



**PUBLIC  
PROCUREMENT BOARD**  
*Improving Efficiency and Transparency in  
Public Procurement*

---

What are we learning  
from Different Approaches  
to monitoring Capacity & Capacity Development?

AB Adjei  
CEO, Public Procurement Board Ghana

---



**PUBLIC  
PROCUREMENT BOARD**  
*Improving Efficiency and Transparency in  
Public Procurement*

---

An Assessment Tool  
for Public Procurement System  
and  
its application to  
Monitoring Capacity and Performance  
of the Procurement System in Ghana

---



## ... What are the Challenges

- Procurement Expenditure represents 80% of Government Expenditure besides personnel emoluments
  - National Budget is supported by ODA to the tune of 42%
  - Procurement = 18% GDP & 70% of Imports
- = TRIGGER for MDBS as Procurement is essential to ensure Aid effectiveness**



## The Need to have a New Approach to Monitoring

**..SELF-ASSESSMENT =**

- **IMPROVING PERFORMANCE CONTINUOUSLY**
- **INVOLVING & MOTIVATING STAFF IN THE PROCESS**

**..BENCHMARKING =**

- **COMPARE & LEARN FROM OTHERS**



...What do we Monitor?

- ..COMPLIANCE WITH Legal & Regulatory Framework
- ..EXISTENCE of STRONG Management Systems
- ..STANDARD USE of Procurement Processes & Procedures
- ..CAPACITY BUILDING & DEVELOPMENT
- ..TRANSPARENCY as it relates with the Private Sector



... What are we achieving At the National Level

- ..Aggregate data collected at the Entity Level to feed into the National Development Planning Strategy
- ..Contribute in defining National Capacity Devpt.Strategy
- ..Enhancement in Decision-Making
- ..Trigger for negotiation with Development Partners



**PUBLIC PROCUREMENT BOARD**

*Improving Efficiency and Transparency in Public Procurement*

**... THE LONG-TERM BENEFITS to Monitoring**

Greater awareness on use of **Public Funds**

- Improve **Transparency** and **Accountability** in Public Procurement
- Enhance **Public Sector's Image**
- Provide Confidence to **Civil Society**
- Increase **Donors' Confidence** in the use of country systems
- Attracts **Foreign Direct Investment**



CONTRIBUTE TO **LONG-TERM ECONOMIC GROWTH** & **SUSTAINABLE DEVELOPMENT**



**PUBLIC PROCUREMENT BOARD**

*Improving Efficiency and Transparency in Public Procurement*

**... What can we learn?**

Advantages	Disadvantage
Easy to address capacity building and development in Procurement It increases accountability and transparency and value for money is assured.	Tool is essentially limited to addressing Capacity Development in Procurement and may not cover the national agenda in Monitoring Capacity Development as a whole
Can be used to provide an overview of the other capacity needs at Country level	



