



MAPS

Methodology for Assessing
Procurement Systems

The Federal Democratic Republic of Ethiopia

Assessment of the Public Procurement System

**Volume III – Annexes
2021**



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Volume III: Annexes

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MAPS

Methodology for Assessing
Procurement Systems

Assessment of the Public Procurement System in Ethiopia

CURRENCY EQUIVALENTS

(Exchange rate effective October 25, 2019, Commercial Bank of Ethiopia)

1 US\$ = 29.9844 Birr

Fiscal year:

Ethiopian Fiscal Year (EFY): July 8 – July 7

In this document the term:

FY refers to the Gregorian fiscal year, unless described as EFY
 year refers to the Gregorian calendar year, unless described as EC

Abbreviations and Acronyms

AfDB	African Development Bank
BSDG	Basic Service Delivery Group
CN	Concept Note
CPAR	Country Procurement System Assessment
CPF	Country Partnership Framework
CSO	Civil Society Organization
DFID	Department for International Development, UK
DPs	Development Partners
DPL	Draft Public Procurement Law
e-GP	Electronic Government procurement system
EC (number eg. 2010)	Ethiopian Calendar year 2010
EU	European Union
FDRE	The Federal Democratic Republic of Ethiopia
GDP	Gross Domestic Product
GoE	Government of Ethiopia
IBEX	Integrated Budget and Expenditure
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
MAPS	Methodology for Assessing Procurement Systems
MoF	Ministry of Finance
MoH	Ministry of Health
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
PPL	Public Procurement Law
PPPAA	Public Procurement and Property Administration Agency
SBD	Standard Bidding Documents
SDS	Service Delivery Secretariat
SOE	State-Owned Enterprise
TAG	Technical Advisory Group
UN	United Nations

I. Context

1. The Federal Democratic Republic of Ethiopia is located in the Horn of Africa with a land mass of 1 million km² and an estimated population of 92 million¹ (The World Bank 2016). With an annual population growth rate of 2.5 percent (2015)², the population is estimated to reach 150 million by 2035 (World Population Prospects, 2015 Revisions, United Nations). The country is comprised of the Federal Government, and 9 subnational states (Regions), and 2 City Administrations, each having their own legislative, executive, and judicial power.
2. For the last 10 years, the Ethiopian economy has grown at an annual rate of over 10 percent in real terms, making Ethiopia one of the world's fastest-growing economies. The Gross Domestic Product was worth 84.356 billion US dollars in 2017/18³ and averaged 20.32 Billion USD from 1981 until 2017, reaching an all-time high of 84.356 Billion USD in 2017/18. This economic development has been driven by huge public investment on infrastructure projects. Besides, Ethiopia has been successful in raising finance for its development needs through partnership with development partners including The World Bank. Currently, the total IDA net commitments to Ethiopia are more than US\$ 11 Billion with an annual commitment recently exceeding US\$1 billion. In the last 10 years, the Government budget was increased by more than 5-fold. Consequently, the public procurement market with a share of 65 to 70% ⁴of the budget has also been expanded significantly. The market is even significantly larger if procurement in state-owned enterprises, which is not governed by the existing public procurement law, would be accounted. SOE's procurement is mainly characterized by huge infrastructure investment in Airports, Railways, Hydro Dams, Telecom facilities, etc.
3. Thus, public procurement in Ethiopia is a crucial component of public services delivery, good governance and sustainable economies with inclusive growth. However, the importance and ecosystem of public procurement in development and service delivery has not been recognized for so long. Until 2005, the public procurement system was governed by Financial Proclamation No 57/1966 that constituted few provisions on procurement. In 2002, the then Ministry of Finance and Economic Development in collaboration with The World Bank conducted the first ever public procurement system assessment in Ethiopia, the Country Procurement Assessment Report (CPAR 2002). Based on the recommendation from the CPAR 2002, the GoE issued the first Public Procurement Proclamation in 2005 and established the procurement regulatory agency at the Federal level. Since then, the public procurement system has evolved through successive phases of improvement which resulted in a modernized and more comprehensive Public Procurement and Property Administration Proclamation No. 649/2009. The second and the latest CPAR was conducted in 2010.
4. The CPAR 2010, report was issued in January 2012, provided different recommendations for implementation in the short, medium and long terms basis. It appears that some of the recommendations were implemented by the government even before the report was issued while there are recommendations which are still pending and not yet addressed. For instance, the government issued SBDs and manuals to support procurement implementation, introduced

¹ World Development Indicator, The World Bank

² World Population Prospect, 2015 Revision, United Nations

³ National Planning Commission, 2010 aggregate estimate update

⁴ http://www.ppa.gov.et/index.php?option=com_content&view=category&layout=blog&id=14&Itemid=114

framework agreement whereas application of supplier's list, functionality of the PPA's websites, involvement of CSOs in procurement operation etc are yet to be addressed.

5. Selected key recommendations of the 2010 CPAR with continued relevance are as follows:
 - a. Issue and Disseminate Directives, Standard Bidding Documents and Manuals
 - b. Support harmonization in the application of procurement rules at regional and federal level
 - c. Improve functionality of PPA's website
 - d. Increase Anti-corruption inter Agency cooperation
 - e. Improve conditions for Non- government organizations
(new Proclamation on CSOs has been adopted recently)
 - f. Establish Regional appeal mechanism
 - g. Strengthening the overall procurement capacity in Ethiopia

II. Background

6. The Government of Ethiopia follows a Federal system in which the Regional Governments are constitutionally mandated to issue legal and administrative procedures applicable in their respective Regions. The same applies to procurement legal framework. The Government has its procurement legal framework comprising of the law, directive, manuals and SBDs. The Regions and two City Administrations have the legal framework modelled on the Federal legal framework. However, the Regions are not required by any rule to adopt the Federal system. Practice shows that Regions and two City Administrations adopted the Federal procurement legal framework with minor differences to address the regional context.
7. Ethiopia is a member of regional organizations COMESA, IGAD, and a member to the Agreement Establishing the African Continental Free Trade Area (AfCFTA). Member States of AfCFTA are working on harmonization of public procurement policies. Accordingly, a continental procurement policy is planned to be developed to ensure that procurement policies are in harmony. AfCFTA will develop a model law that can be adopted by member states. Ethiopia signed the United Nation Convention against Corruption (UNCAC) on 10 December 2003 and ratified it through Proclamation no 544/2007 on 26 November 2007. In addition, Ethiopia is also a member state of the African Union whose headquarters are hosted by Ethiopia in Addis Ababa. As its member. Ethiopia can benefit from the AU's work, for example of the New Partnership for Africa's Development (NEPAD) Agency which is the implementing arm for the AU's Agenda 2063 development strategy.
8. Over the last few years, the GOE in collaboration with Development Partners (DPs) have taken measures to establish and improve public procurement system. As a result, basic public procurement systems and capacity has been established at all levels of the Government (Federal, Regional, and Local levels). Following the decentralization agenda, the public procurement system has adopted three tier structure established at Federal, Regional and Woreda level. Public procurement at the Federal level is decentralized to public bodies that are mandated to establish procurement capacity and carry out their own procurement. Similarly, each of the 9 Regional Governments and 2 city administrations have established public procurement legal framework and issued supporting procurement documents based on the prototype issued by the Federal Government even though there have been a number of interventions thereafter, through directives and circulars some deviating from

the original framework. The Public Bodies in each of the Regions and city administration undertake procurement in accordance with the respective Regional legal framework. There are about 1,000 Public Bodies at Federal and Regional level that have a mandate and procurement structure under their command. In more than 1,200 Woredas, procurement is centralized at the Woreda Finance Office, which is mandated to consolidate requirements of all the sector offices and carry out procurement centrally in accordance with the respective Regional procurement procedures.

9. In addition to the operational aspect, procurement function is supported by regulatory framework established at Federal and Regional level. The Public Procurement and Property Administration Agency was established under the Public Procurement Proclamation No 649/2009 of 2009 and is responsible for procurement oversight and capacity building at the Federal level. Though the structure and capacity are not consistent across Regions, similar regulatory bodies are established in each of the Regions and city administrations.
10. Currently, the procurement reform in Ethiopia has focused on modernizing the procurement system and improving procurement performance and efficiency. The key activity in the procurement modernization agenda is to implement Electronic Government procurement system. With support from a standalone PFM project, the GOE is working towards the implementation of e-GP starting from the Federal level. The procurement capacity limitation hampered effective implementation of government projects in various development sectors leading to huge opportunity loss to the people of Ethiopia. For instance, the performance audit conducted in the year 2017/18 shows that 290 projects demanded multiple time extensions and additional budget. Similar experiences were observed in the Big Grand Renaissance Dam of Ethiopia and 13 big Sugar factory projects that suffered from ineffective procurement implementation and contract administration leading to delay and huge cost overrun.
11. The Government plans to implement a pilot an e-GP system and subsequently roll out the system at the Federal level. Due to the pandemic the pilot has been postponed. In parallel the Government is working on revising the Proclamation 649/2009 to which the findings of this assessment will contribute.
12. Regarding building of procurement capacity of procurement staff in the Government and to address the shortage of qualified procurement experts in the market, the GOE has established the first ever Procurement Training and Certification Program. The program is hosted in one of the public universities (Ethiopia Civil Service University) and the program is managed by the Public Procurement and Property Administration Agency. So far, around 1,000 Government staff have received training on Basic, Essential and Advanced level.
13. Despite the above efforts and improvements, the procurement capacity in Ethiopia still faces lots of challenges. Because the Public Procurement Proclamation has not been modernized since 2009, there is a risk of incompatibility of the current procurement Proclamation with the dynamics in the market. The institutions including the public procurement regulatory bodies at Federal and Regional level lack the required capacity and staff to live up to their responsibilities. Similarly, the public procurement units and Bid Endorsing Committee members in Public Bodies do not have the skills and morale to carry out procurement and achieve the desired outcome. There is capacity limitation, inconsistent organization and conflicting roles in the institutions supporting the procurement function. There are ad-hoc directives and circulars which have been issued by sector ministries and Regional bodies to respond to prevailing circumstances without assessing their impacts on competitiveness, fairness and sustainability of the procurement process. There are also concerns on the consistency and integration of the Federal and Regional procurement systems and practices in

building a unitary harmonized national procurement system. In terms of market, the domestic market has systemic challenges like shortage of foreign currency, inflation, etc., that hamper the functioning of the market and subsequently the procurement outcome.

14. In 2018, Transparency International ranked Ethiopia 114 out of 180 countries on corruption perception index. The score has remained the same for the last 4 years, in fact declined even by 1 point in 2018 from that of 2017⁵. It further declined to 94 through 2020. The new government administration in Ethiopia has shown commitment to fight corruption through the investigations. They also issued different proclamations like Project management Proclamation which requires public bodies to carry out proper design before going to procurement and avoid variation orders which are considered by many as source of corruption in the construction sector.
15. The market of contractors and suppliers is uneven in Ethiopia both geographically and across the sectors. The market of the construction and consulting firms is quite well developed. However, most of the contractors are located around the capital of Ethiopia. This creates issues in the Regions, especially the smaller and remote ones. For procurement of specialized equipment Ethiopia relies on foreign supplies. The federal and regional governments introduce mechanisms to support the local industry.
16. The Federal Government has a policy of supporting MSEs (micro and small enterprises) with a goal of supporting youth in entering jobs as well as providing different supports for the development of the sector. The Federal Micro and Small Enterprises Development Agency is the responsible organ for the development of the sector at the Federal level. Similarly, the Regions have their laws and policies on MSEs.
17. Since 2014 the Public Procurement and Property Administration Agency has been working to revise the existing Public Procurement Proclamation (649/2009) and prepared a draft proclamation. The focus areas under the new draft have been to address the procurement in State Owned Enterprises, to provide adequate legal ground to the establishment and operation of e-GP system, increase accountability and transparency in the procurement process. However, the draft of the new proclamation is not supported with any analytical works and objective evidence that led to a delay in of the reform measures. This has increased the skepticism among stakeholders that the proposed changes may not address the real gaps in the legal framework with due consideration to international good practices and development in the sector. Thus, the Government of Ethiopia agreed to put the ratification of the revision to the proclamation on hold until this assessment is finalized. Accordingly, to avoid further delay and support the decision of the GoE in the development and ratification process of the draft proclamation, the Bank Team will initially focus on the Federal level in order to provide feedback on the draft proclamation, while the full MAPS II assessment, including the Regions, will continue following the agreed standard methodology.
18. Besides, it is not empirically established that the reform is on the right course in targeting priority areas with scope and depth. The reform is not led by a strategy or action plan developed using evidence-based assessments. Since the last procurement system assessment that was carried out in 2010 (CPAR 2010) the public procurement system has not been independently assessed. To address this gap and to inform the public procurement reform with empirical data, the GOE in collaboration with DPs has decided to carry out an assessment of the public procurement system using MAPS II.
19. Improving public procurement system is identified as an important instrument to achieve the GTP II strategic pillar of promoting good governance. The program plans to combat corruption and rent

⁵ <https://www.transparency.org/cpi2018>

seeking through enhanced capacity of the civil service and citizen engagement at all levels of government structures. It also aims for effective implementation of reforms on government finance and public procurement and building the capacity of relevant public institutions. From the PFM side, the Ministry of Finance in collaboration with Development partners carried out PEFA 2018. The PEFA assessment aimed at assisting the government in identifying PFM weaknesses that may inhibit effective delivery of services to its citizens and the realization of its development objectives in general. The 2018 PEFA assessment at federal level has shown that there have been deteriorations in performance in 7 indicators and improvement in 3 indicators as compared to the results in the preceding assessment carried out in 2015. The performance in Public Procurement is one of those that have deteriorated in between the two assessments.

III. Objective

20. The primary objective of undertaking MAPS II assessment is to assess the quality and effectiveness of the public procurement systems in Ethiopia, identifying strengths and areas for improvement that would enable the Government to undertake the needed reforms for the adoption and implementation of modern, efficient, sustainable, and more inclusive procurement system both at Federal and Regional levels.
21. More immediately, the assessment will provide real-time feedback that will serve as grounds to the ongoing revision of the procurement proclamation to address the gaps identified in the existing Proclamation.

IV. Tasks to meet the objectives

22. The assessment will particularly revolve around the following key activities:
 - i) ***Finalization of the activity planning and establishing the governance structure within the GoE.***
The assessment shall be led by PPPAA in collaboration with the Bank Team and other DPs. The GoE will assign a timebound counterpart assessment team (which may comprise, for example, PPPAA, the MOF, key procuring entities, Representatives from Regions, private sector representatives, civil society, etc.) to provide technical support, information and the necessary facilitation service before and during the assessment. In addition to the counterpart team, the GoE has established the MAPS Assessment Steering Committee, which consists of 5 to 7 officials from Ministry of Finance, Public Procurement and Property Administration Agency, representatives from Regions, etc., to review the progress and provide guidance during the assessment. The composition of the Steering Committee is in Appendix 1. This interaction with the Steering Committee and the counterpart team will particularly help in building and asserting the GoE ownership of the MAPSII assessment. The Bank's Team will discuss and agree with other participating development partners particularly AfDB and Service Delivery Secretariat in providing technical and financial support to the proposed assessment initiative.
 - ii) ***Carrying out of the assessment using MAPS II analytical framework and indicators.*** The assessment will cover all aspects of the public procurement system using the four pillars as provided in the MAPS tool: (i) Pillar I: Legal, Regulatory and Policy Framework; (ii) Pillar II: Institutional Framework and Management Capacity; (iii) Pillar III: Procurement Operations and Market Practices; and (iv) Pillar IV: Accountability, Integrity and Transparency of the Public Procurement System. Ethiopia has a Federal system of which Regions have their own autonomy. The assessment will look at the procurement record and data management system including the

capacity of the government to capture real time procurement information, analyze the data and report as feedback to policy makers and to the general public. It will review the structure and performance of oversight function including the coverage, quality of procurement audit and enforcement mechanisms. The assessment will cover the procurement system at all levels (Federal, selected Regions including Regional City Administration(s) and Local levels).

- iii) ***Draft Report Preparation.*** After completion of the review of relevant documents, surveys and interviews, and the above-mentioned assessment stages, the Team will prepare a Report which will include findings and recommendations. The team shall prepare Reports for the Federal and Regional levels which includes local level findings. The Reports will be submitted to the Steering Committee and other stakeholders for validation. To speed up the ratification of the revision of the current procurement proclamation (649/2009), the assessment team will provide interim recommendations on the legal framework (existing and the draft).

V. Focus of the Assessment

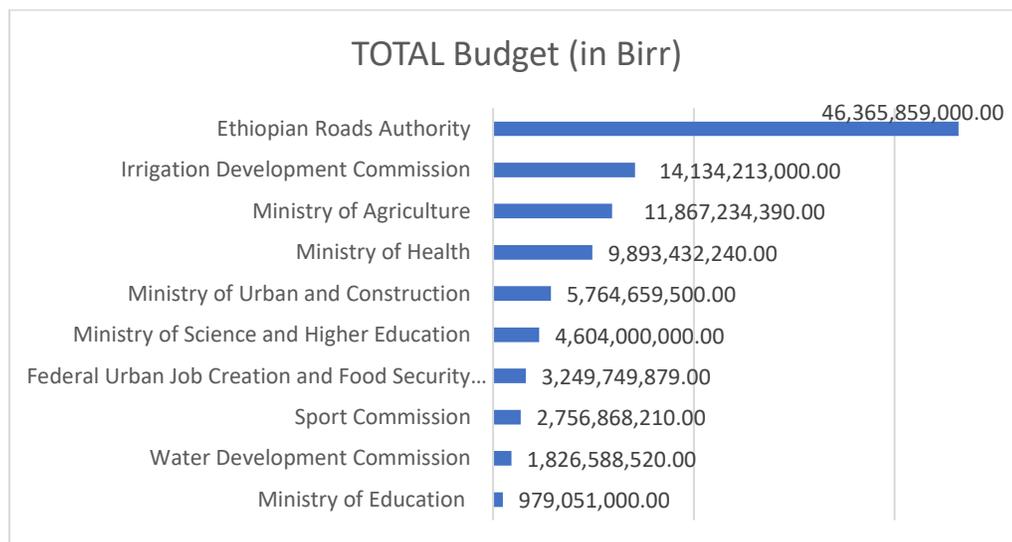
- 23. The assessment will cover all relevant indicators and qualitative assessments to enable the assessors to give the full picture of the procurement system in Ethiopia, its strengths and gaps. However, the following aspects of the procurement system will be assessed with more breadth and depth:
 - i) The procurement legal framework at the Federal and Regional level [selected Regions] will be assessed to determine if the procurement rules are consistent with public procurement principles and international good practice. The assessment shall also look into the implication of different circulars, instructions, memos, etc., issued at different levels that have direct and indirect impact on public procurement practice, review their consistency with the overarching procurement legal documents and principles. Given that each Regional state/City administration has its own procurement legal framework and supporting document, the assessment shall look into the consistency and harmonization between Federal and Regional and among Regions towards building a harmonized public procurement market in the country.
 - ii) The assessment will also explore how the public procurement legislation serves the specific needs of the sectors of economy.
 - iii) The assessment will look into the organizational procurement structure and staff competence and the system in building procurement skills as directed by the MAPS indicators.
 - iv) The assessment will look in to the capacity and responsiveness of the market, its challenges to respond to and honor commitments. It will also assess the treatment of the Small and Medium Enterprises (SMEs) at Federal and Regional level, the applicable incentive schemes, and implication on the competitiveness and private sector development in the country, etc.
 - v) The new government administration in Ethiopia has shown commitment to fight corruption and misuse of public resources. In recent years, many public officials from big spending agencies have been arrested due to allegation of fraud and corruption in procurement operations. The assessment will look into the fight against corruption and its impact on procurement performance, by reviewing the law, the coordination between the institutions that have the mandate for anti-corruption work, and application of the law.

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24. The assessment will cover the following Public Bodies at the Federal level:
- a) Ethiopian Roads Authority
 - b) Ethiopian Pharmaceuticals Supply Agency
 - c) Ministry of Education
 - d) Ministry of Agriculture
 - e) Ministry of Health
 - f) Public Enterprise Holding and Administration Agency
 - g) Ministry of Water, Irrigation and Energy
 - h) Procurement and Property Disposal Service
 - i) Addis Ababa University
 - j) Federal Government Building Construction Bureau at the Ministry of Urban Development and Construction
 - k) Ministry of Labor and Social Affairs

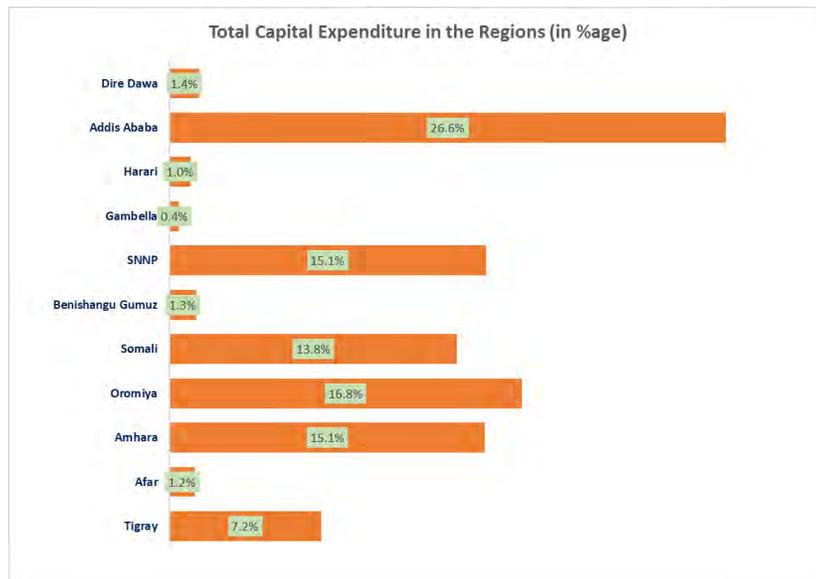
25. Most of the selected Public Bodies are among the top ones utilizing the largest share of the Federal Budget for their capital expenditures. The allocated budget of the top spending Public Bodies in EC2012 is shown in the Figure 1. Two of the Public Bodies, Public Enterprise Holding and Administration Agency, and the Ministry of Labor and Social Affairs have been selected given their low spending budget and thus likely different procurement performance profile. Public Enterprise Holding and Administration Agency has also been selected because of the SOE oversight function.

Figure 1: Budget of the top spending Public Bodies in Ethiopia for EC2012 (Gregorian 2019).



Annex 1: Concept Note

Figure 2: Total Capital Expenditure in the Regions in EC 2010 (Gregorian 2017).



30. The selected Regions are: Oromia, Afar, Southern Nations and Nationalities, and People's Region, and Addis Ababa City Administration. This selection covers the Regions of the highest spending as well as geographical coverage. Since the procurement system and capacity at regional level are similar with minor differences, the findings and recommendations will be relevant and valid for the other regions that are not covered in the assessment. In addition, based on the MAPS recommendation, PPA will prepare model strategy document and action plan to be customized by each of the regions to their specific context and guide future procurement reforms.
31. In each of the selected three Regions and a city administration, the assessment will cover at the minimum the following sector offices:
 - a. Health Bureau
 - b. Education Bureau
 - c. Bureau of Agriculture
 - d. Water and Sewerage Authority
 - e. Road Construction Bureau
 - f. Housing Agency (Addis Ababa)
 - g. Bureau of Urban Development and Construction
32. The selection of Regions, procuring entities, and Woredas has been thought through to include the highest spending entities with some of lower volume procurement entities and with geographical spread to ensure representative sample to reflect legislation and performance of the system. The selection can be adjusted once the thorough country context has been developed.

The assessment at the local level will cover at least two Woredas in each of the Regions including Addis Ababa City Administration. Thus, a total of 8 Woredas will be selected. The assessment at

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Woreda level will cover the legal and operational aspect of the centralized procurement using the relevant indicators.

33. To better demonstrate procurement performance using actual data, criteria under the following sub-indicators (Table 1) shall be substantiated with quantitative data. They include the mandatory and additional indicators as defined by the Methodology. The final inclusion of the indicators is subject to availability of data. Detailed description of the selected quantitative indicators is provided in the Appendix A.

Table 1. Selected indicators to be substantiated by the quantitative assessment.

No.	Quantitative indicators to substantiate the criteria to assess the following assessment sub-indicators:
1	Indicator 4 (b): Financial procedures and the procurement cycle.
2	Indicator 5 (d): Avoiding conflict of interest.
3	Indicator 6 (a): Definition, responsibilities and formal powers of procuring entities.
4	Indicator 7 (a): Publication of public procurement information supported by information technology.
5	Indicator 9 (b): Selection and contracting
6	Indicator 9 (c): Contract management in practice.
7	Indicator 10 (a): Dialogue and Partnerships between public and private sector
8	Indicator 10 (b): Private sector organizations and access to the public procurement market
9	Indicator 12 (b): Coordination of controls and audits of public procurement
10	Indicator 12 (d): Qualification and training to conduct procurement audits
11	Indicator 13 (a): Process for challenges and appeal.
12	Indicator 13 (b): Independence and capacity of the appeals body.
13	Indicator 13 (c): Decisions of the appeals body.
14	Indicator 14 (c): Effective sanctions and enforcement systems.
15	Indicator 14 (d): Anti-corruption framework and integrity training.
16	Indicator 14 (e): Stakeholder support to strengthen integrity in procurement.
17	Indicator 14 (g): Codes of conduct/codes of ethics and financial disclosure rules.

V. Information Sources

34. Ethiopia has not yet implemented Electronic Government Procurement and hence, there is real concern on the ability to obtain procurement information. However, PPPAA has implemented, albeit inconsistently, procurement performance measurement system using Key Procurement Indicators, first at some sectors at the Regional level and, subsequently, in some Federal procuring entities. The KPIs system provides Excel formats for collection and compilation of procurement information, which will be used as source of information in this assessment, wherever it is applicable.
35. The assessors shall look into contract files to look into the procurement operations and market practices. To the extent possible, the assessment shall cover at least 10 procurement packages in each of the selected public bodies completed over the preceding three years period. The assessment will review procurement reports and procuring entities' websites as main source of information. Information shall be collected through key informative interviews and focus group discussions to understand the procurement system and practice from the side of implementers, regulators, auditors,

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private sector. In addition, information shall be collected through surveys. Besides, the assessment shall review PPPAA's website and records to collect relevant information.

36. The assessors will also analyze other sources of information such as CPF, PEFA assessment that is currently being finalized, and other studies.
37. The assessors will review the legislative and regulatory documents guiding the public procurement system and the PFM framework. Some of these documents are listed below:

At the federal level:

- a. The Constitution of the Federal Democratic Republic of Ethiopia, Proclamation No. 1/1995 dated August 21, 1995
- b. The Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009 dated 9 September 2009
- c. Federal Public Procurement Directive, Ministry of Finance, June 2010, revised in December 2015 and December 2016.
- d. The Public Procurement Manual (December 2011)
- e. Manual on Public Procurement Complaint Procedure (April 2011)
- f. Manual on the use of Framework Agreements (May 2011)
- g. Proclamation 1076/2018 on Public Private Partnership dated 22 February 2018
- h. Proclamation No. 1097/2018 A Proclamation to provide for the definition of the powers and duties of the executive organs of the Federal Republic of Ethiopia.
- i. Financial Administration Proclamation No. 648/2009 and Financial Administration (amendment) Proclamation No. 970/2016.
- j. Federal Civil Servants Proclamation No. 1064/2017 dated 15 December 2017
- k. Proclamation No 433/2005 - The Revised Proclamation for the Establishment of the Federal Ethics and Anti-corruption Commission dated 2nd February 2005
- l. Proclamation No. 434/2005 The Revised Proclamation to Provide for Special Procedure and Rules of Evidence on Anti-Corruption dated 2nd February 2005 and Proclamation No. 882/2015 to Amend the Revised Anti-Corruption Special Procedure and Rules of Evidence Proclamation dated 3rd April 2015

The Regional laws include corresponding legislation that the Team will review.

VI. Leadership and Assessment Team

38. The Ministry of Finance has established the Steering Committee under the leadership of the State Minister in MoF, co-chaired by The World Bank, and includes members from Procurement and Property Administration Directorate of PPPAA, Development Partners, Procuring Entities, Private Sector and CSOs. The composition of the Steering Committee is in Appendix B. The Public Procurement and Property Administration Agency is the focal agency in the implementation of MAPS-ETHIOPIA from the Government side and will serve as a Secretary to the Steering Committee. Other members of the SC would include GoE officials, representatives of Public Bodies, development partners and Civil Society Organizations. The Steering Committee shall also establish a technical team that will work on and facilitate the assessment on the ground to ensure readiness, availability of procurement data and collaboration from Public Bodies.
39. The Procurement Team of The World Bank in the Ethiopian country office with support and guidance from the Practice Manager will lead the implementation of MAPS II assessment. The Team will be led by Elzbieta Sieminska, Lead procurement Specialist (the TTL) and Demelash Demssie, Senior Procurement Specialist (the Co-TTL). The Team will work closely with the relevant DPs (for example AfDB) through the Steering Committee and members of the Donors PFM Procurement Sub-Group in all technical and financial matters of the assessment. The Team will be supported by experienced international and local consultants including international and country lawyers, procurement specialists, communication specialist.
40. Most importantly, the Team will work with the GOE's Counterpart Team and the Steering Committee. The Steering Committee shall be responsible for providing guidance and comment to the assessment and ensuring that all the necessary support is provided from the Government side. The Counterpart Team shall be responsible for technical input, providing required information to the assessment team and facilitation of the assessment in general.
41. The Bank's Team shall report to Pascal Tegwa (Procurement Hub Coordinator) for quality support. He shall identify and approach colleagues who have experience on MAPS II implementation as peer reviewers and source of information. The Team shall work with the MAPS Secretariat for technical guidance and support and TAG for quality assurance.

VII. Stakeholders

42. The assessment will involve different stakeholders directly and indirectly.
 - i) The Ministry of Finance shall provide overall leadership and guidance during the assessment and in the implementation of the recommendations. In particular, the State Minister of Fiscal Policy and Public Finance and the Director, Public Expenditure Management and Control Reform Directorate in the Ministry of Finance plays a key role in providing overall guidance, deciding on priorities and resource allocation for PFM reforms including procurement. The Public Procurement and Property Administration Agency and the relevant procurement regulatory bodies at Regional level will serve as the focal entities in coordinating and facilitating participants from the Government side and ensuring that recommendations are translated into reform actions for implementations. During the assessment, the Public Bodies, particularly those included in the sample, will ensure that procurement data are available adequately and timely and relevant officials and experts are actively engaged in providing information/interview as required.

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- ii) The Development Partners will be engaged in providing technical and financial assistance to the assessment. The implementation of MAPS II assessment is one of the deliverables in the Basic Service Delivery Group's⁶ Common Framework and an agreed action for the next joint implementation and supervision mission. Service Delivery Secretariat (SDS) which is a coordination platform for the BSDG's agreed to contribute finance to the assessment. The BSDG's will also supervise the progress of the assessment and provide technical assistance. African Development Bank, who is part of the Steering Committee, will work with the Bank Team in providing the required technical assistance to the assessment.
 - iii) Private Sector: Public procurement is a big market in any economy. In countries like Ethiopia where the government is a major player in the economy, the significance of public procurement market is much higher and indispensable. As a result, the private sector has unique interest in the management and functioning of the public procurement regime. The public procurement system assessment is very important for the private sector as it could help to identify and address the challenges of the private sector in benefiting from the public procurement market. In this assessment, the private sector will be involved as source of information particularly in Pillar III which focuses on the interface between the private sector and public procurement.
 - iv) Civil Society Organizations: There are not many CSOs that are actively working in public procurement in Ethiopia. But CSOs like Transparency International Ethiopia and COST will be involved in the assessment as source of information.
 - v) Aiming at addressing the transparency, integrity, and law compliance aspect the assessment will also involve such stakeholders as the Federal Ethics and Anti-Corruption Commission, Office of the Federal Auditor General, Ombudsman, Internal Audit, and the Public Expenditure Administration, and Control Affairs Standing Committee of the House of Peoples' Representatives of the FDRE.
43. The Team will carry out a stakeholders' analysis to determine the roles, formal and informal links of the stakeholders in the public procurement system in Ethiopia, to better manage and engage these stakeholders during the assessment and resultant procurement reform. The stakeholder analysis is not purely normative and may involve the perceptions of stakeholders regarding their level of influence and engagement regardless of what their mandates may say.

