Module 3: Procurement and Fund Tracking

Session 1: Social Accountability in Government Procurement and Fund Tracking

Henedina Razon-Abad
Ateneo School of Government

For the Trainer

- Activity: Interactive discussion
- Materials: Powerpoint presentation
- Time:3.5 Hours
- Learning objectives.
- Discussion outline.

Learning Objectives

- Discuss the reasons why citizens have the right and responsibility to participate in public decision making processes and hold their governments accountable
- Identify and analyse the many faces of corruption in public procurement
- Identify and discuss why civic engagement is critical in fighting corruption in public procurement
- Identify the social accountability strategies in public procurement

Discussion Outline

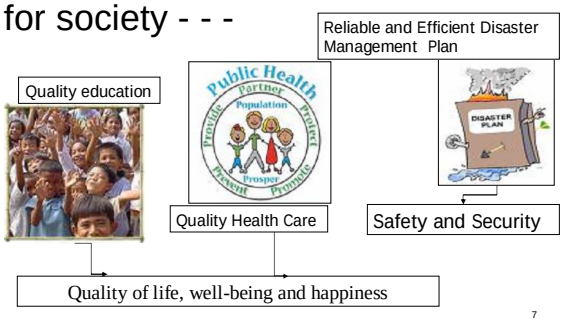
- Citizens have the right to hold their governments accountable:
  - Good Governance, Public Value
- Accountability Triangle
  - Political accountability
  - Managerial Accountability
  - Social Accountability
- Problem of Corruption in Public Procurement
  - Objectives
  - Modes
  - Stages
  - Red flags (risks/vulnerabilities)
  - Effects
- Social Accountability in Public Procurement
  - Informed public advocacy
  - Contract implementation monitoring by CSOs

For the Trainer

- Discuss Governance, Citizen's Role in Governance and Accountability Triangle
- Compare poor to good governance

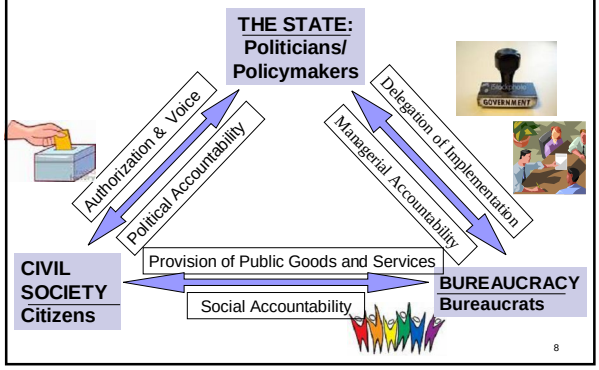
Good Governance is the responsible exercise of power to manage the social and economic resources of a society to create public value.

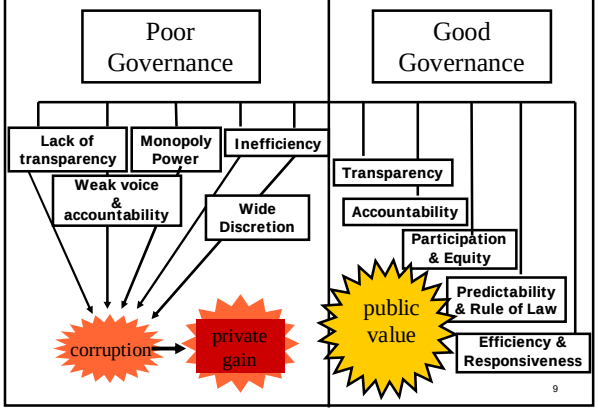
Government must create value for society - - -



Accountability Triangle

Source: Ed Campos. Enhancing Public Sector Accountability





For the Trainer

- Discuss Corruption, Corruption in Public Procurement
- Guide Questions:
  - What is Corruption?
  - What do we know about corruption in public procurement?

Corruption is abuse of entrusted power from the people for private gain

Look at the picture.

How could have corruption contributed to the collapse of the bridge?

Cost of Corruption

- World Bank Institute estimates that 5 % of the world economy or more than 1.5 trillion dollars a year is the total cost of corruption
- World Health Organization estimated 25% of drugs consumed in poor countries are counterfeit or substandard
- Transparency International estimates that approximately $400 B is lost to corruption in public procurement

For the Trainer

- Discuss what is meant by Government Procurement; the objectives
- Present the general stages of procurement process
- Run through each stage; highlight the red flags; elicit discussions by using the guide question for each stage in public procurement?
- Give a summary of the red flags for each stage

- Government Procurement
  - Acquisition of goods, services and works in a timely manner that results in best value to the government and to the people

- Stages of the Procurement Process
  - Procurement Planning
  - Preparation
  - Advertisement
  - Pre-qualification
  - Bid Evaluation
  - Award of Contract
  - Contract Implementation

Source: Ed Campos, Public Procurement and Corruption: What Have We Learned Thus Far

Objectives of Public Procurement

- **Economy/Efficiency**
  - Acquiring goods and services of defined specifications on a timely basis and at the lowest evaluated cost based on the principle of value for money
- **Foster competition**
  - Equality of opportunity for qualified suppliers to compete for public contracts
- **Predictability**
  - Consistent and fair application of principles and regulations at each stage of the procurement process
- **Accountability**
  - Oversight to secure the confidence of the contractors in the process and the trust of citizens in the proper use of public funds
- **Transparency**
  - Equality of access to information for all bidders before, during and after the bidding
- **Protect the interest of citizens**
  - Process and result of procurement assure quality goods and services reach the citizens in a timely manner
  - Carefully monitor contract execution, give credible information to citizens about the actual providers of goods and services and opening avenues of complaint and recourse mechanisms in case of contractor failure

Stage 1: Procurement Planning

- Needs Assessment
- Determining what to request

Stage 1 Red Flags

Problem Area	Possible Distortion	Governance Issue
Poor planning Lack of plans	●Demand is induced not real ●Misrepresent purchase as urgent so as to short cut bidding process	Lack of competition Lack of transparency
Absence of a clear criteria for project selection	●Misallocation of resources	

Stage 1 Red Flags

Problem Area	Possible Distortion	Governance Issue
Absence of opportunity for public discussion of government programs and decision-making	●Project may be supply driven ●Misallocation of resources	Lack of accountability Lack of transparency
Non-transparent procedures which cannot be monitored		

- Step 1 Guide Question:
  - Are the goods or services to be acquired needed at this time?

