

Public procurement policies of Nigeria and Ghana: an analysis of the administrative challenges in achieving value for money

Challenges in
achieving
value for
money

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Abstract

Purpose – This study aims to focus on public policy concerning the implementation of public procurement policies in Nigeria and Ghana toward achieving value for money in the procurement of goods, services and works. It specifically analyzes some major administrative challenges Nigeria and Ghana are faced with in the administration/implementation of public procurement policies toward achieving value for money. It looks at the relationship between the state (regulatory authorities) and substate (procurement entities) in the public sectors of Nigeria and Ghana.

Design/methodology/approach – A comparative case study approach is adopted, where the two countries are compared in terms of achieving value for money. Data was collected from multiple sources, including in-depth interviews. The use of official documents and direct observations at the procurement regulatory authorities and entities' premises.

Findings – This study found Nigeria often used the four Es – economy, efficiency, effectiveness and equity while Ghana mainly used the traditional five rights (right quantity, right quality, right price, right place and right time) as their criteria for ensuring value for money. The major administrative challenges found include corruption, low capacity of procurement personnel and poor knowledge of the procurement laws.

Social implications – It recommends effective collaboration between government and civil society groups in the fight against corruption in procurement-related activities, with the implication that there is a need for periodic training for public procurement officials.

Originality/value – It adds to the field of public procurement in terms of value for money in the procurement of goods, services and works in developing countries context.

Keywords Public procurement policies, Value for money, Nigeria, Ghana

Paper type Research paper

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Introduction

The research analyzes the administrative challenges of Nigeria and Ghana toward attaining value for money (VfM) in the procurement of goods, services and works in line with procurement laws.

Countries across the globe have made efforts to align their procurement laws and policies to be in line with international standards and there are many principles of procurement. Some principles are outstanding and cut across countries. Such procurement principles include VfM, competition and transparency as well as procurement as a tool for anticorruption. These principles are quite universal (UN, 2020). The UN Procurement Manuals emphasize the following principles: Best Value for Money; Equity, Integrity and Transparency; and Internationally Competitive Procurement Process. Procurement refers to an essential action taken to “acquire, purchase or lease property, works and services” (UN, 2020, p. 17). Thus, emphasis on VfM and the measures countries adopted to achieve VfM. VfM is conceptualized differently by scholars, but it is generally about deriving maximum benefits from the procurement of goods, services or works with less cost without compromising on quality. Moreover, VfM is conceptualized to check fraud and waste and saves budgets largely in public sectors, and in some cases private sector procurement activities, practices and procedures (Burger and Hawkesworth, 2011; Dimitri, 2013; Komakech, 2016; Rustiarini *et al.*, 2019; Kissi *et al.*, 2020; Changalima and Mdee, 2023; Nani *et al.*, 2023).

In Europe, for that matter, the European Union emphasizes three key principles of procurement: equal treatment, nondiscrimination and transparency. All to get the best VfM. In Africa, specifically, the African Union (AU) adopted a comprehensive procurement policy in 2010 and revised it in 2016 (AU Procurement Manual, 2016). The revised manual conceptualizes procurement as the process of “acquiring goods, services, and works” (AU Procurement Manual, 2016, p. 8). The AU Procurement Manual emphasizes five core principles such as VfM; fairness, integrity and transparency; competition; efficiency; and economy. It is expected that member states would make efforts to align their procurement policies to such key principles. The AU procurement policy conceptualizes VfM as the balance between “price and performance” that gives the highest inclusive advantage (AU Procurement Manual, 2016, p. 12). Besides the continental body (AU), the other subregional bodies made efforts to formulate procurement policies to guide member-states in the design of their national procurement policies.

The Economic Community of West African States (ECOWAS) adopted a procurement policy in 2015 which has VfM as one of the core or key principles of procurement alongside transparency, efficiency and economy. Thus, urging ECOWAS member states to take pragmatic steps toward achieving VfM in the procurement of goods, services and works. ECOWAS is a 15-member-state sub-body of AU, which has Nigeria and Ghana as key members.

Two ECOWAS member states are compared in terms of their procurement policies and their efforts or steps toward achieving VfM in the public sectors of Nigeria and Ghana. Nigeria was without a comprehensive procurement law. The World Bank indicated that such a situation was responsible for procurement inequities, fraud, corruption and mismanagement in the public procurement system (Williams-Elegbe, 2015). When Nigeria returned to multiparty democracy in 1999, it paved the way for a procurement policy with the hope to address the above challenges. Changing from the dictatorial administrative procedures of the previous military regime to democracy, a political system that is accountable to the citizenry (Olatunji *et al.*, 2016). The federal government of Nigeria, therefore, instituted the Budget Monitoring and Price Intelligence Unit to address procurement infractions that bordered on unfair deals that cost the Nigerian Government huge amounts of money (Olatunji *et al.*, 2016).

