



PRESS BRIEFING

30 JANUARY, 2020

FINDINGS FROM PHASE ONE OF CIVIC PARTICIPATION IN PUBLIC PROCUREMENT FOR BETTER RESOURCE ALLOCATION (CPPP-BPRA) PROJECT

1.0. INTRODUCTION

CONGOMA with financial support from Tilitonse Foundation is implementing a public procurement and disposal of assets monitoring project branded *Civic Participation in Public Procurement for better Public Resource Allocation (CPPP-BPRA)*. Implementation of the project started in February 2019 and is expected to phase out in February 2020. The project targets public procurements at district and national levels.

At district level, the project is being implemented in Rumphi, Lilongwe and Balaka districts through district networks. Following approval of a public procurement and disposal of assets Monitoring System by stakeholders, a Consultant collected data from the three districts for phase one of the exercise - Baseline. We are pleased that the data collected is ready for dissemination.

2.0. PROJECT OVERVIEW

2.1. WHY PUBLIC PROCUREMENT

Starting point is to emphasize that the National budget allocations are predominantly Public Procurement where over 70 percent resources are spent on buying goods, services and works. As such if public procurement is not well managed, huge resources can go down the drain.

The second important point to note is that there is increasing poverty (Oxfam 2015) and increasing inequality among Malawians especially in rural areas due to inadequate public services resulting from corruption, embezzlement and wastage of public resources meant to provide public services.

Based on these arguments one may appreciate that procurement function is very central to deliver goods and public services to the people and as such it needs to be properly managed, hence this project.

2.2. PROJECT GOAL

To enhance civic participation in the public procurement (and disposal of assets) systems and structures in Malawi.

2.3.PROJECT PURPOSE

To prepare Civil Society for effective occupation of public procurement spaces for civic empowerment which will enhance transparency and accountability in public procurement (and disposal of assets) processes by February 2020.

2.4.RESULT AREAS

- (i) Inclusive public procurement systems, procedures and structures
- (ii) Built capacity for knowledge generation, management and learning
- (iii) Enhanced evidence-based interface between duty bearers on public procurement and rights holders

3.0.KEY FINDINGS FROM THE DISTRICTS

From the Baseline study and subsequent interface meetings with stakeholders and at national level, in the three districts (Rumphi, Balaka and Lilongwe) the following are the findings:

- 3.1 Councils have adequate and up to date reference materials on public procurement and disposal of assets which is a good practice and commendable.
- 3.2. There is compliance with laid down procurement rules and regulations by PPDA i.e. sourcing minimum three quotations, tendering among others.
- 3.3. There is competition among suppliers, contractors and other service providers on bidding and tendering for goods, services and works except in case of approved single sources.
- 3.4. Most local suppliers at district level have inadequate capacity and documentation to compete for supply of goods, services and works i.e. they lack certification from PPDA, MRA, Registrar General and National Construction Industry Council -NCIC among others. This negatively affects the viability of local economies and discounts on vibrance of competition. It also creates suspicion among local suppliers once they are not picked to provide goods, services or works at the Council.

- 3.5. District councils are at different levels of disclosure of information on public procurement (and disposal of assets) despite being guided by the same Public Procurement and Disposal of Assets Act -2017. Supply driven disclosure ranges from 31% to 75 % of procurement and disposal of assets in the 3 Councils.
- 3.6. Critically low staffing levels and qualifications compared to the recommended number of staff and qualifications as per establishment. For example; staffing levels averaged 53% while only 7% of the staff had the required qualifications for the procurement units.
- 3.7. Political Interference in implementation of Constituency Development Fund – CDF and Public Works Projects. Elements of interference include imposition of contractors, handling project documentation and funds, and high visibility of politicians in deciding the nature of the projects usually on the basis of campaign promises.
- 3.8. Most MPs manage CDF projects using their own constituency development committees making established local development structures (i.e. Village Development Committees and Area Development Committees) crowded out and redundant.
- 3.9. Inadequate capacity in contract price estimation and contract negotiation skills resulting into some project cost and time over-runs.