VIII. Validation of the Assessment and Quality Control

44. The assessment will be reviewed at different stages by different players. As any other analytical work, the Concept Note and the Draft assessment Report shall be reviewed and cleared internally within the Bank. The Bank Team shall identify and select senior Bank staff with relevant skills and experience from different Regions and sectors to serve as peer reviewers. Besides, the Steering Committee shall review and provide comment on the Draft Concept Note as well as the Draft Report while providing guidance and support during the assessment.
45. The preliminary findings of the assessment shall be shared with the PPPAA and the Steering Committee to allow expediting work on already started revision of the Public Procurement Proclamation.

⁶ Basic Service Delivery Groups (BSDGs) are DPs supporting delivery of basic services in Ethiopia and include African Development Bank, Department for International Development (UK), European Union, Austrian Development Cooperation and Italian Agency for Development Cooperation. They have common dialogue forum with the GOE guided by common framework and coordinated by Service Delivery Secretariat seating in Bank office and funded through SDS MDTF.

46. Validation Workshop: After the Draft Assessment Report has been issued, the Bank's Team in collaboration with the PPPAA shall organize a validation workshop to discuss and seek input on the main findings of the report. The Workshop shall be attended by all key procurement stakeholders including members of the Steering Committee, Procurement Sub-Group (joint Government, Donors and private Sector Sub-Group), procuring entities, private sector, Development partners, CSOs and media. The appropriate feedback provided at the workshop shall be considered in finalizing the report.
47. The Bank Team shall approach the MAPS Secretariat or Technical Advisory Group, for quality assurance and approval at the Concept Note and Draft Report Stage. To this effect, this Concept Note is prepared following the standard Template provided in the MAPS website.

IX. Communication and Cooperation (Dissemination)

48. Assessment Report Finalization and Dissemination: Further to the team's discussion of the draft report with the GOE counterparts, including the assessment Counterpart Team and the Steering Committee, the team will prepare the final assessment report, which will be disseminated to the public after agreement with the GOE. The Bank's Team in collaboration with PPPAA shall manage publication of adequate copies of the final Report.
49. Both the GOE and the Bank's Team shall utilize all the available means to ensure that the report is accessible to all relevant stakeholders and the public. The Ministry of Finance shall officially share copies of the final report to the Regional Governments, Public Bodies covered in the report, Regional Regulatory Bodies etc. and load the final report in MoF's and PPPAA's website. Similarly, the Bank team shall load the final report in the Bank's intranet and ensure public access to the document.
50. Post assessment support: The Bank team will also cooperate with the GOE in exploring ways and means of implementing the public procurement system improvement action plan included in the Assessment Report.

X. Output and Timetable

Output	Responsible	Cooperation with	Deadline
MAPS Initiation	GoE		July 2019
Concept Note	Bank Team	GoE	September 2019 (P) February 2020 (A)
Establishing Steering Committee	GoE		July 31, 2019
Establishing the Assessment Teams	WB		August 31, 2019
Launch workshop	PPPAA and Assessment Team	GoE	September 19, 2019
Identify focal persons	GoE		September 30, 2019
Ensuring readiness and data availability	GOE (focal persons)	Steering Committee	October 15, 2019

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Output	Responsible	Cooperation with	Deadline
Analysis of Country context	Assessment Team	Steering Committee	October 31, 2019
Assessment of Public Procurement System: <ul style="list-style-type: none"> - Collect data (qualitative and quantitative data) - Issue Interim recommendations on legal framework - Issue Draft Final Reports 	Assessment Team	Steering Committee	In two stages: 1. Federal level Interim Recommendations- January 30, 2020 2. Regional assessment- February 28, 2020 Draft Final Federal and Regional Reports – June 30, 2020
Validation of Findings	GoE	Assessment Team and Stakeholders	May 2020
Final Assessment Reports	Assessment Team	Steering Committee	June 2020
Assessment Reports Quality assurance	Assessment Team	The World Bank Steering Committee TAG	June 2020 November 2020 June 2021
Publication of MAPS Assessment Report	Government/ MAPS Secretariat/ WB Team		July 2021

XI. External Support and Budget

51. The assessment is estimated to cost \$300,000.00 and the Service Delivery Secretariat which coordinate Development Partners supporting basic services in Ethiopia (AfDB, DFID.EU, Austria Development Cooperation and Italian Development Cooperation) has agreed to contribute \$200,000. The Bank team will work with Development partners and the SIP management to fill the remaining budget gap.

The following table shows the details of the budget breakdown:

Item	Description	Qty	Unit Rate [USD]	Total cost [USD]
1	Federal			
1.1	International staff incl. consultants	90 days	600	54000
1.2	Local staff incl. consultants	120 days	300	36000
2	Regions (4) and Woredas (8)			
2.1	International staff incl. consultants	60 days	600	32,400
2.2	Local staff incl. consultants	315 days	300	94500
Total staff cost				216,900
3	Travel and accommodation			
3.1	International travel	6 RT	3000	18000

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Item	Description	Qty	Unit Rate [USD]	Total cost [USD]
3.2	Local travel (30 days for each Afar & SNNPR)	60 days	55	3300
3.3	Accommodation, international			11,520
3.4	Accommodation, local			24000
Total travel and accommodation				50,620
4	Workshops and publication			
4.1	Launch workshop			
4.1.1	Hotel (tea, water, and lunch) 100 participants			4000
4.1.2	Per diem and accommodation (30)			6580
4.1.3	Transport			1500
4.1	Assessment launch			7700
4.2	Validation workshop			7700
4.3	Report publication			5000
Total Workshops and publication				32,480
Total estimated Budget:				300,000

Selected quantitative criteria and indicators:

Pillar	Sub Indicator and assessment criteria	Quantitative measurement Indicators	Source of information
II	Sub-Indicator 4 (b): Financial procedures and the procurement cycle.		IFMIS/IBEX data
	Criterion (b): The national regulations/procedures for processing invoices and authorization of payments are followed, publicly available and clear to potential bidders.	Invoices for procurement of goods, works and services paid on time (in % of total number of invoices).	
	Sub-Indicator 5 (d): Avoiding conflict of interest		Survey
	Criterion (a): The normative/regulatory institution has a system in place to avoid conflicts of interest.	Perception that the normative/regulatory institution is free from conflicts of interest (in % of responses).	
	Sub-Indicator 6 (a): Definition, responsibilities, and formal powers of procuring entities.		Normative/regulatory function
	Criterion (c): Procuring entities are required to establish a designated, specialized procurement function with the necessary management structure, capacity and capability.	Procuring entities with a designated, specialized procurement function (in % of total number of procuring entities).	
	Sub-Indicator 7 (a): Publication of public procurement information supported by information technology.		PPA
	Criterion (c): The information system provides for the publication of: <ul style="list-style-type: none"> • procurement plans • information related to specific procurements, at a minimum, advertisements or notices of procurement • opportunities, procurement method, contract awards and contract implementation, including amendments, payments and appeals decisions linkages to rules and regulations and other information relevant for promoting competition and transparency	Procurement plans published (in % of total number of required procurement plans).	
Key procurement information published along the procurement cycle (in % of total number of contracts):			
invitation to bid;			
contract awards (purpose, supplier, value, variations/ amendments);			
details related to contract implementation (milestones, completion and payment);			
annual procurement statistics.			
Appeals decisions posted within the time frames specified in the law (in %).			
Criterion (e): Information is published in an open and structured machine-readable format, using identifiers and classifications (open data format).	Share of procurement information and data published in open data formats (in %).		
III	Sub-Indicator 9 (b) Selection and contracting		Sampled procurement contracts
	Criterion (j): Selection and award process is carried out effectively, efficiently and in a transparent way.	Average time to procure goods, works and services.	
		Number of days between advertisement/solicitation and contract signature (for each procurement method used).	
Average number (and %) of bids that are responsive (for each procurement method used).			

Annex 1: Concept Note

Pillar	Sub Indicator and assessment criteria	Quantitative measurement Indicators	Source of information
		Share of processes that have been conducted in full compliance with publication requirements (in %).	Sampled procurement contracts
		Average number (and %) of bids that are responsive (for each procurement method used).	
		Number (and %) of successful processes (successfully awarded; failed; cancelled; awarded within defined time frames)	
	Sub- Indicator 9 (c) Contract management in practice.		
	Criterion (a): Contracts are implemented in a timely manner	Time overruns (in %; and average delay in days).	
	Criterion (b): Inspection, quality control, supervision of work and final acceptance of products is carried out.	Quality-control measures and final acceptance are carried out as stipulated in the contract (in %).	
	Criterion (c): Invoices are examined, time limits for payments comply with good international practices, and payments are processed as stipulated in the contract.	Invoices for procurement of goods, works and services are paid on time (in % of total number of invoices).	
	Criterion (d): Contract amendments are reviewed, issued and published in a timely manner.	Contract amendments (in % of total number of contracts; average increase of contract value in %).	
	Criterion (f): Opportunities for direct involvement of relevant external stakeholders in public procurement are utilized.	Percentage of contracts with direct involvement of civil society: planning phase; bid/proposal opening; evaluation and contract award, as permitted; contract implementation).	
	Criterion (g) Contract records are complete and accurate, and easily accessible in a single file.	Share of contracts with complete and accurate records and databases (in %).	
Sub-Indicator 10 (a): Dialogue and partnerships between public and private sector		Survey	
Criterion (a): The government encourages open dialogue with the private sector. Several established and formal mechanisms are available for open dialogue through associations or other means, including a transparent and consultative process when formulating changes to the public procurement system. The dialogue follows the applicable ethics and integrity rules of the government.	Perception of openness and effectiveness in engaging with the private sector (in % of responses).		
Sub-Indicator 10 (b): Private sector's organization and access to the public procurement market		PPPAA and Procuring entities data base	
Criterion (a): The private sector is competitive, well-organized, willing and able to participate in the competition for public procurement contracts.	Number of registered suppliers as a share of total number of suppliers in the country (in %)		
	Share of registered suppliers that are participants and awarded contracts (in % of total number of registered suppliers)		
	Total number and value of contracts awarded to domestic/foreign firms (and in % of total)		
Criterion (b): There are no major systemic constraints inhibiting private sector access to the public procurement market	Perception of firms on the appropriateness of conditions in the public procurement market (in % of responses).		
IV	Sub-Indicator 12 (b): Co-ordination of controls and audits of public procurement		

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Pillar	Sub Indicator and assessment criteria	Quantitative measurement Indicators	Source of information
	Criterion (c) There is evidence that internal or external audits are carried out at least annually and that other established written standards are complied with.	Share of procurement performance audits carried out (in % of total number of procurement audits)	PPPAA records PEFA Report
	Sub-Indicator 12 (d): Qualification and training to conduct procurement audits		SAI
	Criterion (a): There is an established program to train internal and external auditors to ensure that they are qualified to conduct high-quality procurement audits, including performance audits.	Number of training courses conducted to train internal and external auditors in public procurement audits. Share of auditors trained in public procurement (as % of total number of auditors).	
	Sub-Indicator 13 (a): Process for challenges and appeals		CRB
	Criterion (c): The body or authority (appeals body) in charge of reviewing decisions of the specified first review body issues final, enforceable decisions.	Number of appeals. Number (and percentage) of enforced decisions.	
	Sub-Indicator 13 (b): Independence and capacity of the appeals body		Appeals body
	Criterion (e): The appeals body issues decisions within the time frame specified in the law/regulations.	Appeals resolved within the time frame specified in the law/exceeding this time frame/unresolved (Total number and in %).	
	Sub-Indicator 13 (c): Decisions of the appeals body		
	Criterion (b): Decisions of the appeal body are balanced and unbiased in consideration of the relevant information.	Share of suppliers that perceive the challenge and appeals system as trustworthy and consistent (in % of responses). Share of suppliers that perceive appeals decisions as consistent (in % of responses).	Survey
	Criterion (c): Decisions of the appeal body result in remedies, if required, that are necessary to correcting the implementation of the process or procedures.	Outcome of appeals (dismissed; decision in favor of procuring entity; decision in favor of applicant) (in %).	
	Criterion (d): Decisions of the appeal body are published on the centralized government online portal within reasonable or specified timelines and as stipulated in the law.	Share of appeals decisions posted on a central online platform within timelines specified in the law (in %).	CRB
	Sub-Indicator 14 (c) – Effective sanctions and enforcement systems		Anti-Corruption records
	Criterion (d): There is evidence that the laws on fraud, corruption and other prohibited practices are being enforced in the country by application of stated penalties.	Number of firms/individuals prosecuted/convicted; prohibited from participation in future procurements (suspended/debarred). Government officials found guilty of fraud and corruption in public procurement: number of officials arrested/prosecuted/convicted.	
		Gifts to secure public contracts: number of firms admitting to unethical practices, including making gifts in (in %).	
	Sub-Indicator 14 (d): Anti-corruption framework and integrity training		Survey
	Criterion (a): The country has in place a comprehensive anti-corruption framework to prevent, detect and penalize corruption in government that involves the appropriate agencies of government with a level of	Percentage of favorable opinions by the public on the effectiveness of anti-corruption measures (in % of responses).	

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Pillar	Sub Indicator and assessment criteria	Quantitative measurement Indicators	Source of information
	responsibility and capacity to enable its responsibilities to be carried out.		
	Sub-Indicator 14 (e): Stakeholder support to strengthen integrity in procurement		PBs/PPA Survey
	Criterion (c): There is evidence that civil society contributes to shape and improve integrity of public procurement.	Number of domestic civil service organizations (CSOs), including national offices of international CSOs) actively providing oversight and social control in public procurement.	
	Sub-Indicator 14 (g): Codes of conduct/codes of ethics and financial disclosure rules		FEAC/REAC PPA
	Criterion (a): There is a code of conduct or ethics for government officials, with particular provisions for those involved in public financial management, including procurement.	Share of procurement entities that have a mandatory code of conduct or ethics, with particular provisions for those involved in public financial management, including procurement (in % of total number of procuring entities).	
	Criterion (b): The code defines accountability for decision making, and subjects decision makers to specific financial disclosure requirements.	Officials involved in public procurement that have filed financial disclosure forms (in % of total required by law).	

Appendix B

Composition of the Assessment Steering Committee (SC)

Name	Agency	Position	SC Function
H:E: Dr Eyob Tesfaye	Ministry of Finance (MoF)	State Minister	Co-Chair
Mrs. Hiba Tahboub	The World Bank	Accredited Procurement Manager	Co-Chair
Ato Woldeab Demissie	Public Procurement and Property Administration Agency (PPPAA)	Deputy Director General	Member/ Secretary
Ato Dawit Shimeles	MoF	Director	Member
Ato Tesfay Chemeda	Oromia, Bureau of Finance	Deputy Bureau Head	Member
Ato Teferi Abate	SNNPR, Bureau of Finance	Bureau Head	Member
Ato Seifu Issa	Director	Ethiopian Pharmaceutical Supply Agency	Member
W/rt Lemlem Kassu	Addis Ababa, Bureau Of Finance	Senior Procurement Expert	Member
Ato Ahmed Yesuf	Afar, Bureau of Finance	Director	Member
Ato Frew Bekele	Ethiopian Road Authority	Director	Member
Ato Degayhu Desso	Ministry of Agriculture	Director	Member
Mr. Emmanuel Chissea	African Development Bank (AfDB)	Senior Procurement Operation Officer	Member
Ato Negash Bonke	PPPAA	Advisor	Member
Ato Tesfaye Yalew	COST Ethiopia	Director General	Member
Ato Sisay W/senbet	AfDB	Procurement Operation Officer	Member

Addendum 1 to the CN:

Given the pandemic that broke out during the assessment and disrupted face to face meeting, the Team did not carry out the planned interviews with two SOEs.

The Team was also not able to visit four Woredas to carry out quantitative review. However, interviews were conducted virtually.

The team assessed that this does not diminish the value of the assessment because:

- Review of the number and variety of SOEs deserves a deeper study to take a decision how the procurement law should apply to them, and the team included the relevant recommendation. The scope of such a study would go beyond the scope of the MAPS assessment.
- Given that the team carried out quantitative assessment of four Woredas and the qualitative assessment of all eight selected Woredas, the Team concluded that this gives the sufficient grounds to conclude the assessment.

Postponing the completion of the assessment until the time when face to face meetings are allowed was not found a good solution. It is not clear when the pandemic restrictions will be released, and such a delay might cause that the data collected under the assessment would have to be confirmed. Also, the Government is expecting the Assessment Report to continue with the public procurement system reform.

Addendum 2 to the CN:

The planned date of submitting the Report for the TAG review is June 2021.

ANNEX 2: List of documents reviewed

Laws⁷

Federal Government

The Federal laws are published in the Federal Negarit Gazeta.

1. Proclamation No. 1/1995, Ethiopian Constitution
2. Agreement Establishing the African Continental Free Trade Area dated 21st March 2018
3. Proclamation 1097/2018 on 29th November 2018 to Provide for the Definition of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia
4. Ethiopian Federal Government Procurement and Property Administration Proclamation No. 649/2009 dated 9 September 2009 (GY)
5. Proclamation 1076/2018 to Provide for the Public Private Partnership dated 22nd February 2018
6. Civil Code Proclamation No. 165/1960, dated 5 May 1960
Proclamation No. 639/2009 Civil Code (Amendment) Proclamation
7. Ethiopian Civil Procedure Code dated 11th October 2011
8. Proclamation on Federal Administrative Procedure (Proclamation No. 1183/2020 (effective as of April 7, 2020)
9. Proclamation No. 1184/2020 on 13th March 2020 to Ratify The Convention on the Recognition and Enforcement of Foreign Arbitral Awards

⁷ As indicated in the Volumes I and II of the Report, there are inconsistencies between the laws. In effort to deal with the inconsistencies, many laws state that proclamations, regulations, directive or practices inconsistent with the adopted proclamation shall be inapplicable. For example:

1. Procurement Proclamation 649/2009; and
2. Proclamation to provide for the Crimes of Corruption, 881/2015

Article 77 of the Procurement Proclamation describes offences and penalties. Further, A.79(2) says that “no law, regulations, directive or practices inconsistent with this Proclamation shall have effect with respect to matters provided for in this Proclamation”.

Proclamation to provide for the Crimes of Corruption says that “proclamations, regulations, directive or practices inconsistent with this Proclamation” shall be inapplicable.

These circular statements seem to annul each other.

This is one of the legislative problems in Ethiopia. Almost all recent laws have provisions which make other laws inapplicable on matters that they have provided. Such problems are solved using interpretation rules. The most common interpretation rules are i) the specific overrules the general and ii) the latest prevails over the former. Both Proclamations given as an example above are enacted by Parliament and have an equal status. In this case the two interpretation rules shall be applied. Hence, as the law specific to procurement is the procurement Proclamation, it overrules the penal code which is general.

Annex 2: List of documents reviewed

10. Proclamation No. 1024/2017 on 7th July 2017, International Agreements Making and Ratification Procedure Proclamation
11. Proclamation No. 1064/2017: Federal Civil Servants Proclamation dared 15th December 2017
12. Organization of Civil Society Proclamation No 1113/2019 [rescinded 2009 Charities and Societies Proclamation No. 621 (repealed in 2019)]
13. Federal Micro and Small Enterprises Development Proclamation No. 731/2012
14. Federal Small and Medium Manufacturing Industry Development Agency Establishment Regulations No. 373/2016, 15th Feb. 2016
15. Proclamation No. 1072/2018 to provide for Electronic Signature dated 16th February 2018
16. Proclamation 1100/2019 on the Defense Forces of the Federal Democratic Republic of Ethiopia dated 19th January 2019
17. Proclamation No. 804/2014 to Re-establish the National Intelligence and Security Service dated 23rd July 2013
18. Proclamation No. 809/2013 on the Defence Forces of the Federal Democratic Republic of Ethiopia
19. Proclamation No. 982/2016 to Re-establish the Office of the Federal General Auditor dated 21st September 2016
20. Financial Administration Proclamation No. 648/2009 and A Proclamation to Amend the Federal Government of Ethiopian Financial Administration Proclamation No. 970/2016 dated 27th July 2016
21. Proclamation No. 847/2014 to Provide for Financial Reporting dated 5th December 2014
22. Federal Tax Administration Proclamation 983/2016
23. Proclamation No 433/2005 - The Revised Proclamation for the Establishment of the Federal Ethics and Anti-corruption Commission dated 2nd February 2005 and Proclamation 883/2015 to Amend the Revised Federal Ethics and Anti-Corruption Commission Establishment Proclamation dated 3rd April 2015
24. Proclamation no 544/2007 on 21st August 2007 to Provide for the Ratification of the United Nations Convention Against Corruption
25. Proclamation No. 545/2007 to Provide for the Ratification of the African Union Convention on Preventing and Combating Corruption dated 21st August 2007
26. Proclamation No.414/2004 The Criminal Code Of The Federal Democratic Republic Of Ethiopia
27. Proclamation No. 185 Criminal Procedure Code of Ethiopia dated 2 November 1961
28. Proclamation 720/2011 The Ethiopian Federal Police Commission Establishment dated 28th November 2011 and Proclamation No. 944/2016 A Proclamation To Provide For The Amendment Of The Ethiopian Federal Police Commission Establishment Proclamation dated 2nd May 2016

Annex 2: List of documents reviewed

29. Proclamation to Provide for the Crimes of Corruption No. 881/2015 dated 3 April 2015
30. Proclamation No. 434/2005 The Revised Proclamation to Provide for Special Procedure and Rules of Evidence on Anti-Corruption dated 2nd February 2005 and Proclamation No. 882/2015 to Amend the Revised Anti-Corruption Special Procedure and Rules of Evidence Proclamation dated 3rd April 2015
31. Proclamation No. 780/2013 on Prevention and Suppression of Money Laundering and Financing Terrorism dated 4th February 2013
32. State owned enterprises are administered under the Public Enterprise Proclamation No. 25/1992 dated 27th August 1992
33. Proclamation No. 210/2000: Ethiopian Human Rights Commission Establishment.
34. Proclamation No. 211_2000 Institution of the Ombudsman Establishment.
35. Proclamation to provide for the Disclosure and Registration of Asset No 668/2010 dated 12th April 2010
36. Council Of Ministers Regulation No.407/2017 Councils Of Ministers Tax Administration Regulation dated 9th August 2017
37. Council of Ministers Regulation No. 190/2010 Council Of Ministers Regulation to provide for the Financial Administration of the Federal Government dated 4th October 2010
38. Regulation 184/2010 Public Procurement and Property Disposal Service Establishment Council of Ministers Regulation.
39. Procurement Directive issued in June 2010, revised in June 2014, December 2015 and December 2016
40. PPP Directive issued to implement Public Private Partnership, directive No. 55/2010/2018
41. Foreign Exchange Directive limiting the period for opening the L/C to 5 months that has impact on procurement and contracting.
42. The Directive for Implementation of Procurement of Federal Defense (Ministry of Finance and Economic Development, February 2012)
43. The Ministry of Urban Development and Construction issued Directive for Registration of Construction Professionals and Contractors (amended) No. 19 and
44. Directive for Registration of Design Professionals and Consultants (amended) No. 22 that limits access to the procurement market based on the assigned grade.
45. The Directive for Implementation of Procurement of Federal Defense (Ministry of Finance and Economic Development, February 2012) issued pursuant to PPL A.3(2)(a) & 78(2) and A.18(8) Proclamation 691/2010
46. Budget Administration Directive
47. Internal Control Standards (2011)
48. Financial Accountability Directive (2011)

Addis Ababa

The Laws of the Addis Ababa City Government are published in Addis Negari Gazeta of the City Government of Addis Ababa.

49. Proclamation No. 1094/2018 A Proclamation To Amend The Addis Ababa City Government Revised Charter Proclamation; and Proclamation No. 361/2003, the Addis Ababa City Government Revised Charter dated 24th July 2003 (EC)
50. Proclamation No. 35/2012 (EC) the Addis Ababa City Government Executive and Municipality Services Organs Re-establishment Proclamation dated 9th July 2012 (EC)
51. The Addis Ababa City Government Procurement and Property Administration Proclamation No. 17/2009 dated November 9, 2009
52. Proclamation No. 6/2008 Addis Ababa City Government Civil Servants Proclamation dated 14th July 2008 (EC)
53. Addis Ababa City Government Financial Administration Proclamation No. 16/2009
54. Proclamation No. 29/2012 City Government of Addis Ababa Office of the Auditor General Re-establishment Proclamation Dated 18 February 2012 (EC)
55. Regional Ethics and Anti-corruption Commission Establishment Proclamation
56. Protection of witnesses and whistleblowers of criminal offences proclamation No. 699/2010 dated 11th February 2011.
57. Regulation 55/2013 for the establishment of the Public Procurement and Property Disposal Agency of the Addis Ababa City Government
58. The Addis Ababa City Administration Procurement Directive No. 3/2002
59. Budget Administration Directive
60. City's disbursement directive no. 5/2003 (EC)
61. Pool Administration Directive No 1/2006 (EC)
62. Administrative/Financial Measure Directive 01/2011 (E.C)
63. Internal control standard directive 09/2003 (E.C)

Oromia

The laws of Oromia are published in Megeleta Oromia.

64. Oromia Regional State Constitution, 2001
65. The Oromia BoF was established in 1994 according to Proclamation No. 127/1994
66. The Restructuring and Redefining of the Executive Bodies of the Oromia Regional State Proclamation No. 50/2002(as amended) and Proclamation No. 201/2017 (A Proclamation Enacted to Redefine Organizations, Duties, Conduct of the Members and Meeting Procedures of the 'Caffee')
67. The Oromia National Regional State Government Public Procurement and Property Administration Proclamation No.157/2010 dated April 25, 2010

Annex 2: List of documents reviewed

68. The Oromia National Regional State Government Financial Administration Proclamation No. 156/2010;
69. The public financial administration of the region is mainly governed by Proclamation No. 15/2010, Proclamation to Re-establish the Financial Administration of Oromia National Regional State and Proclamation No. 209/2018, A Proclamation Provided to Amend the Financial Administration of Oromia National State Proclamation No.156/2010
70. Oromia Ethics and Anti-corruption Commission Establishment Proclamation No. 71/2003;
71. Amended Ethics and Anti-Corruption Commission Establishment Proclamation no., 214/2011
72. Proclamation No. 154/2010 (as amended): Proclamation to Re-establish the Office of Oromia National Regional State Auditor General
73. Proclamation to Re-establish the Financial Administration of Oromia National Regional State Proclamation No. 88/1997
74. Amended Proclamation No. 209/2018 clearly stipulate the rules for budget adjustment
75. Regulation Number 192/2009 E.C.
76. Regulation enacted to re-amend Regulation Number 139/2004 E.C. on supporting the development of Micro and Small Enterprises of Oromia Regional State
77. Amended Oromia Regional State Procurement Execution Directive Number FA 01/2009;
78. Procurement Execution Directive of Oromia Regional State No. 02/2004 (EC)
79. Amendments to the Accomplishment of Procurement Directive of the Regional State of Oromia No. 02/2011 in Relation to the Exceptional Consideration to be Made for Micro and Small Enterprises;
80. Budget Administration Directive
81. Ethics Directive issued from the Region's Bureau of Finance.
82. The code of ethics for internal auditors is available in the Inspection and Internal Audit Ethics Directive

SNNPR

The laws of SNNPR are published in Debub Negarit Gazeta of the Sothern Nations, Nationalities and People's Regional Government.

83. Proclamation to ratify the revised Constitution, 2001, of the Southern Nations, Nationalities and People's Regional State dated 12th November 2001
84. The Sothern Nations, Nationalities and People's Regional State Procurement and Property Administration Proclamation No. 146/2012 which came into force July 28, 2012;
85. Proclamation No. 161/2015 to Provide for Redefinition of the Powers and Duties of the Executive Organ of Sothern Nations, Nationalities and People's Regional State done at Hawassa in September/2019
86. Revised Constitution of the Afar National Regional State, 2000

Annex 2: List of documents reviewed

87. Revised Proclamation of the Sothern Nations, Nationalities and People's Regional Government - Financial Administration Proclamation 128/2009
88. Proclamation 161/2015 defines Powers and Duties of the Executive Organs of the Regional Government
89. Proclamation No. 6/1996 to provide for the Establishment of the Office of the Auditor General of the Sothern Nations, Nationalities and People's Regional Government ; and Proclamation 176/2011 Reestablished the office of the Auditor General of the SNNPR
90. Internal audit is provided for in Proclamation 128/2009 on the revised SNNPR State financial administration
91. Finance administration proclamation
92. Amended Ethics and Anti-Corruption Commission Establishment Proclamation no. 14/2012
93. Proclamation no. 177/2018 (2011 E.C), the Regional Attorney General
94. Proclamation to provide Disclosure and Registration of Asset No 107/2012.
95. MSEs Regulation No. 172/2019
96. Regulation No. 172/2019 "Market Support for Organized Micro and Small Enterprisers of The Southern Nations. Nationalities and People's Region State"
97. Regulation 162/2018 Public Procurement and Property Disposal Service Establishment of the Regional state
98. The SNNPRS Procurement Directive No. 56/2010;
99. Budget Administration Directive number 25/2008 E.C
100. internal audit performance and ethical standards directive No. 05/2004 (E.C.) issued by the region's BoF
101. Internal Audit Ethics Directive

Afar

The laws of Afar are published in Afar Dinkara Gazeta of the Afar National Regional State.

