

**NATIONAL PUBLIC PROCUREMENT AUTHORITY
SIERRA LEONE**

**NATIONAL PUBLIC PROCUREMENT ASSESSMENT
REPORT FOR SIERRA LEONE
USING THE OECD-DAC/WB JV TOOL**

JUNE 2007

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I. EXECUTIVE SUMMARY

1. SUMMARY OF CRITICAL FINDINGS, BRIEF ANALYSIS AND INTERVENTION PRIORITY RATINGS

Findings and Brief Analysis	Intervention Priority rating
<p>1. Improve on and develop a strategy to make available the legal and regulatory documents, train both the public and private sector stakeholders in their use and at the same time monitor and reinforce them.</p> <p>The entire relevant documents on the procurement system, procedures and processes are to a very large extent available. However, it was found that in both the public and private sectors, the purchasers/employers and the contractors/suppliers are not well grounded in the use of these documents. It will as such yield good results if funds are allocated to NPPA for printing and free distribution of the Act and its regulatory instruments using a developed strategy.</p> <p>The internet facilities in MDAs need to be improved for all stakeholders in procurement to access information on procurement issues and opportunities. It is also necessary to do sensitizations of the public to educate and improve the culture of using the internet.</p> <p>The concept of procurement is new in Sierra Leone. There are therefore few trained personnel in the specialisation. There is as such the need to launch a robust training programme at an affordable cost for at least in the medium term. This will increase the level of professionalism in the process.</p> <p>The act should be reviewed to clearly establish rules and procedures for the participation of public and private sectors in the procurement process so that national development takes a holistic bearing.</p> <p>Various types of fora should be planned and created where all stake holders are informed properly on the process and relevant discussions held.</p>	4
<p>2. Improvement in Institutional Framework and Management Capacity in linking procurement to financial management to achieve fiduciary standards.</p> <p>The annual procurement planning and the multi-year budget planning should be done together.</p> <p>The following conditions should be provided for in the regulatory framework, the Budget Law and financial procedures to achieve timely payments for contract execution: (a) Procurement planning and data on costing be made part of the budget formulation and multiyear planning (b) Budget law and financial procedures support timely procurement, contract execution, and payment and (c) Procurement actions not initiated without budget appropriations</p> <p>The Ministry of Finance and the National Public Procurement Authority (NPPA) should review their documents with a view to including provisions for inclusion of procurement actions being initiated only after budget appropriations.</p>	3

The Integrated Financial Management Information System should be rolled out to all entities.

The staff of the public procurement oversight body should be given high professional training so that their functions are executed efficiently and effectively.

The Internet which hosts procurement information needs to be improved upon so that information dissemination is made efficient.

National Public Procurement Authority designed instruments for data collection should be enforced on the Entities to facilitate monitoring and evaluation.

Communication mechanism on procurement should be improved such that stakeholders exchange data and information faster.

Also NPPA should pursue a staff improvement programme to develop their competency to be able to create a strong impact.

Development of a professional procurement class with clear lines of progression is recommended for consideration by the public service

3. Strategise for improvement in Procurement Operations and Market Practices

Strategies should be developed to encourage commercial banks to improve the credit facility to the private sector

National Public Procurement Authority should advocate for the establishment of security protocols to protect the procurement records

There is absolute need for proper balance between timely and efficient decision makings and adequate risk mitigation

Sierra Leone should formulate and pass an arbitration law without delay

Additionally, the Ministry of Finance should show more dedication to the relationship between disbursements and procurement plans.

4. Improvement on Integrity and Transparency of the Public Procurement System

The act which is the over arching instrument is clear about the various aspects of the process. There is however the need for proper strategy for the enforcement of the law.

A proper procurement Audit system should be put in place to assist the proper functioning of procurement in terms of procurement evaluation.

To enhance proper enforcement of compliance with the rules and standards, provisions need to be made in the laws of Sierra Leone that will give the necessary strength to Independent Procurement Review Panel (IPRP) to enforce their decisions.

The public should be informed about the decisions of the IPRP so that it could serve as a remedy to prevent repetitions of similar violations. This should be made mandatory. This will encourage feedbacks from the public.

A resource centre should be developed at strategic locations so that access to and habit of use of the internet is inculcated by the stakeholders/interested parties.

Resources should sourced to enable wide circulation of information on procurement in the local newspapers and electronic media

The law should be reviewed to make provisions for the enforcement of sanctions for corrupt practices.

The Anti-Corruption Commission and other oversight agencies should be

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encouraged and sensitised to put premium on the preventive approach to procurement fraud and corruption	
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2. OUTLINE OF RECOMMENDATIONS AND RECOMMENDED ACTION PLAN

Sequenced Recommended Actions Summarized by Pillars
Pillar I- Legislative and Regulatory Framework
NPPA to be funded to print copies of the legislative and regulatory documents for free dissemination to libraries and other institutions through which the public will have free access and to establish a resource centre for accessing procurement information. The NPPA should continue the sensitisation workshops for the public
Pillar II- Institutional Framework and Management Capacity
The Ministry of Finance and NPPA should do the multi-year budget and procurement planning together to ensure that the financial procedures achieve the timely payments for contract execution.
The NPPA website should be urgently improved to accommodate the hosting of all procurement information. The use of NPPA designed data collection instruments by the Entities should be made mandatory and enforced.
Pillar III-Procurement Operations and Market Practices
To attain efficiency of procurement operations and market practices, it is recommended that entities' personnel be well trained. NPPA should also facilitate training for the private sector who are key players in the operations.
Pillar IV-Integrity and Transparency of Public Procurement System
Enforcement and follow -up on findings of internal control systems is necessary for the proper functioning of procurement. There is need to improve the practice of internal control procedures.
Measures to be taken by Government/Private Sector
Pillar I-Legislative and Regulatory framework

The legal framework should establish rules and procedures for the participation of Government owned enterprises in contracts. Ministry of Finance to ensure that financial procedures support timely payment for procurement contracts.

Pillar II-Institutional Framework and Management Capacity

. MOF to make sufficient provisions for NPPA to be efficient in the tasks of monitoring contracts and other assignments by improving the staffing, logistics and mobility for monitoring countrywide.

Pillar III- Procurement Operations and Market Practices

Training recommended for the private sector.

The banks should improve credit facilities for the private sector.

Enforcement of the outcomes of dispute resolutions should be made mandatory (Enforcement of IPRP decisions).

The Sierra Leone Government should urgently formulate and enact an arbitration law.

Pillar IV-Integrity and Transparency of the Public Procurement system

The enforcement of the Procurement Law at all levels in the MDAs and an audit system put in place to assist the proper functioning of procurement.

MOF to make provisions for NPPA to adequately inform the public on all decisions taken by the IPRP thus encouraging feedbacks from the public and to prevent repetitions

Sanctions on corrupt public officials and private sector participants should be enforced and public reporting on every case of fraud corruption and unethical behaviour.

Measures to be Taken by NPPA and MDAs

Pillar I- Legislative and Regulatory Framework

NPPA to put arrangements in place for the establishment of a resource centres through which the MDAs and Private sector can access all procurement documents and information. NPPA to sensitize the MDAs and the Private sector on the culture of using the internet.

NPPA to print more copies of the legal and regulatory framework and disseminate freely to all the parties to procurement.

Pillar II- Institutional Framework and Management Capacity

Design the instruments for data collection from the MDAs, train personnel and enforce the practice of good record keeping because most entities do not even have an assets register.

The sourcing of updates will be enhanced with good record management. NPPA to effect capacity development in the area of record keeping.

Pillar III- Procurement Operations and Market Practices

NPPA to advocate for the establishment of protocols to protect records in entities.

Pillar IV-Integrity and Transparency of the Public Procurement System

Even though the NPPA staff have gone through some initial training, the existing staff and the new ones should undergo further training for efficient performance of the monitoring and evaluation tasks.

II. Report

A. Preface:

A1. Date and Basis for Report

The survey was initially planned to be executed in May 2007. The initial target was to conduct the survey during this same month and produce an initial draft result for discussion with stakeholders by the 15th of June, 2007. This could not essentially materialize because of constraints with funding.

During June, 2007, with high resolve, the survey was carried out. The result of which was reported at the end of June 2007

The basis for this report is in a number of folds including:

- As pilot country to put the OECD-DAC/WB JV tool to the test
- As an opportunity to assess the National Public Procurement Process
- Establish a baseline for future National Public Procurement Assessment.

