



## E-Bulletin



Theme for 2019: Effective Public Procurement as a key driver to achieving Ghana Beyond Aid Agenda

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

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## GAMBIAN DELEGATION VISITS PPA



**The Gambian Delegation and PPA Staff**

A six-member delegation from the Gambia Public Procurement Authority (GPPA) has paid a working visit to Ghana to familiarise themselves with the country's procurement processes, spearheaded by the Public Procurement Authority (PPA). The delegation led by Abdoulie Tamedou, Director General of the GPPA shared experiences in public procurement with the various departments of the PPA from Monday 14<sup>th</sup> to Friday 18<sup>th</sup> October, 2019.

As part of the visit, the delegation visited the Ghana Chamber of Commerce, Association of Contractors, Volta River Authority (VRA), Ghana Ports and Harbour Authority (GHAPHA), Minister of State in Charge of Public Procurement – Hon. Adwoa Safo and the Public Investment and Assets Division (PIAD) of the Ministry of Finance.

*See full statement on Pg.11*

## Online Procurement Submissions at 31st October 2019

- ⇒ Academy of Arts and Sciences-Ghana
- ⇒ Accra Metropolitan Assembly
- ⇒ Accra Polytechnic
- ⇒ Accra Psychiatric Hospital
- ⇒ Achimota Hospital
- ⇒ Ada District Hospital
- ⇒ Adansi Asokwa District Assembly
- ⇒ Adansi North District Assembly
- ⇒ Adidome District Hospital
- ⇒ Afadzato south District Assembly
- ⇒ Agona West Municipal Assembly
- ⇒ Ahanta West District Assembly
- ⇒ Ahantaman Senior High School
- ⇒ Akatsi College of Education
- ⇒ Akatsi District Hospital
- ⇒ Akatsi North District Assembly
- ⇒ Akim Oda Government Hospital
- ⇒ Akrofuom District Assembly
- ⇒ Akrofuom Senior High Technical School
- ⇒ Akuse Government Hospital
- ⇒ Akyemansa District Assembly
- ⇒ Al-Faruq College Of Education
- ⇒ Amansie South District Assembly
- ⇒ Asamankese Government Hospital
- ⇒ Asamankese Senior High School.
- ⇒ Asikuma Odoben Brakwa District Assembly
- ⇒ Asokore Mampong Municipal
- ⇒ Asonomaso district Hospital
- ⇒ Assin North Municipal Assembly
- ⇒ Assin South District Assembly
- ⇒ Atebubu-Amantin District Assembly
- ⇒ Atua Government Hospital
- ⇒ Ayawaso North Municipal Assembly
- ⇒ Bank of Ghana
- ⇒ Begoro Hospital
- ⇒ Bibiani/Anhwiaso/Bekwai District Assembly
- ⇒ Birim Central Municipal Assembly
- ⇒ Birim South District Assembly
- ⇒ Bodi District Assembly
- ⇒ Bolgatanga Municipal Assembly
- ⇒ Bolgatanga Polytechnic
- ⇒ Bui Power Authority
- ⇒ Bulk Oil Storage and Transportation
- ⇒ Cape Coast Nursing and Midwifery Training College
- ⇒ Central Gonja District Assembly
- ⇒ Centre for Plant Medicine Research - Mampong
- ⇒ Civil Service Clinic
- ⇒ Cocoa Marketing Company (Ghana) Limited
- ⇒ Community Health Nurses Training School - Tamale
- ⇒ Community Health Nursing Training School - Akim Oda
- ⇒ Controller And Accountant General Dept
- ⇒ Copyright Administration
- ⇒ Council for Scientific and Industrial Research
- ⇒ Council of State
- ⇒ Department Of Urban Roads
- ⇒ Dormaa Municipal Assembly
- ⇒ Driver and Vehicle Licensing Authority (DVLA)
- ⇒ Ear Nose And Throat Training School
- ⇒ East Akim Municipal Assembly
- ⇒ Economic and Organised Crime Office
- ⇒ Effiduase District Hospital
- ⇒ Ekumfi District Assembly
- ⇒ Electoral Commission
- ⇒ Energy Commission
- ⇒ Environmental Protection Agency
- ⇒ Esiamia Sec/Tech
- ⇒ Essikadu District Hospital
- ⇒ Fair Wages And Salaries Commission
- ⇒ Fisheries Commission
- ⇒ Foods and Drugs Authority
- ⇒ Forestry Commission
- ⇒ Ga South Municipal Assembly
- ⇒ Gaming Commission of Ghana
- ⇒ Ghana Aids Commission
- ⇒ Ghana Airports Company Limited
- ⇒ Ghana Atomic Energy Commission
- ⇒ Ghana Audit Service
- ⇒ Ghana Book Development Council
- ⇒ Ghana Broadcasting Corporation
- ⇒ Ghana Civil Aviation Authority
- ⇒ Ghana Cocoa Board
- ⇒ Ghana Cocoa Board - Quality Control Division
- ⇒ Ghana College of Physicians and Surgeons
- ⇒ Ghana Cylinder Manufacturing Company Limited
- ⇒ Ghana Education Service
- ⇒ Ghana Education Trust Fund (GETFUND)
- ⇒ Ghana Export Promotion Authority
- ⇒ Ghana Export Promotion Council
- ⇒ Ghana Free Zones Board
- ⇒ Ghana Geological Survey Authority
- ⇒ Ghana Grid Co. Ltd. (GRIDCO)
- ⇒ Ghana Health Service
- ⇒ Ghana Highway Authority
- ⇒ Ghana Institute of Journalism (GIJ)
- ⇒ Ghana Institute of Management And Public Administration
- ⇒ Ghana Investment Fund for Electronic Communication
- ⇒ Ghana Investment Promotion Centre
- ⇒ Ghana Law School
- ⇒ Ghana Library Board
- ⇒ Ghana Maritime Authority
- ⇒ Ghana Metrological Agency
- ⇒ Ghana National Gas Company Limited
- ⇒ Ghana National Petroleum Corporation
- ⇒ Ghana Police Service
- ⇒ Ghana Ports And Harbours Authority
- ⇒ Ghana Publishing Company Limited