102. The Revised Constitution of the Afar National Regional State, 2000
103. Proclamation 112/2011 defines Powers and Duties of the Executive Organs of the Regional Government
104. Afar National Regional State Procurement and Property Administration Proclamation No. 65/2003
105. Afar Regional State Construction and Consultancy Procurement Directive 14/2005
106. Revised Financial Administration Proclamation 64/2003
107. Proclamation 122/2011 Reestablished the office of the Auditor General of the Afar Regional state and sets out its functions. It covers external audit.
108. Amended Ethics and Anti-Corruption Commission Establishment Proclamation no. 14/2012

Annex 2: List of documents reviewed

109. SNNPRS Procurement Directive No. 56/2010
110. Regional Budget Administration Directive number 2/2005
111. ANRS cash administration directive no 3/2005 E.C
112. Internal Control Directive no 8/2005 E.C
113. Internal Audit Administration Directive, 47/2009
114. Inspection and Internal Audit Ethics Directive. Ethics Directive issued from the Region's Bureau of Finance

Manuals:

Federal Government:

115. Public Procurement Manual (December 2011)
116. Public Procurement Audit Manual (May 2011)
117. Manual on Public Procurement Complaint Procedure (April 2011)
118. Manual on the use of Framework Agreements (May 2011)
119. Internal Audit Manual - 2004
120. Internal Audit Training Module - 2005
121. Internal Audit Reporting Procedure Manual in Amharic - 2010
122. Performance Audit Manual and Implementation Guide - 2013 (Extracted from Performance Audit Manual of OFAG)
123. Public Finance Transparency and Accountability Manual (51/2018)
124. Budget Administration Manual (2011)
125. Internal Audit Manual (2011)
126. Various other manuals produced by the MoF to outline the internal control procedures and the segregation of duties between budgeting, reporting, auditing, cash management, accounting, and recording
127. AA City Administration Procurement Manual 2011
128. Oromia Public Procurement Manual
129. SNNPR Public Procurement Manual

Other documents:

130. Public Expenditure and Financial Accountability, Performance Assessment Report Federal Democratic Republic of Ethiopia
 - a. Federal Government, November 13, 2019
 - b. Oromia National Regional State, November 09, 2019
 - c. The City of Addis Ababa, December 02, 2019

Annex 2: List of documents reviewed

131. Growth and Transformation Plan II (GTP II) (2015/16 – 2019/2020)
132. MOU among FEAC, OFAG, PPA, and CoST for Disclosure of Infrastructure Data Standard on Public Infrastructure Projects
133. KPI documents
134. PPA training documents
135. PPA Forum documents
136. E-GP strategy
137. PFM Strategy
138. Multiple circulars, letters of PPA and MoF.
139. Overview of corruption and anti—corruption in Ethiopia, Kaunain Rahman
Transparency International
<https://www.u4.no/publications/overview-of-corruption-and-anti-corruption-in-ethiopia>
140. Diagnosing Corruption in Ethiopia, Perceptions, Realities, and the Way Forward for Key Sectors, Janelle Plummer, Editor (The World Bank. CIDA, UKaid, Kingdom of the Netherlands)

Website links:

1. Federal Ministry of Finance
<http://www.mofed.gov.et/web/guest/public-private-partnership-directorate>
2. On Privatization of Public Enterprises in Ethiopia
<https://www.mtalawoffice.com/legal-updates/entry/on-privatization-of-public-enterprises-in-ethiopia?tmpl=component&print=1&format=print>
<https://www.mtalawoffice.com/legal-updates/entry/on-privatization-of-public-enterprises-in-ethiopia-part-ii?tmpl=component&print=1&format=print>
3. Transparency International
https://www.transparency.org/news/feature/corruption_perceptions_index_2017.
4. The National Regional Government of Oromia
https://www.oromiabofed.gov.et/index.php?option=com_content&view=category&layout=blog&id=42&Itemid=56
5. The FDRE Public Procurement and Property Administration Agency
<http://www.ppa.gov.et/>
6. DAG
<https://dagethiopia.org/>
7. United Nations Ethiopia
<https://ethiopia.un.org/>
8. Ethiopian Standards Agency
<http://www.ethiostandards.org/>
9. Law portals
<https://chilot.me>
<https://chilot.me/regional-laws/addis-ababa-administration-laws/>
www.abysinialaw.com

ANNEX 3: List of Stakeholders consulted during the Assessment

The following institutions were visited, and their representatives met and interviewed during the assessment from October 2019 until May 2020 to obtain qualitative and quantitative data:

No.	Institution	Representative	
		Name	Position or Department
Federal Government			
1	Federal Ministry of Finance	Dawit Shimeles	Director
2	Federal Ministry of Finance, Treasury	Woldeab Demissie	Director of Treasury
3	Federal Ministry of Finance, Budget Preparation and Execution	Teferi Demeke	Director
4	Federal Ministry of Finance	Bochu Sintayhu	
5	Federal Ministry of Finance	Fekadu Agonafir	Director, Inspection Directorate
6	Federal Ministry of Finance	Niguse Tefera	Consultant/Advisor
7	Ministry of Finance Legal Department		
8	Federal Public Procurement and Property Administration Agency	Marta Luwigi Anteneh	Director General
9	Federal Public Procurement and Property Administration Agency	Woldeab Demissie	Director (from April 2020)
10	Federal Public Procurement and Property Administration Agency	Mekdes Berhanu	Public Procurement Director
11	Federal Public Procurement and Property Administration Agency	Negash Bonke	Advisor to Director General
12	Federal Public Procurement and Property Administration Agency	Tsegaye Abebe	Training Coordinator
13	Federal Public Procurement and Property Administration Agency	Zelege Tafesse	Director of Audits
14	Federal Public Procurement and Property Administration Agency	Setegn Gelan	Director Communication
15	Federal Public Procurement and Property Administration Agency	Demissu Abdi	Complaint Director
16	Federal Public Procurement and Property Administration Agency	Kassahun GebreMeskel	IT leader
17	Federal Public Procurement and Property Administration Agency	Gebeyaw Yitayih	Sr Procurement Expert
18	Civil Service Commission	Diba Gutu	Director General
19	Civil Service Commission	Teshome Biratu	Director Procurement
20	Civil Service Commission	Yemare Hailu	JEG Manager

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
21	Civil Service Commission	Tesfaye Atire	Head of Strategy Management
22	Civil Service Commission	Desalegn Abisso	Audit Director
23	Civil Service Commission	Emebet Wandimu	Audit Director
24	National Planning and Development Commission	Girma Adugna Desta	Head, Corporate Service Office
25	National Planning and Development Commission	Dawit Berhanu	
26	National Planning and Development Commission	Habtamu Tekel	
27	National Planning and Development Commission	Berket Fisehatsion	Development Project Directorate
28	Federal Ethics and Anti-corruption Commission	Wedo Atto	
29	Federal Ethics and Anti-corruption Commission	Aklilu Mulugeta	
30	Office of Auditor General, Common Service Performance Audit	Paulos Zerihun Atalel	D/Director
31	Office of Auditor General, Revenue and Custom Audit	Tadilo Chekal Wubneh	D/Director
32	Office of Auditor General, Revenue and Custom Audit	Director of Higher Education
33	Attorney General	Zelalem Fekadu	
34	Public Enterprise Holding Agency	Girma Adugna	Corporate Service Department
35	Public Enterprise Holding Agency	Daniel	Head of Procurement and Finance
36	Public Enterprise Holding Agency	Meteriash Hailegiorgis	Department of Governance
37	Public Enterprise Holding Agency	Alemayehu Ayele	Procurement Officer
38	Public Enterprise Holding Agency	Melkamu	Finance Expert
39	Federal Police Commission	Mekete Azanaw	Inspector
40	Federal Police Commission	Kassahun Gezahegn	Chief Sergeant
41	Micro and Small Enterprises Development Agency	Asfaw Abebe	
42	Federal Ministry of Education	Wakjira	Procurement Directorate
43	Federal Ministry of Education	Zelalem	Auditor, Internal Audit Directorate
44	Federal Ministry of Education	Shewalem Marie	Procurement Director
45	Federal Ministry of Education	Girma	Procurement Expert
46	Federal Ministry of Education	Frehiwot	Procurement Expert

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
47	Federal Ministry of Education	Wakjira	Procurement Expert
48	Federal Ministry of Education	Alemayehu	Finance Director
49	Federal Ministry of Education	Ato Mesela	Finance Team leader
50	Federal Ministry of Education	W/t Fikrte	Archives
51	Federal Ministry of Agriculture	Degayehu Deso	Procurement Director
52	Federal Ministry of Agriculture	Tamerat Terfasa	Procurement Specialist
53	Federal Ministry of Agriculture	Melaku Mmelese	Procurement Specialist
54	Federal Ministry of Agriculture	Zena	Planning
55	Federal Ministry of Agriculture	Degayehu	Procurement Director
56	Federal Ministry of Agriculture	Tamrat	Procurement Specialist
57	Federal Ministry of Agriculture	Azeb	Internal Audit Director
58	Federal Ministry of Agriculture	Melaku	Procurement Officer
59	Federal Ministry of Agriculture	Mekete Wendemagegn	Procurement Officer
60	Federal Ministry of Agriculture	Kelemua Melaku	Finance Team Leader
61	Federal Ministry of Agriculture	Tesfaye Fana	Accountant
62	Federal Ministry of Agriculture	Abrehet	Archive
63	Federal Ministry of Health	Girma Habte	Procurement and Supply Deputy Director
64	Federal Ministry of Health	Getachew	Team Leader in Procurement Directorate
65	Federal Ministry of Health	Birhanu Aweke	Procurement Expert
66	Federal Ministry of Health	Alemat	Programmer in HITD
67	Federal Ministry of Health	Brahane Awoq	Procurement Officer
68	Federal Ministry of Health	Simachew Animut	FM Officer, Budget control team leader
69	Federal Ministry of Water, Irrigation & Energy	Daniel Eshete	Procurement Specialist and Head of Foreign Procurement
70	Federal Ministry of Water, Irrigation & Energy	Sisay Shibru	Planning And Policy Directorate
71	Federal Ministry of Water, Irrigation & Energy	Yilikal Ayalew	Information Communication Directorate
72	Federal Ministry of Water, Irrigation & Energy	Tadis Teferi	Procurement and Property Disposal Directorate
73	Federal Ministry of Water, Irrigation & Energy	Malke Menber	Procurement officer
74	Federal Ministry of Labor and Social Affairs	Meskerem Bedane	Procurement and Finance Administration Directorate

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
75	Federal Ministry of Labor and Social Affairs	Mekonnen Hailu	Accountant
76	Federal Ministry of Labor and Social Affairs	Getachew Wegayehu	Budget Planning and Project Monitoring Senior Expert
77	Federal Ministry of Labor and Social Affairs	Fikre Mulugeta	Internal Audit Director
78	Federal Ministry of Labor and Social Affairs	Tizita Dejene	Ethics and Anti-Corruption Follow-up Director
79	Ethiopian Road Authority	Zekariase G/Giorgis	Procurement Directorate
80	Ethiopian Road Authority	Admasu Getachew	Team leader in procurement directorate
81	Ethiopian Road Authority	Nuru Mohamed	Adviser to the DGD of regional Construction contract management & procurement
82	Ethiopian Road Authority	Hulunayew Weji	North Region Contract management Team Leader
83	Ethiopian Road Authority	Kalab	West Region Contract management Director
84	Ethiopian Road Authority	Gedefaw	East Region Contract management Director
85	Ethiopian Road Authority	Dawit Tigabu	East Region Contract management Team Leader
86	Ethiopian Road Authority	Lisan	West Region Contract management Team Leader
87	Ethiopian Road Authority	Yoseph	Maintenance Projects contract Management Team Leader
88	Ethiopian Road Authority	Amede Muhye	Maintenance Projects contract Management Team Leader
89	Ethiopian Road Authority	Gezahegn	Maintenance Projects contract Management Team Leader
90	Ethiopian Road Authority	Zelalem	Finance Team leader

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
91	Ethiopian Road Authority	Ahmed	Finance directorate expert
92	Ethiopian Road Authority	Meseret	
93	Ethiopian Road Authority	Marta	Finance directorate expert
94	Ethiopian Road Authority	Yared	ICT director
95	Federal Public Property and Disposal Service	Worku Gezahegn	Procurement Directorate Director
96	Federal Public Property and Disposal Service	Weyneshet Dejenie	Procurement specialist for Framework contracts
97	Federal Public Property and Disposal Service	Solomon Fantahun	Contract Administration Director
98	Federal Public Property and Disposal Service	Dinkinesh Sema	Secretary
99	Ethiopian Pharmaceuticals Supply Agency	Seifu Isa	Tender Management Directorate
100	Ethiopian Pharmaceuticals Supply Agency	Tibebu Hailu	
101	Ethiopian Pharmaceuticals Supply Agency	Walta Tekle	
102	Ethiopian Pharmaceuticals Supply Agency	Samira Kedir	Secretary
103	Ethiopian Pharmaceuticals Supply Agency	Sintayehu Tefera	Messenger
104	Ethiopian Foods and Drugs Administration Agency	Abdella	
105	Federal Government Building Construction Project Office (FGBCPO)	Mihiretab	Contract Administration Directorate Director
106	Federal Government Building Construction Project Office (FGBCPO)	Yetsedaw Maru	Contract Administration Team Leader
107	Federal Government Building Construction Project Office (FGBCPO)	Asteway Baye	Senior Finance Expert
108	Federal Government Building Construction Project Office (FGBCPO)	Melkam Minwuyelet	Procurement Directorate Director
109	Federal Government Building Construction Project Office (FGBCPO)	Nibret	Internal Auditor
110	Federal Government Building Construction Project Office (FGBCPO)	Tekletsadik T/Aregay	Manager
111	Federal Government Building Construction Project Office (FGBCPO)	Alemayehu Kebede	Procurement Expert

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
112	Addis Ababa University	Sintayehu Demisse	Procurement director
113	Addis Ababa University	Andinet Abebe	Procurement Team leader
114	Addis Ababa University	Yared Tolosa	Procurement Expert
115	Addis Ababa University	Habtamu	Finance Team Leader
116	Addis Ababa University	Tegegn Gumataw	Financial Expert
117	Addis Ababa University	Shimeles Habtamu	Record Keeping Expert
118	Addis Ababa University	Habtamu Birhan	Archive in Finance unit
119	Addis Ababa University	Azeb	Procurement Team Leader
120	Addis Ababa University	Melaku	Procurement Officer
121	Ethiopian Civil Service University	Mahtem Mebratu	Director, Center For Public Financial Management Training And Consultancy
122	Ethiopian Management Institute	Haygut Adhane	Director, Training Directorate
123	INSA	Abayeneh Mulugeta	Procurement Director
124	INSA	Solomon Fekadu	Contract Administration Head
125	INSA	Zewdu Demeke	Contract Admin. Expert
126	National Disaster and Risk Management Commission	Ayderus Hassen	Procurement and Logistics Directorate Director
127	National Disaster and Risk Management Commission	Tewodros	Procurement Team Leader
128	National Disaster and Risk Management Commission	Finance Director
129	Construction Contractors Association of Ethiopia	Ameha Sime	President
130	Construction Contractors Association of Ethiopia	Sisay Desta	Private Sector
131	Construction Contractors Association of Ethiopia	Tsadech Ycheme	Private Sector
132	Construction Contractors Association of Ethiopia	Germa Habtemani	Private Sector
Addis Ababa City Administration			
1	Addis Ababa Bureau of Finance (BoF)	Amare Fetala	Procurement Training and market Support Senior Officer

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
2	Addis Ababa Bureau of Finance	Lemlem Kassu	Procurement Training and Technical Support Senior Officer
3	Addis Ababa Bureau of Finance/PPA	Biniam Hailu	Public Procurement Directorate Director
4	Addis Ababa Bureau of Finance/PPA	Hana Mulatu	Procurement Complaint Handling Team Leader
5	Addis Ababa Bureau of Finance/PPA	Mebratu Gebre	Complaint Handling Committee Chairperson
6	Addis Ababa Bureau of Education	Almaz Rebso	Procurement Directorate Director
7	Addis Ababa Bureau of Education	Mekbib Belete	Finance Director
8	Addis Ababa Bureau of Education	Demissew Tassew	Plan and Budget Directorate Director
9	Addis Ababa Bureau of Education	Tigist Mulatu	Budget Officer
10	Addis Ababa Water and Sewerage Authority	Tegete Shiferaw	Procurement, Finance, and Human Resource Administration Sector Coordinator /PFHRASC/
11	Addis Ababa Bureau of Health	Mekonnen Negussie	Procurement and Property Administration Directorate Director
12	Addis Ababa Bureau of Health	Geremew Taye	Senior Procurement Officer
13	Addis Ababa Bureau of Health	Birtukan Yohannes	Finance Directorate Director
14	Addis Ababa Bureau of Health	Birhane Tola	Plan M&E Officer
15	Addis Ababa Bureau of Health	Beshir Mohammed	Plan M&E Officer
16	Addis Ababa Bureau of Health	Mesfin Shimelis	Plan M&E Officer
17	Addis Ababa Water and Sewerage Authority	DamtieDerekew	Finance Support Process Leader
18	Addis Ababa Water and Sewerage Authority	Tegete Shiferaw	Procurement, Finance, and Human Resource Administration Sector Coordinator /PFHRASC/
19	Addis Ababa City Roads Authority	Mohammedawel Seid	Engineering procurement Director
20	Addis Ababa City Roads Authority	Abel Altaseb	Engineering procurement, Team Leader

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
21	Addis Ababa City Roads Authority	Ahmed Mohammedali	Procurement Specialist
22	Addis Ababa City Roads Authority	Addisu Assefa	Goods Procurement Director
23	Addis Ababa City Roads Authority	Abdurezak Ali	Procurement Specialist /Engineering procurement
24	Addis Ababa City Roads Authority	Salim Nuri	Engineering procurement Team Leader
25	Addis Ababa City Roads Authority	Sintayehu Asrat	Finance Director
26	Addis Ababa City Roads Authority	Demekch Mengesha	Ethics officer
27	Addis Ababa City Roads Authority	Mihiret Semegn	Internal officer
28	Addis Ababa City Roads Authority	Mohammedawel Seid	Engineering procurement Director
29	Addis Ababa City Roads Authority	Abel Altaseb	Engineering procurement Team Leader
30	Addis Ababa City Roads Authority	Ahmed Mohammedali	Procurement Specialist
31	Addis Ababa City Roads Authority	Addisu Assefa	Goods procurement Director
32	Addis Ababa City Roads Authority	Abdurezak Ali	Procurement specialist /Engineering procurement
33	Addis Ababa City Roads Authority	Salim Nuri	Engineering procurement Team Leader
34	Addis Ababa City Administration Public Procurement and Property Disposal Agency (PPPDA)	Abdulkadir Redwan	General Manager
35	Addis Ababa City Administration Public Procurement and Property Disposal Agency (PPPDA)	Bata Edao	Procurement Director
36	Addis Ababa City Administration Public Procurement and Property Disposal Agency (PPPDA)	Zelalem Abdella	Contract Preparation Officer
37	Addis Ababa City Administration Public Procurement and Property Disposal Agency (PPPDA)	Mulugeta Dechassa	Finance Director

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
38	Addis Ababa City Administration Public Procurement and Property Disposal Agency (PPPDA)	Hailemeskel Assefa	Plan and Budget Directorate
39	Addis Ababa City Administration Public Procurement and Property Disposal Agency (PPPDA)	Sara Eshetu	Internal Audit Director
40	Addis Ababa Housing Development Projects Office	Beletu Kifetew	Finance Director
41	Addis Ababa Housing Development Projects Office	Melaku Kebede	Procurement Officer
42	Addis Ababa Housing Development Projects Office	Kassahun Negussie	Senior Finance Officer
43	Addis Ababa Housing Development Projects Office	Tefera Admasu	Archive (Finance Section)
44	Addis Ababa Saving Houses Development Enterprise	Abera	Procurement Officer
45	Addis Ababa City REAC	Wonderad Seifu	Research and corruption prevention team leader
46	Addis Ababa City REAC	Betelhem	Legal Adviser
47	Woreda 9 – Bole Sub City, AA	Tsehaye Mola	Woreda Finance Head
48	Bole Sub City Public Service Pool	Yeshi Aleylgn	
Oromia National Regional State (ONRS)			
1	Oromia Bureau of Finance		
2	Oromia Roads Authority	Kebede Debela	Procurement Director
3	Oromia Roads Authority	Assefa lencho	Finance Officer
4	Oromia Roads Authority	Fika Yegezu	Procurement Specialist
5	Oromia Roads Authority	Jagama Degebasa	Contract Engineer
6	Oromia Roads Authority	Zelalem Boja	Contract Engineer
7	Oromia Roads Authority	Bonsa Demelash	Contract Engineer
8	Oromia Agriculture Bureau	Bikale Bekele	Procurement director
9	Oromia Agriculture Bureau	Zinash Fekadu	Finance officer
10	Oromia Education Bureau	Abdul Samad	Finance officer
11	Oromia Education Bureau	Kebede bro	Finance officer
12	Oromia Bureau of Health		Procurement and Finance
13	Oromia Bureau of Urban Development and Construction		Procurement and Finance
14	Oromia Water and Sewerage Authority		Procurement and Finance
15	Oromia REAC	Getu Hunduma	Finance and Procurement Head

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
16	Oromia Public Property and Disposal Service (below listed are agencies that used supplies under the contracts procured by PPDS)		
17	Oromia Construction Bureau		
18	Police Commission		
19	Education Bureau		
20	Agricultural Bureau		
21	Cooperative Bureau		
22	Women and Children Affairs		
23	Lumme Woreda – Oromia	Zeyede	Procurement, Property Administration and General Service Process Owner
SNNPR			
1	Bureau of Finance/CRB	Teferi Abate	Bureau Head
2	Bureau of Finance/CRB	Wogie Ali	Complaint Handling Directorate Director
3	Bureau of Finance/CRB	Habtamu Bilate	Procurement Specialist
4	Bureau of Finance/CRB	Zelege Bekele	Audit Directorate Director
5	Bureau of Finance/CRB	Nigatua Belete	Plan, Budget, Monitoring and Evaluation Directorate Director
6	Bureau of Finance/CRB	Admasu Yimer	Treasury Directorate Director
7	Bureau of Finance/CRB	Tarekegn Nuramo	Channel One Program Directorate Director
8	Bureau of Finance/CRB	Engidayehu Zewdie	Inspection and Internal Audit Directorate Director
9	SNNPR Public Procurement and Property Administration Agency	Takele Getachew	General Director
10	SNNPR Public Procurement and Property Administration Agency	Lemma Hailu	Procurement Specialist
11	SNNPR Public Procurement and Property Administration Agency	Yonas Debebe	Training, Monitoring and Evaluation Directorate Director
12	SNNPR Public Procurement and Property Administration Agency	Wogie Ali	Complaint Handling Directorate Director
13	SNNPR Public Procurement and Property Administration Agency	Habtamu Bilate	Procurement Specialist

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
14	SNNPR Public Procurement and Property Administration Agency	Zelege Bekele	Audit Directorate Director
15	SNNPR Bureau of Agriculture	Azaze Aliye	Deputy Bureau Head
16	SNNPR Bureau of Agriculture	Dinku Dubo	Finance Director
17	SNNPR Bureau of Agriculture	Getachew Alemu	Planning Expert
18	SNNPR Bureau of Agriculture	Kebede Keshamo	Planning Expert
19	SNNPR Bureau of Agriculture	Fitih Semunigus	Planning Expert
20	SNNPR Bureau of Agriculture	Felekech Mengesha	Planning Expert
21	SNNPR Bureau of Agriculture	Sintayehu Getachew	Finance Officer
22	SNNPR Bureau of Agriculture	Betsegaw Gameda	Finance Officer
23	SNNPR Bureau of Agriculture	Gezahegn Alemayehu	Ethics Monitoring Officer
24	SNNPR Bureau of Agriculture	Nigist Bezu	Procurement Officer
25	SNNPR Bureau of Agriculture	Kassaye Meressa	Procurement Officer
26	SNNPR Bureau of Education	Mihret Mulugeta	Procurement and Finance Directorate Director
27	SNNPR Bureau of Education	Aregawi Yohannes	Procurement Officer
28	SNNPR Bureau of Education	Tadele Wodajo	Procurement Officer
29	SNNPR Bureau of Education	Bogale Belasie	Procurement Officer
30	SNNPR Bureau of Education	Degife Milkyas	Contract Administrator
31	SNNPR Bureau of Education	Workagegnehu Ashagre	Ethics Officer
32	SNNPR Bureau of Education	Tarekegn Getahun	Auditor
33	SNNPR Bureau of Education	Meskerem Abebe	Auditor
34	SNNPR Bureau of Health	Mohammedamin Bedewi	Administration and Finance Department Head
35	SNNPR Bureau of Health	Muludesta Mulugeta	Finance Officer
36	SNNPR Bureau of Health	Tiruneh Teferi	Auditor
37	SNNPR Bureau of Health	Tesfaye Dobemu	Procurement Coordinator
38	SNNPR Bureau of Health	Elsabeth Begashaw	Ethics Followup Coordinator
39	SNNPR Bureau of Health	Getahun Asrat	Budget System Administrator
40	SNNPR Bureau of Health	Tesfaye Kebede	Contract Administration Officer (for Construction Projects from Planning

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
			Development Directorate)
41	SNNPR Bureau of Health	Woinshet Debele	Contract Administration Officer
42	SNNPR Urban Development and Construction Bureau	Yordanos Yokamo	Acting Director
43	SNNPR Urban Development and Construction Bureau	Endalew Mekuanint	Acting Supervisor Engineer
44	SNNPR Urban Development and Construction Bureau	Mesay Ashenafi	Civil Engineer
45	SNNPR Roads Authority	Shegu Manaye	Finance Case Team Coordinator
46	SNNPR Roads Authority	Tedla Erkalo	Design and Contract Case Team Coordinator
47	SNNPR Roads Authority	Yehune Bekele	Procurement Planning and Market Research Officer
48	SNNPR Roads Authority	Tsegaye Tesfakiros	Procurement Team Leader
49	SNNPR Roads Authority	Amanuel Lelango	Planning Officer
50	SNNPR Roads Authority	Petros Godana	Monitoring & Evaluation Officer
51	SNNPR Roads Authority	Zebdewos Eka	Input Supply Administrator Supply Coordinator
52	SNNPR Roads Authority	Kibru Bekele	Contract Engineer
53	SNNPR Roads Authority	Nurhussien Shurala	Interior Auditor
54	SNNPR Roads Authority	Remedan Mohammed	Audit Head
55	SNNPR Roads Authority	Johannes	Ethics officer
56	SNNPR Public Property and Disposal Service	Tarekegn Wolde	Procurement and Market Assessment Directorate Director
57	SNNPR Public Property and Disposal Service	Bogale Timerga	Procurement Officer
58	SNNPR Public Property and Disposal Service	Yakob Abayneh	Market Assessment Officer
59	SNNPR Public Property and Disposal Service	Seifu Shanka	Contract Administration Officer
60	SNNPR Public Property and Disposal Service	Alemayehu Handmo	Contract Administration Officer
61	SNNPR Public Property and Disposal Service	Tinebeb Seifu	Contract Administration Officer

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
62	SNNPR Public Property and Disposal Service	Abriham Alemayehu	Contract Administration Officer
63	Attorney General	Tadele Teklu	Inspection Officer
64	Attorney General	Taye Haleta	Attorney General
65	Attorney General	Gebre Asfaw	Attorney General
66	Attorney General	Kebede Semeno	Attorney General
67	Attorney General	Adika Asfaw	Attorney General
68	Attorney General	Assefa Alemu	Attorney General
69	REAC	Huyiso Hamare	Corruption Prevention Directorate Director
70	Auditor General	Tesfaye Tafesse	Auditor General
71	Wendo Genet Woreda	GossayeGousamo	Deputy Bureau Head and Development, Planning and Finance process Owner
72	Wendo Genet Woreda	Solomon Senbeto	Finance Case Team Officer
73	Wendo Genet Woreda	Habtamu Bekele	Finance Case Team Officer
74	Wendo Genet Woreda	LentamoLelamo	Internal Audit Coordinator
75	Wendo Genet Woreda	Aster Yufar	Procurement Case Team Coordinator
76	Wendo Genet Woreda	BezabihBaye	Ethics Officer
77	Wendo Genet Woreda	Ephrem Birhanu	Finance Case Team Coordinator
78	Damot Gale Woreda	Dawit Dolga Guto	WoFED Head
79	Damot Gale Woreda	Girmaye Meskele	Procurement, Finance and Property Administration Coordinator
80	Damot Gale Woreda	Paulos Bassa	Finance Case Team Coordinator
81	Damot Gale Woreda	Zinabua Ayano	Procurement Case Team Coordinator
82	Damot Gale Woreda	Freeman Tadiwos	Procurement Officer
83	Damot Gale Woreda	Alemayehu Ejigu	Finance, Economic and Development Officer
84	Damot Gale Woreda	Samuel Ossa	Inspection and Audit Coordinator
85	Damot Gale Woreda	Tsehay	Ethics Officer
AFAR National Regional State (ANRS)			
1	ANRS Bureau of Finance (PPA)	Mohammed Hafki	BoF D/Bureau Head

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
2	ANRS Bureau of Finance (PPA)	Ahmed Yesuf	PPA Director
3	ANRS Bureau of Finance (PPA)	Sada Abdu	Procurement Officer
4	ANRS Bureau of Finance (PPA)	Mohammed Hassen	Procurement Specialist
5	ANRS Bureau of Finance (PPA)	Mohammed Afke	
6	ANRS Pastoral Agriculture And Natural Resource Development Bureau	Yasin Ahmed	finance, procurement and property administration directorate director
7	ANRS Pastoral Agriculture And Natural Resource Development Bureau	Salih Mustofa	Procurement Officer
8	ANRS Pastoral Agriculture And Natural Resource Development Bureau	Mekin Arega	Senior finance officer
9	ANRS Pastoral Agriculture And Natural Resource Development Bureau	Wondosen fenta	Senior Procurement Officer
10	ANRS Pastoral Agriculture And Natural Resource Development Bureau	Muhammed Hussen	Internal Audit
11	ANRS Education Bureau	Seid Ahmed	Senior Procurement Officer
12	ANRS Education Bureau	Zemuye Ali Muhammed	Procurement Officer
13	ANRS Education Bureau	Ahmed Muhammed	Senior finance officer + Acting director of finance, procurement and property administration directorate
14	ANRS Education Bureau	Yayo Ali Mahe	Plan and programme
15	ANRS Education Bureau	Getnet Teferra	Internal Audit Head
16	ANRS Education Bureau	Teshome Kassahun	plan and budget expert
17	ANRS Health Bureau	Amin Mahe	Senior Procurement Specialist
18	ANRS Health Bureau	Oumer Amin	Procurement Officer
19	ANRS Health Bureau	Yasin Mohammed	Planning And Budget Head
20	ANRS Health Bureau	Hedija Seid	Internal Audit/ Auditor

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
21	ANRS Road Development And Transport Bureau	Habtamu Hussien	Road Design, Construction & Maintenance Directorate Team Leader
22	ANRS Road Development And Transport Bureau	Ali Muhammed	Internal Audit
23	ANRS Road Development And Transport Bureau	Habib Ahmed	Finance, Procurement And Property Administration Director
24	ANRS Urban Development And Construction Bureau	Molla Derbae	Senior Procurement Officer
25	ANRS Urban Development And Construction Bureau	Hussien Abdu	Contract Administration Head
26	ANRS Urban Development And Construction Bureau	Muhammed Ali Mustofa	Procurement And Property Administration Head
27	ANRS Urban Development And Construction Bureau	Bezu Jebessa	Construction Industry Regulatory And Capacity Building Directorate Director
28	ANRS Urban Development And Construction Bureau	Asegid Sisay	Internal Audit/Auditor
29	ANRS Urban Development And Construction Bureau	Jemila Muhammed	Internal Audit/Auditor
30	ANRS Urban Development And Construction Bureau	Semira Seid	Internal Audit/Auditor
31	ANRS Water, Irrigation And Energy Bureau	Hussen Hassen	Water Supply And Sanitation Directorate Director (Acting)
32	ANRS Water, Irrigation And Energy Bureau	Muhammed Siraj	Wash Procurement
33	ANRS Water, Irrigation And Energy Bureau	Abdu Muhammed	Plan And Program Directorate Director
34	ANRS Water, Irrigation And Energy Bureau	Abu Beker	Finance, Procurement And Property Administration Directorate Director
35	ANRS Water, Irrigation And Energy Bureau	Ahmed Endris	Internal Audit Head
36	ANRS ORAG	Mohammed Bidaro	Audit Director
37	ANRS ORAG	Wasihun Yehiwas	Auditor
38	ANRS ORAG	Mohammed Seid	Auditor

Annex 3: List of Stakeholders consulted during the Assessment

No.	Institution	Representative	
		Name	Position or Department
39	Woreda Samara		Bureau of Finance
40	Woreda Dupti		Bureau of Finance
	Other stakeholders:		
1	Embassy of Canada	Evelyne Dabire	First Secretary (Development)
2	Embassy of Canada	Stephen Weaver	Deputy Director for Cooperation
3	African Union	Carine Toure Yemitia	Head of Division, Procurement, Travel and Stores

ANNEX 4: Consultation Workshops

A. Private sector consultation Workshop

October 9, 2019

The team carried out a consultation workshop at the beginning of the assessment to hear the view and opinions of the private sector. It was followed by a survey that included the participants and was extended also to the firms which did not participate in the workshop. Below are the views shared by the private sector during this workshop.

