

**AN EXAMINATION OF THE PUBLIC PROCUREMENT POLICIES OF GHANA
AND NIGERIA IN THE CONTEXT OF VALUE FOR MONEY**

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DECLARATION

I, ABUBAKARI ABDUL-FATAWU, do hereby declare that except for works acknowledged and referenced, this work results from my own research work conducted under the supervision of Dr. Daniel Dramani Kipo-Sunyezi, and it has not been submitted either in whole or part anywhere for the award of a degree.



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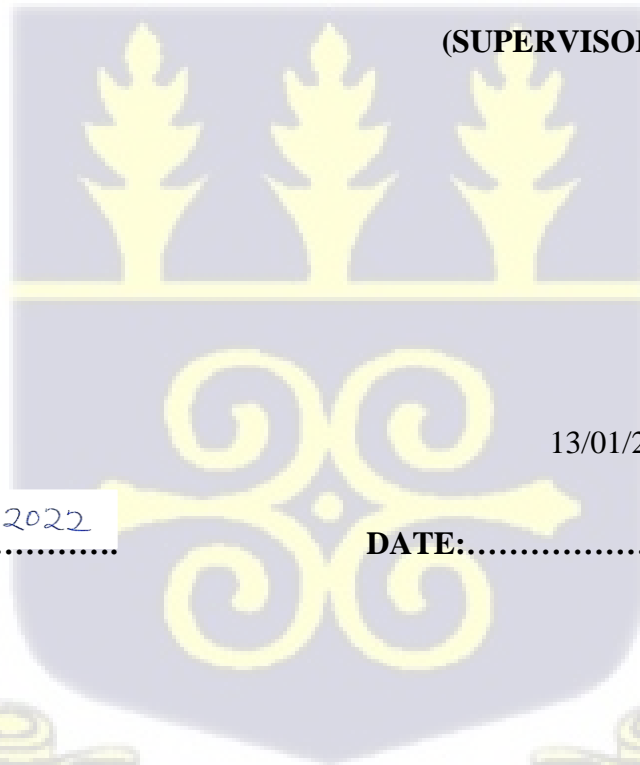
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DEDICATION

To my daughter, Leena Timtooni Abdul-Fatawu and my entire family.



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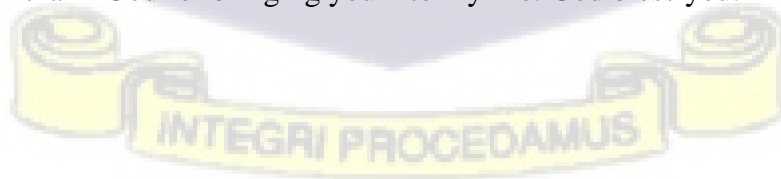
I give thanks and glory to the almighty Allah who has blessed me with health and inspired me to pursue this program. Without his unceasing benevolence, this study would not have seen the light of day. I also express sincere thanks and gratitude to my supervisor Dr. Daniel Dramani Kipo-Sunyehzi for the guidance and mentoring he has given me throughout this journey. Your compassionate guidance has helped honed my research skills to levels unimaginable. Doc., I thank you, God bless.

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LIST OF ABBREVIATIONS

VFM	Value for Money
BVM	Best Value for Money
UN	United Nations
AU	African Union
EU	European Union
ECOWAS	Economic Community of West African States
BMPIU	Budget Monitoring and Price Intelligence Unit
PPA	Public Procurement Authority
BPP	Bureau of Public Procurement
PUFMARP	Public Financial Management Reform Programme
OECD	Organization for Economic Cooperation and Development
PPA	Public Procurement Act
CSO	Civil Society Organizations
CPAR	Country Procurement Assessment Report
NCPP	National Council on Public Procurement
GSC	Ghana Supply Commission
GNPA	Ghana National Procurement Agency
PWD	Public Works Department
UNCITRAL	United Nations Commission on International Trade Law
NEEDS	National Economic Empowerment and Development Strategy
MDA	Ministries, Departments and Agencies
GNCC	Ghana National Construction Company
ETC	Entity Tender Committee
NBA	Need Based Assessment
NCT	National Competitive Tendering
PDMSD	Physical Development and Municipal Services directorate

TRC	Tender Review Committee
CTRC	Central Tender Review Committee
RTRC	Regional Tender Review Committee
CPI	Corruption Perception Index



Table of Contents

ABSTRACT.....	x
CHAPTER ONE.....	1
RESEARCH DESIGN.....	1
1.0 Background to the Study.....	1
2.0 1.1 Problem Statement.....	7
3.0 1.2 Research Questions.....	9
4.0 1.3 Research Objectives.....	10
5.0 Scope of the Study.....	10
6.0 Rationale/Significance of the Study.....	10
7.0 Theoretical Framework.....	11
8.0 1.6 Literature Review.....	15
1.6.1 The Concept of Public Procurement.....	16
1.6.2 Procurement in Nigeria.....	18
1.6.3 Procurement in Ghana.....	19
1.6.4 What is value for money?.....	21
1.6.5 Attaining Value for Money.....	22
1.6.6 Challenges to Attaining Value for Money.....	24
1.6.7 Public Procurement: Traditional Procurement versus Public Private Partnerships (PPPs).....	25
1.6.8 Gaps Identified in Literature Review.....	27
9.0 Research Methodology.....	27
Sources of Data.....	29
1.7.3 Data Collection Methods.....	30
1.7.4 Data Analysis.....	30
1.7.5 Ethical Considerations.....	31
10.0 1.8 Arrangement of Chapters.....	31
CHAPTER 2.....	39
AN OVERVIEW OF THE PROCUREMENT POLICIES OF GHANA AND NIGERIA.....	39
11.0 Introduction.....	39
12.0 2.1 Procurement in Africa.....	39
13.0 2.2 Procurement in Nigeria.....	41
2.2.1 The Procurement Policy of Nigeria.....	42

2.2.2 Nigerian Procurement Law and Value for Money	43
2.2.3 Challenges of procurement in Nigeria	45
14.0 2.3 Procurement in Ghana	47
2.3.1 Ghana’s Procurement Law	48
2.3.2 Ghana’s Procurement Law and Value for Money	50
2.3.3 Challenges of Procurement in Ghana	52
CHAPTER THREE	57
DATA PRESENTATION AND ANALYSIS OF FINDINGS	57
15.0 3.1 Introduction	57
16.0 3.2 Demographic Characteristics	57
3.2.1 Gender	57
3.2.2 Age of Respondents	58
3.2.3 Educational Qualification	59
3.2.4. Nationality	59
3.2.5 Years of Experience as a Procurement Practitioner	60
17.0 3.3 Research Question I: What are the criteria used in ensuring value for money in Ghana and Nigeria?	61
18.0 Figure 4.7 Criteria for Ensuring Value for Money in Ghana and Nigeria	61
19.0 3.4 Research Question II: What measures do Ghana and Nigeria put in place to ensure value for money in public procurement?	63
20.0 3.5 Research Question III: What procurement Challenges Hinder Value for Money?	65
21.0 3.6 Discussion of Findings	67
3.6.1 Criteria for Ensuring Value for Money	67
3.6.2 Measures put in Place to Ensure Value for Money in Ghana and Nigeria	69
3.6.3 Challenges of Public Procurement in Ghana and Nigeria	71
CHAPTER FOUR	76
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS	76
22.0 4.1 Introduction	76
23.0 4.2 Summary of Findings	76
24.0 Criteria for Ensuring Value for Money	76
25.0 Measures of Ensuring Value for Money	76
26.0 Challenges of Ensuring Value for Money	77
27.0 4.3 Conclusions	77

28.0 4.4 Recommendations	78
BIBLIOGRAPHY	79
APPENDIX.....	89



ABSTRACT

Public procurement is the lifeblood of every government without which the administration of states will be difficult if not impossible. The study looked at the procurement policies of Ghana and Nigeria with emphasis on attaining value for money. The study employed a qualitative research design to explore the criteria for ensuring value for money, measures of attaining value in procurement, and challenges that hinder value for money attainment in Ghana and Nigeria. Data was sourced from regulatory bodies and procurement practitioners from both countries. The study found that while Ghana mainly uses the traditional 5 rights (right quantity, right quality, right price, right place and right time) as criteria for ensuring value for money, Nigeria often used the 4 Es- economy, efficiency, effectiveness and equity. However, these criteria are not mutually exclusive to each country. The study also found proper monitoring by regulators, ensuring competition in procurement, conducting Need-Based Assessments before procurement and externally auditing public organizations as means of ensuring value for money in procurement. Challenges that were identified in the course of the research are corruption of procurement authorities, low capacity of procurement personnel, and poor knowledge of procurement laws among others. The study recommends that both countries should employ more involving criteria such as debating procurements directly or through elected representatives while restricting government spending through strict budgetary approval procedures, strengthening the capacities of procurement officers through training and collaborating with Civil Society Organizations to check corruption in the public sector.



CHAPTER ONE

RESEARCH DESIGN

1.0 Background to the Study

Procurement is the lifeblood of governments and organizations because the provision of goods, works and services are what is needed to effectively run a country or an organization. Procurement must be seen to drive the development agenda of countries as it ensures for the smooth administration of the country. In this regard, procurement must be aimed at achieving value for money through mechanisms that support the application of transparency and accountability. Various countries have made efforts to align their procurement laws and policies to those of international standards. Each country's law is unique and differs from those of others. However, the principles underlying procurement such as achieving value for money, competition, transparency and procurement as a tool for anti-corruption are universal (UN Procurement Manual, 2020).

The United Nations defines procurement as essential actions taken to acquire, purchase or lease property, works and services (UN Procurement Manual, 2020, p. 17). It goes further to state that being stewards of funds that Member States have entrusted it with, the UN must be driven by the need to secure best value in its procurement dealings. Procurement is thus achieved effectively when some principles are adhered to. These principles according to the UN Financial Rules and Regulations 5.12 include: Best Value for Money (BVM); Equity, Integrity and Transparency; Internationally Competitive procurement process and above all the supreme interest of the UN. These principles are not to be adhered to in isolation but are to be incorporated with procurement approach that adopts the client service approach by procurement officials (UN Procurement Manual, 2020).

In recent years, there have been talks of sustainability in procurement in which procurement should serve as a tool in advancing the Sustainable Development Goals (SDGs) (UN Procurement Practitioner's Handbook, 2017). To be specific, procurement should aim at especially Goal 1 (Ending poverty), Goal 2 (End hunger), Goal 9 (Innovation and infrastructure), Goal 7 (which talks about accessibility to cheap, reliable and environment-sustaining energy for all) and Goal 13 (addressing climate change). For instance, by including clauses in tender documents that support the SDGs' focus on poverty alleviation, gender parity, empowering women, sustainable environment, and child education, UN organizations may be able to help support the SDGs focus on those ideas. Contract clauses prohibiting underage labor and preventing exploitation or abuse, are examples (UN Procurement Practitioner's Handbook, 2017).

In the European Union, public procurement procedures are done in accordance with the rules of each individual member country. General EU public procurement laws apply to larger contracts¹. Member states and their governmental agencies or authorities are responsible for public contracts in the European Union (Directive 2014/24/EU, Article 2). Furthermore, the articles of the Treaty on the Functioning of the European Union (TFEU) governing the domestic market provide foundation of EU procurement policy (Pircher, 2020). The EU also abides by some procurement principles and it has identified 3 key principles: equal treatment, non-discrimination and transparency (European Commission Report, 2018). This is aimed at getting the best value for money.

The African Union (AU) procurement manual was first designed in 2010 to serve as a document to guide its units within the different organs and institutions in adopting procurement practices that ensure value for money. It was subsequently revised in 2016 to

¹ https://europa.eu/youreurope/business/selling-in-eu/public-contracts/public-tendering-rules/index_en.htm

provide comprehensive procurement architecture and giving guidance on procurement procedures and practices (AU Procurement Manual, 2016). The Manual defines procurement as formally acquiring goods, works or services (p. 8). It states the purpose of the manual as providing detailed policy and standard procedures of procuring goods, works and services within the AU. Such procedures and guidelines include uniformity of procurement procedures, transparent and accountable operations, and consistency in the application of procurement best practices and international standards (AU Procurement Manual, 2016).

The current manual (version 2.0, 2016) is a revised version of the one that preceded it (1st edition in 2010), which was thought to be necessary in the wake of the review of AU's Financial Rules and Regulations, introducing new, enhanced policies and the elimination of extinct processes and practices. The AU abides by the core principles that other international organizations adhere to and lists five (5), that is, value for money; fairness, integrity and transparency; competition; efficiency and economy; and what best serves the organization. It sees value for money as given the provided evaluation criteria, the balance between price and performance that gives highest inclusive advantage (AU Procurement Manual, 2016 p. 12). This concept makes it possible to create a procurement specification incorporating socio-economic and ecological goals into the procurement cycle.

The Economic Community of West African States (ECOWAS) also employs the general principles of procurement that ensure achieving value for money. In its procurement manual, it states that value for money is the procurement outcome that guarantee optimum realization of the organization's needs by combining low cost, quality, technology and ensuring timely delivery (ECOWAS Procurement Manual, 2015 p.18). It further states that value for money is attained when there is rigorous competition in the bidding process. The principles outlined in the manual are in tandem with all the general principles that ensures value for money like transparency, efficiency and economy.

Nigeria was without a comprehensive procurement law which the World Bank in a study said was responsible for procurement inequities, fraud, corruption and mismanagement in the public procurement system (Williams-Elegbe, 2015). When the country transitioned to democracy in 1999, there needed to be an equal transition of public organizations that incorporated dictatorial administrative procedures of the previous military regime, to one that was accountable to the citizenry (Olatunji et al, 2016). The federal government therefore instituted the Budget Monitoring and Price Intelligence Unit (BMPIU) to address procurement infractions that bordered on unfair deals that costs the government huge amounts of money. The BMPIU however lacked legal framework, could not reduce corruption and did not have clearly defined public procurement practices (Olatunji et al, 2016).

Subsequently, the state enacted the Public Procurement Act (PPA) in 2007 to oversee public procurement in federal establishments, in response to recommendations by the World Bank of the country procurement evaluation. The PPA established the Bureau of Public Procurement (BPP) as the regulator 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 value for money. These include, promoting accountable and open procurement; and harmonizing already established policies and procedures on public procurement. Create price benchmarks and norms; ensure that fairness, competition, transparency, value-for-money standards are benchmarks in purchasing and discarding public assets; and also improving the public sector procurement system's transparency and professionalism.² These objectives highlights principles that is necessary for attaining value for money.

² [CORE OBJECTIVES | Bureau of Public Procurement \(bpp.gov.ng\)](http://bpp.gov.ng)

Williams-Elegbe (2015) argues that, value for money attainment is a combination of factors that do not only include the lowest bidding price, but comprises such other principles like competition, transparency and efficiency. In other words, value for money cannot be attained in isolation with other principles. The Nigerian procurement law under Section 16(1) (e) and (f) therefore outlines that procurement should be regulated by targeting value for money and in ways that promote effective competition, economy and efficiency respectively (Government of Nigeria, 2007).

Before 2003, there was no comprehensive legal document that guided public procurement and in which integrity was key in Ghana. The earliest attempt to reform Ghana's procurement aiming for value for money in public procurement 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 (Ameyaw et al, 2012). The procurement mechanism had flaws, according to PUFMARP. Absence of a clear procurement policy, a technically competent central authority, precisely defined duties for procurement entities, an effective regulatory regime to protect public procurement, and rules and regulations to guide, direct, train, and supervise public procurement were just a few of the flaws identified. The program also discovered that there was no independent appeals mechanism for tenderer concerns. Eventually, the Public Procurement Oversight Group was established in 1999 to direct the development of an effective public procurement policy framework that resulted in laying a draft public procurement bill in 2002 and its passage into law in 2003 (Ameyaw et al, 2012).