A2. Acknowledgments

The success of this survey is the effort and cooperation of the following:

- Members of the NPPA staff
- Procurement committee members in the MDAs where the survey was conducted
- The various categories of Professionals who provided their services. During the survey

B4. Relevant Country Information

Political Context

Sierra Leone is a post conflict country with a population of 5 million in an area of 71,740 square kilometers. The GDP per capita is around US\$200¹ while the UN Human Development Index (HDI) is one of the lowest in the world. Some 70% of the population lives on less than one dollar a day and 26% live in extreme poverty². Peace returned to Sierra Leone in January 2002, after a decade of conflict. Since the end of the conflict, Sierra Leone has made significant strides in consolidating this peace and rehabilitating the extensive socio-economic destruction caused by the war. The Government, after its re-establishment in 1998 and re-election in 2002, is trying to pursue transparent and inclusive governance in carrying out its programme for stabilization and reconstruction to prevent a recurrence of civil conflict. The next presidential and parliamentary elections are scheduled for August 2007, five years after the last elections were successfully held nationwide. A process of decentralization began in February 2004 with the enactment of the Local Government Act. The May 2004 elections for local governments and chiefdoms were the first in over 30 years. The elections represent an important milestone on the road to peace and political reconciliation. The Truth and Reconciliation Commission (TRC), established to enhance peace building and political reconciliation, successfully concluded its work in June 2004. A Special Court, sponsored by the United Nations, was also established to prosecute those that bear the greatest responsibility for the war atrocities, and trials are ongoing. Arising from these positive developments, the UN Peace Keeping Mission (UNAMSIL) completed its phased withdrawal from the country in December 2005 and was replaced in January 2006 with an integrated but smaller mission – UNIOSIL (United Nations Integrated Office in Sierra Leone), with a mandate of enhancing good governance, transparency and accountability, strengthening the security sector, consolidating peace and supporting a free, fair and credible electoral process in 2007.

Macroeconomic Issues: In 2005, Sierra Leone ranked 176 out of 177 in the HDI³ mainly as a result of ten years of internal conflict resulting in a decline of social

indicators. However, real economic growth (GDP) has been relatively strong in recent years and is estimated at around 7.8% (2006)⁴, driven largely by growth in the mining, agriculture, construction and services sectors while inflation was estimated at around 9.7% (2006)⁵, partly due to robust fiscal policy through enhanced revenue collection, and a stable exchange rate. The local currency (Leone) has been relatively stable in 2006, declining only marginally from Le2898/US\$1 in December 2005 to Le2953/US\$1 as at December 2006⁶ as a result of weekly auctions of foreign currency by the Central Bank of Sierra Leone. Inflows of donor funding have contributed to slowing down the rate of depreciation of the Leone and to reducing fluctuations in the exchange rate during the past year. The macroeconomic policies pursued during the past year focused on a shift from post-conflict reconstruction programmes to economic recovery efforts targeted at enhancing private sector development as well as strengthening the country's existing good relationship with the international donor community. The national economy continues to be extremely dependent on donor support amounting to some 46% of the national budget in 2006. In spite of the creation of a comprehensive investment code, Sierra Leone remains a difficult and expensive country for investors. Consequently, private investment essential to create the additional jobs for the youths who constitute the bulk of the population so as to escape the poverty trap, is highly insufficient.

Regarding public expenditure issues, the Fiscal Priority Framework between the Government and the IMF, projected domestic revenue at 12.4 percent of GDP in 2006. Total expenditures in 2006 were to be contained at 22.0 percent of GDP and expenditure cuts in both recurrent and capital outlays were necessary to achieve this target. The overall deficit including grants was projected at 0.5 percent of GDP while Government domestic borrowing would be contained at 0.3 percent of GDP. During the year also, and in pursuance of the recommendations of the IMF Ex-Post Review report, government introduced contingency planning in the budget execution process. Government, in collaboration with the IMF adopted the Fiscal Priority Framework that would help to allocate scarce resources first to priority areas, in particular to those programs that directly address poverty reduction. Unanticipated shortfalls in external budgetary support, together with slower than anticipated utilization of funds earmarked for poverty outlays, have in the past caused deviations from programmed spending targets. To address these issues, the Fiscal priority Framework identifies predictable resources and also tracks the utilization of these resources for poverty related programs. On the expenditure side, priority outlays that should be protected will be identified in

the budgeting process. Some of these include debt service payments, the wage bill, statutory transfers to the National Revenue Authority and the Road User Fund, as well as various security related outlays. Domestic revenue for the first quarter of 2006 totaled Le 118.8 billion, exceeding the Poverty Reduction Growth Facility (PRGF) target of Le 111.4 billion. The better- than-expected performance in domestic revenues reflected principally improved collections of customs and excise duties. Total grants during the period amounted to Le 48.2 billion compared with the PRGF projections of Le 74.3 billion. The shortfall reflects lower than expected programme and project grants. Total expenditure and net lending also undershot targets, reaching Le 178.8 billion in the first quarter of 2006 compared to the revised budget of Le 187.7 billion and the 2005 PRGF target of Le 218.8 billion. This was due to shortfalls in both recurrent and development expenditure, the latter undershooting PRGF targets by 47 percent to total Le 25.9 billion. This shortfall is closely related to the shortfall in project grants on the revenue side in the first quarter of 2006, linked to a lack of disbursement and implementation of development projects. Reflecting these expenditure and revenue outcomes, the overall deficit including grants stood at Le 11.7 billion for the first quarter of 2006 compared to a revised budgeted surplus of Le 4.4 billion. This did represent however a considerably better outturn compared with the PRGF target deficit of Le 33.1 billion. The overall deficit excluding grants totaled Le 59.9 billion compared with a PRGF target of Le 107.4 billion deficit.

External Trade: Exports reached US\$231million or 17% of GDP as at December 2006, largely driven by a strong performance in diamond exports, which was US\$125million and significant contributions from rutile and bauxite exports,(which resumed after a break of 11 years due to the war) which totaled US\$52million. Officially recorded diamond exports have benefited from the international adoption of the Kimberly Process Certification Scheme.

Exports of minerals amounted to US\$179.24 million in 2006 and 25.81 higher than US\$142.47 million recorded in 2005. Cocoa exports dropped from US\$ 3.9million to US\$2.0million as at December 2006.

Imports continued to grow in 2006, fuelled by higher oil prices and increased importation of machinery and transport equipment mainly for the rehabilitation of the rutile and bauxite mines. The import bill for 2006 totaled US\$394.83million, which was 15.76% higher than the level recorded in the previous year. Imports comprised mainly petroleum products at US\$147.08million, consumer goods including rice at

US\$68.76million, Machinery and Transport at US\$69.11million, intermediary goods at US\$45.7million and manufactured goods at US\$64.17million

The gross external reserves of the Central Bank have increased substantially from balances held in previous years and in December 2006; they stood at Le 172.68million, enough to cover three and a half months' imports. Major inflows of funds were also received from various donors and governments during the year.

Public Procurement: Public procurement reform started in Sierra Leone in 2002 with the launching of a phased reform programme on behalf of the Government by His Excellency President Ahmed Tejan Kabbah in collaboration with development partners, notably the UNDP/IAPSO, World Bank, DfID and EU. This reform has been ongoing since public procurement involves a substantial portion of public expenditure. It is estimated⁷ that out of a total yearly Government budget of US\$342 million, about US\$160 million (about 50% of government expenditure and 16% of GDP) is spent via public procurement processes. Government's priority therefore, is to put in place sound public financial management systems, which also includes the ongoing process of public procurement reforms. Some of the recommendations of the UNDP/IAPSO funded Government Spend Analysis include: the categorization of MDAs by their volume of procurement; outsourcing individual procurement categories and/or the procurement volume of targeted departments for a fixed period of time; identifying lead buyers for major procurement categories and bundling volume; and, standardizing specifications and contracts for commodities. During the tenure of office of the Procurement Reform Steering Committee, the Interim Rules and Regulations, the Standard Bidding Documents and Public Procurement Bill were all finalized with the services of Crown Agents, U.K. The Public Procurement Bill was enacted by Parliament on December 7th 2004, thus paving the way for a legally sustained procurement reform process in the country.

