

# **TEAM LIBERIA**

## **“THE INNOVATORS”**



# Outline



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- Part Two: Progress Over Seven Months
- Part Three: Stakeholders Engagement
- Part Four: Key Outputs/Deliverables
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- Part Six: Next Steps

# Introduction

1. Kpambu P. Turay - Fiscal Affairs - Co-Coordinator
2. Ohyndis B. Sleweon, Jr.– Budget - Coordinator
3. Titus K. Tikwa, Jr. – Public Procurement & Concessions Commission – Data Analyst
4. Henry D. Z. Yanquoi – Economic Management – Data Collector
5. S. Emmanuel Lloyd, II – Budget – Secretary
6. J. Wellington Barchue, I –Budget – Advisor

# Part one: Initial Problem

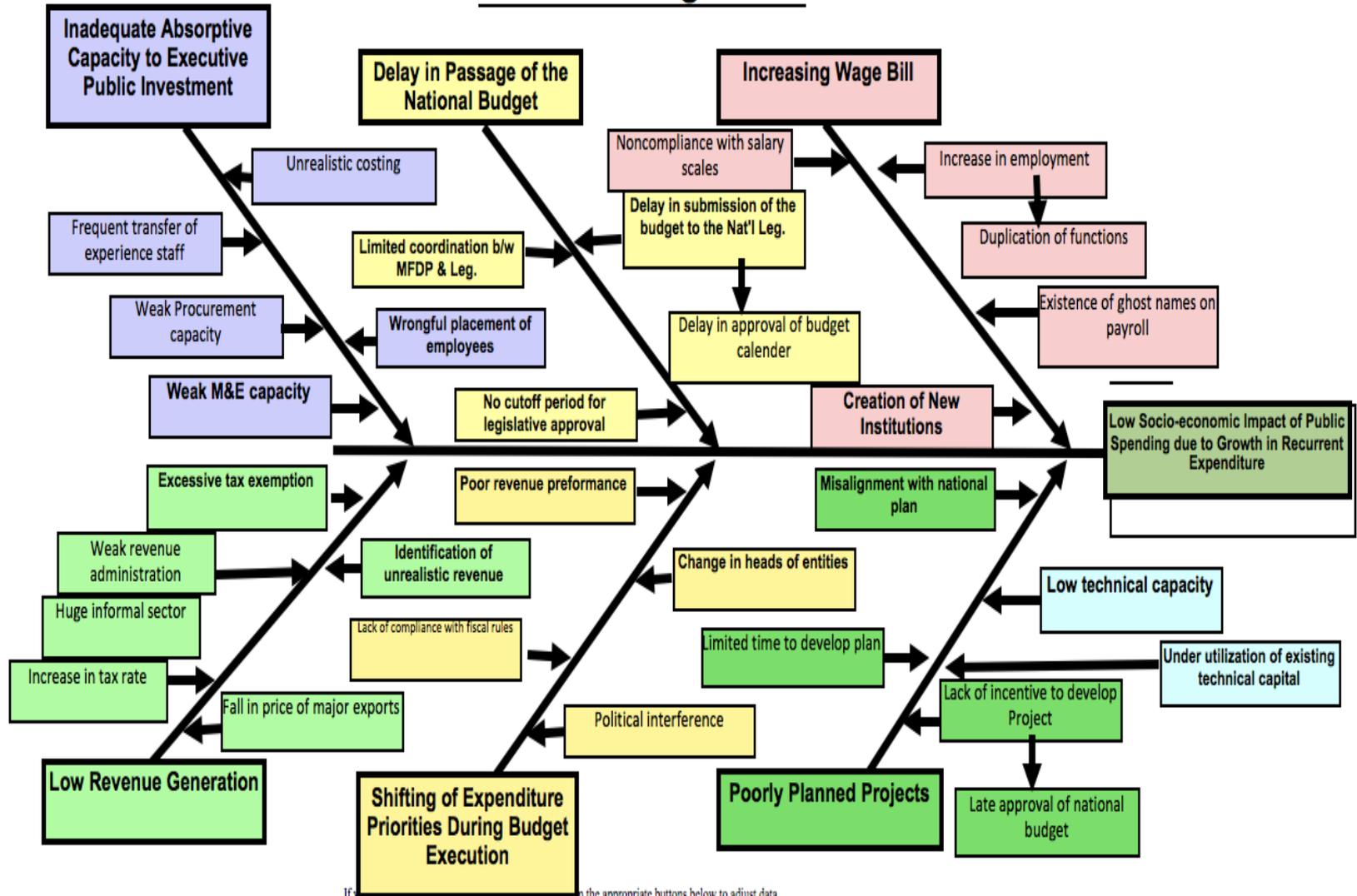
## PROBLEM STATEMENT

Limited Allocation of Funds for Public Sector Investment Projects (PSIPs) and underutilization of Allocated Funds are having Negative Implications for the Country's Socio-economic Development.