**Sharing The  
Public Procurement Performance Assessment  
Experience in Ghana**

---



**.....BACKGROUND**

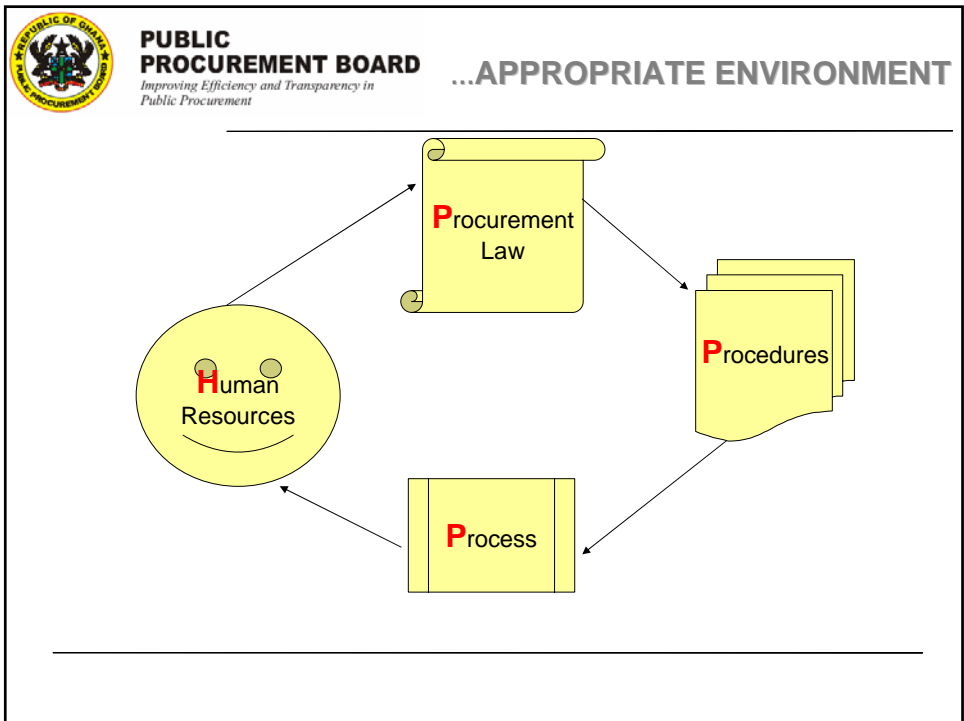
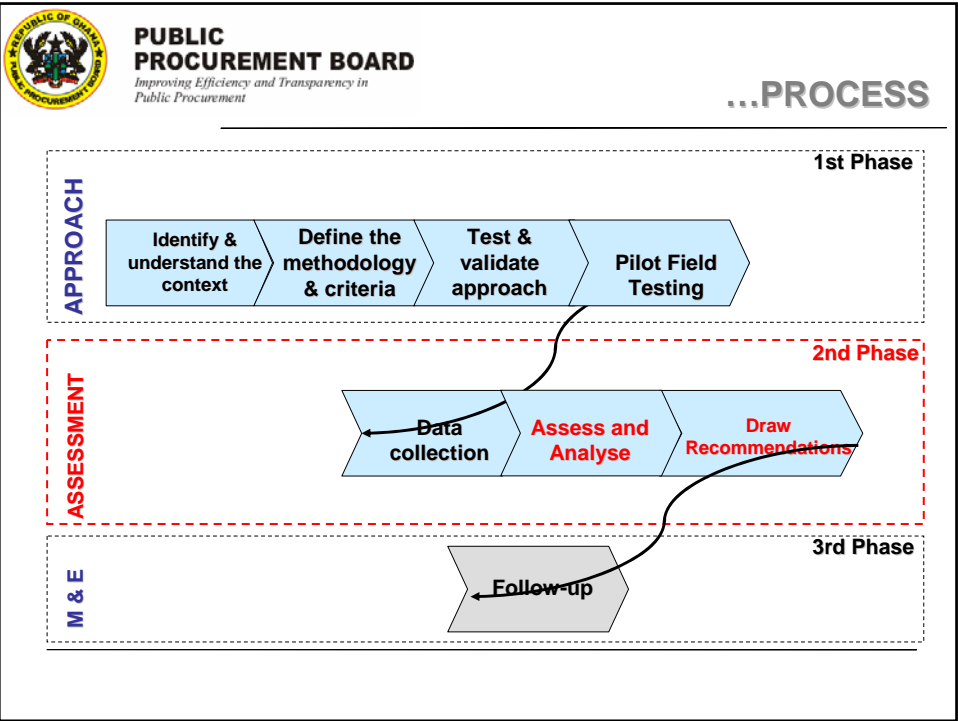
- October 2002 Ghana and Swiss went into Partnership to develop a tool for transparency and accountability within the OECD/DAC-WB Roundtable initiative
  - Last meeting in South Africa(December 2004) three tools were presented on BM&E:
    - Baseline Indicators System (BIS) - Qualitative
    - Performance Assessment System (PAS) - Qualitative
    - Performance Measurement Indicators (PMI) - Quantitative
-



- October 2005 Ghana launched its Procurement Performance Assessment process using an integrated Procurement Performance Assessment Tool called Public Procurement model of Excellence (PPME) (embracing BIS, PAS & PMI)
- The tool was jointly developed by Public Procurement Board of Ghana (PPB) and IDEAS Centre of Geneva - Switzerland.



