



*Launch*

MAPS assessment of  
**ETHIOPIA**

*Findings and  
Recommendations*



# Opening remarks

**Dawit Shimeles**

Director in the Ministry of Finance – Federal  
Democratic Republic of Ethiopia



# Opening remarks

**Elmas Arisoy**

Accredited Procurement Practice manager, for  
East and Southern Africa Region, World Bank



# Findings and recommendations of the MAPS Assessment

**Demelash Demssie**

Senior Procurement Specialist, World Bank



# Assessment of Ethiopian public procurement system using MAPS assessment of public procurement in Ethiopia

## Main findings and Recommendations

February 8, 2023

Demelash Demssie, Sr Procurement Specialist, World Bank

# Ethiopia MAPS – milestones

- ✓ July 2019 – Activity initiated
- ✓ September 2019- Launch Workshop
- ✓ June 2020 – MAPS Report cleared by the WB
- ✓ September 2021- MAPS Seal of Approval
- ✓ November 2022 – MAPS report published

# What went well

- ✓ Full and continuous collaboration between the WB and GoE
- ✓ Wide participation during consultation workshops and survey
- ✓ Opportunity to review performance of the procurement system during emergencies (COVID and Desert Locust)

# Challenges

- ✓ Data inaccessibility and inadequate filing
- ✓ COVID 19 and the restrictions
- ✓ Federal government structure



# Things to keep in mind

- ✓ The Ethiopian MAPS report covers Federal + subnational states (1 main report and 5 matrices)
- ✓ Reflect status at the end of the assessment (June-2020)
- ✓ Follow up works are carried out

# The Four Pillars of MAPS Methodology

- ✓ Pillar I: Legislative and Regulatory Framework
- ✓ Pillar II: Institutional Framework and Management Capacity
- ✓ Pillar III: Procurement Operations and Market Practices
- ✓ Pillar IV: Accountability, Integrity and Transparency

# PILLAR I- Legislative and Regulatory Framework

## Findings

- ✓ Basic legal structure is established, and the proclamation enshrines basic procurement principles of transparency, fairness, accountability
- ✓ Regulatory framework and complaint handling board (CHB)
- ✓ Standard Bidding Documents (SBDs)
- ✓ Specialized PPP law at federal level
- ❖ Non-alignment and inconsistency among procurement documents and also with other documents
- ❖ Lack of transparency and accessibility
- ❖ Rules of participation are incomplete and inconsistent
- ❖ There is no policy on sustainable procurement beyond the rules for MSEs
- ❖ Right to challenge is restricted and complaint system is not independent
- ❖ PPL lack clarity and details for developing and maintaining e-GP
- ❖ PPP – not considered at the subnational level
- ❖ Pooled procurement system at woreda level not regulated through legislation

## Recommendations

- **Enhance clarity and certainty of legal framework**
  - *ensure alignment, provide definition of public bodies, specify applicable contract law, applicability of international agreement*
- **Transparency**
  - *Include legislation requirement, Public, facilitate consultations*
- **Sustainability in procurement**
  - *Develop policy and include in the procurement documents*
- **Eligibility, qualification and evaluation**
  - *Clarify SOE's participation, exclusions due to criminal activities, cooling off period, policy related to MSEs, remove discriminatory qualification requirements, practical guidance*
- **Complaints Review Mechanism**
  - *Enhance structure and capacity of the CHB, Avoid exclusion, avoid COI in complaint review in PPP, establish appeal system for woreda procurement*
- **Contract management**
  - *Consider arbitration in settlement of contract disputes*
- **Elaborate e-GP**
  - *Include necessary provisions in the PPL and PPD*
- **Pool procurement**
  - *Include necessary provision in the regional PPL*

# PILLAR II: Institutional Framework and Management Capacity

## Findings

- ✓ Strong budget allocation, administration and reporting system
- ✓ Project review arrangement (Proclamation adopted)
- ✓ Dedicated regulatory agencies (Federal and SNNPR)
- ✓ Centralized procurement system is used (Federal, Regional and Woreda level)
- ✓ Procuring entities are clearly defined
- ✓ Procurement training certification program started
- ❖ Procurement plans are not used to facilitate budget preparation.
- ❖ Lack of adequate capacity and independence of the Regulatory functions
- ❖ Publication of information not supported by IT
- ❖ e-GP not established
- ❖ Inadequate use of procurement data
- ❖ Professionalization Training program is short of activities reflected in the roadmap