Nigeria enacted the Public Procurement Authority (PPA) in 2007 to oversee public procurement in federal establishments, in response to the recommendations by the World Bank of the country's procurement evaluation. The PPA established the Bureau of Public Procurement (BPP) as the regulator (or regulatory authority in Nigeria), which is charged with overseeing procurement activities in federal departments and agencies. As such, the BPP identifies core objectives that position it on the path to ensuring VfM, promoting accountable and open procurement, harmonizing established policies and procedures on public procurement, creating price benchmarks and norms, ensuring that fairness, competition, transparency and value-for-money standards are benchmarks in the procurement of goods, services and works (Government of Nigeria, 2007). Also, VfM is closely linked with other principles of procurement like competition, transparency and efficiency (Williams-Elegbe, 2015). The Nigerian procurement law under Section 16(1)(e) and (f) outlines that procurement should be regulated by targeting VfM and promoting effective competition, economy and efficiency in procurement-related activities (Government of Nigeria, 2007).

In Ghana before 2003, there was no comprehensive legal document that guided public procurement. The earliest attempt to reform Ghana's procurement to achieve VfM was in 1996, when the then government rolled out what was known as the Public Financial Management Reform Programme (PUFMARP). This was done so that Ghana's financial management may be improved and to address some administrative flaws in public procurement (Ameyaw *et al.*, 2012). Another administrative flaw identified in Ghana, besides the absence of a public procurement policy, was that there was no independent appeals mechanism for tenderers to express their concerns or seek administrative review. Eventually, the Public Procurement Oversight Group was established in 1999 to direct the development of an effective public procurement policy framework for Ghana. This resulted in laying a draft public procurement bill in 2002 and its eventual passage into law in 2003 (Government of Ghana, 2003; Ameyaw *et al.*, 2012). This first public procurement policy was amended in 2016 to address some administrative lapses, including a scrap of lower tender review boards, the setting up of effective measures to achieve VfM and reducing bureaucratization of procurement procedures and processes (Government of Ghana, 2016). In this study, VfM is conceptualized as the measures the two countries (Nigeria and Ghana) put in place to minimize cost and maximize benefits without compromising quality in procurement-related activities.

Why value for money is so essential in public procurement? A global perspective

The UN is not excluded from the lapses or flaws related to the procurement of goods, services and works and thereby emphasizes securing VfM in all procurement-related issues or activities to save UN funds from waste, fraud and misuse. Also, the United Nations Office on Drugs and Crime states that public procurement is estimated to cost 30% of the Gross Domestic Product (GDP), making it the single greatest area of government spending. The high percentage of countries' GDP on procurement makes countries adopt administrative measures to secure VfM and raises issues of conflict of interest between public and private interests among procurement entities. These developments make procurement a major source of concern for the integrity of government administration. Also, Organization for Economic Cooperation and Development reports put public procurement as one of the most corruptible public activities and the need for VfM (OECD, 2011). The pathway is for countries to create appropriate structures (formal and informal) to ensure VfM is secured in procurement activities and procurement practices (Mante, 2017).

Even at the UN, there are loopholes and challenges in the procurement of goods, services and works. In April 2006, the United States Government Accountability Office (GAO) reported that, for more than a decade, the United Nations Secretariat has been urged by

experts to address severe flaws in its procurement process. It found that the UN internal procurement controls are weak, which exposes UN funds to significant waste, fraud and misuse. In a study, the United Nations Office on Drugs and Crime states that public procurement is estimated to cost 30% of GDP, making it the single greatest area of government spending. Procurement is therefore subject to corruption because of its size as a percentage of GDP and the fact that it involves interactions between public and private interests. It is a major source of concern for the integrity of government administration. Between 50% and 70% of the national budgets are procurement-related (excluding personal emoluments). That is why countries are more interested in securing VfM for the procurement of goods, services and works (Ameyaw *et al.*, 2012; Senzu and Ndebugri, 2017). Some scholars have described VfM as the “heart” of procurement (Bowles and Morgan, 2016; Panga, 2021), or the center of procurement in the strategic management of public funds (OECD, 2011), whereas others see VfM as the most essential principle of procurement (Raymond, 2008; Dimitri, 2013; Manta *et al.*, 2022).

VfM and some prospects/opportunities and challenges/constraints in Africa have also highlighted the difficulties of compliance with public procurement contract agreements as well as timelines and their effects on the achievement of VfM in terms of goods, services and works in Africa (Panya and Awuor, 2023). They indicate that huge sums of money are involved in procurement from governmental and nongovernmental sectors, including business organizations. Thus, there is a need for member states, especially those in Africa, to pay close attention to procurement-related activities to promote trade, direct foreign investment and economic growth, then adopt measures to deal with the incidence of corruption through competitive procurement, transparency and accountability. VfM should be looked at from the lens of the “whole life costs of the project or service” and not necessarily seen in terms of “the lowest bid price” (Panya and Awuor, 2023, p. 1435). The cost of a whole-life project/service has not been prioritized. Moreover, VfM should be closely connected to whatever happens at the processes and management level and connected to the objectives of procurement policies/laws (Chikwere *et al.*, 2023) not only in Zimbabwe but across Africa and other countries.