- Monitor **Compliance** of the Public Procurement law, Act 663
- Provide results on the **Level of Performance** of Procurement Entities
- Institutionalize the **Assessment Process** in Public Procurement





**PUBLIC  
PROCUREMENT BOARD**

*Improving Efficiency and Transparency in  
Public Procurement*

---

**PPME TOOL**

---



**PUBLIC  
PROCUREMENT BOARD**

*Improving Efficiency and Transparency in  
Public Procurement*

---

**.....Key Features**

- PPME Comprehensively assesses Procurement Performance **Qualitatively & Quantitatively in accordance with best practices** agreed at the Paris Declaration
  - PPME enables **Comparison to be made** among Sectors and Procurement Entities on **Levels of Performance**
-

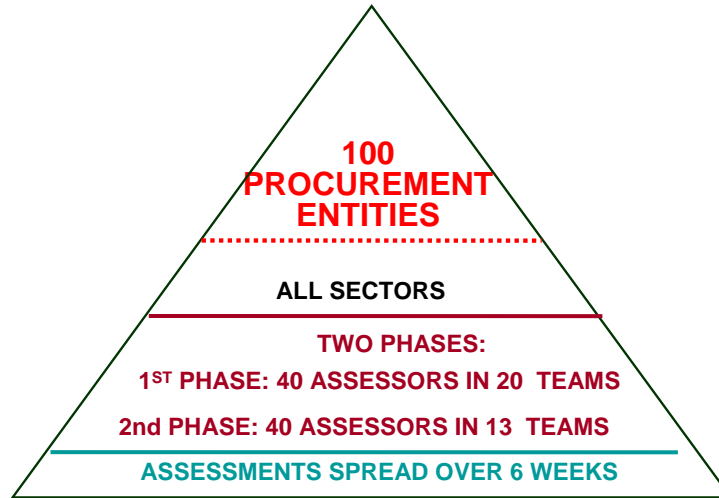


- Highlight **Weaknesses** for Strategic Decision e.g  
Capacity building, Complaints, Appeals and  
Dispute Mechanism
  - Helps to Identify **Areas of Improvement**  
**especially in Capacity development**
- 