## Recommendations

- **Transparency: Central Federal and Regional Public Procurement websites**
  - *Improve functionality of PPPA's website, establish websites for regions and common platform, Improve coverage & reliability and use of KPIs,*
- **Procurement planning and the budget cycle**
  - *Link budget process with procurement planning, ensure timely release of budget , prepare PP as per directive (Afar) .*
- **Improve the capacity in PPPA and the Regional Regulatory Institutions**
  - *Structure & staffing, address actual or perceived COI,*
- **Consider establishing regulatory function in bigger regions**
  - *Establish independent procurement regulatory function in Oromia and Addis Ababa City administration*
- **Enhance professionalization and training**
  - *Review implementation of the professionalization training against the roadmap and improve, improve the ownership of the professionalization training program, link procurement jobs grading with competency requirement*

# PILLAR III: Procurement Operations and Market Practices

## Findings

- ✓ Good inspection and quality control practices
- ✓ Regular dialogue with the private sector (Federal and Regions)
- ✓ The market in some sectors is competitive (construction)
- ✓ Transparency at woreda level better than regional and federal level (Financial Transparency and Accountability)
- ❖ Incomplete and inaccessible procurement data
- ❖ No market research to inform procurement decisions/approach
- ❖ SBDS (outdated, disproportional to some sectors, subnational states use for works procurement only)
- ❖ Procurement methods and thresholds are not sector specific (one size fits all)
- ❖ Quality of procurement documents needs improvement (improper/inadequate qualification criteria, VFM criteria not used, inadequate quality of evaluation reports)
- ❖ Systemic constraints to participation in bidding and contracting (shortage of FX, limited local market, costly access to press)
- ❖ long time to procure, delay in payment, contract time overruns
- ❖ Absence of procurement procedure to respond to emergency situations

## Recommendations

- **Improve procurement record mgt and accountability**
  - *Ensure completeness and accessibility of procurement records, establish public inspection system after contract award*
- **Carry put need analysis and market research**
  - *Introduce market research for optimal strategies, Analysis of procurement risk in sectors*
- **Improve timeliness of payment**
  - *Review and streamline the payment process, ensure availability of funds before soliciting bids, study and address FX challenges ,*
- **Standard Bidding Documents and Procurement process**
  - *Update SBDS and ensure proportionality and accessibility, Improve quality of procurement documents*
- **Sustainable Procurement**
  - *Consider introducing sustainability in procurement beyond MSE development, review the social and economic impact of the MSE preferential policy*
- **Improve efficiency of the procurement and contractual process**
  - *Introduce efficient way of communicating IFB to the press, establish systematic review of procurement performance using KPIs and improve*
- **Develop a generic emergency preparedness plan**
  - *Integrate procurement to NDPP, establish structure for emergency procurement procedure, setup coordination mechanism*

# PILLAR IV: Accountability, Integrity and Transparency

## Findings

- ✓ Transparent and consultative process during changes to the system (the new Federal Administrative Procedure Proclamation No. 1183/2020) at the Federal level
- ✓ Internal and external control system in place
- ✓ Financial Transparency and Accountability ensuring community involvement at local level
- ✓ Better appeal system at Federal and SNNPR level
- ✓ Strong anticorruption framework
- ❖ Limited access to procurement information
- ❖ No participation of CSOs
- ❖ Procurement audit recommendation not enforced
- ❖ Auditors lack procurement knowledge or are not supported by procurement experts
- ❖ Appeal decisions are not enforceable, not given within the time frame
- ❖ Appeal in some regions is not independent, not accessible for bidders at woreda level
- ❖ Lack of awareness on the need to report bidder's misconduct (fraud) to law enforcement authorities and insufficient coordination among authorities

## Recommendations

- **Enhance participation of citizens in procurement**
  - *Encourage CSOs participation in procurement and contract monitoring*
- **Strengthen internal audit to adequately cover procurement performance**
- **Decision of the appeal body**
  - *Improve timeliness and enforceability, coverage at woreda level*
- **Fraud and Corruption**
  - *Introduce in the procurement legislation, establish mechanism for sharing information among regulatory and law enforcement agencies, improve reporting system on F & C cases*
- **Improve debarment process**
  - *Extend the right of referral to the Agency to include stakeholders such as auditors, regulatory authorities, private sector and civil society*
- **Offences and Punishment**
  - *Ensure relevance of the punishment to the type of wrongdoing (administrative or criminal), Ensure consistency of penalties provided for the same offences in all relevant legislations,*