## Online Procurement Submissions at 31st October 2019

- ⇒ Ghana Railway Development Authority
- ⇒ Ghana Reinsurance Company Ltd
- ⇒ Ghana Revenue Authority
- ⇒ Ghana Road Fund Secretariat
- ⇒ Ghana Shippers Authority
- ⇒ Ghana Standards Authority
- ⇒ Ghana Statistical Service
- ⇒ Ghana Technology University College
- ⇒ Ghana Tourist Board
- ⇒ Ghana Water Company Limited
- ⇒ Ghana-India Kofi Annan Center of Excellence
- ⇒ Gomoa West District Assembly
- ⇒ Government Technical Training Centre
- ⇒ Grains And Legumes Development Board
- ⇒ Half Assini District Hospital
- ⇒ Health Facilities Regulatory Agency (HeFRA)
- ⇒ Ho Municipal Assembly Dist. Hospital
- ⇒ Ho Polyclinic
- ⇒ Ho Technical University
- ⇒ Holy Child College Of Education
- ⇒ Internal Audit Agency
- ⇒ Jaman South (Jaman ) District Assembly
- ⇒ Jirapa District Hospital
- ⇒ Jomoro District Assembly
- ⇒ Judicial Service
- ⇒ Kade Government Hospital
- ⇒ Kedjebi
- ⇒ Keta District Hospital
- ⇒ Ketu South District Assembly
- ⇒ Ketu South Municipal Hospital
- ⇒ Kintampo North Municipal Assembly
- ⇒ Kintampo South District Assembly
- ⇒ Koforidua General Hospital
- ⇒ Koforidua Technical University
- ⇒ Komenda Edina Eguafu Abirem Municipal Assembly
- ⇒ Komfo Anokye Teaching Hospital
- ⇒ Konongo District Hospital
- ⇒ Konongo Odumase Senior High School.
- ⇒ Korle- Bu Teaching Hospital
- ⇒ Krachi East District Assembly
- ⇒ Krachi West District Assembly
- ⇒ Krachi West District Hospital
- ⇒ Kumasi Metropolitan Assembly
- ⇒ Kumasi Technical University
- ⇒ Kwabere East Municipal Assembly
- ⇒ Kwaebiiirem District Assembly
- ⇒ Kwahu Afram Plains South District Assembly
- ⇒ Kwahu Government Hospital
- ⇒ Kwame Nkrumah University Of Science And Technology (KNUST)
- ⇒ Lambusie-Karni District Assembly
- ⇒ Lawra District Hospital
- ⇒ Local Government Service Secretariat
- ⇒ Maamobi General Hospital
- ⇒ Mampong General Hospital
- ⇒ Mampong Municipal Assembly
- ⇒ Methodist College of Education - Akim Oda
- ⇒ Metro Mass Transport Ltd
- ⇒ Minerals Commission
- ⇒ Minerals Development Fund
- ⇒ Ministry for the Interior
- ⇒ MINISTRY OF AVIATION
- ⇒ MINISTRY OF CULTURE And CHIEFTAINCY
- ⇒ Ministry of Defence
- ⇒ Ministry of Education
- ⇒ Ministry of Employment and Labour Relations
- ⇒ Ministry of Environment, Science, Technology and Innovation
- ⇒ Ministry of Finance
- ⇒ Ministry Of Fisheries And Aquaculture Development
- ⇒ Ministry of Food and Agriculture
- ⇒ Ministry Of Foreign Affairs And Regional Integration
- ⇒ Ministry of Gender, Children and Social protection
- ⇒ Ministry of Health
- ⇒ Ministry of Information
- ⇒ Ministry of Inner-City and Zongo Development
- ⇒ Ministry of Justice And Attorney General
- ⇒ Ministry of Local Government and Rural Development
- ⇒ Ministry of Monitoring and Evaluation
- ⇒ Ministry of Planning
- ⇒ Ministry of Railways Development
- ⇒ Ministry of Regional Reorganization and Development
- ⇒ Ministry of Roads and Highways
- ⇒ Ministry of Sanitation and Water Resources
- ⇒ Ministry of Special Development Initiative
- ⇒ Ministry of Tourism Culture and Creative Arts
- ⇒ Ministry of Trade and Industry
- ⇒ Ministry of Transport
- ⇒ Ministry of Works and Housing
- ⇒ Ministry Of Youth And Sports
- ⇒ Nadowli District Hospital
- ⇒ Narcotics Control Board
- ⇒ Nation Builders Corps
- ⇒ National Accreditation Board
- ⇒ National Board for Professional And Technical Examinations
- ⇒ National Board for Small Scale Industries
- ⇒ National Commission for Civic Education
- ⇒ National Commission on Small Arms and Light Weapons
- ⇒ National Communication Authority
- ⇒ National Council for Tertiary Education