Some major administrative challenges of Nigeria and Ghana toward value for money

Some administrative challenges inhibit VfM in Nigeria and Ghana, which are crucial to the study. Also, to ascertain which country is doing well in terms of achieving VfM in procurement. In Nigeria, one administrative challenge identified is that of a “structural deficit.” There are laws on procurement, but the implementation structures to ensure the effective execution of the procurement laws or policies are weak (Williams-Elegbe, 2012; Adewole, 2014) or poor implementation and noncompliance with the procurement laws or regulations (Jibrin *et al.*, 2014). Another administrative challenge that inhibits the attainment of VfM is “organizational culture.” Other studies identified other challenges, including rule-breaking or rule-mending in procurement-related activities and practices. Issues of frequent political interference in the work of public officials or bureaucrats, coupled with human resources deficiencies and unreliable data on procurement, are some administrative challenges in Nigeria (Jibrin *et al.*, 2014; Familoye *et al.*, 2015; Adou, 2016; Manu *et al.*, 2018; Ogunsanya *et al.*, 2022). A major administrative flaw or challenge identified in Nigeria that affects the attainment of VfM is weak law enforcement, in which the procurement laws are not rigidly enforced; in some cases, the penalties are low and not deterrent. In some instances, there is a collusion or connivance between the procurement entities (sub-state actors) and the regulatory authority officials (state actors) on non-enforcement for some private or personal interest in the contracts or tender process, which may profit the officials, as revealed by several studies (Jibrin *et al.*, 2014;

Ebekozien *et al.*, 2023; Prakasa, 2022). These are some of the numerous administrative challenges Nigeria is faced with in terms of efforts to attain VfM in procuring goods, services and/or works.

In Ghana, several studies looked at public procurement within government agencies, specifically VfM, in the procurement of goods, services and goods, including local government administration (district assemblies). These administrative challenges were identified at the local government level: low professionalism in procurement, especially contractors and suppliers; red-tape (overbureaucratization); incidences or acts of bribery and corruption; and too much political interference (Osei-Tutu *et al.*, 2010; Adusei and Awunyo-Vitor, 2015). Other administrative lapses or flaws occur when some tender processes opt to go through open competitive tendering and end up as single-source or sole-sourcing without the approval of the regulatory authority, the Public Procurement Authority (PEFA, 2018, 2013; Boatemaa-Yeboah and Tamakloe, 2019; Lassou *et al.*, 2023). The work of Osei-Tutu *et al.* (2009) identified favoritism and nepotism as key factors that inhibit Ghana's efforts toward achieving VfM in the procurement of goods, services and works. Other studies revealed the incidence of rule-breaking or rule-mending to favor friends or allies in a tender process and some breaches of the procurement law on the award of contracts to contractors, suppliers or consultants, as well as issues of adjudication by judges, among others (Osei-Tutu *et al.*, 2009; Osei-Tutu *et al.*, 2011; Akomah and Nani, 2018; Amagnya, 2023; Lassou *et al.*, 2023). There are some major administrative challenges in public procurement in Ghana toward achieving VfM.

Theoretical lens

The research analyzes the administrative challenges of Nigeria and Ghana toward achieving VfM in the procurement of goods, services and works. It specifically investigates some administrative challenges that impede the efforts of two countries to achieve VfM and which country is doing better in the attainment of VfM in the procurement of goods, services and works in the context of the relationship between the state regulators/authorities and public procurement entities. The research used principal-agent theory as the theoretical framework. This theory fits into this research, which looks at the relationship between the two procurement regulatory authorities and the two countries' procurement entities in the administration of procurement laws in Nigeria and Ghana. How such a relationship facilitated and/or inhibited the two countries' efforts towards achieving VfM in procurement. The principal-agent theory looks at the relationship between a principal (the procurement regulatory authorities, the owner, or the decision maker) and an agent (a person or entity that is contracted, hired or asked to perform a task) on behalf of the principal (Jensen and Meckling, 1976; Kipo-Sunyehzi, 2018; Hu *et al.*, 2022).