This law is based on the UNCITRAL Model Law, and is a comprehensive legislation designed to put in place a proper regulatory framework for conducting public procurement in Sierra Leone. Following the enactment of the law, the Implementing Regulations, Procurement Manual and Standard Bidding Documents have all been published by the National Public Procurement Authority (NPPA) and disseminated to the procuring entities.

The National Public Procurement Authority, established in February 2005 under the

provisions of the Public Procurement Act 2004, is the regulatory and oversight body advising the Government on all issues pertaining to public procurement in Sierra Leone, as well as building capacity in the procuring entities. Under the Act, public procurement has been fully decentralized to procuring entities – ministries, departments and agencies of government - who now undertake procurement on their own.

Sierra Leone's Poverty Reduction Strategy Paper (PRSP): In an attempt to address the abject poverty, Sierra Leone prepared the Interim Poverty Reduction Strategy paper (I-PRSP) and the National Recovery Strategy (NRS), which were successfully implemented over the period 2002-2004. In April 2005, Sierra Leone prepared the full Poverty Reduction Strategy Paper (PRSP) or the **National Programme for Food Security, Job Creation and Good Governance**. The PRSP represents an ambitious effort by the government to mount a poverty focused development programme after a long period in which there has been little systematic development planning in the country. The PRSP, which was prepared through a process of wide-ranging national and international consultations, is rooted on three main pillars: i) promoting good governance, peace and security; ii) promoting pro-poor sustainable economic growth, food security and job creation; and iii) promoting human development, as reflected by the Millennium Development Goals (MDGs). The choice of pillars is derived from a number of factors, including the recent emergence of the country from civil conflict, the status of governance in the country, and the need to reinvest in the productive sectors in order to promote growth in an effort to reduce the high level of poverty in the country. The pro-poor policies proposed in the three pillars of the PRSP are informed by Sierra Leone's first household survey, which was completed in June 2004. The survey shows that after a decade of conflict, Sierra Leone now faces an even more desperate poverty situation. The proportion of population living below the national poverty line increased from about 57 % in 1990 to 70 % by 2004, or about 4 million people.

The main goal in the PRSP is a reduction in the poverty headcount from the current estimate of 70 % to half the 1990 level by 2015 through an ambitious growth rate of 8-9% per annum (6-7% per capita), promoted by actions under the three pillars of the PRSP. Progress is gradually being achieved in the implementation of the three pillars of the PRSP. Although funding amounting to some US\$1.8 billion was pledged by donors at the Consultative Group Meeting held in London in 2005, much of that amount has not been forthcoming as of date. With the establishment of a full Poverty Reduction

Strategy Paper covering 2005-2007, there is now consensus among the major donors that the best way to make progress in Sierra Leone is through a framework for multi-donor support and a clear and consistent set of conditions that flow from the Poverty Reduction Strategy. This framework was put in place at the Consultative Group (CG) Meeting in November 2006 and underpins a new series of development policy grants for governance reform and growth.

Lastly, as the country has reached the Highly Indebted Poor Countries (HIPC) completion point, a significant debt relief amount of about US\$1.6 billion is expected which will enable large investment in the priority sectors of health, education and energy.

B5. Government's participation in the procurement reform process.

Prior to 2002, the Government of Sierra Leone (GoSL) was losing billions of Leones in public funds through mismanagement, fraud and corruption. During all this bad period, the CENTRAL Tender Board (CTB) was solely responsible for undertaking public procurement activities in the country. Public procurement was a highly centralised process under the aegis of the Ministry of Finance and was considered a mere administrative function with little or no planning of procurement activities by the various MDAs which were utilising public funds for these activities. Accordingly, in 2002, with the backing of His Excellency the President, Dr. Ahmad Tejan Kabbah, the Government decided that the public procurement system was an area that needed urgent reform after the ten-year civil war. The need to reform the public procurement system was considered necessary because 70% of Government's budget is procurement related. An efficient public procurement system would ensure value for money of government spending through comparison with prevailing market rates. With the backing of the UNDP and World Bank, the GoSL embarked on a phased reform process in 2002.

The first phase of the reform process lasted from March 2003 to May 2004. During this period, the Procurement Reform Steering Committee headed by the Honourable Vice President was established, the activities of the Central Tender Board were halted, and a complete overhaul of the regulatory framework effected. A spend analysis of Government procurement was also carried out during this period and it revealed that the Ministry of Education, Science and Technology (MEST) was the highest spender by volume of public funds, followed by the Military (Ministry of Defence), and thirdly by

the Ministry of Health and Sanitation (MOHS). UNDP/IAPSO provided technical advice to the Committee while Crown Agents of the UK were brought in to draft the Interim Rules and Regulations together with the Procurement Reform Executive Secretariat.

The second phase of the reform process is currently in progress and it focuses on the implementation of the Procurement Legislation (enacted in December 2004), the dissemination and use of the regulatory instruments including the standard bidding documents, capacity building in MDAs and the setting up of functioning procurement structures such as procurement committees and procurement units in MDAs. Also established in 2005 were the National Public Procurement Authority (NPPA) which is the monitoring and regulatory body for public procurement and the Independent Procurement Review Panel (IPRP), which is the complaints and administrative review body. Following the enactment by Parliament of the Public Procurement Act 2004, public procurement is now a transparent and open process; rules and procedures have to be followed, i.e., procurement planning by MDAs for their annual budgets; standard bidding documents used in the process and bids opened in public. In short, the entire process has been streamlined which it is expected will ensure great savings for the Government in the long run. Proper and independent monitoring mechanisms will also ensure that registered contractors and suppliers pay the right taxes to Government.

Also noteworthy during this phase, the NPPA and the World Bank in 2005, targeted nine big-spending MDAs (selected on the basis of the Spend Analysis) for an enhanced sensitisation and capacity building exercise in procurement planning, culminating in the production of acceptable and approved procurement plans for 2006. In addition, other MDAs as well as a section of the private sector were also sensitised on the Public Procurement Law and its Regulatory Instruments by the NPPA in 2005, a process which is now gradually being outsourced to the various training institutions in the country.

In terms of the importance of procurement to the National Economy, as 70% of government's budget is procurement related, an efficient public procurement system would ensure value for money of government spending through comparison with prevailing market rates. Public procurement in short, should be a contributor to public financial management rather than a hindrance.

The enactment by Parliament of the Public Procurement Act 2004 and the subsequent establishment of the NPPA and IPRP were milestones in the history of this country as this was the first serious and genuine attempt by the Government of Sierra Leone to regulate public procurement in the country which has also been decentralised to the local councils nationwide.

With NPPA as the regulatory and national oversight body as well as the watchdog for public procurement activities in Sierra Leone, the stage has been set to redress the wrongs of the past in public procurement and from which the country stands to benefit in the immediate future in terms of savings to the economy.

C. SURVEY METHODOLOGY

C1. OBJECTIVE OF THE SURVEY

The objective of this assessment survey is to quantitatively and qualitatively assess the national public procurement system, procedures and processes within the legal framework in the Sierra Leone context. This will facilitate a SWOT (strengths, weaknesses, opportunities and threats) analysis on the process with the view for a forward look for procurement in the country. It will as such form a baseline in the reform process that will enable measurement of progress by falling back on this result for comparison. It will also act as the basis for the foundation of the harmonisation drive.

C2. JUSTIFICATION

The survey is necessary to assess the procurement process in all procuring entities. The result of the survey will enable all stakeholders (the MDAs, National Public Procurement Authority, Development Partners, Private Sector) to understand the status of procurement reform in Sierra Leone, identify their roles, and form a baseline for assessment and enable strategy formulation for harmonisation.

C3. Survey Areas/Coverage

The survey was carried out in Freetown and the other three main Cities where most of the MDAs are located and most of the procurement actions occur.

C4. Survey Instrument

The survey was conducted using an adapted designed OECD_DAC/WB JV pilot tool as the main guide.

In the use of this methodology as the survey instrument, the two types of indicators developed in this pilot venture were used (the baseline indicators-BLI and the compliance/performance indicators-CPI).

C.5a. Baseline Indicators (BLI)

In the application of the BLIs in the survey, the existing national system in terms of regulatory framework and the institutional and operational arrangements were compared to the international standards. Competent and experienced specialist multidisciplinary teams were put together to carry out the assessment.

