



Improving Transparency and Accountability in Public Procurement in Cross River State, Nigeria

CSO:	Development Alternatives and Resource Center (DARC)
Years:	2010 - 2011
Country:	Cross River State, Nigeria
Amount:	\$33.925 USD
Sector:	Procurement: Civil Society Monitoring of Public Procurement and Auctions

Corruption Problem:	Corrupt Practices in Public Procurement Execution due to lack of Transparency and Accountability
Tools employed:	Survey, Constructive Engagement, Peer Learning, Capacity Building, Monitoring & Evaluation System, Coalition Building,

Public procurement processes are prone to leakages and corrupt practices around the world. While this fact is highlighted regularly and documented by both media outlets as well as civil society, there is seldom a home-grown and consorted effort to tackle the problem out front, civil society and public authorities joining hands.

A Nigerian civil society organization, the *Development Alternatives and Resource Center (DARC)*, set out to work with the State office on Due Process and Price Intelligence Department (DPPID) to document the procurement process, build inclusive capacity across all Ministries, Departments and Agencies (MDAs) and thereby helped the administration achieve an outstanding return on investment through its enhanced procurement processes, saving public monies and making progress toward better service delivery for citizens in Cross River State.

Corruption Problem Addressed

Nigeria is challenged by wide-spread and systematic corruption, with reports citing bribery and petty corruption in every-day life as well as state capture and political corruption at the national level. DARC identified an entry point to

support authorities in their self-identified goal to achieve better procurement outcomes in Cross River State, reforming the procurement process by removing from it the elements that increase the risks of corruption.

Based on a survey conducted by DARC, procurement processes lacked simple and clearly delineated steps to be followed, unambiguous and understandable processes that were agreed upon by all stakeholders involved. Furthermore, DARC identified a lack of capacity exhibited by procurement officials across the different MDAs. A major reason for the prevalence of corruption was the issue of sole sourcing instead of competitive and fair bidding for state-issued contracts. The State Governor decided to set up the Due Process Office to restrain corrupt practices and welcomed DARCs offer to assist the Due Process Office.

Actions Taken by DARC

DARC, ensuring the support of the Governor, invited all procurement officers of the Ministries, Department and Agencies for an inclusive review of the procurement process, resulting in a common understanding and a systemic roadmap of the process to be followed by all MDAs. Every activity

was conceptualized as a partnership and on eye-level between the agencies and DARC.



Creating and streamlining a process map for all MDAs in Cross River State, Nigeria.

In particular, the diagnostic evaluation of the previous system and the scoping and definition of new system attracted the full participation, agreement and endorsement of the procurement officers. Peer learning was an integral part of the program. Working in collaboration with the Department, DARC developed a fully documented public procurement process and provided hands-on training to local procurement officers from all MDAs.

The key principles of procurement were explained and officers were taught their roles and responsibilities. To this end, DARC prepared guidelines setting out the procurement rules and regulations clearly, including the checklist of documents and details of the information required at each step in the process. It also provided illustrations of the process from start to finish. A critical component of the training was to teach procurement officers how to prepare and review bid documents, evaluate technical and financial bids, and enforce compliance with due process. The joint training of due-process evaluators and procurement officers provided a good venue for

substantive interaction and levelling between these two groups of procurement officers.

Impact and Results Achieved

In less than 4 months the DPPID reported that they had saved the sum of at least N16 Million on contract award savings.

- ✓ \$106.000 USD had been saved in just the first quarter of 2011.

The PTF grant supporting this initiative amounted to \$33.925 USD, equivalent to a rate of return on PTF's "investment" of close to 900 per cent. This is a low estimate, as the savings in the first 9 months of 2011 were later estimated to be at \$2.7 million USD.

- ✓ \$2.700.000 USD was saved in the first 9 months

The remarkable success of this project may be attributed to many factors, notably streamlined procedures, the systematic use of checklists, standardized templates, document controls, price and market vetting, aided by off-the shelf software and computerization, and the display of a "procurement process map" in strategic locations within procurement offices to forestall attempts to shortcut or bypass key procedures.

Most importantly, there was a concerted effort and constructive engagement between all stakeholders involved. The intervention was championed by the Governor, all ministries, agencies and departments and ably facilitated by DARC. All elements contributed to efficiency, predictability, as well as transparency and new-found accountability in the procurement process of Cross River State.

Besides the savings realized, the new system also sped up payments to be made to private contractors and supported the verification of actual costs of services with suppliers, thus removing

another likely area of leakage and frustration in the private sector.

- ✓ The number of procurement officers capable of correctly preparing bid specifications, terms of reference, bid solicitations, and evaluating bid proposals doubled to 80% from previously 40%
- ✓ 33 procurement officers know how to conduct proper procurement procedures
- ✓ 60% of bid specifications met the required standards compared to 40% in the previous year in the first quarter of 2011
- ✓ Bid evaluations have significantly improved with over 50% correctly completed and only five requests for “no objection” failing to meet the required standard compared to ten in the same period in 2010.



Participants at the procurement process review workshop.

Reflecting their commitment to the new procurement system, the procurement officers issued a statement appealing to heads of State agencies to respect the new system and the recommendations prepared by the technical evaluation officers, and asking the State governor to propose a new Procurement Act to the State Assembly that enshrined the principles and practices of the new system. The proposed new law is now on the statute books.

Documentation

Project completion reports (PCRs) and Project completion assessments (PCAs) can be accessed at www.ptfund.org under the “Where-we-work” tab

DARC’s homepage can be accessed at www.darcng.org

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