Hearings on the audit reports. It was observed that these notwithstanding, the other PFM outcomes such as budget credibility and expenditure controls experienced limited improvement owing to a number of implementation challenges which were mainly fuelled by the absence of an overarching and coordinated PFM Strategy to guide the entire process.

To address these challenges, Ghana has recently developed a comprehensive PFM Strategy and has with support from the International Development Association (IDA-World Bank) at a cost of US\$ 45 million, entered into the next phase (2015-2018) of PFMR which will extend the reach of GIFMIS to cover other funds (DAF, IGF, GETfund, Donor Funds etc), the implementation of the Programme Based Budgeting, the Human Resource Management and Payroll reforms, the adoption the In-

ternal Public Sector Accounting System (IPSAS), Aid and Debt Management Strategy, Enhancement of the Public Procurement Planning, Management and Capacity Building efforts and an introduction of a PFM law.

As a subject matter for this edition of the Bulletin, we will be looking at the various interventions proposed under this phase of the PFMR that is geared at improving public procurement planning and management and ensure its effective interface with the broader PFM systems to achieve the proposed outcomes of the project.

It is our hope that Ghana in its efforts to achieve a better PFM system will approach the process in a concerted manner and ensure greater transparency and accountability in the entire process.

*Rhoda E. Appiah (Mrs.)*

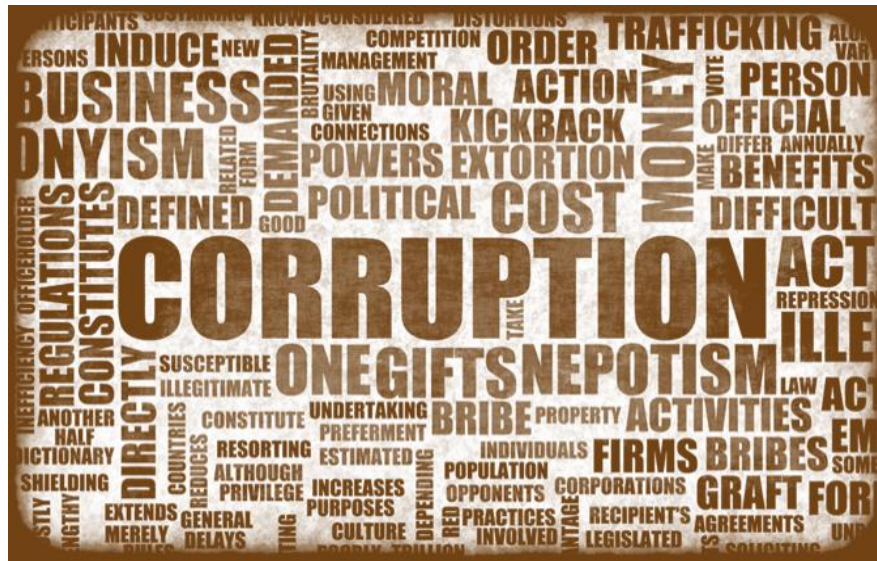
*Head—Public Affairs*

*PPA*





## CORRUPTION ALONG THE PUBLIC PROCUREMENT CYCLE—Part II



***The tendering procedure:*** Certain tendering procedures lend themselves more easily to hiding bribery and corruption. The procurement process may be more vulnerable to corruption when non-competitive procurement has become the norm. Although this kind of contract is not in itself proof of corruption, opportunities and inducements for corruption may increase. Similarly, competitive procurement cannot be a guarantee of integrity.

***Non-competitive procurement*** contracts are awarded by a government to a company without competitive process. Such contracts also referred to as sole-source, single-source, or no-bid, are justified by reasons of expediency in emergencies, or when national security interests are at stake. Non-competitive procurement contracts have been identified as a source of concern for reasons of transparency, democratic oversight, value for money and corruption risks.