- Transparency of process and independence of decision makers and hired consultants
- Public participation through public hearings to check the need, enable accountability and identify necessary or unnecessary elements of the goods or services to be acquired
- Proactive disclosure by government agencies of relevant information through billboards, radio, newspapers or internet

Stage 2: Procurement Preparation

- Clear and fair description of what is to be purchased and defining the criteria for evaluation
- Fair criteria for selection and decision-making

Stage 2 Red Flags

Problem Area	Possible Distortion	Governance Issue
Weak technical specifications	• Favor preferred bidders	Lack of accountability
Project Management Office given sole responsibility over tender specifications and design	• Contract splitting to allow unqualified bidders to participate • Tailor fitting to favor a preferred bidder	Lack of competition

- Stage 2 Guide Question:
  - What are the optimal location, capacity and design for the investment?

- Public participation to discuss design process and ventilate any concerns or reservations about project
- Proactive disclosure by government agencies of relevant information

Stage 3: Advertisement

- Informing the public about the tender to provide equal opportunity to all to bid

Stage 3 Red Flags

Problem Area	Possible Distortion	Governance Issue
Limited/ insufficient advertising	• Published in papers with limited circulation	Lack of competition Lack of transparency

Stage 4: Pre-qualification

- Determine eligibility based on capacity, experience, resources or other criteria defined in the tender

Stage 4 Red Flags

Problem Area	Possible Distortion	Governance Issue
Prospective bidders undergo detailed, tedious and potentially subjective pre-qualification process	• Requirements set to favor a particular contractor or group of contractors • Lengthy process that creates opportunities for bribe solicitation • Contract sharing among the bribing companies	Lack of contestability Lack of transparency

Stage 5: Bid Evaluation

- Submission, opening and post qualification of bids submitted.
- Qualified bids are assessed as to which bids meet the selection criteria

Stage 5 Red Flags

Problem Areas	Possible Distortions	Governance Issue
Wide discretion given to decision makers	• Decision makers are biased • Selection criteria allow biases to play a role	Lack of competition
Tendency to seek judicial intervention	• Imposition of court restraining orders	Dysfunctional judiciary
Unusual or length delays in bid evaluation	• May indicate that someone is attempting to discourage best bidders or give extra time to favored bidders on the basis of leaked information	Lack of competition

Stage 5 Red Flags

Problem Areas	Possible Distortion	Governance Issues
Abuse of clarification period	• Clarifications are not shared with all the bidders • Advantage to a particular bidder is granted through the exchange of confidential information during the clarification period	Lack of transparency

Stage 6: Award of Contract

- Winning bid selected based on (1) being substantially responsive to the bidding documents and (2) offered the lowest evaluated cost

Stage 6 Red Flags

Problem Areas	Possible Distortion	Governance Issues
Unclear rules	• Grounds for selection of the winners are not made public • Delay in the signing of the contract	Lack of transparency Lack of accountability
Rejection of all bids	• May be an indication that improper negotiations are being done on the side	Lack of transparency

- Stage 6: Guide Question
  - What is the best bid?

- Pro-active disclosure by government agencies of relevant information
- Public participation through civil society groups as third party observer in the bid evaluation process to ensure integrity of the process

Stage 7: Contract Implementation

- Execution of contract according to set specifications as contained in the bid

Stage 7 Red Flags

Problem Areas	Possible Distortions	Governance Issues
Poor monitoring and enforcement	• Substitution of materials of poor quality and defective specifications • Failing to enforce quality standards, quantities or other performance standards of the contract	Lack of accountability

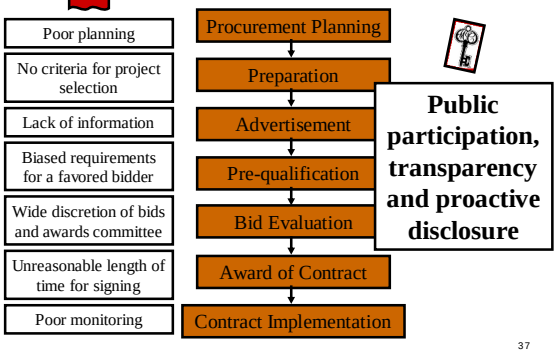
Stage 7 Red Flags

Problem Area	Possible Distortion	Governance Issues
Contract renegotiation is allowed - discretion given to site engineers	Change orders introduce substantial changes to the contract, often done in small increments	Lack of accountability

- Stage 7 Guide Question
  - Is the contract being implemented according to agreed specifications and quality?

- Public participation through civil society monitoring of contract implementation
- Clear and pre-established limits for contract change orders

Summary



For the Trainer

- Discuss the Risk Factors in public procurement
- Discuss the Corruption (C) Schemes in public procurement; discuss the 5 schemes one by one
- Guide Question:
  - What is the effect of corruption in public procurement to project?
  - What are the implications of bad governance as a result of corruption?

Risk Factors

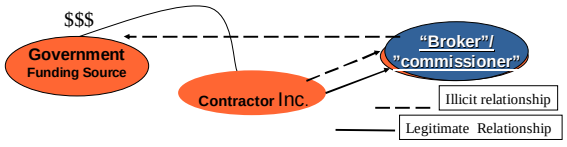
- **Size** - the bigger the project, the more money involved the more reason to demand a bribe
- **Technology** - the more high technology involved, or seemingly involved the more attractive the project will be to its project beneficiaries thus reducing the risk of being criticized for paying too much.
- **Specificity** - the more specific the product or contract - the lesser the opportunities for manipulating procurement process

Corruption Schemes in Public Procurement

- Kickbacks
- Front companies
- Bid rigging or collusive agreements
- Use of “loan brokers” or “commissioners”
- Conflicts of interest

Kickback Scheme

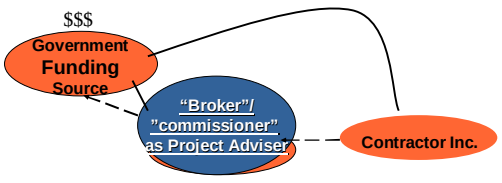
(Many Faces of Corruption, Ed Campos)