# Statistical Evidence

<b>Fiscal Year</b>	<b>Recurrent Share</b>	<b>PSIP Share</b>	<b>Recurrent Execution Rate</b>	<b>PSIP Execution Rate</b>
FY2013/14	87%	13%	102%	71%
FY2014/15	82%	18%	109%	47%
FY2015/16	83%	17%	104%	23%
FY2016/17	87%	13%	92%	81%
FY2017/18	90%	10%	93%	55%

# Fishbone Diagram



If you want to change the data, click on the appropriate buttons below to adjust data

- Back to Specific Causes
- Back to Cause Categories
- Back to Problem
- Back to Main Menu
- Print Color Diagram

# Results, Entry Points & Means

Incentive to develop project created

-Lack of incentive to develop project

Timely communication between MFDP & SEs on funds available for projects.

Proper guidance to spending entities to manage their expectation on projects that can be funded

Project Properly developed

-Low technical capacity to develop project

- Train MFDP analysts assigned to SEs

-PIU submits project templates to SEs in a timely manner

PIU guides SEs in the use of project templates

-Conduct workshop to provide guidance on how BMC can be more functional

Procurement capacity in SEs strengthened

-Weak procurement capacity

-Train procurement officers in SEs

- Create awareness on procurement procedure

- Institute policy to ensure that trained and knowledgeable procurement staff will only be changed for ethical reasons and genuine non-performance



# Part Two: Progress Over Seven Months

- ❑ Maintained Team Spirit
- ❑ Engaged Stakeholders within and outside of MFDP to gain more insight into our problem
- ❑ Reawakened Budget Management Committee
- ❑ Improved Compliance with the Public Procurement and Concessions Act (PPCA) with regards to executing PSIP related procurement activities
- ❑ Improved communication between MFDP and SEs
- ❑ Continued Firm Support

# Progress Over Seven Months Cont'd

## ➤ **Maintained Team Spirit**

- Team met regularly (every Tuesday) to review progress on various tasks to be delivered.
- Assigned roles and responsibilities to team members
- Strong team commitment: Every member of team fully involved into team tasks
- Most importantly, the team delivered results

## ➤ **Team regularly engaged the following:**

- Authorizer
- Directors/Assistant Directors
- Budget Analysts

## ➤ **Team Engaged Spending Entities at the following events:**

- Joint Budget Execution & Procurement Workshop in July
- Workshop on Financial Reporting in October

# Reawakened Budget Management Committees (BMCs)

Selected 15 SEs on the basis of their budgetary appropriations

Conducted a survey on BMCs functionality

Analyzed survey information

Circulated ToRs of BMCs to SEs

Developed BMCs functionality indicators

Conducted BMC functionality workshop

# BMC Existence and Functionality Survey Findings

## Of the 15 SEs surveyed

- ▶ 14 or 93% revealed that they have BMC
- ▶ 1 or 7% indicated that it doesn't have BMC

## Of the 14 SEs

- ▶ Only 4 or 29% said they have functional BMCs
- ▶ 10 or 71% have partially functional BMC

## Challenges:

- ▶ limited time to prepare budget
- ▶ Low ceiling
- ▶ Untimely circulation of information on budget process

# BMC Workshop Pre & Post Knowledge Assessment Findings

Parameters	Pre-Assessment	Post Assessment	Workshop Impact
Composition and Members of BMC	86%	100%	14% increase
Functions of BMC	65%	100%	35% increase
Factors that BMC should take into account when formulating their annual budget	75.9%	100%	24.1% increase
Responsible for the implementation of procurement activities	72.4%	78.6%	6.2% increase

# BMC Indicators

Requirement	Indicator	Means of Verification	Responsible Person
<p>Every head of government agency shall establish a Budget Committee which shall be responsible for budget formulation, implementation, monitoring and evaluation made up of</p> <p>The head of government agency, who shall be the chairperson; and (b) Heads of budget management centers or cost centers</p>	<p>Entity's BMC established</p>	<p>Letters of appointment of Budget Management Committee (BMC) members</p>	<p>Head of Entity</p>
<p>Review and formulate the strategic plans based on the policies of government;</p>	<p>Entity's strategic plan is aligned with the Government of Liberia's Pro-Poor Agenda for Development and Prosperity (PAPD)</p>	<p>Entity's approved strategic plan</p>	<p>BMC/PC members</p>