Despite the existence of procurement laws in both countries, there is some evidence to suggest that procurement practices may not lead to desirable outcomes. That is, both countries may not be deriving maximum satisfaction (attaining value for money) from

procurement. For instance, Ameyaw et al (2012) argues that the implementation challenges of public procurement laws especially in Africa are pervasive.

This study is a cross-country comparison of procurement practices between Ghana and Nigeria to ascertain **major policy similarities, differences and procedural norms** in terms of achieving value for money in procurement. Each country's developmental needs are different and so each country may have its ideas about procurement that it feels will best serve its interest (Williams-Elegbe, 2015). Hence, an endeavor to compare these two countries' procurement procedures and practices may be an exercise in futility. However, a comparison can still be made between two countries that share almost the same developmental challenges and have similar aspirations.

The term "public procurement" refers to the state's role of purchasing goods, works, and services required in carrying out its operations (Asare & Prempeh, 2016). In public procurement, public sector officers acting on behalf of public organizations are entrusted with the task of purchasing goods, works and services that ensure the smooth operations of these organizations. Effective procurement can be a critical ally in pursuing fiscal, industrial, and innovation strategies by making use of financial resources at hand (Dimitri, 2013). In the past, the value of procurement was measured in monetary terms. That is, cost or price-criterion was the only measure of successful procurement. In recent times, that has changed to looking at procurement success that encompasses both aspects of monetary and non-monetary values. The most popular way to describe this shift is to suggest that procurement should provide "best value for money" (BVM). In procurement cycle, applying the best value for money principle involves choosing the offer that offers the best combination of characteristics such as acceptable quality of service, life tenure of goods or works, and other aspects to best satisfy the established needs (United Nations Office for Project Services, 2010 as cited by Dimitri, 2013).

1.1 Problem Statement

Having a procurement law is the first step in addressing procurement related challenges. However, value for money in procurement is no less a legal challenge as it is an implementation challenge. According to Ameyaw et al. (2012), between 50-70% of the national budget is procurement related (this is exclusive of personal emoluments), making state funds prone to misuse and misappropriation. If that is the case, there should be more interest in determining whether the procurement of works, goods and services yields value for money for the two countries in question.

Even at the UN, there exist loopholes and challenges in procurement. The United States Government Accountability Office (GAO) in April 2006 reported that, for more than a decade, the United Nations Secretariat has been urged to address severe flaws in its procurement process by experts. It found that the UN internal procurement controls are weak, which exposes UN funds to significant waste, fraud and misuse. In a more recent study, the United Nations Office on Drugs and Crime (UNDOC, 2016) states that public procurement is estimated to cost 30% of GDP, making it the single greatest area of government spending. Procurement is therefore subjected 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.

According to Siyal and Xin (2020), Public procurement is one of the government's most important economic activities, accounting for a significant portion of national GDP and resulting in large financial flows estimated to be worth 10–15 percent of global GDP. According to the Organization for Economic Cooperation and Development (OECD, 2007), it is one of the most corruptible public activity. Because it serves as a key interface between the government and private entities, it provides both parties with multiple opportunities to

divert government funding for their own purposes. Challenges to public procurement policies are broad; ranging from risk aversion, scarcity of skills and knowledge, and insufficient resources (Siyal & Xin, 2020). In addition, a lack of political commitment and assurance, as well as government technical capabilities to effectively implement such procurement policies as providing competition and transparency, may function as a hindrance (United Nations & Kjällerström, 2008).

In Nigeria, the public procurement process has some loopholes that need to be addressed to ensure efficiency in procurement. Procurement officials have less relevant capacities in procurement. Where there seemed to be officers with considerable understanding of the procurement proceedings, these are concentrated in “high profile ministries” (Williams-Elegbe, 2015). This is further worsened by the low resource allocation to procurement officers to carry out their function. In several circumstances, the procuring authority's inability to implement procurement regulations correctly and so acquire the main objective from procurement is hampered by this lack of competence.

Furthermore, there is significant political interference in the procurement process (Williams-Elegbe, 2015; Omagbon, 2016), accounting for low compliance with the procurement act. Interference in the procurement process is seen as a problem across all developing countries, where ministers can interfere and sway the outcome of tenders. In addition, procurement in Nigeria is wrought with problems such as corruption, a hostile operating environment and an economic situation that is unstable (Ogunsanya et al, 2016).

Value for money is assured when certain structures are put in place. These structures are put into formal (published government policy, regulations, manuals and guidelines) and informal structures (organizational culture of procuring entity and public interest for transparency and accountability) (Mante, 2017). The availability of these structures can eventually ensure

value for money in procurement practices. It is difficult to tell if these structures are well in place in the countries in question (Ghana and Nigeria), and if they are, how far do they contribute in achieving value for money? It is worth to attempt to look at the influence of these structures on procurement in achieving value for money.

Also contractual breaches leading to the payment of judgment debts is a worrying trend and the short lifespan of physical infrastructure have been one too many. The recent judgment debt awarded against the government of Ghana by a United Kingdom court to a tune of \$170 million³ and many others is a concern and one wonders if there was diligence in the procurement process. The recent happenings have shown that value for money might have been sacrificed. The ultimate goal of procurement however is to maximize benefit with minimum cost (VFM). Thus, this study examines the arrangements and measures Ghana and Nigeria have put in place to secure value for money in public procurement.

1.2 Research Questions

This study seeks answers to the following questions:

1. What criteria are used to assess value for money in public procurements in Ghana and Nigeria?
2. What measures do Ghana and Nigeria put in place to ensure value for money in public procurement?
3. What procurement challenges hinder value for money attainment in Ghana and Nigeria?

³ <https://thefourthestategh.com/2021/06/22/full-report-ghana-to-pay-170-million-judgment-debt-as-london-court-declares-covid-19-and-election-excuse-as-intrinsically-weak/>

1.3 Research Objectives

The research seeks to achieve the following objectives:

1. To analyze the criteria used to assess value for money in public procurements in Ghana and Nigeria
2. To examine the measures Ghana and Nigeria put in place to ensure value for money in public procurement
3. To assess the procurement challenges that hinder value for money attainment in Ghana and Nigeria

1.4 Scope of the Study

The study explores the procurement policies of Ghana and Nigeria. It determines policy similarities of the two countries and where possible, point out points of divergence in terms of achieving value for money, with reference to their procurement laws and the African Union (AU) Procurement Manual. The comparison look at each country's policies since the inception of the AU Procurement Manual in 2016 and examine how the AU Procurement Manual has contributed in achieving value for money in Ghana and Nigeria in terms of procurement of goods, services and works or otherwise.

1.5 Rationale/Significance of the Study

The procurement process needs to be streamlined to international best practices to be able to drive the development agenda of these two countries. There is therefore the need to identify policy and implementation loopholes that denies these two countries from deriving maximum benefits from procurements (VFM).

The findings of the study would as the researcher anticipates, provide relevant information to policy makers, procurement entities and regulatory bodies such as in the case of Ghana, the Public Procurement Authority (PPA) and Nigeria, the Bureau of Public Procurement (BPP), the subtle nuances in procurement that short-changes the countries so that they can take steps to address them. Also, the study would hopefully add knowledge to existing literature in procurement particularly value for money. Policy makers from both countries could look to adopt policy successes from either country.

1.6 Theoretical Framework

The study employs the “principal-agent” theory in organizational studies in the analysis of issues. Proposed by Michael Jensen and William Meckling, the theory looks at the relationship between a principal (the actual decision maker) and an agent (a person or entity that acts on behalf of the principal). Principal-agent relationships are formed when a "principal" hires an "agent" to perform a specific task or tasks on behalf of the principal. In this connection, the principal plays a secondary role (inactive role), while the agent executes principal tasks or duties on behalf of the principal (active role) (Kipo-Sunyehzi, 2018). The proponents of this theory are of the view that the agent will not be inclined to act in the best interest of the principal if they (both the principal and agent) are “utility maximizers (Jensen & Meckling, 1976). The researcher believes that this relationship between a principal and an agent is symbiotic- the principal, relying on the commitment of the agent and the latter, anticipating the support (financial, logistical, technical etc.) of the former. Anything short of this is a recipe for animosity between the two.

The principal-agent theory is also employed in this study to assess agency non-compliance in implementing procurement policies and principles. Agency non-compliance could come from interest divergence- in which case both the principal and the agent have self-centred interests that are incongruent (Arthurs & Busenitz, 2003).

At the international level, the agency theory is applied when International Organizations (IOs) serve as agents, doing the bidding of the principal (the individual governments that forms the membership of the IO). Member states set the aims that IOs will achieve in this framework, and then let the IO to undertake those goals with hardly any interference for the most part. Nielson & Tierney (2003) identifies three complex issues that agency theory in international relations exhibits that differentiates it from conventional agency theory at national or local level establishments. First, before motivating its agents, national governments must tackle collective action problems on a multilateral level. Secondly, because there are multiple principals in the international system, governments must trash out conflicting orders among themselves before they can delegate to the agent (IO). Thirdly, IO agents operate at the end of a long “web of delegation”, making it more difficult to transmit requests from eventual principals to IOs.

Similarly, principal-agent theory under International Relations come in the form of donor-recipient relationships, in which a donor country (principal) expects funds given in the form of grants or loans to be judiciously used 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 progress of grant implementation by the recipient as well as influence the agent’s behavior to align with that of the objectives of the principal (Basak, 2017). 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.

In this study, the principal is represented by the government establishments of Ghana and Nigeria and the agents being the procuring entities. The Public Procurement Authority (PPA) of Ghana and the Bureau of Public Procurement (BPP) of Nigeria act as regulators between

government establishments, who are the procuring entities and contractors, suppliers or consultants. Hawkins et al (2006) argues that the roles of principal and agents are mutually reinforcing. Like a “master” and an “apprentice”, an actor cannot be an agent without the presence of the principal. The actors are only defined by their relationship with one another. Decisions taken by the agent in the course of duty have binding repercussions on both the agent and the principal. Agents are to act in the best of ways that reflects the original goals and aspirations of the principal. What this means is that agents have discretionary powers to act in ways that points to the fulfillment of these goals.

Agents do not only fulfill the interests of the principal all the time however, as they also have their own interests (Elsig, 2011). Abnormal behavior will therefore likely develop when agents utilize their discretion, a slack or slippage in duty for example. Therefore there is the need to put some control mechanisms to ensure that agents comply with the tasks that have been delegated to them. However, shirking of duty is not only done by agents, as principals also do shirk their duty (Elsig, 2011). This can come in the form of interest divergence (Lyne et al. 2006). Where there is no agreed upon mandate and consensus on control mechanisms, on the part of the principals, the autonomy of the agency is harmed.

In another study, Smith et al (2018), identify five assumptions that create agency-problems between principals and agents. The first is “conflicting interests” which is similar to the interest divergence stated above. The second is “rationality” in which parties tend to pursue own interests. The third assumption is “asymmetric information”- which comes in two folds, problems of adverse selection and that of moral hazard. The former illustrates situations in which the principal is unaware of the actor’s knowledge and the latter, a circumstance in which the principal is unable to watch the actions of the agent. The fourth assumption is “uncertainty” in that; there could be unforeseen challenges in the future that were previously

not anticipated. The last assumption is aversion to risk on the part of the agent, in which incentives will have to be given by the principal to elicit expected behavior from the agent.

Similarly, principal-agent conflicts could arise when a supplier is hired to run a service to a customer, which is not in the provider's best interest to supply the service to the customer's specifications or in ways that the customer desires (Shresth & Martek, 2015). This for example would be for the supplier to device ways in which quality is compromised while benefitting from the cost difference that result from corner cutting behaviors. Governments' project implementations purposely look at the social and economic benefits that will accrue from these projects. Private companies, on the other hand, are motivated by profit and, as a result, may place greater emphasis on innovation for efficiency. Private enterprises also may want to lower expenses, which might lead to cost-cutting and lower productivity (Amagoh, 2009).

The principal agent theory is not without limitations, as every theory is bound to have some flaws. Theories are verifiable assumptions that are made to study the existence or otherwise of a phenomenon. It is criticized by Halachmi (2010) as having "individualistic utility motivations", arising from interest divergence. This tenet of the theory makes it unreliable because organizations are complex with many individuals having different interests.

Another criticism of the principal-agent theory is that, agents have two characteristics- one is latent while the other is apparent/observable (Kumalasari & Sudarma, 2014). While the principal may be able to observe the actions or deeds of the agent to determine agent's commitment towards goal attainment, the latent characteristics, which are made up of need, interest and intention, are difficult to measure. In other words, the agent's latent characteristics may be detrimental to the principal's objectives.

In sum, Principal-agent relationships usually results in conflicts between principals and agents. The conflicts mostly arise from interest divergence, in which the interest of the agent is not in line with that of the principal (Kipo-Sunyehzi, 2018). This theory is useful in this study because it examines the relationship that exists between government agencies serving as principals and procuring entities acting for or on behalf of the principals. It will also look at the principal and agent's contribution towards achieving international organizational goals (Value for Money).

1.7 Literature Review

Securing good value from public procurement entails not just getting the best price for the goods, but also taking into account the cost component of the procurement process (Burger & Hawkesworth, 2011). Public procurement is also tasked with meeting consumer expectations for both openness and efficiency, which creates a significant potential conflict between performance and compliance (Kumar et al, 2015). The researcher agrees to this assertion as procuring entities must find a balance between delivering the goods, contract or service that satisfies what the consuming public expects and complying with the procurement laws. This is however problematic, because even when procurement seems to satisfy all the conditions for what necessarily would be deemed value for money (VfM) compliant, public dissatisfaction with the procurement would still linger because costs is all that people look at. Over all, procurement is only said to be beneficial when it satisfies the needs of the final consumer without depleting the public purse. Measuring the performance of procurement to determine value for money achievement is a daunting task. However, the European Union has laid down six indicators: the number of competing firms for a contract, open advertisement of contracts, demand aggregation, award criteria employed, decision speed, and contract award reporting (Flynn, 2018). This list is not exhaustive, but it gives an idea of

what value for money achievement entails. A contract that has more bidders indicate competitiveness while at the same time, advertising widely promotes transparency.

Competition also provides room for bidding firms to be evaluated for prequalification as specified by the procurement laws of both countries. Pre-qualification give procuring entities an array of companies with whom to enter into a contract. This must be a first step towards ensuring value for money.

The African Union (AU) procurement manual has laid down a model of procurement that its organs and structures should adopt when making procurement. It stipulates that procurement activities must comply with its Financial Rules and Regulations (FRR) and additional legal documents and instruments that apply. Similarly the governments of Ghana and Nigeria have both in the past promulgated laws to provide guidance on procurement amid rising irregularities that have come to characterize procurement. These laws stipulate how procurement is carried out, contracts awarded and the conditions under which procurement can be done (African Union Procurement Manual, 2016).