## METHODOLOGY

---



**RESULTS**

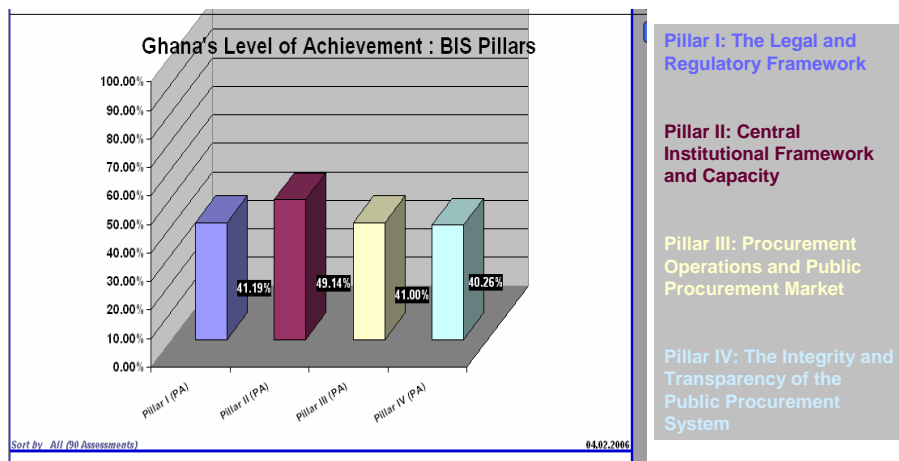


## RESULTS

### BASELINE INDICATOR SYSTEM (BIS)



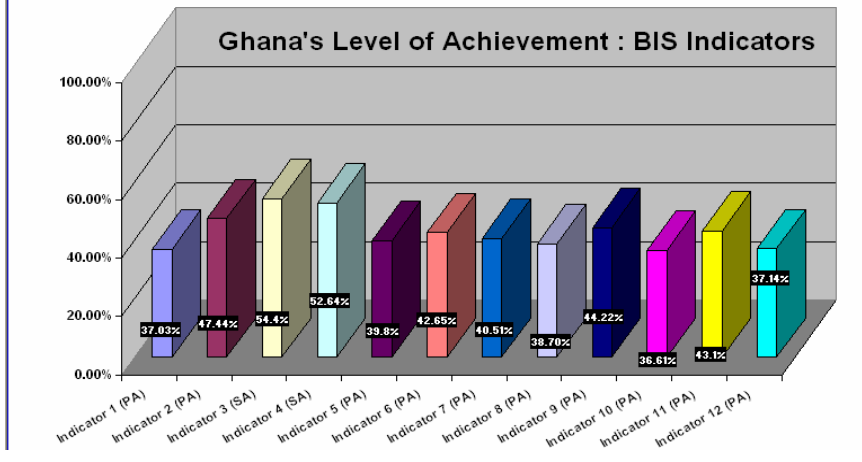
## Achieving THE Baseline Indicators System (BIS)





Sort by All (90 Assessments)

04/02/2006



## RESULTS

### PERFORMANCE ASSESSMENT SYSTEM (PAS)



PAS provides a much detailed **Performance Assessment** in **4 main areas** namely:

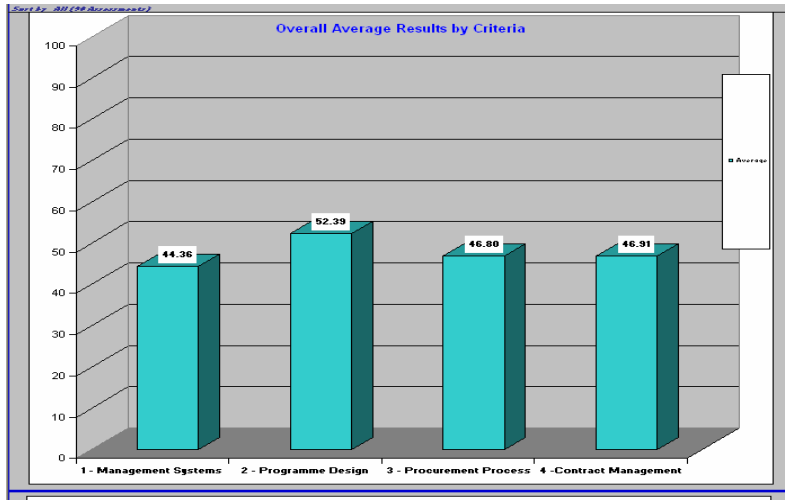
- Management Systems
  - Programme Design
  - Procurement Process
  - Contract Management
- 



- Overall Ghana's Performance is showing an average of 47.61% scoring highest on Programme Design (52.39%)
  - The Areas that require **improvement** include:
    - Management Systems (44.36%)
    - Procurement Process (46.80%)
    - Contract Management (46.1%)
-