- Legal framework fine but supporting documents not good
- PPA mandate big but internally it does not have strength
- Engineering procurement need to be taken from PPA to Ministry of Construction
- Woreda level procurement has wide coverage, but procurement law not applicable. Directive was drafted but not implemented. Follow on the status and gap.
- Consultants procurement – no REOI practiced, not proper management of selection of consultants
- Tender floating time for local financed projects varies between 15 to 30 day – needs assessment
- Cost escalation issue need attention. Though there is provision in contracts, implementation is not as per provision
- Government largest source for goods and services – address inefficiencies
- US example – transparency in system and ease of monitoring – need good platform
- Capacity building from The World Bank to assist capacity of consultants – to protect investments
- Checking bids – fairness, competitiveness, Bank to check the participation level etc.
- Gap between the technical need and the provision – technical provisions are not good
- Services – architectural design competition not addressed in legal framework
- Who is handling procurement – architectural procurement- expertise gap at FPPA
- Different IAs have their own system – institution like, Airlines, Airports, Telecom have their own and not government by PPA law. PPA laws are fairer and more transparent than practices of these institutions. All should come under need framework
- Proclamation should be clearer. Current proclamation lacks detail at directive level. Proclamation should be detail to enable and support Public engages at implementation level.
- Measures in place to protect local firms – preferences need to be assessed
- Assess as part of report volume of works by local firms compared to foreign firms
- Complaint handling both during bid and contract implementation is an issue – final decision is usually in favor of PE, and next available step is to go to courts which is not good – alternate dispute resolution mechanism required
- Capacity to fairly administer procurement and contracts at sectors and institutions- eg. At 40 universities procurement and contract handled by each without capacity. Dispute always goes to court. They do not accept arbitration
- **Ethiopian law prohibits arbitration - should include now**
- For JVs no clear legal provision to guide JVs – local and foreign
- Central procurement agencies – like ERA – all should be similar centralized

Annex 4: Consultation and Validation Workshops

- Evaluation – least evaluated cost. Should be efficient. Abnormally low prices are problem.
- Lengthy and non-transparent procurement process
- Dispute resolution – proclamation has double standard with regard to dispute resolution based on source of finance. If budget source is government, there is no way to be adjudicated out of court. If source is loan multilaterals or bilateral, the financing agreement allows for alternative mechanism. Different approaches created that are discriminatory – by attaching to source of lending. If disputes are handled by expert arbitration, decision are fair and timely
- Manuals and directives do not allow to negotiate on equal footing with public bodies. Take-it or leave-it approach hurting contractors and suppliers.
- Standards provisions are viewed by Public bodies as laws.
- Procuring Entities fail to understand we are on the same side. They see us as an opposite side. They do not understand that our objectives are the same unlike other countries.
- If you go to list of PPA penalized firm, the main reason is not for signing contract. Reasons for not signing could be reasonable. But firms get penalized
- Not clear jurisdiction of PPA and regional bodies
- Very late clarification just before bid submission date
- Information on bid results – some give detailed analysis, and others only show yours without analysis
- Capacity of procurement professionals. People assigned for evaluation do not have knowledge of procurement and are not professionals.
- Pre and post audit – need to be assessed
- Document is not prepared for all, but prepared for some groups – targeting specific firms
- Works and service contracts, and goods are run under one umbrella. Works is professional and complicated and should not be bundled with goods. PPA has not idea about buildings, roads etc. and can not understand issues of the sector. Hence problems are not addressed.
- PEs should monitor procurement – closing is not practiced. Lessons from previous is not incorporated in upcoming process, repeating the same problems
- Method of procurement
- Consistency between PEs is not there. Lack of consistency leading to repeated mistakes and problems
- Transparency, annual PP need to be assessed. Annual plan will allow to organize the private sector. But there is lack of transparency
- Barrier to enter in different actors- apparent. Through procurement documents. International criteria and information to restrict actors from procurement process
- Attitude towards stakeholder – PEs do not involve Private sectors. Lack of transparency. Plan not disclosed. Private sector should get access to information – public information
- Capacity – timeline for evaluation is not respected. Validity for proposals not respected. More than 95% are not awarded within the validity period. They think they can extend anytime. Telling you to go out of process if you do not agree. PEs have high bargaining power, not fair.
- Pre bid conference mostly specified but in many cases, it does not take place
- Tenders are extended anytime without reason
- Lack of accountability
- Abnormally low prices for consultancies – Bank has issued guideline for works, but services is not included. Not clear why is services are not included. Because of low price from others we

restricted ourselves from participating in bids. PEs enter into contracts knowing that the service cannot be provided by the price. This **results in corruption during implementation where consultants compensate low price through corrupt practices.**

- Termination without reason provision in contracts is not reasonable provision. We suggest you assess practices in service contracts to see its effect
- Service contracts terminated by failure of construction contracts
- Harmonization of legal documents need improvement. 12 documents in the country, federal and regional. Look for possibility to narrow the gap. WB compels regions to undertake contracts using the federal law.
- Compliance audit – in government financed contracts there is no engagement of private auditors for independent procurement audits. Propose the PPA and AG to engage private auditors for independent procurement audit activities
- Design and Build – does not seem to have legal framework, and no SBD for this. Many projects in roads, hydropower, industrial infrastructure are being delivered through DB system. Investigate this area.
- Different stages of procurement cycle – try to arrange specific feedback through targeted workshops
- Professional services not yet included in the framework, eg. Architectural associations, Engineering associations
- Professional fee considerations need to be assessed by reaching out to associations mentioned above. Irregularities in fees across contracts
- Regional constitutions allow regions to issue procurement laws. Creating problem for private sectors because of non-uniformity of provisions. Need to be assessed
- Government conditions of contract oppress the private sector. Existing practice does not help capacity of private while supporting the government which is unfair. Should be fair and level field
- Risk allocation in contracts is not fair and right
- **Civil code is on process of amendment. The procurement law needs to coordinate with the civil law revision**
- Works procurement: when financed by donors the process is fair and transparent; but government financed processes have problem- not fair and transparent. Government financed activities face numerous changes of provisions and terms of documents, too much extensions and finally cancelations. Process should be fair and transparent in all activities irrespective of source of finance.

Private Sector Consultation Workshop - List of Participants**October 9, 2019 9:00 a.m. - 1:30 p.m.****Capital Hotel**

S/No	Name	Company Name	Firm Category
1	Gadissa Mamo	Cooperative Bank of Oromia SC	Bank
2	Damtew Wolde	Life Consult PLC	Consultant
3	Abeba Amare	Commercial Bank of Ethiopia (CBE)	Bank
4	Solomon Abate	NINA Construction	Construction
5	Bekele Jebessa	Ethio Infra Engineering PLC	Construction
6	Olkaba Weyessa	Olkaba Weyessa BC	Construction
7	Melbana Seifu	SB Consult	Consultanting
8	Biniyam Mekonnen	Nomy Engineering	Consultanting
9	Geremew Kassa	SGS Consulting Solution PLC	Consulting
10	Addis Tedla, GM	Renewable Energy Solar	Solar
11	Mesfin Girma	Afet Consultants PLC	Consulting
12	Ferew Yohannes, CEO	ETG Designers & Consultants	Consulting
13	Samuel S/mariam	Samcon	Construction
14	Jos Schanfmsa	Joh. Achelis& Sohne	Trade S.C
15	Lakew Berta	Yencomad Construction	Construction
16	Tadele Mengesha	Eng. Zewde	Consultancy
17	Dasash Fekade	MS Consultancy	Consultancy
18	Fetene Nega	MH Engineering PLC	Consultancy
19	Tadele Workie	Feljas & Masson	Installation
20	Getahun Tafese	Water Contractor Association	
21	Hailegebriel Abebe	C-TECH Eng. PLC.	
22	Tewolde Hailu	TAKSOUTH Engineering PLC (Engineering)	Electro-mechanical
23	Abebe Tessema	forthwritt Electro mechanical	Electro-mechanical
24	Addis Mengesha	Civil Works Consulting Engineers	Engineers
25	Emebet Kebede	Civil Work Construction	Construction
26	Konjit Tefera	Civil Work Construction	Construction
27	Tewelde Peter		
28	Selamawit Wubishet	Core Consult	Consultant
29	Lula Berhanu	Arts-Tech Consultants S.C.	Road & Bridge
30	Bizuneh Kebede	CWCE	Consultant
31	Ashenafi Tefera	Beta Engineering	Contractor
32	Nebyu Tamrat	Services	Multi Business
33	Adane Belay	Acute Engineering PLC	Consultant
34	Gidena Abebe	Tsemex Global Ent,	Grade 1 EM Con
35	Desta Liyew	Project Management	Training Consultant
36	Dessalegn Sissay	Raey Consultants, GM	
37	Bacha Tesema	Tamirat Tiruneh B.C	Construction
38	Tsenfealem Abayneh	Hydro Construction & Eng	Construction
39	Misganaw Degu	MIDROC Construction	Construction
40	Seifu Bihonegn	Ethiopian Association of Civil Engineers	Association
41	Anteneh Dagnachew	Metaferia Engineers	Consultancy
42	Liu Zhaijie	CGGC	Consultancy

Annex 4: Consultation and Validation Workshops

43	Paulos Masresha	KDH Engineering PLC	Trading
44	Kidus Assefa	Shodes Engineering	Construction
45	Birhane Abraha, Contracts Manager	Orchid Business Group Plc	Construction and Transportation
46	Girma Hailemariam	Demera Engineering	
47	Tesfaye Misganaw, GM	Afro-Tsion Const.	Const-Contractor
48	Afewerk Giday, GM	Afewerk Giday G.C.	Construction
49	Brook Anteneh	Ethiopian Civil Engineering Association	Association
50	Anteneh Kassa	Tensae International Business Ent. PLC	Foreign Trade Agent
51	Tsedenia Giger	EAGate	
52	Melkamu Amare Aragie, General Mana	Amare & Families Consulting Engineers PLC	
53	Tequam T/Mariam	ETWRDEC	Consultancy Firm
54	Solomon Berhanu	ETG Designers	
55	Theodros G.G.	UDICONE	
56	Sisay Debek	SG Consulting Eng	
57	Yohannes Angassa	Shodeb Eng. Con.	Construction
58	Ermias W/Gebriel	AACCSA	non-gov'tal
59	Yoseph G/yohannes	Wegagen Bank	Banking
60	Pascal Tegwa	WB	
61	Biniyam Bedelu	WB	
62	Mogesie Ayele	WB	
63	Adanech Tadele	WB	
64	Kejela Fufa	WB	
65	Demelash Demssie	WB	
66	Elzbieta Sieminska	WB	

Validation Workshops

The Assessment Team carried out two Validation Workshop to discuss and validate the findings and recommendation of the assessment:

- With the MAPS Assessment Steering Committee on May 29, 2020
- With the extended audience of public procurement stakeholders including representative of development partners, private sector, associations on June 4, 2020.

Below are the Minutes of these two workshops.

B. Validation Workshop on May 29, 2020

MINUTES OF THE ETHIOPIA MAPS ASSESSMENT VALIDATION WORKSHOP

Friday May 29, 2020

8:00am to 11:30am EST

Welcome and Introductions

Ms. Sieminska, The World Bank co-team leader of the assessment, welcomed the Steering Committee to the meeting and introduced the other World Bank colleagues in attendance. The introductory remarks were turned over to Ms. Marta Luwigi, the Director General of the Public Procurement Agency (PPA). As part of the transformation agenda in Ethiopia, the Ministry of Finance and the PPA decided to undertake the MAPS assessment in collaboration with The World Bank and other development partners. The objective of the assessment was to assess the quality and effectiveness of the Ethiopian procurement system. Ms. Marta Luwigi explained that the findings will be addressed either during the preparation of the procurement proclamation or will be taken into consideration in future reform activities. Ms. Marta thanked The World Bank for their collaboration on the assessment and expressed her gratitude for the participation of the federal and regional institutions in the assessment. She opened this validation meeting and welcomed active engagement from the participants throughout the meeting.

Ms. Tahboub, the Procurement Practice Manager, from The World Bank thanked the assessment team and the government for their strong collaboration on the assessment. The validation workshop is being held to discuss the findings and agree on the way forward. Ms. Tahboub emphasized that the assessment is not just a checklist, but an in-depth review of documentation and practice that helped the team identify strengths and gaps. The Government of Ethiopia has been embarking on reforms and wanted to review their system. As The World Bank moves towards the use of country systems, where financing goes through procedures and regulations in the country, it was of paramount importance that The World Bank updated their knowledge on the Ethiopian procurement system. In Ethiopia, 60-70% of public spending goes through procurement, therefore there could be high efficiency gains with effective procurement systems. Ms. Tahboub explained how the assessment is divided into four pillars, and the findings under these pillars

will be discussed in the presentation. The COVID-19 pandemic introduced new challenges for the team, and the team faced some limitations on the actual review. However, it provided an opportunity to assess the capability of the procurement system to respond in critical emergency situations, and to identify needed areas of improvement. After the validation workshop concludes, and the Report has been completed, The World Bank will share the report and findings with the Government. She expressed hope that the collaboration on public procurement reform continues in the coming years.

Presentation by The World Bank Team

Ms. Sieminska thanked all participants from the government, donor institutions, for their cooperation, guidance, and input for the assessment. She explained how the presentation would be organized into the four pillars following MAPS assessment and would present the strengths, gaps, and proposed recommendations. The presentation combines findings at the regional and federal levels. In Ethiopia, the regions are granted their own legislation power by the Federal Constitution, and each region has their own procurement proclamations and other legal documents. The assessment was done in a consolidated manner where the main body of the report shows all findings and recommendations, and the annexes show the findings and recommendations for the federal level and each region separately.

The assessment process started in September 2019 with the launch workshop, then the assessment team met with public institutions for the qualitative assessment, and reviewed documents at procurement entities. The team also ran a survey of the private sector for the quantitative assessment. To collect information the team was able to meet almost all of the relevant institutions before the pandemic broke out and meet virtually with the Federal Attorney General and some procuring entities recently. However, interviews of two SOEs and three procurement entities were not been able to be done because of the lockdown. The team decided to proceed with the assessment regardless to avoid delays and get the collected data stale. In January, the preliminary review to was issued to the government and the SC which included the findings of the desk review of the legislation at the federal level.

This validation workshop discusses the main findings. Another validation workshop with a broader audience will occur on June 4th and it other stakeholders like the private sector and donors active in procurement in Ethiopia will be invited. After the workshops, the team will complete the report, which will undergo the Bank's internal review process to ensure its the quality. After the Report has been discussed with the Government, it will be submitted for the review of the Technical Advisory Group (TAG). Once it has been determined that it meets the standards of the MAPS methodology, the report will be published and will be available on the website of The World Bank and of the MAPS Secretariat as well.

The PowerPoint presentation goes into further detail on each of the pillars and their corresponding strengths, gaps, and recommendations. The following notes comprise a few key highlights presented by The World Bank team, focusing more on the gaps and recommendations so that the way forward could be discussed effectively.

Ms. Sieminska presented Pillars 1 and 4, while Mr. Demssie, the other World Bank co-Team leader of the Assessment, presented Pillars 2 and 3. Mr. Sahaydachny, Consultant, The World Bank also provided some insight on Pillar 3 including on Ethiopia's procurement arrangements during the pandemic and the locust emergencies.

Pillar 1: Legal, Regulatory and Policy Framework

Strengths

- Strong legal framework that has a good structure and enshrines basic procurement principles.
- There are dedicated procurement agencies at federal level and in SNNPR.
- There is a dedicated complaints review board in charge of reviewing procurement complaints.

Key Gaps

- There is a general non-alignment between primary and secondary legislation as well as circulars at the federal level. There are fewer circulars at the regional level, and they are often inconsistent with each other. In some cases, the circulars contradict the Procurement Proclamation. Some specific points in legislation are ambiguous. For example, the Procurement Directive allows filing decisions directly at court without going through the review board, but this is not consistent with the Procurement Proclamation.
- There are discrepancies between the procurement framework and other legislation in certain areas. It is unclear how the Procurement Proclamation interplays with the Civil Code. The definition of Public Private Partnerships (PPPs) in the PPP proclamation is different from that included in the Procurement Proclamation, whereas the Proclamation on Project Administration and Management introduces a third definition. Definition of fraud and corruption and penalties in case of such offences varies between different legal instruments.
- Lack of transparency is a major issue. Many legal instruments, circulars in particular, are not public and may not even be known to procuring entities [public bodies]. They are not recorded in one single repository or numbered for ease of reference. A lot of information on procurement activity of public bodies is not even required to be published on the PPA website, like procurement plans, and other data/information on procurement. Ethiopia has ratified the UN convention against Corruption (UNCAC), which has specific requirements on transparency, but the legal framework and practice do not rise to the requirements of this convention.
- Preferential schemes for participation of MSEs exist both at federal and regional levels. These schemes reserving small value contracts for MSEs only can take away opportunities from smaller registered companies and affect competition.
- Qualification requirements discriminate in favor of local bidders by requiring lower qualification criteria
- The definition of SOEs in the Procurement Proclamation is not clear. Currently, SOEs are not subject to the public procurement proclamation as a public body. Given the large size and participation of SOEs in the economy it is important to clarify the definitions and the applicability of procurement rules to SOEs.
- The complaint review board set-up should be looked at further. The Proclamation sets forth a number of exclusions from the ambit of the complaint review procedures, and some important decisions cannot be challenged by the aggrieved bidders. Woredas are physically quite far from where the complaints are filed, so their right to challenge is not always exercised. There are often conflicts of interest within the Board.
- At the federal level, there is a strategy on e-GP, but the law does not include proper provisions for the development of a procurement system. It does not contain specific provisions regulating who will be in charge of maintaining the system, the rules for using e-GP, etc.

Recommended Actions

- Ensure consistency between the primary and secondary legislation in procurement. Similarly, ensure consistency of procurement legislation with other specialized legislation . Given the instances of inconsistencies identified during the MAPS assessment, it is recommended that the Government carries out a full stocktaking of the existing laws and regulations on procurement and with impact on procurement to identify any additional inconsistencies and take the action. More importantly, consider ending the powers of other public bodies issuing circulars with impact on procurement. In short term, create a screening mechanism within PPA that tracks all circulars issued by any public body.
- Create a repository for filing and posting of all legal instruments to ensure transparency and allow practitioners and other users easy access. Data and procurement trends should be disclosed, preferably in an open data format. The private sector surveys showed that the private sector mentioned wanting more transparency many times.
- Consider introducing sustainability features and criteria in procurement, including fair provisions in contracts and environmental considerations.
- Create a complaints review mechanism independent from the public bodies and preferably independent from any government entity. Consider defining the qualifications of the Complaint Review Board members and conditions for their appointment and dismissal. The range of decisions subject to review mechanism should also be expanded.
- For e-GP, introduce provisions in the Proclamation, or adopt a directive e-GP. Roll out the e-GP and also undertake dialogue with the Region on further expanding the system to the Regions.

Pillar 2: Institutional Framework and Management Capacity

Strengths

- Strong discipline on budget calendar, proper budget scrutiny and timely information flow with regions on the budget process.
- With respect to project planning and management, a draft project management and administration proclamation which provides review during planning, implementation, and after completion has been prepared and is expected to be adopted. The draft proclamation was submitted to the Attorney General for final clearance, so there is a lot of progress on this front.
- There are dedicated regulatory agencies at the Federal level and in SNNPR. In other Regions, BoF is assigned the procurement regulatory role. The procurement structure is decentralized with separate procurement units but there are also centralized structures that consolidate procurement and strategic items. At Woredas' level, procurement is centralized considering the volume of procurement of each individual procuring entity and available capacity.

Key Gaps

- The assessment team noted that projects were rushed into implementation without adequate planning, and in the middle of implementation they run out of their budget. Procurement plans are not used to facilitate budget preparation, but instead they are prepared when the budget has been allocated for the projects.
- There are challenges in the regulatory function of public procurement. At federal level, there is a dedicated institution that carries out regulatory functions with many responsibilities assigned to

them. They provide clearance on the use of non-standard procedures, technical assistance to states, serve as secretary to complaints review board, are in charge of debarment of bidders, etc. These roles are in some cases, incompatible with each other. Some of the agencies might not have capacity for these responsibilities.

- The salary structure in PPPAA is lower than in public bodies. Thus, the PPPAA attracts less qualified staff than the public bodies. A high-level central agency like PPPAA should have higher capacity and resources to perform its regulatory functions. Similarly, the Regulatory functions in the bigger regions are not adequately structured and staffed.
- In terms of websites and portals, there are no available websites other than PPPAA, which also is not functioning properly. The team found that the site is often down, and information is not complete.
- For e-GP, there is no rollout strategy for federal entities beyond the pilot and in the regions.
- There is currently no working system to capture data to improve procurement performance. The system that captures data is a KPI system, but it is not integrated with the procurement system and has not been properly rolled out to procurement entities.
- For professionalization training, the roadmap is not complete.
- Jobs in procurement require skills and competence, but requirements are defined in very generic terms. There is already a good legal ground with the 2017 civil service proclamation which requires jobs to be defined in terms of competency, the practice just needs to be further improved.

Recommended Actions

- Improve functionality and maintenance of PPA website. There are no websites at the regional level The regions should have their own websites where they can publish their own documents. The PPA website could be linked with regional websites.
- Need to improve the use of KPI and integrate with the procurement system. All procurement entities should be using the data.
- In terms of procurement planning and the budget cycle, the proclamation can help focus on planning side of projects. It should be required that procurement plans are prepared in due time to inform the budget.
- The draft project administration proclamation incorporates many provisions on procurement, PPA should work with the National Planning Commission to ensure consistency of rules and support implementation of the proclamation upon enactment.
- Reconsider some of the roles of the regulatory body at federal level (PPA) to avoid any incompatibility and conflict of interest. Allocate more resources to regulatory body at federal level so as to strengthen their capacity and capabilities to successfully lead the procurement sector in Ethiopia. structure
- For professionalization and training, it is crucial to assess the validity of the roadmap and address gaps to ensure that the professionalization training is implemented at the required level of quality and in sustainable manner. .

Pillar 3: Public Procurement Operations and Market Practices

Strengths

- There are good inspection and quality control practices, and more than 90 percent of contracts were properly inspected.

Annex 4: Consultation and Validation Workshops

- Business outreach programs with centralized procurement agency exists at the federal and regional level and there is regular dialogue (such as through the bi-annual discussions with the private sector).
- Markets are competitive, particularly in construction.
- The Financial Transparency and Accountability initiative (FTA) introduced a practice in which PBs at local level publish budget information at their notice boards. The finance offices are required to publish procurement information using the template designed for the purpose, but the practice is irregular. There is an effort to expand the FTA initiative to all the regions and the federal level.

Gaps

- Procurement files are not kept in one place, procurement documents are kept in finance or procurement departments but there is no system to find them and link them. Accessibility was a big challenge. The team was forced to drop one agency from the federal assessment due to a lack of procurement data.
- There is not proper planning done before projects go into implementation. In terms of market research, the team has not seen procurement entities carrying this out. The entities are not looking into information before planning or doing research and defining a clear strategy first. For the cost estimate the procuring entities rely on historical data. Projects are rushed into implementation and face challenges due to lack of resources.
- Standards Bidding Documents (SBDs), which were prepared in 2011, have not been updated. They are also not proportional for some sectors, where they are sometimes found too complex. The regions do not typically use the federal SBDs; they use only for works procurement.
- Procurement methods and threshold are not sector specific. In some sectors, the threshold appears irrelevant. In Road Sector, the threshold applied for National Competitive Bidding is many times higher than the threshold provided in the procurement directive.
- In procurement documents, the qualification criteria are often inadequate. Some evaluation reports are not complete. There are reservation schemes, like mandatory subcontracting even in big projects, where entities require bidders to have mandatory subcontracting. This has costs for the government too.
- There are also systemic constraints in the market, some are beyond procurement but are affecting procurement performance. For instance, the foreign currency shortages and long waits to obtain the currency both limit the ability for bidders to participate. Bidders are not comfortable to participate in opportunities because of issues which are beyond their control.
- There is also a limited local market, where local procuring entities must travel to Addis Ababa to obtain bids/quotations for small values of procurement. This increases costs of transaction leading to inefficiency. Similarly, access to the press for advertising procurement opportunities is costly and inefficient. Local procurement entities must travel to Addis Ababa to ensure the bidding invitation is published by press agency. The bidders have to physically submit their bids and pay in person, but this can be easily mitigated if is moved online.
- In terms of data analytics, the team reviewed about 550 contracts at both the federal and regional levels and collected data to determine performance against MAPS indicators. The team found that the invoices are often not paid on time.
- None of the procurement entities have published key procurement information for the public. This includes invitation for bids, complaints, or decisions for implementation. Only one procurement entity published their plans. This is not a requirement legally, and it is not practiced.

Recommended Actions

- Improve record management and ensure data is complete and accessible for audit and regulatory function. It is important to be accountable to the public.
- There is more work that is needed on the planning side, and the proclamation document could focus on this.
- The payments process needs to be streamlined.
- SBDs need to be updated, and the documents need to be proportional to requirements. There should be different sets of documents that are relevant for each sector and should align with the legal framework.
- Introduce other sustainable parameters beyond social, such as environmental considerations or economic. It is important to review the economic and social impact of measures in place, like mandatory subcontracting.
- In terms of the component on emergency procurement, the locust emergency and COVID-19 helped provide a case study on the effectiveness of the procurement system in responding to emergencies. The report contains recommendations that focus on responsiveness of the procurement framework and the internal workflow to deal rapidly with emergencies. Some recommendations include elaborating on provisions in the legal framework, establishing safeguards against abuses in emergency cases, modify procedures to improve responsiveness and flexibility of procedures, and increase transparency. The government is developing a directive to deal with emergency response. Further recommendations are focused on establishing advanced preparedness for dealing with the procurement aspects of emergency response, such as staffing and other organizational aspects.

Pillar 4: Accountability, Integrity, and Transparency of the Public Procurement System

Strengths

- Improvements were made to the current legislation making process at the federal level so as to make it more transparent, inclusive and participatory. The government adopted a new federal administrative proclamation that sets up the process for adopting directives that lay out the process for consultation.
- There are internal and external control systems in place, and transparency and involvement at local level are better. There is also a strong anti-corruption framework.

Key Gaps

- Lack of timely access to information and transparency weaves throughout the entire system. There is no comprehensive legal requirement for disclosure and no single platform to publish procurement information.
- There is a lack of participation of CSOs in the procurement process and while they are not prevented from participating, there is no legislation that encourages it. The only active one is CoST, an international CSO. There are no other watchdog mechanisms.
- In terms of the role of Auditor General, there is no separate procurement audit. Review of compliance with procurement rules is part of the regularity audit. The capacity of the Auditor General is not sufficient to cover procurement as they lack specific knowledge. Currently, procurement audits are carried out by a dedicated unit in the PPPAA but there is no sufficient follow-up to ensure implementation of the recommendations.
- While there is a strong effort towards curbing corruption in legislation and institutionally, there are discrepancies between penalties in different laws, and penalties are often very harsh. It was also difficult to obtain information on indictments around fraud and corruption. There are no

clear rules for coordination between institutions with regard to fraud and corruption information exchange and coordination of actions.

Recommended Actions

- Encourage participation of CSOs to act as watchdogs from contract execution to monitoring.
- Ensure consistency between the procurement legislation and other laws that address fraud, corruption, and other misconduct. This includes examining differing definitions of fraud and corruption and the various penalties presented in procurement legislation, penal code, anti-corruption laws, and other laws to better align them.
- Procurement audits should be part of internal audits, particularly in the regions. Audit reports should be published.

Overall Recommendations Across the Pillars

As the federal and region level have their own public procurement systems, it is recommended that within the Constitution framework the Federal and Regional Regulatory Bodies consider coordination of the Federal and Regional public procurement systems. The areas that are arising from the assessment as the easiest and providing the quickest and biggest advantages are: a common e-GP system, harmonized SBDs that could be customizable, and establishing a common procurement information platform. Professional standards as well as training could be better aligned across the regions. Currently, the different regions compete with one another for qualified staff, so it would be advantageous to have one system instead. Lastly, the government is encouraged to continue their biannual forum with action plans and follow ups.

Discussion

Mr. Yalew from the Infrastructure Transparency Initiative – Ethiopia thanked The World Bank for the extended effort to address fundamental issues of the procurement environment in Ethiopia. He presented a few different questions for the team. First, he wanted to clarify whether the draft of public procurement proclamation has been submitted to the Attorney General.

Ms. Sieminska clarified that The World Bank and the Government started the dialogue about the assessment in July 2019. At that time PPA had a draft of a new revised proclamation in preparation. The Government decided that considering the findings of the assessment would be important for this proclamation, so the Government put the draft proclamation on hold until the assessment findings have been known.

Mr. Yalew said that the operational definition of procurement should be clarified. In his view, procurement should be defined as occurring from inception to implementation, meaning from inception to disposal. Otherwise, the government will be inclined to focus on a bidding process only. Ms. Sieminska clarified that the assessment team looked at procurement from the contract signing through the contract management. Ms. Manka from The World Bank added her perspective to this question agreeing that the law will benefit from greater clarity in defining not only the term “procurement”, but the scope of application of the proclamation. She said that the procurement proclamation should cover the entire procurement cycle, starting from the needs analysis, preparation, procurement planning, bidding process all the way to the delivery of goods, works, or services. The PPA could work to define the procurement cycle, but this is also a matter that goes beyond procurement, as it entails putting in place new mechanisms and new concept on how procurement function is embedded into the government structure. If officials consider their role ends at contract award or signing, there is no ownership or responsibility

for contract management phase no matter what is written in the definitions in procurement legislation. There is a need for an adequate institutional set-up and organizational requirements.

For Mr. Yalew, there also needs to be integration among the regulations, and he was expecting the public procurement proclamation from PPA, e-GP, and federal project management administration to be seen under the umbrella of this MAPS assessment. However, they seem to all be moving in their own line, and he believes they should have been related and with one coherent regulatory environment. Ms. Sieminska responded that coordination needs to happen on the level of government but the team did include some recommendations that align some of these different aspects, such as noting that E-GP should be covered in the proclamation and the procurement plan has to be prepared to inform preparation of the budget.

Mr. Yalew commented that he feels transparency has not been given a very central view so far. There is no key information available on procurement, but for him, this only applies to bidding. Ms. Sieminska noted that transparency issues are not separate but are relevant on every level. Ms. Manka echoed that in terms of transparency, it is clear that it needs to be tackled from procurement planning to contract execution and delivery.

Finally, Mr. Yalew also wanted to clarify under the recommended actions for Pillar 1 if the team means that public enterprises should be under one regulation. He believes the public agencies should abide by the proclamation. Ms. Sieminska elaborated that there are SOEs at the federal and regional level with different operating models. Some SOEs normally do not get any funding from the government and operate in a similar way to the private sector. There are SOEs that provide public services such as utilities. Even SOEs that normally are not funded from the budget may receive public funding for specific projects. The nature and purpose of SOEs may justify a different approach, in general the privileged SOEs, whose focus is delivery of governmental services, should follow the common public procurement rules and practices to ensure procurement practices are carried out with economy, efficiency, and transparency.

Ms. Manka elaborated that it is not clear in the current proclamation what the scope of the application to SOEs is, and the team found that some SOEs they met with thought they were subject to the law while others did not. There are different issues areas found by the team, with SOEs as buyers and bidders, and how to avoid distortion of competition when they bid with other private sector firms. Ms. Manka emphasized that it is critical to bring clarity in the law with respect to the application of the legislation, so as to ensure certainty and consistent level of understanding on the coverage and application of the legislation. This clarity would also help alleviate some of these issues.

Mr. Demissie, the Deputy Director General of the PPA, commented on how he believes the lack of an e-GP strategy should not be labeled as a gap. This is because the e-GP roll out is still in the development stage, and when the PPA starts the piloting stage they plan to complete a roll-out strategy.

Ms. Sieminska understood that the pilot was supposed to be starting (with some delays due to COVID-19) and offered to discuss this further with Mr. Demissie offline. However, she also clarified that the gap the team saw was that the regions have not been engaged at all in dialogue around the system. The team was concerned that when the PPA rolls-out the finalized system, features specific to the Regions may have not been considered, and they will be difficult to consider later. The boundaries and business requirements should be defined, and the stakeholders should be engaged early on.

In terms of the SBD update, Mr. Demissie clarified that the PPA is finalizing the proclamation, and when they amend the directive, they can turn to the SBD update. Mr. Demissie also raised the issue regarding

foreign currency shortages and debarring bidders, stating that the Government understands that suppliers may not be able to complete their contractual commitments, and they have stopped debarring suppliers for this reason, if they provide evidence.

Mr. Demssie from The World Bank clarified that for the foreign currency shortage issue, the team was not raising it as a cause for debarment, but instead as a cause for bidders not to have the confidence to participate in bidding. It limits the capacity to complete contracts. When the team analyzed the causes of canceled contracts, they discovered that suppliers were not able to import materials, for example, because of foreign currency shortages. There could be a cause for debarment if they cannot complete contracts but if the MOF is considering this issue as a force major then that is something to consider, as the team just raised it as systemic challenge for affecting procurement performance as a whole.

Mr. Demissie made a comment about the pooled procurement in Woredas not being regulated by legislation, and informed that there is a directive was published by the MOF and endorsed by the Regions. Mr. Demssie from The World Bank agreed that the directive is valid, but it is only a prototype directive issued for two Regions, so it is not governing in all Regions. Mr. Demissie from the PPA also noted that for professionalization, the new public procurement proclamation plans to establish the right of PPA to lead it.

Next, Mr. Chisesa from AfDB said that the presentation is robust, and identifies the gaps well. He noticed that the emergency component was not initially planned but came about later on, so he was wondering if the findings and recommendations made their way to the proclamation or if it was submitted to the Attorney General. Ms. Luwigi clarified that the recommendations for the improvement in the laws of procurement are very important and they will accept and use all of the findings.

Mr. Chisesa also inquired whether there was a specific timeline on when the proclamation might go to the house. Ms. Luwigi explained that COVID-19 has delayed the timeline, so the PPA is not sure when the proclamation will be approved. It is currently in interim review with the Attorney General, who commented on some points. The PPA received the comments and are incorporating this feedback and making final revisions. They will then send it to the Ministry, then to parliament.

Lastly, Mr. Chisesa acknowledged that some time was lost around the e-GP roll-out due to COVID-19, but he asked whether there is a new date or estimated time on when the PPA will go live with some entities. Ms. Luwigi responded that many of the gaps mentioned in the assessment would be solved through the implementation of e-GP, so the PPA is eager to progress in this. Activities are ongoing even during COVID-19; the PPA is moving forward piloting process.

Mr. Kebede, the Senior Advisor from ERA, noted that the team mentioned how the government uses different criteria for local and foreign bidders, and that the criteria is inadequate for the subject of procurement. He explained that they use different because it allows them to give privilege to local bidders, as part of the directive. One privilege for local bidders is on margins of preference, but the contractors have to first pass the technical part to compete with foreigners, so that means unless they pass technical part, they cannot enjoy marginal preference under the financial part. They need to have something in the technical part so that is why they are using different criteria.

Ms. Sieminska responded that the qualification requirements should be defined as skills, experience, and resources necessary to perform the contract. Interest of national bidders can be safeguarded by measures like margin of preference, and not by provision of different level of qualification requirements.