Kickback is the centerpiece of corruption schemes
Done with other schemes, such as bid rigging
Cash payments, wire transfers disguised to leave no trail
Appearance of legitimate relationship between actors
Conspiracy of silence exists

Kickback Scheme

(Many Faces of Corruption, Ed Campos)

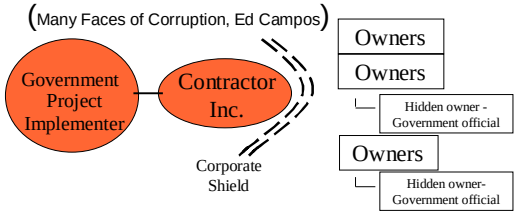


Middlemen can appear in more than one location and there may be multiple middlemen operating

Lack of audit capability running to subcontractors makes it difficult to decipher legitimate from illegitimate relationships

Front Company

(Many Faces of Corruption, Ed Campos)



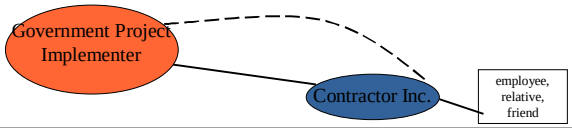
Company appears with no history
Company providing diverse connected services
Few records exist on ownership
Extreme interest shown by PIU official in company
Subcontractor who is hired as local agent

Bid Rigging & Collusion

- Drafting tailored specifications to exclude unfavored bidders
- Tipping off the favored bidder that certain components in bid will not actually be called for
- Telling bidders to bid low and recover profit later through contract modification
- Bidders agree who will win contract

Conflict of Interest

(Many Faces of Corruption, Ed Campos)



Having a personal stake in the outcome of a contract is *per se* a conflict of interest

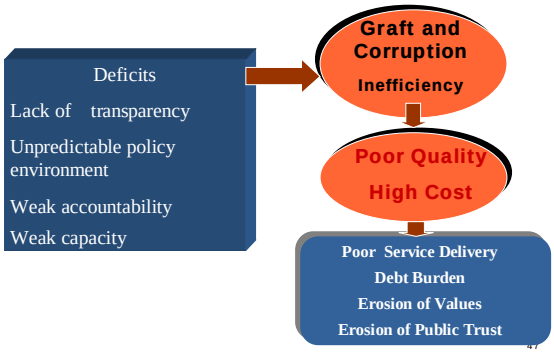
Officials of agencies, friends, family members involved with contract

If there appears to be conflict of interest, make disclosure early before questions arise

Effect of Corruption in Public Procurement to Project

- Service ↓
- Quality ↓
- Pricing ↑
- Impact ↓

Implications of Bad Governance



For the Trainer

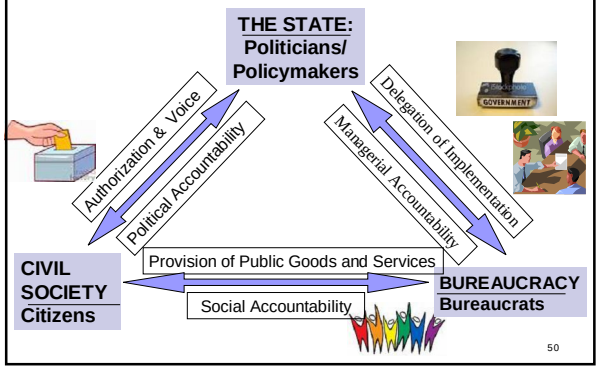
- Discuss the Social Accountability Strategies
- Discuss the Corruption (C) Schemes in public procurement; discuss the 5 schemes one by one
- Guide Question:
  - What is the effect of corruption in public procurement to project?
  - What are the implications of bad governance as a result of corruption?

Social Accountability Strategies

- Informed Advocacy for Policy Reform
- Contract Implementation by CSOs
- Integrity Pact
- Budget Watch / Participatory Budgeting

Accountability Triangle

Source: Ed Campos. Enhancing Public Sector Accountability



1. Informed Advocacy for Policy Reform

CSOs analyze what is wrong with current procurement processes; how such deficiencies can be addressed by a sound procurement policy; learn from best practice; draw up proposals; lobby and advocate for the passage of such law.

2. Contract Implementation Monitoring by CSOs

CSOs are increasingly recognized as vital players in contributing to the transparency of public procurement processes as independent monitors of the process.

Monitoring bodies should be composed of the beneficiaries of the projects being investigated with access to technical or expert advice

Contract Implementation Monitoring by CSOs:Key Steps

- Formulate a work plan
- Gather information on the project to be monitored:
  - technical profile of the project
  - approved financials and necessary documentation
  - timeline commitments of contractor
- Review supporting documents
- Compare actual status against baseline parameters: workmanship, quality, cost and time

Contract Implementation Monitoring by CSOs: Key Steps

- Analyze gaps (all possible reasons for the gaps)
- Seek expert's advice if necessary
- Present gaps identified and observed during the monitoring process
- Present report in a conference/meeting where stakeholders are in attendance
- Present report to media

Other strategies:

- Integrity Pact
- Budget Watch / Participatory Budgeting

End of Lesson 1

Module 3: Procurement and Fund Tracking

Session 2: Government Procurement Reform Act & Stakeholders Analysis

Henedina Razon-Abad
Dondon Parafina
Ateneo School of Government

For the Trainer

- Activity
  - Interactive discussion
  - Workshop to brainstorm on policy changes
  - Workshop on stakeholders mapping
- Time
  - Two sessions:
    - Session 1: 4 hours
    - Session 2: 3 hours
- Materials
  - Powerpoint presentation
  - Video presentation (*Ihatid ang Aklat* MTV)
  - Handout: Book of Hope song lyrics
  - Guide questions
- Learning Objectives
- Discussion Outline

Learning Objectives

- Know about possible reforms in procurement
- Learn mapping of stakeholders to push procurement reforms

Discussion Outline

- Why Procurement Reforms
- Review of Key Objectives and Critical Success Factors
- What is a stakeholder?
- Why conduct stakeholders analysis
- How to conduct stakeholders analysis

For the Trainer

- Discuss the need for procurement reforms; Review Key Objective and Critical Success Factors

Why Procurement Reforms?