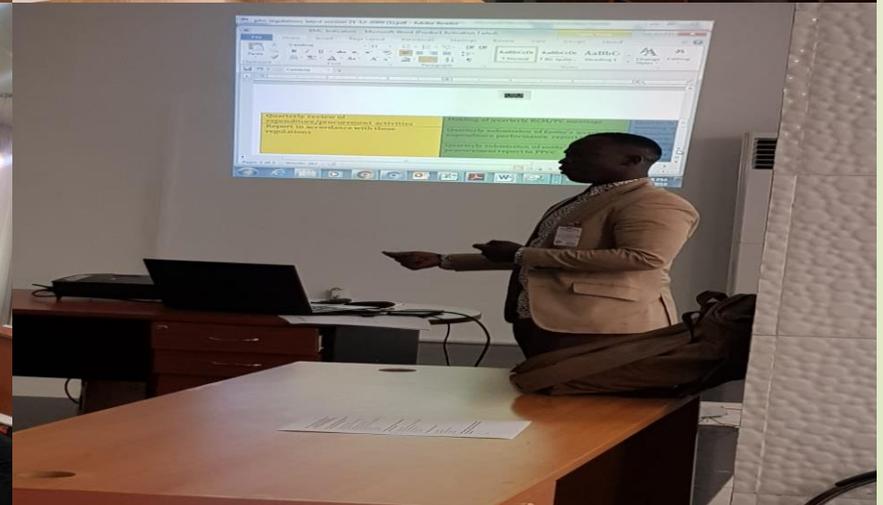
# BMC Indicators

Requirement	Indicator	Means of Verification	Responsible Person
Review Government Agency's revenue collecting activities;	Entity's projected revenue is estimated in accordance with collection capacity	Entity's annual actual revenue performance report	BMC/PC members
Preparation and submission of Entity's Annual Procurement Plan	Timely submission of entity's annual procurement plan (APP) to PPCC	Copy of APP submitted to PPCC	BMC/PC members
Allocate resources based on objectives, outputs and activities	Entity's budget is aligned with its programs	Entity's approved budget	BMC/PC members
Coordinate, and consolidate the budget	Entity's budget is aggregated on the basis of homogenous expenditures	Entity's approved budget and Annual Procurement Plan	BMC/PC members

# BMC Indicators

Requirement	Indicator	Means of Verification	Responsible Person
Monitor, and evaluate budget performance	Entity's expenditure is aligned with approved spending plan and procurement plan	Records of procurement activities	BMC/PC members
Quarterly review of expenditure/procurement activities	Holding of quarterly BCM/PC meetings	Quarterly BMC/PC meeting minutes	BMC/PC members
Report in accordance with these regulations	Quarterly submission of Entity's quarterly expenditure performance report to MFDP	Submitted copy of quarterly expenditure report	BMC/PC members
	Quarterly submission of entity's quarterly procurement report to PPCC	Submitted copy of quarterly procurement report	BMC/PC members

# BMC Workshop in Pictures





# Analysis of Procurement Non-Compliance Findings

**The following was identified as the main reasons for the slow implementation of PSIP procurement activities:**

- Failure to evaluate bids in accordance with predetermined published outlined criteria
- Unapproved reduction of lead-time for the preparation and submission of bids for National Competitive Bidding (NCB) and International Competitive Bidding (ICB)
- Utilization of unapproved procurement methods
- Failure to publish invitation to bid for open competitive bidding in at least two (2) widely read local newspapers as required
- Intention to award contract above approved appropriation for the contract package/budget item



# Analysis of Procurement Non-Compliance Findings

**The following was identified as the main reasons for the slow implementation of PSIP procurement activities:**

- Failure to respect the basic procedures of the Restricted Bidding Method of procurement
- Failure to prepare or use standard bidding documents as required;
- Involvement of Procurement Committee members in the evaluation of bids; and
- Implementing procurement activities without an approved annual procurement plan

# Improved Compliance with PPCC Procedures

- ▶ Timely submission of PSIP procurement plans
- ▶ PSIP implementing SEs now have dedicated help-desk service at PPCC
- ▶ 24 Hours turnaround time for the review and approval of all PSIP procurement requests have been adopted
- ▶ Procurement actors have been informed about the key causes of procurement non-compliance and delays



