



Building Effective Procurement Systems



MAPS II ASSESSMENT IN ZAMBIA

INTRODUCTION

- The Zambian Government through the ZPPA in collaboration with World Bank and other development partners carried out an assessment of the public procurement system using OECD MAPS II in 2019.
- The MAPS was broadly categorized in four pillars:
 - .Legislative and Regulatory Framework
 - .Institutional Framework and Management Capacity
 - . Procurement Operations and Market Practices
 - . Accountability, Integrity, and Transparency.



PUBLIC FINANCIAL MANAGEMENT AND PROCUREMENT IN ZAMBIA

- Public Procurement Act of 2020 is the Public Procurement Regulation, 2011 form the legal framework for public procurement.
- Public Finance Management Act of 2018 is the legal framework for public finance management.
- Public Procurement accounts for an estimated 15% of the GDP and over 50% of the Total National Budget.
- The Public Procurement Act requires procurement planning as part of the budget preparation process and as a pre-requisite for procurement proceedings.

Overview of how the MAPS II Assessment was conducted

- The MAPS is a universal tool used to assess the quality and effectiveness of procurement systems. It highlights where reforms are most needed and indicate how reforms can be best carried out. The last of a similar assessment was carried in August 2007 by the then ZNTB which was a follow up to the Country Procurement Assessment Review (CPAR) carried out in 2003.
- The MAPS assessment in Zambia had two main developmental objectives: (i) To assess the strength and weaknesses and gaps of the of the public procurement system in the country and benchmarking it with international best practices; and (ii) To help Government to prioritize efforts in public procurement reforms.

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The Assessment in Zambia was conducted using the Core MAPS tools which has fourteen (14) indicators with fifty five (55) sub-indicators, and analyses both qualitative and quantitative criteria.

A MAPS Assessment Steering Committee (MASC) was set up to provide oversight and overall direction. The MASC included representation from key ministries, parastatal organizations, civil society, the private sector as well as development partners and was led by the ZPPA.

During the study there was emphasis on understanding the country content and specifics therefore, the local consultants and the steering committee were very important stakeholders.



PEFA Assessment

- Government of the Republic of Zambia also participated in the Public Expenditure and Financial Accountability (PEFA) which was jointly carried out by the assessment team comprising officials from the Government and the World Bank in 2016.
- The Assessment was undertaken under the Public Financial Management Reform Program financed by multi-donor fund of UK, DFID and KWF.
- The Objective of the assessment was to identify areas of strengths and weaknesses in Government's PFM system and was managed through a high level Government joint donor committee.
- The PEFA assessment had an indicator specifically which examined key aspects of procurement.(Public access to procurement information).
- Three key procurement information elements that were assessed namely:(Regulatory Framework, Bidding Opportunities and Contract awards.



PEFA Review Elements/Findings

Four (4) key elements were assessed on procurement management namely:

- ▶ Procurement Monitoring – Data are maintained manually due absence of an electronic monitoring system.
- ▶ Procurement methods – Competitive methods were used for over 70% of the procurement methods
- ▶ Public access to procurement information – Three key procurement information elements were available – Regulatory framework, Bidding opportunities and contract awards
- ▶ Procurement complaints management – The appeal process satisfied criterion 1 and three other criteria

The final score was C+. The conclusion was that database for procurements information is needed to enhance monitoring capability. More consistent publication arrangements are needed for procurement planning, dispute resolution, and procurement statistics.

MAPS II KEY FINDINGS

► Legislative and Regulatory Framework

The MAPS II summarized the key strengths in the Zambia's procurement legal system

- Comprehensive public procurement legal framework (PPA and PPR.).
- The legal system covers a well-functioning public procurement system.
- Establishes ZPPA as an independent and regulatory body.
- Establishes open tendering as a default method and provides for conditions for use of less competitive methods.
- Contract management functions and management are clearly outlined in the PPR.
- Contractual disputes can be resolved through arbitration, which is more expedient.

MAPS II KEY FINDINGS CONTD....

- The following gaps and weaknesses were identified under Legislative and Regulatory
 - Lack of clarity around procurement involving ‘‘international relations’’
 - Draft Public Procurement Bill 2017 (PPB) improvements and weaknesses :
 - .Continued lack of clarity of activities concerning international relations and international agreement , ZPPA and Attorney –General respective roles
 - . Part time status of newly proposed complaints review body
 - . Mandatory association of foreign bidders as a condition for participation
 - .Lack of judicial review of the decisions by ZPPA and/or complaints review body
 - .Introduction of High value procurement committee under Ministry of Finance
 - .Necessity for PPB to consider introducing a provision on mandatory use of the e-GP by all Pes within a specified and realistic timeframe.