1.7.1 The Concept of Public Procurement

Procurement, according to the United Nations, is defined as necessary actions taken to acquire, purchase or lease, of property, works and services to secure best value (UN Procurement Manual, 2020, p. 17). It goes on to say that, as custodians of monies given to it by Member States, the UN must be motivated by the desire to get the best value for money. When certain principles are followed, procurement can be done efficiently. According to UN Financial Rules and Regulations 5.12, these principles include: Best Value for Money (BVM); Fairness, Integrity, and Transparency; Effective International Competition; and, most importantly, the UN's ultimate interest.

Public procurement is a chunk of government spending that significantly impacts on total demand in any domestic economy. In OECD countries, public procurement takes almost a third of overall expenditure of government. In 2013, government procurement expenditures calculated across the world averages about 14% of GDP among European Union nations and more than 10% of GDP in the United States (Cernat & Kutlina-Dimitrinova, 2015). This could be resulting from the rise in global public expenditure as countries take steps to expand physical and digital infrastructure, improve service delivery to citizens and ensure environmental sustainability.

Procurement is an everyday activity in organizations, businesses and establishments. Even at the individual level, we are constantly engaged in procurement in one way or the other. In deciding what to eat, what to wear and many other daily activities requires decision making. The decisions we make is based on satisfying our needs at a specific time. And so by satisfying our needs we often have some parameters that we consider when we decide to satisfy ourselves. The same things apply to government establishments. In procurement, standards and specifications are set in the tender documents and suppliers have to be made aware of these standards. Public procurement according to Oyebamiji (2018) is the purchasing of products and services, as well as the awarding of contracts, which a government needs in order to function successfully and meet the needs of its citizens. The concept combines purchasing products like office furniture, engaging the services of an expert or a consultant in something and awarding contracts for delivery of infrastructure. In other words, procurement is made up of goods, works and services. Asare & Prempeh (2016) also see public procurement as the purchase of products, works, and services by the government in order to carry out its mission. All public procurements around the world are backed by legal documents, mostly acts of parliament that provide a guideline on how public procurement should be carried out. Mamiro (2010) notes that public procurement is an

encompassing activity and includes procurement planning, budgeting, invitation of bids, bid review, contract award, contract administration, performance evaluation, auditing and reporting. These processes have to work in harmony to ensure efficiency in procurement. Public procurement is a task that supports the achievement of a public body's organizational plans while also satisfying the needs of the general public and taxpayers (Mamiro, 2010).

Compliance with procurement law is riddance to fighting corruption and graft (Omagbon, 2016). **How implementable a law is may determine the level of compliance with the law. Institutional structures may be designed to make compliance with the law more feasible. For instance, how do bureaucratic structures in an organization stifles decision making?** An important aspect of effective governance is sound public procurement regulations and practices. For procurement process to be efficient, basic principles such as accountability, which demands putting right mechanisms in place to ensure judicious spending of limited resources; competitiveness, which calls for multiple bidding companies to participate barring a good enough reason to single-source; and consistency, which emphasizes on treating bidders equally without recourse to nationality, race or political party (Omogbon, 2016).

1.7.2 Procurement in Nigeria

Nigeria had no procurement law until 2007. This was necessitated by a study conducted by the World Bank through its Country Procurement Assessment Report (CPAR) in 1999 which found major irregularities, corruption and fraud in the procurement system (Williams-Elegbe, 2015). The World Bank in effect, recommended a procurement law to regulate public procurement by federal agencies.

Prior to that, procurement was regulated by the Finance Ministry, which imposed financial regulations. The financial regulations had certain requirements, guidelines and restrictions that procuring authorities must follow (Williams-Elegbe, 2012). Because the financial

regulations were coming from the ministry of finance, suppliers did not know the financial rules and sometimes these rules were changed at will by the finance ministry. **How could this behavior of the finance ministry bring about credibility and trust in procurement?** This called into question the transparency of the procurement process. Besides, there was value for money concerns as rules could be changed overnight and nepotism or cronyism was the order of the day.

The Nigeria procurement law is divided into thirteen parts. Part one and two respectively establishes the National Council on Public Procurement (NCPP) and the Bureau of Public Procurement (BPP). In terms of their functions, the NCPP gives policy direction on procurement while the BPP plays a regulatory role. Part three and four talk about the scope of application and principles of procurements respectively. It outlines all the principles that procurement entities and the regulatory body must adhere to in the procurement process. Part five looks at how procurements are organized vis a viz the approving authority, procurement planning and implementation, tender boards, pre-qualification of bidders and competitive bidding. The sixth part talks about procurement methods, while part seven looks at special and restricted procurement methods. The remaining parts involve engaging the services of consultant, procurement monitoring and review, discarding public property, code of conduct, offences and miscellaneous (Government of Nigeria, 2007).

1.7.3 Procurement in Ghana

Throughout the years following independence, various governments established ad hoc bodies that were mandated to deal with procurement issues in the country. For instance, in 1960 the government set up the Ghana Supply Commission (GSC) for all governmental agencies' acquisition of products. By 1976, the Acheampong government put up what was known as Ghana National Procurement Agency (GNPA) for the purchase of bulk products

for the public and private sectors, such as sugar, fertilizers, and car components (Anvuur, Kumaraswamy, & Male, 2006). However, these were just policies which could not stand the test of time because they lacked basic public procurement procedures (Asare & Prempeh, 2016). After years of procurement infractions, it was necessary to have a procurement system that was aligned to international best practices. This culminated in enacting the public procurement law in 2003.

Ghana had a procurement law in force when the public procurement act (Act 663, Amended Act 914) was assented to by the president on 31st December, 2003. Before that, there was no comprehensive legal document that served as a guide to public procurement. However, there have been government policies on procurement even before independence, when the colonial government engaged the Public Works Department (PWD) to see to the procurement of works and Crown Agents for the procurement of goods (Asare & Prempeh, 2016).

The procurement act is in nine parts. The first part constitutes the public procurement board, its membership, functions and term of office of the board. Part two lays out the procurement structures. This includes scope of application, procurement entity, tender committee and tender review boards. The third part spells out the procurement rules while part four talks about procurement methods- whether competitive tendering, restricted tendering, single sourcing or request for quotations. Part five talks about tendering procedures and the sixth part looks at procurement methods and procedures and how consultant services are procured. The last three parts comprises review, disposal of public stores, machines and miscellaneous provisions. The procurement act was amended in 2016 “to make further provisions for public procurement...”, and take steps to decentralize procurement and related matters (preamble to the Public Procurement (Government of Ghana (GoG), 2016, p. 3)

For public procurement to be effective, it must have some elements that are in line with international best practices (William-Elegbe, 2015). These elements are not applicable to all countries because countries have different objectives of procurement. However, there are some of them that are universal. These include; competition, transparency, efficiency, value for money etc. Does the procurement process in Ghana incorporate these elements? The procurement law creates room for these elements albeit if only legally. It remains therefore to be seen whether in practice these are incorporated. For instance, section 25 of the procurement law provides for participation in procurement to be competitive in nature subject to sections 44, 45 and 46. This means that procurement must be open to all entities that have qualification to supply goods, works and services (Flynn, 2018).

1.7.4 Value for money

Value for money just like other concepts, do not have a universal definition. But generally, value for money looks at deriving maximum benefits from work, good or service with less cost without compromising on quality. Burger & Hawkesworth (2011) defines value for money as what a state considers to be the ideal combination of quantity, quality, attributes, and price (i.e. cost), predicted across the project's entire life cycle. In other words, value for money is not only concerned about procuring an item with least cost but, encompassing all factors that ensure that citizens are not short-changed and gain maximum benefit from whatever that was procured for the public. Value for money is the expected output attached to specified cost from the users or targeted public's point of view (input) (Komakech, 2016). Consequently, the value-for-money concept attempts to incorporate consumers' interests as both taxpayers and recipients of government services.

Dimitri (2013) asserts that attaining value in procurement requires planning and monitoring before, during and after the awarding of the contract. He goes further to state that before a

procurement contract is awarded, it is important for the buyer to put in place some crucial measures. This could include evaluating which awarding criterion is appropriate. For instance, the buyer may want to find out the prudency using an open or restricted method, negotiating with suppliers or holding a competitive bidding process. He however admits that ensuring value for money is a complex matter in which so many factors come to play.

1.7.5 Attaining Value for Money

Attaining value for money requires proper planning. As put out by Dimitri (2013) in the previous section, value for money attainment must entail all three main procurement stages: “before”, “during” and “after” the award of the contract. At each of these stages, critical questions have to be asked. In VFM assessment, a procurer usually looks at achieving a balance between cost and quality of product, work or service. That is the number one goal a buyer looks at. Vfm is about how to appropriately use resources, not an instrument or a method (Kissi et al, 2020). Furthermore, the adoption of this notion is primarily motivated by the fact that the average person abhors paying taxes and is typically concerned with just how government funds are used.

Value for money attainment is premised on three elements namely economy, efficiency and effectiveness (Asare & Prempeh, 2016). Economy examines the extent at which inputs are obtained cheaply and at the most opportune moment. The “economy” aspect of value for money is assessed in the project planning and implementation stage. This is determined by making estimates of how much the entire project will cost the procurer. Costing a project is influenced by two things- optimism bias (man's selection bias of portraying a good future) and strategic misrepresentation (purposefully underestimating costs and overestimating rewards for a strategic advantage, usually due to benefits during the budget cycle) (Watermeyer, 2014). Getting the costing of a project right, goes a long way to ensure value

for money, because wastage will be minimized (Adou, 2016) Efficiency reflects the efficiency with which inputs are transformed into outputs. It also implies that maximum output should be obtained at the lowest possible cost (Mamiro, 2012). Effectiveness on the other hand relates to the extent to which output produce the desired results. Jackson (2012) has identified a fourth element, which is equity, and this is utilized to guarantee that the relevance of reaching diverse demographics is taken into consideration in the value-for-money analysis. Achieving value for money is therefore striking a balance between these different but inter-related elements (Jackson, 2012).

Value for money attainment also includes such other elements like transparency, accountability, fairness and competitiveness. Transparency has to do with making rules and procedures of procurement clear enough for all stakeholders. Accountability refers to the level of accountability individuals or organizations have for all areas of the procurement cycle that they can influence. Competition presents choice to the procuring entity to determine from whom to enter into contract with. Mante (2017) is of the view that achieving value for money is influenced by some formal and informal structural factors. The formal structural factors he noted include “published government policy on procurement” and guidelines such as those on single sourcing, “margin of preference”, “disposal of vehicles and unserviceable store” (Mante, 2017, p. 4) among others. This has been noted to have saved the government of Ghana some substantial amount of public funds. The informal structural factors influencing value for money attainment include the “organizational culture” of the procuring entity, demonstration of personal professional competencies and public interest in transparency and accountability in procurement.

Throughout many countries, there are calls from within governments and the civil society to ensure that whatever contract that is entered to by the state, end up giving value for money.

But who determines what value for money is or how value for money can be measured? According to the European Commission (cited by Flynn, 2018), there are six VfM indicators namely, number of bids for a contract, open contract advertising, demand aggregation, type of award criteria used, decision speed, and contract award information reporting. Contracts where bidding firms are many enhance competition, and presence options for the contracting authority (PwC, 2011). Few bidders do not therefore present an ideal situation for maximizing value.

Overall, public procurement is aimed at providing value for money for the end user. This is only possible when procurement principles are adhered to. Among the core principles are, transparency (a procurement policy that is open and clear), accountability (obligation and willingness to accept responsibility especially on the part of procurement officers), fairness, competition, integrity and non-discrimination (Komakech, 2016). Consequently, achieving value for money combines all these principles which are incorporated along the stages of the procurement cycle.

1.7.6 Challenges to Attaining Value for Money

Achieving best value for money is a critical tool in the development of a nation. However, there are legal and structural deficits that make it difficult to achieve. Williams-Elegbe (2012) notes that these challenges are not a result of absence of legal framework on procurement but rather result from implementation deficiencies. He identified inadequate procurement capacity on the part of officials. The procuring entity's ability to abide by procurement regulations correctly and hence attain the desired output from a procurement operation is harmed by this lack of capacity. Similarly, Adou (2016) is of the view that value for money attainment requires reliable data in order to evaluate development projects. However, there is deficiency in the skills of agencies and countries that have benefited from development aid.

In value for money assessment of development aid, beneficiary agencies and governments frequently lack human resource capacities and even knowledge of value for money procedures.

In addition, the rigidity in government procurement legislation in emerging nations is identified as one of the primary roadblocks to achieving value for money and worldwide best practices (Mamiro, 2010). He cited a case of the procurement law that prohibited the Tanzanian electricity company from buying a used plant from a private company even though the plant was already in the hands of the former on lease basis. The procurement law stated that public agencies shall not purchase “used” but new big plants however prudent it is.

Value-for-money pursuit is the “corporate objective of the public sector” (Nwosu, 2015, pp. 1542), which is maximizing public welfare. However, public welfare is relative and varies according to socio-cultural, political, economic and religious circumstances (Ismail et al, 2011). For instance, constructing a hospital in a less populated rural area can be considered a public welfare venture. Nonetheless, it may not be politically correct to the ruling government hence the facility may not be constructed up to standards leading to the sacrificing of public welfare and value for money. It is difficult to attain value for money if the pursuit of “value-for-money” is incompatible with the public sector’s welfare goals (Nwosu, 2015).

1.7.7 Public Procurement: Traditional Procurement versus Public Private Partnerships (PPPs)

Public procurement over the turn of the century has looked towards public-private partnerships to drive the development agenda by many countries. It is not a hidden fact that there are certain development projects that governments find difficult to raise funds for implementation. This is where private entities come in to help in a joint venture between the

government and the private sector. There is no much literature on which is better, traditional procurement or PPPs (Burger & Hawkesworth, 2011). O'shea, Palcic & Reeves (2019) have found no evidence to suggest that public private partnerships enables infrastructure to be built more quickly. They however, contend that PPPs slightly outperforms traditional procurement in terms of value for money. The OECD (2008) sees public-private partnerships as a contract between the government and one or more corporate partner organizations (that may include operators and financiers) whereby the partners deliver services in a way that the government's client service goals matches with the private partners' profit goals, and the effective implementation of the alignment is dependent on a satisfactory risk sharing with the private corporations (OECD, 2008). Public-private partnerships are prolonged partnerships between the public and private sectors in which the parties collaborate to create mutually beneficial products and/or services while sharing risks, expenses and benefits (Ball, Heafey & King, 2007; Lee & Kim, 2018). However, specification on quantity and quality of service is determined by the government.

Traditional procurement involves government's acquisition of works, goods and services from private who is normally awarded through a bidding process. What differentiates the traditional procurement from PPPs is that usually the government is the whole financier of the contract and when work is done, it is government-owned and operated. This method comprises contracts that are referred to as "build and deliver" (Burger & Hawkesworth, 2011). As a result, private sector participation is common in both PPPs and governmental procurement. Risk allocation and the role it plays as a productivity driver are the most important distinctions to make (Adjarko, 2018).

1.7.8 Gaps Identified in Literature Review

The review of literature above shows that procurement can serve as an agent for development especially when the procurement process provides good value for money. There is also evidence in the literature to show that value for money is constrained by lack of capacity on the part of procurement officers and the legal and structural defects that still serve as hindrance to achieving value for money. Yet again, corruption is a major stumbling block to achieving value in the procurement.

However, there is inadequate literature on cross-country comparison of procurement. The literature is only concentrated on value for money in the different sectors of the economy- construction, development aid, transportation etc. This study would explore cross-country procurement processes, looking at Ghana and Nigeria in particular.

1.8 Research Methodology

The research employed the qualitative research design for the study. Qualitative research involves meaningful construction of social phenomena or events through the lived experiences of people in their natural habitats (Kipo, 2013; Hammarberg et al, 2016; Laumann, 2020).