As the agent makes efforts to satisfy the principal, the agent is also confronted with some challenges of how to deal with issues of moral hazards, self-interest, greed, incentivization, lack of clarity of goals or tasks to be executed by the agent, conflict of interest, confronted with "multiple principals" syndrome, among other challenges agents face in executing principal task(s) (Al-Najjar, 1997; Lui, 2011; Kipo-Sunyehzi, 2018; Hu *et al.*, 2022; Wang and Pan, 2023). The principal-agent theory has implications at the international level, in which international organizations (IOs) may assume the position of agents while states/countries become their principals and the IOs must carry out the task on behalf of the member states. It may also be vice versa. At the national level in procurement, the procurement regulatory authorities assume the position of agents to see to the implementation of procurement laws (strict enforcement of procurement rules) on behalf of their states/countries. The procurement regulatory authorities assume the position of principals (national government)

dealing with procurement entities like local government agencies, departments and public schools, among others as their agents. In simple terms, the procurement entities act as agents of the state regulatory authorities, as shown in [Figure 1](#).

Similarly, principal-agent theory under International Relations may come in the form of donor-recipient country relationships, in which a donor country (principal) expects the funds given in the form of grants or loans to be put into judicious use for the intended purpose by the recipient country (agent). In this relationship, the donor country puts in “accountability measures” that allow for the donor to monitor the progress of the grant/loan implementation by the recipient as well as influence the agent’s behavior/interest to align with the objectives of the principal, the donor country or the IO ([Elsig, 2011](#)). The agent can equally be an implementing agency, such as a Civil Society Organization (CSO), that acts as an intermediary between the donor country and the recipient country. Such relationships are applicable in the context of public procurement in Nigeria and Ghana, which targets achieving VfM in procurement. The IOs/donor countries expect recipient countries to apply strict procurement rules in the procurement of goods, services, and/or works toward the attainment of VfM. Thus, the choice of principal-agent theory has relevance at both international and national levels as well as local levels. The principal(s) need to monitor the actions and performances of the agent to avoid possible cases of shirking duties ([Elsig, 2011](#)), avoid scenarios of “interest divergence” ([Kipo-Sunyehzi, 2018](#)) and deal with what [Smith et al. \(2018\)](#) call “conflicting interests.” It is assumed that the agent is more knowledgeable than the principal in the task that the agent is hired to perform; this makes it hard for the principal to deal with adverse selection, moral hazards and information asymmetry. It is in this regard that the research or study applies the principal-agent theory in the analysis of the kinds of relationships or dealings that exist between the two countries’ regulators and the entities contracted or hired to implement the public procurement policies/laws of Nigeria and Ghana.

Methods and materials

Design

A qualitative comparative case study approach was adopted ([Yin, 2014](#); [Bartlett and Vavrus, 2017](#)). The rationale is to compare the two cases (Nigeria and Ghana) with the pattern’s similarities and/or differences in the administration of their public procurement policies/laws toward achieving VfM in procurement activities. The essence of the comparative case study design is to help the researchers analyze the degree or extent to which an event or phenomenon is present or how the phenomenon varies across cases in Nigeria and Ghana ([Flyvbjerg, 2006](#); [Kipo, 2011](#)). Also, to analyze the social phenomenon under investigation (value for value (VfM) in the procurement of goods, services and works by public procurement entities. Ghana adopted public procurement policy in 2003 and Nigeria followed in 2007. How have the two countries implemented their national laws

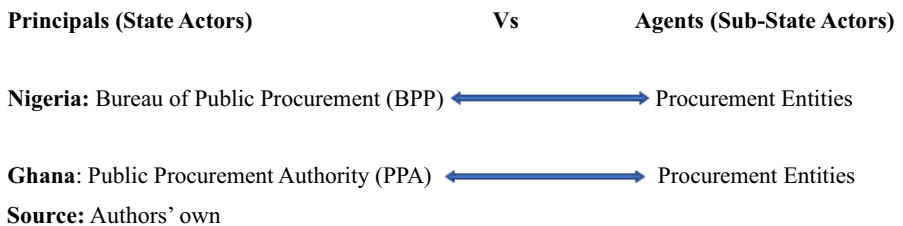


Figure 1.
Principal-agent relationships between regulators and procurement entities (Nigeria–Ghana)

toward the core principle of VfM, situating the two countries in the context of ECOWAS procurement law and the AU Procurement Manual as key member states? Both ECOWAS and AU policies/laws emphasize VfM in procurement activities. Theoretically, the comparative case study approach is crucial to understanding the relationship that exists between principals (regulators) and agents (procurement entities). Thus, the comparative case study design helped in the analysis of the working relationships between the principals (the two countries' procurement regulatory authorities, namely, Nigeria's BPP and Ghana's Public Procurement Authority [PPA]) and procurement entities in terms of compliance, enforcement of procurement laws, information flow, application of procurement methods, including single source (sole sourcing), competitive tendering and restrictive tendering, among others (Government of Nigeria, 2007; Government of Ghana, 2003).

