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FORMER DEPUTY SPEAKER OF THE HOUSE OF REPRESENTATIVES , ARRESTED

Nigerian anti-graft police arrested the former deputy speaker of the House of Representatives over alleged illegal procurement of a bank loan running into 257 million dollars.

"Usman Nafada was picked up today in connection with an illegal procurement of a bank loan running into 40 billion naira (257 million dollars, 179 million euros) when he was in office," EFCC anti-graft police spokesman Femi Babafemi told AFP.

The arrest of Usman Nafada, a member of the ruling Peoples Democratic Party, PDP, came exactly a week after

that of the former speaker of the House of Representatives, Dimeji Bankole, who is facing a first set of fraud charges.

The Economic and Financial Crimes Commission (EFCC) said the 16-count charges against Bankole and others arise from the alleged misappropriation of nine billion naira in inflated contracts when he headed the House of Representatives. According to the charges, Bankole and other leaders of the House inflated the prices of television sets, computers, laserjet printers and copiers. They have also being charged with by-passing

tender procedures for car purchases in 2008.

EFCC is accusing Bankole of a string of corrupt practices while in office, the latest being suspected misman-



agement of a 10 billion naira bank loan parliament obtained before April elections.

... EX-SPEAKER FACES 16 COUNT CHARGE

THE former speaker of the House of Representatives, Dimeji Bankole was arraigned on 8 June before Justice Donatus Okorowa, of the Federal High Court 7, Abuja. Festus Keyamo is the lawyer for the Economic and Financial Crimes Commission.

Bankole, was arrested on Sunday 5th of June by the operatives of the EFCC after a four hour stand-off and will be

facing a 16 count charge of theft, inflation of contracts and the award of contracts without following the due process.

According to the charge, Bankole and persons at large, approved the purchase of TV sets, printers and copiers at inflated costs. It is also alleged that the ex-speaker secured a 10billion naira (\$65m; £40m) loan, which was then

shared out among senior figures in the House.



BPP CAUTIONS FOREIGN INVESTORS COMING TO NIGERIA

Director General of Bureau of Public Procurement (BPP), Engineer Emeka Ezeh, has advised foreign investors to explore the abundant business opportunities in the country, as the nation's strong procurement policy was capable of protecting their investment.

Ezeh who spoke in a keynote delivered at the European Union delegation to Nigeria forum in Lagos, over the weekend, said since the establishment of BPP in 2001, has raised the level of transparency in procurement processes, and comprehensively addressed corruption phe-

nomenon in public sector transactions.

The BPP boss who gave an overview of rules applicable to procurement cycle from publication to award as well as key issues relating to budget execution and payments, noted that prior to the setting up of the agency, there was flagrant abuse of rules and standards regarding procurement, resulting to high incidence of corruption, abandonment of government projects, collapse of local industries and infrastructure.

While listing offences in the process to include collusion, undue influence,

bribery, corruption, bid rigging, use and submission of false documents, among others, the BPP boss told the delegates that, with the setting up of his organization, appropriate sanctions can now be imposed on defaulters, stressing that several of such cases are currently being handled in the courts of law.

Prominent among the sanctions pertaining officers of the bureau Ezeh said include nullification of the procurement process, summary dismissal from government; prison term of five years; debarment from all public procurements and a fine of 25 per cent of

the value of procurement, among others. On the challenges facing the bureau, he listed the challenges as poor procurement planning by the Ministries Departments and Agencies (MDAs); delay in budget submission to National Assembly and approval; slow budget release and funds availability; abandonment of procurement process if a preferred contractor is unsuccessful.

<http://www.sunnewsonline.com/webpages/news/businessnews/2011/june/27/bussines-27-06-2011-003.html>

BPP BLAMES POOR PROCUREMENT POLICY ON NASS

Director-General of the Bureau of Public Procurement, BPP, Engr. Emeka Ezeh, yesterday, identified National Assembly's late passage of the country's annual budget as a major factor militating against effective procurement policy in Nigeria.

