



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

EDITORIAL

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With effect from 1 January, 2016, countries all over the world have been tasked to work assiduously towards the realization of the UN Sustainable Development Goals (SDGs) also known as “Transforming our world: the 2030 Agenda for Sustainable Development”. Although not legally binding, it is a clarion call for all countries to take ownership and bring to an end poverty and build strategies for economic growth, provide social protection and job opportunities while tackling climate change and environmental protection.

The 17 set Global Goals covers a broad range of sustainability issues which we believe can largely be resolved through the implementation of a comprehensive action plan undergirded by the principles of Sustainable Public Procurement (SPP) especially in developing countries like Ghana. This is because, on the average public procurement expenditure represents about 17% of the GDP of the global economy and therefore has a significant stake in promoting this agenda. SPP strongly advocates that every public expenditure on products/services/projects must

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Online Activities

List of entities that have submitted their 2017 Procurement Plans Online As At April 30 , 2017

- | | |
|---|---|
| 1. Abor Senior High School | 56. Ghana College of Physicians and Surgeons |
| 2. Accra Technical University | 57. Ghana Education Service |
| 3. Achinakrom Senior High School | 58. Ghana Grid Company Ltd. |
| 4. Adansi North District Assembly | 59. Ghana Health Service |
| 5. Adidome District Hospital | 60. Ghana Institute of Management And Public Administration |
| 6. Aduman Senior High School | 61. Ghana Investment Fund For Electronic Communications |
| 7. Afadzato South District Assembly | 62. Ghana Investment Promotion Council |
| 8. Africa Centre For Excellence - KNUST | 63. Ghana Library Board |
| 9. Agona West Municipal Assembly | 64. Ghana Metrological Agency |
| 10. Achantaman Senior High School | 65. Ghana National Petroleum Corporation |
| 11. Ajumako/ Enyan/ Esiam District Assembly | 66. Ghana Police Service |
| 12. Akatsi District Hospital | 67. Ghana Ports And Harbours Authority |
| 13. Akatsi South District Assembly | 68. Ghana Prisons Service |
| 14. Akatsi College of Education | 69. Ghana Reinsurance Company Ltd |
| 15. Akim Oda Government Hospital | 70. Ghana Revenue Authority |
| 16. Akuse Government Hospital | 71. Ghana School of Law |
| 17. Akwapim North Municipal Assembly | 72. Ghana Shippers Authority |
| 18. Asante Akim Central Municipal | 73. Ghana Standards Authority |
| 19. Asante Akim North District Assembly | 74. Ghana Statistical Service |
| 20. Asare Bediako Senior High School | 75. Ghana Water Company Limited |
| 21. Assin South (Assin) District Assembly | 76. Ghana-India Kofi Annan Center of Excellence |
| 22. Atebubu-Amantin District Hospital | 77. Gomoa East District Assembly |
| 23. Bank of Ghana | 78. Gomoa West Municipal Assembly |
| 24. Bekwai district Hospital | 79. Grains And Legumes Development Board |
| 25. Bia East District Assembly | 80. Half Assini Senior High School |
| 26. Bolgatanga Polytechnic | 81. Ho Municipal Assembly |
| 27. Bulk Oil Storage and Transportation | 82. Ho Municipal Hospital |
| 28. Centre for Scientific Research Into Plant Medicine | 83. Ho Polyclinic |
| 29. College of Health-Yamfo | 84. Ho Technical University |
| 30. Community Health Nurses Training School - Tamale | 85. Jaman North Sub.-Dist. Hospital |
| 31. Controller And Accountant General Dept | 86. Jasikan District Hospital |
| 32. Copyright Administration | 87. Jirapa District Hospital |
| 33. Council for Scientific and Industrial Research | 88. Kedjebe District Assembly |
| 34. Council for Technical and Vocational Education and Training | 89. Ketu South Municipal Hospital |
| 35. Council of State | 90. Kibi Government Hospital |
| 36. Dambai College of Education | 91. Kintampo North District Assembly |
| 37. Driver and Vehicle Licensing Authority | 92. Koforidua General Hospital |
| 38. East Akim Municipal Assembly | 93. Koforidua Polytechnic |
| 39. Ejisu Juaben Municipal Assembly | 94. Komenda/ Edina/ Eguafo /Abirem Municipal Assembly |
| 40. Ejisuman Senior High School | 95. Komfo Anokye Teaching Hospital |
| 41. Electoral Commission | 96. Konongo Odumase Senior High School |
| 42. Energy Commission | 97. Korle Bu Teaching Hospital |
| 43. Environmental Protection Agency | 98. Krachi East District Assembly |
| 44. Fantekwa District Assembly | 99. Krachi West District Assembly |
| 45. Fisheries Commission | 100. Krachi West District Hospital |
| 46. Foods and Drugs Board | 101. Kumasi Girls Senior High School |
| 47. Forestry Commission | 102. Kumasi Polytechnic |
| 48. Ga South Municipal Assembly | 103. Kumasi South Hospital |
| 49. Gaming Commission of Ghana | 104. Kumasi Technical Institute |
| 50. Ghana Academy of Arts And Sciences | 105. Kumasi Wesley Girls Senior High School |
| 51. Ghana Aids Commission | 106. Kumbungu District Assembly |
| 52. Ghana Airports Company Limited | 107. Kwabre District Assembly |
| 53. Ghana Atomic Energy Commission | 108. Kwaebiirem District Assembly |
| 54. Ghana Broadcasting Corporation | 109. Kwahu Afram Plains North District Health Directorate |
| 55. Ghana Civil Aviation Authority | 110. La Dade-Kotopon Municipal Assembly |
| | 111. Lawra district Hospital |