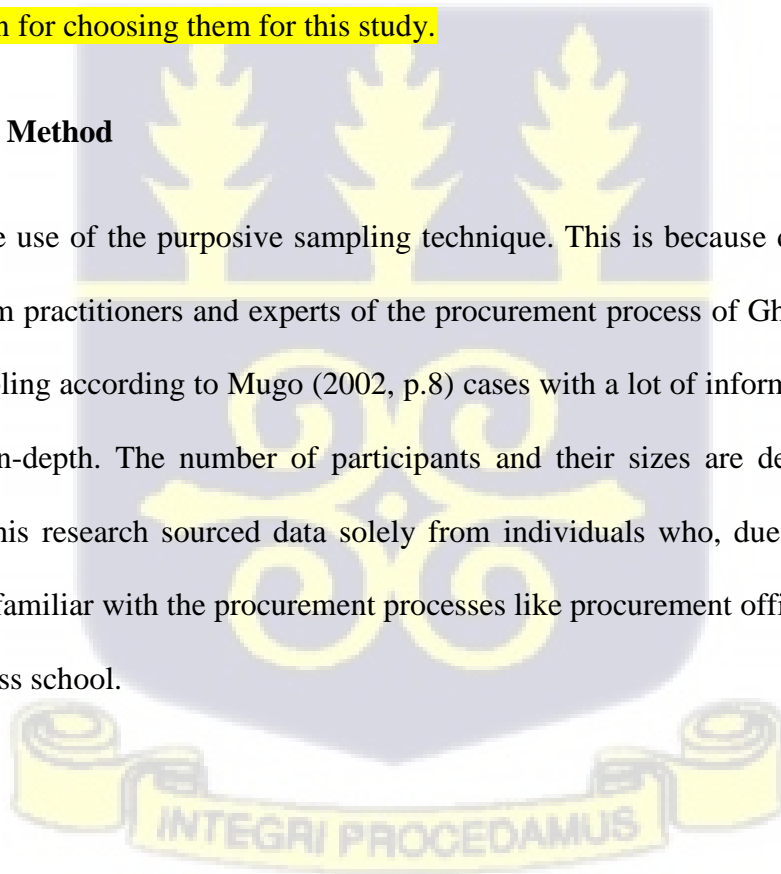
Qualitative research tend to use small sample sizes, and this was employed so as to gather people's opinions, beliefs and attitudes. It is useful because it presumes that concepts or events are not straitjackets but are multifaceted and so it allows for different perspectives, on the matter (Laumann, 2020). Hammarberg et al (2016) support this view because to them it adds a component to the puzzle that other researchers are also contributing to by providing insight into variety. (p. 499). Apart from its insistence on multiple perspectives, qualitative research makes use of in-depth study of the values and opinions that research seek to measure. Qualitative research employs such techniques as in-depth interviews, participant

observation, and semi-structured questions among others. The qualitative research approach has been criticized for being rather subjective. This however is a positive for this study as it offers diverse opinions on the subject matter for better understanding. Besides, it leaves room for other researchers to do further investigation to unearth more perspectives. The researcher chose the qualitative research method because the researcher believes that value for money cannot only be measured in quantitative terms. Different people have different perspectives on what value for money is in procurement, and it is these perspectives that the researcher wants to explore, hence adopting this research approach.

The two countries were chosen for this study because they are neighbors of each other, sharing the same colonial heritage, as they are English-speaking nations and most of all having similar national interests. The two countries are also easily accessible to the researcher hence the reason for choosing them for this study.

1.8.1 Sampling Method

The study made use of the purposive sampling technique. This is because data was sourced exclusively from practitioners and experts of the procurement process of Ghana and Nigeria. Purposive sampling according to Mugo (2002, p.8) cases with a lot of information are chosen to be studied in-depth. The number of participants and their sizes are determined by the study's goal. This research sourced data solely from individuals who, due to the nature of their work, are familiar with the procurement processes like procurement officers, and experts from the business school.



1.8.2 Sample Size

The people were selected from Ghana's Public Procurement Authority (PPA), Nigeria's Bureau of Public Procurement (BPP), procurement practitioners and experts from the University of Ghana Business School. Out of this number, 3 participants were interviewed from the PPA of Ghana, 2 from the BPP of Nigeria, 2 from the University of Ghana Business School, 5 public procurement practitioners from Ghana and 3 public procurement practitioners from Nigeria. The sample size of 15 was selected because the sample size in qualitative research should not be too limited to make data saturation difficult nor should it be too large to make doing in-depth analysis problematic (Onwuegbuzie & Collins, 2007).

1.8.3 Sources of Data

The study used primary and secondary sources to gather information.. Primary data was sourced from the Public Procurement Authority (PPA) Ghana, the Bureau of Public Procurement (BPP) Nigeria and some lecturers from the University of Ghana Business School. The study also gathered data from procurement officers from the following public institutions; Tamale Teaching Hospital, Bagabaga College of Education, Tamale College of Education, Tamale Technical University and the University for Development Studies (UDS). These are relevant sources from which data of this nature can be gotten with reliability and accuracy.

Secondary data was gotten from the University of Ghana library. Peer reviewed journal articles and published books were used to conduct this study. Some important documents that served as reference materials for the conduct of the study include Ghana's Public Procurement Act (GoG, 2003; GoG, 2016), Nigeria's Public Procurement Act (Act 4, 2007) and the AU Procurement Manual, 2016.

1.8.4 Data Collection Methods

In-depth Interviews

In-depth interviews enable researchers gain insights into the reasons behind events in subtle ways that other methods may not offer. Narrative accounts of social circumstances offer insight into reality. When you need to know everything there is to know about someone's beliefs and behaviors, or you want to learn more about a new subject, in-depth interviews are useful (Boyce & Neale, 2006). The essence of the topic under research is revealed or demonstrated through an in-depth interview (Kipo, 2013). In-depth interviewing is used to get knowledge of the social world. In-depth interview however can be difficult as a tool to gather data for research especially with a novice researcher (Turner, 2010). In-depth interviews were used to collect data from participants. This was done in a non-formal manner to allow for the interviewees to express themselves freely. Interviews were conducted in a non-destructive, serene environment, giving respondents time to think through their responses.

1.8.5 Data Analysis

For data analysis, textual analysis of data was drawn from the interviews that were carried out. For ease of analysis, all recorded interviews were transcribed. The transcribed data was carefully studied, and key features of the data were then analyzed along identified themes to support the study's goal. Themes were discovered using primary and secondary data gathered from the participants. There are no widely acknowledged data analysis protocols. Every inquiry is distinctive, and the study's conclusions are heavily influenced by the researcher's preferences and style, as well as critical thinking abilities (Hoskins & Mariano, 2004).

Apart from transcribing the recorded tapes, the researcher also analyzed the non-verbal signals that he was able to pick from respondents through observation. These formed an integral part of what qualitative research is (Turner, 2010). Non-verbal cues are not entirely “scientific” but they do go a long way in expressing the inner feelings of respondents that they don’t want to verbally express (Kaczynski, Salmona & Smith, 2014).

1.8.6 Ethical Considerations

In research, ethics are upheld in order to protect the dignity and identity of participants especially issues that appear to be sensitive. According to Cresswell & Cresswell (2017) researchers must safeguard study participants, establish confidence with them, foster academic honesty, and keep an eye out for misbehavior and illegality that could be detrimental. The researcher therefore sought the consent of participants before conducting the interviews with them. Also, the purpose of the research was clarified and participants clearly understood what their roles were in the research. In addition, the researcher also understands that confidentiality in research is extremely vital and it is unethical to disclose participants’ information to any third party. The researcher also tried his possible best to adhere to other ethical issues such as anonymity, privacy, voluntary participation of participants.

1.8.7 Arrangement of Chapters

There are four chapters in this research. The research design, which includes a background to the research problem, problem statement, research questions and objectives, rationale, scope of the research, theoretical framework, literature review, research methodology, and data sources, as well as the chapter arrangement, is presented in the first chapter.

The second chapter of the study looked at an overview of the procurement policies and procedures of Ghana and Nigeria, giving historical accounts of procurement reforms.

Chapters three presents analysis on findings of procurement procedures and practices and whether value for money forms the basis for procurement in these two countries. The fourth chapter contains a summary of the findings, conclusions, and suggestions/recommendations.

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CHAPTER 2

AN OVERVIEW OF THE PROCUREMENT POLICIES OF GHANA AND NIGERIA

2.0 Introduction

This chapter is an overview of the procurement policies of Ghana and Nigeria. It traces the history of procurement prior to both countries developing comprehensive procurement laws, looking at the procurement reforms that have taken place over the years. It also looked at how the various reforms have contributed to attaining value for money in these two countries.

2.1 Procurement in Africa

Countries all over the world engage in public expenditure that is necessary for driving development and improving service delivery. Government procurement accounts for a considerable portion of GDP and consequently aggregate demand. Public procurement accounts for 14.4% of GDP on average in low-income nations, with significantly higher proportions in several developing nations, such as South Asia and Sub-Saharan Africa (Hoekman and Sanfilippo, 2018). Procurement in Africa, particularly sub-Saharan Africa until the late 90s relied most on the procurement legacies left by colonial administrations. This was to change when the World Bank changed its focus from reconstruction of World War II ravaged countries to financing development of developing countries. The aim was to accelerate development by fighting corruption (Williams-Elegbe, 2013). The Bank therefore engaged with many African countries; through its CPAR to prepare the grounds for procurement reforms.

While every country whether developed or developing must have a well-running system of public procurement, it is the developed world that have made it obligatory to design their public procurement in line with international regimes like the World Trade Organization's procurement guidelines. Those of the developing world particularly Africa still retain

procurement systems that were bequeathed by colonial powers (Agaba and Shipman, 2007; Nyeck, 2016). In recent times, procurement reforms have swept across Africa spearheaded by the World Bank. Also, developing countries are now compelled to make reforms in their procurement because donor funding forms substantial part of their budget expenditure and the fact that public sector wastage is now self-evident for everyone to notice (Agaba and Shipman, 2007).

The United Nations Commission on International Trade Law (UNCITRAL) is the most important document on which procurement reforms in the African region is based. The Model Law strives to accomplish universally acknowledged principles of competition, transparency, justice, and impartiality in public procurement. The Model Law is significant because it provides a baseline by which other procurement systems are compared (de La Harpe, 2016). The Model Law emphasizes on the principle of competition in which suppliers and contractors freely take part in contract bidding without being discriminated against. According to UNCITRAL⁴, 11 African countries based their public procurement reforms on the Model Law, including The Gambia, Ghana, Kenya, Madagascar, Malawi, Mauritius, Nigeria, Rwanda, Uganda, Tanzania, and Zambia. Emerging scholarship and policy dynamics in the African region show a shift toward aligning procurement practices with widespread concerns that include fiscal discipline to improved regulation that effectively utilizes states' and non-state actors' financial and nonfinancial concerns (Nyeck, 2016).

Value for money according to the AU Procurement Manual (2016) is the price-performance trade-off that yields the highest overall advantage, considering the provided evaluation criteria. The manual outlines the principles of procurement that ensures value for money.

⁴ Uncitral Secretariat [Status: UNCITRAL Model Law on Procurement of Goods, Construction and Services \(1994\) | United Nations Commission On International Trade Law](#) 23rd November, 2021.

These are: fairness, integrity and transparency, effective competition, efficiency and economy, and ultimately the best interest of the African Union (AU, 2016).

2.2 Procurement in Nigeria

As discussed in the previous chapter, Nigeria did not have a proper legal document that guided its procurement process prior to the conduct of the World Bank's Country Procurement Assessment Report (CPAR) in the late 1990s. According to Enofe et al (2015), the World Bank's report indicated that the country was losing \$10 billion due to irregularities arising from procurement. Public procurement reforms in all Africa and especially Nigeria have often been preceded by assessing existing legislation (Bayero, 2016). Even after the Bank recommended a procurement law, it took the country close to a decade to finally enact a law to guide its procurement. All public procurement was regulated by the Finance Ministry which was bedeviled with too numerous challenges to mention (Williams-Elegbe, 2011). However some of the challenges that were noted were lack of transparency, the reason behind which was that the Finance Ministry had not made the rules public and often changed the rules without prior notice. Others included: Tender Boards becoming more common and ineffective, projects with bank financing had flaws; a lack of professionalism in the procurement function's implementation, and ineffective quality control procedures among others (Bayero, 2016). A series of procurement reforms in Nigeria began in 1999 and resulted in the passage of the Public Procurement Act of 2007. Regrettably, many government ministries and agencies have failed to implement the guidelines since then (Jibrin et al., 2014).

Nigeria transitioned to democracy in 1999, which meant that arbitrary governance would have to give way. The procurement systems prior to democracy had all the hallmarks of dictatorship, in which accountability to citizens was almost non-existent (Olatunji et al.,

2016). The first procurement reform initiative was the establishment at the presidency, the Budget Monitoring and Price Intelligence Unit (BMPIU) to ensure due diligence in government procurements (Williams-Elegbe, 2015). The BMPIU was however faced with some challenges among which include lack of legal backing, lack of capacity to minimize corruption as a result of public officials' collaboration and an absence of defined job description and demarcation for effective public procurement methods in line with international practices in order to fully assure transparency, probity, accountability and openness (Adewole, 2014; Eze, 2015).

Subsequent reforms followed before a procurement law was finally enacted. For instance, the Due Process Certification Policy in 2002 and the National Economic Empowerment and Development Strategy (NEEDS) in 2004 are some reform initiatives that were aimed at streamlining the Nigerian procurement process to suit international best practices (Olatunji et al., 2016).

2.2.1 The Procurement Policy of Nigeria

As already mentioned, Nigeria's procurement law came into effect in 2007 after nearly a decade of recommendations by the World Bank. The procurement law is structured into various parts which spells out the functions and constituents of regulatory bodies and addresses particular thematic areas in the procurement cycle (Government of Nigeria, 2007). The first part establishes the National Council on Public Procurement (NCP), stipulates the membership that should constitute the council and its function is to provide a standardized national regulatory framework for the formulation of broad procurement policies (Bayero, 2016). Unfortunately, till this day, the National Council on Public Procurement has still not been established, calling into question, the federal government's commitment to procurement reforms (Jibrin et al., 2014). The Bureau of Public Procurement is established under Part II of

the statute (BPP). According to the law, the Bureau of Public Procurement (BPP) is to operate as a supervisory body and issue standard operating procedures to control public procurement procedures. The extent of its implementation is illustrated by Part III of the public procurement law (2007). Imposed by the federal character of the Nigerian nation, this clearly indicates that the law only applies to the federal government. Part IV lays forth the legal framework for determining procurement thresholds. It also makes transparent competitive bidding and procurement strategies a legal requirement for government procurement agencies. It also clarifies the position of contractors, suppliers, and service providers, among other important problems, with the goal of improving public procurement methods.

Part V of the public procurement law (2007) establishes the statutory basis for the creation of procurement planning units and establishes requirements for pre-qualification of bids, whilst Part VI deals with the procurement methods that are approved by the law. Part VII of the law concentrates on the circumstances for using special or restricted procurement techniques, whereas Part VIII of the law specifies the conditions and procedures for hiring consultants. Part IX covers the Bureau of Public Procurement's (BPP) procurement monitoring and review procedures, whereas Part X covers techniques for disposing of state property. Part XI of the public procurement law stipulates rules of ethics to control the activities of players (Bureau officials, Tender Board, Contractors, CSO's, Procurement officers, and so on), whereas Part XII deals with penalties for various types of offenses (Government of Nigeria, 2007).