Data collection methods

The choice of case study research, specifically the comparative case approach, often involves the use of "multiple sources of evidence" (Yin, 1989, p. 23; 2014, pp. 16–17). In doing this, the researchers used in-depth interviews where some participants were purposively selected based on their positions in their organizations, knowledge of procurement, VfM principle and the realities on the ground. This led to the selection of procurement practitioners in Nigeria and Ghana. The second researcher did the data collection, whereas the first researcher provided the guide and the support. Also, theoretically, the researchers selected officials from the two countries' regulators or procurement authorities, namely, the BPP (Nigeria) and the Public Procurement Authority (PPA; Ghana). The first category of participants represented principals. Then comes the selection of the experts' panel. These officials, persons or actors were at the substate level or local level and were selected purposively to represent procurement entities in Nigeria and Ghana. The second category of participants represented the agents. It is important to note that the in-depth interviews involved participants based in Nigeria and Ghana. The instrument used for the interviews is an interview guide for qualitative data gathering for analytical purposes.

The researchers also carried out some direct observations at some offices or the premises of the procurement regulator (PPA) in Accra and some public procurement entities in Ghana, largely in Accra and Tamale. Unfortunately, such a direct observation method could not be carried out at the BPP in Nigeria as part of the primary data sources gathered in the field. Moreover, document reviews were one of the sources of data collection. In this regard, the procurement policies of Nigeria and Ghana were collected, as were some annual reports of the two countries and other leaflets and manuals on issues of procurement of goods, services and works toward achieving VfM. The rationale for the researchers' choice of using multiple sources of data was to converge in a triangulating fashion (Yin, 2014). Fieldwork was conducted from September to November 2021 by the second author in Nigeria and Ghana, both virtually and in person. COVID-19 protocols, including wearing nose masks, social distancing, and using hand sanitizers, among others, were strictly observed during interviews. Details of the multiple sources of data are presented in Table 1. The multiple data sources in such a qualitative study are aimed at analytical generalization (Yin, 2014).

Sampling techniques and sample size

The researchers used the purposive sampling method, which aimed at the selection of some groups or persons who could answer the research questions. The other criterion is based on the positions the person occupies in the other organization or state agency. This is what Creswell (2014) and Yin (2014) call the selection of persons with the requisite knowledge of the phenomenon under investigation. This method was used in line with the principal-agent

Sources of data	Information sought for	Target in using the source(s)
(1) In-depth interviews	Opinions, views and perspectives of principals and their agents; shared experiences on VfM administrative challenges	(1) Procurement rules (2) Procurement methods (3) Procedures followed (4) Towards VfM principle
(2) Direct observations	Working relationship between regulators and the entities, actions, acts, queues at offices language used to explain issues, shouts, politeness etc.	(1) Friendliness, hostile (2) Manner of information sharing, waiting times (3) Behaviors/attitudes (4) Actions/inactions
(3) Document sources	Textual data, written materials on procurement, guidelines, procedures for regulators and procurement entities for VfM	(1) Public policies/laws (2) Annual reports (3) Procurement bulletins (4) Newspapers, leaflets, etc.

Table 1.
Sources of data

Source: Authors' own

theory, where we purposively selected at least two officials from the two countries' procurement regulatory authorities and at least three officials from some selected public procurement entities implementing policies/laws.

In this regard, the second researcher who was in the field started with the purposive sampling method as in Figure 2. Other participants were suggested, which led to a snowball sampling method.

The total number of participants who were interviewed in the study as well as the categories of persons involved, and their organizations/agencies are presented in Table 2. The total sample is 15. This number is very crucial and relevant for analytical purposes. As the researchers seek to compare the views, and experiences of procurement regulatory authorities (regulators) officials representing the principals acting on behalf of their countries to engage procurement entities in government agencies/departments, colleges/universities towards VfM in procurement activities.

Data analysis

The data gathered in the field was transcribed and analyzed along major themes and subthemes. The audio recordings were categorized into three, namely, audio 1, 2 and 3, for easy analysis. Such transcribed data is available with the two researchers (authors) and can be made available upon request. Some themes emerged for the sake of the study/paper relationship between principals and agents. Another major theme that emerged from the data is the administrative challenges of Nigeria and Ghana toward achieving VfM in the

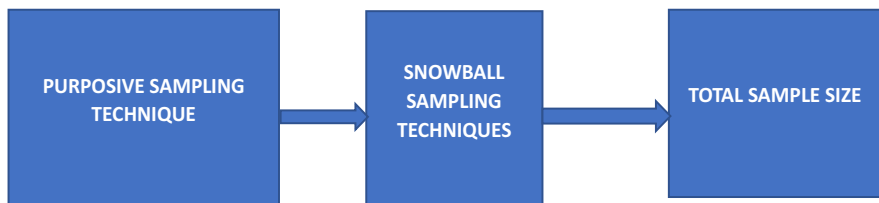


Figure 2.
Sampling techniques adopted in the research

Source: Authors' own

procurement of goods, services and works. Thus, the choice of thematic analysis is in line with the design of the research (a qualitative approach). Some nonverbal data that were gathered through on-site observations were also analyzed, and meaning was made from the signs. These nonverbal signs, gestures and cues are not entirely “scientific,” but they do go a long way in expressing the inner feelings of the study participants, which were collected “systematically and unobtrusively” (Curry *et al.*, 2009, p. 1446). All such data gathered from direct observations in the field were analyzed, and meaning was made to enrich the study findings (Turner, 2010; Kaczynski *et al.*, 2014).