112. Lawra Senior High School
 113. Mampong Municipal Assembly
 114. Management Development And Productivity Institute
 115. Margaret Mary High School
 116. Minerals Commission
 117. Ministry Of Defence
 118. Ministry Of Education
 119. Ministry of Employment and Labour Relations
 120. Ministry of Fisheries and Aquaculture Development
 121. Ministry Of Foreign Affairs And Regional Integration
 122. Ministry Of Health
 123. Ministry of Lands and Natural Recourses
 124. Ministry Of Roads And Highways
 125. Ministry of Sanitation and Water Resources
 126. Ministry Of The Interior
 127. Ministry Of Trade, Industry, Private Sector And Psi
 128. Ministry of Transport
 129. Mpasatia Senior High Technical School
 130. Mpohor District Assembly
 131. Mpohor Wassa East District Assembly
 132. Nanumba North District Assembly
 133. National Accreditation Board
 134. National Board for Professional And Technical Examinations
 135. National Commission For Civic Education
 136. National Development Planning Commission
 137. National Identification Authority
 138. National Information Technology Agency
 139. National Labour Commission
 140. National Lottery Authority
 141. National Pensions Regulatory Authority
 142. National Petroleum Authority
 143. National Service Secretariat
 144. National Sports College
 145. National Vocational Training Institute
 146. New Edubiase District Hospital
 147. New Edubiase Senior High School
 148. Nkroful Agric Senior High School
 149. Non Formal Education Division
 150. North Tongu District Assembly
 151. Northern Electricity Distribution Company
 152. Nsaba-Presby Senior High School
 153. Nsawam Government Hospital
 154. Nurses and Midwifery Training College - Sekondi
 155. Nursing and Midwifery Council of Ghana
 156. Nyinahin Catholic Senior High School
 157. Obuasi Municipal Assembly
 158. OFFICE OF THE PRESIDENT - MAIN
 159. Office of the Regional Health Directorate – Brong Ahafo Region
 160. Office of the Regional Health Directorate – Eastern Region
 161. Office of the Regional Health Directorate – Greater Accra Region
 162. Office of the Regional Health Directorate – Northern Region
 163. Office of the Regional Health Directorate – Upper West Region
 164. Office of the Regional Health Directorate – Western
 165. Opoku Ware Senior High School
 166. Osei Kyeretwie Senior High School
 167. Peki Government Hospital
 168. Peki Senior High Technical School
 169. Petroleum Commission

170. Pharmacy Council
 171. Potsin T.I. Ahmadiya Senior High School
 172. Prempeh College
 173. Presby Senior High School. - Legon
 174. Prestea-Huni Valley District Assembly
 175. Public Procurement Authority
 176. Registrar Generals Department
 177. Greater Accra Regional Hospital
 178. S.D.A. Senior High School
 179. School of Anesthesia - Ridge Regional Hospital
 180. School of Dispensing Optics
 181. Securities and Exchange Commission
 182. Sefwi Wiawso Senior High School
 183. Shama District Assembly
 184. SIC Life Company Limited
 185. Simms Senior High School
 186. Social Security and National Insurance Trust (SSNIT)
 187. Sogakope District Hospital
 188. South Dayi District Assembly
 189. St. Francis College of Education
 190. St. Joseph's College of Education
 191. St. Monica Training College
 192. St. Theresa's College of Education
 193. St. Theresa's Hospital - Nandom
 194. Suhum Municipal Assembly
 195. Sunyani Polytechnic
 196. Tafo District Hospital
 197. Tain District Hospital
 198. Takoradi Technical University
 199. Tamale Teaching Hospital
 200. Tamale Technical University
 201. Tarkwa Nsuaem Municipal Assembly
 202. Techiman North District Assembly
 203. Tema Development Corporation
 204. Tema Metropolitan Assembly
 205. Tewa district Hospital
 206. Tewa Senior High School
 207. Trauma And Specialist Hospital - Winneba
 208. Twifo Praso Health Assistants Training School
 209. University For Development Studies
 210. University Of Cape Coast (UCC)
 211. University of Energy and Natural Resource
 212. University of Health and Allied Sciences
 213. University of Mines -Tarkwa
 214. University of Professional Studies Accra
 215. University Of Science And Technology (KNUST)
 216. Upper Denkyira East Municipal Assembly
 217. Upper Manya Krobo District Assembly
 218. Upper West- Regional Coordinating Council
 219. Uthman Bin Afan Senior High School
 220. Volta Regional Hospital
 221. Volta River Authority
 222. Wa General Hospital
 223. Wasa Akropong Hospital
 224. Wassa Amenfi East District Assembly
 225. Wenchi Methodist Hospital
 226. West Akim Municipal Assembly
 227. Yaa Asantewa Senior High School
 228. Yendi District Hospital