C.5b. Compliance/Performance Indicators (CPI)

In the case of the CPIs, a well structured questionnaire was developed and administered. The required data was obtained from a representative sample of contracts and information obtained through interviews/surveys with stakeholders in the procurement system. Interviews/surveys were also carried out in relation to matters for which hard statistical or factual information were not always at hand and in some instances public perceptions on how the system was operating was sampled. In addition, other relevant existing data was sourced and utilised.

C6a. Sampling Frame

A comprehensive list of selected entities (Ministries, Departments and Agencies (MDAs)) and Private Sector Organisations was developed for the selection of the interviewee sample. This list was made up of eighteen key benchmark MDAs, additional four non-benchmark MDAs, and three private sector organizations. This made twenty-five entities used as a sample for about 150 entities and private sector organisations involved with procurement in the country. This represents about seventeen percent of the target population (MDAs).

C6b. Sample Design

The focus of the survey was the formal and functional features of the national procurement system design and how the system actually operates. Two types of indicators were used in assessing the system and its operations, the Base-Line Indicators (BLIs) and the Compliance/Performance Indicators (CPIs). The focus of the sample were specific staff concerned with procurement decision-making and process execution in the entities are the vote controllers, accountants, program managers and procurement managers/officers. The final sampling units were these four categories of staff in each of the entities. Estimating that there are 150 entities country wide implies that the actual population is 150 out of which 25 was targeted for the CPI interview/survey. The sample size for the survey is therefore 17 % of the population. For the BLI assessment, a team of 20 carefully selected multidisciplinary team members were selected.

The selection process of the entities, key staff and team members took some main factors into consideration (i.e. probability or purposive sampling). In the first place, weighting has been given to the entities to ensure that from the spend analysis; the key procuring MDAs are selected. Secondly, the key members of the procurement committees in the entities are the interviewees and BLI assessors. Another consideration is the inclusion of private sector to appraise their perception on the process.

D. DATA PRESENTATION

Most of the survey findings are presented and analysed in tables and simple matrixes. This is based on the adapted format of the OECD-DAC/WB JV tool.

TABLE. D.1A. Baseline indicators

Scores for the baseline indicators assessment of procurement systems benchmarking with priority and ranks						
Baseline Indicator	Score for sub-indicators	Average indicator score	Average pillar score	Average indicator Priority	Average Pillar Priority	Pillar Priority Rank
Pillar I – Legislative and Regulatory Framework			2.8		3.00	4
1) The public procurement legislative and regulatory framework.		2.8		3		
a) - Scope of application and coverage of the regulatory framework and public access to legislation.	2					
b) - Procurement methods.	3					
c) - Advertising rules and time limits.	3					
d) - Rules on participation and qualitative selection	2					
e) - Tender documentation and technical specifications.	3					
f) - Tender evaluation and award criteria	3					
g) – Submission, receipt and opening of tenders	3					
h) – Complaints system structure and sequence	3					

2) Implementing Regulations and Documentation					
a) – Implementing regulation that provides defined processes and procedures.	2	2.8		3	
b) – Model tender documents for goods, works, and services.	3				
c) – Procedures for pre-qualification.	3				
d) – Procedures for contracting for services or other requirements in which technical capacity is a key criterion.	3				
e) – User’s guide or manual for contracting entities.	3				
f) – Existence and coverage of General Conditions of Contracts (GCC) for public sector contracts.	3				
Pillar II. Institutional Framework and Management Capacity			2.1		2.33
3) Integration and mainstreaming of the public procurement system into the public sector governance system.		2.3		2	
a) – Procurement planning and data on costing are part of the budget formulation and multiyear planning.	2				
b) – Budget law and financial procedures support timely procurement, contract execution, and payment.	1				
c) – Procurement actions not initiated without budget appropriations.	3				
f) – Systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery with budget programming.	1				

4) Normative and regulatory functions.						
a) – Normative/regulatory functions are established and assigned (to one or several agencies) in the legislative and regulatory framework.	3	2.8		3		
b) – The responsibilities include at least those required in this sub indicator (see description of the indicators and sub – indicators)	3					
c) – Adequacy of organization, funding, staffing, and level of independence and authority (formal power) to exercise the duties under (b).	2					
d) – Separation and clarity so as to avoid conflict of interest and direct involvement in the execution of procurement transactions.	3					
5. Institutional development capacity.		1.8		2		
a) – System for collecting and disseminating procurement information and accessibility.	1					
b) – Systems and procedures for collecting and monitoring national procurement statistics.	2					
c) – Strategy and training capacity to provide training, advice and assistance to develop the capacity.	2					
d) – Quality control standards and staff performance evaluation for capacity development.	2					
Pillar III. Procurement Operations and Market Practices			1.9		2.00	1
6. Efficiency of procurement operations and practices.		2.25		2		
a) – Adequacy of procurement competence among government officials.	2					
b) –Procurement training and information programs	2					

c) – Norms for the safekeeping of records and documents related to transactions and contract management.	2					
d) – Provisions for delegation of authority.	3					
7. Functionality of the public procurement market.						
a) – Effective mechanisms for partnerships between the public and private sector	3	2.7		3		
b) – Private sector institutions are well organized and able to facilitate access to the market.	3					
c) – Systemic constraints inhibiting the private sector’s capacity to access the procurement market.	2					
d) – Clarity and transparency of rules for determining whether to engage international or national markets.						
8. Existence of contract administration and dispute resolution provisions.		1.3		1		
a) – Procedures are clearly defined for undertaking contract administration responsibilities	2					
b) – Contracts include adequate dispute resolution procedures.	0					
c) – Procedures exist to enforce the outcome of the dispute resolution process.	2					
Pillar IV. Integrity and Transparency of the Public Procurement System			2.1		2.25	2
9. Effectiveness of control and audit systems		1.4		1		
a) – Legal framework, organization, policy, and procedures for internal and external control and audit of public procurement.	1					

b) – Enforcement and follow-up on findings and recommendations of the control.	1				
c) – The internal control system provides timely information on compliance to enable management action.	2				
d) – The internal control systems are sufficiently defined to allow performance audits to be conducted.	2				
e) – Auditors are sufficiently informed about procurement requirements.	1				
10. Efficiency of appeals mechanism.					
a) – Decisions are deliberated on the basis of available information, and the final decision can be reviewed and ruled upon by a body (or authority) with enforcement capacity under the law.	3				
b) – Capacity of the complaint review system and enforcement of decisions.	2	2.6		3	
c) – Fairness of the complaints system.	3				
d) – Public access to decisions.	2				
(e) – Independence of the administrative review body.	3				
11. Accessibility to information.					
Publication and distribution of information.	2	2.0		2	
12. Ethics and anticorruption policy and measures.					
a) - Legal provisions on corruption, fraud, conflict of interest, and unethical behaviour.	3				
b) – Definition in legal system of responsibilities, accountabilities, and penalties for fraudulent or corrupt practices.	3	2.6		3	

c) – Enforcement of rulings and penalties.	1				
d) – Measures exist to prevent and detect fraud and corruption in public procurement.	3				
e) – Stakeholders support the creation of a procurement market known for its integrity and ethical behaviours.	2				
f) – Mechanism for reporting fraudulent, corrupt, or unethical behaviour.	3				
g) - Codes of Conduct/Codes of Ethics for participant and provision for disclosure for those in decision making positions.	3				