Mr. Kebede indicated also that there is need for privileges to MSEs/SMEs and local firms.

Ms. Sieminska responded that there is a need for privileges for MSEs/SMEs and giving preferences to local firms, the team just wanted the government to carefully consider how these policies serve the market. For example, if in one of the regions there is policy that all contracts up to 10 million Birr are reserved for registered MSEs. There could be other small businesses that have already been in operation within the market but are not registered, thus they will not have access to public procurement opportunities. It is important to simply consider the design of these policies and their effect on the economic and social considerations. Mandatory sub-contracting on MSEs is high, at around 40 percent The World Bank hopes that these policies can work to the advantage of both industry and small companies.

Mr. Kebede also noted that it is difficult to make the criteria adequate for achieving value for money (VFM) during COVID-19, but normally they adopt World Bank criteria for foreign bidders. The criteria calculation depends on the estimate, and the difference is that they reduce the factors for locals. Since the presentation commented that VFM is not there, he wondered if the team can recommend something. Mr. Kebede explained that the government should give privilege to local industry and small or women-led organizations (which is also done in the US)

Ms. Sieminska that there is an economic benefit to certain preferencing, and it can contribute to higher government objectives. In terms of criteria and VFM, the team meant that current evaluations are done on basis of lowest price, or the lowest scores regarding price and technical parameters. There are other criteria which can bring VFM and including, for instance, considering life cycle cost together with investment cost.

Lastly, regarding the complaints review mechanism, during the presentation The World Bank team said that there is lack of independence of the Board from the PPA and MoF, but this was unclear to Mr. Kebede. He explained that if there is any purchase from the MOF or PPA, they resign to avoid a conflict of interest. He sees the benefits to addressing the conflicts, but that the Board can issue decisions and the PPA could audit if bidders are not responding to the decision of the Board. PPA gives some waivers for laws, but this does not relate with Board's review of complaints.

Ms. Manka responded that there are several issues to consider in terms of complaints review mechanism. First, there is the issue of the various roles of the PPA. It is a strong institution, which is positive in terms of leading reform agendas for the government. The PPA proposes legislation, prepares guidance and bidding documents, provides advice to procurement entities, and carries out training. This is a wide range of powers that point to the nature of the PPA as a regulatory body.

Nonetheless, the PPA is also in charge for reviewing and deciding on the use of non-standard procedures, so they engage in specific procurement transactions which is not in line with the regulatory nature of PPA. PPA has also the power to audit public bodies and verify their compliance with procurement rules. At the same time, they also are in charge for preparing a suppliers list, so they are the ones reviewing applications and deciding who comes into the list, but are also in control of reviewing decisions on conduct of suppliers, and maintaining a debarment and suspension list. These responsibilities are not necessarily compatible with each other and the nature of regulatory bodies as also seen in other countries. Every country has a different system that addresses their own needs, but with a body that has so many different tasks, it is important to ensure transparency, proper segregation of duties and accountability in how these functions are carried out.

Annex 4: Consultation and Validation Workshops

When bidders see that the same body that approves use of non-standard procedures, decides on debarment, provides oversight and reviews complaints, they may not see PPA as independent enough and the government cannot quite claim it either. Thus, they may not trust that complaints will be handled independently and objectively. It may be best for the agency to remain as regulatory body, and focus more on functions like professionalization, capacity building, legislation, writing manuals, oversight, and monitoring.

It is more helpful to the soundness of procurement system if complaint bodies are not involved in any other part of the procurement process.

Closing Remarks

The discussion was closed by Ms. Sieminska, and she encouraged participants to send any further questions or comments to The World Bank team in writing. Ms. Tahboub thanked everyone for an open discussion, and assured participants that The World Bank takes note of the different comments and interpretations presented. She highlighted the need for transparency as a high-level takeaway, and turned over for the final comments to Ms. Sieminska, who further emphasized the need to consider how SOEs should become subject to procurement law, enhanced capacity of the regulatory function, an e-GP strategy, and consistency of rules and laws.

Ms. Luwigi thanked the participants for their active participation and reiterated the commitment of the government to work with The World Bank on next steps. Mr. Shimelis, the Director of the Ministry of Finance, expressed the Ministry's appreciation for the extensive efforts and commitment displayed by all of the involved parties. He emphasized the importance of procurement in good governance and took note of the recommendations for guiding future reform agendas.

Adjournment

The meeting was adjourned at 11:25am EST; 6:25 pm in Ethiopia.

PS.

During The World Bank's quality assurance process, the Team found a need to correct the data analytics which resulted in a change of the percentage of invoices paid on time presented during the Workshop (slide 23). With apologies for the need of correction, the correct numbers are as follows:

	Federal Gov.	Addis Ababa CA	Afar	Oromia	SNNPR
Invoices paid on time [%]	31	54	76	57	57

C. Validation Workshop on June 4, 2020

**MINUTES OF THE ETHIOPIA MAPS ASSESSMENT EXTERNAL VALIDATION
WORKSHOP**

**Thursday June 4, 2020
7:00am to 11:00am EST**

Welcome Remarks

Ms. Sieminska, The World Bank co-lead of the assessment, welcomed participants to the external validation workshop for the Ethiopia MAPS assessment. The World Bank has appreciated the strong cooperation of actors in Ethiopia throughout the assessment. On behalf of Mr. Demissie, the Deputy Director General of the PPA, Mr. Bonke, the Senior Advisor at the PPA, opened the workshop. The PPA has started significant reforms in procurement and decided on the comprehensive assessment of the procurement system to help inform the continuation of reforms. Starting with the preliminary findings of the assessment the outcome of the assessment is useful for the proclamation amendment process, and the PPA appreciates the collaboration between The World Bank and development partners. Mr. Bonke invited the participants to actively contribute to the discussion around the results of the MAPS assessment.

Presentation by The World Bank Team

The legislation on procurement in Ethiopia dates to 2009. It has not been modernized since then The government has undertaken an initiative of modernization it in recent years and decided to proceed with the MAPS assessment.

Ms. Sieminska explained the international assessment methodology carried out with the government and partners. The MAPS process to assess the public procurement system in Ethiopia started in September 2019 with the Launch Workshop, following which the assessment team carried out the qualitative assessment by interviewing the public bodies, reviewed documents at procurement entities and ran a survey of the private sector for the quantitative assessment. In January 2020, the Preliminary Review was issued to the government and the SC which included the findings of desk review of the legislation at the federal level.

This Validation Workshop discusses the main findings of the assessment, and the report will present the full scope. After the external workshop, the team will complete the report, which will undergo the internal review process and the review by the Technical Advisory Group (TAG) to ensure the quality of the Assessment Report. Once it is determined that it meets the standards of the MAPS methodology, the report will be published and will be available on the website of The World Bank and of the MAPS Secretariat as well.

The PowerPoint presentation goes into further detail on each of the pillars of the MAPS assessment and their corresponding strengths, gaps, and recommendations.

Ms. Sieminska presented the Pillars 1, 2 and 4, while Mr. Demssie, The World Bank co-lead of the Assessment, presented the Pillars 3 and 4. Mr. Sahaydachny also provided some insight on Pillar 3 as well, as there was an opportunity to review Ethiopia's emergency procurement because of the ongoing pandemic and the locust emergency.

Pillar 1: Legal, Regulatory and Policy Framework

Strengths

- Strong legal framework that has a good structure and enshrines basic procurement principles.
- There are procurement agencies at federal level that have clear functions.
- There is a dedicated complaints review board in charge of reviewing procurement complaints.

Key Gaps

- There is non-alignment with primary and secondary legislation as well as circulars at the federal level. There are fewer circulars at the regional level, and they are often inconsistent with each other. Sometimes the circulars contradict proclamations. Some specific points in legislation are ambiguous. For example, the public procurement directive allows filing decisions directly at court without going through the review board, but this is not consistent with the proclamation.
- There is an inconsistency of the procurement framework with other legislation. It is unclear how the proclamation plays with civil code. The definition of PPP differs in the PPP proclamation and procurement proclamation, and another on project administration and management introduces a third definition. Penalties for fraud and corruption offences are also defined differently in different legal instruments.
- Lack of transparency is a major issue. Many documents, circulars in particular, are not public and may not even be known to procuring entities. They are not recorded or numbered. A lot of information on procurement is not even required to be published on the PPA website, like procurement plans, and other data on procurement. Ethiopia ratified the UN convention against anti-corruption, which has requirements on transparency, but the legal framework and practice do not rise to the requirements of this convention.
- Preference schemes for participation of MSEs exist both at federal and the regional levels. The preferential schemes reserving small value contracts for MSEs only can take away opportunities from smaller registered companies and affect competition.
- There are discriminatory qualification requirements, which are set up differently for foreign vs. local bidders.
- The definition of SOEs in procurement law is also not clear. Currently, SOEs are not subject to the public procurement proclamation as a procurer. Given the large size and participation of SOEs in the economy it is important to clarify the definitions and the applicability of procurement rules to SOEs.
- The complaint review board set-up should be looked at further. The Proclamation sets forth a number of exclusions from the ambit of the complaint review procedures, and some important decisions are not actionable by the bidders. Woredas are physically quite far from where the complaints are filed, so their right to challenge is not always exercised. There are often conflicts of interest within the board.
- At the federal level there is a strategy on e-GP, but the law does not include proper provisions for the development of a procurement system. It does not contain specific provisions regulating who will be maintaining the system, what are the rules for using e-GP, etc.

Recommended Actions

- Align laws within the procurement framework and ensure compliance with other laws. It might be good for government to do a stocktaking of the consistency of laws. The government could then identify the inconsistencies and take the action to align provisions of the laws, and perhaps create a mechanism within PPA that requires all kinds of circulars that are issued by any public body to be consulted and available in one place in the future.
- Ensure a repository for legal documents to ensure transparency and allow practitioners and others to have access to it. Data and procurement trends should be disclosed, preferably in an open data format. The private sector survey showed that the private sector mentioned wanting more transparency many times.
- Consider introducing sustainability in procurement, which includes fair provisions in contracts and environmental considerations, and also alleviating some restricted methods of contracting.
- Re-establish the complaints review mechanism free of conflict of interest with better clarity around defining the qualifications of the Complaint Review Board members and their selection. The right to review should also be expanded.
For e-GP, introduce provisions in the law, and adopt a directive that establishes procurement as a practice. Roll out the e-GP and also undertake dialogue with the Region on further expanding the system to the Regions.

Pillar 2: Institutional Framework and Management Capacity

Strengths

- Strong discipline on budget calendar, proper budget scrutiny and timely information flow with regions on the budget process.
- With respect to project planning and management, a project management and administration proclamation which provides review during planning, implementation, and after completion has been prepared and is expected to be adopted. The proclamation was submitted to the Attorney General for final clearance, so there is a lot of progress on this front.
- There are dedicated regulatory agencies at the Federal level and in SNNPR. In other Regions BoF is assigned the procurement regulatory role. The procurement structure is decentralized with separate procurement units but there are also centralized structures that consolidate procurement and strategic items. At Woredas' level, procurement is centralized considering the volume of procurement of each individual procuring entity and available capacity.

Key Gaps

- In government planning, the team saw that projects were rushed into implementation without adequate planning, and in the middle of implementation they run out of their budget. Procurement plans are not used to facilitate budget preparation, but instead they are prepared, when the budget has been allocated for the projects.
- There are challenges in the regulatory function. There are dedicated institutions to carry out regulatory functions, with many responsibilities are given to them. They provide clearance, technical assistance, handle complaints, formulate rules on debarment, etc. These roles often conflict with each other. Some of the agencies might not have capacity for these responsibilities.
- The salary structure in PPPAA is lower than in procurement entities. Thus, the PPPAA attracts less qualified staff than the entities. PPPAA should have higher capacity and regulatory function.

Similarly, the Regulatory functions in the bigger regions, are not adequately structured and staffed.

- In terms of websites and portals, there are no available websites other than PPPAA, which also is not functioning properly. The team found that the site is often down and information is not complete.
- For e-GP, there is no rollout strategy for federal entities beyond the pilot and in the regions.
- There is currently no working system to capture data to improve procurement performance. The system that captures data is a KPI system but it is not integrated with the procurement system and has not been properly rolled out to procurement entities.
- For professionalization training, the roadmap is not complete.
- Jobs in procurement require skills and competence, but requirements are defined in very generic terms. There is already a good legal ground with the 2017 civil service proclamation which requires jobs to be defined in terms of competency, the practice just needs to be further improved.

Recommended Actions

- Improve functionality and maintenance of PPA website. There are no websites at the regional level. The regions should have their own websites where they can publish their own documents. The PPA website could be linked with regional websites.
- Need to improve the use of KPI and integrate with the procurement system. All procurement entities should be using the data.
- In terms of procurement planning and the budget cycle, the proclamation can help focus on planning side of projects. It should be required that procurement plans are prepared in due time to inform the budget.
- The draft project administration proclamation incorporates many provisions on procurement, PPA should work with the National Planning Commission to ensure consistency of rules and support implementation of the proclamation upon enactment.
- Improve regulatory function, capacity at federal and regional level, and structure and staffing.
- For professionalization and training, it is crucial to assess the validity of the roadmap and address gaps to ensure that the professionalization training is implemented at the required level of quality and in sustainable manner.

Pillar 3: Public Procurement Operations and Market Practices

Strengths

- There are good inspection and quality control practices, and more than 90 percent of contracts were properly inspected.
- Business outreach programs with centralized procurement agency exists at the federal and regional level and there is regular dialogue (such as through the bi-annual discussions with the private sector).
- Markets are competitive, particularly in construction.
- The Financial Transparency and Accountability initiative (FTA) introduced a practice in which PBs at the local level publish budget information at their notice boards. The finance offices are required to publish procurement information using the template designed for the purpose, but the practice is irregular. There is an effort to expand the FTA initiative to all the regions and the federal level.

Gaps

- Procurement files are not kept in one place, procurement documents are kept in finance or procurement departments but there is no system to find them and link them. Accessibility was a big challenge. The team was forced to drop one agency from the federal assessment due to a lack of procurement data.
- There is not proper planning done before projects go into implementation. In terms of market research, the team has not seen procurement entities carrying this out. The entities are not looking into information before planning, or doing research and defining a clear strategy first. For the cost estimate the procuring entities rely on historical data. Projects are rushed into implementation and face challenges due to lack of resources.
- Standards Bidding Documents (SBDs), which were prepared in 2011, have not been updated. They are also not proportional for some sectors, where they are sometimes found too complex. The regions do not typically use the federal SBSs; They use only for works procurement.
- Procurement methods and threshold are not sector specific. In some sectors the threshold appears irrelevant. In Road Sector, the threshold applied for National Competitive Bidding is many times higher than the threshold provided in procurement directive.
- In procurement documents, the qualification criteria are often inadequate. Some evaluation reports are not complete. There are reservation schemes, like mandatory subcontracting even in big projects, where entities require bidders to have mandatory subcontracting. This has costs for the government too.
- There are also systemic constraints in the market, some are beyond procurement but are affecting procurement performance. For instance, the foreign currency shortages and long waits to obtain the currency both limit the ability for bidders to participate. Bidders are not comfortable to participate in opportunities because of issues which are beyond their control.
- There is also a limited local market, where local procuring entities must travel to Addis Ababa to obtain bids/quotations for small values of procurement. increases costs of transaction costs and increases costs of. Similarly, access to the press for advertising procurement opportunities is costly and inefficient. Local procurement entities must travel to Addis Ababa to ensure the bidding invitation is published by press agency. The bidders have to physically submit their bids and pay in person, but this can be easily mitigated if is moved online.
- In terms of data analytics, the team reviewed about 550 contracts at both the federal and regional levels and collected data to determine performance against MAPS indicators. The team found that the invoices are often not paid on time.
- None of the procurement entities have published key procurement information for the public. This includes invitation for bids, complaints, or decisions for implementation. Only one procurement entity published their plans. This is not a requirement legally, and it is not practiced.

Recommended Actions

- Improve record management and ensure data is complete and accessible for audit and regulatory function. It is important to be accountable to the public.
- There is more work that is needed on the planning side, and the proclamation document could focus on this.
- The payments process needs to be streamlined.
- SBDs need to be updated, and the documents need to be proportional to requirements. There should be different sets of documents that are relevant for each sector and should align with the legal framework.

Annex 4: Consultation and Validation Workshops

- Introduce other sustainable parameters beyond social, such as environmental considerations or economic. It is important to review the economic and social impact of measures in place, like mandatory subcontracting.
- In terms of the component on emergency procurement, the locust emergency and COVID-19 helped provide a case study on the effectiveness of the procurement system in responding to emergencies. The report contains recommendations that focus on responsiveness of the procurement framework and the internal workflow to deal rapidly with emergencies. Some recommendations include elaborating on provisions in the legal framework, establishing safeguards against abuses in emergency cases, modify procedures to improve responsiveness and flexibility of procedures, and increase transparency. The government is developing a directive to deal with emergency response. Further recommendations are focused on establishing advanced preparedness for dealing with the procurement aspects of emergency response, such as staffing and other organization aspects.

Pillar 4: Accountability, Integrity, and Transparency of the Public Procurement System

Strengths

- Improvements were made to the system to make it more transparent and consultative at the federal level. The government adopted a new federal administrative proclamation that sets up the process for adopting directives and requires proper processes for consultation.
- There are internal and external control systems in place, and transparency and involvement at local level are better. There is also a strong anti-corruption framework.

Key Gaps

- Lack of timely access to information and transparency weaves throughout the entire system. There is no comprehensive legal requirement for disclosure and no single platform to publish information.
- There is a lack of participation of CSOs in the procurement process and while they are not prevented from participating, there is no legislation that encourages it. The only active one is CoST, an international CSO. There are no other watchdog mechanisms.
- In terms of the Auditor General, there is no separate procurement audit. Procurement is part of the regularity audit. The capacity of the Auditor General is not sufficient to cover procurement as they lack specific knowledge. Currently, procurement audits are carried out by a dedicated unit in the PPPAA but there is no sufficient follow-up to ensure implementation of the recommendations.
- While there is a strong effort towards curbing corruption in legislation and institutionally, there are discrepancies between penalties in different laws, and penalties are often very harsh. It was also difficult to obtain information on indictments around fraud and corruption. There are no clear rules for coordination between institutions with regard to fraud and corruption information exchange and coordination of actions.

Recommended Actions

- Encourage participation of CSOs to act as watchdogs from contract execution to monitoring.
- Ensure consistency in procurement legislation and other laws that address fraud, corruption, and other misconduct. This includes examining differing definitions of fraud and corruption and the various penalties presented in procurement legislation, penal code, anti-corruption laws, and other laws to better align them.

- Procurement audits should be covered in internal audits, particularly in the regions. Decisions should be published.

Overall Recommendations Across the Pillars

As the federal and region level have their own public procurement systems, it is recommended that within the Constitution framework the Federal and Regional Regulatory Bodies consider coordination of the Federal and Regional public procurement systems. The areas that are arising from the assessment as the easiest and providing the quickest and biggest advantages are: a common e-GP system, harmonized SBDs that could be customizable, and establishing a common procurement information platform. Professional standards as well as training could be better aligned across the regions. Currently, the different regions compete with one another for qualified staff, so it would be advantageous to have one system instead. Lastly, the government is encouraged to continue their biannual forum with action plans and follow ups.

Discussion

Mr. Sime, from the Ethiopian Contractors Contract Association, thanked The World Bank for the assessment report, which had good recommendations for improving the system. He noted that the assessment, while comprehensive, does not cover everything that happens on the ground. He believes that procurement activities are monopolized with a few people—for instance, building and road construction is monopolized by the same few people. He presented a few different questions for the team.

First, he wondered how the government is ready to take this document and implement it fully on the ground. He also wanted to know who the owner and leader of the procurement system is in general, and who will lead the implementation of recommendations. He noted that it has changed earlier the Ministry of Construction oversaw procurement of works.

Ms. Manka responded that according to the Procurement Proclamation the PPA is mandated to regulate and oversee procurement activities throughout all federal public procuring entities. Other ministries like the Ministry of Construction have a right to regulate some construction activities like registration of constructors or to follow up.

Mr. Demissie and Mr. Bonke from the PPA assured Mr. Sime that the government is committed to reform and are ready to take the assessment into practice. The PPA is considering new provisions from the assessment into the current amendment on public procurement proclamation.

Mr. Sime also highlighted the discrepancies and laws and inquired further about the intra-harmonization of the system. He specifically asked about the complaints board as well, and if recommendations for harmonization were meant to only be at the federal level or whether they are also for regional.

Ms. Sieminska responded that it is a suggestion to restructure the board to remove conflicts of interest the team indicated that there is a possibility to use a federal complaints board to deal with regional issues if this solution brings advantages.

Mr. Bonke responded that the PPA is attempting to make adjustments to the draft proclamation to correct the discrepancies in definitions of corruption and fraud as well as the penalties. Regarding the administrative contract laws, in Ethiopia procurement laws are specifically designed for the procurement process, so the procurement proclamation will override provisions of the administrative

contracts in the civil code. For arbitration there is some contradiction between the procurement manual and administrative contract, but the Attorney General is already finalizing a separate arbitration proclamation, that will help solve inconsistencies between procurement law and other laws.

Next, Mr. Sime asked who is responsible for doing the capacity building and training, and who will participate in this. Mr. Demssie answered that the capacity building and training was started in 2008, and in 2011 a roadmap was prepared to establish Ethiopian procurement and asset management issues. The idea was to establish an association that can provide professionalization training and accreditation and register professionals. In the initial stages, certification programs and modules were developed, and training was provided to some procurement professionals. There was a framework with four levels of training. However, the roadmap did not go far, as the civil service university was supposed to own the program, yet the PPA continues to drive the process and provide the training. The training is not linked with job requirements, and those who have completed the program do not get promotions so there is a lack of incentive. It is currently difficult to understand employees' qualifications and expertise, and there is no registration, so this process needs to be reviewed. Mr. Bonke also added that the representatives of the PPA visited Tanzania, to learn about their experience so the PPA can learn their lessons to strengthen capacity building and broaden it to cover private sector.

Lastly, regarding the bi-annual forum with the private sector, Mr. Sime inquired about who the participants are. Mr. Bonke answered that there is one forum with regional regulatory bodies working on public procurement and others with the Chamber of Commerce, and associations such as the Constructors Association are invited. The Chamber of Commerce also invites suppliers that take part in procurement process.

Mr. Goitom asked a question about the recommendation for the Legal, Regulatory, and Policy Framework to align procurement laws with other laws. He wanted to know specifically which laws are the ones that the procurement law should align with.

Ms. Manka responded with an example being the legislation on fraud and corruption. As noted in the presentation, the definition of fraud and corruption and penalties for such offences in the procurement proclamation need to be aligned with the penalties provided for the same offences in the penal code, anti-corruption law, and other laws like the financial proclamation. Or just cross refer the relevant legislation in the Procurement Proclamation.

There needs to be closer coordination to ensure that the procurement law is not mandating things that in practice that will be difficult to prosecute or investigate. There is some difficulty in understanding the civil code and procurement legislation around arbitration issues. The civil code says arbitration should be used as one of the dispute resolution mechanisms when it comes to administrative issues, but it is not clear if arbitration is allowed in the procurement legislation.

In terms of the debarment process, The World Bank recommended to extend the right of referral to the Agency to include stakeholders such as auditors, regulatory authorities, private sector, and civil society. Mr. Bonke explained that in the draft proclamation, referrals from the attorney general on anti-corruption were included in a separate provision. It is unclear to them how they can receive or accept referrals from the private sector.

Ms. Manka explained that to ensure the effectiveness of the debarment system, other stakeholders such as: bidders, audit entities and other control bodies should be allowed to refer instances or

allegations of misconduct (as defined in the legislation) in relation to a procurement process to the PPA. Moreover, the Procurement Directive appears to put the burden of proof on public bodies, who should provide evidence and other forms of proof on the alleged misconduct. Instead of shifting the responsibility to the public bodies, the Agency should be able to review and conduct debarment proceedings on their own. Ms. Sieminska added that this related to the topic of coordination with other relevant institutions. For example, anyone can file referrals to the police or Attorney General. There should be a link to PPA, so those who report would know that they can report to PPA. Mr. Bonke noted this and clarified that those convicted by the courts are also reported to the PPA.

Further, Mr. Bonke asked if there are any best practices from other countries about receiving referrals from private sector. He believes it might be difficult to manage if the PPA is accepting all referrals from the private sector, because there are already a lot of referrals on misconduct already. Ms. Manka offered to explore relevant best practices that emulate Ethiopia's system and will revert to the PPA with a response. Some preliminary advice might be using hotlines to report corruption or examining how the police takes triage of complaints and reviews.

Mr. Demissie noted that regarding the directive for public bodies, they have a responsibility to report and file an accusation on an agreed contract to PPA. However, everybody is mandated to report corruption. Any misconduct can be reported as a whistleblower, and they could go to PPA directly or through the website. Ms. Manka acknowledged that The World Bank could further review this but that there are certain improvements they suggest for the debarment process. The proclamation could provide more elaboration on what kind of due process is being allowed to the bidders for being accused, what evidence is accepted, what are the timelines, and how to ensure integrity in the process. Giving power to agencies to debar bidders is a good step. If the agency cannot handle everything, things could be handled by another agency as long as it is clear that there is a forum for bidders and others to report. [It is a positive step that the PPA has the authority to debar bidders who engage in misconduct as defined in the Proclamation. But it is also understandable that since this is only one of the many tasks assigned to PPA, it may not be feasible to handle all the volume. In fact, The World Bank is simply recommending that any existing mechanism for reporting and dealing with misconduct is clear and transparent to all stakeholders.]

Ms. Bastian asked why there was no specific recommendation for the Supreme Auditor General, though in the presentation it was mentioned that the follow-up was not done consistently. Ms. Sieminska clarified that this comment was about the office of the Auditor General, and it also pertains to internal audits and following up on findings. It would be worth looking at why agencies do not implement recommendations in a timely manner despite the fact that the Auditor General reports go to parliament. Perhaps the new proclamation could specifically address this issue and ensure the procurement departments of the agencies discharge duties properly. The assessment findings show that the Supreme Audit, at the federal and regional level, does a lot of procurement audits as well as regulatory audits to check compliance. However, it seems as though auditors do not have adequate qualifications regarding procurement. They do not necessarily need to have procurement experience or knowledge, and there is currently some training, but this is not adequate. The team suggested that this area should be addressed, and a qualified person should review the system and possible options for improvement.

Another call-in user asked a question about the Afar region where the construction bureau carried out the regional procurement entity construction bid process, but the construction budget and the payment tasks were carried out by the procurement entity after approving the work by construction bureau engineer. There were issues with the KPI procurement and property administration. All documents were available in different places. Mr. Demssie responded that in the region's bureaus are involved in all decision making in works contracts. Public bodies own the budget and the process, and in some cases the public bodies take decisions recommended by construction bureau, but the bureaus are not there signing documents. There is some blurred demarcation of rules between construction bureaus and public bodies, which also contradicts the proclamation because the proclamation delegates authority to public bodies. The construction sector comes in without proper legislative power, and they are the ones who make the decisions in procurement and supervision, but the responsibility lies with the public bodies. The digitization of records is important, and it is worth exploring whether there is capacity to implement it. Mr. Bonke added that regarding the implementation of e-GP, the draft proclamation has a separate provision requiring all procuring entities to have complete data of all procurement processes.

Mr. Chisesa asked a question related to Ms. Bastian's question on auditing. He wondered whose responsibility the procurement audit should be, the Auditor General or the PPPAA. Ms. Sieminska it depends on the goal of the audit. The PPAA oversees procurement done by public bodies and generally the audit work is designed to examine whether the need for procurement was valid and if the process was legal. There could be one more consideration for the PPPAA mandate to assess capacity and meeting the requirements of the procurement proclamation. In Ethiopia, the procurement proclamation assigns responsibility for monitoring of public procurement and procurement audit to PPA. The audit responsibilities of PPA and the Auditor General have to be clarified and differentiated.

Mr. Trepte, Consultant of The World Bank added that it is a question of function, that duplication would be a waste. There is a need to see what each institution is covering for auditing. There are often questions why the procurement office would carry out audits, as it is not normally within its function. There is a need for the audit report to conduct monitoring but strengthening audit in SAI rather than duplicating it somewhere else is likely the better approach.

Ms. Manka agreed with Mr. Trepte and added that in general the post reviews that regulatory bodies carry out seem to overlap with audit function by SAI, which does check compliance with laws but for different purposes. Often practice in other countries show that auditors and PPA reviews can come up with different findings and interpretation of the procurement law, so there is not only an overlap in functions but also the risk of inconsistency in findings which could be very disrupting to public bodies. In long term, the audit function stays with SAI but emphasis should be placed on capacity building and training of auditors, so they do not come up with inconsistent interpretations.

Mr. Sahaydachny added that capacity building in auditing is really important, and that opportunities for innovations being introduced to procurement should be fully clear to auditors so there is not an attachment to lowest price contract from the audit perspective when there may be introduction of non-bid evaluation criteria.

Closing Remarks

Ms. Sieminska thanked participants for their comments and questions. The topics raised during this external workshop were different from the previous workshop. Thus, the different perspectives,

Annex 4: Consultation and Validation Workshops

considerations, and experiences from a variety of stakeholders helped create robust discussions on the key ideas from the assessment.

Mr. Demissie from the PPA closed the workshop by noting that the results of the assessment will help immensely with the revision of the proclamation. The PPA will consider policy issues raised by the assessment, and in particular focus on harmonization to avoid inconsistencies throughout the procurement system. Mr. Demissie thanked The World Bank and other partners for their close collaboration during the assessment.

Adjournment

The meeting was adjourned at 10:54am EST.

PS.

During The World Bank's quality assurance process, the Team found a need to correct the data analytics which resulted in a change of the percentage of invoices paid on time presented during the Workshop (slide 23). With apologies for the need of correction, the correct numbers are as follows:

	Federal Gov.	Addis Ababa CA	Afar	Oromia	SNNPR
Invoices paid on time [%]	31	54	76	57	57

ANNEX 5: Progress since the CPAR 2010

The CPAR 2010, report was issued in January 2012, provided different recommendations for implementation in the short, medium and long terms. It appears that some of the recommendations were implemented by the government even before the report was issued while there are recommendations which are still pending and not yet addressed. Some of the key recommendation and the progress is provided below;

Issue and Disseminate Directives, Standard Bidding Documents and Manuals: The performance in the preparation of procurement documents is not uniform between the federal and regional states. Following the recommendation, the federal PPPAA issued directives, SBDs and manuals in the subsequent years. However, it appears that ensuring consistency between the PP and the directives and manuals was not given adequate attention. Besides, the SBDs are not dynamically updated to reflect the changing market situation. Every region issued procurement secondary documents (directives) which are substantially similar in content with the federal. Some of the regions have also issued manuals. For instance, from the regions covered under the MAPS II assessment, SNNPR and Addis Ababa City Administration issued procurement manuals which is not the case in Oromia and Afar. Regarding SBDs, the Pes in the visited regions uses the federal SBDs even though it was not officially endorsed by the responsible body. The use of SBDs is not consistent and mandatory.

Improve application of suppliers list: The management of suppliers list has improved over the last few years. Currently, bidders have the opportunity to register through the online platform following clear and simple procedures provided in the PPAA's website. Some of the regions do not have their own list but uses the suppliers list maintained by the federal government.

Support harmonization in the application of procurement rules at regional and federal level: Given the federal arrangement in which regions do have constitutional mandate to follow procurement system of their choice, the harmonization agenda can be promoted only through dialogue and partnership. In this context, the CPAR recommended regular dialogue between relevant authorities at federal and regional level to increase harmonization with the legal framework for public procurement. In fact, before the CPAR report was issued, PPPAA and regional procurement regulatory units (different arrangement in different regions) established joint biannual forum which has been continuing since June 2011. The last forum planned for March 2020 was postponed due to the state of emergency declared by the Government in response to COVID 19 crisis. While the impact of the biannual discussion has not been reviewed and documented, it appears that the forum lack mechanism to enforce decisions and agreements.

Introduce framework agreements: The PP introduced provisions for establishment of a centralized procurement body that is responsible for establishing framework agreements and procurement of strategic items. The centralized procurement body at federal level was established in 2010 through ministerial regulation, two years before the CPAR report was issued. Currently, the centralized procurement body is actively working on establishing framework agreement and procurement of strategic items though the feedback from users is not always positive. Regions established their own centralized procurement system with similar responsibility of establishing framework agreement and procurement of strategic items. From the regions covered in the assessment, the last region to

establish the centralized procurement body is Afar which was in the process of establishing the centralized procurement body while the MAPS was ongoing.