4.0. CURRENT OUTCOMES FROM THE PROJECT

- 4.1. Inclusive public procurement systems, procedures and structures
 - a. Acceptability of the project by Councils is proof that they subscribe to ideals of inclusivity and social accountability.
 - b. Created high interest and expectations among public duty bearers and target communities on issues of public procurement and disposal of assets which is essential for public participation, sustainability of the initiative and continuous provision of checks and balances.
 - c. Facilitated the creation of platforms where rights holders and duty bearers interact on issues of public procurement and disposal of assets at district and national levels.
 - d. Established formal working relationships with primary public duty bearers to engage and influence public procurement and disposal of assets policy, practice and process.

4.2. Built capacity for knowledge generation, management and learning:

- a. Developed monitoring and evaluation framework for data capture, analysis and reporting which will be used in the long term by CSOs to monitor and report in public procurement and disposal of assets.
- b. Enhanced preparedness and ability of CONGOMA secretariat to manage Monitoring and Evaluation framework
- c. Motivated district CSO networks and started skills development for them to operate and interface with the monitoring and evaluation framework.
- d. Established partnerships with relevant public institutions for continuous backstopping capacity building.

4.3. Enhanced evidence-based interface between duty bearers on public procurement and rights holders

- a. Generated knowledge from Baseline study as initial starting point of understanding project context and situation on the ground.
- b. Findings from the Baseline study enriched procurement and disposal of assets policy reform interface meetings amongst rights holders and duty bearers.
- c. Created a model of policy reforms through engagement/dialogue which should be evidence based other than hearsay or confrontation.
- d. Managed to secure commitments and buy-in from Councils to enhance their weak areas and strengthen what is working well.
- e. Successfully parried away defensive attitudes among public duty bearers for an open-minded engagement/ dialogue on issues of public procurement and disposal of assets.

5.0.LIMITATIONS

- 5.1.Short implementation period (13 months) has restricted geographical coverage of the project i.e. only Balaka, Lilongwe and Rumphi district Councils.
- 5.2.Some project activities coincided with other major national/District level events which affected availability of key officials from the Councils.
- 5.3.Frequent transferring of officials at the councils affected implementation of some activities

6.0. RECOMMENDATIONS

- 6.1. Establish one stop centres at district level for registration of business entities with Public Procurement and Disposal of Assets – PPDA, National Construction Industry Council – NCIC, Registrar General and Malawi Revenue Authority - MRA.
- 6.2. Revise CDF concept including guidelines, rules and regulations for accountability, enhanced separation of powers between resource allocators (i.e. parliament) / oversight institutions like Anti – Corruption Bureau and implementors (District Councils) in addition to elimination of conflict of interest.
- 6.3. Limit frequent transfers of key public officials at district level
- 6.4. Capacitation of Procurement Units should be speeded up at district council
- 6.5. CSOs should raise awareness (i.e. civic education and translation of materials into local languages) to the citizenry on public procurement (and disposal of assets), District Development Plans – DDP, Social Economic Profile – SEP and Service Charters to enhance their understanding, participation and improve accountability.
- 6.6. Procurement units, procurement committees and departments at District Councils should enhance monitoring of delivery of goods, services and works.
- 6.7. PPDA Authority should consistently audit district councils on public procurements (and disposal of assets) i.e. on annual basis.
- 6.8. CSOs should use non-confrontational approach in their project introduction, lobbying and advocacy to promote partnerships with public duty bearers.

7.0. CONCLUSION

The project has been instrumental in enhancing civic participation in public procurement (and disposal of assets) and creating platforms through which rights holders and public duty bearers interact. Findings from phase one have revealed areas for improvement which various stakeholders are expected to focus on. CONGOMA hopes lessons drawn from the project and partnerships created so far will be sustained to enhance delivery of public services through transparent and accountable public procurement (and disposal of assets). It is CONGOMA's considered view that the results from phase one have provided enough evidence for the project to be deepened and scaled up to other Councils.