EDITORIAL Continued

(Continued from page 1)

be evaluated on the basis of value for money and the extent to which its benefits can accrue not only the organization itself but also the broader SOCIETY, and the ECONOMY while minimizing damage to the ENVIRONMENT.

By this, individual and institutional buyers are not supposed to be considered as mere consumers but rather a critical stakeholder group who have a lot of control over what is manufactured, and how they are manufactured. So if such companies do not adhere to good and sustainable practices such as paying fair wages, maintaining clean environment and reducing greenhouse emissions through their operations, procuring from them would mean that they are being encouraged to continue operating in such unsustainable manner. However, with strict adherence to the principles of SPP it is expected that there would be a significant reduction of negative environmental impacts, improved social responsibility, more efficient use of resources and funds through ethical behaviour.

Thus, given these advantages of SPP, Ghana must use its purchasing power to support companies that produce sustainable products eg.: recycled paper, renewable energy products etc. as they promote the sustainability agenda. Other areas through which this agenda can be sustained may include:

- ⇒ The enactment of an SPP Policy document backed by legal instruments enforceable at the national or municipal levels;
- ⇒ Exercising strong political will and leadership to drive the implementation process;
- ⇒ Encouraging institutional buyers to redirect their focus from mainly upfront costs and profit maximization to include consideration of sustainability issues to enhance social equity, economic advancement and environmental safeguards;
- ⇒ Training of Compliance Inspectors for certification of sustainable products/processes; and
- ⇒ Companies must be encouraged to evaluate the impact of their operations on the environment by measuring their carbon footprints.

To this end, we share with you some of the efforts the PPA has been making in the cause of championing such initiatives to consolidate the gains of the country's public procurement reforms.

Read on.

Rhoda E. Appiah (Mrs)

Head—Public Affairs

PPA



IMPLEMENTING SUSTAINABLE PUBLIC PROCUREMENT (SPP) UNDER PUBLIC PROCUREMENT (AMENDMENT) ACT, 2016 (ACT 914)

1.0 INTRODUCTION

The Public Procurement Authority (PPA) as part of its drive to create an efficient and effective public sector procurement system that is beneficial to the public at large has introduced a new concept, which is about sustainability issues, into Ghana's Public Procurement practices. The concept, called Sustainable Public Procurement (SPP) seeks to address the environmental, social and economic consequences of public procurement actions. This is in support of the government of Ghana's interest and drive towards Sustainable Development. The PPA in 2008 applied to the Swiss State Secretariat for Economic Affairs (SECO) for development assistance to pursue this programme. The Government of the Swiss Confederation, considering the friendly relations between her and the Government of the Republic of Ghana, and desirous of strengthening these relations to promote the economic and social development of Ghana, expressed interest in the project, and on August 30, 2010, the two countries signed an agreement under which the Swiss Government extended development assistance to Ghana in the sum of about US\$ 2.7m. Further to the above, PPA in 2010 embarked on an awareness creation on SPP among entities and the private sector. The response was positive. The government of Ghana has also bought into the SPP idea.

2.0 WHAT IS SUSTAINABLE PUBLIC PROCUREMENT?

Sustainable Public Procurement is a process whereby government organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. *"Sustainable Procurement considers the environmental, social and economic consequences of: design; non-renewable material use; manufacture and production methods; logistics; service delivery; use; operation; maintenance; reuse; recycling options; disposal; and suppliers' capabilities to address these consequences throughout the supply chain". (UN Brundtland Report)*