# Recommendations for intra-harmonized procurement system in Ethiopia

- Within the Constitution framework consider coordination of the Federal and Regional public procurement systems
- Use of harmonized Standard Bidding Documents
- Common procurement information platform for the Federal and Regional levels
- Common e-GP system for the Federal and Regional levels
- Use of one Complaints Review Board (where applicable)
- Harmonized professional standards, job grading, and competency requirements
- Coordination of capacity building, training
- Continue the biannual forum with action plans and follow ups

Thank you



# The way forward

## Anjani Kumar

Senior Procurement Specialist and Procurement Hub  
Coordinator for Ethiopia, Sudan, South Sudan and Eritrea,  
World Bank

## Woldeab Demessie

Deputy Director General, in Public Procurement and Property  
Authority in the Federal Democratic Republic of Ethiopia



# WB support following MAPS

- ❖ Development of procurement strategy document and Action Plan (FY21)
- ❖ Project to implement priority reform actions (FY22) – implementation on progress by PPPA
- ❖ Support for MAPS sector Level procurement system and performance assessment in the Road and Water sectors
  - ❖ *BETF*
  - ❖ *Using the supplementary module released for pilot testing*
  - ❖ *Team established and data collection ongoing*
  - ❖ *GoE established steering committee*
  - ❖ *Report before end of FY 22*
- ❖ E-GP rollout
- ❖ Professionalization training
- ❖ Study on SOE's procurement



## MAPS Key Finding and Implementation status



Public Procurement and Property Authority

Feb/2023

Addis Ababa, Ethiopia

# What we did since MAPS??

- With support from the WB, we prepared procurement reform strategy document and action plan in June 2021
  - ❖ Procurement Reform Strategy Document (Federal government)
  - ❖ Action Plan (Federal Government)
  - ❖ Model Procurement reform Strategy Document (Subnational states)
  - ❖ Model Action Plan (sub national States)

# What we did since MAPS??

- Improving the structure and capacity of the procurement regulatory bodies
  - ❖ The organizational structure and its performance has been studied by Addis Ababa University,
  - ❖ PPPA is in progress to assigning staff with new structure,
  - ❖ Providing support to regional states to consider their regulatory bodies structure,

# What we did since MAPS??

- The procurement proclamation was revised to accommodate recommendations from MAPS. Provisions are introduced addressing the below:
  - ❖ Ensure consistency and alignment of procurement legal documents including circulars
  - ❖ Establishment and maintenance of the E-GP system
  - ❖ Improve the structure and capacity of the CHB included
  - ❖ To improve transparency and public access of procurement information
  - ❖ To govern the involvement of SOEs in public procurement
  - ❖ To govern abnormally low bid, life cycle cost, etc.

# What we did since MAPS??

- In collaboration with the WB, we prepared procurement system strengthening project which is under implementation in PPPA. The project addresses the following issues:
  - ❖ Capacity enhancement support to the procurement regulatory bodies at federal and regional level including establishing training programs. Crown Agent is hired and the work is on progress
  - ❖ Sustainable procurement: Local and International consultants are hired to study the status and entry points to introduce sustainability in the procurement system
  - ❖ Record management: work is ongoing to study on how to improve record management
  - ❖ Streamlining the process for placing procurement notices
  - ❖ Emergency procurement procedure:

# What we did since MAPS??

- Continue the rollout of e-GP:
  - ❖ e-GP is under implementing in 74 ministries and agencies,
- Procurement professionalization
  - ❖ In order to find the gap for the existed professionalization practices , consultant was hired and conducted study and provided recommendation and implementation road map
- To improve involvement of CSOs in public procurement
  - ❖ MOU is signed with Transparency Ethiopia, and we closely working with cost Ethiopia
- To improve quality of audit and enforcement of audit recommendations
  - ❖ Agreement is reached with the General auditor to cooperate in auditing and capacity building of staff in both institutions,
  - ❖ Procurement training provided for procurement auditors from subnational states



# Challenges and Possible solutions

- **Challenge**

- ❖ Delayed in approval of the draft proclamation,
- ❖ Staff capacity and turnover,
- ❖ Financial resources

- **Solutions**

- ❖ Ensure enactment of the proclamation with out further delay
- ❖ Implement the new structure in PPPA
- ❖ Enhance the engagement with WB and other development partner to fulfill the resource gap

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# Q&A and closing remarks

**Nicolás Penagos**

Head, MAPS Secretariat



# Read the full MAPS Assessment of Ethiopia:

<https://bit.ly/MAPS-ethiopia>

For more information on MAPS:

[www.mapsinitiative.org](http://www.mapsinitiative.org)

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