TABLE. D.1B. Baseline indicators

Status and trend with proposed actions for the baseline indicators		
Baseline Indicator	Status and Trend	Proposed Actions
Pillar I – Legislative and Regulatory Framework		
1) The public procurement legislative and regulatory framework.	The regulatory framework provides adequately for procurement methods, advertising rules and time limits, rules on participation, the submission and evaluation of tenders and a complaints handling and administrative review body.	
a) - Scope of application and coverage of the regulatory framework and public access to legislation.	The regulatory instruments (the Act, Regulations, Manual and the Standard Biding Documents) are developed & published with limited free access by the public.	Funds should be allocated to NPPA for the printing and distribution of the Act and its regulatory instruments to public libraries, universities and other institutions where stakeholders may have free access to them.
b) - Procurement methods.	Part V, Sections 37-47of the Act clearly stipulates the procurement methods to be used based on same thresholds or circumstances for all entities..	The thresholds which determine which form of procurement method is to be used needs to be revisited by means of amending legislation

c) - Advertising rules and time limits.	Sections 48 of the Act, Part V Regulation 52 of the Regulations make adequate provisions for procurement opportunities. Bid opportunities are publicly advertised with sufficient information, circulation and duration.	The internet facilities need to be improved for all stakeholders in procurement to access information on procurement opportunities. It is also necessary to do sensitizations of the public to educate and improve the culture of using the internet.
d) - Rules on participation and qualitative selection	Regulation 20 provides clear guidelines in relation to this area. The Act is however silent on the participation of Government owned Enterprises in the tender process	The Act and regulations should clearly establish rules and procedures for the participation of Government owned Enterprises.
e) - Tender documentation and technical specifications.	Sections 49 (3a) of the Act, Chapter 9-subhead 9.1.2 of the manual and sections 35 of the manual make sufficient provisions in the area of bid documentation and technical specifications. The processes are further detailed in the manual.	The procurement staff in the relevant MDAs should undergo continuous training in such techniques.
f) - Tender evaluation and award criteria	The Act is very clear on tender evaluation and award criteria. This can be seen in sections 54, 56 & 60 of the Act, and Regulation 55.	Adequately inform the public

g) – Submission, receipt and opening of tenders	The Act and its regulatory instruments are specific on this. As can be seen in sections 62-64 of the regulations, section 13(1-3) of the manual and sections 50&52 of the Act specifically make considerations for these requirements	Improve upon enforcement & Monitoring
h) – Complaints system structure and sequence	The current legal & regulatory framework means that the regulatory body, NPPA is more reactive than proactive. However, sections 63 to 65 of the Act and Regulations 157 to 159 158 (2) provide for a complaints handling mechanism and redress.	There is an urgent need for amending legislation to ensure that the NPPA is able to regulate the entire bidding and contract award process from its inception to prevent the need for corrective measures after the event. Amending legislation is also required to ensure that the review body is able to enforce its decisions and provide sanctions for non-compliance.
2) Implementing Regulations and Documentation	The law and regulatory instruments provide for standard bidding documents for goods, work and services, a procurement manual and user guide for MDAs and the existence of general conditions of contract for all public sector contracts.	There is need the legislation to empower NPPA.

a) – Implementing regulation that provides defined processes and procedures.	The implementing Regulations 2006 is clear and available upon request and is subject to periodic updating.	Annual stakeholders meetings to be convened for updating. The practical usage of the documents will highlight area requiring updates
b) – Model tender documents for goods, works, and services.	The law and the regulatory instruments i.e. section 68(2) of the Act and all the SBDs have models and templates for goods, works and services .Every bidding document has a template for "Invitation for Bids" and a template for the preparation of the bidding document	Training in the use of the documents should be continuous and ongoing for all public officials involved in the procurement process.
c) – Procedures for pre-qualification.	Regulation 22, chapter 17 of the Manual and section 21 (7) of the Act clearly state the provisions applicable in this area.	Sensitization of public
d) – Procedures for contracting for services or other requirements in which technical capacity is a key criterion.	The legal framework: Sections 60 (a) & (b) of the Act and Regulations 90-103 and Chapter 19 of the Manual respond to the requirements of this baseline	Monitoring and enforcement of the regulations
e) – User’s guide or manual for contracting entities.	User guides for the SBDs are available for all stakeholders	The NPPA needs funds for printing and free distribution of Manual. Stakeholders’ usage to be intensified.

f) – Existence and coverage of General Conditions of Contracts (GCC) for public sector contracts.	Every SBD has GCC as a component and NPPA insists on the usage of the SBDs.	
Pillar II. Institutional Framework and Management Capacity		
3) Integration and mainstreaming of the public procurement system into the public sector governance system.	The Act provides for mandatory annual procurement planning by all MDAs in conjunction with an Integrated Financial Management Information System (IFMIS) to ensure that procurement actions are not initiated by MDAs without ensuring their ability to meet contractual obligations	
a) – Procurement planning and data on costing are part of the budget formulation and multiyear planning.	Section 29 of the Act and regulation 27 have provisions for annual procurement planning but procurement plans are prepared independently and later revised to meet the budget allocations.	The annual procurement plan and the multi-year budget planning should not be done in isolation of each other. The budget and procurement plans should be done together.
b) – Budget law and financial procedures support timely procurement, contract execution, and payment.	The budget law and financial procedures do not adequately support timely payments by MDAs of procurement contracts	Section 30 (1) of the Government Budgeting & Accountability Act 2005 provides unnecessarily for further approval of contract payments by the Minister of Finance which may be open to misuse and is contrary to the principle established under the Procurement Act 2004 in relation to decentralisation of public procurement.

<p>c) – Procurement actions not initiated without budget appropriations.</p>	<p>Integrated Financial Management Information System. The MOF in their circulars clearly spell out that no procurement actions should be initiated without ensuring that funds are available</p>	<p>The MOF and the NPPA should review their documents with view to including provisions for inclusion of procurement actions being initiated after budget appropriations. Facilitate rolling out of IFMIS to various MDAs</p>
<p>f) – Systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery with budget programming.</p>	<p>Regulations 147 (t) and Annex 1 SPF6 Section C of the Manual make provisions for reporting completed procurement contracts but since the law is relatively new, the NPPA has only started collecting this type of information for onward transmission to the Budget Bureau. MDAs delay in submitting certificate of completion</p>	<p>Incorporation of this into the IFMIS Systematic completion reporting to be enforced in all Entities.</p>
<p>4) Normative and regulatory functions.</p>	<p>The Act provides for the creation of the National Public Procurement Authority to independently monitor and regulate public procurement and ensure compliance, efficiency, and open competition in the procurement process. The Authority itself does not award contracts.</p>	

<p>a) – Normative/regulatory functions are established and assigned (to one or several agencies) in the legislative and regulatory framework.</p>	<p>Part II sections 3-16 of the Procurement Act, Sections 4 (1), (2) of the Manual, Part II, Regulations 2-10 established the NPPA and its regulatory functions and responsibilities</p>	<p>There is a need for more funds to enable the NPPA to be fully operational especially in the area of monitoring.</p>
<p>b) – The responsibilities include at least those required in this sub indicator (see description of the indicators and sub – indicators)</p>	<p>The criteria forms part of functions of NPPA. All eight functions are clearly assigned without any overlap</p>	<p>NPPA needs to fully execute these functions with qualified staff</p>
<p>c) – Adequacy of organization, funding, staffing, and level of independence and authority (formal power) to exercise the duties under (b).</p>	<p>The Regulatory Body (NPPA) has independence and authority to exercise its duties. However, NPPA is in the process of improving this staff level to cope with the assignments.</p>	<p>There is a need to further fund the NPPA to make it more efficient in the pursuit of the assignments and functions (staffing and logistics for mobility to undertake its monitoring functions.</p>
<p>d) – Separation and clarity so as to avoid conflict of interest and direct involvement in the execution of procurement transactions.</p>	<p>NPPA is expressly excluded by Section 14 (3) of the Act from awarding any procurement contract</p>	
<p>5. Institutional development capacity.</p>	<p>The Authority has a website on which information relating to procurement is published and disseminated to interested stakeholders. The Authority is involved at all stages in the training and certification of public procurement officials</p>	

a) – System for collecting and disseminating procurement information and accessibility.	NPPA has a website which carries information relating to procurement activities	The NPPA website which should host procurement information is limited in scope and capacity. There is the need to further improve this information disseminating mechanism by the provision of funds to revamp the website.
b) – Systems and procedures for collecting and monitoring national procurement statistics.	The Country has a system in operation for collection of data. However the data collected once analysed is not adequately fed back into the system	NPPA has designed the instruments for data collection but since the whole process is still in the embryonic stage, the sourcing of updates has to be enforced on the Entities.
c) – Strategy and training capacity to provide training, advice and assistance to develop the capacity.	The Capacity Building Section of the NPPA has adopted the strategy and is presently doing training of Procurement Personnel of various Government institutions to strengthen the capacities of line ministries in procurement	The Trainings are yet to be completed and evaluated to determine their effectiveness
d) – Quality control standards and staff performance evaluation for capacity development.	Section 14 (2) of the Act, Section 4(1) of the manual, and Regulations 4 & 5 actually provide for quality assurance standards for processing procurement actions	The training programmes are ongoing; The staff evaluation performance can be effected after the training and practice.