- ⇒ National Development Planning Commission
- ⇒ National Film and Television Institute
- ⇒ National Health Insurance Authority
- ⇒ National Identification Authority
- ⇒ National Information Technology Agency (NITA)
- ⇒ National Insurance Commission
- ⇒ National Labour Commission
- ⇒ National Lotteries Authority
- ⇒ National Pensions Regulatory Authority
- ⇒ National Petroleum Authority
- ⇒ National Road Safety Commission
- ⇒ National Service Secretariat
- ⇒ National Theatre of Ghana
- ⇒ National Youth Authority
- ⇒ New Edubiase District Hospital
- ⇒ New Juaben North Municipal Assembly
- ⇒ Ngleshie Amanfro Polyclinic
- ⇒ Nkroful Agric Senior High School
- ⇒ North Gonja District Assembly
- ⇒ North Tongu District Assembly
- ⇒ Northern Electricity Distribution Company (NEDCo)
- ⇒ Nsawam Government Hospital
- ⇒ Nurses and Midwifery Training College - Sekondi
- ⇒ Nursing and Midwifery Council of Ghana
- ⇒ Nursing and Midwifery Training College - Koforidua
- ⇒ Nursing and Midwifery Training College -Twifo Praso
- ⇒ Nursing Training College - Wa
- ⇒ Obuasi East District Assembly
- ⇒ Obuasi Government Hospital
- ⇒ Obuasi Municipal Assembly
- ⇒ Office of Administrator of Stool Lands
- ⇒ Office of President
- ⇒ Office of the Head of Civil Service
- ⇒ Office of the Regional Health Directorate – Brong Ahafo Region
- ⇒ Office of the Regional Health Directorate – Eastern Region
- ⇒ Office of the Regional Health Directorate – Greater Accra Region
- ⇒ Office of the Regional Health Directorate – Upper West Region
- ⇒ Office of the Regional Health Directorate – Western
- ⇒ Offinso College of Education
- ⇒ Offinso North District Assembly
- ⇒ Old Tafo Municipal Assembly
- ⇒ Peki Government Hospital
- ⇒ Pharmacy Council
- ⇒ Planning Demo
- ⇒ Prestea Huni Valley District Assembly
- ⇒ Public Procurement Authority
- ⇒ Public Service Commission
- ⇒ Public Utilities Regulatory Commission
- ⇒ Registrar Generals Department
- ⇒ Ridge Hospital
- ⇒ S.D.A College of Education - Asokore
- ⇒ S.D.A.Senior High School.
- ⇒ Salga District Hospital
- ⇒ Scholarships Secretariat
- ⇒ School of Anesthesia - Ridge Regional Hospital
- ⇒ School of Dispensing Optics
- ⇒ SDA Nursing and Midwifery Training School
- ⇒ Securities and Exchange Commission
- ⇒ Sekyere East District Assembly
- ⇒ Sene Dist. Hospital
- ⇒ Sene East District Assembly
- ⇒ Shama District Assembly
- ⇒ SIC Life Company Limited
- ⇒ Simms Senior High School
- ⇒ Sissala East (Sissala) District Assembly
- ⇒ Social Security and National Insurance Trust (SSNIT)
- ⇒ Sogakope District Hospital
- ⇒ South Dayi District Assembly
- ⇒ St. Francis College of Education
- ⇒ St. Joseph College Of Education-Bechem
- ⇒ St. Monicas College of Education
- ⇒ St. Theresas College of Education
- ⇒ St. Vincent College of Education
- ⇒ State Interests and Governance Authority
- ⇒ Students Loan Trust Fund-SLTF
- ⇒ Suaman District Assembly
- ⇒ Suame Municipal Assembly
- ⇒ Suhum Municipal Assembly
- ⇒ Sunyani General Hospital
- ⇒ Sunyani Polytechnic
- ⇒ Tain District Hospital
- ⇒ Takoradi Technical University
- ⇒ Tamale Teaching Hospital
- ⇒ Tamale Technical University
- ⇒ Tano North District Assembly
- ⇒ Tano South District Assembly
- ⇒ Tarkwa Nsuaem Municipal Assembly
- ⇒ Tema Development Corporation
- ⇒ Tema Shipyard Ltd
- ⇒ Tema West Municipal Assembly
- ⇒ Tewa District Hospital
- ⇒ Twifu/ Heman/ Lower Denyira
- ⇒ University Of Cape Coast (UCC)
- ⇒ University Of Education Winneba (UCEW)
- ⇒ University of Energy and Natural Resources
- ⇒ University of Health and Allied Sciences
- ⇒ University of Mines and Technology -Tarkwa
- ⇒ University of Professional Studies, Accra
- ⇒ Upper Denkyira East Municipal Assembly
- ⇒ Upper West- Regional Co-ordinating Council
- ⇒ Volta- Regional Coordinating Council
- ⇒ Volta Regional Hospital
- ⇒ Volta River Authority
- ⇒ Wassa Amenfi East District Assembly
- ⇒ Wassa East District Assembly
- ⇒ Wesley College of Education - Kumasi
- ⇒ Western- Regional Co-ordinating Council
- ⇒ Wiawso College of Education
- ⇒ Zongo Development Fund