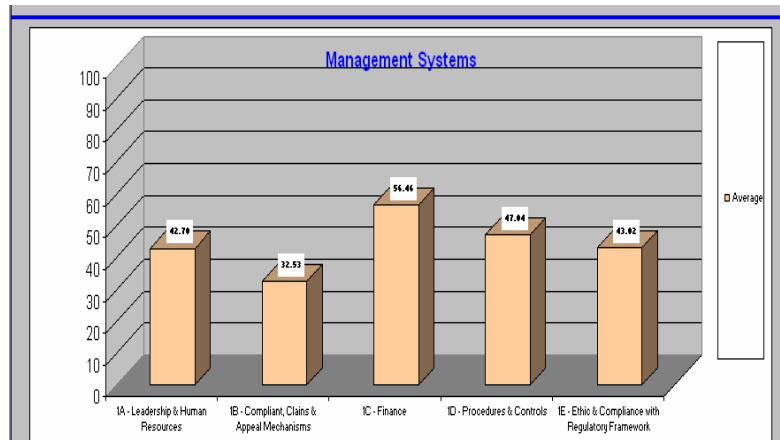


### ...Achieving THE Performance Assessment System (PAS)



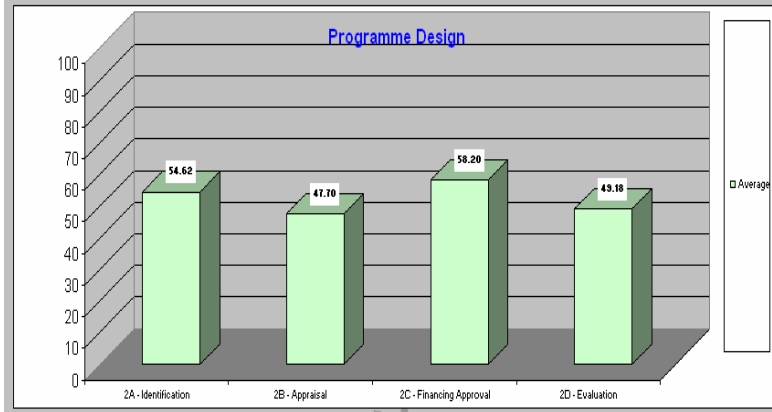
### ...Achieving THE Performance Assessment System (PAS)