3.0 OBJECTIVE OF SPP IMPLEMENTATION IN GHANA

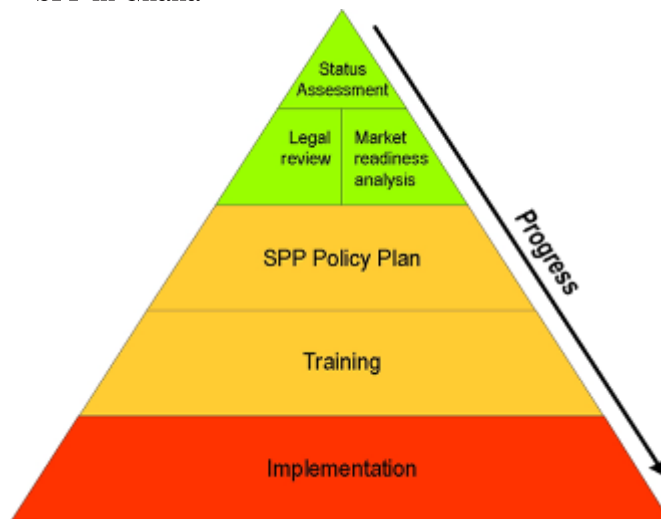
The overall objective of the Programme is to embed the principles of transparency, accountability and sustainability in public procurement. This will be done through deliberate actions to promote production and consumption of sustainable goods and services through government procurement. The Monitoring & Evaluation (M&E) System at PPA will be strengthened to ensure compliance.

4.0 FORMATION OF GHANA TASK FORCE (GTF) ON SPP

To facilitate the implementation of the Sustainable Public Procurement (SPP) concept, the Public Procurement Authority (PPA) has constituted a Task Force named **Ghana Task Force (GTF)** on SPP from key stakeholders comprising representatives of civil society, TUC, industry, commerce, standards oversight bodies, Environmental Agency, local government, Institutions of Engineers and Architects, and the academic to spearhead this SPP agenda. The GTF was inaugurated on Wednesday 1st December, 2010 at La Palm Royal Beach Hotel by the then Deputy Minister of Finance. The main function of GTF was to assist PPA in identifying sustainable criteria and areas of priority where SPP will be applied. Those criteria have been included in the specifications and the Standard Tender Documents which have been redesigned accordingly.

5.0 SPP IMPLEMENTATION PROCESS IN GHANA

The diagram below summaries the implementation of SPP in Ghana



5.1 STATUS ASSESSMENT

Status assessment was conducted to determine the status of sustainable public procurement in Ghana and also define areas of success and areas where further work is needed. It also helps to understand the steps needed to improve SPP (step-by-step approach) implementation in Ghana.

5.1.1 Market readiness analysis

In all, Forty-Nine (49) Companies randomly selected from the Ghana Employers Association (GEA), Association of Ghana Industries (AGI) and some MMDAs and MDAs, were surveyed through questionnaires and one on one structured interview between May and November 2013. A selective market survey was also conducted in some selected markets in Accra and Tema to ascertain the availability of foreign eco-labels on the Ghanaian market. The survey also took into account some existing studies and surveys on SPP initiatives in Ghana. Overall, it has been demonstrated that the Ghanaian market has the potential to respond effectively to SPP tenders in view of the fact that there is a growing supply of sustainable goods on the Ghanaian and International markets.

5.1.2 Legal Review

5.1.2.1 SPP under Public Procurement Act, 2003 (Act 663)

Ghana's Public Procurement Act, 2003 (Act 663), addresses a few of the sustainability issues. The issues are essentially Economic and Social, with very little on Environment. The Environmental aspect, though not captured in the law, has stand-alone regulations on issues like Energy Efficiency Standards, Pesticides Control and Management, Reduction in Green House Gas Emissions, Forest & Wildlife management, and others. On the Social side, Ghana's labour Law, Act 651 of 2003 addresses issues like Equal Opportunity for Employment, Occupational Health & Safety, TUC-Employers dialogue, Child labour, among others. These are sustainability issues (for supplier compliance) that are not integrated into Act 663. Also, the law on the Physically Challenged can influence public procurement. There are some Social issues in the procurement Act 663 that have not yet been mainstreamed into the procurement process.

5.1.2.2 SPP under Public Procurement (Amendment) Act, 2016 (Act 914)

The amendment addresses weakness in Act 663 and introduces new procurement policies such as SPP. That is to mainstream relevant issues in stand-alone social and environmental laws into the Procurement Law to ensure the infusion of SPP issues into the existing procurement processes. Act 914 amended section 2(object of PPA) of Act 663 by the insertion of environmentally and socially sustainable after non-discriminatory. The object of PPA now reads "to secure a judicious, economic, and efficient use of public funds, and to ensure that public procurement is carried out in a fair, transparent, non-discriminatory, environmentally and socially sustainable manner". Section 22(1) of Act 663 has been amended by introducing sustainability criteria in tenderer qualifications. By virtue of clause 8, a tenderer is now required to possess environmental qualifications and meet the ethical and other standards that are applicable in this country. In support of the government to introduce sustainable public procurement, a definition of socio-economic policies has been given in Section 56 of Act 914 which states socio-economic policy means environmental, social, economic and other policies of the Government.