Improve functionality of PPA's website: One of the short-term CPAR recommendation was to improve the functionality of PPPAA's website. PPPAA established a team of IT experts and worked in improving the features which includes supplier's registration, publication of ward information above specified threshold, publication of procurement plans, and contract information on high value contracts. However, PPPAA's website is still not functional, the features are not fully utilized and operational in providing complete and updated procurement information.

Establish public private sector dialogue: PPPAA in collaboration with the Ethiopian Chamber of Commerce and Sectoral Association organizes biannual forum and discuss procurement issues with the private sector. The forum has been continuing twice annually since June 2011. The last workshop planned for March 2020 was postponed state of emergency declared by the government in response to COVID 19 crisis. Similar arrangements exist in regions though not uniform. In Afar, the forum has taken place only two times and discontinued due to budget shortage. The assessment has shown that the dialogue does not target and incorporate small businesses.

Enhance whistleblower and anti-corruption awareness: Since the last CPAR , the government enhanced the anti-corruption structure by splitting the responsibility of preventing and fighting corruption among three entities (FEAC, Attorney General and police commission) which were assigned under the responsibility of FEAC. Thus, corruption prevention, investigation and prosecution are managed by a dedicated management structure and resource. Similar arrangements were followed at regional level though the progress has not been consistent. The protection of whistleblowers protection proclamation was issued in 2010 (before the CPAR report) and is now operational.

Increase Anti-corruption inter Agency cooperation: There is no tangible progress in establishing inter agency anti-corruption cooperation. The split of the responsibilities among the different agencies even call for more and effective collaboration among the three agencies and beyond including the auditor general, procurement regulatory function etc. But there is no evidence of effective cooperation among

Improve conditions for Non- government organizations: One of the notable changes on the democratic front that has happened after the new administration in Ethiopia is the change of NGOs (CSOs) proclamation. The change in proclamation, which is a recent development, is believed to encourage CSOs involvement in public procurement sector.

Establish Regional appeal mechanism: The recommendation to establish an independent Appeal body has not been implemented by all regions. Except in in SNNPR, all of the regions including Addis Ababa City Administration which are covered under the MAPS assessment, didn't establish independent appeal body.

Enhance the independence of the oversight function: the recommendation to establish a supervisory board to PPA and strengthen PPA's reporting mandate has not been implemented. PPA's organizational structure and mandate has not been changed and remains the same as it was established in 2009. The limited capacity and reporting structure that does not go beyond MoF, is also one of the main findings under this assessment.

Strengthening the overall procurement capacity in Ethiopia: Different initiatives were taken to improve the overall procurement capacity in Ethiopia. This includes the effort to establish electronic government procurement, which is still under development, the procurement certification program and measuring the procurement systems and performance using key performance indicators. The impact of the different initiatives in strengthening overall procurement capacity is not measured and known. Most importantly, the capacity development initiatives were not supported by clearly communicated action plans which has restricted the ability to monitor progress.

ANNEX 6: PEFA Assessment – Indicator PI-24

FEDERAL GOVERNMENT

PI-24 Procurement

Summary of scores and performance table

Indicator/Dimension	Score 2018	Brief justification for score
PI-24 Procurement	D+	Scoring method M2
PI-24.1 Procurement monitoring	D	Most of the central government institutions do not maintain databases or records for contracts including data on what has been procured, the value of procurement, and who has been awarded contracts. They prepare the performance report directly from the source document at the end.
PI-24.2 Procurement methods	A	Available evidence from the FPPA suggests that 92.19% (by value) of contracts are awarded through open competitive method.
24.3 Public access to procurement information	D	Only two of the key procurement information are made available to the public through appropriate means.
24.4 Procurement complaints management	D	Four of the six basic elements for procurement complaint management have been met; however, criterion (1) is not met, which is required to score above 'D'.

1. This indicator focuses on the management of procurement expenditure and promotes predictability of resource availability. The indicator has four dimensions that focus on key procurement management, procurement monitoring, transparency, openness and competitiveness of procurement methods applied, public access to procurement information, and the management of procurement complaints and redress arrangements.

2. The federal government has given due attention to procurement management since more than 60 percent of the total annual budget is expended for procurement of goods, works, consultancy, and others. The FPPA has been established as an autonomous entity under the MoF by the Procurement and Property Administration Proclamation No. 649/2009. The legal framework for procurement consists of the procurement and property administration proclamation, government procurement directives, procurement manuals, and standard bid documents. The procurement function is decentralized within the central government (all ministries and EBUs). Each central government institution has its own procurement committee, procurement endorsing committee, and procurement experts. The FPPA's function is to regulate the procurement process in accordance with the proclamation and procurement directives. Each central government institution is responsible for preparing and submitting its annual procurement plan to the FPPA for information and approval. The central government institutions are required by law to publish their approved procurement plans above the threshold in line with the legal requirements, but this is not done.

PI-24.1 Procurement monitoring

3. The FPPA is responsible for the establishment of the procurement database for all central government institutions and for all methods of procurement. All the central government institutions are responsible for preparing the annual performance report and submitting the same to the FPPA after the end of each quarter and at the end of each budget year. Most central government institutions did not maintain a procurement database or records for contacts including data on what had been procured, value of procurement, and who has been awarded contracts. All central government institutions do not submit their procurement performance reports on time to the FPPA. Out of the 166 institutions expected to submit their reports (actual procurement by value as against the annual plan), 145, representing 87 percent by number and 81.5 percent by value, submitted their reports to the FPPA. The accuracy and completeness of the data is questionable, as they were not verified by the external auditor nor independently by FPPA.

Dimension score = D

PI-24.2 Procurement methods

4. The federal government's public Procurement and Property Administration Proclamation No. 649/2009 states six methods of procurement to be used by every central government institution: (a) open bidding, (b) request for proposal, (c) two-stage tendering, (d) restricted tendering, (e) request for quotation, and (f) direct procurement. Public bodies may use a method other than open bidding only where conditions for use of such other method stipulated under the Proclamation are satisfied; otherwise open bidding is the default method for procurement.

5. According to the 2017/2018 performance report of the FPPA, out of 166 central government institutions that are expected to submit their report, 145 have reported their procurement performance. In 2017/2018, total procurement expenditure of ETB 84.02 billion was incurred by central government institutions on five methods of procurement; there are no data on two stage tendering (not significant by value). The breakdown of procurement expenditure is shown in Table 3.21.

Table 3.21: Procurement method data in ETB billion for EFY 2010 (GC 2017/2018)

	Procurement method	Amount in ETB billion for EFY 2010	Share (%)
1	Open bidding	77.46	92.19
2	Restricted tendering	3.14	3.74
3	Request for proposal	1.40	1.67
4	Request for quotation	0.80	0.95
5	Direct procurement	1.22	1.45
	Total	84.02	

6. Based on the above data provided by the FPPA, open competitive bidding (ETB 77.46 billion) represents 92.19 percent of total central government procurement.

Dimension score = A

PI-24.3 Public access to procurement information

7. Based on the public procurement and property proclamation and procurement directive of the federal government, the annual or quarterly procurement plan, bidding opportunities, contract awards, and data on resolution of procurement complaints should be made available to the public through

appropriate means. In practice, bidding opportunities are made available to the public on the FPPA website as well as in newspapers. However, the procurement plan, contract awards, purpose of the contract, and procurement complaint resolutions are not made available to the public through any appropriate means. Also available to the public is the procurement law and all related procurement directives. As shown in Table 3.22, only two out of the six key procurement information is made available to the public through appropriate means.

Table 3.22: Public access to procurement information

Element/ requirements	Met (Y/N)	Evidence used/ comments
1. Legal and regulatory framework for procurement	Yes	Public procurement proclamations and directives are publicized through the website of the FPPA.
2. Government procurement plan	No	Each BI prepares and submits to the FPPA the annual procurement plan at the beginning of the budget year, but these are not published.
3. Bidding opportunities	Yes	Bids are announced through newspapers (the Ethiopian herald, Addis Zemen, and so on), FM radio, TV channels, and the website of the FPPA (http://www.ppa.gov.et/)
4. Contract awards (purpose, contractor, and value)	No	Contract awards with the purpose of the contract, value of the contract, and the name of the contractor are not published.
5. Data on resolution of procurement complaints	No	Information on procurement complaint resolution is not published even though it is available at the FPPA.
6. Annual procurement statistics	No	Annual procurement statistics, though prepared by the FPPA, are not published.

Dimension score = D

PI-24.4 Procurement complaints management

8. Based on the Procurement and Property Administration Proclamation No. 649/2009, an independent complaint and functional system should be available. The law provides for two stages for administrative complaint resolutions: first within the internal structure of the central government institution and second to the complaints review board. The proclamation also allows redress in the law courts if aggrieved parties are dissatisfied. The Complaint Review Board is composed of five members: (a) one representative from the MoF, (b) one representative from the Chamber of Commerce, (c) one representative from Public Enterprise Agency, (d) one representative from the ministry or central government institution concerned, and (e) the Director General of the FPPA or his/her authorized representative. The FPPA acts as the secretariat to the Complaint Review Board. While the Complaint Review Board is functional (please, refer to Table 3.23), it appears not to be independent on the basis of the composition of its membership; only one member (from the Chamber of Commerce) is seen to be independent, with the remaining four are directly involved in procurement activities.

Table 3.23: Performance of Complaint Review Board and complaints submitted in the past three years

Budget year	Total complaints lodged	Complaints accepted	Complaints rejected		Complaints lodged on federal PEs	Transferred to next budget year
			BIs were right	Procedural irregularities		
2015/2016	206	37	38	86	31	14
2016/2017	233	46	45	104	24	14
2017/2018	250	60	66	78	26	20

Source: FPPA annual reports.

9. The number of cases submitted to the Complaint Review Board has increased in the past three years due to awareness creation. Those who are not satisfied by the decision of the board have the right to the court. In FY2017/2018, two cases were resolved in the law court. According to the Chamber of Commerce, the procurement process is not independent; also, the private sector has little or no confidence in the administrative complaints resolution mechanism, leading to fewer complaints being lodged for fear of victimization. As indicated in Table 3.24, while the complaints review system meets four elements in line with PEFA requirement, it fails to meet criterion (1) which is required to score above 'D'.

10. Table 3.24: Criteria for independent complaint system

Element/requirements	Met (Y/N)	Evidence used/comments
Complaints are reviewed by a body which		
(1) Is not involved in any capacity in procurement transactions or in the process leading to contract award decisions;	No	Only one member (from the Chamber of Commerce) is seen as independent. The remaining four are directly involved in public procurement.
(2) Does not charge fees that prohibit access by concerned parties;	Yes	No fees are charged for filing procurement complaints.
(3) Follows processes for submission and resolution of complaints that are clearly defined and publicly available;	Yes	The process is clearly defined by the Public Procurement and Property Administration Proclamation No. 649/2009 and the Public Procurement Directive of 2009.
(4) Exercises the authority to suspend the procurement process;	Yes	The Complaint Review Board suspends all procurement processes until completion of resolution.
(5) Issues decisions within the time frame specified in the rules/regulations; and	No	The time frame specified in the law is sometimes not strictly followed for different reasons: delay in submitting the necessary document by central government institution, absenteeism of the board members, and so on.
(6) Issues decisions that are binding on every party (without) precluding subsequent access to an external higher authority).	Yes	The decisions made by the board are binding on all parties (but does not preclude subsequent access to a court).

Dimension score = D

ADDIS ABABA CITY ADMINISTRATION

PI-24 Procurement

Summary of scores and performance table

Indicator/Dimension	Score	Brief justification for score
PI-24 Procurement	C	Scoring method M2
PI-24.1 Procurement monitoring	B	Most of the BIs in the City Government of Addis Ababa maintain a record for contracts including data on what has been procured, the value of procurement, and who has been awarded contracts. They prepare the quarterly and annual performance report for the city government administration that issues procurement performance report consolidating the data received for 80% of the BIs in the last fiscal year.
PI-24.2 Procurement methods	B	The value of procurement on a competitive method was 79% for the last completed fiscal year.
PI-24.3 Public access to procurement information	D	Only two of the key procurement information requirements have been met.
PI-24.4 Procurement complaints management	D	Four of the six basic elements for procurement compliant management have been met, but not criteria No. 1 due to the fact that complaints can be handled within the BI where independence cannot be ensured.

1. This indicator examines key aspects of procurement management. It focuses on transparency of arrangements, emphasis on open and competitive procedures, monitoring of procurement results, and access to appeal and redress arrangements. It contains four dimensions that focus on key procurement management, procurement monitoring, transparency, openness and competitiveness of procurement methods applied, public access to procurement information and the management of procurement complaints and redress arrangements.
2. Procurement is decentralized to the BIs of the City Government of Addis Ababa except for the procurement of strategic and common use items, which are procured centrally by the Addis Ababa Public Procurement and Property Disposal Agency that has been established by the City Council Directive No. 55/1013. The BIs including the Public Procurement and Property Disposal Agency are regulated by the BoFED Procurement and Property Administration Core Process (PPACP). The main functions of the core process of BoFED are to regulate procurement in accordance with the City Government Procurement and Property Administration Proclamation No. 17/2009 and Directive No. 3/2009.
3. Each BI is required to prepare and approve its annual procurement plan and send it to BoFED for information. The PPACP evaluates each plan and discusses it with the BI. Plans are supposed to be posted on the BoFED website or on the individual website depending on the threshold set in the proclamation and directive. For posting on the website and advertisement in newspaper, the threshold for individual procurements is for works ETB 10 million, for goods ETB 3 million, for consultancy ETB 2 million, and for other services ETB 1 million. Contract awards are not made public.

PI-24.1 Procurement monitoring

4. There are no EBUs in the City Government of Addis Ababa. The Addis Ababa BoFED's PPACP is responsible for the establishment of the procurement database and the consolidation of procurement data for all city government BIs and for all methods of procurement. All the BIs are responsible for preparing the quarterly and annual performance report and submit to BoFED after the end of each quarter and the budget year, respectively. Most of the city government BIs maintain the procurement database or records for contracts including data on what has been procured, the value of procurement, and who has been awarded contracts. The Addis Ababa City Government Public Procurement and Property Disposal Agency that is established to procure strategic and commonly used items keeps the records of the procurement information for the City Government of Addis Ababa. However, the actual procurement function is performed by the BIs themselves. The PPACP of BoFED has received the procurement performance report for FY2017/2018 from 80 BIs out of 100 BIs which is 80 percent of the BIs. Therefore, a procurement record is maintained, and data are reported to Addis Ababa city government for most BIs.

Dimension score: B

PI-24.2 Procurement methods

5. The Addis Ababa City Government Public Procurement and Property Administration Proclamation No. 17/2009 states six methods of procurement to be used by every BI. These methods are (a) open bidding, (b) request for proposal, (c) two-stage tendering, (d) restricted tendering, (e) request for quotation, and (f) direct procurement. Public bodies may use a method other than open bidding only where conditions for use of such other method stipulated under the proclamation are satisfied. Otherwise, the open bidding is a default for procurement.

6. According to the 2017/2018 performance report of BoFED, out of 100 central government budget entities that are supposed to submit their report, only 80 BIs (or 80 percent) have reported their performance of procurement. Table 3.1 shows the total procurement expenditure broken down by method of procurement for the last completed fiscal year, FY2017/2018.

Table 3.1: Procurement method data for EFY 2010 (Gregorian FY2017/2018)

	Methods of procurement	Amount (ETB, billions)	%
1	Open bidding (C)	8.03	72
2	Two-stage bidding (C)	0.01	0
3	Restricted tendering (C)	0.53	5
4	Request for proposal (C)	0.12	1
5	Request for quotation (C)	0.19	2
6	Direct procurement	2.3	21
	Total procurement expenditure	11.18	
	Volume of competitive method of procurement (1+2+3+4+5)	8.88	79

Source: Addis Ababa city government BoFED 2017/2018 performance report issued by the Ababa City Government Public Procurement and Property Disposal Agency.

Note: C = Competitive.

7. The total expenditure for the procurement on competitive bidding is ETB 8.88 billion. It represents 79 percent of the total expenditure of procurement. However, this has not been verified by the external auditor.

Dimension score: B

PI-24.3. Public access to procurement information

8. Based on the Public Procurement and Property Proclamation No. 17/2009 and the Procurement Directive No. 3/209 of the City Government of Addis Ababa, the information elements required to be publicized are the annual or quarterly procurement plans, bidding opportunities, contract awards, and data on resolution of procurement complaints. Accordingly, the information on bidding opportunities only is made available to the public through newspaper, TV, and radio. The information on contract awards, complaint resolution decisions, procurement plan, and annual procurement statistics is not publicized neither on BoFED's website nor on the BIs' website. Two of the key procurement information requirements have been met.

Table 3.2: Key procurement performance information elements

Elements/requirements	Met (Yes/No)	Evidence used/comments
7. Legal and regulatory framework for procurement	Yes	Public procurement proclamations and directives are publicized through the website of the Addis Ababa BoFED website www.aaBoFED.gov.et , and it is available in each BI of the city government.
8. Government procurement plan	No	Each BI prepares and submits the annual procurement plan at the beginning of the budget year and submits to BoFED (Public Procurement and Property Administration Authority [PPA]) of the city government. In addition, the Addis Ababa PPA consolidates the procurement plan of all BIs, but it is not publishing the annual procurement plan.
9. Bidding opportunities	Yes	Bids are announced through the newspaper (the Ethiopian Herald, Addis Zemen, and so on), FM radio stations, Addis TV, and the website of BoFED (www.aaBoFED.gov.et), which is not working now.
10. Contract awards (purpose, contractor, and value)	No	Contract awards with the purpose of the contract, value of the contract, and the name of the contractor are not disclosed fully (published) through the website of BoFED and other BIs.
11. Data on resolution of procurement complaints	No	The resolution on procurement compliant data are not published in the website of BoFED.
12. Annual procurement statistics	No	The annual procurement statistics are prepared by the city government BoFED (PPA), but they are not published on the website or other media.

Dimension score: D

PI-24.4. Procurement complaints management

9. Based on the Procurement and Property Administration Proclamation No. 17/2009, an independent complaint system is available. There are two alternatives of complaint handling. First, the procuring unit of the BIs of the City Government has to announce the final decision of the bid and invite any complaints to be filed within seven working days of the announcement. The supplier or contractor with complaints has to submit his/her complaint to the BI head within the given time frame. The BI head has to respond and announce the final decision within 10 days. If the bidder is not satisfied with the decision of the head of the BI, within five days of receiving the decision, he/she has the right to apply to the Complaint Review Committee of the city government.

10. The Complaint Reviewing Board is composed of representatives from City Government Mayor Office, BoFED, Chamber of Commerce (two members), and PPA of BoFED. The expert from PPA of BoFED is acting as the secretariat of the Compliant Review Board. In terms of independence of the complaints mechanism, it is to be remarked that while at first instance, when the complaints are handled by the BI, the process is not fully independent (because often members of the tender evaluation committee are involved in the complaints resolution being the most familiar with the technicalities), and the composition of the second instance Complaints Review Board consists of members from both public and private sectors that are not involved in decisions leading to contract award decisions. Another shortcoming of the review process is that the time frame specified by the law is not fully respected due to delays by the BIs in submitting the necessary evidence to the board. Due to the specificity of the complaints system consisting of two stages, the first not fully independent and the second one independent, the fact that the resolution can be made at the first stage indicates that there may be instances that allow for lack of independence. The previous assessment (2015) considered the independence only of the Complaints Review Board and not of the entire complaints review system.

Table 3.3: Performance of Complaint Review Committee and complaints submitted in FY2015/2016, 2016/2017, and 2017/2018

Budget year	Total complaints lodged	Complaints accepted	Complaints rejected		Complaints lodged on BIs	Transferred to next budget year
			BI was right	Procedural irregularities		
2015/2016	34	34	No information	No information	No information	
2016/2017	36	30	No information	No information	No information	6
2017/2018	38	2	15	10	9	2

Source: Addis Ababa city government BoFED PPA annual report of 2015/2016, 2016/2017, and 2017/2018.

11. According to the member of the Complaint Resolution Committee from the chamber of commerce, the limited number of cases submitted to the Complaint Resolution Board is because suppliers fear to be hampered in their future participation in bids. Those who are not satisfied by the decision of the committee have the right to go to the court.

12. Four of the six basic elements for procurement compliant management have been met, but the essential element No. 1 is not met.

Table 3.4: Criteria for procurement complaints management

Element/requirements	Met (Yes/No)	Evidence used/comments
Complaints are reviewed by a body which		
1. Is not involved in any capacity in procurement transactions or in the process leading to contract award decisions	No	The compliant resolution committee is composed of members from BoFED and Chamber of Commerce and the city mayor office. Three of the members are directly or indirectly involved in procurement transaction and procurement decisions. These members are public servants in BoFED City Procurement Authority and one from government procuring entity (for example, BoE if the complaint relates to education).
2. Does not charge fees that prohibit access by concerned parties	Yes	There are no fees charged, and the service is rendered freely to all.
3. Follows processes for submission and resolution of complaints that are clearly defined and publicly available	Yes	The process is clearly defined by the proclamation of Public Procurement and Property Administration No. 17/2009 and the Public Procurement Directive No. 3/2009.
4. Exercises the authority to suspend the procurement process	Yes	When the complaint is submitted to the board, the procurement process is suspended until a decision is given.
5. Issues decisions within the time frame specified in the rules/regulations	No	The time frame specified in the law sometimes is not strictly followed due to different reasons such as delay in submitting the necessary documents by the BIs and absenteeism of the board members.
6. Issues decisions that are binding on every party (without precluding subsequent access to an external higher authority)	Yes	The decisions made by the board are binding on all parties (but do not preclude subsequent access to a court).

Dimension score: D

OROMIA:

PI-24 Procurement

Summary of scores and performance table

Indicator/Dimension	Score 2018	Justification for 2018 score
PI-24 Procurement	D	Scoring method M2
PI-24.1 Procurement monitoring	D	Data on procurement are available; for FY2017/2018, total regional government entities procurement amounted to ETB 13.97 billion. The information shows the purpose of procurement and contract sum but fails to indicate who won the contract. Further, there is no evidence to suggest that the data are accurate and complete (audited by ORAG or independently verified by the regional procurement authority).
PI-24.2 Procurement methods	D*	Available data on procurement do not indicate the method of procurement used.
PI-24.3 Public access to procurement information	D	As shown in Table 3.21, only two out of the six procurement elements are published; these include the proclamation and bidding opportunities.
PI-24.4 Procurement complaints management	D	The complaints management framework is not independent. It fails to meet criterion (i) of the PEFA requirements but meets four other elements (ii, iii, iv, and vi) and partially (v).

1. This indicator focuses on the management of procurement expenditure and promotes predictability of resource availability. The indicator has four dimensions that focus on key procurement management, procurement monitoring, transparency, openness and competitiveness of procurement methods applied, public access to procurement information, and the management of procurement complaints and redress arrangements.

PI-24.1 Procurement monitoring

2. The regional procurement authority conducted a procurement process audit and issued a final report dated September 28, 2018; the report revealed low technical capacity of procurement staff, inadequate procurement staff, and high turnover of procurement staff. The report also shows that 75 percent of budgetary units prepare full bid documents, 77 percent of bid evaluations are done as per standards, 83 percent prepare full contract documents, and 13 percent are unable to prepare procurement plans. Information obtained from the regional government procurement authority shows that ETB 13.97 billion was spent on public procurement for all regional government units as against planned expenditure (as per procurement plans) of ETB 19.96 billion for FY2017/2018. Out of the actual expenditure, ETB 4.08 was spent on goods, ETB 7.24 billion on works, and ETB 2.65 billion on services. However, the information does not indicate who won the contracts; it only shows the purpose of the contracts (what the contract was for) and the value of the contracts. Also, there is no evidence to substantiate the fact that the information provided is accurate and complete; in other words, there is no independent verification by the regional auditor (ORAG) or the procurement authority to ascertain the correctness of data provided.

Dimension score = D

PI-24.2 Procurement methods

3. In 2017 (EC 2009), a new procurement directive was issued (Directive No. 01/2009), amending the existing procurement threshold; the new thresholds are as follows:

- National competitive bidding (NCB) and international competitive bidding (ICB)
 - Works: ETB 20,000,000 and above
 - Goods: ETB 6,000,000 and above
 - Consultancy: ETB 4,000,000 and above
 - Other services: ETB 2,000,000 and above
- ICB
 - Works: ETB 100,000,000 and above
 - Goods: ETB 30,000,000 and above
 - Consultancy: ETB 5,000,000 and above
 - Other services: ETB 14,000,000 and above
- Request for proposal (consultancy): ETB 900,000 and above
- Restricted bid

Method	ETB		
	Region	Zone and Urban Administration	Woredas
Works	5,000,000	4,000,000	3,000,000
Goods	1,200,000	1,000,000	800,000
Consultancy	700,000	600,000	500,000
Other services	1,000,000	750,000	500,000

- Request for quotation

Method	ETB		
	Region	Zone and Urban Administration	Woredas
Works	500,000	300,000	200,000
Goods	200,000	100,000	80,000
Consultancy	120,000	60,000	50,000
Other services	150,000	75,000	50,000

- Direct bidding: Up to ETB 5,000

4. Available data on public procurement do not indicate the type of procurement method used; as indicated under PI-24.1, total procurement for FY2017/2018 amounted to ETB 13.97 billion. About 29.2 percent was spent on goods, 51.8 percent on works, and the remaining 19 percent on services.

Dimension score = D*

PI-24.3. Public access to procurement information

5. Article 6 of Public Procurement Proclamation No. 157/2010 provides for public accessibility of the law, directives, and any other public procurement information; these include procurement plans, bidding opportunities, contracts awards, and data on resolution of procurement complaints. While most of this information is available at each budgetary unit as well as the procurement regulatory body, they are not made public. As shown in Table 3.21, only two out of the six procurement elements are published for central government entities; these include the proclamation and bidding opportunities.

Table 3.21: Public access to procurement information

Element/ requirements	Met (Y/N)	Evidence used/ comments
13. Legal and regulatory framework for procurement	Yes	The legal framework is on the website https://chilot.me/regional-laws/oromia-nrs-laws/proclamation-no-157-2010-the-oromia-national-regional-state-government-public-procurement-and-property/ and http://www.oromiabofed.gov.et . Printed copies are also available at the regional council.
14. Government procurement plan	No	Each BI prepares an annual procurement plan; however, these are not published
15. Bidding opportunities	Yes	Bidding opportunities are published in the regional newspapers.
16. Contract awards (purpose, contractor, and value)	No	Information on contract awards is not made public.
17. Data on resolution of procurement complaints	No	There are data on resolution of procurement complaints but these are not published. Samples of complaints resolved include the following: <ul style="list-style-type: none"> • January 17, 2019 - Education Bureau versus Asdem Engineering and General Trading Plc • January 17, 2019 - Education Bureau versus Burda Druck Indian Pvt. Ltd • December 25, 2018 - Education Bureau versus Burda Druck Indian Pvt. Ltd • February 14, 2018 Oromia Special Zone versus Kichu Micro Enterprise
18. Annual procurement statistics	No	Though data on procurement are available at each budgeted entity, there are no comprehensive annual statistics on public procurement.

Dimension score = D

PI-24.4 Procurement complaints management

6. Chapter XIII of Public Procurement Proclamation No. 157/2010 established the regional procurement complaints mechanism; it outlines the legal structures for resolution of complaints. The first step of complaints resolutions is at the budget entity level; the second is at the bureau level (that is, the complaints body). There is also the court process as the final stage. The Oromia public procurement

authority does not compile statistics on resolution of procurement complaints even though the data exist at the procurement bureau/authority located at BoFED. As indicated in Table 3.22, the complaints body meets five out of the six elements but fails to meet the most important element, which is criterion (i) on independence; three out of five members are directly involved in the process leading to contract award.

Table 3.22: Elements of procurement complaints framework

Elements/requirements	Met (Y/N)	Evidence used/comments
Complaints are reviewed by a body which		
(i) Is not involved in any capacity in procurement transactions or in the process leading to contract award decisions	No	The complaints body is not independent as majority of its members are directly or indirectly involved in procurement. Three out of five members are directly involved in the process leading to contract award. The membership of the body includes: <ul style="list-style-type: none"> • BoFED (chairperson); • Chamber of Commerce (member); • Budgeted entity (member); • Public Procurement and Property Disposal Agency (member); and • Oromia Public Procurement Authority (member/secretary).
(ii) Does not charge fees that prohibit access by concerned parties	Yes	The complaints body does not charge fees for filing any complaints.
(iii) Follows processes for submission and resolution of complaints that are clearly defined and publicly available	Yes	The complaints body adopts the processes for receiving complaints; the procedure is enshrined in the law (Article 62(1) of Procurement Proclamation No. 157/2010).
(iv) Exercises the authority to suspend the procurement process	Yes	The procurement is halted until complaints are resolved; this is backed by Article 62(2) of Procurement Proclamation No. 157/2010.
(v) Issues decisions within the time frame specified in the rules/regulations	Partial	Article 62(5) of Procurement Proclamation No. 157/2010 mandates the complaints body to issue decisions within 15 working days. Majority of cases are resolved within stipulated time; delays are usually due to late submission of further evidence.
(vi) Issues decisions that are binding on every party (without) precluding subsequent access to an external higher authority	Yes	The decisions of the complaints body are binding to both parties. That said, any party is not precluded from seeking legal redress.

Dimension score = D

ANNEX 7: Emergency Procurement

1. The twin emergencies (COVID 19 and the locust plague) that arose during the MAPSII assessment provided an opportunity to assess the capability of the procurement system to respond in critical emergency situations, and to identify needed areas of improvement. The COVID situation in particular has highlighted weaknesses in fast-track procurement and related processes, and other gaps in the procurement system's readiness and ability to deal with emergencies (e.g., to get the equipment need to proliferate online learning during the COVID lockdown). The findings and recommendations in that regard are summarized below.

Legal and policy framework

2. Various areas of weakness in the main components of the procurement system that affect procurement performance generally are also seen, and may have particularly serious implications, in the context of emergency procurement. For example, the legal framework for public procurement has only limited provisions dealing with emergency procurement.
3. Foremost in setting up the procurement response to emergencies is determining whether the situation is an emergency justifying application of non-standard procurement procedures. Implementation of emergency procurement response is hindered in the first instance by a degree of unclarity as to the scope of circumstances that might be deemed to constitute an emergency situation for the purposes of the proclamation. Among practitioners, it is not entirely clear that the use of non-standard procurement procedures is available in a variety of emergencies that are attributable to circumstances beyond the control of the procuring entity (which can include a range of scenarios in which non-routine procurement procedures should be made available, including, for example, natural or man-made catastrophes, failure of critical infrastructure or equipment, critical public health or environmental crises). Moreover, emergencies may arise in different types of time lines: single event (catastrophic rapid onset disasters, either natural or man-made); continuous crisis (ongoing emergencies such as wars and/or other prolonged situations of fragility); slow-onset/chronic emergencies (e.g., drought, severe malnutrition, famine).
4. A more elaborated legal and policy framework for emergency procurement would support fit-for-purpose procurement solutions that take into account the stage of the emergency response. More flexibility should be available in the immediate aftermath of an emergency (e.g., emphasis on quickness; procurement officials should act within applicable delegation of financial authority, but relaxation of prior-approval requirements if there is no time to obtain the approvals, subject to the use of sound judgment and availability of a genuine rationale for application of non-standard procedures; possibility that no written contract would be required).
5. In the next, disaster relief, stage of emergency response, when the threat of loss of life and damage to major infrastructure has abated, flexibility and access to non-routine procurement procedures to the extent that use of routine procurement procedures would not provide timely or otherwise sufficient relief (e.g., verbal or email quotes, subject to confirmation in writing (or by email if time does not permit); consideration of alternative contractual arrangements such as

leasing to allow time to identify sourcing options for permanent solutions when routine, more competitive procurement methods may be utilized). In the third stage – post disaster reconstruction – routine procurement procedures are applied, with the possibility of some acceleration/streamlining of the process for certain types of procurement (e.g., critical infrastructure such as water, sewage treatment, housing reconstruction, remediation of damages land). Such procedures, while streamlined, should provide some modicum of competition, as well as transparency, governance, and accountability.

6. Provisions on emergency procurement may be linked, subject to what is feasible in the particular emergency circumstances, to sustainable procurement objectives. For example, procuring entities may be encouraged, or required, to procure from SMEs and from other sources accorded preferential status. Such approaches may be further localized to prioritize procurement from local businesses residing in or primarily operating in the areas affected by the emergency (including a definition of the criteria to determine whether a business may be deemed to be primarily operating in the locality of an emergency).