# Afehyia Pa



**Public Procurement Authority**  
*Improving Efficiency and Transparency in Public Procurement*

## PUBLIC PROCUREMENT REFORMS AROUND THE WORLD

All too soon, the year has almost come to an end. The Editorial Team of the Authority has worked hard to publish 6 exciting and well researched electronic Bulletins. The publications are on areas such as: “Sustainable Public Procurement (SPP)”, “Ghana’s Electronic Procurement System (GHANEPS)”, “The private sector’s role in the development and promotion of public procurement”, “Mainstreaming gender, marginalized groups into public procurement” among others. In this edition, we will discuss Public Procurement Reforms. We will critically discuss the public procurement reforms in comparison to its impact in Ghana but first, let’s take a look at some global trends.

Public Procurement reforms are seen as essential for achieving a long term improvement in financial management. The International Budget Partnership estimates that developing countries spend up to \$820 billion a year on procurement-related transactions. But procurement is one of the government functions most prone to corruption (2015). According to Transparency International, up to 5% of the value of government contracts may be lost to corruption. It therefore came as no surprise when international financial institutions started pushing for Public Procurement Reforms around the world.

An evaluation of public procurement systems in Chile in 2002 revealed multiple rules among public agencies, low installed capacity, little attention to contracting management, scarce incentives for improvement particularly in terms of savings, limited transparency, high operational costs, and extended contract delivery times. E-procurement was con-

ceived as an excellent solution to tackle most of these areas, if not all. So, starting from scratch, Chile introduced a multifaceted approach for reforms its public procurement system with the introduction of the E-Procurement.



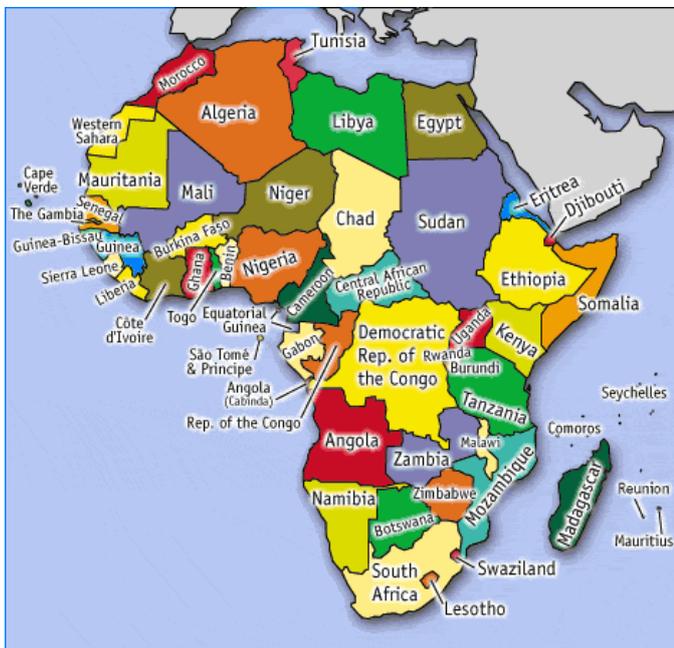
Chile

In the early 2000’s, Canada underwent a strategic Public Procurement Reform targeted at saving \$2.5 billion over a period of five years. The reform also implemented the mandatory use of standing offers or framework agreements as well as the mandatory use of the Government of “Canada Market place”.



## PUBLIC PROCUREMENT REFORMS AROUND THE WORLD

Public procurement reforms have been rolling out since the 1990s in Africa. Targeting better efficiency – but also more accountability and integrity in the management of public resources. In most African countries, Public Procurement Reforms has been preceded by assessments of existing systems, either by consultants or by external development partners particularly the World Bank in their country procurement reports. Such studies made recom-



**Procurement Reforms in Africa**

mendations to governments based on which reform of Public Procurement have been modelled. Prior to reforms, many governments lacked thorough codes by which decisions surrounding contract awards could be regulated and accounted for. This provided opportunities for abuse and inefficiencies, and weakened trust in public institutions.

In the last decade, Cote d'Ivoire, Uganda, Somalia, Malawi and Zimbabwe have benefited from pro-

jects financed by the World Bank and the African Development Bank in which procurement reforms were part and parcel of larger public sector management goals. The reforms also targeted internal efforts which focused on professionalization and capacity building in national procurement systems. These efforts are consistent with the goals of good governance and prevention of corruption in the use of public funds, and they are also increasingly being linked to the Sustainable Development Goals (SDG).