5.2 SPP POLICY PLAN

Based on the results of the Status Assessment, the Legal Review and the Market Readiness Analysis, the PPA - GTF have drafted an SPP Policy Plan, **yet to be finalized**, which will give clear direction and a mandate for implementing SPP. The SPP Policy Plan mentions the objectives, priorities, the products on which to concentrate and a commitment to communicate the policy to the relevant stakeholders and monitor key objectives and outcomes. The SPP Policy Plan will help Ghana to deliver against its sustainable development objectives and drive markets towards sustainability.

5.3 TRAINING

Nationwide roll-out training workshops have been organized in six regions (Greater Accra, Western, Central, Eastern, Northern and Upper West regions). In all, 570 procurement practitioners have been trained in the six regions. The roll-out training workshop in the remaining four regions (Ashanti, Brong Ahafo, Upper East and Volta Region) will be conducted in 2017 depending on



availability of funds. Roll-out workshop programme for Private Sector will also be organized from the 3rd to 4th quarters of 2017. Meanwhile Training of Trainers workshop for private sector has been completed.

6.0 SIGNIFICANCE AND BENEFITS OF SPP FOR GHANA

- ⇒ Achieve value for money and sustain economic development
- ⇒ Intangible Savings ex. Health, Environment, etc.,
- ⇒ Bring Innovation and support Technology Transfer
- ⇒ Boost Local market - build capacity of suppliers / contractors and make them more competitive
- ⇒ Create jobs and wealth
- ⇒ Environmental - reduce harmful emissions e.g. CO2 and waste generation, improve air and water quality
- ⇒ Social – improve working conditions and workplace and support to minority
- ⇒ Contribute to pursue poverty reduction and accelerate the achievement of the Sustainable Development Goals (SDGs)

Build “A better Ghana”

7.0 MAJOR CHALLENGES

SPP implementation will not be without challenges; there will be hurdles to be surmounted. These will arise from the following areas, among others:

- ⇒ **Inadequate funding:** Getting a reasonable budget for SPP will be a challenge. Funds will be needed to implement the SPP agenda.
- ⇒ **Institutional weaknesses of Entities:** This relates to lack of capacity and logistics at the entities level.
- ⇒ **Non-availability of SPP Compliance Inspectors:** For SPP to work effectively there should be a class of Inspectors to monitor and carry out assessment to ensure compliance. This will be a challenging task.
- ⇒ **Budget holders:** For budget holders, there will initially be some resistance from them, since they may have loyal suppliers, contractors and consult-

ants who may not necessarily qualify under the sustainability criteria. Furthermore, they may resist because it will appear to them that sustainable products may be more expensive in the short term.

⇒ **Service Providers:** Suppliers, Contractors and Consultants will naturally show resistance since they will have to expend some funds to bring their products and services up to an SPP compatible level. They may need to change production technology, train staff on new processes, and improve staff benefits, among others.

⇒ **Politicians:** Politicians will act the same way as the budget holders. This is because SPP products and Services are perceived as having higher initial cost thereby affecting or reducing the number of projects within a given budget period.

8.0 WAY FORWARD

The PPA, with support from the Government, expects the public and stakeholders to accept SPP. Due to the benefits expected to accrue to the world at large, Development Partners will be too willing to support SPP projects. Experts will have to be hired to train the SPP inspectors to carry out monitoring to ensure compliance. A lot of efforts should go into education on the benefits of SPP to gain support of all.

9.0 CONCLUSION

SPP is one major way of seeking to achieve the good governance goal of “realizing development that gives priority to the poor, advances women, sustains the environment and creates needed opportunities for employment and other livelihoods”, (IDLO-Rome). The PPA, which was the only African representative on the Marrakech Task Force on SPP, has the responsibility of leading the implementation of SPP in Ghana and Africa. Ghana and the rest of Africa stand to benefit in the long-term if Sustainable Public Procurement is successfully implemented.

We call on all stakeholders to embrace the concept.

Clement Dwuasu-Fordjour

Chief Operations Officer

Policy & Strategy

Public Procurement Authority

GHANA ENERGY POLICY TOWARDS SUSTAINABLE PUBLIC PROCUREMENT



Energy is arguably now regarded as the fifth factor of production after land, labour, capital and entrepreneurship because of the strong influence it has on socio-economic development. Access to and per capita consumption of modern forms of energy has actually differentiated developed nations from developing ones. Energy drives businesses and industry by promoting economic development and employment generation which in turn accelerates improvement in standards of living and social well-being.

Despite the importance of energy use to socio-economic development, its supply chain and use pose some serious deleterious effect on the environment that calls for urgent attention. The extraction of primary energy, e.g. crude oil and coal, the harnessing of hydro power by way of construction of dams, etc. the combustion of fossil fuels in thermal power plants and automobiles and consumption or utilization of wood energy have adverse environmental consequences depending on the availability or otherwise of mitigating measures.