#### Sub Criteria

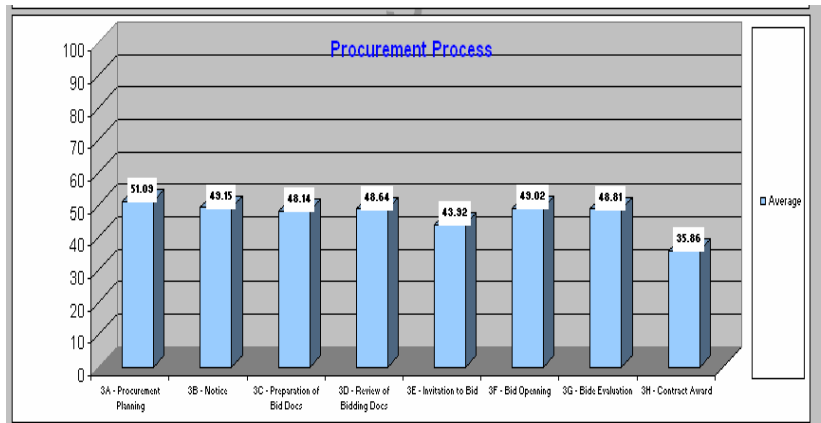




**Sub Criteria**

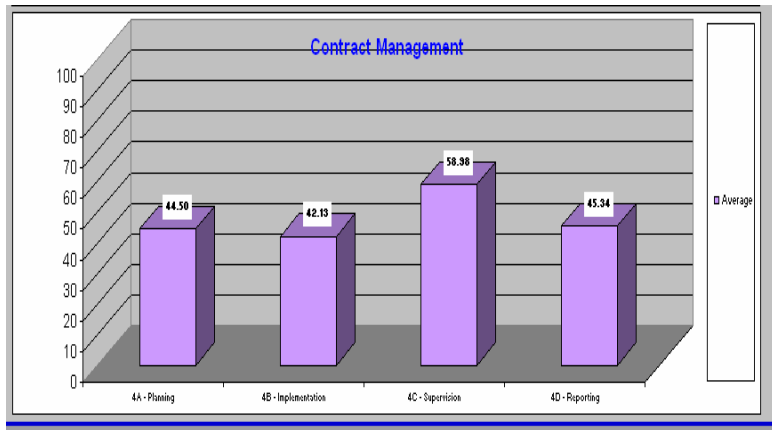


**Sub Criteria**





**Sub Criteria**



**RESULTS**

**PERFORMANCE MEASUREMENT INDICATORS  
(PMI)**



- Comprises of **14 Indicators** which are used to capture Key **Contract Details** for quantitative analysis and provides an **Objective Result** on Procurement Performance



<b>World Bank Performance Indicators</b>	<b>Metric</b>	<b>Results</b>	<b>Comments</b>
<b>1. Advertisement of tender (bid) opportunities</b>	<b>%of open bidding procedures publicly advertised</b>	<b>40.78%</b>	<b>This is a reflection that advertisement of bids is on the low side.</b>
2. Publication of awards	% of contract awards publicly disclosed	11.36%	<b>The low % is due to lack of awareness</b>
3. Time for bid preparation	Average no. of days between invitation to bid & bid opening	20 Days	<b>Depends on the nature of procurement</b>
<b>4. Bidder Participation</b>	<b>Average no. of bidders</b>	<b>5.4</b>	<b>The number is quite low because the marketplace is still developing</b>



**PUBLIC  
PROCUREMENT BOARD**

*Improving Efficiency and Transparency in  
Public Procurement*

..... **Checking The Quantitative Data (2)**

<b>World Bank Performance Indicators</b>	<b>Metric</b>	<b>Results</b>	<b>Comments</b>
5. Bid Acceptance	Average no. of responsive bids	1	Nearly 80% of total bids received are non-responsive leaving a paltry acceptance rate of 20%.
6. Method of Procurement	% of contract awards publicly disclosed	ST:31.82% NCT: 30.54% Shopping: 15.82%	All three most popular methods are being used. However further investigation would be required to check whether they are appropriately used in accordance with the law
7. Bid Processing Lead-time	Average no. of days between bid opening & contract award	66 Days	Depends on the nature of the contract
8. Cancelled bidding procedures	% of bid procedure cancelled	0%	Assessors did not report any cancellation



**PUBLIC  
PROCUREMENT BOARD**

*Improving Efficiency and Transparency in  
Public Procurement*

..... **Checking The Quantitative Data (3)**

<b>World Bank Performance Indicators</b>	<b>Metric</b>	<b>Results</b>	<b>Comments</b>
9. Protests	% of bidding procedures with protests	0.31%%	Low knowledge of the protest mechanism.
10. Resolution of protests	% of outcome of bidding process changed	0%	Due to poor use of protests mechanism
11. Contract amendment	Average increase per contract awarded	-42.07%	The metric and criteria used to assess this indicator needs to be revised as it is not well defined.
12. Contract dispute resolution	% of contracts with unresolved disputes	0%	As for protests poor dispute that arises owing to poor use of such mechanism



<b>World Bank Performance Indicators</b>	<b>Metric</b>	<b>Results</b>	<b>Comments</b>
13. Completion Rate	% of contracts resulting in full & acceptable performance (?)	????	The metric and criteria used to assess this indicator needs to be revised as it is not well defined.
14. Late Payment	% of payments made late	54.17%	Late payment is very high



**LESSONS LEARNED**



- PPB plans to carry out 200 assessments done by end of 2006
  - PPB needs to develop capacity to enhance the efficiency of assessors
  - Planning and Organisation of Assessment would be improved
- 



---

**THANK YOU**

---