In 2013, the Government of Kenya began to use procurement as a tool for the economic empowerment of women, youth and persons with disabilities, instituting legal provisions for a 30 percent allocation of public contracts to businesses led by those groups.

In Ghana, the government has made great strides to reform its public procurement system holistically and tackle underlying issues affecting performance such as a weak civil service system, and a lack of access to information for civil society partners and the general public. The Government of Ghana embarked upon an exercise to reform the Public Procurement System in 1996 as an integral part of a wider Public Financial Management Reform Programme (PUFMARP). The exercise was to improve the overall public financial management in the country. The reform exercise identified shortcoming and organizational weaknesses inherent in the country's procurement system. These include the absence of a comprehensive public procurement policy and the lack of a comprehensive legal regime to safeguard the integrity of the public procurement system. Others are the absence of a central

## PUBLIC PROCUREMENT REFORMS AROUND THE WORLD

body with the requisite capability, technical expertise and competence to develop a coherent public procurement policy.

As part of the legal and institutional framework reform, the Ghanaian government enacted the Public Procurement Act in 2003 which established the Public Procurement Authority (PPA) as a regulator. This led to the establishment of the Tender Committee and Tender Review Committee.

As part of the procurement oversight, capacity building and anti-corruption measures, the PPA was tasked with the responsibility to provide policy and regulatory oversight; provide training and capacity building for procurement officials; hear appeals and complaints; and, assist local industries to become competitive and efficient suppliers to the public sector.

Ghana has also embarked on a new approach mainstreaming procurement training into the tertiary education system with additional programmes at the Higher National Diploma (HND) and Bachelor's levels as part of its professionalization and capacity development reforms.

In conclusion, the establishment of PPA has introduced the legal and institutional framework for ensuring transparency and accountability.

In the subsequent pages, we would highlight

- ◆ *Issues about cost savings*
- ◆ *Professionalism and Capacity Building*
- ◆ *Bodies set up and prosecution that have gone on*

**Enjoy the publication**

**Enjoy the rest of the year in good health and prosperity.**

**Afehyea Pa**

***Source:***

*www.ppa.gov.gh,*

*www.worldbank.org,*

*www.undp.org,*

*www.gsdr.org,*

*www.oecd.library.org*

***Written by Marian Oteng***

***Assistant Officer - Corporate Affairs***

## PUBLIC PROCUREMENT REFORMS – AN ASSESSMENT OF POLICY VS IMPACT

### *On The Issue of Cost Savings*

Imagine a country which does not have a comprehensive public procurement policy, or does not have a central body with technical expertise to oversee/regulate sound procurement practice. How will the procurement system of such a country look like? Especially, when more than 50% of its revenue go into procurement activities. Obviously, the provision of necessary infrastructural facilities will be hampered, thereby pulling the wheels of national development, procurement in the public sector will also be over-priced and expensive resulting to wasting of scarce public resources. This was the state of Ghana, as identified by The Public Financial Management Reform Programme (PUFMARP) in 1996, prior to the enactment of the Public Procurement Act, (2003), Act 663 as amended.

The enactment of the Public Procurement Act, (2003), Act 663 as amended seeks, therefore, to achieve the following harmonization of public procurement processes in the public service, as well as, ensuring that public procurement is carried out in a fair, transparent, non-discriminatory, environmentally and socially sustainable manner. Single Source and Restricted Tendering Method of Procurement, per the provision of the law are exceptional methods and procuring entities seeking to use them are required to seek approval from the Board of the Public Procurement Authority.

Setting up the Due Diligence Unit (DDU) is one of the strategies adopted by the current Governing Board of PPA to ensure that Single Source and Restricted Tendering (SSRT) Applications received are

duly reviewed and meet the provisions set out in sections 38 to 41 of Act 663 as amended. The Terms of Reference of the Unit include and not limited to the determination of the reasonableness or otherwise of all Single Source Applications as it relates to Act 663 as amended and conduct value for money analysis to establish price reasonableness or otherwise of the estimated contract sums quoted by the Entities.

Based on the TOR for its establishment, the DDU subjects every request to critical price reasonableness and undertakes thorough review of all SSRT applications received. In ascertaining the reasonableness of cost, the unit compares the proposed prices to the following; price database of common user items on PPA website, prevailing prices on the market, independent quotations obtained by the Unit, as well as, price of similar projects among others. After the thorough review, cost analysis and price comparisons by the Unit, any of the following conclusions may be arrived at for onward submission to PPA Board for review:

1. *Recommendation for approval to be granted* where DDU deems the said application satisfies the relevant provisions of Act 663 as amended (Section 38-41) and will lead to the achievement of Value for Money (VfM).
2. *Recommendation for approval at a percentage reduction on the proposed cost or revision of the estimated cost thereof* where DDU price reasonableness analysis reveals that the proposed cost of the said application may not lead to the achievement of VfM, the Covered Entity is expected to communicate back to the Authority on their ability

## PUBLIC PROCUREMENT REFORMS – AN ASSESSMENT OF POLICY VS IMPACT

### *On The Issue of Cost Savings*

or otherwise to achieve such percentage reduction for a final approval to be conveyed. Should the entity pursue the procurement contrary to PPA's directives for reduction; it becomes an infraction in the face of the law in any procurement audit.