Survey Findings

Government procurement and tax collection are perceived to be the major sources of corruption :

- 4 out of the top 5 most corrupt agencies featured prominently in government contracting
- Approximately 20% of government contracts go to kickbacks/commissions
- Equivalent to P 21 B in 2001 just for the national government are lost to corruption, much larger figure if local government transactions included
- Legal foundation a mess: over 100 laws, regulations, executive orders etc. governing procurement

Review of Key Objectives & Critical Success Factors

- What makes company unique
- What makes company successful
- Shared vision
- Review key undertakings of past year

7

For the Trainer

- Discuss the mechanics of Stakeholders Analysis Workshop
  - Provide input on stakeholders analysis
  - Give the detailed instruction for the workshop

8

Stakeholders Analysis

- What is stakeholder
- Why conduct stakeholders' analysis
- How to conduct stakeholders' analysis

9

What is Stakeholder ?

- A person or group that can affect or be affected by the implementation of a policy (program and projects) and the achievement of its objectives

10

Criteria to determine importance of stakeholder

- Can damage or weaken the authority or political support for decision-makers or their organizations
- Presence and/or support provides a net benefit, strengthens implementing agencies and enhances decision-makers' authority
- Can influence the direction or mix of implementing organization's activities

11

Why conduct a stakeholder analysis?

- Use stakeholder analysis to
  - Identify people, groups and institutions that will influence the policy, program and project that you are advocating (positively or negatively)
  - Anticipate the kind of influence, positive or negative these people or groups will have on your project
  - Develop strategies to get the most effective support possible and reduce obstacles to successful implementation

12

The Tool for Stakeholder Analysis

Stakeholder	Interests	Resources Available	Resource Mobilization Capacity	Position on Policy

13

Focus of Stakeholder Analysis

- Interest
- Quantity and type of resources stakeholders can mobilize to affect outcomes

14

How to Conduct a Stakeholder Analysis

- Organize a group brainstorming. Identify all the people, groups and institutions that will affect or be affected by your proposed policy, program, project and list them in the column under "Stakeholder".

15

What is a stakeholder?

- Examples of stakeholders' categories
  - National or political actors
  - Government agencies
  - Interest groups (unions, professional groups)
  - CSOs (NGOs, people's organizations)
  - Business sector
  - Churches
  - Military

16

Interests

- Once you have a list of all potential stakeholders. Review the list and identify the specific interests these stakeholders have in your project.
- Select only 2 or 3 most important interests and/or expectations
- Indicate intensity of interest (high, medium or low intensity)

17

Interests

- Specific interests that will be affected by the policy, program or project?
- The more important the interest is to the stakeholder the stronger will be the position
  - If interest is important to the stakeholder - expect strong support if in favor and strong opposition if against

18

Interests

- Will the person, group and/or institution benefit from the project? What are these benefits?
- Will the policy harm the person, group and/or institution? Will the policy remove or diminish whatever power or influence, privilege, and comfort that they wield or enjoy ?
- Does the policy require them to make certain or drastic changes in his/her work, lifestyle, etc?

19

Resources

- Review each stakeholder, list the resources the stakeholder can mobilize to support its position on the policy

20

Resources Available

- Resources the stakeholder possess that could be brought to bear in the policy process - from policy design to implementation
- Resources may be classified as (1) financial or material, (2) access to or control over vital or important information, (3) status or social position

21

Resources Available

- Does the person or group have influence over some prominent sector of the economy?
- Would the efforts of person or group have (either in favor of or opposed to, the policy make a difference in the design and implementation?)
- Can the person or group offer some special knowledge or information?

22

Resource Mobilization Capacity

- Review each stakeholder and identify the person's or group's ability to mobilize its resources.
- If the person or group cannot mobilize or make effective use of its resources, then they are not resources in any meaningful sense.

23

Resource Mobilization Capacity

- Ease and speed or limits and difficulties to mobilize and deploy its resources in pursuit of its objectives
- Resources that can be mobilized quickly are advantageous if the issue is urgent

24

Position on issue

- Support
- Oppose
- Neutral
- Intensity of position

25

Position on Issue

- Review the interests of the stakeholder and define the person's or group's position on the issue.
- Indicate the relative strength of the support or opposition to the issue
  - This is important because if a group is barely in favor of an issue, a convincing argument by an opposition viewpoint could be enough to change its position

26

Sources of Information

- Ensure quality of data
  - Written sources on the sociopolitical dynamics of the country (sector, etc.)
  - Complement this information with interviews - local experts, think tanks, universities
  - Key informants in the field

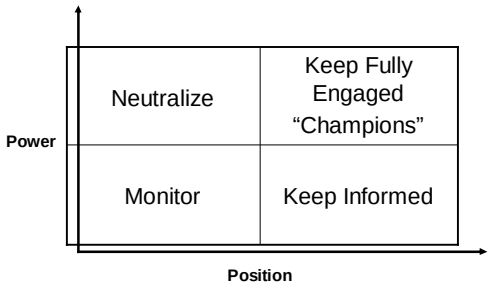
27

Strategic Considerations

- High power, high support for issue: they are your champions. Keep them fully engaged.
- High power, low support or oppose: work on them to ensure that they can cause no or little harm.
- Low power to mobilize resources, high support: keep them adequately informed to ensure that their position will not change. They will be helpful when numbers become crucial.
- Low power with low support or oppose - keep them informed.