2.2.2 Nigerian Procurement Law and Value for Money

The Nigeria's procurement law is modeled in line with UNCITRAL's model law on public procurement whose guidelines makes value for money attainment a priority (William-Elegbe, 2011). In adopting the model law, the Nigerian state broadly acknowledged it (the model law)

as embodying provisions that represent best practices in public procurement regulation after thorough debate with participation from all stakeholders (Williams-Elegbe, 2011). Value for money in procurement is ensured when all the elements of good procurement practices are at play. These include competition, transparency, integrity, best value and efficiency (Williams-Elegbe, 2015). In line with that, there are aspects of the procurement law that lays the foundation for attaining value for money in procurement. For instance, under Part IV, Article 16 (1) (c) of the Act, public procurement shall, except under some special considerations (like national security), be open to competitive bidding where all suppliers and contractors who have pre-qualified, have equal opportunity to bid (Government of Nigeria, 2007). According to Kalu and Eme (citing Thai, 2001), the fundamentals of sound procurement practice is competition, which mandates that procurement be done through a competitive process unless there are compelling grounds for single sourcing; and consistency, which stresses that all bidders are treated equally regardless of color, nationality, or political allegiance. With reference to competition, the Nigeria Procurement Act makes advertising a requirement to ensure that suppliers are competitively selected. Therefore, section 19(a) of the Act makes it a provision for procuring entities to comply with the Act when advertising and soliciting bids. Procuring bodies must also, according to section 19(c) in accordance with the Act, receive, assess, and select the proposals received.

Also, under Article 16 (1) (d) and (e), the Act makes provision for procurement to be carried out in a manner that is transparent, ensuring accountability and conformity with the Act and with the goal of ensuring cost-effectiveness and suitability for the intended use respectively. Transparency as defined by Arrowsmith (2002) is making public, the rules requiring contract opportunities. Publicizing contract information in mainstream media and other media sources in due course will reduce unfair practices such as awarding of unpublicized contract opportunities to associates, while also increasing competitiveness (Allen, 2002). The fact that

value for money is categorically mentioned indicates that, framers of the law knew that that principle is fundamental and that the ultimate aim of procurement is value for money. In addition, the Act also specifies some characteristics that all bidders must possess to be able to supply goods, render services and engage in works. They include amongst others, the possession of professional and technical qualifications that are required to complete specific procurements; be financially capable; must have infrastructure and other necessary equipment (Government of Nigeria, 2007).

2.2.3 Challenges of procurement in Nigeria

Attaining value for money in procurement is a collaborative venture in which all stakeholders must perform their duty creditably. It goes beyond enacting procurement laws. The issue with value for money attainment usually has to do with implementation difficulties and non-compliance (Jibrin et al, 2014). William-Elegbe (2015) notes that, in spite of the passage of the procurement Act, the public procurement in Nigeria is associated with lots of irregularities, corruption and fraud. He asserts that the legal framework allows for the attainment of value for money. This however, is only on paper as in practice, things are totally different. This is especially true as budgetary allocations most of the time does not match actual funds released for procuring entities to honor contractual agreements (William-Elegbe, 2012).

In addition, corruption is a great concern in achieving value for money in Africa and Nigeria in particular. According to Mawenya (2008), public procurement breeds corruption in Africa, estimating that it costs the continent close to \$150 billion annually. This is corroborated by Jibrin et al (2014) and Williams-Elegbe (2018) who states that corruption in public procurement could jeopardize legitimacy; as a result, policies and procedures should be put in place to prevent any potential corruption and to improve openness, accountability, and

integrity. Corruption in Nigeria is manifested in procuring entities manipulating the procurement and public financial management (Williams-Elegbe, 2018).

Furthermore, there is low capacity on procurement practices on the part of procurement officials. Procurement managers do not have sufficient knowledge about the nitty-gritties of the public procurement law. Omagbon (2016) is of the view that inadequate knowledge about procurement matters may result in behaviors that breach the code of conduct of the profession. Procurement officials must receive the necessary training and well informed about regulations related to procurement. Williams-Elegbe (2015) also share similar sentiments when he notes that low capacity in procurement has the tendency to affect the procuring authority's ability to properly follow procurement rules, hence may compromise value for money.

One other challenge of public procurement in Nigeria is the wanton display of political interference in the procurement process. Omagbon (2016, p. 5) considers public procurement as “inherently a politically sensitive activity”. He further states that ministerial interventions in the procurement procedures, where ministers meddle in and sway tender awards is a major primary barrier to smooth public procurement. In some instances, the Federal Executive Council approves major contracts that exceeds the threshold stipulated, contravening the law in the process (Williams-Elegbe, 2015). This can push contracts to be completed at a cost that is far higher than the initial contract price. The commitment by the federal government to ensure good procurement principles is unquestionable. However, the seemingly lack of commitment by some politicians hampers the realization of a procurement system that is in line with international standards.

2.3 Procurement in Ghana

Public procurement in Ghana had semblance with all other national procurement policies in the African region. It came about as a result of a country-wide assessment of the procurement policy and practices by the World Bank. This was necessitated by procurement irregularities that wasted public funds and stifled development. The Ghanaian government initiated the Public Financial Management Reform Programme (PUFMARP) in 1996 to maintain discipline and value for money in the public procurement arena (Ameyawu et al, 2012).

Prior to the reform efforts that preceded the enactment of the public procurement law, Ghana had garnered significant experience in public procurement spanning the time before independence. According to Asare and Prempeh (2016), pre-independence era procurement was part and parcel of the bureaucratic administrative process in the British colonial government. For instance, the Public Works Department (PWD) and Crown Agents were the agents through which the colonial administration used to procure works and goods respectively. This changed from independence in 1957, as the government's reliance on Crown Agents waned. Instead, public procurements were channeled through Ministries, Departments and Agencies (MDAs). Procurement of works however, was done by Ghana National Construction Company (GNCC) which was established by the government. The establishment of this agency was aimed at reducing the burden of the PWD (Asare & Prempeh, 2016). This was the earliest procurement reform initiative that attempted to do away with colonial procurement procedures.

Along the line, the government also established the Ghana Supply Commission (GSC) and the Ghana National Procurement Agency (GNPA) for purchasing all public goods (Glavee-Geo, 2008; Asare & Prempeh, 2016). These were the main government procurement agencies until inefficiencies crept into the procurement system due to short supply of qualified

procurement personnel, inadequate procurement planning and time-consuming delivery (Glaveo-Gee, 2008). Essentially, a comprehensive public law or policy document was absent prior to the promulgation of the Public Procurement Act, 2003 (Act 663) (Anvuur & Kumaraswamy, 2006). The Ministry of Finance mainly regulated the procurement of works and services by the circulars that it had been issuing.

By 1996, a new procurement reform initiative was launched by the government which was to help improve financial management. This initiative was the Public Financial Management Reform Programme (PUFMARP) (Ameyawu et al, 2012; Adusei & Awunyo-Vitor, 2015). The program identified lapses in the public procurement system including, a lack of legal framework, absence of a central agency with technical competence, lack of definite and precise responsibilities of procurement entities, and absence of training and monitoring system to ensure effectiveness in public procurement. Owing to inadequacies of processes for public procurement, procurement procedures under a World Bank-financed program agreed in 2000, as outlined in a "Procurement Procedures Manual" developed for the project, were established (Asare & Prempeh, 2016). These challenges to Ghana's procurement lead to the adoption of the public procurement bill into law in 2003.

2.3.1 Ghana's Procurement Law

In Ghana, the legal framework in public procurement is governed by the Public Procurement Act of 2003 (Act 663). This was subsequently amended by Parliament in 2016 (Act 914). The (Amended) Act 2016, (Act, 914) was to re-enact part two of the Act to add additional public procurement provisions, including the decentralization of the public procurement and related provisions (Anane et al, 2019). The amended Public Procurement Act is divided into sections and parts that deal with a variety of topics. It's divided into nine parts and has ninety-nine sections.

Part One (I) established the Public Procurement Authority as a corporate entity with a common seal with the goal of reorganizing and synchronizing government procurement processes to ensure prudent, cost-effective, and efficient use of public funds as well as fair, transparent, and non-discriminatory, ecologically and economically viable sourcing. The Authority has a wide range of responsibilities, the most vital of which are the formulation of regulations and policies, employee capacity building and training, local industry development, assessment, and monitoring, and ensuring that public procurement is integrated into the fiscal management system for the government (Government of Ghana, 2016).

Part Two (II) also deals with procurement structures, including bureaucratic and existing procurement agreements. The Act's focus and implementation include commodities, works, and services procured with public funds entirely or partially with state funds, as well as functions related to acquisition of goods, works, and services, such as the description of requirement and source of supply, contract selection and award, and contract management stages. It also establishes the Entity Tender Committee (ETC) and assures compliance with Tender Review Committees, whose responsibility is to provide timely approvals for contract award recommendations (Government of Ghana, 2016).

The procurement regulations, procurement plan, tenderer qualification, and prequalification procedures are all covered in Part Three (III). Additional concerns include suspension of a supplier or consultant, vetting proceedings, prequalification decision, participation in bidding processes, mode of communication, procurement documentation, cancellation of procurement records, disapproval of bids, proposals, and quotations, and issues relating to procurement contract implementation, public notification of procurement contract award, incentives and confidentiality (Government of Ghana, 2016).

Part Four (IV) covers the procedure and terms of use for procurement methods such as competitive tendering, two-stage tendering, restricted tendering or single source tendering, and request for price quotation, as well as framework contracting. Tendering methods are discussed in Part 5 (V). Tender invitations and prequalification applications, submission, review, and comparison of bids are the three sub-divisions of this section. The approaches and processes for employing the services of consultants are covered in Part Six (VI). It outlines the notice of an invitation to submit an expression of interest and the compilation of shortlists, as well as the shortlisting of applicants, the illumination and modification of the call for proposals, the selection process, and the receipt and review of proposals (Government of Ghana, 2016).

The complaints and administrative evaluation are found in Part Seven (VII). It also lays out the review and complaint procedures, as well as the specific rules that apply to review processes and the concerns of procurement deferment. The disposal of inventories, vehicles, plant, and equipment is covered in Part Eight (VIII). It denotes the authority to dispose of unserviceable stores, as well as instructions and disposal methods and guidelines. Section IX, Part Nine (IX), deals with conduct, modifications, information requests and inquiries by the Board, procedure for investigation completion, parliamentary reviews, and procurement-related infractions, corruption practices, examining the thresholds, international commitments, and use of procurement agent, regulations and interpretation (Government of Ghana, 2016).

2.3.2 Ghana's Procurement Law and Value for Money

Ghana's public procurement law as already stated above was enacted in line with achieving efficiency in public procurements. Efficiency in procurement is an important factor in achieving value for money, even though value for money components is beyond just

efficiency in procurement. The Act mandates the Public Procurement Authority to ensure the harmonization of the public procurement processes within the public service, with the aim to obtain a judicious, cost-effective and sufficient utilization of resources in public procurement (Government of Ghana, 2016). This is a testament of the value for money principle in procurement system (Glavee-Gee, 2008).

The procurement Act of Ghana was also equally modeled under the UNCITRAL Model Law on Public Procurement (2011) which adopts the principles of transparency, fairness, accountability and competition (Mante, 2017). Transparency, in procurement is making sure that all procurement procedures are well established and made clear for every tenderer. The Act under Section 47 talks about achieving transparency by publishing openly, the procurement rules and procedures, making procurement opportunities more widely circulated (Government of Ghana, 2016). Greater transparency is also achieved when entities respond in a timely manner, to request for clarifications in accordance with Section 51, public tender openings in accordance with Section 56, and giving feedback by informing failed tenderers, the reason for their unsuccessful bids in accordance with Section 65(9) (Ameyaw et al, 2012). In addition to the above, entities must publish contract awards to enable the public and other bidders to know those successful as enshrined under Section 31(1). Procurement proceedings that are devoid of these cannot be deemed to be transparent hence value for money may be compromised. Without transparency, unethical behaviors like bribery and corruption will stifle the attainment of value for money (Government of Ghana, 2003).

Amongst the principles of procurement that is a prerogative to attaining value for money is competition. Competition is the active involvement of the private sector in the procurement process by publicly disseminating information on procurement (Asare & Prempeh, 2016). The procurement Act of Ghana stipulates that competitive tendering is the standard procurement process as stated under Section 35 (1) of the law except in certain cases where

other methods maybe adopted (Mante, 2017). Competition presents choices to procuring entities based on the specifications that are set. Competitive bidding can also lead to lower prices and new ways of delivering Value for Money (VfM). It must be noted that even where competitive tendering is not applicable, the law makes provision for restrictive tendering process under Section 38. However, there is still some level of competition even within the framework of a restricted tender. For instance, Section 39 (1) (b) states that suppliers or contractors must be selected in a non-discriminatory manner so as “to ensure effective competition” (Government of Ghana, 2003). Value for money is the optimum satisfaction derived from goods, works or services that does not sacrifice quality with least cost.

2.3.3 Challenges of Procurement in Ghana

Just like in most countries, there are numerous challenges that have characterized the procurement system in Ghana. With the passage of the public procurement bill into law in 2003, the anticipation was that procurement irregularities that had characterized the procurement system in Ghana would be a thing of the past. Even though procurement in Ghana has since improved drastically with the coming into force of the law, there are still some bottlenecks that need to be addressed. Endemic corruption (whether perceived or real) is a major challenge to value for money achievement in procurement. Ameyaw et al (2012) have noted that corruption is rampant in Sub-Saharan Africa due to institutional weaknesses and ineffective monitoring mechanisms. Corruption results from lack of transparency and accountability in the procurement process (Asare and Prempeh, 2016). In another study, Ameyaw et al (2012) found that corruption still pervades in public procurement despite the enactment of the procurement law.

Another challenge of procurement in Ghana is lack of capacity and appreciation of the procurement procedures and processes. In other instances, the lack of VfM in a given

procurement may not be attributable to corrupt actions, but rather to the actors involved in the procurement processes lacking the essential skills. Such actors may be unaware that their actions are in violation of the Procurement Act (Mante, 2017). Ameyaw et al (2012) also share similar sentiments when they observed that bidders are hampered in a variety of challenges, such as lack of essential legal expertise, limited ability to comprehend conventional tender forms, limited access to tender information, and poor technical and managerial abilities to compete in the bidding process.

Public procurement in Ghana is hampered by political interference in the procurement processes and procedures. Ameyaw et al (2012) noted that some politician directly intervene in the procurement of goods, works and services to make sure contracts are awarded to their preferred candidates, a phenomenon that almost certainly will affect value for money.