Ethical considerations

The researchers first sought the informed consent of all participants before the commencement of interviews. This was achieved in two ways, either the participants signed the written consent form or the participants gave their consent orally. Many of the participants preferred oral consent to written consent, which requires signing the informed consent form. Other ethical issues such as respect for participants’ privacy, anonymity, dignity and voluntary participation were adhered to. Moreover, institutional permission was sought before interviewing staff/officials in the regulatory authorities and the staff or officials in the various procurement entities (Yin, 2014; Creswell, 2014).

Findings

The findings in this article or paper focus on two main issues, namely, the kind of relationship that exists between the principals (regulators) and agents (procurement entities) in Nigeria and Ghana in the administration of their national procurement policies or laws toward achieving VfM. This VfM principle is crucial with national and international support, thus the efforts of many countries to achieve VfM in the procurement of goods, services and works.

The role and working relationship between officials of the regulatory authorities and procurement entities

This is what an official of Ghana’s Public Procurement Authority (*principal*) has to say concerning their working relationship with the various procurement entities in Ghana:

Currently, my role involves training public entities. So, I do a lot of training across the country. (PPA Official 1, Finance Unit)

After explaining the role, the PPA official then elaborated on the working relationships with the various procurement entities in Ghana. This is what he said:

Principals (regulators)	Total	Agents (procurement entities)	Total
Officials from Nigeria BPP	2	Procurement entities from Nigeria	3
Officials from Ghana PPA	3	Procurement entities from Ghana	5
		OTHER AGENTS	
		A Nigerian expert in Ghana	1
		The University of Ghana expert	1
<i>Total principals</i> interviewed	5	<i>Total agents</i> interviewed	10

Table 2. Official of the regulatory authorities (principals) and procurement entities (agents)

Source: Authors’ own

I am a procurement auditor. I do procurement audits and procurement fraud investigations. If I come to an entity or there is a project and I'm going to check fraud or whether procurement has been done right, they are certain indicators that you may use. The very first one is that either the contractor, the supplier or the consultants, executing the job that you are asking the person to execute, the person should be well qualified, have gone through the mill and have experience and exposure to say that this person, this job, the best thing can execute, then when that is settled, the next indicator that you can equally look at, six Rs, the rights. So, are you buying the item based on the right quality, price, place, quantity, source, and time? (PPA Official 1, Finance Unit)

Another PPA official has this to say on the role(s) and the working relationship with procurement entities:

At the initial stage, one important thing that is usually required is that the concept is there, and the availability [...] the proposed or the forecasted availability of funds is available, then we can say that the entity is planning well to achieve value for money. So, in instances where it is [...] entities plan well to achieve value for money, I cannot say that entities plan to fail. No! No public entity plans to fail. All of them plan to win. But unfortunately, there can be challenges that hinder planning to win. So that is that. (Ghana PPA Official 2)

Based on onsite observations, the researcher observed that many public procurement entities do visit the premises or offices of the procurement regulatory authority, and the officials of the regulator have time with the entities. Sometimes, there are exchanges of documents and the sharing of leaflets and magazines, especially the procurement bulletin offered to the entities; other entities are given some reports; and other documents are given. Most of the interactions between the authority and the entities look friendly. It was only one day that some exchanges of words occurred between an official of the authority and an official from a procurement entity, but they were resolved.

On an award of contract as a supplier consultant or contractor, there is no more cash or cheque. There are the words of the PPA Official 2:

Those are the instances where in those days everybody was awarded a contract, and they were even paid in cash. But today, no person gets a government contract and pays cash or even a cheque, no. The payment is made through GIFMIS (Government Integrated Financial and Management Information Systems). So, you see where we have evolved to? For you to be on GIFMIS you must be registered with the Registrar General.

This is what two of the officials interviewed by the Nigerian regulator (the BPP) have to say about their role and the working relationship with the various procurement entities.

In an interview with a Nigerian BPP official, this is what he said about the role and relationship with public procurement entities:

Nigeria's system, the Bureau of Public Procurement (BPP) has a threshold upon which contracts could be awarded. I don't know whether it applies to Ghana. We try to explain the methods and procedures of procurement to the local procurement entities so that they understand the laws and the conditions. All aim to avoid and best prevent breaches of the procurement laws. (BPP Official, Nigeria)

This is what a Nigerian public procurement practitioner said about Nigeria Procurement Law 2007 and the kind of relationship that exists between the regulators and the various entities.