**Framework contracts** are standing agreements used as a basis for goods and services purchases as needs arise. Such agreements can save time and money by eliminating numerous bidding processes. However, there are concerns that they may represent “a huge growing wedge of contract dollars” that lack transparency and are unaccountable regarding competition.

Prices are often not fixed before frameworks are drawn up, leaving the agreements open to corruption risk. However, it was noted that electronic reverse

auctions based on price may only cure problems that  
 framework agreements are supposed to address.

**Competitive tendering** or restrictive competitive tendering involve prequalification of vendors and are considered to offer fewer chances to favour a company seeking to influence the right people. Usually, competitive processes also include various levels of supervision, with expert bodies evaluating bids for quality, specificity and value for money. Furthermore, companies that are not awarded a contract theoretically have the opportunity to call public and judicial attention to their concerns about potential irregularities. Due to the different layers of appraisal, corruption is considered more difficult to conceal. However, diverse sets of corruption risk remain at the various stages of the procurement process and integrity depends on the application and objectivity of the selection criteria.

Ineffective control structures along the process provide for frequent manipulation. Lack of transparency in the attribution of the contract may also occur as all tenders may not be publicly opened, or their content may be subject to manipulation. Inadequate communication with participants is another widespread feature. The absence of objective decision criteria or the inadequate weighting of the various criteria are further ways to influence the awarding process. For instance, costs are only one among a num-

ber of components to be considered. It is often found that technical features of a proposal, the fact that it meets community requirements or the time required for its implementation, are given excessive, poor or no consideration, as the case may be. The fact is that the evaluation is being left to the individual discretion of the official.

Some models have been moving towards dispersing the authority, including by committees, so that there is not a single person taking the decision. In this case, attention needs to be paid to the composition of the committee and how effectively it carries out its duties.

Experts suggested that transparency is absolutely indispensable in preventing corruption. The decision criteria and objectives should be known and communicated to all bidders. This means that all bids are opened publicly with their content registered immediately to prevent them from being manipulated.

*Contract execution:* This phase is less susceptible to regulation. Techniques to hide bribes during the execution of a contract are manifold. Rendering of fictitious work, inflating the work volume, changing orders, using lower-quality materials than specified in the contract, supplying goods of a lower price and quality than quoted, and rendering contracted services in an improper way are some of the most common ways of defrauding the public budget. Alterations between the decisions made and the conclusion of the

contract may also go unnoticed and provide ample room for bribery and corruption.

In addition, flaws in the technical and administrative supervision (Monitoring and Evaluation) of the works may be exploited. Interventions by the public service to control the quality of the materials, the completion of deadlines, the quality of the services, the financial accuracy and the full execution of a contract may be insufficient. Certification of the execution of the works may not correspond with the real work done. In the execution phase, new corruption challenges may emerge with officials threatening to withhold payment unless they are remunerated by a percentage of the contract. In such cases, officials delay due payment in view of bribe payments, creating serious liquidity problems for the companies that have adequately executed the contract (this qualifies as 'solicitation'; if in addition the supplier is physically threatened it qualifies as 'extortion').

*To Be Continued .....*

*Ebenezer Essilfie-Baiden*

*Chief Procurement and Supply Chain  
Manager*

*Ministry of Finance*



## Tendering and Contract Information for periods indicated

[Tendering Opportunities for May - Jun 2016](#)

[Contracts Awarded for Jan - Dec 2016](#)

[Restricted Tender Awards Jan - Dec 2016](#)

[Expression of Interest Requests May - Jun 2016](#)

The links above will take you directly to the PPA Website Reports for the months of period indicated.



### **Editorial Team**

Emelia Nortey—Director, MIS

Yvonne Vanderpuye—Chief Operations Officer—HR&A

Rhoda E. Appiah—Chief Operations Officer—Public Affairs

Thomas K. Bondzi—Principal IT Officer

P u b l i c  
P r o c u r e m e n t  
A u t h o r i t y

PMB 30  
Ministries  
ACCRA

Phone: 0302 - 765641-2  
Fax : 0302—765643