Some of the environmental consequences of high levels of combustion of fossil fuels and discharge of greenhouse gases (GHGs) into the atmosphere have been linked to climate change with attendant problems such as intense draught, flooding, sea level rise, warming-up of the oceans; pest resistance could actually accentuate poverty in farming and fishing communities. The importance of energy use to socio-economic development

therefore requires the deployment of efficient and environmentally sustainable strategies for energy production, procurement and delivery, transportation, distribution and end use. This requires policies and regulations that are underpinned by an integrated approach to energy sector planning using analytical tools.

In the wake of climate change menace arising out of human activities, the whole world is seeking ways and means of developing their economies without undue adverse effects on the environment; i.e. Sustainable development. Sustainable development has therefore been defined as “meeting the needs of the current generation without compromising the needs of the future generation”. Sustainable Public Procurement, which is an integral part of sustainable development strategy, focuses on value for money. It hinges on three pillars; i.e. (i) the procurement of goods and services that are environmentally friendly; (ii) the enhancement of societal welfare; and (iii) contribution to economic development. Ghana has joined the world community in ensuring that growth in socio-economic development does not impose unnecessary threat to the environment.

Ghana has developed policies and is enforcing regulations to ensure the realization of sustainable development goals. The tariffs of electricity utilities have been tied to their quality and customer service performance levels through legislation. The standards, for thermal plants for instance, put the approved heat rate for the GE frame 9E thermal generating equipment at 10,200 mmBtu/kWh, and electricity transmission and distribution losses have been pegged at a maximum of 3% and 18% respectively.

Another area of high energy losses is in our homes due to poor house-keeping and the use of inefficient end use appliances e.g. refrigerators. In 2013, households and industry accounted for about 47.6% and 34.4% of total electricity consumption in the country respectively. Households in the country contribute to the evening peak, which occurs between 6pm and 11pm during which period all plants are deployed, imposing high cost on the generation system.



Korle lagoon, hub of e-waste

It therefore comes as no surprise to see a lot of energy conservation and efficiency activities geared towards households to reduce their consumption especially during the peak period. It is instructive to know that the country has transversed the era of cheap hydro power. In 2000, hydropower generation accounted for 91.5% of total generation compared to 64.0% in 2013 including Bui Hydropower plant. The total unexploited hydropower potential in the country is about 230 MW with a total output of about 930 GWh. Hence, all future generation capacity will have to be thermal based on fossil fuels e.g. light crude oil, imported and domestic natural gas and coal, which are expensive and environmentally unfriendly.

Energy consumption by households and commercial sectors are mainly for lighting, cooking, refrigeration, and space cooling. In order to reduce energy consumption, the government of Ghana, through the Energy Commission has put pragmatic energy saving measures in place to arrest the ever-growing demand in energy in order to achieve the policy target of 10% reduction in energy demand by 2015. The measures include the introduction of robust standards and an appliance labelling programme which are mandatory by law. The Parliament of Ghana has passed laws to regulate the importation and manufacture of some selected electrical appliances into Ghana. These laws are;

1. Energy Efficiency Standards and Labelling (Non-Ducted Air-conditioners and Self-Ballasted Fluorescent Lamps) Regulations, 2005 (LI 1815)
2. Energy Efficiency Standards and Labelling (Household Refrigerating Appliances) Regulations, 2009(LI 1958) and LI 1970
3. Energy Efficiency (Prohibition of Manufacture, Sale or Importation of Incandescent Filament Lamp, Used Refrigerator, Used Refrigerator-Freezer, Used Freezer and Used Air-conditioner) Regulations, 2008 (LI 1932)
4. The Energy Efficiency Standards and Labelling (Non-Ducted Air-conditioners and Self-Ballasted Fluorescent Lamps) Regulations, 2005 (LI1815) sets the minimum standards for all compact fluorescent lamps (CFLs) and room air conditioners that can be imported or manufactured in the country. The law stipulates a minimum energy efficiency standard of 33 lumens per watt for CFLs. The simple interpretation of 33lumens per watt is "*the amount of illumination that 33 lighted candle can provide by standing a foot away from it*". A twenty-watt CFL can replace an eighty-watt incandescent lamp and the energy savings is about eighty percent. The minimum energy efficiency ratio (EER) for air conditioners is 2.8. Labelling is a requirement and that the law make it an offence to import or put up for sale without the appropriate label affixed conspicuously on the appliance.
5. The Energy Efficiency Standards and Labelling (Household Refrigerating Appliances) Regulations, 2009(LI 1958) as amended in LI 1970 set out mini-



imum energy efficiency standards for household or domestic refrigerating appliances and makes labelling a mandatory requirement. The average annual consumption of a refrigerator should not exceed 600kWh.