Pillar III. Procurement Operations and Market Practices		
6. Efficiency of procurement operations and practices.	The Act and Regulations provide for the safekeeping of records and documents and contain provisions relating to the delegation of authority	It is important that procurement records management be closely monitored in the entities.
a) – Adequacy of procurement competence among government officials.	The procurement competence of Government officials is now being developed through certified training programmes.	It should be mandatory that all entities send their personnel regularly for training.
b) –Procurement training and information programs	Training programmes are not regular for the private sector whereas the public sector has sufficient training programmes	Additional training for the private sector is recommended
c) – Norms for the safekeeping of records and documents related to transactions and contract management.	Sections 32(1) of the Act, Chapter 3.2.3 of the Manual and Regulation 147 provide for the safekeeping of records and documents	NPPA to intensify effort in assisting entities establish standard records management system. Policy on procurement records should be made known to entities. NPPA to advocate for the establishment of security protocols for the safekeeping and protection of records.
d) – Provisions for delegation of authority.	There are sufficient provisions in the regulatory framework for delegation of authority to various levels in the procurement system	
7. Functionality of the public procurement market.	Informal mechanisms providing for partnerships between the private and public sector exist.	

a) – Effective mechanisms for partnerships between the public and private sector	There are mechanisms for partnerships between the private and public sector	NPPA should develop further relationship through dialogues or discussions on procurement issues.
b) – Private sector institutions are well organized and able to facilitate access to the market.	The private sector is well organized and competitive for public procurements	NPPA to work with ministry of Trade and Industry to initiate discussions on prospects for joint partnership with the private sector.
c) – Systemic constraints inhibiting the private sector’s capacity to access the procurement market.	There is sufficient competition but there is difficulty in accessing credit from the banks	Govt. should encourage commercial banks to improve the credit facility mechanisms which are available to the private sector
d) – Clarity and transparency of rules for determining whether to engage international or national markets.	The Act makes clear the instances in which the various methods of procurement (NCB, ICB or RFQ) may be used based upon statutory thresholds	
8. Existence of contract administration and dispute resolution provisions.	The Act provides that contract administration responsibility rests with the individual MDAs. The Act does not provide for Alternative Dispute Resolutions (ADR) mechanisms such as arbitration	
a) – Procedures are clearly defined for undertaking contract administration responsibilities	Chapter 15 of the Manual ,Sections 140 and 30 of the Act clearly define the contract administration responsibilities	The general lack of funds in the country has affected timely payments for contracts
b) – Contracts include adequate	Sections 63-65 of the Act, Regulations 157-159 and	Sierra Leone should urgently formulate and

dispute resolution procedures.	section 14.1.3 of the Manual outline the complaints procedures (Dispute resolution procedures) but there is no arbitration law.	pass an arbitration law without delay
c) – Procedures exist to enforce the outcome of the dispute resolution process.	Chapter 15 of the Manual and Sections 140 & 30 of the Act clearly outline the contract administration responsibilities. They also provide not only for monitoring contract administration and addressing issues of performance but also have procedures to enable the winner in a dispute to seek enforcement of the outcome through the courts of law.	There is absolute need for a proper balance between timely and efficient decision making and adequate risk mitigation.
Pillar IV. Integrity and Transparency of the Public Procurement System		
9. Effectiveness of control and audit systems		
a) – Legal framework, organization, policy, and procedures for internal and external control and audit of public procurement.	1 Adequate independent controls and audit mechanisms exist but their findings and decisions are unduly delayed to the point that there is weak enforcement of the laws	Enforcement of the law is necessary.
b) – Enforcement and follow-up on findings and recommendations of the control.	Audits are preformed annually but the recommendations are rarely or not even responded to.	A proper Audit system should be introduced in order to ensure the proper functioning of public procurement process.
c) – The internal control system provides timely information on compliance to enable	There are written standards for conveying issues to management and periodic reporting	Enforcement for compliance with the rules and standards

management action.		
d) – The internal control systems are sufficiently defined to allow performance audits to be conducted.	There are internal control procedures	There is need to improve the practice
e) – Auditors are sufficiently informed about procurement requirements.	There currently exists no specific procurement auditing by the Office of the Auditor General or NPPA.	NPPA staff to undergo formal training from IPAM in procurement auditing.
10. Efficiency of appeals mechanism.	The Act provides for the existence of a complaints review system and a complaints review body but does not adequately provide for the enforcement of decisions of the review body.	
a) – Decisions are deliberated on the basis of available information, and the final decision can be reviewed and ruled upon by a body (or authority) with enforcement capacity under the law.	Sections 63,64& 65 of the Act, section 157,158 & 159 of the Regulations and section 14.13 of the manual exhaustively deal with issues pertaining to complaints`	
b) – Capacity of the complaint review system and enforcement of decisions.	In practice, the complaints review system has no enforcement provisions and so their decisions cannot be enforced	Sierra Leone is urgently required to make provisions for enforcement of IPRP decisions.

c) – Fairness of the complaints system.	The decisions of IPRP are fair unbiased and can be subject to higher level review	The public should be informed about the decisions of the IPRP so that it could serve as a remedy to prevent repetitions of similar issues
d) – Public access to decisions.	Public access to decisions of the IPRP decisions is limited because publication of such decisions is not mandatory. A few newspapers have made publications but the Government news media has not yet made any publications.	The law to make publications of every decision taken by the IPRP mandatory. This will encourage feedbacks from the public.
(e) – Independence of the administrative review body.	The Public Procurement Reviews Panel is Independent and autonomous in resolving complaints	
11. Accessibility to information.	The publication and distribution of information is at an embryonic stage and the Authority's website is limited in its capacity and scope.	
Publication and distribution of information.	Publication and distribution of information on procurement is only at its inception. The NPPA is now posting bidding opportunities on its website usage of which is above the average user.	The culture of using the website should be developed by the stakeholders/interested parties. But for lack of funding, NPPA has developed plans to widely circulate information on procurement in the local newspapers and electronic media

<p>12. Ethics and anticorruption policy and measures.</p>	<p>The Act, Regulations and Manual prohibit fraudulent and corrupt activities by public officials and provide for sanctions. Sierra Leone also has wider laws and sanctions relating to fighting corruption.</p>	
<p>a) - Legal provisions on corruption, fraud, conflict of interest, and unethical behaviour.</p>	<p>There are sufficient legal provisions on ethic and fraud in the Legal Framework. Sections 33 & 34 of the Act and section 2, (3-5) of the Manual are the provisions in the Legal Framework All the tender documents are standard and they incorporate the clauses on corruption and fraud.</p>	
<p>b) – Definition in legal system of responsibilities, accountabilities, and penalties for fraudulent or corrupt practices.</p>	<p>The Legal Framework is quite clear in defining what constitutes fraudulent and corrupt practices and what the ETHICAL BEHAVIOUR of public officials should be. Regulations 152, 153 and 154 of the sets out these corrupt & fraudulent practices. Regulations 155 & 156 stipulate what penalties are levied on corrupt and fraudulent stakeholders.</p>	

c) – Enforcement of rulings and penalties.	There are no records of fraud and corruption cases where decisions were taken and penalties enforced.	Enforcement of sanctions for corrupt practices should be enforced by law
d) – Measures exist to prevent and detect fraud and corruption in public procurement.	The planning and monitoring aspect of procurement law, which was almost non-existent, have impacted seriously on corruption. In all the workshops and seminars, ACC has taken the preventive approach to corruption. Sensitisations on fraud and corruption by the ACC have brought about a lot of awareness .Annual Audit monitoring by NPPA,DACO CIVIL SOCIETY, and others are proving to be effective mechanisms for detection of corruption.	The ACC and other monitoring agencies should put premium on the preventive approach to fraud and corruption.
e) – Stakeholders support the creation of a procurement market known for its integrity and ethical behaviours.	There are several civil society organisations working on the matter and the dialogue with the Government is frequent but the impact is limited because of lack of enforcement.	
f) – Mechanism for reporting fraudulent, corrupt, or unethical behaviour.	The ACC has put in place a secure, accessible and confidential system for the reporting of cases of fraud corruption and unethical behaviour by the public.	