Ezeh, who made the observation as guest speaker at the 3rd European Union Business Meeting in Lagos, also highlighted absence of procurement plans in most ministries as a

cog in the implementation of procurement policy.

He said the recurring late approval of the nation's annual budget would make nonsense of the Public Procurement Act unless the lawmakers in both chambers of the National Assembly ensured speedy passage of budgets.

According to him, the situation where budgets are passed into law months after they were supposed to be in full

implementation, makes enforcement of the procurement policy difficult.

Ezeh noted that most federal ministries lacked procurement plans, adding that those in charge of running the affairs of such ministries based procurement on their whims and caprices.

These, according to him, make corruption to thrive especially as their associates and acolytes are those

favoured with government contracts.

Eze said: "Let me also state that the abandonment of procurement process, if the preferred contractor is unsuccessful, is a major challenge to us at BPP."

He said to ensure effective procurement policy, the Federal Government must demonstrate sufficient political will so that the Economic

and Financial Crimes Commission, EFCC, would have little to do.

"There is need for strong support for the BPP if the international community is serious about helping Nigeria fight corruption," Ezeh told the EU representatives.

<http://www.vanguardngr.com/2011/06/bpp-blames-poor-procurement-policy-on-nass/>

a reflection of the pervasive culture of impunity in the country. Unless those responsible for saddling the country with abandoned projects are prosecuted, there will be no end to the problem. Fourthly, lack of quality products manufactured locally for the construction industry also affects the execution of contracts; so do the inadequate supply of electricity, water, etc, which add to the costs of construction.

Over the years, the yardstick by which the citizens assess the quality of government performance is the number of physical projects government is able to commission, projects that have direct bearing on their everyday lives.

Although government set up the Bureau of Public Procurement to streamline the procurement of government procurement and address some of the root causes of abandoned projects, the agency has not lived up to expectations. The phenomenal increase in the number of abandoned projects confirms that assessment. The government should carefully study the panel's report and determine which abandoned projects need completion, before deciding which new ones to initiate.

That is what President Jonathan appeared to be stressing when he said, on receiving the panel's report, that government would prioritise and ensure adequate budgetary provisions to see to the completion of many of the abandoned projects. That is a step in the right direction that should be sustained. Meanwhile, it would be useful if the report of the PPAC is made public. The president should resist temptations and pressures to embark on new projects when similar ones are abandoned; he should plug this avenue to the colossal waste of national resources.

<http://allafrica.com/stories/201106240883.html>

NIGERIA: REPORT ON ABANDONED PROJECTS

A presidential panel set up to look into cases of abandoned federal government projects recently submitted its report to President Goodluck Jonathan.

The Presidential Projects Assessment Committee (PPAC) was set up in March last year with terms of reference that include taking inventory of all ongoing federal projects and determine whether the contracts for them were in compliance with due process; determining the status and assessing the level of execution of each project, including the amount spent and the amount outstanding; determining the constraints militating against the execution of each project and making recommendations to accelerate its completion.

The PPAC identified 11,886 of such ongoing or abandoned federal government projects all over the country. If projects initiated and then abandoned by state governments were to be added to this list, the figure would be considerably much higher. The reasons for this sad state of affairs are many, the most immediate being insufficient planning for the projects. Then there is the factor of inadequate budgetary provision to sustain them.

Moreover delays in funding, sometimes

deliberately done to increase the mark-up fees for corrupt officials, add to the costs of executing, causing frequent reviews on the original contract terms. The idea of completing projects on time and within budget has become alien to contractors and officials alike.