Organizational arrangements and workflow procedures

7. The Proclamation (art. 51) authorizes the use of the direct procurement method if the head of the procuring entity determines that an emergency exists. Beyond that, the legal framework is silent on whether any special organizational or workflow arrangements may be applied to streamline the entirety of the procurement process in response to emergencies.
8. Uncertainty concerning the resort to and the parameters for emergency procurement, and underdeveloped governance and accountability of emergency procurement, increases the risk that some organizations, in the name of dealing with emergencies, may make excessively large procurements, beyond what is needed for emergency response. What is procured in response to an emergency, and the quantities, should be justified and based on professionally determined needs.
9. More broadly, the procurement function needs to be sufficiently integrated into national disaster preparedness planning. Furthermore, coordination among authorities at the Federal and Regional levels is not established to ensure that emergency-response actions undertaken by different Bodies that may have different priority goals are harmonized.
10. Inefficient and time-consuming procedures ancillary to the procurement system may also impact the effectiveness of emergency procurement. That is particularly the case with customs clearance procedures, which can be time-consuming and prone to delays. The result of that is the items procured expeditiously using emergency procurement procedures may nevertheless sit in customs for a prolonged period of time awaiting clearance (as has been the case, for example, with procurement by the FAO for the Ministry of Agriculture).

Capacity issues

11. As noted elsewhere in this report, shortage of technical capacity is one of the major challenges facing the procurement system, affecting all stages of the procurement cycle (planning, acquisition, and contract implementation and management). Across the procurement system,

the level of capacity varies from entity to entity, including capacity for conducting emergency procurement. For example, the Ministry of Agriculture, which, with considerable donor assistance, is taking the lead on response to the locust emergency, has reasonable well qualified procurement staff. In many other entities, at the Federal and Regional levels, capacity typically is at a low level, in terms both of manpower and institutionally. Moreover, increased procurement demands tax the available manpower in procuring entities understaffed for dealing with emergencies. That underscores the importance of systematic capacity building and professionalization of the procurement workforce and procurement units.

12. In light of capacity shortfalls, contract management is particularly challenging in emergency procurement contexts. Various contract provisions may be need to be evaluated on a case-by-case basis in emergency situations (delays in providing drawings and instructions or other tasks of the procuring entity; contractor's right to have access to the site; assistance by procuring entities in obtaining permits expeditiously; commencement of work; change of point of delivery; health and safety obligations of the contractor; adjustments due to changes in applicable legislation; completion and delivery times, and extensions thereof; amendment of contractual limits on subcontracting; substitution of JV members or key personnel; *force majeure* clauses; renegotiation of contract terms; termination of contract). Questions that may arise regarding *force majeure* clauses include: what types of circumstances are covered by a particular *force majeure* clause (e.g., some formulations include explicit reference to "epidemics", while others do not); documentation requirements.
13. Capacity shortfalls in regulatory structures, including in the PPA, exacerbate weaknesses in the ability of the procurement system to respond effectively to emergencies, and to coordinate the procurement response with other stakeholders.
14. Though there are predictable emergencies (e.g., droughts), systematic steps have not been taken to ensure procurement preparedness for such emergencies in advance. For example, framework agreements, though utilized for common-use goods and services, have not been set up for supplies and services likely needed in emergencies (food supplies, tents, etc.). Neither have lists of suppliers to whom procuring entities may turn in emergencies been established.

Transparency and accountability

15. As already noted, transparency and accountability are significant weaknesses in the procurement system generally. Those problems are amplified in emergency circumstances, with both internal and external audit even weaker in such contexts. While, depending upon the nature of the emergency, reports from procuring entities to the PPA may be submitted electronically, compliance monitoring and investigations may need to be modified.
16. Those conditions heighten the risk of abuses, including price gouging, bribery, fraud and other forms of corruption, as well as conflicts of interest. The types of safeguards that may be considered depend on the stage of emergency response. For example, in the immediate aftermath of an emergency, it may be sufficient that, at a minimum, a verbal approval is obtained from an official with the necessary delegation of financial authority.

17. Documentation of procurement activities should be prescribed, during the procurement or as soon as possible thereafter. The documentation should cover, in addition to a description of the goods, works or services and the price: a description of the emergency conditions and operational environment; justification and explanation of the grounds for use of emergency procurement procedures, including what would be the result if routine procurement procedures were to be applied; and the names of the suppliers/contractors contacted. Any non-written contracts (para. 4), verbal quotes (para. 5), and verbal approvals (para. 16) should still require adequate documentation.

Adaptations for emergency procurement operations

18. Elaboration of provisions on emergency procurement could authorize flexibilities in and adjustments of various procedural and operational rules so as to enable procurement processes to proceed in emergency conditions. As illustrated in the COVID case, those might include:
 - a. adjustments of bid submission deadlines (could be lengthened in some circumstances, shortened in other cases, depending upon the circumstances);
 - b. increased use of soft-copy/e-submission of bids;
 - c. in certain types of health emergencies, sanitizing of bids submitted in hard copy;
 - d. avoidance of having more than one bid submission deadline on the same day, so as to avoid compromising social distancing measures;
 - e. special procedure for distribution of bidding documents (e.g., outside the PE's building in the case of some public health emergencies);
 - f. in cases of public health emergencies, for example, there could be restrictions on face-to-face meetings (limits on number of persons attending; social distancing rules, or relaxation of quorum rules for certain types of meetings) or suspension of face-to-face meetings (e.g., pre-bid meetings with bidders), avoidance of including a large number of members in committees, or delegation of tasks to some members of the committee (e.g., evaluation), subject to review and approval or other committee members;
 - g. to mitigate the effects of steps such as suspension of pre-bid meetings, ensure that bidders have a dedicated, continuously monitored email or other channel for requests for clarification of the solicitation documents, replies to which are copied to all bidders;
 - h. If site visits are essential, those could be organized in a manner conforming to applicable social distancing policies (e.g., smaller groups of bidders at the same time than usual);
 - i. use of online conferencing facilities to enable bidders' attendance at bid opening;
 - j. online or email submission of complaints from bidders; in lieu of cancelation of hearings, hearings could be held online.

19. Further examples of streamlining procurement procedures are presented in Table 1.

Table 1 -- Flexibility and simplification techniques for emergency procurement		
No.	Technique	Description
1	Simple procurement planning	To include the minimum requirements of identified goods/works/services, cost estimate, and possible procurement methods; could be as simple as a shopping list
2	Relaxed thresholds and streamlined procedures	for selection of procurement methods, these are an essential tool for providing streamlining and flexibility in emergency procurement
3	Accelerated bid times	Shortening minimum time periods for submission of bids
4	Solicitation	Advertisement, notices, banners, posters, multi & social media, including targeting of the local supplier community to make use of local suppliers and contractors in the affected area to the extent possible, with locally targeted advertisement (e.g., at places of community gathering such as community centers, etc.) and direct solicitation of local contractors
5	Eased guarantee requirements	Waiving bid and performance security requirements, though in some cases use of the bid-securing declaration and retention money techniques may be relevant
6	Advance payments	Flexibility, with the possibility of higher levels
7	Facilitating participation	Especially for local SMEs – for example, by easing the administrative burdens of participation as regards with proofs of eligibility, simplification of Pre and Post Qualification criteria. to facilitate participation of local bidders
8	Use of prequalified supplier, contractors, etc.	Including through pre-established framework agreements
9	Use of Positive Lists of identified goods	Which are subject to application of streamlined procedures

The World Bank Institute, Procurement Innovation Challenge, January 1, 2015.

http://imagebank.worldbank.org/servlet/WDSContentServer/IW3P/IB/2015/08/20/090224b083087df3/1_0/Rendered/PDF/Procurement0innovation0challenge.pdf

Advance preparedness for emergency procurement

20. Emergency procurement is more likely to be effective if steps have been taken in advance to maximize the preparedness of the procurement system for conducting emergency procurement as and when emergencies arise. By and large, such preparedness for emergency procurement has not been pursued systematically. Moving forward, establishing preparedness for emergency procurement could include steps such as the following:
 - a. Integration of the procurement function into national disaster preparedness and risk reduction plans;
 - b. Pre-establishment of procurement teams with the expertise needed to conduct procurement in emergency contexts;
 - c. Identification of supplies and services likely to be needed in emergencies and their costs (e.g., temporary shelters, food/nutritional supplements, medical supplies, communication equipment, vehicles);
 - d. Ensure the capability to conduct emergency procurement through the central e-procurement platform;
 - e. Define transparency, governance and accountability aspects;
 - f. Establishment of simplified forms for procurement processing and contracts;
 - g. To ensure readiness for supplier mobilization, establishment of lists of prequalified suppliers (including also suppliers of in-country cargo transport services likely to be needed in emergencies), contractors and consultants possessing capabilities likely to be needed in responding to emergencies, subject to transparency safeguards including publication of the existence of such lists and of solicitation of applications to be included in the lists, periodic renewal of the lists, and regular market analysis and updating;
 - h. Establishment of stand-by framework agreements for supplies, works and services likely to be needed in the event of emergencies of the type that might be expected to arise;
 - i. Pre-positioning of certain types of supplies that would be required for dealing with the immediate aftermath of emergencies;
 - j. Identification and allocation of resources for emergency procurement facilities and teams (including office space, communications and connectivity equipment, storage and distribution facilities, website to ensure access to information, budget for the emergency procurement team);
 - k. Development of standard forms for processing emergency procurement;
 - l. Capacity building for emergency (and accelerated) procurement.

Recommendations

21. Ensure the Procurement Proclamation and supporting instruments are broad and flexible to provide for timely and effective procurement needed in the aftermath of emergencies, including greater clarity as to the types of emergency events or conditions not attributable to, and unforeseen by, the procuring entity that may justify resort to non-routine procurement methods and processes, while promoting transparency and accountability.

22. Formulate streamlined procurement methods and procedures for implementing procurement in response to emergencies, covering all stages of the procurement cycles and including: steps to be take in planning (e.g., assess logistics preparedness of affected area; engage communities in planning; establish a log of procurement activities; employ risk management techniques, e.g., incentives to limit cost and cost-control and accounting for time-based and cost-reimbursable contracts); appropriately eased access to streamlined and simplified procurement methods where necessary under the circumstances and taking into account the stages in the response to emergencies (e.g., streamlined documentation and procedures; shorter bidding periods; simplified qualification requirements; simple or general technical specifications; eased guarantee requirements; targeting of the local supplier community to make use of local suppliers and contractors in the affected area to the extent possible; employment of other community-driven procurement approaches where appropriate); and steps to be taken in management of contracts (e.g., use of simplified contract forms; flexibility as to levels of advance payments; use of technology such as geo-tagging, satellite imagery, and digital photography for monitoring implementation).
23. Establish governance structures and procedures for coordinating and authorizing procurement in response to emergencies, taking into account different stages in the response to emergencies.
24. Define organizational/ad hoc structures for procurement and contract management team pooling to work in a disaster context.
25. Set up a coordination authority at the Federal and Regional levels to ensure that actions undertaken by different Bodies that may have different priority goals are consistent.
26. Integrate procurement into the National Disaster Preparedness Plan and establish other components of preparedness for conducting emergency and accelerated procurement (such as establishment of framework agreements for supplies and services likely to be needed in emergencies as and when they arise).
27. Develop guidelines on implementation of procurement for response to emergencies, for all stages of response to emergencies and each stage of the procurement cycle and implement a capacity-building program for applying emergency and accelerated procurement procedures.

ANNEX 8: Stakeholders Analysis

1. The primary objective of undertaking MAPS II assessment is to assess the quality and effectiveness of the public procurement systems in Ethiopia, this enables the Government to form a basis for implementation of modern, efficient, sustainable, and more inclusive procurement system both at Federal and Regional level. The assessment serves as grounds to the ongoing revision of the procurement proclamation to address the gaps identified in the existing Proclamation.
2. **Purpose and Rationale:** Stakeholder analysis studies the stakeholders in a system; their roles, formal and informal links, and influence in order to better manage and engage these stakeholders during a project or change process. Stakeholder analysis is not purely normative and may involve the perceptions of stakeholders regarding their level of influence and engagement regardless of what their mandates may say. This section on MAPS stakeholders examines:
 - Who the stakeholders are;
 - What their level of influence is;
 - Which MAPS pillars they affect the most.
3. More specifically the analysis organizes procurement system stakeholders according to the following categories:
 - being core, extended or external stakeholders
 - the role they play in the procurement system
 - the level of influence they have, where influence is defined as formal authority or assigned function, informal authority, being consulted and/or the capacity to deliver a procurement related mandate
4. Overall, the stakeholder study complements the findings of the institutional and legal analysis completed under MAPS II. Patterns in who had which level of influence were mirrored between the Federal and Regional level. Stakeholders with medium to low influence tended to be those whose institutional arrangements and legal mandates which weakened their ability to play their role. For example, accountability and transparency institutions like the police. The stakeholders with the least influence tending to be non-state actors.
5. While not an explicit category of analysis, the nature of communication and engagement between core and no-core stakeholders had an effect on non-core stakeholder influence. As an example, although civil society (including citizens as taxpayers) and private sector were consulted they lacked space to engage so they may play a proactive role.
6. In addition to institutional arrangements and type of communication/engagement, another factor affecting stakeholder influence was training/capacity. This made categorizing level of influence of stakeholders a challenge as both good and poor performance would have an impact of the quality of the work. This was especially true of the staff of procurement related agencies at both Federal and Regional levels

Core stakeholder overviews and development partner contributions

7. The following section provides details on the core stakeholders of the GoE procurement system. The stakeholders described below include the Ministry of Finance, the Public Procurement and Property Administration Agency, the Bureau of Finance and the Regional Public Procurement and Property Administration Agency. This brief description of core actors is followed by an overview of development partners working on public procurement. Development partners have a unique role in providing resources and technical assistance across all MAPS pillars.
8. **Ministry of Finance:** MoF provides overall guidance and leadership in the management of procurement system strengthening activities. Its involvement in procurement is three fold; First, it is mandated to issue the secondary procurement document (Procurement Directive) that provides detail clarification on issues, as authorized in the procurement proclamation. Therefore, it is considered as the custodian of the procurement policy. Second, it supervises the activities of Public Procurement and Property Administration Agency (PPPAA), establish Complaint Review Board and reviews their activities and report back to relevant authority including to the house of representatives. Third, it provides leadership on all reforms associated with public Financial Management including procurement. The ministry will play a key role in reviewing and approving the action plan generated from the MAPS assessment and in allocating the necessary resource and leadership for its implementation.
9. **PPPAA:** Public Procurement and Property Administration Agency leads on the regulatory function and capacity building activities in public procurement at federal level. As part of its responsibility, the Agency monitor procurement activities through audit and performance measurement tools. It plays a key role in designing and implementing capacity building activities in public procurement including issuance of working documents (Standard Bidding Documents, Templates, tools), providing training etc. Currently, the agency is working in the drafting of the revision to the public procurement proclamation, leading the key procurement reforms including establishment of Electronic Government Procurement. The agency collaborates with other stakeholders including the Procuring entities, private sector, regional regulatory bodies, development partners in building procurement capacity in the country. The Agency will play a key role in preparing and implementing action plan generated from the MAPS assessment in collaboration with other stakeholders.
10. **BoF:** Bureau of Finance is the custodian of public procurement system in regions. It provides guidance and overall leadership in the management of procurement reform activities as well as leading the technical aspects of procurement monitoring and auditing, system strengthening activities and appeal management etc. The BoF is responsible to issue the secondary procurement document (Procurement Directive), issue working documents in procurement (SBDs, Templates and tools). The BoF liaises with the relevant authorities in the federal government (MoF and PPPAA) and leads on procurement reforms in the region. The BoF will play a key role in preparing, reviewing and approving action plan generated from the MAPS assessment in the respective regions including allocation of the necessary resource and leadership for its implementation in collaboration with the federal government and other stakeholders.
11. **RPPA in SNNPR:** The Regional Public Procurement and Property Administration Agency in SNNPR (RPPA) leads on the regulatory function and capacity building activities in public procurement in

SNNPR. As part of its responsibility, the RPPA monitor procurement activities through audit and performance measurement tools. It plays a key role in designing and implementing capacity building activities in public procurement including issuance of working documents (Standard Bidding Documents, Templates, tools), providing training etc. The agency collaborates with other stakeholders including the federal PPPAA, Procuring entities, private sector, development partners in building procurement capacity in the region. The Agency will play a key role in preparing and implementing action plan generated from the MAPS assessment in collaboration with the BoF and the federal government (PPPAA and MoF) and other stakeholders.

12. **Development Partners:** Development partners play active role in supporting the procurement system in Ethiopia. Over the last 10 years, development partners provided technical support during the preparation of national procurement capacity building strategy document and drafting of the federal procurement proclamation (Global Affairs Canada), feasibility study on procurement certification training program (DFID) and support in the preparation of secondary documents and various capacity building activities through the multi donors projects (Promotion of Basic Services Phase II and Phase III). Currently, The World Bank is providing support for the establishment of Electronic Government procurement and others capacity building activities through the PFM standalone project and Enhanced and Shared Prosperity program (PforR program).
13. As part of these supports, DPs are engaged in the procurement dialogue with the Ministry of Finance and Public Procurement and Property Administration Agency. In particular, DPs supporting basic services in Ethiopia (Basic Service Delivery Groups, BSDGs⁸) identified procurement as one of the 5 thematic areas for engagement with the government of Ethiopia and continuously reviews the progress on procurement reforms and system strengthening activities. The DPs and Government formed joint procurement working group and regularly engage on procurement policy matters and reforms since 2014. The BSDGs through the coordination unit (Service Delivery Secretariat) contributed funding for the MAPS Assessment and are expected to provide technical and financial support for the implementation of the recommendations.
14. The following pages provide a registry of stakeholders in the GoE procurement system. Stakeholders are categorized as core, extended or external to the procurement system. A note about the role they play is included, as well as the perceived level of influence that they have on the procurement system. This information is presented in two parts, first for stakeholders at the Federal level and second for stakeholders at the regional levels. The first two tables organize the stakeholders by pillar and highlights their level of influence. This is followed by observations of the stakeholders based on their level of influence, role in the public procurement system and the MAPS pillar they engage in the most.

⁸ Members of the BSDG are WB, DFID, AfDB, EU, Austrian Development Cooperation and Italian Development Cooperation.

Annex 8: Stakeholders Analysis

Federal Stakeholders Organized By Maps Pillars: Stakeholders whose names are bolded in blue have high influence. Normal text represents medium influence and those names which are italicized have low influence in the procurement system. Some stakeholders are involved in more than one pillar so they will appear in multiple columns.

FEDERAL STAKEHOLDERS BY PILLAR			
LEGAL	INSTITUTIONAL FRAMEWORK	PUBLIC PROCUREMENT OPERATIONS & MARKET PRACTICES	ACCOUNTABILITY INTEGRITY & TRANSPARENCY
High influence	-	-	-
<ul style="list-style-type: none"> - House of People’s Representatives - Council of ministers - MoF - Federal Public Procurement and Property Administration Agency 	<ul style="list-style-type: none"> - House of People’s Representatives - Council of ministers - MoF - Federal Public Procurement and Property Administration Agency - 	<ul style="list-style-type: none"> - MoF - Federal Public Procurement and Property Administration Agency 	<ul style="list-style-type: none"> - House of People’s Representatives - Council of ministers - MoF - Federal Public Procurement and Property Administration Agency -
Medium Influence			
<ul style="list-style-type: none"> - PPA’s technical staff - Joint Procurement Working Group - Development partners 	<ul style="list-style-type: none"> - PPA’s technical staff - Procuring Entities - Civil Service Commission - National Planning and Development Commission - Training Institutes - Colleges / Universities - Joint Procurement Working Group - Civil Service Commission - <i>Media</i> 	<ul style="list-style-type: none"> - PPA’s technical staff - Civil Service Commission - Development Partners 	<ul style="list-style-type: none"> - PPA’s technical staff - Procuring Entities - Civil Service Commission - National Planning and Development Commission - Training Institutes - Colleges / Universities - Joint Procurement Working Group - Office of the Federal Auditors General - Development Partners
Low Influence			
<ul style="list-style-type: none"> - <i>Media</i> - <i>PFM Sector Working Group</i> - <i>Chamber of commerce and Sectoral Associations</i> - <i>Contractors association</i> 	<ul style="list-style-type: none"> - <i>PFM Sector Working Group</i> - <i>National Planning and Development Commission</i> 	<ul style="list-style-type: none"> - <i>Media</i> - <i>Chamber of commerce and Sectoral Associations</i> - <i>Contractors association</i> - <i>Architects Association</i> 	<ul style="list-style-type: none"> - <i>Media</i> - <i>PFM Sector Working Group</i> - <i>Chamber of commerce and Sectoral Associations</i> - <i>Contractors association</i>

Annex 8: Stakeholders Analysis

FEDERAL STAKEHOLDERS BY PILLAR			
LEGAL	INSTITUTIONAL FRAMEWORK	PUBLIC PROCUREMENT OPERATIONS & MARKET PRACTICES	ACCOUNTABILITY INTEGRITY & TRANSPARENCY
<ul style="list-style-type: none"> - <i>Architects Association</i> - <i>Foreign bidders/contractors' suppliers</i> - <i>Civil Society Organizations</i> - <i>Regional States</i> - <i>Procurement Regulatory Bodies in Regions</i> 		<ul style="list-style-type: none"> - <i>Foreign bidders/contractors' suppliers</i> - <i>Civil Society Organizations</i> - <i>Regional States</i> - <i>Procurement Regulatory Bodies in Regions</i> - <i>National Planning and Development Commission</i> - <i>Bid Endorsing Committee</i> 	<ul style="list-style-type: none"> - <i>Architects Association</i> - <i>Foreign bidders/contractors' suppliers</i> - <i>Civil Society Organizations</i> - <i>Federal Ethics and Anti-Corruption Commission</i> - <i>Federal Police Commission</i> - <i>Attorney General</i>

Regional Stakeholders Organized By Maps Pillars: Stakeholders whose names are bolded in green have high influence. Normal text represents medium influence and those names which are italicized have low influence in the procurement system. Some stakeholders are involved in more than one pillar so they will appear in multiple columns.

REGIONAL STAKEHOLDERS BY PILLAR			
LEGAL	INSTITUTIONAL FRAMEWORK	PUBLIC PROCUREMENT OPERATIONS & MARKET PRACTICES	ACCOUNTABILITY INTEGRITY & TRANSPARENCY
High Influence			
<ul style="list-style-type: none"> - Bureau of Finance - BoFEC's technical staff - Public Procurement and Property Administration Agency in SNNPR - Federal Public Procurement and Property Administration Agency - MoF 	<ul style="list-style-type: none"> - Bureau of Finance - BoFEC's technical staff - Public Procurement and Property Administration Agency in SNNPR - Federal Public Procurement and Property Administration Agency - MoF 	<ul style="list-style-type: none"> - Bureau of Finance - BoFEC's technical staff - Public Procurement and Property Administration Agency in SNNPR - Federal Public Procurement and Property Administration Agency - MoF 	<ul style="list-style-type: none"> - Bureau of Finance - BoFEC's technical staff - Public Procurement and Property Administration Agency in SNNPR - Federal Public Procurement and Property Administration Agency - MoF

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REGIONAL STAKEHOLDERS BY PILLAR			
LEGAL	INSTITUTIONAL FRAMEWORK	PUBLIC PROCUREMENT OPERATIONS & MARKET PRACTICES	ACCOUNTABILITY INTEGRITY & TRANSPARENCY
Medium influence			
<ul style="list-style-type: none"> - Regional Council - Development Partners 	<ul style="list-style-type: none"> - Procuring Entities in Sector Offices - Regional Council - <u>Woreda/Zone Finance offices</u> - Office of the Regional Auditors General - Procurement Staff of Procuring Entities or Public Bodies - Development Partners 	<ul style="list-style-type: none"> - <u>Woreda/Zone Finance Offices</u> - <u>Regional Attorney General except AA</u> - Procurement Staff of Procuring Entities or Public Bodies 	<ul style="list-style-type: none"> - Procuring Entities in Sector offices - Regional Council - <u>Woreda/Zone Finance Offices</u> - Procurement Staff of Procuring Entities or Public Bodies - Development Partners
Low Influence			
<ul style="list-style-type: none"> - <i>Regional Ethics and Anti-Corruption Commission</i> - <i>Chamber of Commerce and sectoral Associations</i> - <i>Media</i> 	<ul style="list-style-type: none"> - <i>Civil Service Commission</i> - <i>Training Institutes (Regional Management Institute)</i> - <i>Colleges and Universities with Procurement programs</i> - <i>Media</i> 	<ul style="list-style-type: none"> - <i>Civil Service Commission</i> - <i>Bid Endorsing Committee</i> - <i>Chamber of Commerce and Sectoral Associations</i> 	<ul style="list-style-type: none"> - <i>Auditors (Internal and External)</i> - <i>Training Institutes (Regional Management Institute)</i> - <i>Colleges and Universities with Procurement programs</i> - <i>Chamber of Commerce and Sectoral Associations</i> - <i>Media</i>

Observations Of Stakeholder Analysis: The table below provides observations of the stakeholder exercise. It highlights trends and patterns of stakeholders by MAPS pillar for both the Federal and Regional levels of government.

FEDERAL	REGIONAL
High influence: The most influential actors are core to the procurement system and include the Council of Ministers, the House of People’s Representatives, MoF, the Federal Public Procurement and Property Administration Agency, and PPA’s technical staff.	High influence: The most influential actors are the Bureau of Finance, Public Procurement and Property administration in SNNPR, BoFEC’s technical staff
Actors involved in all pillars: MoF, The Federal Public Procurement and Property Agency, PPA’s Technical staff with the media are involved in all pillars of MAPS however the Media have little influence on procurement systems.	Actors involved in all pillars: The Bureau of Finance, Public Procurement and Property administration in SNNPR, BoFEC’s technical staff, the Federal Public Procurement and Property Administration, and the media are engaged in all MAPS pillars, however the Media has little influence on procurement systems.
Low Influence: The least influential actors are more often than not external actors engaging in procurement or who are involved in public consumption of information about procurement policy and procedure.	Low Influence: The least influential actors are more often than not external actors engaging in procurement or who are involved in public consumption of information about procurement policy and procedure.
Under pillar one legal, the state stakeholders have high or medium levels of influence. External stakeholders like media, PFM sector working groups, private sector all have lower influence suggesting mechanisms for engaging users of the system might not be robust.	Under pillar one legal, the core agencies are very influential. However, agencies who can bring checks and balances like the Regional Ethics and Anti-Corruption Commission, Chamber of Commerce and sectoral Associations and Media have weak influence
Under pillar two institutional framework, core procurement stakeholders have strong influence. Only the Media, PFM Sector Working Group & National Planning and Development Commission lack influence. The Development Assistance Group is functional is a place where coordination with external actors could happen.	Under pillar two institutional framework, the training institutes are involved but lack influence.
Under pillar three operations and market practices: public procurement and market practices all stakeholders except the civil service commission have of levels of influence.	Under pillar three operations and market practice: the core procurement agencies have a lot of influence. Extended stakeholders like auditors, chambers of commerce, media and training institutions have limited influence.
Under pillar four accountability, the accountability agencies have institutional	Under pillar four accountability, stakeholders involved in accountability mechanisms are mixed in their level of influence.

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<p>arrangements which weaken their influence the transparency and quality of the work.</p>	
<p>Bridges: Stakeholders who play a connector role to other parts of government or external actors have weak or moderate influence. This could impact the coordination capabilities of reforms that meet resistance or are complex enough that top down directives are insufficient to mobilize, solve problems, and make just in time decisions. The afore mentioned stakeholders are: the Development Assistance Group, the PFM sector working group, the media, professional associations, the National Planning and Development Association.</p>	
<p>High influence: The most influential actors are core to the procurement system and include the Council of Ministers, the House of People’s Representatives, MoF, the Federal Public Procurement and Property Administration Agency, and PPA’s technical staff.</p>	<p>High influence: The most influential actors are the Bureau of Finance, Public Procurement and Property administration in SNNPR, BoFEC’s technical staff</p>

FEDERAL STAKEHOLDER INFLUENCE TABLE

The table on below is an initial step to identify stakeholders, rate their influence on Ethiopia's procurement system at the federal level, identify which MAPS pillar they are associated with and define their role in the procurement system.

FEDERAL PROCUREMENT SYSTEM STAKEHOLDERS <ul style="list-style-type: none"> ▪ Core: leads and does the reform work ▪ Extended: consulted and does some activities ▪ External: informed and engaged for specific tasks 	LEVEL OF INFLUENCE <i>1-3 (3 IS HIGHEST)</i> <i>On the procurement system</i> <ul style="list-style-type: none"> ▪ <i>Formal authority or assigned function</i> ▪ <i>Informal authority</i> ▪ <i>Being consulted</i> ▪ <i>Capacity to deliver mandate</i> 	MAPS PILLAR THEY ARE ASSOCIATED WITH <ol style="list-style-type: none"> 1. <i>legal</i> 2. <i>institutional framework and management</i> 3. <i>public procurement operations and market practices</i> 4. <i>accountability integrity and transparency</i> 	ROLE/FUNCTION IN PROCUREMENT SYSTEM
Executive organs			
- Ministry of Finance Core	3 Formal role	Engaged in all pillars at different depths	<ul style="list-style-type: none"> - Manage all reforms - Recognized in the procurement law to issue secondary laws - They prepare the budget
- Federal Public Procurement and Property Administration Agency Core	3 Formal role	Engaged in all pillars at different depths	<ul style="list-style-type: none"> - They lead reforms - Regulators of the procurement system - Capacity building is their responsibility
- Procuring Entities federal Core	2 Formal role but weak capacity could have an impact on the reform implementation	2 & 3	<ul style="list-style-type: none"> - Procure goods and services - Implement reforms
- Council of ministers Core	3 They have formal authority. However, they do not directly influence design. They can choose to not endorse but the	1, 2, & 4	<ul style="list-style-type: none"> - They endorse what MoF has submitted to them in terms of reforms (setting up institutions) - They assign leadership for procurement reform.

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	likelihood is low nonetheless on major reforms there is debate and they decide.		
- Regional States Extended	1 Indirect influence because they are consulted on major reforms	1, 3	- Regions are consulted in national reforms - Regions can take their own reforms
- Procurement Regulatory bodies in regions Extended	1 They are consulted and not direct implementers or designers reform.	1, 3	- They are consulted; however, they don't have decision making authority on reforms
- Civil service commission Extended	1 Little influence on the federal level	2, 3	- Responsible for human resource management and HR training - Develop HR systems across the country. - PPA does professional training of procurement but it's not recognized in the job structure.
- National Planning and Development Commission Extended	1 Don't have a formal role because there is no legislation to assign this role of cost validation (used to be part of MoF in the past)	2, 3	- Their current role has low influence, but it could be high. - For ex: they prepare the state budget and 'could' be validating cost estimates or do project screening during preparation.
Oversight Bodies			
- House of People's Representatives Core	3 They receive audit reports (and procurement report) annually from all ministries and give reform assignments.	1, 2, 4	- Take decision on proclamation and budget - They review Federal audit reports - They have a role in changes in legislation through a committee that reviews laws and check compliance with other legislation. They do public consultation.
- Office of the Federal Auditors General Extended	3 They have influence on performance through	1& 4	- Responsible for Audits

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	the quality of their audit and their findings which are high level and visible.		<ul style="list-style-type: none"> - Sometimes rely on procurement agency to assess procurement risk - Possible capacity building opportunities for better quality assessment.
- Federal Ethics and Anti-Corruption Commission Extended	1 No longer have investigative authority which is now with policy and prosecution went to attorney general. PPA does sanctions. This split causes coordination and information sharing challenges. No link between PPA, police and attorney general.	4	<ul style="list-style-type: none"> - Prevention work for example: training and follow up on financing disclosure. - However, definitions of corruption differ from Federal Ethics and Anti-Corruption Commission and PPA and Quality of reporting can be better with disaggregated data on corruption and the nature of corruption.
- Attorney General Extended	1 Gives legal advice to the government and prosecutes crimes.	4	<ul style="list-style-type: none"> - The Attorney General is responsible for providing legal advice to the Government, investigating and prosecuting cases related to corruption and fraudulent practices in procurement.
- Federal Police Commission Extended	1 There is no practical and legal link with PPA	4	<ul style="list-style-type: none"> - The Anti-corruption directorate does investigations. - They have a department that collects allegations and another for investigation (documents and physical).
Staff			
- Procurement Staff of Procuring Entities or Public Bodies Core	3	2, 3, 4	Responsible for performance
- PPA's technical staff - Dealing with policy and regulatory matters. Core	3 for procurement reform & performance (oversight function)	Engaged in all pillars at different depths	PPA staff are responsible for regulatory framework

Annex 8: Stakeholders Analysis

	Need to strengthen staff capacity, experience, motivation		
- Bid Endorsing Committee Extended	1	3	They approve procurement decisions but are not involved designing in procurement reforms
- Auditors (Internal and External) Extended	1 for reform 1 for performance They do not have direct involvement	4	They are part of procuring entities
- Complaint Review Board Extended	2 Has the authority to suspend the procurement process and make changes that will influence the decision of Procuring entities		
Institutes and Academia			
- Training Institutes (Civil service university and Ethiopian Management Institute) External	1 They are not involved in procurement reform nor do they provide much training.	2, 4	No formal role for procurement or procurement reform
- Colleges/Universities that provide program on procurement External	1 They are not involved with procurement reform or provide advisory services	2, 4	There is insufficient procurement training in addition a lot of training is done by PPA.
Private sector			
- Chamber of Commerce and Sectoral Associations External	1 They are consulted	1, 3, 4	They are consulted and have strong views. Their views may not always be incorporated.
- Contractors association External	1 They are consulted	1, 3, 4	They are consulted and have strong views. Views may not always be heard
- Architects Association External	1 They are consulted	1, 3, 4	They are consulted and have strong views. Views may not always be heard

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- Foreign bidders/contractors' suppliers External	1 They are consulted	1, 3, 4	They are consulted and have strong views. Views may not always be heard
CSOs and media			
- Civil Society Organizations: COST Ethiopia) and Transparency International External	1 They are consulted they have influence through transparency reforms	1, 3, 4	Do not have much engagement.
- Media Extended	1 They are consulted and are used to share information	Engaged in all pillars at different depths	Media is used to disseminate information on reforms. They are not engaged in design or implementation.
Development partners			
- The World Bank External	2	1, 2, 4	Technical and financial assistance
- African Development Bank External	2	1, 2, 4	
- DFID External	1	1, 2, 4	
- Global Affairs Canada External	1	1, 2, 4	
- Development Assistance Group (DAG) External	2 It is active and working good	1, 2, 4	Donor group includes all donors working in Ethiopia
- PFM Sector Working Group External	1 Not as active	1, 2, 4	Joint donor and government working group that reviews and discusses PFM and procurement reforms. A forum space that meets quarterly.
- Joint Procurement Working Group External	2 <i>Influence on implementation and design through their recommendations Open to gov rating</i>	1, 2, 4	Includes WB, AfDB, DfID and gov bodies like PPA, Regions and the Private sector. Group meets quarterly to discuss procurement matters and

			reports to PFM Sector Working Group
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REGIONAL STAKEHOLDER INFLUENCE TABLE

The table on below is an initial step to identify stakeholders, rate their influence on Ethiopia's procurement system at the regional level, define their role and identify how they are engaged in the system.