<p>g) - Codes of Conduct/Codes of Ethics for participant and provision for disclosure for those in decision making positions.</p>	<p>Codes of conduct exist for those officials participating in procurement. There are provisions for those involved in public financial management with respect to disclosures requirements</p>	
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D.2. Compliance/performance indicators

PROCUREMENT COMPLIANCE AND PERFORMANCE					
Compliance and Performance Indicator		Status	Compliance and Performance Data	Proposed Actions	Priority
Pillar I – Legislative and Regulatory Framework					
1) The public procurement legislative and regulatory framework.					
b) - Procurement methods.	Percentage of procurement (in volume and in number of contracts) carried out through open tendering.	Contract splitting is very common leading to high level of restricted bidding	27/3.4		
c) - Advertising rules and time limits.	(a) Percentage of invitations for open tenders publicly advertised	There is a low level of tenders advertised publicly.	3.8		
	(b) - Average number of days between invitation to tender advertisement and tender opening by type of procurement.		ICB=42,NCB=28,RFQ=7, others undetermined		
d) - Rules on participation and qualitative selection	Percentage of open tender documents that include provisions barring groups of bidders from participating for reasons other than qualifications or acceptable exclusions.	For the period under review, there are no records showing reasons for barring bidders.			
e) - Tender	Percentage of tenders rejected in each	No records on this			

documentation and technical specifications.	process.	issue			
f) - Tender evaluation and award criteria	(a) Percentage of tenders including non quantifiable or subjective evaluation or post qualification criteria.	No records on this issue			
	(b) Public perception of confidentiality of tender evaluation process.	There is a general view that evaluation is biased			
g) – Submission, receipt and opening of tenders	Percentage of open tenders opened publicly and recorded.	All open tenders (ICB & NCB) are found to be opened publicly	100		
h) – Complaints system structure and sequence	Percentage of cases resolved within the terms established in the legal framework.	For the period under review, records show three cases that were handled by IPRP and all resolved within established terms. There is however no records on cases handled in entities.	100		
2) Implementing Regulations and Documentation					
b) – Model tender documents for goods, works, and services.	Percentage of open tenders that use model tender documents or clauses.	All open tenders (ICB & NCB) on local funds use National standard documents. Those using funds directly	100		

		from donors are found to be using various donor procedures and documents.			
c) – Procedures for pre-qualification.	a) Percentage of cases for which prequalification was used appropriately as prescribed in the legal framework. b) Percentage of cases that used objective pass/fail prequalification criteria as opposed to subjective qualitative ones.	All open tenders (ICB & NCB) on local funds use National standard documents. Those using funds directly from donors are found to be using various donor procedures and documents.	100		
f) – Existence and coverage of General Conditions of Contracts (GCC) for public sector contracts.	Percentage of tenders that use the GCC, standard clauses or templates as applicable.	All open tenders (ICB & NCB) on local funds use National standard documents. Those using funds directly from donors are found to be using various donor procedures and documents.	100		
Pillar II. Institutional Framework and Management Capacity					
3) Integration and mainstreaming of the					

public procurement system into the public sector governance system.					
b) – Budget law and financial procedures support timely procurement, contract execution, and payment.	(a) Percentage of late payments (e.g. exceeding the contractually specified payment schedule).	Records on this were found to be poorly kept. It was however reported by respondents that payments are frequently late and arrears common	N/A	Procurement records management capacity building needs serious attention.	
	(b) Average number of days in arrears.				
f) – Systematic completion reports are prepared for certification of budget execution and for reconciliation of delivery with budget programming.	a) Percentage of major contracts with completion reports. b) Average time after final contract liquidation within which completion reports are finalized.	No records on this issue			
4) Normative and regulatory functions.					
c) – Adequacy of organization, funding, staffing, and level of independence and authority (formal power) to exercise the	Percentage of surveyed actors that perceive the function being performed as competently and timely.	Respondents in general see NPPA as not being able to accomplish its functions in full.			

duties under (b).					
d) – Separation and clarity so as to avoid conflict of interest and direct involvement in the execution of procurement transactions.	Percentage of surveyed actors that perceive the regulatory function being independent from procurement operations.	In general, the role of NPPA as a regulatory body is seen as different from that of the entities. Concerns are however raised over interference with operations from NPPA.			
5. Institutional development capacity.					
b) – Systems and procedures for collecting and monitoring national procurement statistics.	Number of days by which the information is outdated.	Data for the first and second quarters are collected and processed. Mobility constraints made it difficult to get the data for the other two quarters	180		
c) – Strategy and training capacity to provide training, advice and assistance to develop the capacity.	(a) Number of procurement officers in the central government that receives formal training in the year. (b) Average waiting time to get in a formal training event.	The issue of procurement reform in the entities started only in 2005. There was therefore no procurement personnel development in place	N/A	Procurement personnel capacity building needs serious attention.	

		in the entities. The responsibility of procurement was a mere assigned responsibility to administrators			
Pillar III. Procurement Operations and Market Practices					
6. Efficiency of procurement operations and practices.	Average number of days for procurement cycle from tender advertisement to contract award	This varies with the type of procurement method used, category of procurement and adherence to payment terms			
c) – Norms for the safekeeping of records and documents related to transactions and contract management.	Percentage of contracts found with incomplete records as per the list given for this sub indicator keeping.	Practically, all contracts listed did not have complete records.			
7. Functionality of the public procurement market.					
a) – Effective mechanisms for partnerships between the public and private sector	Percentage of favourable opinion on effectiveness of mechanisms by relevant organizations or agencies.		23.1		

b) – Private sector institutions are well organized and able to facilitate access to the market.	Average number of tenders submitted in each process	Since this is the first year that the process has been made mandatory, it had varied so widely that averaging would distort the picture.	60		
8. Existence of contract administration and dispute resolution provisions.					
a) – Procedures are clearly defined for undertaking contract administration responsibilities	Percentage of satisfactory opinions on performance of the system.	Most hold the view that the system needs time to assess	N/A		
b) – Contracts include adequate dispute resolution procedures.	Percentage of contracts that include ADR provisions.	The GCC/SCC of all SBD's is very clear on dispute resolution	100		
Pillar IV. Integrity and Transparency of the Public Procurement System					
9. Effectiveness of control and audit systems					
10. Efficiency of appeals mechanism.					

b) – Capacity of the complaint review system and enforcement of decisions.	a) Percentage of complaints processed within the time limits posted or set out in the legal framework. b) Percentage of decisions taken that has been actually enforced.	Documentation on complaint mechanism at the entity level was not available. At the Independent Procurement Review Panel level, all the complaints were handled within the time frame. There is however no enforcement mechanism in place.	100		
c) – Fairness of the complaints system.	Percentage of favourable opinions by the participants in the system on the fairness of the process	Confidence needs to be built on the fairness of the process. This is the cause of the low level of complaints			
d) – Public access to decisions.		Decisions are available on request and also posted to the NPPA website but yet to be published in the local news papers	Weak		
11. Accessibility to information.					

c) – Enforcement of rulings and penalties.	(a) Percentage of corruption accusations that go to trial. (b) Percentage of those that actually result in application of sanctions or penalties.	Within the period for which the survey was undertaken, there was no direct procurement related corruption accusation that went to court. There were therefore no records of applied sanctions	N/A		
d) – Measures exist to prevent and detect fraud and corruption in public procurement.	Percentage of favourable opinions by the public on the effectiveness of the anticorruption measures.	Since anticorruption operation borders on public procurement, there is the view that it has had a positive impact on reduction of procurement corruption. Although it is believed that much needs to be done.	50		

D. Discussion and analysis of Findings

E1. Public Sector

E1.1. Legal and Regulatory Framework

From the assessment, this pillar, in terms of the baseline, shows very high ranks with an average pillar scores of 2.8. The Pillar Priority for intervention on meeting baseline standards shows that little improvement is required for it to meet internationally accepted standards (Priority 4).

Compliance and performance however have shown to be of very serious concern. The assessment shows that only 27% of contract volume and 3.4% of contract number use open tendering methods. Further more only 3.8% of all tenders are publicly advertised. Probing into factors responsible showed that lack of qualified staff, low access to funds and administrative interferences as the main causes. A major problem with compliance and performance assessment is the poor records management and at times non availability of records in the entities. It clearly came out that there were no proper procurement record keeping in the entities. This led to the non availability of information and data on a number of variables during the assessment. There is a poor perception of the evaluation process by the private sector. This was shown to be as a result of the situation inherited from the past central tender board system during which period, there was an accusation of corruption. It was however shown that of the small number of open tenders, all use standard bidding documents and follow procedures.

1) The public procurement legislative and regulatory framework.