28

Construct Stakeholder Map

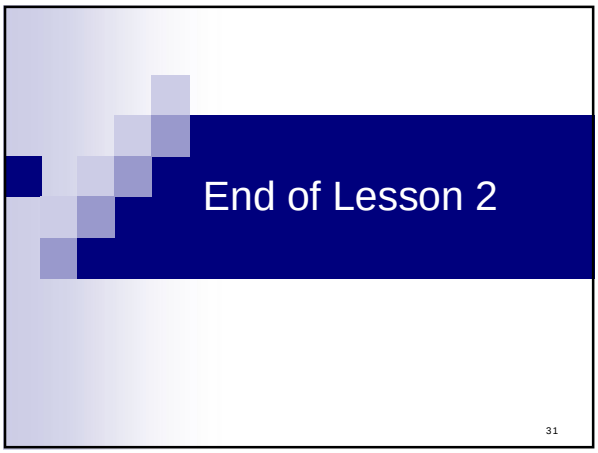


29

For the Trainer

- Guide Question
  - Consider your proposed objectives and features of a proposed procurement law in Cambodia - construct a stakeholders' analysis.
  - Identify at least 5 stakeholders

30


End of Lesson 2
31

Module 3: Procurement and Fund Tracking

Session 3: Citizens' Monitoring of Procurement Contract Implementation

Author
Ateneo School of Government

For the Trainer

- Activity
  - Interactive discussion
  - Workshop: Mock Planning
- Time
  - Two sessions:
    - Session 1: 4 hours
    - Session 2: 3 hours
- Learning Objectives
- Discussion Outline
- Materials
  - Powerpoint presentation
  - Handouts/Slideshow
    - G Watch
    - Sample Contract Implementation Projects
    - Textbook Count Project
  - Guide Questions

Learning Objectives

- To identify key stages of procurement where civil society and government collaboration is important
- To appreciate the process of evidence-based monitoring of procurement
- To appreciate the process of partnership-building
- To showcase an initiative that links problems in procurement to the cost and quality service delivery

Discussion Outline

- What to monitor in contract implementation
- Grounds for contract termination
- G-Watch
- Textbook Count

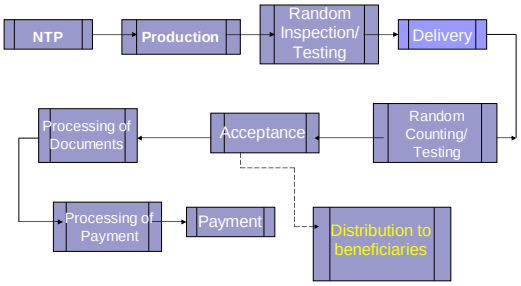
For the Trainer

- Discuss:
  - what is contract implementation
  - What are the stages
  - What are the red flags in each stage
  - What are the grounds for termination
- Present the items which should be monitored
- Present the guide to identifying red flags
- Present the pertinent documents for monitoring

Contract Implementation

Execution of contract according to set specifications as contained in the bid

What to Monitor



Description of Stages

NTP	Notice to Proceed' release of the document that signals the start of work
Production	Involves the process/es of producing the goods as agreed upon in the contract
Random Inspection/Testing	Random checking of goods in the production stage
Delivery	Transfer of goods to identified receiving entity
Random Counting/ Inspection	Final checking of goods prior to acceptance

Description of Stages

Acceptance	Final checking of goods prior to acceptance
Processing of Documents	Authorized personnel's acceptance of accountability over received goods
Processing of Payments	Submission and receipt of documents indicating successful delivery and acceptance of the goods
Payments	Submission and receipt of documents indicating entitlement to payment
Distribution to Beneficiaries	Transfer of goods to rightful beneficiaries

Grounds for Termination

Default	Failure to perform obligations under the contract
Convenience	Project is deemed to be economically, financially or technically impractical and/or unnecessary
Insolvency	Supplier is declared bankrupt or declared insolvent with finality
Unlawful Acts	Supplier is found to have engaged before or during the contract implementation in unlawful deeds or behaviors relative to contract acquisition and implementation

Red Flags (adapted from Gottbreht)

Expediting Payments	Paying someone to speed up normal work or process
False error delays	Creating delays be creating immaterial errors to extract bribe or illegal payment
Falsification of receipts	Providing official receipts that are actually above or below the real price
Falsifying results	Paying someone or getting paid to falsify reports to aid corruption activity

Red Flags (adapted from Gottbreht)

Feigned indecision	Faking indecision in order to encourage illegal off-the-books payment to decision maker
Forced substitutions	Forcing substitution higher cost items in contract with inferior, lower-cost items
Kickbacks	Returning a portion of invoiced and paid bill without taxation and records
Pay to play	Forcing everyday people to pay authorities to be allowed in their transactions
Unofficial signing rights	

Identification of Red Flags

	E	FB	FR1	FR2		FS	K		UR
NTP									
P									
RIT									
D									
RCI									
A									
PD									
PP									
P									
DB									

Guide to Identify Red Flags

NTP	Is the NTP available even before awarding of the contract	
	Is it taking more than 3 days to process NTP	
	Are there irrelevant errors that are being cited for delays in processing NTP	
	Is the NTP ante-dated?	
	Are there more than NTP signatories than necessary	
Production	Does production start with or without NTP	
	Does the supplier really produce the identified goods in the contract?	
	Does the supplier use materials of correct specifications?	
	Are there too many workers in the place of production or warehouse?	

Guide to Identify Red Flags

Testing	Is the inspection/testing being carried out as scheduled?	
	Is the result of the inspection/testing publicly available?	
	Is the result of the inspection/testing immediately available	
	Are the inspectors selected based on competency?	
	Does the agency authorize the inspectors?	
	Are there more inspection/tecting report signatories than necessary?	
Delivery	Are the goods delivered?	
	Are the goods delivered in right quantity?	
	Are the goods in good condition?	
	Is there clear and sufficient provision for warranty?	

Guide to Identify Red Flags

Random checking/ inspection	Are the goods being checked/inspected upon delivery?	
	Does checking/inspection take unreasonably long?	
	Is the result of the inspection/testing publicly available?	
	Is the result of the inspection/testing immediately available?	
	Are the inspectors selected based on competency?	
	Does the agency authorize the inspectors?	
	Are there more inspection/checking report signatories more than necessary?	
Acceptance	Are the goods accepted without checking or inspection?	
	Does acceptance have too many prerequisites?	
	Is the acceptance report publicly available?	

Guide to Identify Red Flags

	Does the acceptance report accurately state the results of the checking/inspection?	
	Is the acceptance report officially signed?	
	Are there more acceptance report signatories than necessary?	
Processing of Documents	How fast or how slow was the processing of the documents?	
	Did the supplier submit complete and authentic documents?	
	Do the documents has complete signatories?	
	Are the documents processed by authorized personnel?	
	Are the processed documents officially signed?	
	Are there more signatories in the processing stage than necessary?	