As practitioners, we do consult the procurement law and the related laws on methods, and procedures of procurement, if we are displeased, we seek administrative review through BPP. Or where certain things are not clear we seek clarification from BPP, so it is more like daily encounters with the regulatory body (BPP). My working relationship with the BPP official is so

cordial and friendly but there are issues of poor enforcement of the procurement laws. One thing is having the law and then doing the opposite. (Procurement Practitioner, Nigeria)

Challenges in achieving value for money

These are some of the responses from participants who were interviewed in Nigeria and Ghana on the role and the working relationship between regulatory authorities and procurement entities.

Some administrative challenges that hinder value for money in Nigeria and Ghana

The second part of the findings focuses on the main research question on some of the challenges. The main research question is *what procurement challenges hinder value for money in Nigeria and Ghana?*

In this question, the main challenge that affects procurement in Nigeria and Ghana was found to be corruption followed by other factors as presented in [Figure 3](#).

The data collected around this revealed several challenges as shown in [Figure 3](#).

From [Figure 3](#), four Ghanaian participants and three Nigerian participants, totaling seven and representing 47% of the total participants, mentioned that corruption is one of the major challenges that hinder VfM in public procurement in Nigeria and Ghana.

Also, one participant from Nigeria and two participants (interviewees) from Ghana, totaling three and representing 20% of the total participants, mentioned that lack of skilled procurement personnel was the major challenge affecting VfM. The same participants (three) from both countries mentioned poor funding as one of the major challenges. Two persons from Ghana mentioned ignorance of procurement laws as one of the main challenges of assuring procurement VfM. The number of participants who responded to the question is captured in [Figure 3](#). Moreover, the participants were officials from both the regulatory authorities and some entities.

Other agents (see [Table 2](#)) who were interviewed, especially the procurement expert from the University of Ghana, said this about some administrative challenges that affect VfM in Ghana. The procurement expert/officer at the University of Ghana Business School bemoaned the bureaucratic and complex nature of the procurement process, adding that it

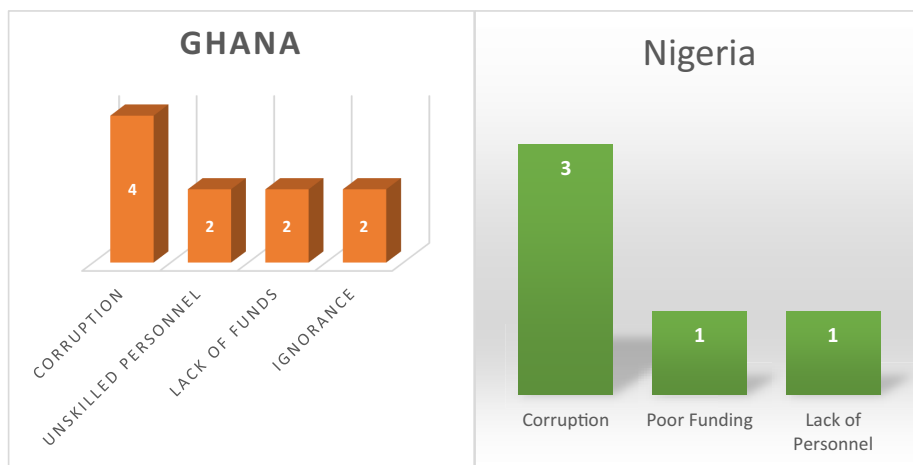


Figure 3. Procurement challenges that hinder value for money

Sources: Authors' own; Field data (2021)

wastes time, increases the cost of contracts and promotes corruption. This was what he had to say:

The national rules are many. Legon rules are also there. There is a lot of red-tapism in the system. In fact, in public administration in Ghana, there is a lot of red-tapism and bureaucracy. Apart from the procurement laws, Legon has its rules. Formerly, in the Business School, we could do everything here. Now from Business School, it will go to the College of Humanities, to director of logistics, director to VC (Vice Chancellor). If these people are all there, what do you think will happen? It will drag on for a very long time. Apart from the school's administrator to the Dean, the Provost, the director of logistics and the VC, in some cases, if it is for works, from the director of logistics it has to go to the director PDMSD (Physical Development and Municipal Services Directorate). So, you have about 5 to 6 chains. (Other Agents, Expert from the University of Ghana Business School, Ghana)

This is what a Nigerian expert on procurement said about some administrative challenges that affect VfM:

On the challenges of procurement in Nigeria, a procurement specialist at the University of Benin, Edo State, observed that the wastage of funds by federal agencies is owing to a lack of technical expertise on the part of procuring entities. This is what she said:

Federal agencies that make procurement decisions on behalf of the government cannot sometimes ensure due diligence. They either under-specify or over-specify the organization's needs when they are in the planning stage of the procurement process.

(Other Agents, Procurement Expert from the University of Benin, Nigeria)

She explained wastes public funds and undermines value-for-money attainment in procurement. Two issues have been covered in the findings, namely working relationships and the challenges.