3. *Recommendation for rejection of the request* where the justification adduced for the said Application or the proposed supplier(s) lack the technical and financial capability and/or when other procurement method could lead to the attainment of VfM.
4. Recommendation that the requesting entity be advised to provide further and better documents and details (additional information).

Since April, 2017, over a thousand SSRT requests have been reviewed by the Board and a total savings of about 2.75 Billion Ghana Cedis has been achieved. For instance between April to December 2017, a total of 792 SSRT Applications were reviewed by PPA, out of which 410 were approved and 382 were rejected. A total Savings of GH¢115,988,505.47, USD180,995,365.36, Euro1,853,141.00 and GBP22,398.00 were achieved. Additionally, draft agreements have been reviewed to ensure that Ghana becomes the ultimate beneficial in such Agreements. Many requests have been rejected due to lack of merit. There have been instances where some entities have been invited for a meeting on some critical issues which in the end consensus reached have helped in securing better value for such activities. The due diligence work has reduced significantly the tendency of awarding contracts to undeserving, unqualified and under-resourced tenderers.

The savings made so far through the due diligence review meant that funds have been saved and now made available for other projects. Goods/Works and Services are being procured at realistic cost. Again, prices of certain

Finally, Public entities are being put in constant check, which in effect, has helped in bringing government procurement expenditure under control thereby giving the central government a lot more fiscal space for planning and budgeting.

*Written by Ebenezer Larbie, Principal Finance Officer and Joana Sakyi Asiedu, Senior Administrative Officer*

## GAMBIAN DELEGATION VISITS PPA



**The Gambian Delegation presenting a gift to the Acting CEO of PPA**

The delegation stated that the purpose for the visit was to pursue engagements with sister institutions outside their boundaries to improve the procurement practices of the Gambian Public Procurement.

The GPPA according to Mr. Tamedou, also plays advisory role in relation to new policies as well as compliance audit. Unlike Ghana, the GPPA has an internal training institute called the Gambia Public Procurement Institute that provides training and certification to players in the public procurement arena. This according to Tamedou, is part of career development arm of the GPPA.

He stated that they are very enthused with Ghana practicing Sustainable Public Procurement (SPP), the Electronic Procurement, Due Diligence and Value for Money. Mr. Tamedou expressed hope of replicating the same in their activities to improve the system back home.

The Gambian delegation also included: Samba J. B. Tambura, Manager of Compliance Department; Pa Modou Ann, Compliance Assistant; Awa Saso Compliance Assistant- Fanta Fatty, Registry Clerk and Fanta Fatty, Registry Clerk; and Jainaba Jallow, Assistant Training Officer.

*Written by Marian Oteng  
Assistant Officer - Corporate Affairs*

## **PUBLIC PROCUREMENT REFORMS-A TOOL OR WEAPON?**

Ghana joined the League of Nations to have enacted laws to regulate public procurement when the Parliament of Ghana passed the Public Procurement Act, Act 663 in 2003 and it received presidential assent on 31st December, 2003. This was as a result an exercise the Government embarked upon to reform the Public Procurement System in 1996 which was an integral part of a wider Public Financial Management Reform Programme (PUFMARP). The exercise was to improve the overall public financial management in the country. The reform exercise identified shortcoming and organizational weaknesses inherent in the country's procurement system.

In other jurisdictions, countries passed similar laws to reform their procurement system. There is the Public Procurement Regulatory Authority in Tanzania, the Bureau of Public Procurement in Nigeria, Gambian Public Procurement Authority, Public Procurement and Disposal of Public Property of Grenada just to mention a few.

The PPA has been mandated to ensure efficiency as well as transparency in the process. The Act seeks to guard against fraudulent practices, provide best guide for procurement practices, make a strong case for value for money and maintain the integrity of the procurement process. In addition, the Act seeks to lay a strong foundation for a standard system which takes into account Ghana's decentralization system. The Act essentially provides a framework for the development as well as strengthening procurement institutions and making sure their activities are geared towards poverty reduction, good governance and anti-corruption.

Ghana's achievements in the implementation of the Public Procurement Act 663 have been recognized by the OECD Development Assistance Committee as an important tool for checking corruption in the country. However, studies have revealed that even though Ghana's Procurement Act was enacted on the principles of transparency, accountability, efficiency, economy and sustainability, there is growing perception that contracts in public intuitions are awarded not on the basis of factors such as competence through evaluation criteria of specification, personnel and financial capacity but rather on the basis of affiliations and cronyism.

In Ghana, a number of Institutions have been established and clothed with prosecutorial powers to prosecute persons found culpable of any procurement breaches. These include the Attorney General, Economic and Organized Crime Office (EOCO), the Ghana Police Service and the newly created Office of the Special Prosecutor.