Secondly, many projects are corruption-driven. Consequently, there is a rush to come up with as many projects as possible even when there is no money to back them. Government officials and legislators are often inundated with proposals from contractors proposing one project or the other regardless of whether or not they would be beneficial for the country. Contractors and government officials tend to conjure projects, not with the public interest in mind, but, as a conduit for fleecing public funds for private gain. By colluding with contractors, government officials compromise themselves and may be unable to clamp down on contractors when they fail to live up to their contractual obligations. Many projects are listed every year in annual budgets, with little to show on the ground each year.

Thirdly, it has become routine for contractors to collect mobilisation fees, often in amount almost equal to the full amount, and thereafter abscond and go scot-free,

A CLEAN RECORD MANDATORY FOR PROJECT BIDDERS – CHINA

Bidders for public procurement and construction projects in the capital's Chaoyang district must have no record of involvement in bribery to win contracts.

Bidding documents must include a certificate issued by procuratorial authorities showing the bidding organization and its chief manager have committed no crimes in recent years. Since the district government adopted the policy on March 9, about 70 companies bidding for 20 projects have received the certificate as all were found to have not committed any bribery offense, said Song Ruimin, a procurator with the crime prevention department of the district procuratorate. The measure aims to maintain the integrity and transparency of public procurement, and to prevent corruption and unfair competition in publicly financed projects, Song said.

Chaoyang's procuratorate

can access most records of past bribery offenses across China through the procuratorial network. It has called for government agencies elsewhere to introduce the same requirement into their public procurement processes, Song added.

Cao Jianfeng, an employee at Chaoyang's activities center for children and youths, said bidders' integrity records gave double reassurance that projects would be completed properly.

"The requirement works as a pre-screening of reliable suppliers before formal bidding," he said.

"In a recent procurement for equipment for a digital reading room, we had two bidders, both with a clean record. We chose one supplier based on its credibility and previous performances."

A Beijing firm dealing in electronic products won the bid. Huang Tao, the company's representative in Chaoyang district, said procedures to produce the required certificates are running

smoothly. Procuratorial authorities usually have the certificate ready in three workdays. The policy ensures fair competition for businesses and requires accountability in the use of public funds, Huang said.

He said the practice was adopted in business circles four or five years ago, and Chaoyang district has made it an official policy.

Lin Zhe, a professor and anti-corruption expert with the Party School of the Central Committee of Communist Party of China, said the policy deserved to spread to more districts in Beijing and other parts of the country.

However, she cautioned that procuratorial departments should stay vigilant against buy-offs as some bidders may bribe the certifiers to clear their tainted records.

http://www.chinadaily.com.cn/cndy/2011-06/23/content_12756542.htm

EU BUREAUCRACY PUTS BRAKES ON TENDERING

The laws governing public procurement in the European Union (EU) are causing slow tendering processes and barring SMEs' access to contracts, according to EU procurement professionals.

This was the view of the majority of the 620 stakeholders who gave their opinions in the European Commission (EC)'s Evaluation Report: Impact and Effectiveness of EU Public Procure-

ment Legislation published on Friday (24 June).

The report said that while EU procurement legislation was effective at promoting transparency and competition – the current directives' focus on increasing competition has saved public sector bodies €20 billion (£17.7 billion) so far – the level of bureaucracy within the directives was

holding SMEs back.

Evidence from the report found a unanimous desire to see the amount of bureaucracy reduced in order to make negotiation procedures more flexible and cut the amount of paperwork in tendering. This increased flexibility was raised as particularly important with regard to supporting SMEs that currently struggle to handle the

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amount of red tape in bidding processes.

The report also raised concerns that the number of procedures and amount of paperwork caused significant problems. The results found that the average EU tendering process takes 108 days and costs €28,000 (£24,850), of which 75 per cent comes from the cost of preparing tenders. In addition, it found that the worst performing member states take three times longer than the best.

The findings from the report, and those of the EU's green paper on modernising EU public procurement to which stakeholders were responding, will be discussed at an EC debate in Brussels on 30 June.

<http://www.supplymanagement.com/news/2011/eu-bureaucracy-puts-brakes-on-tendering/>

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