Discussion

The principal-agent theory looks at the relationship between a principal(s) and the agent(s). As this study's findings revealed a cordial relationship between the principals (regulators) and their agents (procurement entities) (Jensen and Meckling, 1976; Kipo-Sunyehzi, 2018; Hu *et al.*, 2022).

Challenges of public procurement in Ghana and Nigeria

The study revealed that Nigeria and Ghana share similar challenges in procurement. Both participants from Nigeria and Ghana mentioned some key administrative challenges towards achieving VfM in procurement, including corruption, inadequate skill personnel and inadequate funding. The findings of the study concur with other research findings (Osei-Tutu *et al.*, 2010; Williams-Elegbe, 2015; Adusei and Awunyo-Vitor, 2015; Olatunji *et al.*, 2016). The only difference between the two countries is ignorance. This factor was mentioned or found in Ghana as a challenge affecting the efforts toward achieving VfM in the procurement of goods, services and works (as in Figure 3). Also, corruption was found to be the biggest or most common challenge in both countries. This may not be surprising due to other factors such as rule-mending, rule-breaking and breaches of procurement laws, among others. These empirical observations in the study are consistent with these works (Osei-Tutu *et al.*, 2009; Akomah and Nani, 2018; Amagnya, 2023; Lassou *et al.*, 2023).

Theoretically, the principal is expected to provide the enabling environment to help agents carry out the principal task(s) with monitoring mechanisms (Elsig, 2011). However, the findings showed procurement authorities' complacency, inadequate funding for agents

and poor knowledge of procurement laws. This study's observations/findings corroborate the finding of [Akaninyene and Mark \(2015\)](#) in Southern Africa, which revealed corruption of regulatory authorities, poorly skilled personnel and lack of adequate logistics impeded the procurement monitoring process.

McDonald (2016), in his analysis of the procurement process, also agrees with the findings of this study that Ghana is considered one of the most notoriously corrupt countries in the world in terms of the annual corruption perception index (CPI) published by Transparency International in 2020. Although corruption is said to exist in all societies, Transparency International revealed that the amount of money changing hands through corruption in public procurement in Ghana is estimated at US\$390m– US\$400m per year. [Sarfo and Song \(2021\)](#) also reported that there is no indication that the enactment of public procurement and its implementation in Ghana since 2003 have had any significant impact on reducing corruption in Ghana's public procurement. According to the annual CPI for 2019 and 2020 published by Transparency International, Ghana ranks as the 73rd and 75th most corrupt country out of 183 countries worldwide. Corruption in Ghana remains a significant barrier to the efficient use of resources and effective service delivery ([Osei-Tutu et al., 2009, 2010](#)).

This study found that corruption in procurement is manifested in different forms and by different actors (procurement entities). Such actors or key officials, including internal auditors, coordinating directors, finance officers, budget and planning officers, engineers, warehouse and procurement officers and government representatives, misappropriated funds that should have been used for development projects in their areas without the staff caring about it. These findings are consistent with the findings of [Kissi et al. \(2019\)](#), where some internal and external auditors apparently "trained" key officials on how to cover up corruption in return for money and other rewards. Therefore, corruption in procurement remains a major administrative challenge in the procurement process in Ghana and Nigeria. Corruption is hard to deal with in the two countries because of its changing nature and its forms of manifestation ([Kissi et al., 2019](#); [Williams-Elegbe, 2015](#)), coupled with the associated administrative challenges such as weak enforcement of public procurement laws/policies in Nigeria and Ghana ([Jibrin et al., 2014](#); [Ebekozi et al., 2023](#); [Prakasa, 2022](#); [Osei-Tutu et al., 2009](#); [Osei-Tutu et al., 2011](#)).

Conclusions

The study concludes that both countries are facing similar challenges in their attempts to ensure VfM in the procurement of goods, services and works. These range from the corruption of public officials, a lack of skilled personnel, inadequate funds and poor knowledge of procurement laws to the inability of authorities to implement procurement laws. Many of the regulations on procurement procedures remain on paper or are manipulated by public officials. This affects the ability of all the regulatory institutions (principals) to implement the measures put in place to regulate or monitor procurement entities (agents) regarding procurement procedures, methods and rules. Though the sample size is relatively smaller, the findings are transferable to other settings like Nigeria and Ghana, which may experience similar challenges in achieving VfM.

Recommendations

Both countries (Nigeria and Ghana) are faced with similar administrative challenges such as inadequate finance, corruption, unskilled personnel lack of logistics and ineffective monitoring and enforcement of procurement laws to ensure VfM. This study, therefore, recommends governments of two countries, in collaboration with CSOs should put stringent

measures to check corruption in the public sector as well as train more procurement specialists to monitor procurement processes in their respective countries.

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Further reading

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