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CHAPTER THREE

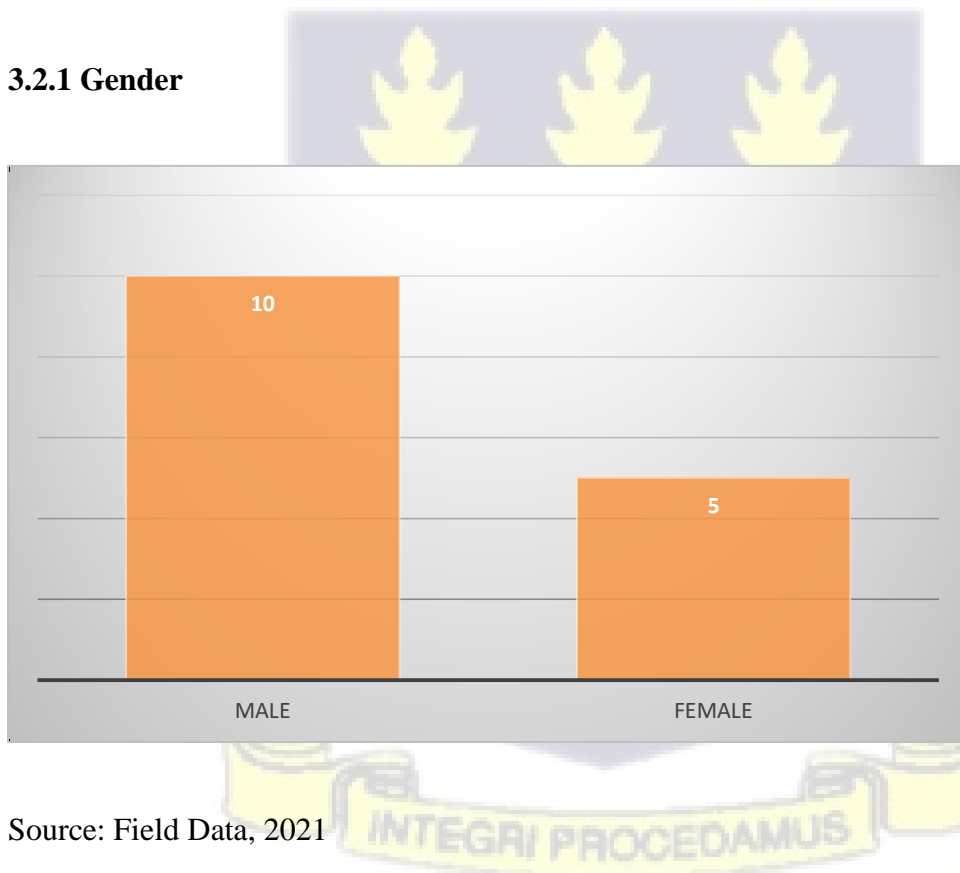
DATA PRESENTATION AND ANALYSIS OF FINDINGS

3.1 Introduction

This chapter analysis the data that was gathered from the field using interview guides. The data is analyzed in themes according to the objectives of the study. It begins with respondents' demographics such as age, gender, educational qualification, nationality and years of experience. This is followed by the analysis of responses on the criteria used to assess value for money in public procurements in Ghana and Nigeria, measures Ghana and Nigeria put in place to make public procurement more cost-effective and the challenges that hinder value for money attainment in Ghana and Nigeria.

3.2 Demographic Characteristics

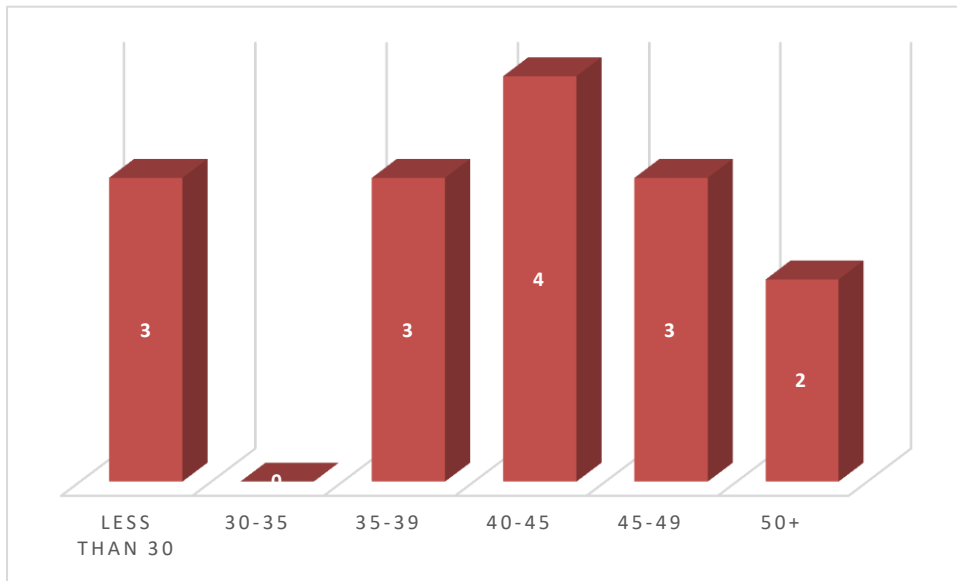
3.2.1 Gender



Source: Field Data, 2021

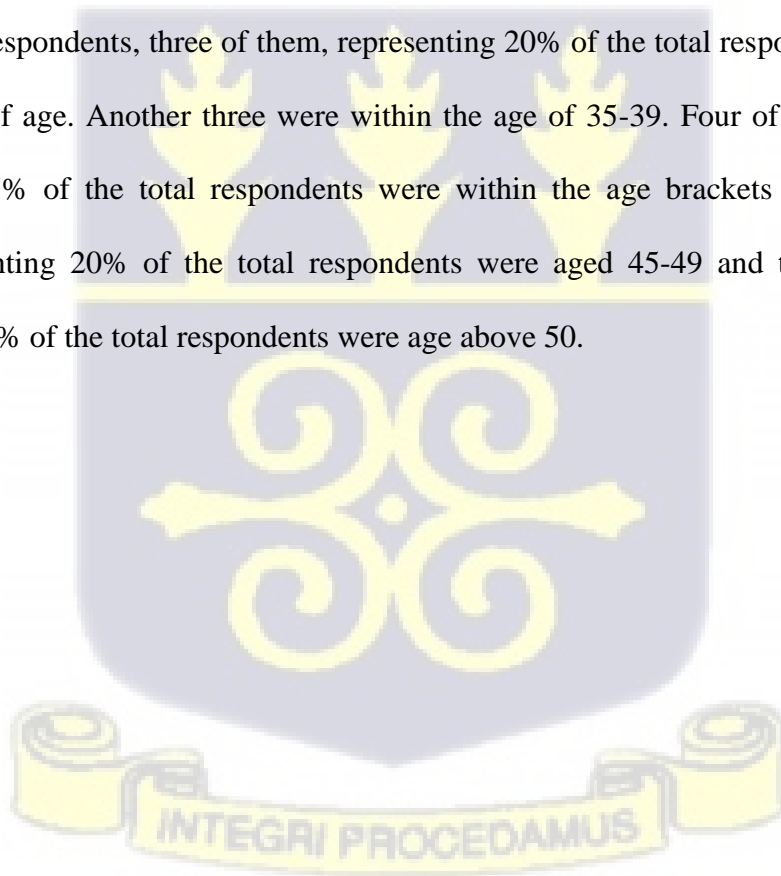
Of the fifteen respondents, ten of them, representing 67% of the total respondents were male while five of them, representing 33% of the total respondents were females.

3.2.2 Age of Respondents

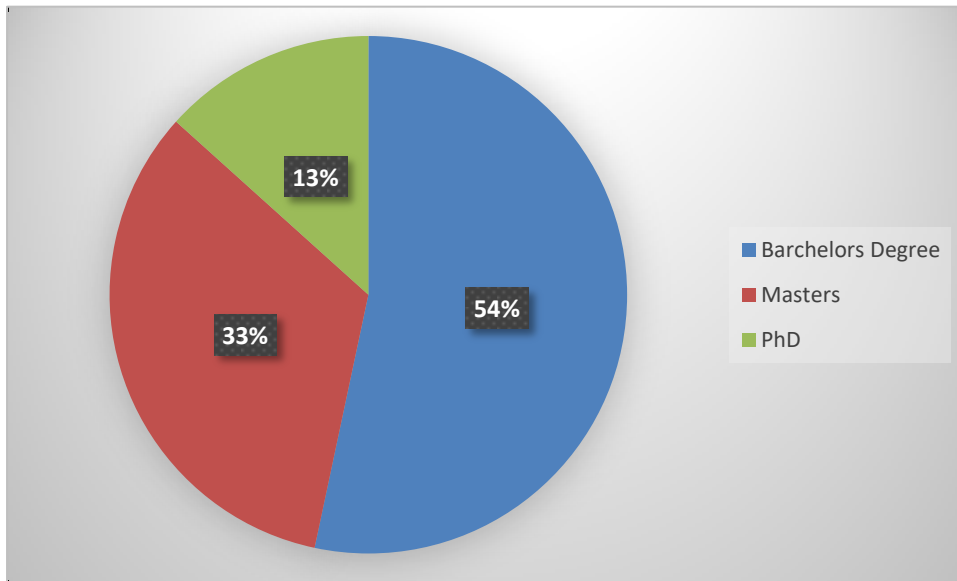


Source: Field Data, 2021

Of the fifteen respondents, three of them, representing 20% of the total respondents were less than 30 years of age. Another three were within the age of 35-39. Four of the respondents, representing 27% of the total respondents were within the age brackets of 40-44. Three others, representing 20% of the total respondents were aged 45-49 and two respondents, representing 13% of the total respondents were age above 50.



3.2.3 Educational Qualification

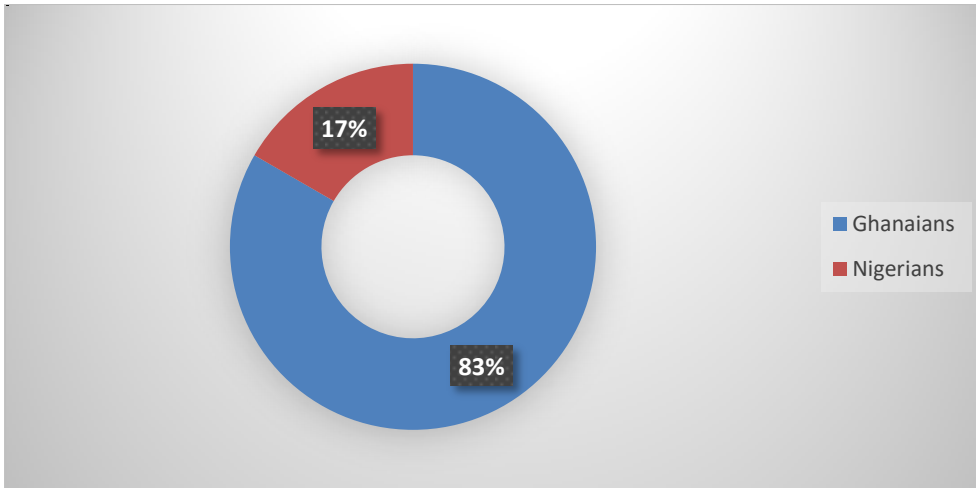


Source: Field Data, 2021

Respondents were well educated. Of the fifteen participants, eight of them, representing 54% of the total respondents were first degree holders. Five participants, representing 33% of the total respondents were having their Master's degree in procurement studies while two of them had terminal degrees.

3.2.4. Nationality

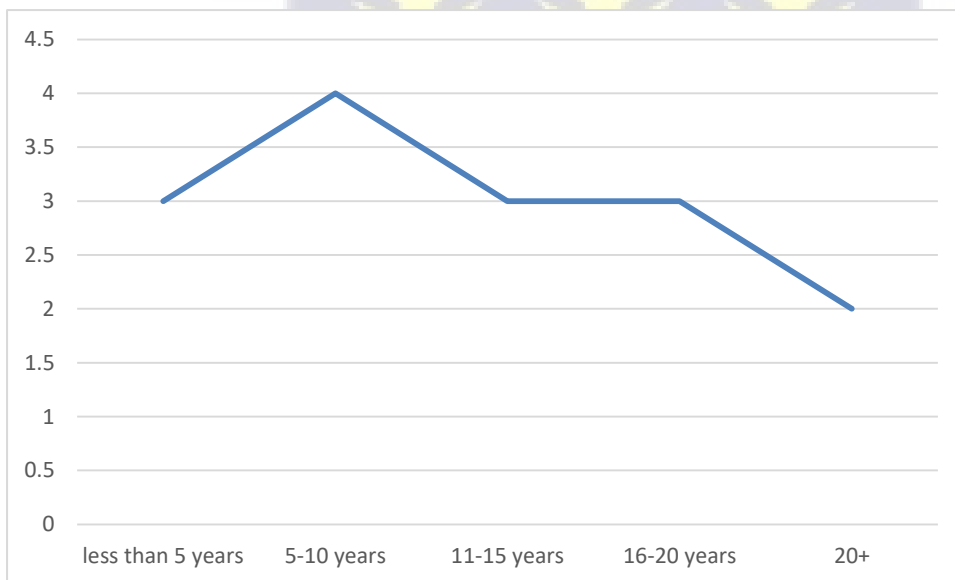




Source: Field Data, 2021

The study was conducted in the two West African Anglophone neighbors of Ghana and Nigeria. Ten of the participants, representing 83% of the total participants were Ghanaians and five of them, representing 17% of the total participants were Nigerians.

3.2.5 Years of Experience as a Procurement Practitioner



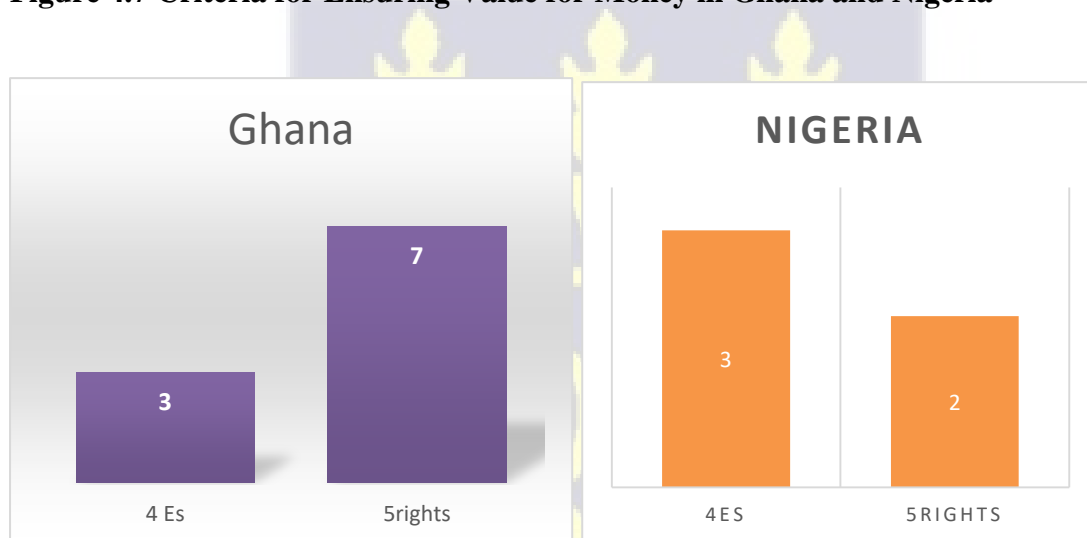
Source: Field Data, 2021

Of the fifteen interviewees, three of them, representing 20% of the participants had less than five years of experience in procurement practice. Four of them, representing 27% of the total participants had 5-10 years of experience in procurement practice. Three participants had 11-15 years of experience in practicing procurement and three other participants had between 16-20 years of experience and two of them had more than 20 years of experience as procurement practitioners.