The assessment of this indicator shows that it is of high standard. There is adequate provision for procurement methods, advertising rules and time limits, rules on participation, the submission and evaluation of tenders and a complaints handling and administrative review body. This indicator had an average score of 2.8 with six of the sub indicators scoring 3 and two scoring 2

2) Implementing Regulations and Documentation

With regards to this indicator, the law and regulatory instruments provide for standard bidding documents for goods, work and services, a procurement manual and user guide for MDAs and the existence of general conditions of

contract for all public sector contracts. The average score is 2.8. Five of the sub indicators had a score of 3 and one had 2

E1.2. Institutional framework and management capacity

The assessment shows that this pillar has a good standard. The average pillar baseline indicator score is 2.1. It is in the third position for intervention need.

3) Integration and mainstreaming of the public procurement system into the public sector governance system.

The average baseline score for this indicator is 1.8. The Act provides for mandatory annual procurement planning by all MDAs in conjunction with an Integrated Financial Management Information System (IFMIS) to ensure that procurement actions are not initiated by MDAs without ensuring their ability to meet contractual obligations. Records on procurement financial transactions were found to be poorly kept

4). Normative and regulatory functions.

There is found to be a high level in meeting the internally accepted standards from the point of view of the base line indicators. The average indicator score is 2.8 with three of the sub indicator scoring 3 and one scoring 2. the indicator intervention ranking is 3.

The Act provides for the creation of the National Public Procurement Authority to independently monitor and regulate public procurement and ensure compliance, efficiency, and open competition in the procurement process. The Authority itself does not award contracts. The general view is that the oversight body, National Public Procurement Authority has functions well defined and different from those of the entities.

5. Institutional development capacity.

This indicator has an average baseline score of 1.8 with three sub indicators scoring 2 and one scoring 1.

In terms of compliance, it came out clearly that there is gross delay in information updating. No personnel development plan was found to be in place. Procurement was an administrative responsibility assigned to either senior

secretaries or at best to accountants. There was therefore no carved career path for the speciality.

The Authority has a website on which information relating to procurement is published and disseminated to interested stakeholders. The Authority is involved at all stages in the training and certification of public procurement officials.

E1.3 Procurement operations and market practices

From the standpoint of the baseline indicators, the average pillar score of 2.1 for this pillar is fairly high in terms of ranking. The Pillar Priority Rank for intervention of 1(one) indicates that much improvement is required for this Pillar to meet internationally accepted standards. This implies that this is the pillar that that needs the highest attention.

On the compliance and performance indicator, it was evident that records management was poor in practically all the entities, resulting in incomplete records for all contracts examined. Furthermore, the effectiveness of mechanisms for collaboration between the public and private sectors in relevant organizations or agencies registered a score of only 23.1%. This indicates a need to further improve on and deepen the collaborative processes in order to enhance the functionality of the public procurement market in Sierra Leone. In addition, as the public procurement reform process is still in its infancy, a cautious approach is necessary in the analysis of data presented under this pillar.

6) Efficiency of procurement operations and practices.

The assessment of this indicator indicates ample provision by the Act and its Regulations for the safekeeping of records and documents as well as sufficient provision for delegation of authority. The average score for this indicator is 2.3, with three of the sub-indicators scoring 2 each and another scoring 3. The general observation was that roles are commonly usurped.

7) Functionality of the public procurement market.

The assessment of this indicator show that informal mechanisms that provide for partnerships between the private and public sector do exist. This indicator had an

average score of 2.7, with two of the sub-indicators scoring 3 each and one scoring 2.

8) Existence of contract administration and dispute resolution provisions.

With regards to this indicator, the Act provides that contract administration responsibility rests with the individual MDAs, but does not provide for Alternative Dispute Resolutions (ADR) mechanisms such as arbitration. An average score of 1.3 was recorded for this indicator, with two sub-indicators scoring 2 each and one, scoring 0.

E1.4. Integrity and transparency of the public procurement system

The result of the assessment for this pillar in terms of the baseline indicators shows a reasonably high mark with an average pillar score of 2.1. The pillar priority ranking of 2 denotes that a fairly urgent need exists and a lot of action needs to be taken for this pillar to meet the required internationally accepted standards.

9). Effectiveness of Control and Audit Systems

The assessment of this indicator reveals that much work is needed to bring this sub-indicator up to an acceptable standard. This indicator scored an average of 1.4 with three of the five sub-indicators scoring 1 and the other two scoring 2.

Adequate general audit mechanisms exist and audits are conducted annually by the Office of the Auditor General. However, the report of the findings of the Auditor General and subsequent remedial decisions are often delayed with the result that the Auditor General's recommendations are rarely responded to leading to an ineffective enforcement of the Audit laws.

Specialised procurement audit as distinct from general financial audits is yet to be established as a discipline by the Office of the Auditor General. It is envisaged that specific procurement audits will be carried out by the Office of the Auditor General in conjunction with the National Public Procurement Authority once the requisite training of staff of the Auditor General and National Public Procurement has been effected.

10). Efficiency of the Appeals Mechanism

The assessment of this indicator reveals that the Act provides adequately for the existence of an independent complaints and administrative review mechanism and review body. The assessment of the compliance/performance indicator revealed that all complaints received by the independent review body were adjudicated upon within the timeframe set by the legal and regulatory framework. This indicator scored an average of 2.6 with three of the five sub-indicators scoring a maximum 3 and the other two scoring 2. It is submitted that the area of concern is the lack of a mechanism within the legal and regulatory framework for the enforcement of the decisions of the review body.

11). Accessibility to information

The assessment of this indicator reveals that decisions of the administrative review body are available upon request to the public and that decisions are also posted on the National Public Procurement Authority website and in few local newspapers but the decisions are yet to be published in all newspapers nationwide. This indicator scored an average 2 points.

12). Ethics and Anti-Corruption Policy and Measures

The assessment of this indicator reveals that the Act, Regulations and Manual prohibit fraudulent and corrupt activities by public officials and provides for sanctions. Sierra Leone also has wider laws and sanctions related to fighting corruption. Non compliance with the provision of declaring assets is a prevalent occurrence across the public service. There appears to have been no mechanism or procedure in place for its compliance. Within the period in which the assessment was undertaken, there were no direct procurement related corruption prosecutions or reports of disciplinary action for procurement related corruption in any MDA. This indicator scored an average of 2.6 with five of the seven sub-indicators scoring 3, one scoring 2 and another scoring 1.

E2. Private Sector

E2.1 Competitiveness and Participation

Assessment of the competitiveness and participation of the private sector was very difficult. The assessment did not therefore collect a quantitative data on competitiveness and participation of the private sector. Some indicative statistics on level of competition in public tenders (open competitive bidding) has been rather low. The limited data obtained from an updated 2006 entity Procurement plans show that approximately 20% of expenditure was based on open bidding methods. The level of participation by bidders was not high and therefore requires further investigation

The private sector is organised under various guilds as professional associations. That positions the oversight body, NPPA, to reach them with its messages and training programmes that would empower them to effectively participate in the various bidding opportunities.

Since the inception of the reform programme, the NPPA has had the private sector as one of its target groups for capacity building in the preparation of competitive bids as well as effective contract execution.

E2.2 Performance on Public Procurement Contracts

Analysis of performance of public procurement contracts has not been made under this assessment because of the constraints associated with records keeping and management in the MDAs.

It is envisaged that the MDAs would be in a position to keep appropriate records after training them in procurement records keeping by the NPPA, a process that is underway.

E2.3. Commercial Practices as they relate to Public Procurement System.

This sub indicator considered the processes in securing guarantees and other documentary pre-requisites for submission of bids. Generally the banking sector has not been very responsive to the issue of guarantees and credit facilities under convenient terms and conditions. They often require excessive deposits or equivalent amounts in the accounts of the applicant. This trend tends to encourage bidders to resort to unorthodox means of securing their bids from the same financial institutions thereby putting public investments to high risk.

There is an urgent need to engage the various banks in a dialogue that would create an enabling environment for bidders to secure their bids without creating high risks. Alternative funding sources such as equity should be developed.

E2.4 Perception on the system and process

The assessment considered the perception of the private sector on the procurement system and processes. This was conducted in an NPPA perception survey which recorded some of private providers as feeling sidelined in the reform process.

This suggests that a more widespread and comprehensive sensitisation programmes for the private sector is required. Government intervention may be necessary to encourage partnership.