The labels have yellow background and black stars ranging from one to five and the more the stars, the more efficient the appliance. With regards to refrigerators, the refrigerant (gas) put in the compressor and the climate class of the appliance are part of the information that by law should appear on the label. Gases that are chlorofluorocarbons (CFCs) are harmful to the environment as they deplete the ozone layer and are subsequently banned in Ghana upon signing the Montreal Protocol. The world, for the purposes refrigerator usage, is divided into four basic climatic zones; frigid, temperate, sub-tropical and tropical zones. On the name-plate of every refrigerator pasted at the back of the appliance or on the yellow label, one can find “climate class” with the following markings; SN, N, ST, and T respectively representing the climate class which the appliance was designed to be used in. These are subnormal (SN), normal (N), subtropical (ST) and tropical (T) climate classes. Appliances that are marked SN or N, even if they are new would not be efficient in Ghana which has a tropical climate. At worse, one can go in for a subtropical (ST) refrigerating appliance. Refrigerating appliances that are marked normal (N) or subnormal (SN) are not designed to be used in tropical climate like Ghana where temperatures are high. They are

therefore banned in Ghana by LI 1958 and LI 1970 because they are high energy consuming, even if they are new.

The Legislative Instrument 1932 gives vitality and meaning to the energy efficiency drive. It proceeds to ban the importation of used energy consuming appliances; refrigerating appliances and used air-conditioners. It further bans the importation or manufacturing of incandescent filament bulbs, which are high energy consuming.

The rationale for the passage of these laws was without malice to any trader but to ensure that our market sells only energy efficient appliances. Refrigerating appliances and air-conditioners are two major energy consuming household/commercial appliances. Their consumption worsens when they are old. These old and inefficient appliances that have outlived their technical usefulness in Europe, America and elsewhere, suddenly find their way into Ghana and begin a new life. They serve as a drain on the system; used refrigerators, for instance, consume 1,200 kWh per annum on the average, compared to 150 kWh annually in jurisdictions where there are robust standards. The high energy consumption is as result of the fact that they are not meant to be used in the tropics and also certain vital components like the compressor, thermostat and the seals are weak and as a result malfunction.

The linkage between energy policy and sustainable procurement is established in the fact that the sustainable procurement laws take into consideration the procure-

ment of energy efficient appliances. It is estimated that 50% of government revenue goes into the procurement of goods and services which includes appliances such as air-conditions, refrigerators, lamps etc. The procurement policy therefore makes it mandatory that public funded procurement should be the most efficient appliances. This then changes the dynamics of public procurement and especially the common perception that price is the ultimate decider of who wins a procurement contract because of the element of sustainability introduced. In sustainable procurement therefore, factors that are considered are; operating cost, low carbon foot prints and end of life cost and not the initial cost.

The reasons for the laws

Economic reasons

The initial investment cost of old appliances could be low but running cost could be very high in terms of bills and maintenance cost. The country spent US\$ 745.34 million to import crude oil for the thermal power plants in 2013 compared to US\$ 259.11 million in 2011. In the case individuals who undertake energy savings, monies that would have gone into payment of energy bills remain in the pockets as savings. In 2007/2008, the lighting retrofit through the National CFL exchange programme alone saved the country 124MW which at that time would have cost USD 105.0 million to build a power plant of equal output. Studies into income levels in some 26 selected districts after the lighting retrofit exercise revealed that household incomes had gone up by GHS30 on the average. It is quite refreshing to state that two CFL assembly plants were established in Ghana after the standards were introduced.

Environmental reasons

Apart from the cost of inefficient appliance use to the individual and the state, the environmental cost can also be alarming. Most of the old appliances have short lifespan and after a short period of use, they are discarded. The discarded appliances litter our street corners and those containing environmentally harmful gases like chlorofluorocarbons refrigerators and air-conditioners are released unto the atmosphere.

Technological advancement and growth reasons

Standards and labelling help countries to benefit from stimulating technological improvement among manufacturers and stimulate economic growth with little or limited investments in more electricity pro-

duction infrastructure. For the first time in many years the imports of new refrigerating appliances have exceeded that of used appliances by 51,125 units. The importation of used refrigerators dropped from 420,000 units in 2012 to 152,000 in 2013. The reduction in importation of used refrigerators translates into 160.8 MW savings in electricity demand. This is enough to power 50,000 middle income homes for a year without additional capacity. With the introduction of standards and the laws banning used refrigerating appliance imports, a company is on the throes of starting assembling of refrigerating appliances in the Free Zone enclave.

Anti dumping reasons

The laws are in place to prevent Ghana from becoming a dumping ground for obsolete and inefficient appliances from Europe and elsewhere. Disposal of electronic waste is expensive in the advanced countries. They therefore find where they can dump so easily and in the absence of stringent policies and laws that insulate a country, it automatically becomes a dumping site. In the wake of the ban on the importation of used refrigerating appliances into Ghana, a British waste management company, Environcom, shipped over forty 40-footer containers of used refrigerators into the country. But for the laws on the ban of those appliances, the Energy Commission would have found it extremely difficult to confiscate and destroy the items. The environmental and economic implications of dumping to the affected country cannot be underestimated.