3.3 Research Question I: What are the criteria used in ensuring value for money in Ghana and Nigeria?

The results of the interview revealed varied criteria for ensuring value for money as indicated in figure 4.7 below

Figure 4.7 Criteria for Ensuring Value for Money in Ghana and Nigeria



Source: Field Data, 2021

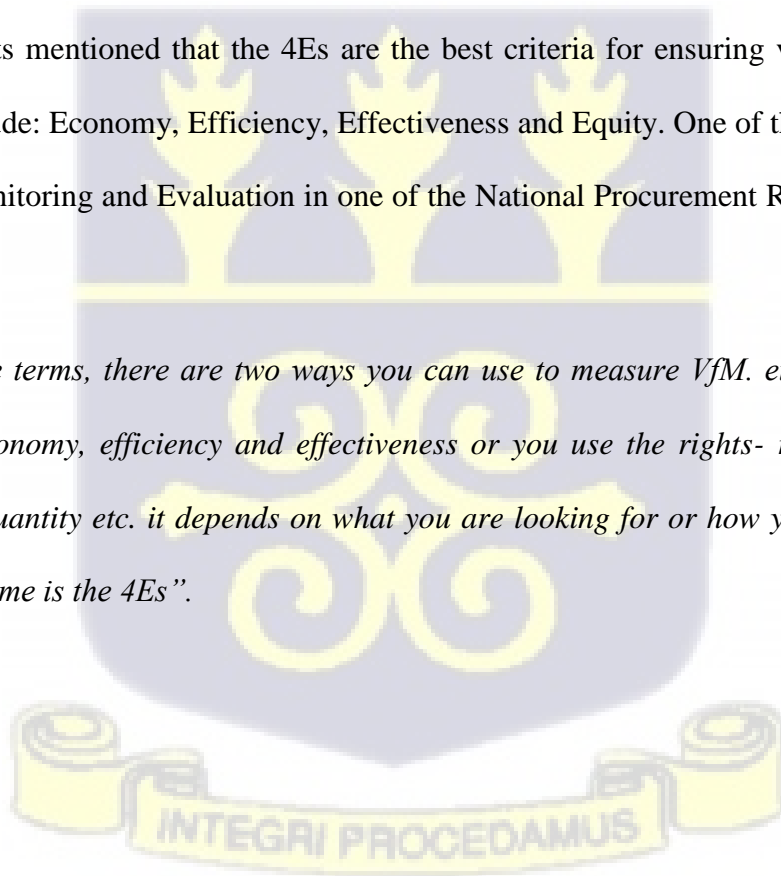
As indicated in figure 4.7, seven respondents from Ghana and three from Nigeria mentioned that the commonest criteria use to ensure value for money in their respective countries were the 5 rights. In total, nine of the respondents, representing 60% of the total respondents mentioned that the 5 rights were the main criteria used in ensuring value for money in Ghana

and Nigeria. The 5 rights include right quality, right quantity, right time, right price and right cost. One of the respondents who was an employee of the Public Procurement Authority explained as thus:

“When you want to buy, there are lots of factors that go into it and for us in procurement we have termed it as the 5 rights. These will determine or make up the decision for which you are buying the items.....The first is right quality..... Quality comes from the specifications. The second one is right quantity..... The third is the right price and the fourth is the right cost”

Three respondents from Ghana and three others from Nigeria mentioned that the best criterion for ensuring quality was the 4Es. In all, six participants, representing 40% of the total participants mentioned that the 4Es are the best criteria for ensuring value for money. These 4Es include: Economy, Efficiency, Effectiveness and Equity. One of the respondents, a Director of Monitoring and Evaluation in one of the National Procurement Regulatory bodies explained thus:

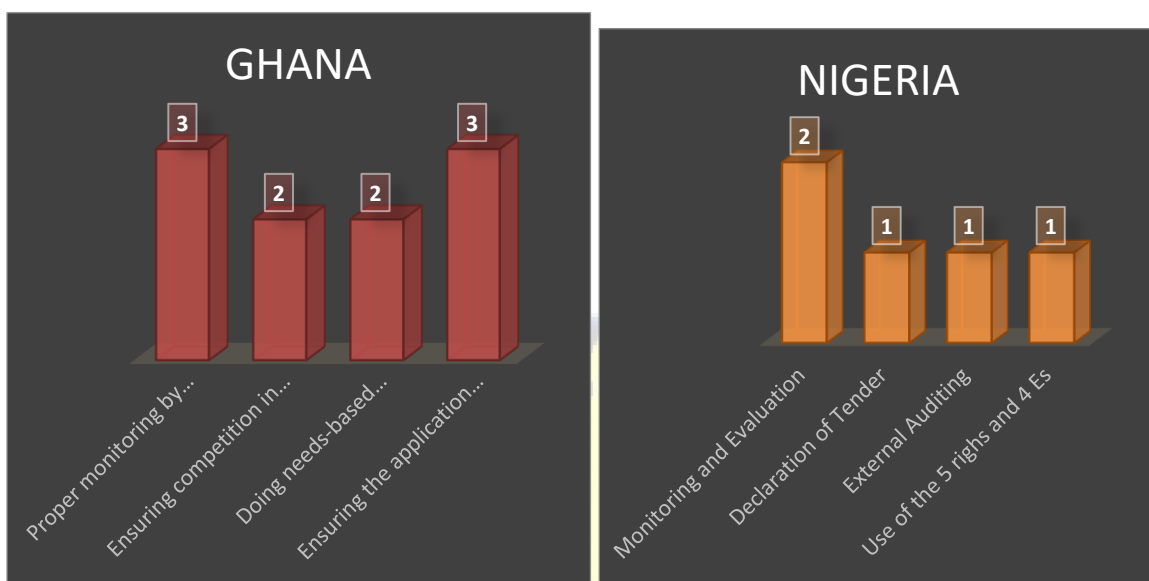
“In very simple terms, there are two ways you can use to measure VfM. either you use the 3Es- that is economy, efficiency and effectiveness or you use the rights- right price, right quality, right quantity etc. it depends on what you are looking for or how you perceive VfM but the best for me is the 4Es”.



3.4 Research Question II: What measures do Ghana and Nigeria put in place to ensure value for money in public procurement?

The analysis of the data gathered during interviews with respondents revealed that both Ghana and Nigeria use various measures to ensure value for money in public procurement. These are shown in figure 4.8 below:

Figure 4.8 Measures of Ensuring Value for Money in Ghana and Nigeria



Source: Field Data, 2021

The study revealed that both countries have regulatory mechanisms to regulate public procurement even though they are given different names. In Ghana, three participants, representing 30% of the participants from Ghana and 20% of the entire participants mentioned proper monitoring by regulators as the main mechanism of ensuring value for money. Two participants, representing 20% of the participants from Ghana and 13% of the total participants mentioned ensuring competition in the procurement process as one of the ways of ensuring value for money. Two others who were Ghanaian participants mentioned that Need-Base Assessments (NBAs) are done to ensure value for money. Three other

participants who were Ghanaians mentioned the application of the 5 rights and the 4 Es as one of the ways of ensuring value for money. They all agree that these measures are taken by the Public Procurement Authority, the Tender Review Authority, and the Tender Committees of various public institutions. One of the participants who was a public procurement specialist explained as thus:

“In Ghana we have the Public Procurement Act. So, if it is goods beyond Gh100, 000, it must go for National Competitive Tendering (NCT). And it has to be approved by the entity’s tender committee. Beyond a certain threshold, the entity tender Committee after approving has to send it to the Central Tender Review Authority. These measures are there to ensure competition and transparency”.

Two Participants from Nigeria, representing 40% of the total respondents from Nigeria and 13% of the entire participants mentioned monitoring and evaluation as one of the measures used in ensuring value for money. One person mentioned the open invitation of tender as one of the measures used in ensuring value for money. Another participant mentioned external auditing and one other mentioned the application of the 5 rights and 4 Es. They all mentioned the National Council on Public Procurement (NCP), the Bureau of Public Procurement (BPP) and the 2017 Executive Order as the regulatory institutions that ensure that procurement rules and procedures are adhered to. One officer from the Bureau of Public Procurement (BPP), Nigeria when asked on the measures the bureau is taking to ensure Value for Money in public procurements opined that:

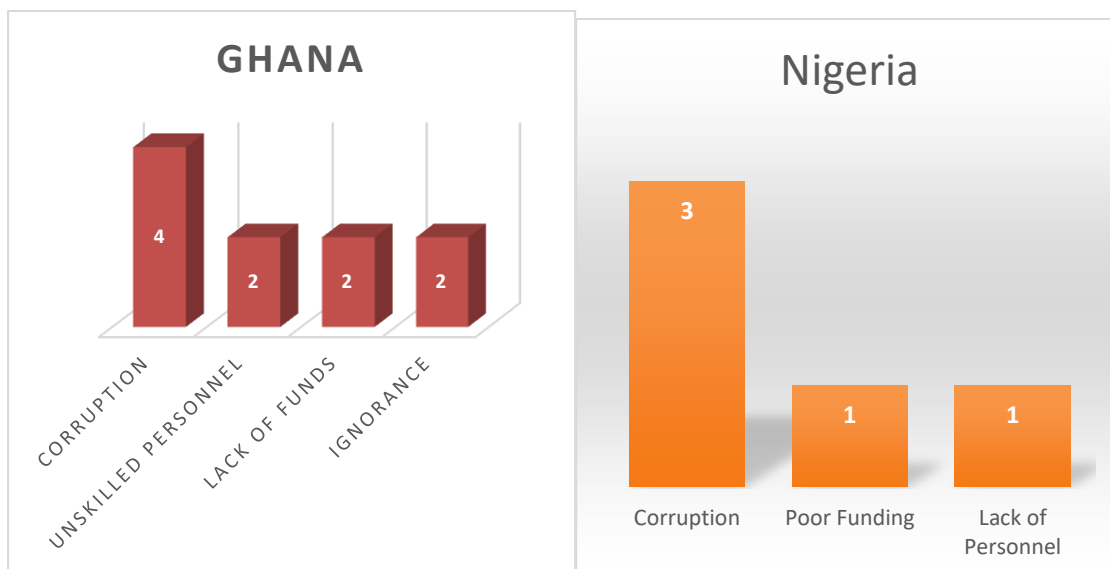
“We make sure that procuring entities comply with the provisions of the Act. So if you have to do something, this Act should guide you on the method to use, and who will approve it. For instance, if an entity wants to use non-competitive method, Section 39 provides guidance for restricted tendering. If it is direct procurement or sole-sourcing, then it is Section 42. It

shows you the circumstance as well as the procedure for that. If you come to Section 5 of the Act which gives you the functions of the Bureau, it tells you that the Bureau is supposed to meet all things such that conduct of public procurement in Nigeria will be done in a certain framework to ensure we do it in a transparent manner”.

3.5 Research Question III: What procurement Challenges Hinder Value for Money?

The data collected around this revealed several challenges as shown in Figure 4.9

Figure 4.9 Procurement Challenges that Hinder Value for Money



Source: Field Data, 2021

Four Ghanaian participants and three Nigerians, totaling 7 and representing 47% of the total respondents, mentioned that corruption is one of the major challenges that hinder value for money in public procurement in Ghana and Nigeria respectively. Two interviewees from Ghana and one from Nigeria, totaling three and representing 20% of the total respondents, mentioned that lack of skilled procurement personal was the major challenge of assuring procurement value for money. Another two respondents from Ghana and one from Nigerian 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 value for money.

On the challenges of procurement, a procurement officer at the University of Ghana Business School bemoaned the too bureaucratic and complex nature of the procurement process, adding that it wastes time, increase 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 too 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 for a very long time. Apart from the school’s administrator to the Dean, to the Pro-Vost, to director of logistics and the VC, in some cases if it is works, from 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”.

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 who take procurement decisions on behalf of government sometimes lack capacity to ensure due diligence. They either under-specify or over-specify the organization’s needs when they are on the planning stage of the procurement process.

This, she explained wastes public funds and undermine value for money attainment in procurement.

3.6 Discussion of Findings

3.6.1 Criteria for Ensuring Value for Money

The study revealed that the most often used criteria for ensuring value for money in both Ghana and Nigeria are the 5 rights- right quality, right quantity, right time, right price and right cost and the 4 Es (economy, efficiency, effectiveness and equity) are most commonly used. Both countries have some criteria for measuring value for money even though they may vary. What was common between the two set of criteria was that none of them considered price to be a major determining factor as it is often misconstrued by the public. Cost only comes in when all other factors are considered. This finding corroborates the findings of Philly, Were, and Nkirina (2017) where they evaluated the procurement procedures for five under-developed countries- Kenya, Zambia, Botswana and Mauritius. Their review revealed that all countries had mechanisms for ensuring value for money and that these criteria emphasized quality, quantity, timing, price and cost but just like this study, they considered price to be the least important of all criteria. Ogunsanya, Aigbavboa, Thwala, and Edwards (2019) also made similar findings in the Southern African countries of Zimbabwe and Namibia but admit at the end of their report that much of those mechanisms exist on paper but endemic corruption in those countries makes it impossible for them to be grounded or implemented.

Discussing the results of their research on Daresalam government projects, Doh (2015) explained that in the public sector, the measurement of value is one of the most contentious areas between the government and the governed (citizens). The government tries to present

the projects implemented as being of direct and great value to the citizens; in most cases, however, it exaggerates the value received. This is one of the agency problems arising from principal-agent interest divergence. A classic case of this principal-agent complex relationship is the construction of the footbridge at Madina, a suburb of Accra, which was aimed at reducing congestion and easing traffic in the area. However, the public was dissatisfied with the project as it was deemed wastage of the tax payers' money because of how long it was. Instances where citizens who are better informed and enlightened, this is argued to be simple public relations. This may be because there are no criteria for how to measure such value. The researchers acknowledge the existence of some criteria such as the 3 E's - economy, efficiency and effectiveness - which were initially introduced and later added a fourth E (equity). However, they criticized these criteria as inadequate and suggested stakeholder engagement at a conceptual level where the public is expected to participate in any government intervention to envisage, develop and 'sign up' to the value of the social contract for citizens. They further suggested a comprehensive budget which should not be adjusted with cost-linked indicators to measure the value of money through comparisons at a granular cost level for each outcome. Akaninyene and Mark (2015) extend these suggestions at the end of their study by suggesting that budget variance analysis should be carried out to ensure value for money because once a spending budget is approved by citizens either directly or through their elected leaders, public sector practitioners should have the means to ensure that it does not exceed budget limits. Budget constricting measures though enhances governments' spending transparency; developing countries are most of the time averse to them and usually overspend especially in election years. Vogler, Paris, and Panteli (2018) agreed with all the above points, but added that user surveys/feedback could be a powerful tool to help practitioners listen to beneficiaries to see if the social contract is indeed being fulfilled. Ogunsanya et al. (2019) also acknowledged that while the 5 rights are specific and

enforceable, a value-for-money audit could complement their effectiveness. They suggest that the assessment of procurements should be carried out by independent experts.

3.6.2 Measures put in Place to Ensure Value for Money in Ghana and Nigeria

The study revealed that Ghana and Nigeria have put in place various measures to ensure value for money. In Ghana such measures include; proper monitoring by regulators, ensuring competition, doing need-base assessment and ensuring the strict application of the 5 rights and 4 Es. The regulatory bodies which enforce these were found to be the Central Tender Review Authority, Tender Committees of respective institutions and the Public Procurement Authority.