# Improved Communication Between MFDP & SEs

- ▶ Engaged authorizer to ensure that communication is sent to SEs in a timely manner
- ▶ Engaged the relevant staff responsible for preparing communication
- ▶ Provide technical assistance where necessary to fast track communication

# Part Three: Stakeholders Engagement

Individual (s)	Time of Engagement	Reason (s)
Authorizer, Asst. Minister	June 2018( After Framing Workshop) & August 2018	<ul style="list-style-type: none"> <li>• Acceptance and authorization</li> <li>• Arrange a meeting with FM</li> <li>• Improve communication b/w MFDP &amp; SEs</li> </ul>
Director, PIU	Early June, 2018	<ul style="list-style-type: none"> <li>• Gain acceptance</li> <li>• Send project information to SEs on a timely basis</li> </ul>
Director, RFM	Late June	<ul style="list-style-type: none"> <li>• Gain Acceptance</li> <li>• understand why revenue numbers are constantly revised</li> </ul>
Executive Director, PPCC	Late July 2018	<ul style="list-style-type: none"> <li>• Gain acceptance</li> <li>• Collaboration b/w PPCC and MFDP</li> </ul>
Budget Analysts	Mid July 2018	<ul style="list-style-type: none"> <li>• get their acceptance</li> <li>• Gauge understanding of BMC</li> <li>• Get their cooperation in addressing the problem</li> </ul>
Spending Entities	Early September 2018	<ul style="list-style-type: none"> <li>• Gain acceptance</li> <li>• Ascertain BMC functionality</li> <li>• Provide guidance on how BMC can be more effective</li> </ul>
LBO	Mid July, 2018 & Early October 2018	<ul style="list-style-type: none"> <li>• Information sharing &amp; acceptance</li> <li>• Gather information on BMC</li> </ul>

# Excerpt from Key Stakeholder Engagements



# Part Four: Key Output /Deliverables

- Up to 75% of PSIP projects procurement plans have been approved compare to 35% at this time of the fiscal year 2017/2018
- Up to 25% of PSIP procurement activities have been concluded compare to the 12% completion rate experienced during the 17/18 FY
- BMCs are more functional and aware of their responsibilities now than before
- Budget analysts have been armed with technical resources

# Part Five: What Have We Learned?

- Not everyone is keen about solving the problem
- There is no straight forward way to solve the problem, you have to iterate as you go (**PDIA is a messy process**)
- The more stakeholders you engage, the more you get to understand the problem clearly
- The team morale tends to dwindle once there is limited support from top management
- Coupling core tasks and the team's tasks is very difficult
- Obtaining buy-in from key stakeholders is key to solving the problem

# Part Six: What's Next?

- Follow-up on progress of PSIP procurement activities
- Follow-up with budget analysts on the performance of BMC
- Engage Ways, Means and Finance Committee of the National Legislature
- Engage the LRA through the Asst. Min for Revenue Policy
- Collaborate with PPCC and LIPA on the conduct of Procurement training for new Directors
- Hold team meeting at least once every quarter
- Work with PPCC on protecting procurement officers

# Road Map: Updated Action Plan

Activity	Stakeholder	Engagement Objective	Timeframe	Responsible Person
Follow-up on progress of PSIP procurement activities	PSIP Implementing MACs	To ensure that PSIP procurement activities are implemented in a timely manner	Monthly	Titus Tikwa
Follow-up with budget analysts on the performance of BMC	Budget Analysts	To ensure the budget analysts are providing the necessary technical support to MAC's BMC	Monthly	Emmanuel Lloyd
Engage Ways, Means and Finance Committee of the National Legislature	Ways, Means and Finance Committee of the National Legislature	To outline the impact of limited allocation towards PSIP on the growth and development of the country	January 2019	Authorizer and Team (Ohyndis Slweion -focal person)

# Road Map: Updated Action Plan

Activity	Stakeholder	Engagement Objective	Timeframe	Responsible Person
Engage the LRA on revenue data	Liberia Revenue Authority	To understand the challenges preventing the current flow of revenue data b/w LRA and MFDP	January 2019	Wellington Barchue
Collaborate with PPCC and LIPA on the conduct of Procurement training for new Directors	PPCC and LIPA	To enhance the capacity of newly appointed procurement directors/officers	Quarterly	Titus Tikwa
Hold team meeting at least once every quarter	Team members	To track progress of planned activities and adapt to evolving realities	Quarterly	Kpanbu Turay & Henry D.Z. Yanquoi



**Thank you**