Even though, these Institutions have their parent enactment, laws such as the, Public Procurement Act, 2003 (Act 663) as amended, Financial Administration Act, 2003 (Act 654), Internal Audit Agency Act, 2003 (Act 658),

## PUBLIC PROCUREMENT REFORMS-A TOOL OR WEAPON?

Whistleblower Act, 2006 (Act 720), Anti-Money Laundering Act, 2008 (Act 749), Criminal Offences Act, 1960 (Act 29), The Commission on Human Rights and Administrative Justice (CHRAJ), The Audit Service Act contains provisions whose breaches will lead to prosecution.

The Public Procurement Authority has thorough its procurement investigations cited institutions such as National Communications Authority (NCA), Bulk Oil Storage and Transport Limited (BOST), Ghana Airports Company Limited (GACL) and Ghana Water Company Limited for procurement alleged breaches set for prosecution.

The rest are National Petroleum Authority (NPA), Electricity Company of Ghana (ECG) as well as Electoral Commission of Ghana. The reports and findings has been forwarded to EOCO for prosecutions to begin.

Currently, the Attorney General is prosecuting some cases in court. These cases includes the Former Director General and some Board Members, the former Chief Executive Officer of Cocobod, the Former Director General of SSNIT and some Officials. It is expectation that, these investigations and prosecutions would go a long way to curb the flagrant breaches of the Procurement law.

Evidence shows that the passage of the Public Procurement Act and its attendance reforms has brought about fairness, competition, efficiency, effectiveness in the award of government contracts. There has also been transparency in the award of contracts since the passing of the Act.

In conclusion, one can boldly say that, public procurement is a double edge sword that can be used both as a tool and a weapon for development.

*Written by David Damoah*

*Senior Officer - Corporate Affairs*

## PROFESSIONALISM IN GHANA'S PUBLIC PROCUREMENT

It is said that the key to quality and efficiency is Professionalism. Professionalism in a broader context is defined as the conduct, aims, or qualities that characterize or mark a profession or a professional person. Every profession has certain standards or code of ethics by which it operates.

Professionalism covers comprehensively all areas of practice of a particular profession and it demands a level of integrity, skills, competencies and responsibilities of individuals. Professionalization of a profession / occupation requires certain preconditions to be sustainable. There is the need to have both legal and institutional frameworks (agency and commission), establish a group of professionals and build the capacity of professionals at all levels.

In Public Procurement, Professionalism is defined as the discipline whereby educated, experienced and responsible procurement practitioners make informed decisions regarding purchase operations. These procurement practitioners/professionals are subject to strict codes of conduct in the performance of their specific roles within the profession. In developing countries, Public Procurement accounts for 15-20 percent of GDP and can go up to 50 percent or more of the total government expenditure (World Bank, 2015). In Ghana, it accounts for up to 17 percent of GDP and 80 percent of tax revenue (CPAR 2007). There is therefore, the need to accord it the necessary attention it deserves since it has a direct impact on the socio-economic development of a nation.

**Legal Framework :** Professionalism allows for functionality, transparency, accountability and significant savings in public expenditure. Whenever issues pertaining to transparency and accountability need to be ad-

ressed, there always seems to be the need for increased reforms. It is for this reason that Ghana's Procurement system has undergone reforms. These reforms began with the launch of the Public Financial Management Reform Programme (PUFMARP) in 1996. Its objective was to improve public financial management in Ghana. The programme was able to identify various weaknesses that were inherent in the Public Procurement System in the country. The Procurement system lacked a comprehensive legal regime to safeguard public procurement. There was no central body with technical expertise to regulate sound procurement practice. A comprehensive procurement policy to guide how the procurement function should be carried out was also absent. There were no rules and regulations to guide, direct, train and monitor public procurement practitioners in the country. The reforms therefore, sought to correct all these weaknesses in order to reduce bottlenecks, fight corruption, build capacity in procurement and make significant savings. The Public Procurement law was subsequently passed on 31 December 2003 as Public Procurement Act of 2003, Act 663 and later amended in 2016.

Ghana now has a comprehensive legal framework which is an indication of its commitment in ensuring procurement procedures are standardized in the country. The legal framework covers the Procurement Act, 2003 (Act 663) as amended, Regulations to the Public Procurement Act, Standard Tender Documents and Standard Request for Proposals, Public Procurement Manuals, Contract Administration Manuals, and Guidelines on areas such as Sustainable Procurement, Framework contracting, e-

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GProcurement and Margins of Preference.

**Institutional and Regulatory framework:** In addition to having a legal framework in place to guide the procurement function, there is also the need to have an institutional and regulatory framework to sustain it. These sets of formal organizational structures, rules and procedures aid in the regulation, guidance and monitoring of the procurement function. It also allows for the improvement of procurement professionals by ensuring that they carry out public procurement procedures in a fair, transparent and non-discriminatory, environmentally and socially sustainable manner.

The Public Procurement Act, 2003(Act 663) as amended establishes the Public Procurement Authority as a regulatory body responsible for the effective implementation of the Public Procurement Law in Ghana. It has further given related responsibilities to other oversight bodies such as Office of the Special Prosecutor, Commission on Human Rights and Administrative Justice (CHRAJ), Ghana Audit Service, Internal Audit Agency and Economic and Organized Crime Office (EOCO), Bureau of National Investigations (BNI) and other oversight bodies.