MAPS II KEY FINDINGS CONTD....

► **Institutional Framework and Management Capacity**

Three key strengths were observed in the Zambia's current procurement institutional framework:

- ZPPA established as an independent Regulatory body.
- ZIPS created to professionalize the procurement workforce through mandatory registration.
- Zambia's existing e-GP system which includes open contracting data standards (most elaborated system in the region).

The following gaps and weaknesses were identified under Institutional Framework:

- The requirement for review by ZPPA and AG have potential to consume much resources leading to delays in the procurement process.
- ZPPA's roles and lack of focus on strategic tasks.
- Diffusion of institutional set-up and procurement responsibilities (Involvement of Internal Auditors in the evaluations and procurement committees may dilute accountability of PEs and members).
- Implementation challenges in the full roll-out of the e-GP.

MAPS II KEY FINDINGS CONTD.....

➤ **Public Procurement Operation and Market Practices**

- Barriers to foreign competition in public procurement (Foreign Firms can only participate only if they form associations with local or citizen firm.
- Lack of open and effective engagement with the private sector(Zambia's private sector has systematic constraints in accessing the market).(Lack of resources to train the private sector).
- Limited engagement with civil society (Lack of participation in procurement planning, observation, or monitoring.(PPB included CSOs under the umbrella of stakeholders.
- Poor contract management practices (contracts not implemented timely, no evidence of appointment of contract managers and no formal system to close up contracts etc.)

MAPS II KEY FINDINGS CONTD.....

- **Accountability, Integrity and Transparency of Public Procurement system**
 - Lack of robust and independent complaints review mechanism.
 - Failure to publish contract award notices significantly impacts the transparency of the procurement system.
 - No specialized audits by Auditor-General to ensure efficiency and value for money considerations

PEFA Findings

- The PPA and PPR constitute the legal framework governing public procurement.
- Procurement complaints management (Three-tier mechanism) PE, ZPPA and Arbitration .
- No Electronic data base for monitoring procurements.
- Open Bidding as a default procurement method to ensure value for money and maximum competition.
- ZPPA does not participate in procurement transactions as the procurement system is decentralized.
- Procurement information is readily available in the libraries, ZPPA website and Government Gazette (PPA,PPR , Procurement Opportunities)

MAPS Key Recommendations and Immediate actions

- ▶ Revise draft Public Procurement Bill to address the gaps and weaknesses identified in the assessment.
- ▶ Expedite full roll-out and make use of the e-GP mandatory.
- ▶ Improve transparency measures of contract awards that involve “international relations” before these contracts are signed.
- ▶ Change the role of the MAPS Steering Committee to Technical Advisory Group, which will implement the reform Agenda.

MAPS vs PEFA

MAPS

- Legislative and Regulatory Framework
- Institutional Framework and Management Capacity
- Procurement Operations and Market Practices
- Accountability, Integrity, and Transparency

PEFA

- Regulatory Framework
- Bidding Opportunities
- Contract awards
- Procurement Complaints Management



Comparison of MAPS and PEFA

- ▶ The MAPS II and PEFA procurement assessment are similar, under PEFA the focus under procurement was mainly on the Regulatory function of ZPPA where the country was measured against various aspects in Financial Management.
- ▶ Whereas MAPS II assessed the quality and effectiveness of procurement systems as a whole specifically assessing the strength and weaknesses and gaps of the public procurement system and benchmarking it with international best practices in order to help Government to prioritize efforts in public procurement reforms.
- ▶ The Two Assessments have been of great benefit and have helped the country in aligning reforms in public procurement to international best practices.

Main Reforms carried out

- ▶ The Public Procurement Act No.12 of 2008 was repealed and replaced with Public Procurement Act No.8 of 2020 and has implemented some MAPS recommendation.
- Concept of ‘International procurement agreements’ has been clarified in the PPA No .8 of 2020.
- Under Diffusion of institutional set –up and procurement responsibilities (Internal Auditors) are not included on evaluation Committees.
- Mandatory usage of the e-GP system by procuring entities under section 16 of the PPA No .8 of 2020.
- The Act has provided for stakeholder engagement which will facilitate feedback, detection of violation of the Act and contract performance among other things.



End of session

THANK YOU FOR YOUR ATTENTION