The Public Procurement Authority is also recognized in a similar study by Asare and Prempeh (2016) as the principal procurement regulator in Ghana. Among other things, the Public Procurement Authority makes recommendations for the formulation of procurement policies, ensures the implementation of policies and development of human resources in the public sector, formulates rules, instructions, other regulatory documents and formats for public procurement documents, monitors and supervises public procurement, ensures compliance with legal standards, has the authority to get data from contracting authorities on public procurement, establishes and implements information systems on public procurement, and publish, by the end of each month, a public procurement notice containing information relating to public procurement, including notice of proposed procurement tenders and information on contract awards.

Doh (2015) further finds that the Public Procurement Act establishes Tender Review Committees (TRCs) at the central and regional levels (sections 20F-20G of Act No. 663, as

amended). The tender review committee for Ministries, Departments and Agencies (MDAs) is the Central Tender Review Committee (CTRC). The Tender Review Committee for Metropolitan and Regional Assemblies (MMDAs) is the Regional Tender Review Committee (RTRC). The members of the Central Tender Review Committee are appointed by the Minister of Finance in consultation with the PPA Council. The members of the RTRC are appointed by the Regional Ministers in consultation with the Minister of Finance. Asare and Ameyaw (2016) found that the functions of the RTRC include reviewing activities at each stage of the procurement cycle leading to the award of contracts while giving approval, providing reports to the PPA, participating in public procurement, and reviewing decisions of the head of the entity regarding complaints.

In Nigeria, this study found that the main measures taken are monitoring and evaluation of procurement processes, invitation of tender from the public, external auditing of public institutions and the strict use of the 5 rights and the 4 Es. The regulatory bodies that enforce these were found to be the National Council on Public Procurement (NCPP), the Bureau of Public Procurement (BPP) and the Procurement Executive Order of 2007. This is in agreement with Jibrin, Ejura, and Augustine (2014) who also found that the National Council on Public Procurement (NCPP) is one of the two federal procurement regulatory bodies in Nigeria, established by the Public Procurement Act (PPA or Act) of 2007. The functions of the NCPP provide for it to be an approving authority and to some extent a regulator, overseeing the Bureau of Public Procurement (BPP).

Ogunsanmi (2016) also found that the Bureau of Public Procurement (BPP) is one of the main procurement regulators in Nigeria. The Bureau of Public Procurement is the body in charge of monitoring and regulating, creating standards, and building the legislative framework and professional competence for public procurement in Nigeria, as well as managing public procurement and harmonizing current government policies and procedures..

Its essence is to achieve value for money, eliminate corruption and ensure accountability in the public expenditure process.

It is important to note that while the two countries share similar legal and regulatory frameworks, the political set up of the two countries make their procurement different from each other. While in Nigeria, the public procurement law provides a structure for procurement; its procedures differ from state to state in great detail. For instance, Williams-Elegbe (2015) is of the view that state bureaucratic set up makes one state's procurement procedures slightly different from the other. Thresholds are set by the federal agency (BPP) but procedural norms are left for states to decide. In Ghana, procurement procedures are the same for all state institutions and entities. All institutional tender review committees are guided by the same procurement procedures and norms.

3.6.3 Challenges of Public Procurement in Ghana and Nigeria

The study revealed that Ghana and Nigeria share similar challenges in procurement. Both respondents from Ghana and Nigeria mentioned challenges of procurement to include inadequate skills personnel, inadequate measures of monitoring and evaluation, Corruption of procurement authorities, inadequate funding and poor knowledge of procurement laws. This finding corroborates the finding of Akaninyene and Mark (2015) when they employed a descriptive design involving thirty participants to study the challenges of procurement in Southern Africa. Their study revealed that corruption on the part of regulatory authorities, poor skilled personnel and lack of adequate logistics impeded the procurement monitoring process. While speaking to officials of the regulatory bodies, they all deny ever partaking in corrupt deals that will impede value for money attainment. In any case, it will be naïve to expect an affirmative answer concerning corruption.

An assessment of the procurement process in Sierra Leone by Kaikai and Mose (2020) also revealed that the Sierra Leone National Public Procurement Authority was beset by a number of challenges. These included: inadequate funding, inadequate staffing, and organizational and logistical constraints. The research stated, among other things, that the law may be used to achieve its goals if all stakeholders worked together, backed by strong political resolve and enough budgetary assistance, to streamline and improve Sierra Leone's public procurement processes. The Zambian Public Procurement Authority's (PPA) yearly reports since its inception have consistently identified underfunding as a major obstacle to the smooth functioning of the Authority. The lack of office space was specifically reported in the 2008 and 2007 annual reports (PPA Annual Reports, 2007 and 2008). **The researcher believes that these challenges are part of a wide range of responsibility shirking on the part of the principal. It also provides opportunity for agent dissatisfaction and hence a lack of incentive to work towards achieving organizational goals**

McDonald (2016) in his analysis of the procurement process also agrees with the findings of this study that, Ghana is considered one of the 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 T.I (2021) revealed that the amount of money changing hands through corruption in public procurement in Ghana is estimated at US\$390-400 million per year. Sarfo and Song (2021) also reported that there is no indication that the enactment of the Public Procurement and its implementation has had any significant impact on reducing corruption in Ghana's public procurement. According to the annual Corruption Perception Index (CPI) for 2019 and 2020 published by Transparency International, Ghana ranks 73rd and 75th most corrupt country out of 183 countries worldwide (Transparency International, 2021). Corruption in Ghana remains a significant barrier to the efficient use of resources and

effective service delivery. There is no real evidence that Ghana has achieved serious results through the enactment of legislation against corruption and therefore its impact cannot be estimated.

In another study focusing on Metropolitan, Municipal and District Assemblies (MMDAs) in Ghana; Kissi, Osei-Tutu, and Desmond (2019) used a descriptive design involving 120 participants and the results showed that inadequately trained personnel, weak monitoring and evaluation mechanisms, inadequate funding and widespread corruption in Ghana's procurement process were the main challenges facing public procurement in Ghana. Corrupt practices revealed in relation to procurement included: trading in power and money, inflating contract amounts, paying for non-existent contracts, deliberately splitting contracts, paying for contracts multiple times, using false suppliers and misuse of public funds. The study again notes some key officials, such as 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. The study also found that internal and external auditors apparently 'trained' key officials on how to cover up corruption in return for money and other rewards. Corruption therefore remains a major challenge in the procurement process (Kissi, Osei-Tutu, & Desmond, 2019).

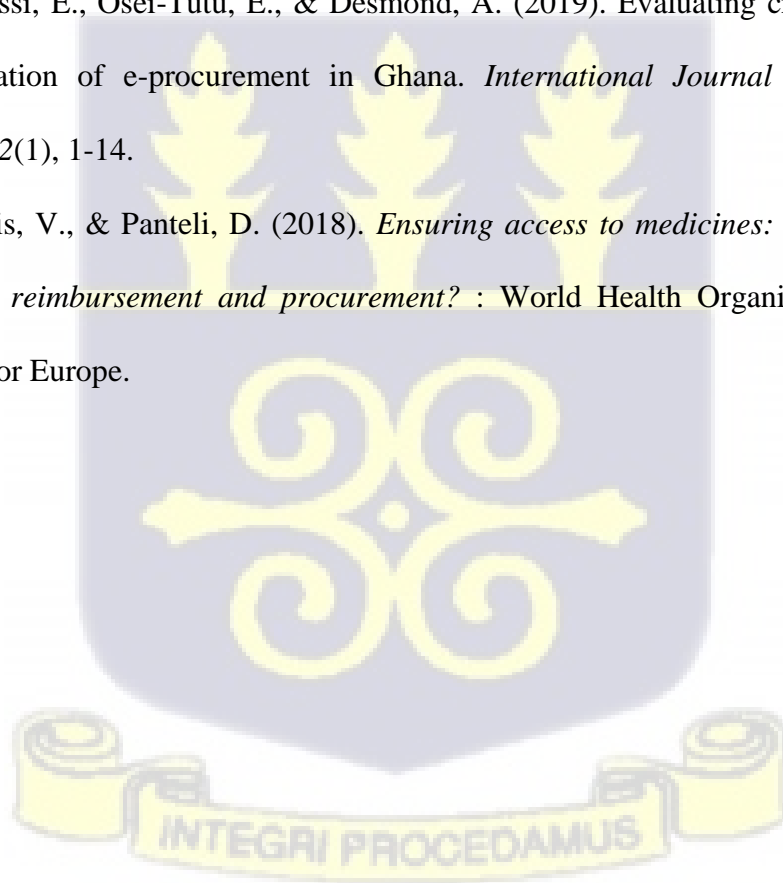
In conclusion, both Ghana and Nigeria enacted procurement laws to streamline procurement activities with international standards. Both countries tend to adopt similar criteria in ensuring value for money such as the 5 rights and the 4Es, Ghana is more inclined towards the 5 rights and Nigeria, the 4Es. However, these criteria are not strictly peculiar to either country. On the measures taken to achieve value for money in procurement, both countries share similar measures such as proper regulation, conducting need-based assessment before procurement, ensuring rigorous competition and most importantly broadening the capacities

of procurement officials. Challenges of procurement noticed were corruption, inadequate knowledge of procurement laws, inadequate funding and bureaucracy among others.

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CHAPTER FOUR

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.1 Introduction

The study employed a qualitative design to explore the criteria for ensuring value for money, measures of ensuring value for money, and challenges of ensuring value for money in Ghana and Nigeria. The analysis of the data revealed several findings as provided below.

4.2 Summary of Findings

Criteria for Ensuring Value for Money

Thematic analysis carried out on the data collected around this construct revealed that Ghana uses the traditional 5 rights- right time, right quality, right quantity, right price and right cost to ensure value for money. Nigeria on the other hand had often used the 4 Es- economy, efficiency, equality and equity to ensure value for money.

Measures of Ensuring Value for Money

The analysis of interviews with the participants around the measures that are adopted by both Ghana and Nigeria to ensure value for money revealed that Ghana has the Public Procurement Authority which regulates procurement processes. The Central Tender Review

Authority, various entity Tender Committees and the Public Procurement Authority were some of the regulatory measures that were put in place to monitor and evaluate procurement procedures. In Nigeria, it was revealed that to ensure value for money, the National Procurement Act, the National Council for Public Procurement and the Bureau of Public procurement were put in place to monitor procurement processes using relevant legislative instruments.

Challenges of Ensuring Value for Money

Analysis of data collected around this construct revealed that regulatory bodies and procurement practitioners face various challenges in ensuring value for money in both Ghana and Nigeria. Corruption of public officials, lack of skilled personnel, inadequate funds, and lack of adequate knowledge of procurement laws were the main challenges that were found to affect the process of ensuring value for money.

4.3 Conclusions

Public procurement has attracted adequate academic attention. The extent to which this phenomenon manifests itself in the specific regions of Ghana and Nigeria was not fully explored. This informed this research. Like many other studies in developing countries, this study found that certain criteria exist in both Nigeria and Ghana to ensure value for money. While respondents were so restricted to the use of the 5 rights and the 4 Es, these are not exhaustive. Other methods such as audit evaluations, restricted budgets and public debating could also be explored.

Several measures that have been adopted for ensuring value for money both in Ghana and Nigeria were also identified. Apart from enacting the Public Procurement Act, Ghana also established the Public Procurement Authority, Central Tender Review Authority and Tender

Committee to ensure that proper procedures can be followed in procurement so as to ensure value for money. In Nigeria, the National Procurement Act was enacted in 2007 and the National Council for Public Procurement was also established (at least on paper) alongside the Bureau of Public Procurement to monitor the procurement processes in Nigeria so as to ensure value for money.

Both countries face similar challenges in their attempt to ensure value for money. These range from the corruption of public officials, lack of skilled personnel, inadequate funds and poor knowledge of procurement laws to the inability of authorities to implement procurement laws. Much of the regulations on procurement procedures remain on paper or are manipulated by public officials. This affects the ability of all the regulatory institutions to implement the measures put in place to regulate procurement procedures.

4.4 Recommendations

The study found that Ghana and Nigeria make use of the 5 rights and 4 Es as the main criteria of ensuring value for money. It is therefore, recommended that these countries look beyond these criteria and employ more involving criteria such as debating procurements directly or through elected representatives and restricting and directing government spending through strict budgetary approval procedures.

It was also found that Ghana and Nigeria use several measures to ensure value for money such as the enactment of procurement laws, setting of procurement councils and committees as well as creating authorities responsible for monitoring and evaluating procurement processes. It is therefore, recommended that the governments of the two countries will strengthen the human resources in these councils and committees so as they could adequately deliver on what they are tasked to do.

The study further found that both Ghana and Nigeria face challenges in ensuring value for money such as inadequate finance, corruption, unskilled personnel and lack of logistics. It is therefore recommended that the governments of these countries, in collaboration with Civil Society Organizations (CSOs) may 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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APPENDIX

LEGON CENTER FOR INTERNATIONAL AFFAIRS AND DIPLOMACY

TOPIC: An Examination of the Public Procurement Policies of Ghana and Nigeria in the Context of Value for Money.

Interview Guide for Public Procurement Authority (PPA) Ghana

This is only for academic purposes and confidentiality of the information provided is fully assured.

1. What is your understanding of Value for in procurement?
2. How can procurement entities achieve value for money?
3. What should procurement entities consider before going into procurement?
4. What other ways is value for money assessed besides cost and quality?
5. What is your organization's (PPA) position with respect to achieving value for money in procurement of goods, works and services?
6. What measures do you put in place to ensure value for money?
7. What measures do you adopt to promote competition among contract bidders?
8. How do you evaluate a contract after it has been executed?
9. Are there some international standard measurements of value for money?
10. As a regulator, do you think there are some procurement breaches in Ghana's procurement laws?

11. What procurement challenges hinder the attainment of values for money?
12. How can those challenges be addressed?
13. Any other information you would want to add?

LEGON CENTER FOR INTERNATIONAL AFFAIRS AND DIPLOMACY

TOPIC: An Examination of the Public Procurement Policies of Ghana and Nigeria in the Context of Value for Money.

Interview Guide for the Bureau of Public Procurement (BPP) Nigeria

This is only for academic purposes and confidentiality of the information provided is fully assured.

1. What is your understanding of Value for in procurement?
2. How can procurement entities achieve value for money?
3. What should procurement entities consider before going into procurement?
4. What other ways is value for money assessed besides cost and quality?
5. What is your organization's (BPP) position with respect to achieving value for money in procurement of goods, works and services?
6. What measures do you put in place to ensure value for money?
7. What measures do you adopt to promote competition among contract bidders?
8. How do you evaluate a contract after it has been executed?
9. Are there some international standard measurements of value for money?
10. As a regulator, do you think there are some procurement breaches in the Nigeria's procurement laws?
11. What procurement challenges hinder the attainment of values for money?

12. How can those challenges be addressed?
13. Any other information you would want to add?

LEGON CENTER FOR INTERNATIONAL AFFAIRS AND DIPLOMACY

TOPIC: An Examination of the Public Procurement Policies of Ghana and Nigeria in the Context of Value for Money.

Interview Guide for Procurement Practitioners in Ghana and Nigeria

This is only for academic purposes and confidentiality of the information provided is fully assured.

1. Can you kindly tell me what your understanding is about value for money?
2. What do you consider before procuring goods, works or services, is it cost, quality or both?
3. How do you put in place measures to measure value for money in procurement?
4. How do you ensure competition in procurement?
5. How do you evaluate a contract after it has been executed?
6. What international measurement procedures do you employ to assess value for money in procurement?
7. What challenges do you encounter in the procurement process?
8. How do the challenges affect your organization's quest to ensure value for money in procurement?
9. How can the challenges be resolved?
10. What other comments would you like to add?