REGIONAL PROCUREMENT SYSTEM STAKEHOLDERS <ul style="list-style-type: none"> ▪ <i>Core: leads and does the reform work</i> ▪ <i>Extended: consulted and does some activities</i> ▪ <i>External: informed and engaged for specific tasks</i> 	LEVEL OF INFLUENCE <i>1-3 (3 IS HIGHEST)</i> <i>On the procurement system</i> <ul style="list-style-type: none"> ▪ <i>Formal authority or assigned function</i> ▪ <i>Informal authority</i> ▪ <i>Being consulted</i> ▪ <i>Capacity to deliver mandate</i> 	MAPS PILLAR THEY ARE ASSOCIATED WITH <ol style="list-style-type: none"> 1. <i>legal</i> 2. <i>institutional framework and management</i> 3. <i>public procurement operations and market practices</i> 4. <i>accountability integrity and transparency</i> 	ROLE/FUNCTION IN PROCUREMENT SYSTEM
Executive organs			
- Bureau of Finance Core	3 Formal role	Engaged in all pillars at different depths	- Manage all reforms - Recognized in the procurement law to issue secondary laws - They prepare the budget
- Public Procurement and Property Administration Agency in SNNPR Core	3 Formal role	Engaged in all pillars at different depths	- They lead reforms - Regulators of the procurement system - Capacity building is their responsibility
- Procuring Entities in sector offices Core	2 Formal role but weak capacity could have an impact on the reform implementation	2 & 3	- Procure goods and services - Implement reforms

Annex 8: Stakeholders Analysis

<p>REGIONAL PROCUREMENT SYSTEM STAKEHOLDERS</p> <ul style="list-style-type: none"> ▪ Core: leads and does the reform work ▪ Extended: consulted and does some activities ▪ External: informed and engaged for specific tasks 	<p>LEVEL OF INFLUENCE 1-3 (3 IS HIGHEST) On the procurement system</p> <ul style="list-style-type: none"> ▪ Formal authority or assigned function ▪ Informal authority ▪ Being consulted ▪ Capacity to deliver mandate 	<p>MAPS PILLAR THEY ARE ASSOCIATED WITH</p> <ol style="list-style-type: none"> 1. legal 2. institutional framework and management 3. public procurement operations and market practices 4. accountability integrity and transparency 	<p>ROLE/FUNCTION IN PROCUREMENT SYSTEM</p>
<ul style="list-style-type: none"> - Regional council Core 	<p style="text-align: center;">2</p> <p>They have formal authority. However, they directly influence design. They can choose to not endorse on major reforms like on establishing regulatory agency.</p>	<p>1, 2, & 4</p>	<ul style="list-style-type: none"> - They endorse what BoFEC has submitted to them in terms of reforms (setting up institutions) - They assign leadership for procurement reform.
<ul style="list-style-type: none"> - MoF Core 	<p style="text-align: center;">1</p> <p>Approve national reforms and allocate resource</p>	<p>1, 2,3 & 4</p>	<ul style="list-style-type: none"> - Approve national reforms - Provide resource to rollout reforms in regions
<ul style="list-style-type: none"> - Federal Public Procurement and Property Administration Agency Core 	<p style="text-align: center;">1</p> <p>Initiate reforms and provide technical support.</p>	<p>1, 2,3 & 4</p>	<ul style="list-style-type: none"> - Initiate reforms at national level - Provide guidance and technical support to rollout reforms in regions
<ul style="list-style-type: none"> - Woreda/ Zone finance offices - Extended 	<p>Collaborate in the implementation of reforms</p>	<p>2,3 and 4</p>	<ul style="list-style-type: none"> - Manage centralized procurement at local level - Implement reforms and new procedures
<ul style="list-style-type: none"> - Civil service commission Extended 	<p style="text-align: center;">1</p> <p>Little influence at Regional level</p>	<p>2, 3</p>	<ul style="list-style-type: none"> - Responsible for human resource management and HR training

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<p>REGIONAL PROCUREMENT SYSTEM STAKEHOLDERS</p> <ul style="list-style-type: none"> ▪ Core: leads and does the reform work ▪ Extended: consulted and does some activities ▪ External: informed and engaged for specific tasks 	<p>LEVEL OF INFLUENCE 1-3 (3 IS HIGHEST) On the procurement system</p> <ul style="list-style-type: none"> ▪ Formal authority or assigned function ▪ Informal authority ▪ Being consulted ▪ Capacity to deliver mandate 	<p>MAPS PILLAR THEY ARE ASSOCIATED WITH</p> <ol style="list-style-type: none"> 1. legal 2. institutional framework and management 3. public procurement operations and market practices 4. accountability integrity and transparency 	<p>ROLE/FUNCTION IN PROCUREMENT SYSTEM</p>
			<ul style="list-style-type: none"> - Develop HR systems across the country. - PPA does professional training of procurement but it's not recognized in the job structure.
<p>Oversight Bodies</p>			
<ul style="list-style-type: none"> - Office of the Regional Auditors General Extended 	<p style="text-align: center;">2</p> <p>They have influence on performance through the quality of their audit and their findings which are high level and visible.</p>	<p style="text-align: center;">4</p>	<ul style="list-style-type: none"> - Responsible for Audits - Sometimes rely on procurement agency to assess procurement risk - Possible capacity building opportunities for better quality assessment.
<ul style="list-style-type: none"> - Regional Ethics and Anti-Corruption Commission Extended 	<p style="text-align: center;">1</p> <p>No longer have investigative authority which is now with policy and prosecution went to attorney general. BoFEC (PPA in SNNPR) does sanctions. This split causes coordination and information sharing challenges. No link between PPA,</p>	<p style="text-align: center;">4</p>	<ul style="list-style-type: none"> - Prevention work for example: training and follow up on financing disclosure. - However, definitions of corruption differ from Federal Ethics and Anti-Corruption Commission and PPA and Quality of reporting can be better with disaggregated data on corruption and the nature of corruption.

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REGIONAL PROCUREMENT SYSTEM STAKEHOLDERS <ul style="list-style-type: none"> ▪ Core: leads and does the reform work ▪ Extended: consulted and does some activities ▪ External: informed and engaged for specific tasks 	LEVEL OF INFLUENCE <i>1-3 (3 IS HIGHEST)</i> <i>On the procurement system</i> <ul style="list-style-type: none"> ▪ Formal authority or assigned function ▪ Informal authority ▪ Being consulted ▪ Capacity to deliver mandate 	MAPS PILLAR THEY ARE ASSOCIATED WITH <ol style="list-style-type: none"> 1. legal 2. institutional framework and management 3. public procurement operations and market practices 4. accountability integrity and transparency 	ROLE/FUNCTION IN PROCUREMENT SYSTEM
	police and attorney general.		
- Regional Attorney General except AA - Extended	- Critical role in the fight against corruption	4	- Investigate and prosecute corruption and other prohibited practices in procurement
Staff			
- Procurement Staff of Procuring Entities or Public Bodies Core	2	2, 3, 4	Responsible for performance
- BoF's technical staff - Dealing with policy and regulatory matters. Core	3 for procurement reform & performance (oversight function) Need to strengthen staff capacity, experience, motivation	Engaged in all pillars at different depths	Technical staff are responsible for adopting and implementing reforms
- Bid Endorsing Committee Extended	1	3	They approve procurement decisions but are not involved designing in procurement reforms
- Auditors (Internal and External)	1 for reform 1 for performance They do not have direct involvement	4	They are part of procuring entities

Annex 8: Stakeholders Analysis

<p>REGIONAL PROCUREMENT SYSTEM STAKEHOLDERS</p> <ul style="list-style-type: none"> ▪ <i>Core: leads and does the reform work</i> ▪ <i>Extended: consulted and does some activities</i> ▪ <i>External: informed and engaged for specific tasks</i> 	<p>LEVEL OF INFLUENCE 1-3 (3 IS HIGHEST) <i>On the procurement system</i></p> <ul style="list-style-type: none"> ▪ <i>Formal authority or assigned function</i> ▪ <i>Informal authority</i> ▪ <i>Being consulted</i> ▪ <i>Capacity to deliver mandate</i> 	<p>MAPS PILLAR THEY ARE ASSOCIATED WITH</p> <ol style="list-style-type: none"> 1. <i>legal</i> 2. <i>institutional framework and management</i> 3. <i>public procurement operations and market practices</i> 4. <i>accountability integrity and transparency</i> 	<p>ROLE/FUNCTION IN PROCUREMENT SYSTEM</p>
Institutes and Academia			
<ul style="list-style-type: none"> - Training Institutes (Regional Management Institute) External 	<p style="text-align: center;">1</p> <p>They are not involved in procurement reform nor do they provide much training.</p>	<p style="text-align: center;">2, 4</p>	<p>No formal role for procurement or procurement reform</p>
<ul style="list-style-type: none"> - Colleges/Universities that provide program on procurement External 	<p style="text-align: center;">1</p> <p>They are not involved with procurement reform or provide advisory services</p>	<p style="text-align: center;">2, 4</p>	<p>There is insufficient procurement training</p>
Private sector			
<ul style="list-style-type: none"> - Chamber of Commerce and Sectoral Associations External 	<p style="text-align: center;">1</p> <p>They are consulted</p>	<p style="text-align: center;">1, 3, 4</p>	<p>They are consulted and have strong views. Their views may not always be incorporated.</p>
<ul style="list-style-type: none"> - Local suppliers Extended 	<p style="text-align: center;">1</p> <p>They are consulted</p>	<p style="text-align: center;">1, 3, 4</p>	<p>They are consulted and have strong views. Views may not always be heard</p>
CSOs and media			
<ul style="list-style-type: none"> - Media External 	<p style="text-align: center;">1</p> <p>They are not consulted but are used to share information</p>	<p>Engaged in all pillars at different depths</p>	<p>Media is used to disseminate information on reforms. They are not engaged in design or implementation.</p>

Annex 8: Stakeholders Analysis

<p>REGIONAL PROCUREMENT SYSTEM STAKEHOLDERS</p> <ul style="list-style-type: none"> ▪ <i>Core: leads and does the reform work</i> ▪ <i>Extended: consulted and does some activities</i> ▪ <i>External: informed and engaged for specific tasks</i> 	<p>LEVEL OF INFLUENCE <i>1-3 (3 IS HIGHEST)</i> <i>On the procurement system</i></p> <ul style="list-style-type: none"> ▪ <i>Formal authority or assigned function</i> ▪ <i>Informal authority</i> ▪ <i>Being consulted</i> ▪ <i>Capacity to deliver mandate</i> 	<p>MAPS PILLAR THEY ARE ASSOCIATED WITH</p> <ol style="list-style-type: none"> 1. <i>legal</i> 2. <i>institutional framework and management</i> 3. <i>public procurement operations and market practices</i> 4. <i>accountability integrity and transparency</i> 	<p>ROLE/FUNCTION IN PROCUREMENT SYSTEM</p>
Development partners			
- The World Bank External	2	1, 2, 4	Technical and financial assistance
- African Development Bank External	2	1, 2, 4	Technical and financial assistance
- DFID External	2	1, 2, 4	Technical and financial assistance
- Global Affairs Canada External	2	1, 2, 4	Technical and financial assistance
- Development Assistance Group (DAG) External	2	1, 2, 4	Donor group includes all donors working in Ethiopia
- PFM Sector Working Group External	1 Not as active	1, 2, 4	Joint donor and government working group that reviews and discusses PFM and procurement reforms. A forum space that meets quarterly.
- Joint Procurement Working Group External	2 <i>Influence on implementation and design through their recommendations</i> <i>Open to gov rating</i>	1, 2, 4	Includes WB, AfDB, DfID and gov bodies like PPA, Regions and the Private sector. Group meets quarterly to discuss procurement matters and reports to PFM Sector Working Group

ANNEX 9: e- GP System in Ethiopia

Background

The global government procurement economy is estimated at USD 10 trillion in value; and in most countries, including Ethiopia. Ethiopia's public procurement spend at ~ USD 3.5 billion and faces several inefficiencies due to a complex policy landscape, inconsistent manual processes across Central and State buying organizations, and long lead times. It constitutes more than one-fifth of GDP, taking into account central, regional government.

Good governance in the public procurement sector plays a significant role in the success of the public expenditure Management as about 65 percent of the Government of Ethiopia's (GoE) annual budget is expended through procurement, mostly in transport, energy, water, agriculture, and education. The amount represents a yearly expenditure of about US\$3.5 billion. Introducing e-procurement is expected to help manage the expense of the enormous public fund through public procurement with greater transparency, efficiency, and effectively enhancing compliance, providing a procurement platform with equal treatment to all bidders, applying the same rule of law, maintaining the integrity of the government buyers as well as the private sector, and at the same time raising awareness of the general public about the expenses of the government. Ethiopia may save a considerable amount of money with the efficiency gain through the standardization and automation of the procurement processes through e-Procurement. There will be a \$35 million saving annually, even if the saving is taken conservatively at just one percent (1%) of the annual budget (including lower administrative costs, less paper and travel time, and other). This saving is a lot more than the planned expenditure to design and implement an e-procurement system. The cost-saving impact of e-procurement will be observed in the medium term (if not sooner), suggesting that supporting e-procurement is well justified. Countries worldwide have the experience of saving from 5% to 20% in different procurement settings.

The e-Procurement system implementation in Ethiopia is part of the Public Financial Management (PFM) reforms that aim at enhancing efficiency, transparency, and accountability in the procurement process and also reduce costs. Concerning this, the Federal Public Procurement & Property Administration Agency (FPPA), under the oversight of the Ministry of Finance (MoF) has initiated the enhancement and implementation of E-GP in selected pilot sites by enhancing the already existing e-Procurement system. The system was earlier developed and piloted by the Ministry of Communication and Information Technology (MCIT) - now called the Ministry of Innovation and Technology (MiNT).

Pilot launch of the National e-procurement system was planned for March 2020, but because of the crisis created by the COVID-19, now it has been rescheduled to be launched in December 2020.

The focus of the e-Procurement system that is being developed is on the effective application of the principles of public procurement and good governance, i.e., transparency, accountability, corruption control, value for money, effectiveness, and fairness. If the e-GP system is implemented adequately, the principles make a big difference to the fiscal discipline of government.

e-GP Systems of Ethiopia

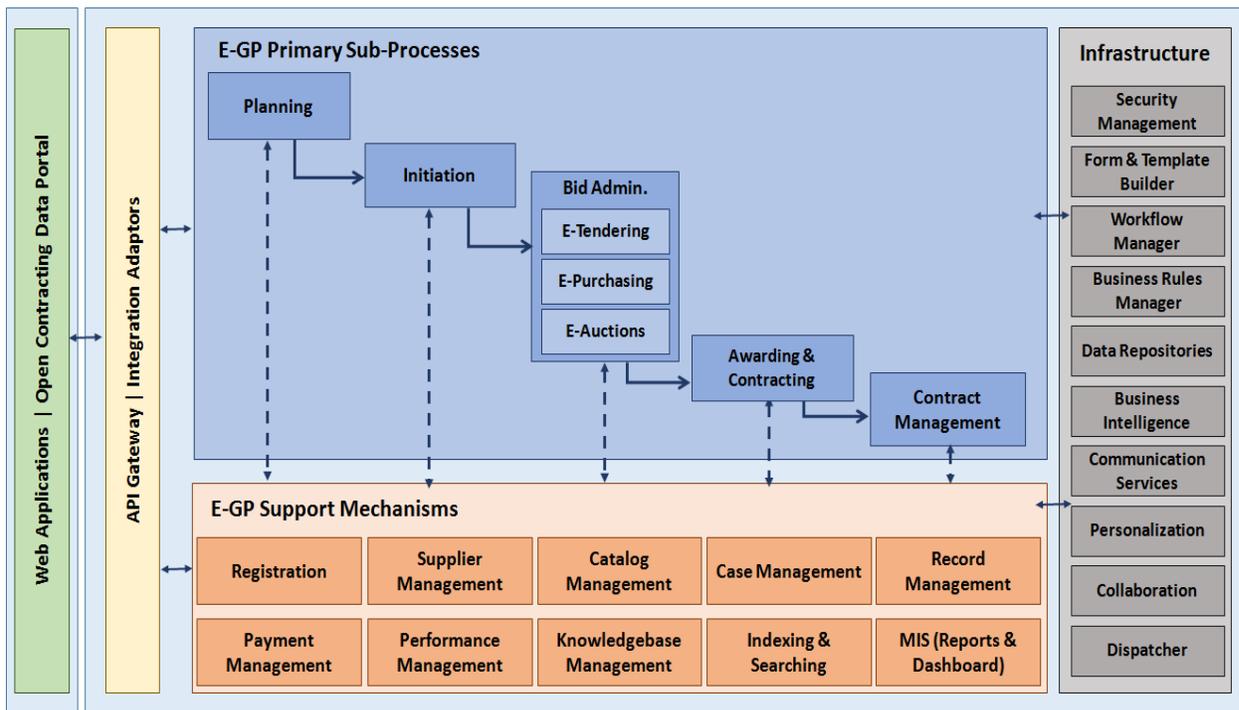
e-GP System is not only the tool for transparency, efficiency, and corruption control, and it is already the mainstream platform for public procurement in general. e-GP Strategy and Roadmap of Ethiopia issued in 2018 focuses on the e-GP implementation at the federal level at the beginning. Still, the system will be rolled out gradually at the regional states ensuring the readiness of the procuring entities. The e-GP system is built interfacing with the WaredaNet. The WoredaNet is a terrestrial and satellite-based communications network of the government that provides Internet connectivity and allied services such as video conferencing and messaging to federal, regional, and woreda-level government entities in Ethiopia.

E-Government Procurement (e-GP) is the end-to-end automation of public procurement. The system developed in Ethiopia falls under the fourth generation of the e-GP Evolution Stage based on functions and technology use. The system is fully form-based transactional and also supports the exchange of Structured bid-data structured files (XML, EXCEL), provides, Comprehensive Analytical reports, allows setting Red flags and visualization of indicators and interoperable with other government e-Services, i.e., Integrated Financial Management System (IFMIS), Trade registration, Tax System, Core Banking, and Payment Gateways.

The e-GP platform is conceptually divided into three functional boundaries: primary functions, support mechanisms, and infrastructural services. The primary functions represent the core activities involved in public procurement. At the same time, the support mechanisms provide complementary services to the core activities. The infrastructural facilities deal with cross-cutting concerns to extend system capabilities and enable integration with other systems and platforms. These three boundaries contain various building blocks, which also known as modules, as shown below.

Primary Functions	Support Mechanisms	Infrastructural Services
<ul style="list-style-type: none"> • Procurement Planning • Initiation • Bidding Administration • Awarding & Contracting • Contract Management 	<ul style="list-style-type: none"> • Registration • Supplier Management • Catalog Management • Case Management • Record Management • Payment Management • Performance Management • Knowledgebase Management • Indexing & Searching • MIS (Reports & Dashboard) 	<ul style="list-style-type: none"> • Security Management • Workflow Management • Business Rules • Form & Template Builder • Business Intelligence • Data Repositories • Communication Services • Personalization • Collaboration • Dispatcher • Integration Adaptors

The relationship and interactions between the various building blocks of the e-GP's are depicted as follows.



Primary Sub-Processes	Description
Procurement Planning	This covers the procurement planning activities from initiation, departmental need collection, organizational Annual Procurement Plan (APP) creation, packaging, scheduling, approval, and publication. It also includes revision of plan and version control.
Initiation	These are concerned with the development and approval of the statement of requirements and setting appropriate procurement methods as per approved APP. The relevant Standard Procurement Document (SPD) template based on the funding source, procurement category, procurement type, procurement method, and specialty of the object of procurement is also determined at this stage. Emergency procurements can be initiated with subsequent revision of APP

Bidding Administration

(e-Tendering, e-Purchasing & e-Auctions)

e-Publication & Notices

This covers building up the bidding document based on the selected SPD in the initiation phase, approval of bidding documents, and generation of bidding documents by inserting standard sections like Instruction to Bidder, General Conditions of Contract (GCC), etc. Based on the APP schedules and selected procurement method, the bid will be notified or advertised to bidders.

Bidding, Purchasing and Auctioning

This covers activities during the bid floating periods such as clarification of inquiries and responses, amendments, secured submission, and storage of bids/proposals / Quotations, furnishing securities and guarantees. It involves e-bidding, e-purchasing, and e-auctions.

Opening & Evaluations

It involves the opening (decryption) of submitted bids or quotations. And depending on procurement method and envelop type, partial or complete evaluation of proposals, and endorsement of evaluation reports.

Awarding & Contracting

Awarding of Contracts

It involves the generation of award notice, draft contract, and notification of successful and unsuccessful bidders. It also initiates the standstill period for complaint filing.

Complaint Handling

It involves the collection of complaints from bidders during the standstill period, the creation of case files, and handling complaints. It also can escalate cases to FPPA if bidders are not satisfied by the PEs resolution. During escalation, the process remains standstill.

Contract Signing

The process involves negotiation and contract signing between the buyer and seller.

Contract Management

It is concerned with the management of the contract once it has been signed. This includes managing contract documentation, amendments, Key Performance Indicators (KPIs), deliverables, and project management (tasks & milestones).

Support Mechanism	Description
Registration	This process involves the registration of Procuring Entities (PEs), Central Agency, oversight agencies, development partners, auditors, and bidders. It also manages users, their profiles, and access privileges.
Supplier Management	It concerned with the management of bidder profiles, attestations, and performance.
Catalog Management	It involves the development of taxonomy/classification; development of product catalog with market information, and accepting and managing bidders' catalogs based prequalification or Framework Agreement (FA).
Case Management	This involves the filing and tracking of external and internal complaints, issues, and tips.
Record Management	This involves capturing and maintaining of records and documents regarding an end-to-end procurement process for reports and auditing purposes.
Payment Management	This deals with settlement of invoices, services fees (like registration, renewal or appeal), and transfer of bid securities and performance guarantees.
Performance Management	Management of performance at each stage of procurement from APP scheduling to initiation to bidding to contract management.
Knowledgebase Management	This involves the development of articles, decision supports, and help center to system users.
Indexing & Searching	It concerned with the ability to search for information regarding catalog, bids, awards, contracts, users, organizations, etc.
MIS (Reports & Dashboard)	Generation of reports and dashboard based on data analysis of records of procurement

Infrastructural Services	Description
Security Management	This covers account management, authentication, authorization, password policy, data auditing, and activity tracking.
Workflow Management	This manages the step-by-step tasks in each primary process as defined by the administrator and procurement method's mandatory process flow requirements.
Business Rules	This involves the definition of bidding ruleset (terms and conditions) based on the SPD that dictate, control, and flag particular action. It also covers general rules during planning, initiation, and contract management.
Business Intelligence	It manages the development of a report template to generate compiled data from datasets. It also enables disclosure of data and documents at all stages of the contracting process by defining a common data model (i.e., Open Contracting Data Standards).
Form & Template Builder	This involves the creation and management of various templates such as planning templates, SPDs, bid questionnaires, contracts, and others.
Data Repositories	It serves as template and data repositories, including dictionaries, lookups, documents, etc.
Communication Services	This includes communication / messaging via e-mail and SMS gateways provided by FPPA.
Personalization	This helps users to personalize system user interfaces and interactions with the system.
Collaboration	This involves a tool to help users easily communicate with each other by posting, commenting, and replying at a different procurement stage.

Dispatcher	This helps to dispatch publications and reports to various audiences based on appropriate permissions and levels of details.
Integration Adaptors	This involves the development of interfaces to connect e-GP with external systems.

Way Forward

1. e-GP System is not only the tool for transparency, efficiency, and corruption control, but it is already the mainstream platform for public procurement in general. The e-GP Strategy and Roadmap of Ethiopia currently focuses on the federal level of e-GP implementation, but further readiness should be accessed at the regional states. The strategy should be updated for the roll-out at the regional states based on their preparedness.
2. Additionally, when you already have an e-GP System coming along with a lot of hope and trust, more focus should be given on having robust primary and secondary datacenter, adequate Internet connectivity, and uninterruptible power supply at the datacenter for 24/7 uptime, so that the e-GP platform is always accessible and available to all.
3. e-GP System in Ethiopia allows the creation of any SPDs in the system, and configure the procurement rules to automate the compliance checking. The government needs to make the use of the e-GP system mandatory; only then can public procurement rules be applied across the country consistently standardizing the procurement processes and practices.
4. Building capacity of the e-GP Users, i.e., Suppliers, procuring entities, oversight agencies, and other stakeholders, is crucial for the smooth operation and implementation of the e-GP system. Self-paced audio-visual online training contents should be built and made publicly available building capacity of a large mass in a short time.

ANNEX 10: Letter of Request from the Government of Ethiopia



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The Federal Democratic Republic of Ethiopia
Public Procurement and Property Administration Agency

*T.C PPPA/71/1/1832
Ref.No.
ቀን 23/9/2011
Date



Carolyn Turk
Country Director
World Bank
Addis Ababa, Ethiopia

Dear Carolyn,

Subject- Intention to Implement Methodology for Assessing Procurement Systems (MAPS II) in Ethiopia

As part of the transformation Agenda, the Government of Ethiopia aims at transforming the performance of Government functions, which includes Public Procurement function because of its importance in contributing to economic development and improvement of good governance in the country. In collaboration with Development partners, we have been implementing procurement reforms since the past many years. These reforms were informed by diagnostic assessment conducted at different times. The CPAR 2002 has helped to establish basic public procurement framework in the country including legal and organizational structure while CPAR 2010 attributed to the procurement system reform towards modernization and professionalization to improve procurement performance.

The Government of Ethiopia realizes that despite the progress made so far, it's time now to reassess our public procurement system if it assures that the Government achieves value for money from its investment while upholding accountability for the use of public resources. This requires strengthening the public procurement through effective reforms that are informed by adequate assessment of the system using internationally developed tools and methodologies.

In view of this, the Government of Ethiopia would like to assess its public procurement system and performance using OECD/DAG's Methodologies for Assessing Procurement System (MAPS II) and identifies the weaknesses and strengths of the system and inform future reforms in the sector. The assessment is timely given that the Government in collaboration with World Bank and development Partners has begun assessment of the PFM system using PEFA. The two assessments will complement each other and give us a comprehensive picture of the PFM and Procurement system in the country.

Thus, this is to request the World Bank's and other Development partners' technical and financial support to undertake procurement system assessment using MAPS II in Ethiopia. The Government of Ethiopia ensures that all necessary support will be provided by line Ministries and public bodies to make the assessment successful.

CC.
-> **State Minister, Fiscal Policy and Public Finance Sector**
Ministry Of Finance

Sincerely,



Maria Luwigi
Director General

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ANNEX 11: Steering Committee

Name	Agency	Position	SC Function
H:E: Dr Eyob Tesfaye	Ministry of Finance (MoF)	State Minister	Co-Chair
Mrs. Hiba Tahboub	The World Bank	Accredited Practice Manager	Co-Chair
Ato Woldeab Demissie	Public Procurement and Property Administration Agency (PPPAA)	Deputy Director General	Member/ Secretary
Ato Dawit Shimeles	MoF	Director	Member
Ato Tesfay Chemedda	Oromia, Bureau of Finance	Deputy Bureau Head	Member
Ato Teferi Abate	SNNPR, Bureau of Finance	Bureau Head	Member
Ato Seifu Issa	Director	Ethiopian Pharmaceutical Supply Agency	Member
W/rt Lemlem Kassu	Addis Ababa, Bureau Of Finance	Senior Procurement Expert	Member
Ato Ahmed Yesuf	Afar, Bureau of Finance	Director	Member
Ato Frew Bekele	Ethiopian Road Authority	Director	Member
Ato Degayhu Desso	Ministry of Agriculture	Director	Member
Mr. Emmanuel Chissea	African Development Bank (AfDB)	Senior Procurement Operation Officer	Member
Ato Negash Bonke	PPPAA	Advisor	Member
Ato Tesfaye Yalew	COST Ethiopia	Director General	Member
Ato Sisay W/senbet	AfDB	Procurement Operation Officer	Member

ANNEX 12: Assessment Team

The World Bank established the Assessment Team to support the Government in the assessment. The team composition:

	<u>Function or key input</u>
1 Elzbieta Sieminska, Lead Procurement Specialist	Task Leader (TTL)
2 Demelash Demssie, Senior Procurement Specialist	Co- Task Leader (Co-TTL)
3 Belita Manka, Senior Counsel, Legal Vice-Presidency of The World Bank	Legal assessment
4 Simeon Sahaydachny, Legal Consultant	Legal assessment
5 Peter Trepte, Legal Consultant	Legal assessment
6 Wassihun Abate, Legal Consultant	Legal assessment
7 Hirut Johnson, Leadership Development Specialist	Stakeholders' analysis
8 Hagos Ahmed Abdie, Procurement Consultants	Qualitative assessment
9 Aleme Tachbele, Procurement Specialist	Data analytics
10 Adanech Tadele Gebregziabher, Procurement Consultants	Qualitative and quantitative assessment
11 Bewketu Moges, Procurement Consultants	Qualitative and quantitative assessment
12 Hussein Sebrie, Procurement Consultants	Quantitative assessment
13 Kejela Fufa, Procurement Consultants	Quantitative assessment
14 Bernard Rukumbi, Procurement Consultants	Quantitative assessment
15 Samuel Mulugeta, Economist	Country Context
16 Rajesh Shakya, e- GP expert	Input on e-GP assessment
17 Gelila Woodeneh, Senior External Affairs Officer	Communication
18 Namita Rajesh, Consultant	Survey and editing the Report
19 Messeret Marcos, Procurement Assistant	Assistant
20 Judith Ramsey-Williams, Program Assistant	Assistant
21 Finot Getachew Wondimagegnehu, Team Assistant	Assistant

The Team worked under supervision of:

1. Hiba Tahboub, Practice Manager
2. Pascal Tegwa, Procurement Hub Coordinator (until February 2020)
3. Anjani Kumar, Procurement Hub Coordinator (from March 2020)

Cooperation and input provided by The World Bank's Procurement Team in Addis Ababa: Ayalew Kebede Belew, Binyam Bedelu, Shimelis Woldehawariat Badisso, and Mogesie Ayele.