The Appeal

With the construction of the Bui Dam, Ghana has hit its wits end as far as cheap hydro power potential is concerned. All future generation expansion would come from thermal which could be expensive, economically and environmentally.

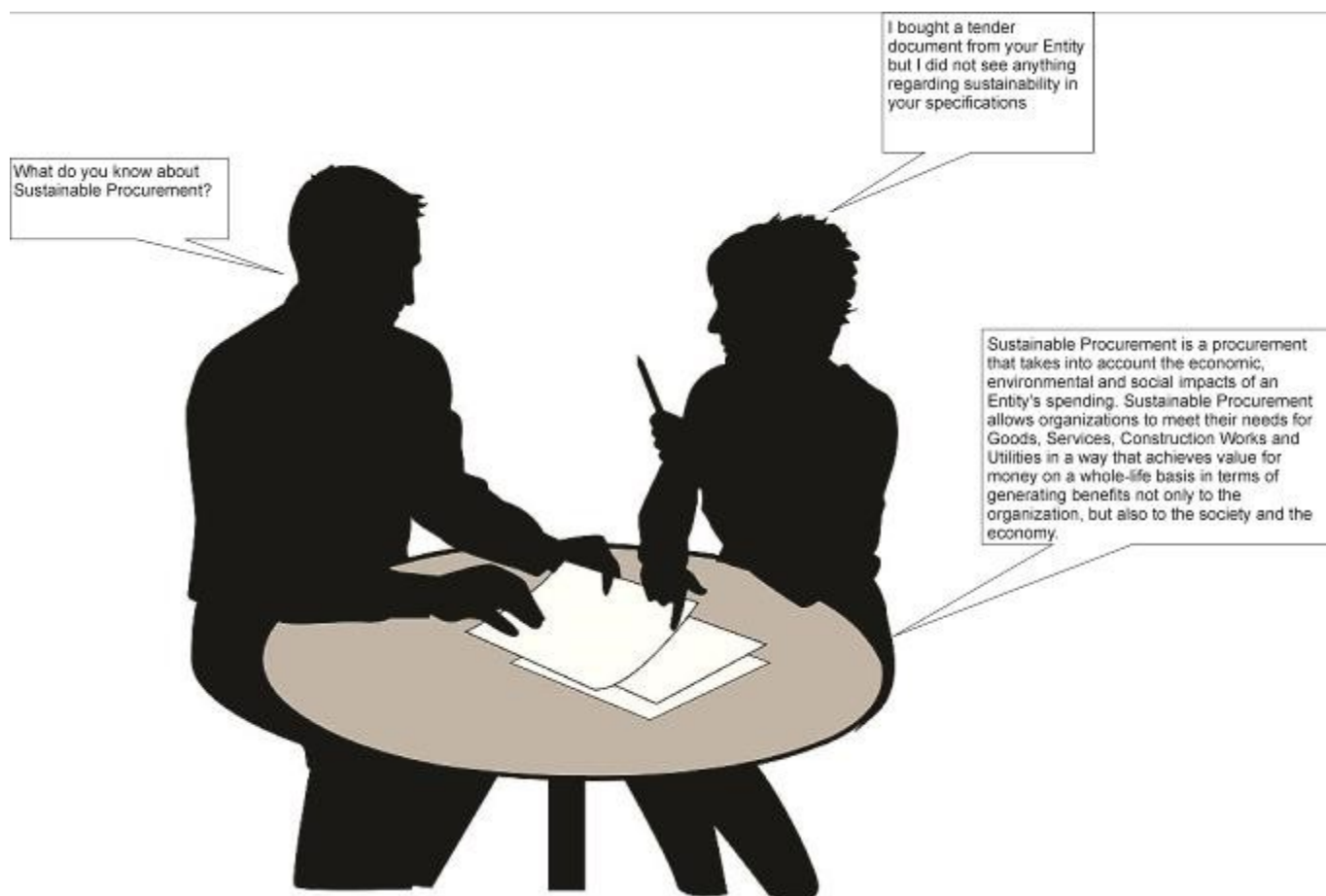
To differentiate an energy efficient appliance from an energy inefficient one is by the label. Look out for the yellow label with black stars. Remember that if the appliance is not labelled, it is probably not good. The axiom is “No label, No good”

Kofi A. Agyarko

Head of Energy Efficiency & Climate Change Division

Energy Commission

Sustainability Humour



Tendering and Contract Information for periods indicated

[Tendering Opportunities for May - Jun 2017](#)

[Contracts Awarded for Jan - Dec 2017](#)

[Restricted Tender Awards May- Jun 2017](#)

[Expression of Interest Requests Jan - Feb 2017](#)

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



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