**Capacity Development of various levels of professionals:** The role of procurement professionals is critical to Ghana's economic development. It is in recognition of this fact that section 3 of the Act 663 as amended requires the Public Procurement Authority to develop, promote and support the training and professional development of persons engaged in public procurement as well as ensuring that trained persons adhere to ethical standards.

For over a decade the Authority has continuously en-

gaged in activities that fulfill this mandate. It has taken the following steps;

- Short term training on Act 663 as amended:

The Authority conducts short term training on Act 663 and other emerging areas periodically for MDAs (Ministries Departments and Agencies) and MMDAs (Metropolitan, Municipal and District Assemblies). It also designs specialized training programmes for entities upon request.

- Establishment of Medium and Long Term Training Programme for Tertiary institutions

To develop Curricula and Modules for three groups of persons

- a) Procurement Practitioners who do not have training in procurement
- b) Higher National Diploma graduates who want to acquire Bachelor degrees in Public Procurement
- c) High School graduates who want to pursue a career at the degree

- Establishment of functional procurement units in procurement entities

Published adverts in national newspapers requesting Public Entities to set up functional Procurement Units headed by Procurements Experts. Assessment exercises have also commenced to check compliance.

- Developed Training Manuals and Modules for Training on Act 663 as amended
- Establishment of a Career Path for Procurement Practitioners in the Public/Civil Service.

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- Development of Skills and Training Needs Assessment of Procurement Entities guided by procurement assessment exercises conducted
- Developed Regulations and Operating Manuals
- Introduction of Internship Programmes
- National Service Placement of graduates of procurement related programmes in the tertiary institutions

### Achievements made by PPA in enhancing professional public procurement

- ⇒ Sensitised 12,000 persons on the procurement Act as amended.
- ⇒ Partnered with Millennium Development Authority (MiDA) to develop detailed curriculum and modules for the delivery of academic programmes which has led to the award of certificates, diplomas, bachelors, and post graduate degrees in public procurement.
- ⇒ Assisted nine((9) tertiary institutions including GIMPA, Central University College, KNUST, Koforidua, and Accra Technical universities in the use of the curricula and modules to run various procurement-related programmes
- ⇒ Provided library books to augment the libraries of selected tertiary institutions.
- ⇒ Developed Scheme of Service for procurement practitioners in the public service.
- ⇒ Developed Contract Administration Manuals for Goods, Works, Consultancy and Technical Services.
- ⇒ Developed lecture notes and case studies to be

used in the delivery of procurement related programmes in tertiary institutions

- ⇒ 1315 HND Purchasing and Supply Students were placed on internship programmes in various public and private sector institutions from 2009-2011
- ⇒ An impact assessment survey in 2011 revealed that 97% of institutions benefited from the presence of the interns and encouraged the continuity of the programme.
- ⇒ Held workshops on revised Training Modules, Contract Administration and Standard Tender Documents for Framework Contracting.

### CONCLUSION AND WAY FORWARD

Given that there have been notable improvements in the professionalism of public procurement, there are also challenges that need to be addressed. One major challenge that has been identified is the lack of a unified front in the profession. There are many splinter procurement professional groups such as Chartered Institute of Procurement and Supply (CIPS), Ghana Institute of Procurement and Supply (GIPS), Chartered Institute Supply Chain Management (CISCM) and Chartered Institute of Logistics and Transport (CILT). There are other professional bodies whose professions have a bearing on procurement such as Ghana Institution of Engineers, Ghana Institution of Quantity Surveyors and Architects Registration Council.

The inability of these professional groups to unite and have one voice makes it difficult to direct how professionals should conduct their roles within the procurement system. We need an Act of Parliament to establish a Ghana Professional Body on the same basis as the

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Ghana Institution of Engineers or Ghana Bar Association. The law should establish a Procurement Council similar to the Ghana Legal Council. This council will license Procurement Professionals, blacklist the bad ones and conduct examinations for entrance into the profession. This will prevent persons with no procurement training from practicing procurement. This can be done on the same lines as the Zambia Institute of Procurement and Supply (ZIPS).

The passage of this professional law will also compel the various professional bodies to coexist and move along a common vision. This will, in the long run, translate into churning out procurement professionals who possess the requisite skills, competencies and ethical standards.

*Written by Edwina Safee Boafo*

*Senior Officer-Capacity Development*

## Farmer's Day Message



*Ayekoo to all Farmers*



## Our Letters



⇒ I have read all your publication since the beginning of the year and I must admit - I have enjoyed every edition so far. Thank you for the educative and informative editions so far.

***Daniel Mensah***

***Ashiaman***

⇒ Did you say there is a SPP Policy. Can it be made available?

***Yusif Iddrisu***

***Tamale***

⇒ Your previous edition on Sustainable Public Procurement (SPP) was very insightful.

***Idan Yeboah***

***Nungua***

⇒ Everyone of your editions in 2019 has contributed greatly to my tertiary education in the University. Keep the good job up.

***Isaac***

***Koforidua***



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