Guide to Identify Red Flags

Processing of Payments	How fast or how slow was the processing of the payment?	
	Is payment being processed even without supplier's complete documents?	
	Is the LD being computed and computed correctly?	
	Are the payments being processed by authorized personnel?	
	Are there papers to process payment officially signed?	
	Are there more signatories in the payment processing stage than necessary?	

Guide to Identify Red Flags

Distribution to Beneficiaries	Are the goods distributed to beneficiaries?	
	How fast or slow were the goods distributed to beneficiaries?	
	Did the distribution follow set allocation?	
	Was there a designated personnel to distribute the goods?	
	Are the identified beneficiaries in accordance with set criteria?	
	Do the goods last as indicated in the specifications?	
	Do the suppliers comply with the warranty agreement?	
	Are there more signatories in the distribution stage than necessary?	

Pertinent Documents

- Notice of Award
- Notice to Proceed
- List of Specifications
- Test Results
- Inspection Reports
- List of Inspectors
- Delivery Receipt
- Allocation List
- Acceptance Report
- Billing Documents
- Vouchers
- Checks
- Computation of Liquidated Damages
- Distribution List

For the Trainer

- Present using attached slide shows good practices in monitoring:
  - Government Watch (G Watch)
  - Textbook Count Project

For the Trainer

Slideshow

The Government Watch (G Watch) Experience

What is G-Watch ?

It is a project of the Ateneo School of Government.

It tracks public expenditure and monitors procurement contract implementation.

It has monitored textbook delivery, school building construction, drug procurement, public works projects, and disaster relief distribution.

It started in year 2000.

context

CORRUPTION is a serious problem--it retards economic growth and weakens democratic institutions

PREVENTIVE APPROACH: preventing corruption through systems check and citizens' vigilance

vision

Competent and credible government institutions and meaningful civil society participation in governance

mission

To provide a venue where the government and the civil society can be engaged in the formulation of policies and programs to improve governance

framework

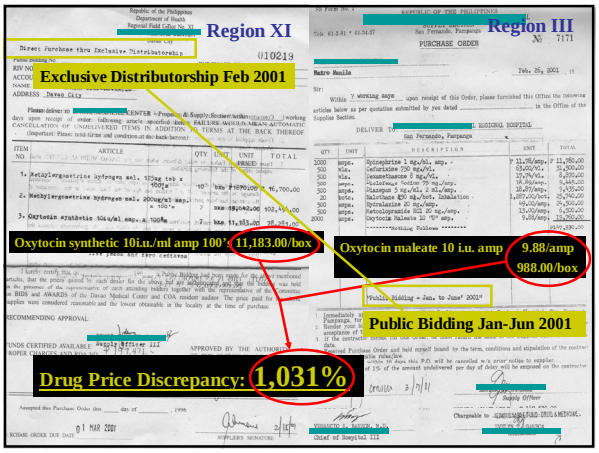
- tool and method must be simple and easy to use
- there must be consultation with agency regarding the monitoring and its results

Monitoring Tool

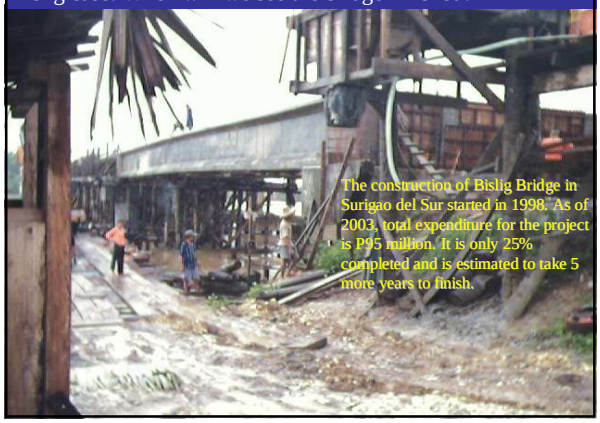
Project	Planned/ Normative	Actual	Variance	Cause of Variance	G-Watch Assessment	Agency Assessment
Time						
Cost						
Quantity						
Quality						
Process						

SAMPLE RESULTS OF TOOL APPLICATION

Drug Procurement
Public Works Projects
School Building Projects
Disaster Relief Distribution
Textbook Delivery



Bislig case: When will we see the bridge finished?



Abandoned School Building (2002)
Albis Elementary School, Benguet

Textbook Delivery (2001)

- 40% could not be accounted for
- Suppliers delivered anytime anywhere
- Recipients were not notified about deliveries
- No feedback mechanism regarding schools' receipt of books
- Documents were not properly accomplished
- No effective sanctions for late deliveries

Textbook Distribution (2003)

- 21% were not distributed to difficult-to-reach elementary schools
- Distribution funds were not accessible

32

Agency actions and responses

- DOH passed memo aimed at improving drug procurement procedures in regional offices and hospitals
- DPWH reviewed projects with reported problems and declared openness to involve citizens in project inspection
- DepEd-DPWH joint memo to improve school building projects was passed
- DepEd launched *Textbook Count*

33

For the Trainer

Slideshow

The Textbook Count Project

34

Textbook Count and Citizens' Action

- It is a program of DepEd in partnership with civil society organizations
- It aims to ensure that the right quantity and quality of textbooks are delivered to the right recipient at the right time
- It started in 2002 during the administration of Sec. De Jesus

35

Nationwide Coverage

- It is a program of the Department of Education in partnership with civil society organizations
- It aims to ensure that the right quantity and quality of textbooks are delivered to the right recipient at the right time
- From 2003 to 2005, 52 million textbooks amounting to P2B (US$40M) were tracked in 4,844-7,499 delivery points

36

Why is it needed?

- To remove corruption in textbook procurement
- To systematize deliveries nationwide
- To make suppliers more responsive to clients' need
- To establish benchmark for DepEd performance
- To mobilize manpower for monitoring and inspection at less or no cost

How is it designed?

- Components are mapped
- Goals are set
- Stakeholders' participation is ensured
- Undertakings are defined
- Mechanisms for coordination, reporting and evaluation are put in place

Components & Goals

Bidding	Safeguard the integrity of the bidding process
Production	Ensure good textbook quality
Delivery	Help high schools and districts check the textbooks delivered to them
Distribution	Help districts distribute the textbooks to elementary schools

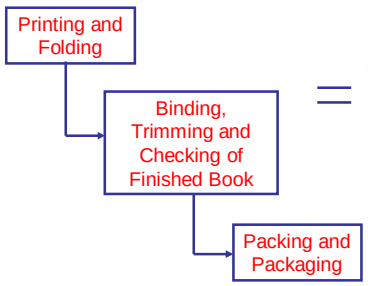
Component 1: Bidding

Pre-Bid Conference	Preliminary discussion on content of bid document
Bid Submission and Opening	•Submission of eligibility, financial and technical requirements •Pass/fail criteria for judging
Post-qualification and Content Evaluation	•Evaluates capacity of eligible bidders •Evaluates content of textbook

Component 2: Warehouse Inspection

- It is for early detection and rectification of defects
- Inspection team consists of IMCS, BAC, End-users and CSO
- Inspection team cannot proceed without CSO

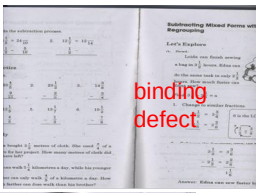
Stages of Warehouse Inspection

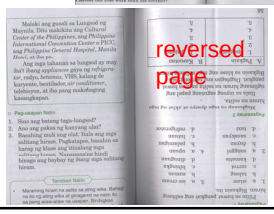


= at least 20 inspections in 4 months

Sample Results

- In two instances, 100,000 textbooks were rejected because of poor binding.
- Several defects, such as reversed page, uneven color and wrinkles, were found and rectified.



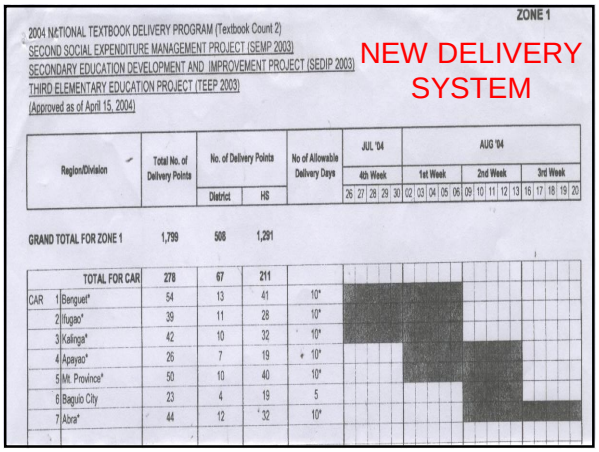


Advantages of pre-delivery inspections

- Pressure on suppliers to raise quality standards
- Client satisfaction met
- Suppliers save since additional transport cost is avoided in case textbooks are rejected at the school level

Component 3: Delivery

- **DepEd Memo 162 s. 2003 spelled out:**
  - undertakings of DepEd offices and suppliers
  - participation of civic organizations and NGOs
- **Stakeholders agreed that:**
  - synchronized schedules will be followed
  - suppliers will coordinate with DepEd-IMCS, division offices and CSO regarding deliveries
  - there will be penalties for late deliveries



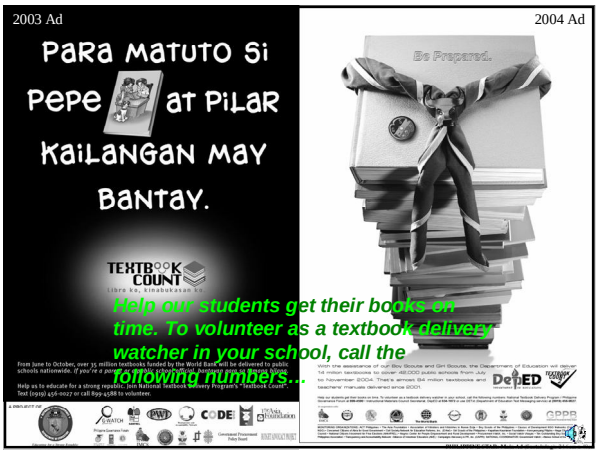
Preparations

- Civil society partners were organized
- Briefing-orientations were given to division supply officers, suppliers and CSO provincial coordinators
- Documents were sent to DepEd division, high schools and district offices
- Documents were sent to CSO provincial coordinators and volunteers
- Print and radio advertisements came out

Consortium of CSOs for *Textbook Count*

Alliance of Concerned Teachers • Alliance of Volunteer Educators • Association of Ministers and Ministries in Nueva Ecija • Ateneo School of Government • Barug! Pilipino • Boy Scouts of the Philippines • Brotherhood of Destiny • Caucus of Development NGO Networks • Christian Convergence for Good Governance • Concerned Citizens of Abra for Good Government • Civil Society Network for Education Reforms• Fellowship of Christians in Government • Don Bosco Technical Institute Makati • Girl Scouts of the Philippines • Kapatiran Kaunlaran Foundation • Konsyensyang Pilipino • Naga City People's Council • National Citizens Movement for Free Elections • Negros Center for People Empowerment and Rural Development • Procurement Watch, Inc.• Rahma Qur'anic Center and Mosque Foundation• Social Watch Visayas • Student Catholic Action • Ten Outstanding Boy Scouts of the Philippines Association • Transparency and Accountability Network • UP Bannuar • UP Harong • UP Kamayo • Victory Campus Ministry • Volunteers for a Libertarian Society • YES Tejeros • Young Moro Professionals Network, Inc. • Youth Empowering Youth Forum

2003 Ad

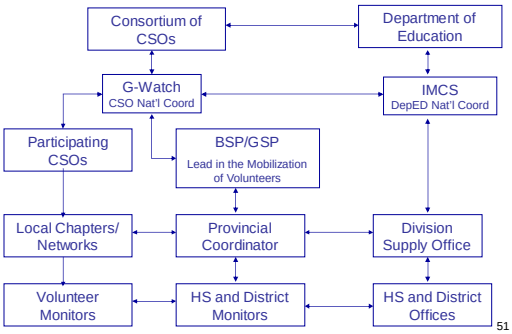


2004 Ad

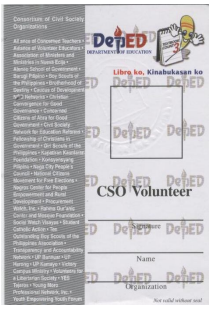
Help our students get their books on time. To volunteer as a textbook delivery watcher in your school, call the following numbers…

2005 Ad

Coordination Structure

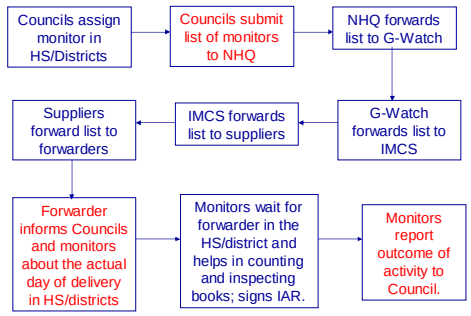


Materials for volunteers

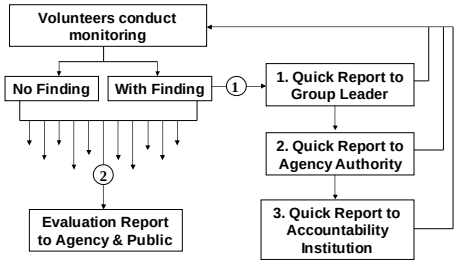


- Letter to the HS Principal/District Supervisor
- Duties and Responsibilities of Volunteers
- Volunteer's Monitoring Report Form
- Sample IAR
- Inspection Guidelines
- ID

Monitoring Activity Plan



Reporting



Reporting

- On-the-spot Reporting
  - HS and district monitors report to Councils problems encountered.
  - Councils are empowered to make judgments on situations based on *Duties and Responsibilities*.
  - In case of disagreement between CSO volunteer and DepEd personnel, DepEd prevails. **But**, CSO volunteer indicates comments in IAR remarks section and reports observations to the Council, or if necessary, to G-Watch.
- Final Reporting
  - Councils collect IARs and volunteer's monitoring report form
  - Councils accomplish Coordinating Council's report form
  - Councils submit IARs and report forms to NHQ
  - NHQ forwards IARs and report forms to G-Watch

Requirements for Quick Reporting

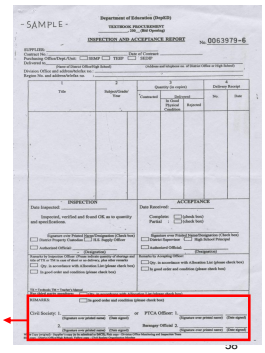
- Type of Good
- Stage of the process
- Specific complaint (time, quality, quantity)
- Reason/justification
- Evidence (if available, e.g. photo)

Requirements for Evaluation Report

- Type of good
- Stage/s of the process monitored
- Individuals or groups involved in the monitoring
- Monitoring process plan followed
- Findings: time, cost, quantity, quality, documentation, personnel, behavior, compliance to process
- Conclusions and recommendations

CSO volunteer signs IAR

- If IAR is signed by CSO, DepEd Division Office need not inspect deliveries in the districts and high school
- DepEd saves in monitoring and inspection expense
- Supplier can process payment faster



For 3rd party CSO monitor

Documentation & Evaluation

- CSO has parallel documentation of delivery reports
- Program is evaluated yearly to discuss problems encountered and recognize accomplishments

Making it work

- Collaboration requires participation from government and civil society
- Civil society must know the responsibilities of government and its own responsibilities in the monitoring process
- Feedback to agency makes monitoring results useful
- Government must act on monitoring results

Accomplishments of Textbook Count

- Prices of textbooks were reduced by 40-50%
- Procurement process (bidding to delivery) was shortened from 24 to 12 months
- Printing and binding quality was improved
- Delivery errors were reduced to as low as 5% on the average

TEXTBOOK COUNT
Libro ko, kinabukasan ko.

G-Watch Lessons

- Simple monitoring tools work and can influence government's policies and programs
- Constructive engagement with agency facilitates positive actions on the findings and recommendations
- Citizens' involvement in public management prevents corruption and improves people's access to basic services

Thank you!

For the Trainer

- Give the mechanics for the mock planning exercise

MOCK PLANNING
on Monitoring Initiative

Mechanics

- Participants will divide into four groups
- Group members brainstorm and explore ideas on doing monitoring work in the community (see guide in next slide)
- Group documenter writes output on manila paper
- Group reporter presents group output

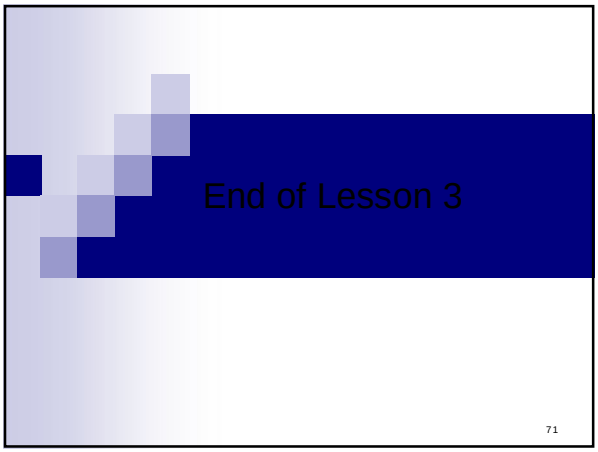
Guide Questions, 1st set

- What is your target procurement item? Why?
- What steps will you you take to convince the government to partner with you in a monitoring initiative? What incentives do you suggest to get government's cooperation?
- What information and skills do you need to implement the initiative?
- What incentives do you suggest to encourage CSO involvement?
- How will you organize your volunteers?
- Do you think your volunteers would need training? How will you train them?
- What key activities are you going to do to monitor?
- What will be your procedures to get monitoring reports?

Report back to Small Group Plenary
Return to Workshop Group

Guide Questions, 2nd set

- How will you assess the accomplishments of the initiative?
- What will be the strengths and weaknesses of work plans?
- What are the ways to overcome weaknesses?
- What are the ways to sustain strengths?

Report back to Small Group Plenary

Summary and Synthesis